

2018 IMPACT REPORT

A photograph of a man with dark skin, wearing an orange long-sleeved button-down shirt and dark trousers, standing in a dense field of green plants. He is looking down at the foliage. The background is filled with more greenery and trees. The image is partially covered by a large purple circular graphic on the left side, which contains the report's title and logo.

Mondelēz
International
SNACKING MADE RIGHT

▲ TABLE OF CONTENTS

A Message from Dirk Van de Put, Chairman & CEO	page 3
Q&A with Christine McGrath, Vice President & Chief of Global Impact, Sustainability & Well-Being	page 4
Our Approach to Corporate Responsibility: Environmental, Social & Governance Initiatives from Gerd Pleuhs, EVP & General Counsel	page 5
Our Work & the UN Sustainable Development Goals	page 6
2018 At-A-Glance	page 7
Sustainable Snacking <ul style="list-style-type: none">• Sustainable Agriculture• Environmental Footprint	page 9
Mindful Snacking <ul style="list-style-type: none">• Mindful Snacking• Communities• Safety	page 28
Compliance & Governance	page 41
Looking Toward 2025 <ul style="list-style-type: none">• Our Snacking Made Right Impact Strategy	page 43

ABOUT THIS REPORT

The scope of this report and the performance against our quantitative goals is our entire company from January 1, 2018 to December 31, 2018, including all manufacturing facilities under our direct control, unless stated otherwise. Where quantitative goals are linked to revenue, such as our published Well-being Snacks and Communities goals, coverage is for all Mondelez International revenue except Venezuela, for which results are excluded from our consolidated financial statements. Where quantitative goals are linked to operations, such as our manufacturing environmental goals (CO₂, water, waste) and employee safety and food safety goals, coverage is all operations under the control of our integrated supply chain function. Data for our manufacturing environmental goals are subject to final verification by SGS. The verification statement will be available on our website.

A MESSAGE FROM **DIRK VAN DE PUT** CHAIRMAN & CEO MONDELÉZ INTERNATIONAL



Our purpose at Mondelez International is to empower people to snack right. And a big part of that is creating sustainable and mindful snacks for both people and the planet to love. We believe that consumers should not have to choose between snacking and eating right, or to be concerned about the impact their snacking choices have on the world and their communities. This is why we are committed to ensuring that snacking is both sustainable and mindful.

At Mondelez International, we recognize that the greatest positive impact we can have on people and the planet will come if we focus on the areas where we can make the most meaningful difference by leveraging our global scale. As you read through our 2018 Impact Progress Report, you will see how we are delivering significant change. In the past year, we focused on:

- Reducing our environmental impact on the planet, using less energy, water and waste, and focusing on the end-to-end impact of our snacks.
- Ensuring all paper-based packaging will be sustainably sourced by 2020; and continuing to focus on our commitment to eliminate 65 million kilograms of packaging material worldwide by 2020.
- Investing and supporting resilient supply chains in our key ingredients, such as wheat and cocoa. This includes scaling our sustainable wheat sourcing initiative, Harmony, to cover 100 percent of Biscuit brands in the European Union by 2022. We also took a significant step toward sourcing more cocoa for our chocolate sustainably by adding Milka chocolate to our Cocoa Life sustainability program.
- And we delivered against our ambition to encourage mindful consumption by increasing the percentage of portion control options in our portfolio.

We're proud of the progress we achieved in 2018 and excited about where we're going. By living our purpose to empower people to snack right, we believe we can continue to have a positive impact on the lives of our consumers and the world around us.

Our 2025 impact strategy provides a clear roadmap for the years ahead, ensuring we are at the forefront of sustainable and mindful snacking. That includes:

- Committing to make all packaging recyclable by 2025 to further reduce our environmental footprint.
- Scaling our Cocoa Life sustainability program even further so that by 2025, all our chocolate brands will source their cocoa from Cocoa Life.
- Minimizing food waste, end-to-end CO2 emissions and priority water usage by 2025.
- Growing portion control products to 20 percent of global net revenue by 2025.
- Including portion amounts and mindful snacking information on all packages globally by 2025.
- Investing in community resiliency and well-being through Mondelez International Foundation programs and partnerships.
- Growing Snack Futures to contribute \$100 million USD to our revenue by 2022.

We know that delivering against our goals requires a network of people and partners, which is one of the reasons I welcome your thoughts and feedback on our progress to date. I also encourage you to visit our [website](#) and follow us on [LinkedIn](#), [Twitter \(@MDLZ / @dirkvandeput\)](#) and [Facebook](#). Most of all, I hope as you read through the progress we have made this year, you will see that we are committed to doing business the right way.

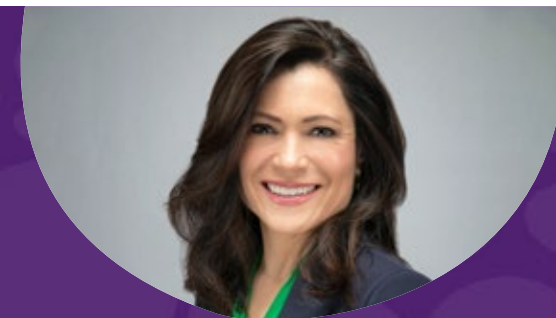
Best regards,

A handwritten signature in white ink that reads "Dirk". The signature is stylized with a large, flowing 'D' and a simple 'i'.

Q&A WITH

CHRISTINE MCGRATH

VICE PRESIDENT & CHIEF OF GLOBAL IMPACT, SUSTAINABILITY & WELL-BEING MONDELÉZ INTERNATIONAL



Q: How has Mondelez International's impact work evolved over the years?

A: In 2012, when we began our journey as a snacking company, we set global targets to drive change at scale. Over the years, we evolved our approach to more clearly link our company's purpose to the positive environmental and social impact we are delivering on the ground.

Last year, we announced our new purpose to empower people to snack right. We believe that by living our purpose we can deliver a meaningful impact. Our promise is to offer consumers the right snack, for the right moment, made the right way. This means offering a broad range of delicious, high-quality snacks to satisfy consumers' growing well-being needs, with sustainably sourced ingredients that people know and feel good about.

Q: Why the change?

A: The consumer is at the center of everything we do. We need to evolve as our consumers' expectations change. They shouldn't have to worry about the impact their snacking choices have on the world and their communities. We want our consumers to remain confident that when they are choosing our brands, they are choosing snacks made the right way.

We've embedded Snacking Made Right into everything we do. It is our guiding star, and a key filter for every decision we take as we lead the future of snacking. We're committed to ensuring that snacking can be both sustainable and mindful. This includes managing natural resources responsibly, operating with integrity and transparency, improving the nutrition profile of our snacks and planning for the longevity of our company by inviting consumers to join us on the journey.

Q: What are you most proud of in 2018?

A: I'm proud of our progress and how we've used our global scale to make a significant and tangible impact on the ground. For example, we've grown our Cocoa Life program to cover 43 percent of our chocolate brands—with a goal to cover all chocolate brands by 2025. And our efforts to reduce and prevent deforestation in cocoa-growing regions, where we're on track to have all Cocoa Life farms mapped by end of 2019. Today, 63 percent of farms are mapped and are not in priority protected forest areas.

I'm also incredibly impressed with our work to ensure the palm oil we use in our products is sustainably sourced and fully traceable. I take pride in the fact that we were the first multi-national consumer goods company in 2014 to require suppliers to track all the palm oil they sell—not just the palm oil they sell to us. Finally, after building a solid foundation in understanding the behavioral science behind mindful snacking, our brands are helping people snack mindfully, achieving our portion control goal two years ahead of schedule. And the continued measurable success of our Foundation's healthy lifestyle programs is extremely gratifying. We've seen not only an increase in knowledge, but actual behavior change among the children and their communities.

Q: What excites you about the future?

A: While I'm proud of our achievements over the years, I am even more excited about where we're headed.

Our new 2025 Impact Goals, outlined at the end of this report, provide a clear roadmap for the years ahead. We're evolving our portfolio to meet consumers' needs with snacks that have even more for people and planet to love. We're empowering consumers to cultivate healthier eating habits by promoting a mindful approach to snacking and inspiring more enjoyable snacking experiences. We're focusing on minimizing the end-to-end environmental impact of our products—from growing our ingredients, to making and distributing our snacks. We're committed to reducing our use of, and impact on, the earth's natural resources—including CO₂ emissions, water use in priority locations and food waste in our own operations.

I'm especially inspired by the passion, perseverance and creativity of my colleagues who bring our impact agenda to life—colleagues around the world who are motivated to make positive change in the world and who know that their actions make a difference. We're investing in a future where people and planet can thrive—a more sustainable future that is right for our consumers, communities, partners and colleagues.

OUR APPROACH TO CORPORATE RESPONSIBILITY: ENVIRONMENTAL, SOCIAL & GOVERNANCE INITIATIVES

GERD PLEUHS

EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL
MONDELÉZ INTERNATIONAL



Mondelez International is committed to creating a positive impact on the world while driving business performance. With a strong foundation of beloved iconic brands, stakeholder partnerships and purposeful signature programs, we're well-positioned to lead the future of snacking. And in 2018, we continue our efforts to drive progress against our core initiatives in sustainable and mindful snacking.

Growing our business by making our snacks the right way is at the core of what we do. Authenticity, integrity and transparency guide us in every aspect of our business to create meaningful, lasting impact for all of our stakeholders around the world. Our approach to sustainability covers the efficiency of the farms where our raw ingredients grow, through the impact of the supply chain that produces and delivers our products, to the recyclability of the packaging that our consumers dispose of.

As one of the world's largest snacking companies, we are confronting some of the largest societal issues of our time. We recognize that earning—and retaining—the trust of our stakeholders demands a response that is ethical, lawful and right. We remain committed to driving longstanding and enduring positive change in the world and in the communities in which we operate.

Our commitment to effective governance means we promote behaviors that are right and lawful within our organization. That includes providing knowledge, policies and tools to empower our employees to conduct business in an ethical manner, and in a way that respects our values. We expect our partners, suppliers and consultants to also share these values and we seek to do business only with those that uphold the highest standards of conduct.

The diversity and experience of our Board of Directors continues to enhance our Board's effectiveness, providing highly impactful oversight and rigorous decision-making, including in the areas of sustainability and corporate citizenship. And across the company as a whole, we're building a stronger culture by recognizing and celebrating our diverse, inclusive and connected community.

Together, the attributes of sustainability, integrity and diversity form the basis for one of our company values—Do What's Right—which helps to make sure that across the company, each of our employees is actively working to live up to the expectations that consumers and society have of us, as well as the high standards that we hold each other accountable to.

We take seriously our commitment to ongoing dialogue with partners and stakeholders in our supply chain and in the communities where we operate, as well as continuing to maintain active discussions with those who invest in our company on topics across the environmental, social and governance space.

We're proud of the progress we are making against our ambitious goals and strategies and welcome the opportunity to share this progress with the latest Impact Report.

Best regards,

A handwritten signature in dark ink, appearing to read 'G. Pleuhs', written in a cursive style.



▲ OUR WORK AND THE UN SUSTAINABLE DEVELOPMENT GOALS

At Mondelēz International, we're leading the future of snacking by making snacks for both people and planet to love. We're focused on areas where we believe we can have the greatest impact, using our scale to drive meaningful change for consumers.

We're empowering farmers who grow our key ingredients, like cocoa and wheat, and investing in their communities to help them thrive. We're producing our snacks with less energy, water and waste; sourcing our ingredients more sustainably and in ways that reduce deforestation in our supply chain; and developing zero net waste packaging. We're seeking more transparency and raising expectations of our suppliers to address cross-cutting themes, such as human and land rights. We're evolving our snacks and improving the nutrition profile of many of our beloved brands. We maintain world-class safety standards for the foods we sell and the facilities in which our people work. And we continue to invest in community programs that help improve the well-being of children and their families, providing them with access to nutritious foods, as well as help those affected by disaster around the globe.

We have specific goals and targets to which we hold ourselves accountable, and report our progress publicly each year. Our commitments are aligned with our business' impact ambition to make snacks in the right way and several of them directly support the above [UN Sustainable Development Goals \(SDGs\)](#).

2018

AT-A-GLANCE

At Mondelez International, we're on a mission to lead the future of snacking by creating snacks the right way for both people and planet to love. We're focused on making our snacks more sustainably by using less energy, water and waste, with ingredients consumers know and trust. We have specific goals to which we hold ourselves accountable, and we're continuing to make progress and scale our efforts to deliver meaningful change.

SUSTAINABLE SNACKING

CREATING A FUTURE WHERE PEOPLE AND PLANET THRIVE

GOALS

PROGRESS BY END OF 2018

HIGHLIGHTS

SUSTAINABLE AGRICULTURE

All chocolate brands will source their cocoa through Cocoa Life by 2025

● On Target

43% of our cocoa volume for our chocolate brands sourced via Cocoa Life, the foundation of our long-term strategy, reached **142,900** farmers in more than **1,400** communities

Source 100% of our EU wheat need via Harmony by 2022

● On Target

Maintained **75%** of our West European biscuits (60% across the EU) were made with Harmony wheat; planned scale-up will lead to increased planting during 2019

Maintain 100% RSPO palm oil

✓ Goal Achieved

Maintained **100%** RSPO palm oil goal while pushing for more reforms

100% palm oil traceable to the mill from suppliers with aligned policies

✓ Goal Achieved

Almost all of the palm oil we sourced was traceable back to mill (maintained **95%+**) and **99%** was from suppliers with aligned policies

100% cage-free eggs in U.S. and Canada by 2020 and rest of the world by 2025*

● On Target

18% of our global eggs sourced were cage-free*

ENVIRONMENTAL FOOTPRINT

Reduce absolute CO₂ emissions from manufacturing 15%**

● On Target

Reduced emissions by **10%**

Reduce water use by 10%** at priority locations where water is most scarce

● On Target

Reduced our incoming water usage by **22%***** in priority locations

Reduce total waste in manufacturing 20%**

+ More Needed

Reduced total waste by **13%**

Eliminate 65,000 metric tonnes of packaging**

● On Target

Eliminated **59,600 metric tonnes** of packaging; announced ambitious target to have all packaging recyclable by 2025 and all paper-based packaging sustainably sourced by 2020

* With the exception of Russia, Ukraine, and China, where supply chain is developing and requires a longer period to secure cage-free

** By 2020 vs. 2013 baseline

*** Our 2020 water goal includes the anticipated impact of expansions for new lines and sites, which will add to our future absolute water use and, therefore, is not evident in 2018 performance

MINDFUL SNACKING

REDESIGNING THE EXPERIENCE OF SNACKING

GOALS*

PROGRESS BY END OF 2018

HIGHLIGHTS

EXPAND WELL-BEING BRANDS IN OUR PORTFOLIO

Grow well-being brands** by twice the rate of base portfolio

+ More Needed

Growth of well-being brands remained at the same rate as our base portfolio

CONTEMPORIZE OUR PORTFOLIO

Improve the nutrition and ingredient profile of our biggest-selling brands and local jewels

+ More Needed

SINCE 2017:

- Reduced saturated fat by **1%** and sodium by **0.9%** across global portfolio
- Cut saturated fat levels nearly in half (**48%**) and reduced sodium by **16%** in *TUC* crackers
- Reduced sugar levels by **1%** in *Milka* and *Oreo*
- Increased whole grains in *Club Social* crackers by **33%**
- Offered lower sugar options in the U.K., *Cadbury Dairy Milk* with **30%** less sugar and *Boost Protein Bar* with **27%** less sugar, and in Australia, *The Natural Confectionery Company* gummies with **25%** less sugar

INSPIRE PEOPLE TO SNACK MINDFULLY

15% of revenue from portion control snacks***

✓ Goal Achieved

Portion control snacks represented **15%** of our global net revenue—achieving our goal two years ahead of schedule

PARTNER WITH COMMUNITIES TO CREATE HEALTHIER LIFESTYLES

Invest \$50 million USD into healthy lifestyle community partnerships

● On Target

Allocated **96%** of our \$50 million USD multi-year commitment, reaching **1.5 million** children across **18** countries and achieving:

- **18%** increase in understanding of good nutrition
- **7%** increase in physical activity to at least 30 minutes daily
- **12%** increase in eating fresh fruits and vegetables

KEEP OUR EMPLOYEES AND CONSUMERS SAFE

Achieve world class safety performance****

● On Target

Achieved **18%** reduction in Total Recordable Incidents (TRIs) and **11%** decrease in Total Incident Rate (TIR) for all of our employees in 2018 compared to 2017

100% of external manufacturers and suppliers certified against one of the Global Food Safety Initiative schemes

✓ Goal Achieved

99% of our external manufacturers and suppliers certified against one of the GFSI-benchmarked food safety schemes

* Based on 2018 revenue baseline and sales weighted volume for nutrients; ** Well-being brands tracked are *belVita*, *Barni/Teddy*, *Wheat Thins*, *Triscuit*, *Good Thins*, *Ritz Crisp & Thins*, and *Enjoy Life*; *** Portion control snacks are chocolate, biscuit and/or gum/candy products that are 200 kilocalories or less, individually wrapped and meet baseline limits on saturated fat, sodium and sugar; **** Global benchmark for a world-class TIR is defined as 0.5; we are currently performing at 0.39

SUSTAINABLE SNACKING

Sustainable snacking is about creating a future where people and planet thrive. We are doing this in three key areas:

- Building a thriving ingredient supply chain
- Reducing our environmental impact
- Developing zero net waste packaging

Smart and sustainable use of natural resources is necessary. As a global food company, it is vital for us to secure sustainable supplies of key raw materials by empowering farmers and their communities to become more productive and climate-resilient. That is why we continue to focus on where we can make the biggest impact to reduce our end-to-end environmental impact.

Today, we're sourcing our ingredients more sustainably and in ways that reduce deforestation in our supply chain. We're staying at the forefront of the fight against climate change with aggressive goals to reduce CO₂ emissions from our own manufacturing. And we're expanding our commitment to reduce packaging waste by working toward an ambitious target to ensure all of our packaging is recyclable by 2025 and all paper-based packaging is sustainably sourced by 2020.

We continue to build on our heritage of leadership in sustainability—a heritage which includes being the first company to go beyond third-party certification by taking direct accountability for building a sustainable cocoa supply (via [Cocoa Life](#)); and to require palm oil suppliers to adopt forest protection and sustainability policies for their entire supply base—not just palm oil supplied to Mondelēz International.

Overall, we're pleased with our progress over the past four years.



2020 SMART SUSTAINABILITY GOALS AND PROGRESS

SUSTAINABLE AGRICULTURE

- All chocolate brands will source their cocoa through Cocoa Life by 2025¹
- Source 100% of our EU wheat need via Harmony by 2022
- Maintain 100% RSPO palm oil
- 100% palm oil oil traceable to the mill
- 100% palm oil from suppliers with aligned policies
- 100% cage-free eggs in U.S. and Canada by 2020 and rest of world by 2025³

ENVIRONMENTAL FOOTPRINT

- Reduce absolute CO₂ emissions from manufacturing by 15%⁴
- Reduce water use by 10%⁴ at priority locations where water is most scarce
- Reduce total waste in manufacturing by 20%⁴
- Eliminate 65,000 metric tonnes of packaging⁴

2016	2017	2018
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21%	35%	43%
75% ²	60%	60%
100%	100%	100%
96%	95%	95%+
99%	99%	99%
15%	15%	18%
-7%	-10%	-10%
-18%	-25%	-22% ⁵
-10%	-15%	-13%
46.3K	53.5K	59.6K

¹ 2018 data address amended goal which adds 2025 timeline

² 2016 data are for original goal covering West Europe

³ With the exception of Russia, Ukraine and China, where supply chain is developing and requires a longer period to secure cage-free; 2016 data are for original U.S., Canada and EU goals

⁴ By 2020 vs. 2013 baseline

⁵ Our 2020 water goal includes the anticipated impact of expansions for new lines and sites, which will add to our future absolute water use and, therefore, not yet evident in 2018



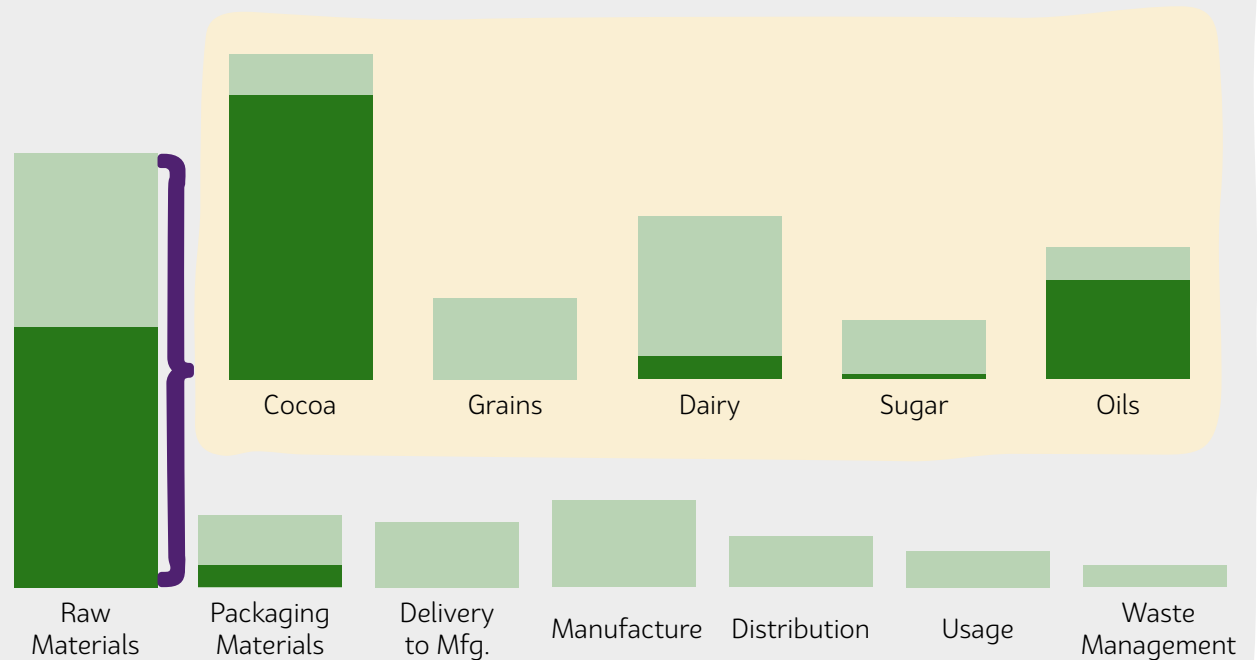
LIFECYCLE ASSESSMENT

Our Lifecycle Assessment (LCA) shaped our priorities and 2020 goals, and data remains relevant as we continue to evaluate where to focus our efforts. Insights from our LCA indicated that deforestation within our supply chain represents the largest single contributor to our carbon footprint.

LCA FINDINGS*

Addressing and eliminating deforestation continues to offer the largest opportunity to reduce our carbon footprint

- Carbon footprint, agricultural practices and operations
- Carbon footprint, deforestation



*2015

RESPECTING THE RIGHTS OF PEOPLE IN OUR VALUE CHAIN

We are committed to doing business the right way and to our responsibility to respect human rights. We subscribe in principle to the United Nations Guiding Principles (UNGPs) on Business and Human Rights, as a framework for preventing and addressing the risk of adverse impact on human rights by businesses. We undertake practical, business-minded human rights due diligence to identify and mitigate potential and actual human rights impacts within our own operations, and we work with our business partners through our supply chain to achieve the same.

In 2018, as part of our ongoing due diligence activities, we established a cross-functional Human Rights Working Group (HRWG) made up of senior company representatives, to undertake a broad assessment of our human rights risks and due diligence systems with the support of specialized consultancy [twentyfifty](#). Our HRWG defines our company's human rights due diligence strategy and drives its implementation, embedding throughout the organization's own operations and supply chains.

Building on previous targeted assessments, TwentyFifty analyzed social audits and grievance mechanism data, interviews with internal stakeholders in key roles and geographies, and external research available. Their assessment confirmed the need to focus on salient issues that are shared across the food industry, such as child labor, forced labor, health and safety, freedom of association and collective bargaining, land rights, water and sanitation, and women's rights. The examination by TwentyFifty of our due diligence and risk management systems validated good practices, and identified opportunities to further enhance our ways of working within our own operations and with our suppliers.



DUE DILIGENCE IN OUR OWN OPERATIONS AND OF DIRECT SUPPLIERS

We have laid out our expectations to all of our direct suppliers in our published [supplier contract provisions](#) and [supply chain transparency](#) statements.



As a founding member of [AIM-PROGRESS](#), we also adhere to the [Sedex Member Ethical Trade Audit](#). This audit supports the identification of potential human rights risks and helps guide our approach for impact mitigation and monitoring. In 2018, **248** supplier sites—**100 percent** of our 2018 target group of highest priority suppliers—completed the audit, in addition to the **286** suppliers audited in 2015, **218** audited in 2016 and **330** suppliers audited in 2017.

As confirmed by an earlier assessment carried out by the World Wildlife Fund (WWF), cocoa and palm oil are our top priority raw materials from a human rights risk perspective. Information on work we are doing in these supply chains is in the [Cocoa Life](#) and [Palm Oil](#) sections of this report.



SUSTAINABLE AGRICULTURE

Our global food system is facing numerous challenges that are weighing down on individual farmers and the land they use. These challenges are complex and call for solutions that require coordinated efforts by governments, industry and scientific, social and environmental experts. Smallholder farming communities in particular need support to increase their resilience.

We're working to build a thriving ingredient supply chain to ensure sustainable supplies of high-quality cocoa, wheat and other raw materials to create our delicious snacks—chocolate brands like *Milka*, *Cadbury* and *Côte d'Or*; or *Oreo* and *LU* biscuits. We are using our reach and global presence to work together with outside experts to give farmers a voice. Our signature programs, [Cocoa Life](#) and [Harmony Wheat](#), aim to make a positive impact on the farms, communities and environments where our main raw materials are grown.

We are also addressing key areas where we can have the most impact, requiring more transparency, and collaborating with our key suppliers and others to promote widespread change so that sustainability becomes the normal way to do business in key raw materials.

SUSTAINABLE AGRICULTURE GOALS

- All chocolate brands will source their cocoa through **Cocoa Life** by 2025
- Source **100%** of EU wheat need via **Harmony** by 2022
- Maintain **100%** RSPO palm oil
- **100%** palm oil traceable to the mill from suppliers with aligned policies
- **100%** cage-free eggs in U.S. and Canada by 2020 and rest of the world by 2025*

COCOA

At Mondelēz International, we are passionate about chocolate. Cocoa is the essence of our chocolate and vital to our business, so we ensure it is “made right.”



Making it right means tackling the complex challenges that cocoa farmers face. That is why we created [Cocoa Life](#). Just as the Cadbury brothers did more than 100 years ago, we work on the ground, hand-in-hand with the men and women who make their living from cocoa. Through Cocoa Life, we are creating a movement for lasting change, rooted in deep understanding through sector-wide collaboration and partnership. We co-create solutions to make cocoa farming a business of choice and to build communities that take on their own development while conserving the natural resources.

Together, we grow opportunities. When our consumers choose chocolate with the Cocoa Life logo, it means everyone can love our chocolate as much as we do—because it's made the right way.



REALIZING OUR SUSTAINABLE COCOA AMBITIONS

[Cocoa Life](#) is our long-term \$400 million USD commitment to create a vibrant cocoa supply chain, while growing opportunities that transform the lives of cocoa farmers and their communities at scale.

By the end of 2018, eight of our chocolate brands carry the Cocoa Life logo: *Cadbury Dairy Milk, Côte d'Or, Milka, Freia, Daim, Green & Black's, Suchard* and *Marabou*. Our goal is to have all of our chocolate brands source their cocoa through Cocoa Life by 2025. This is an important step for our brands, as it will ensure the sustainability of their cocoa supply, while also bringing them closer to their consumers.

Since 2012, Cocoa Life has been on the ground working together with our partners, learning by doing—and we're proud to see encouraging results. Making cocoa right means independently evaluating our impact and course-correcting where needed to ensure Cocoa Life continues to have a positive impact at scale. We look at more than just reach, working with third-party validators like [Ipsos](#) and [FLOCERT](#) to verify our impact. At end of 2018, we've seen the following:

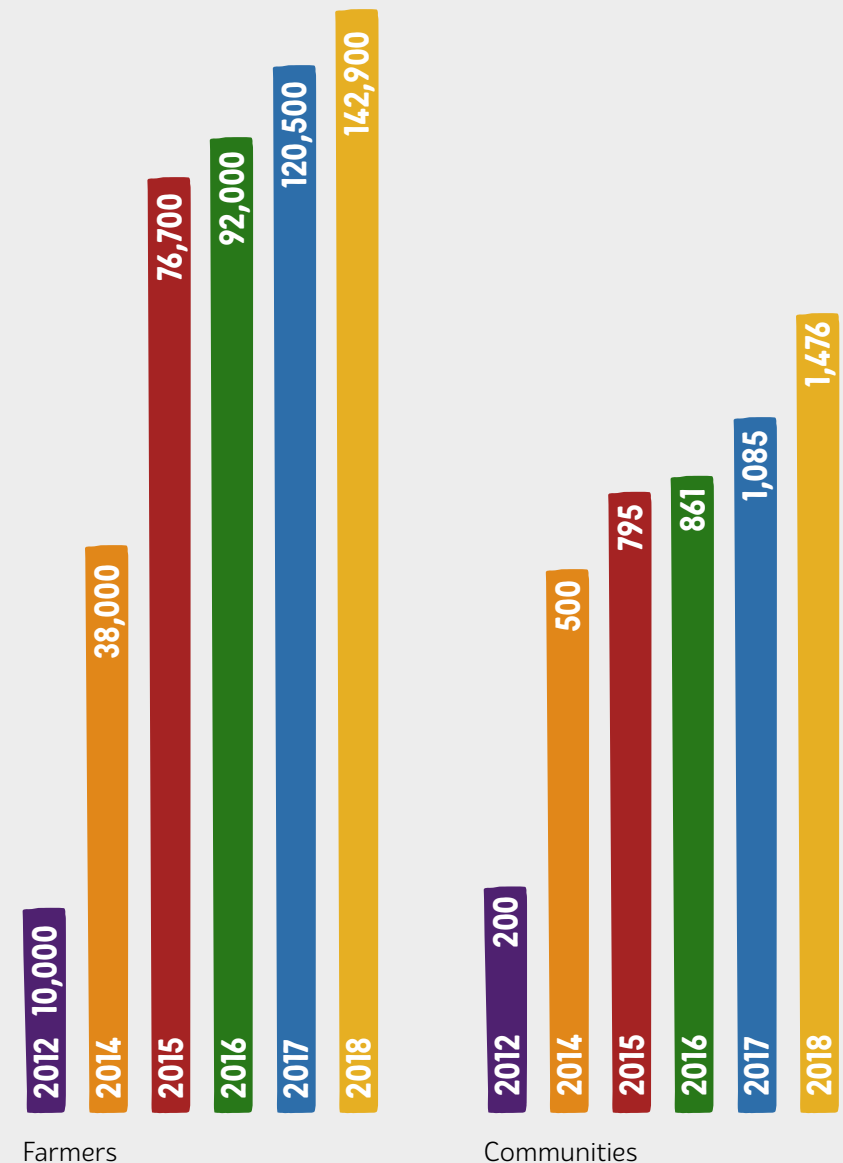
- Cocoa yields are continuously improving
- More communities are able to steer their own development and become more resilient
- Household income is increasing, driven by cocoa and non-cocoa income-generating activities, yet income is not rising fast enough to move all farmers out of poverty
- Farmers in the Cocoa Life program are not in protected forests

By the end of 2018, Cocoa Life reached **142,900 farmers** across **1,476 communities**. And **43 percent** of our cocoa volume for our chocolate brands was sourced through Cocoa Life.

For more information about our learnings, read the [Cocoa Life 2018 Annual Report](#) [here](#).

COCOA LIFE PROGRESS

Cocoa Life's [2018 dashboard](#) highlights the cumulative progress and scale the program achieved across our cocoa origins.





CONSERVING NATURAL RESOURCES

We believe conserving the land and forests is a promise to future generations. We are a founding member of the [Cocoa & Forests Initiative](#)—a public-private partnership to end deforestation and promote forest restoration and protection in the cocoa supply chain. We were also the first company to raise the issue of deforestation in the cocoa industry at [COP21](#).

We protect and restore forests in our cocoa supply chain with action plans that put farmers and families at the heart. We believe understanding where and under which conditions cocoa is produced is critical to tackling deforestation, as is close collaboration with partners, communities and governments.

More specific actions we have taken include:

- We've mapped 63 percent of Cocoa Life farms in Ghana, Côte d'Ivoire and Indonesia—more than 93,000 farms—using Global Forest Watch to assess the risk of tree loss and have committed to map 100 percent of the farms in the Cocoa Life program by the end of 2019 to ensure farmers are not operating in protected areas.

- We're helping farmers grow more cocoa on less land, so they don't expand into forests. To encourage farmers to adopt good agricultural and land use practices, we are pioneering financial incentives to help farmers protect and restore forests. We aim to have incentive agreements in place with 33,000 farmers by 2022.
- We're empowering communities to develop their own forest protection and restoration plans, ensuring a sense of ownership, and that they include women and young farmers, which in turn encourages prioritization of forest protection.
- We've trained more than 142,000 farmers on Good Agricultural Practices and planted more than 1.2 million non-cocoa trees on cocoa farms.

For more information and details on our action plans to end deforestation and promote forest restoration and sustainable production in the cocoa supply chain, [click here](#).



COCOA LIFE ON THE MAP

From a global perspective to a local view: our [Interactive Cocoa Farm Map](#) shows our global scale. It also visualizes the individual farmers and their communities that are participating in Cocoa Life.

CHILD PROTECTION IN COCOA-GROWING COMMUNITIES

Respecting and promoting human rights is a key principle of Cocoa Life, as part of our work to ensure our cocoa communities are empowered and inclusive. Central to this are our efforts to eliminate child labor and protect the rights of children.

Our approach to eliminating child labor is three-pronged: it focuses on **prevention, monitoring** and **remediation**, with a heavy emphasis on addressing the root causes of child labor.

Prevention

Cocoa Life's holistic approach addresses the root causes of child labor around poverty and lack of rural development. Through our Community Action Plans, we develop interventions to:

- Increase income from cocoa farming as well as additional sources
- Empower communities to advocate for their own development
- Empower women at household and community level

Prosperous cocoa farms mean farmers are less likely to rely on their children to support in their work. Empowered women and communities, who understand their development needs, will push for their children to remain in school.

Monitoring and Remediation

In Côte d'Ivoire and Ghana, where extensive research (including studies commissioned by Mondelēz International) confirms a high risk of child labor in the cocoa sector, we are working with local authorities and partners to roll out community-based Child Labor Monitoring and Remediation Systems (CLMRS).

We are working with local authorities and partners toward having a CLMRS in place in all 1,123 Cocoa Life communities in Ghana and Côte d'Ivoire. By the end of 2018, 403 communities in Ghana were already covered by a community-based CLMRS.

Working through industry and multi-stakeholder platforms, we also call for industry and governments to join forces to create comprehensive, systemic solutions. In order to be effective, we need strong public-private partnerships and widespread recognition that child labor is a symptom of deeper underlying issues, such as poverty and lack of rural development. In order to make true and long-lasting positive change, these issues must be addressed at their core.



GIVING WOMEN A VOICE IN COCOA FARMING

We believe gender equality benefits everyone. Women's empowerment has been an important part of the program since we launched.

Women are change-makers, encouraging children to stay in school, creating new sources of income for their families and fostering environmentally-friendly practices. We know that providing women with training, access to farming fertilizer and financing improves agricultural productivity, builds livelihoods and helps cocoa communities thrive.

To give women a voice, some actions we are taking are:

- Increasing women's access to farm inputs, land ownership and membership in farmer groups or cooperative unions
- Promoting leadership positions for women, ensuring equal representation and providing mentorship
- Ensuring 50 percent of young women (age 15+) participate in youth-oriented programming
- Helping women improve their livelihoods through access to finance and business training

To date, more than 70,000 people in Cocoa Life communities have participated in community savings schemes, of which 73 percent are women, and more than 74,000 community members have been trained on gender awareness.



MEASURING OUR IMPACT

By taking on the shared responsibility to work toward sustainable cocoa, Cocoa Life is one muscle contributing to the many forces that drive sustainability.

To measure and distinguish how Cocoa Life impacts lives on the ground, we've engaged two independent third-parties, who commit to maintain an independent perspective:

- [Ipsos](#) is an international research organization that implements surveys and interviews among a representative sample of Cocoa Life farmers in every Cocoa Life origin country each year. Ipsos is our magnifying glass that zooms into the program without being part of it, pointing us toward opportunities to increase our impact.
- [FLOCERT](#) is an international certification body that continuously collects information from our direct suppliers and farmer organizations to verify the flow of cocoa from Cocoa Life communities into our supply chain and the benefits that flow from Cocoa Life back toward the cocoa farmers. FLOCERT meticulously verifies transactions occurring along the supply chain to improve transparency and fairness.



FLOCERT
assuring fairness

Ipsos and FLOCERT are two links in a long chain of actors—suppliers, implementing NGOs, business units, pre-competitive platforms and our own local team—that help us understand the reality on the ground, which is highly diverse, highly sensitive to factors outside of a single actor's reach, and marked by hundreds of thousands of farming families living in vulnerable contexts.



PARTNERSHIPS ARE CRUCIAL TO PROGRAM SUCCESS

We believe partnerships are key to lasting change. We work with governments, non-government organizations, supply chain partners and communities to leverage expertise and networks, and ensure effective roll-out of the Cocoa Life program on the ground.

In the origins, we partner with NGOs like [CARE International](#), [Voluntary Service Overseas](#), [World Vision](#), [Solidaridad](#), [Swisscontact](#) and [Save the Children](#). Each of these NGOs has extensive experience working with cocoa communities to assess their needs and develop the action plans against which we invest. We work closely with our cocoa suppliers, who have valuable on-the-ground expertise and existing relationships with cocoa farming communities. We also work with government cocoa authorities at origin to support farmer training and cocoa research, and to promote more sustainable practices across the cocoa sector.

COCOA LIFE STRATEGIC ADVISORS



**ANDREW
BOVARNICK**

Lead Natural Resource
Economist and
Global Head,
[United Nations
Development Program's Green
Commodities Program](#)



**DAVID
MCLAUGHLIN**

Senior Advisor,
Strategy,
[Conservation International](#)



**AIDAN
MCQUADE**

Human Rights Expert



**MIL
NIEPOLD**

Human Rights and
Mediation Expert,
[The Mara Partners](#)



**JANE
NYAMBURA**

Regional Manager Africa,
[Ethical Tea Partnership](#),
and expert on improving
smallholders' livelihoods



WHEAT

HARMONY WHEAT



We bake with passion and a clear sense of purpose, and in a way that secures the environment for today and tomorrow. As the largest biscuit baker in the world, wheat is our most critical ingredient for our brands. That is why we created Harmony—our ambition to grow wheat in a sustainable way in Europe.

In 2007, our biscuit brands in France had a vision of a better way to grow wheat and so Harmony was born. Today, our Harmony program has grown into an industry-leading and well-respected program for sustainable farming. More than 1,500 farmers across Europe have joined the initiative and 100 percent of the wheat supply to our French bakeries comes from the Harmony fields.

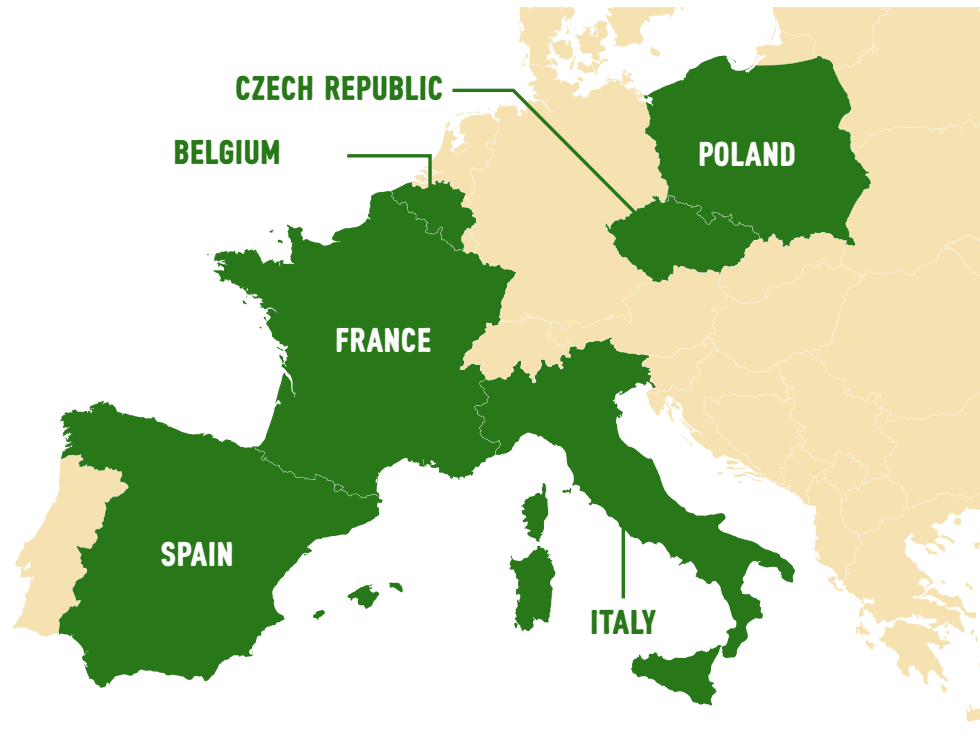
Through Harmony, we work with farmers across Europe to grow wheat in a way that helps conserve water, cares for the soil, protects and promotes biodiversity, and reduces carbon emissions. We also engage with governments and NGOs throughout the process, and 10 percent of farmers are audited each year by an independent organization to ensure compliance with the Harmony Charter. As a result, the program has led to a 20 percent reduction in pesticide use, and nearly 10 million bees and more than 25 species of butterflies have been observed in flowers sown around the Harmony fields.

Each year, the Harmony Charter is reviewed and updated as part of our continuous improvement approach. In 2016, we began an ambitious monitoring system to measure and assess the environmental and economic impact of Harmony practices.

Working in partnership with [SMAG](#), a software solutions provider for the agricultural sector, and [Agrosolutions](#), we've developed an automated reporting approach to calculate and monitor 12 key economic and environmental indicators on Harmony farms. The results will be used to inform continuous improvement with farmers and to advocate for the continued shift toward sustainable wheat.

At the end of 2018, 75 percent of our biscuits in Western Europe—or 60 percent across the EU—were made with Harmony wheat, including brands such as *LU*, *Oro*, *LiGA*, and *Fontaneda*. While we've made solid progress so far, we know there is still more to be done. Our planned scale-up will lead to increased planting during 2019 and our ambition is to source 100 percent of our wheat need in the EU by 2022.

COUNTRIES WITH HARMONY FARMERS



NORTH AMERICA WHEAT

We have been actively working across our EU Harmony and North American wheat programs to synchronize tracking and improvement in key impact areas, such as water and greenhouse gases.

In North America, our wheat farmers are adopting innovative practices to optimize pesticide and fertilizer use, growing all of the wheat we need for our *Triscuit* brand, with a lower environmental footprint.

Since 2015, we've partnered with Michigan State University (MSU) and our supplier of soft white wheat, Cooperative Elevator Company (Coop), a 100+ year-old cooperative. In partnership with MSU and Coop, we engage a group of about 100 family farmers each year to track their farming practices, use of inputs such as fertilizer, and their yield. The group anonymously tracks their own year-on-year performance, as well as their performance versus peers.

In 2018, MSU analyzed data over three years of the program and determined that farmers who used advanced agronomy practices improved their yields between 1.5 and 4 bushels per acre more than those who didn't. The study also found these improvements are based on better intelligence, enabling better decision-making by farmers.

But the impact benefits did not stop at the wheat we buy for *Triscuit*. Farmers in our program grew 7.5 times more wheat than we tracked in our program and Coop has 1,100 members, so the benefits can be scaled up across a much wider area. As a result, MSU and Coop's agronomy team are working to make the program's learnings more widely accessible.

PALM OIL

We believe [sustainable palm oil](#) is important for the long-term growth of our business and should be accessible to all. We challenge our palm oil suppliers to meet our principles and exclude suppliers who don't. We don't just ask our suppliers to provide us with sustainable palm oil. We ask them to transform their entire supply chain.

We tackle deforestation through our [Palm Oil Action Plan](#). Our suppliers must implement traceability and more sustainable production practices. The plan further requires suppliers to improve practices across entire operations, and focuses on risk assessment and engagement of upstream suppliers to drive accountability for traded oil. Key provisions require suppliers to:

- Map and assess the risk for all supplying mills on Global Forest Watch, act on deforestation alerts and engage mills in high-risk areas
- Enable universal, group-wide concession mapping and monitoring for own operations and upstream suppliers
- Provide assurance that no deforestation occurs on their own concessions and exclude upstream suppliers who do not immediately cease deforestation
- Work with recognized third-party experts to protect labor rights and embed the [Consumer Goods Forum \(CGF\) Priority Industry Principles against Forced Labor](#) within their own operations and in engagement with upstream suppliers

At the end of 2018, we maintained 95+ percent traceable to the mill and 99% from suppliers with aligned policies across their entire supply base. In 2018, we published a list of [palm oil suppliers](#) we continue to work with and the [palm oil mills](#) in their [upstream supply chains](#).

When a supplier fails to meet the terms of our action plan, we start with the principle that it's better to fix a problem than to walk away from it. But when there is a significant breach of our principles, we exclude suppliers until the breach is put right. During 2017, we developed a grievance procedure with external input from [Proforest](#). We use this process to guide our responses and to drive reform or exclusion of responsible direct or third-party suppliers. As a consequence, we excluded 12 upstream companies from our supply in 2018.

There is still more work needed to prevent deforestation and there remains a gap between the current state and our goal of 100 percent sustainability and 100 percent transparency. In late 2018, we called for urgent action to protect forests and deliver benefits to people, ecosystems and the economies in producing countries.



95%+

**PALM OIL SOURCED
TRACEABLE BACK
TO THE MILL**

99%

**FROM SUPPLIERS WITH
ALIGNED POLICIES ACROSS
ENTIRE SUPPLY BASE**

100%

**RSPO COVERAGE
OF THE PALM OIL
WE BUY***

* Our RSPO coverage refers to palm oil, not palm kernel oil (PKO), which is excluded on basis of complexity and low usage (2018: approximately 4 percent)

DRIVING SECTOR-WIDE CHANGE IN PALM OIL

Progress in the palm oil sector requires us to go well beyond our own supply chain to achieve sector-wide change involving all participants in palm oil. We support the development of [Global Forest Watch \(GFW\) Pro](#), a decision-support system to monitor and manage land-related sustainability performance, including deforestation.

In December 2018, we were a supporting signatory of a [joint statement](#) by Wilmar International and Aidenvironment to establish concession mapping and monitoring for Wilmar's own plantations and upstream suppliers. The principles provide an opportunity for the palm oil sector and governments of producing countries to increase support for sustainable development in palm oil-producing regions.

We also helped Conservation International and other partners to create the [Coalition for Sustainable Livelihoods](#), an initiative focused on collective action to drive economic development, reduce poverty and improve natural resource management in the Indonesian provinces of North Sumatra and Aceh. The project supports the aims of Indonesia's first-ever National Action Plan (NAP) for sustainable palm oil, which provides a national framework for reform.

In addition, we co-chair the Consumer Goods Forum's Palm Oil Working Group—which published [palm oil sourcing guidelines](#) and provided coordinated input during 2018 to the Roundtable for Sustainable Palm Oil (RSPO) standards review. We also served on the RSPO Board of Governors from 2014 to November 2018.

ANIMAL WELFARE

Our animal welfare position recognizes consumer, civil society, government and investor concerns about the health and welfare of farm animals, and the link between animal welfare and the health of animals raised for food. A number of our products include ingredients that come from farm animals, such as dairy and eggs in our cheese, chocolate, biscuit and dressing brands. In 2018, we maintained our level 4 ranking in the Business Benchmark for Farm Animal Welfare, the leading global measure of company performance on farm animal welfare.

EGGS

We recognize concerns for the welfare of laying hens and strive for 100 percent of our egg supply globally to be cage-free.

As outlined in our Laying Hens Animal Welfare Approach, we plan to fully transition in the United States and Canada by 2020, and in Europe and the rest of the world by 2025, except for Russia, Ukraine, and China, where the supply chain will need more time to develop and requires a longer period. At the end of 2018, 18 percent of our eggs were cage-free.

Recognizing our limited influence in the market for egg products, we continue a dialogue with suppliers and stakeholders to encourage the availability of viable cage-free supplies and aim to establish timelines for Russia, Ukraine, and China as soon as possible.

MILK AND DAIRY

Milk and other dairy products are important ingredients for our cheese and chocolate products. Since 2013, sustainability projects all over the world are coordinated by the Dairy Sustainability Framework (DSF), the dairy sector's program to align, connect and demonstrate continuous improvement in sustainability.

In Europe, we built our sustainability agenda by working with key suppliers and national initiatives on a principle of continuous improvement. In Germany, we supported the development of a new voluntary *Quality Milk Standard* and implemented it in 2016. And across Europe, we are engaging all of our milk suppliers to build their sustainability roadmaps.

We track progress according to the proportion of our dairy ingredients sourced from recognized industry standards. Currently, nearly 58 percent of our total global dairy supply is sourced from suppliers following recognized standards, meeting our aim to achieve majority by 2020.



REDUCING OUR ENVIRONMENTAL IMPACT

Smart and sustainable use of raw materials in our own operations is an important contribution to making a positive impact for our planet and people. Our sustainability goals are an ambitious end-to-end approach to reduce our environmental footprint.

ENVIRONMENTAL FOOTPRINT GOALS

- Reduce absolute CO₂ emissions from manufacturing by 15%*
- Reduce water use by 10%* at priority locations where water is most scarce
- Reduce total waste in manufacturing by 20%*
- Eliminate 65,000 metric tonnes of packaging*
- All paper-based packaging will be sustainably sourced by 2020
- All packaging recyclable by 2025

* By 2020 vs. 2013 baseline



REDUCING CO₂ FOOTPRINT TO PROTECT GLOBAL FOOD SUPPLIES

We recognize we play a critical role in helping to combat climate change and have increased our focus on ways to continually reduce our CO₂ emissions from manufacturing.

We adopted a science-based approach to reduce our absolute CO₂ emissions from manufacturing by 15 percent by 2020. This aligns with current approaches to support the global effort to limit climate change to less than 2°C. Since 2013, we reduced CO₂ emissions from our factories by 10 percent, through improving energy management systems and investing in energy efficient technologies in our factories.

We are also cutting CO₂ emissions by using low-carbon renewable energy sources. In our Curitiba and Vitória de Santo Antão (VSA) factories in Brazil, we're generating bioelectricity by burning sugarcane residues, saving an estimated 10,000 tonnes of CO₂ emissions. We are buying green electricity from a new solar farm in Mexico, generating CO₂ and financial savings for our Monterrey and Salinas plants. In France, we have installed on-site solar panels at three plants: La Haye-Fouassière, Granville and Besancon. And in the Philippines, our Sucat plant is converting to 100 percent geothermal electricity, saving 4,000 tonnes of CO₂ emissions.

PRESERVING WATER

When considering the various ways we address sustainability issues around the world, nothing is more important than conserving the valuable resource of water.

Based on a comprehensive risk assessment, using the [Aqueduct](#) tool from World Resources Institute, we identified priority sites in areas where water is most scarce and targeted our reduction efforts on these locations. Our goal is to reduce absolute water use by 10 percent at priority manufacturing sites where water is most scarce.

Our Gladstone factory in the U.S. reduced water consumption by 29 percent in 2018 by completing work to eliminate the use of once-through water—achieving a total reduction of 69 percent since 2014. In Peru, a project to reuse treated wastewater in our Lima factory has reduced annual water consumption by 2,400 cubic meters.



GOAL 10%

22%

**REDUCED WATER
USAGE IN PRIORITY
LOCATIONS**

(We've anticipated the impact of expansions for new lines and sites in our 2020 goal of 10 percent and expect our performance to move closer to this over time)

ELIMINATING WASTE

Our belief is that it's better to not generate waste to begin with. As most of our factories have already achieved zero waste to landfill, we've focused our efforts beyond recycling waste to reducing total waste in our manufacturing.

We estimate that most of our manufacturing waste is food waste. We're developing a baseline to determine what proportion of our waste is food waste, as part of the [Consumer Goods Forum's resolution](#) to halve food waste within our own operations by 2025. By adopting a zero-waste mindset and empowering factory floor teams to run our War on Waste methodology to identify, reduce and eliminate waste at the source, we have reduced total waste in manufacturing by 13 percent since 2013.

GOAL 20%

13%

**REDUCED
TOTAL WASTE IN
MANUFACTURING**

USING LESS PACKAGING

As part of our broader commitment to sustainable growth and reducing our overall environmental impact, we recognize and have developed programs to address the biggest sustainability challenges relevant to our business, including plastics pollution and climate change.

We are reducing the environmental impact of packaging and tackling plastic waste in three key ways:

- Reducing our packaging material by optimizing our packaging formats, while also minimizing food waste (we've eliminated 59,600 tonnes since 2013)
- Continuing to simplify our material choices and using innovative packaging materials to facilitate recycling in existing infrastructure (around 90 percent of our packaging is already recyclable or recycle-ready)
- Working in coalitions to support improved infrastructure and greater harmonization of packaging formats, so that more waste is collected and can be recycled

Using less packaging provides an economic as well as environmental benefit, not only in material costs but also in transportation and disposal. This helped us to avoid around 80,000 tonnes of annual CO₂ emissions linked to packaging material as well as operate more efficiently.

Globally, we have hundreds of programs that contribute to packaging optimization and elimination. Highlights from 2018 include:

- In our packaging for crackers in North America, through optimization of material grade and size, 965 tonnes of packaging were eliminated across our *Ritz*, *Triscuit*, *Premium* and *Wheat Thins* brands
- For our *Halls* range in Latin America, through a combination of material change and size optimization, 282 tonnes of packaging were eliminated and five extra shippers were added per pallet, reducing vehicle movements for finished goods by 9 percent
- In our European biscuits business, new case packaging formats have been introduced, eliminating 1,325 tonnes of material in *Oreo* and *belVita*

To further deliver on our long-term vision for zero net waste packaging, we [committed](#) in October 2018 to make all of our packaging recyclable by 2025 and source all of our paper-based packaging sustainably by 2020. The new commitment is part of our strategy for a circular packaging economy. Two main objectives we're focused on are: 1) making it easier for consumers to recycle packaging; and 2) supporting industry coalitions to improve recycling rates.

GOAL
65,000
METRIC TONNES



59,600

METRIC TONNES
OF PACKAGING
ELIMINATED

GOAL
100%



90%

OF GLOBAL
PACKAGING
RECYCLABLE OR
RECYCLE-READY

GOING FURTHER THROUGH COLLABORATION

In addition to our own programs, we are working in collaboration with partners to address elements beyond our control, like waste recovery and tackling the challenge of plastic waste. We are working in coalitions to support improved infrastructure and greater harmonization of packaging formats, so that more waste is collected and can be recycled. As an active member of Consumer Goods Forum (CGF) Plastic Waste Working Group, we work with our industry peers to address common challenges and support a [CGF Board statement](#) recognizing the pressing need for our industry to play a leading role in tackling the issue of plastic waste and committing to pre-competitive, collaborative actions with the aim of eliminating plastic waste across land and sea.

Our work in agriculture and environmental sustainability contributes to the following SDGs:



MINDFUL SNACKING

As the world's largest snack company, we're committed to making snacks the right way—snacks that people can feel good about, with ingredients they know and trust. We're on a mission to redesign the experience of snacking by:

- **Evolving our portfolio:** Renovating the nutrition and ingredient profile of our best-selling brands by removing what people don't want and adding more of what they do, as well as growing our well-being brands faster than our base portfolio each year and innovating snacks for the future
- **Inspiring mindful snacking habits:** Creating more enjoyable snacking experiences by investing in and expanding portion control options, as well as providing information and tools to support mindful snacking habits
- **Mobilizing innovative partnerships:** Improving well-being of people and communities through partnerships with community organizations, colleagues and other stakeholders



MINDFUL SNACKING GOALS*

- Expand well-being brands** in our portfolio, growing at faster rate than our base portfolio
- Contemporize and improve the nutrition and ingredient profile of our biggest-selling brands
- Deliver 15% of our revenue from portion control snacks***

* Based on 2018 revenue baseline and sales weighted volume for nutrients

** Well-being brands tracked are belVita, Barni/Teddy, Wheat Thins, Triscuit, Good Thins, Ritz Crisp & Thins and Enjoy Life Foods

*** Snacks that are individually-wrapped, 200 calories or less

EVOLVING OUR PORTFOLIO

At the end of 2018, we saw progress in improving the overall nutrient profile of our portfolio. We optimized the nutrition and ingredients of some of our best-selling brands, and have invested in new snacking options with less sugar that are on trend with consumers' well-being interests. However, growth of our well-being brands was offset by strong overall growth of our total portfolio.

TAKING OUT SODIUM, SATURATED FAT AND TRANS FAT

We continue to reduce the amount of saturated fat and sodium in our biggest-selling global brands and local jewels, as well as launch new products and line extensions with less fat and salt in the recipes. In 2018, we reduced sodium by another 0.9 percent and saturated fat by 1 percent across our global snack portfolio—including reducing sodium by 16 percent and saturated fat by nearly 50 percent in *Tuc* crackers. And we've eliminated nearly all industrially-produced trans fatty acids (iTFA) and partially hydrogenated oils (PHOs) in our portfolio (98+ percent), which supports the World Health Organization's (WHO) call for the removal of iTFA from the global food supply by 2023.

SUGAR

We agree people should limit their sugar intake as part of an effort to reduce calories. This aligns with the WHO and other health agencies' advice to limit added sugar to no more than 10 percent of daily calories. To help our consumers manage their sugar and calories, we expanded our line of *Oreo* and *Chips Ahoy!* *Thins* across the globe, letting people savor the taste they love, with fewer calories and sugar per cookie compared to the regular version. We've also developed lower sugar options. In the U.K., we developed *Cadbury Dairy Milk* with 30 percent less sugar, as well as introduced *Boost Protein* bar with 27 percent less sugar; in Australia, we launched a line of *The Natural Confectionery Company* gummies with 25 percent less sugar. And in 2018, we reduced sugar by 1 percent in key big global brands *Milka* and *Oreo*. Despite these efforts, shifts in sales volume and product mix offset global portfolio reductions.



WHOLE GRAINS

Even though we achieved our goal to increase whole grains by 25 percent back in 2015, we continue finding ways to add more in key brands. In 2018, we increased whole grains in our best-selling cracker brands, *Club Social* and *Ritz*, with respectively 33 percent and 20 percent more whole grains since 2017.



OUR GLOBAL PORTFOLIO CONTINUES TO DELIVER MORE THAN 9 BILLION SERVINGS OF WHOLE GRAINS TO CONSUMERS AROUND THE WORLD.

FUTURE IS BRIGHT

[SnackFutures](#) is our global innovation and venture hub that is dedicated to unlocking emerging snacking opportunities around the world. SnackFutures is looking to collaborate in key areas, including well-being and functional snacks, to help build and grow small brands with large-scale potential to deliver well-being benefits. The initiative brings together an ecosystem of internal talent and external partnerships to work on three integrated mandates: invention, reinvention and venture. Such initiatives include partnerships with [Uplift Food](#), a U.S.-based early stage start-up focusing on prebiotic functional foods, and [Hu](#), a fast-growing snacking company offering minimally processed, high-quality snacks.



MINDFUL SNACKING IS...

...eating with intention and attention, focusing on the present moment, and savoring how the food tastes so you really enjoy it.



RELEVANT

More and more people use mindfulness for well-being and balance.



SUSTAINABLE

Mindful eating can be practiced by anyone, anywhere, and by all ages.



EFFECTIVE

Research clearly shows multiple benefits of mindful eating. The evidence continues to build.

Snack
Mindfully

HOW TO SNACK MINDFULLY

- Minimize distractions
- Portion out your snack
- Focus on the smell and taste
- Notice the textures
- Chew thoroughly
- Finish one bite before starting the next

MINDFUL SNACKING EXPLAINED

To help people put “mindfulness” into practice when snacking, we created a [Snack Mindfully](#) website for health professionals and interested consumers, providing resources, tips and more information about mindful snacking. We also partnered with renowned mindful eating expert, Dr. Susan Albers, Psy.D., on consumer-friendly videos that simply explain what [mindful snacking](#) is and offer a “[menu](#)” of easy tips on how to practice it.

INSPIRING MINDFUL SNACKING

Our portion control options—snacks that are 200 calories or less and are individually wrapped—enable people to enjoy the treats they love, become more mindful when they eat and help manage their calories.

In 2018, our portion control options grew by 7 percent—with our biscuit category seeing strongest growth due to more of consumers’ favorite options being made available in 200 calories or less pack sizes, including *Oreo Thins* and *Ritz Crisp & Thins*. This strong growth across all regions helped us deliver our global goal of 15 percent of our revenue from portion control snacks two years ahead of schedule.



INSPIRING MINDFUL SNACKING ON PACK

In the Netherlands and Belgium, *Prince* biscuits piloted new packaging that visually showed the right portion amount, along with a mindful snacking message on back of pack. The brand also featured a link to its [website](#), which provided more information on snacking mindfully.



NUTRITION LABELING

Our [nutrition labeling approach](#) is in line with international standards, including Codex Alimentarius. We provide nutrition labeling on all products, displaying the amount per serving and/or per 100 grams (depending upon local regulations) on eight key nutrients: energy (calories), protein, carbohydrates, sugars, fat, saturated fat, fiber and sodium. Labels usually include the percentage that a nutrient provides of a person's recommended daily intake, such as Daily Value or Dietary Reference Intake.

We also place calories front of pack (FoP) on all eligible products globally.* Unless national requirements require alternative elements, our FoP calorie labeling depicts calories (energy) per serving or per pack for single serve individually-wrapped snacks. In some markets, we participate in voluntary nutrition information initiatives, such as [Facts Up Front](#) and [SmartLabel](#) in the U.S., and [Be Treatwise®](#) in the United Kingdom and Australia.

**Where such front of pack labeling is permitted and in line with regulatory requirements*

NUTRITION AND HEALTH CLAIMS

Our nutrition and health claims are based on sound scientific evidence and comply with local regulations. When we make a nutrient claim or when we add a specific nutrient for fortification purposes, we include information on that nutrient in the label. For countries where regulatory standards have not been established, we use standards set out by [Codex](#), including Codex CAC/GL 23-1997. Codex always serves as our baseline requirement when making claims. We also follow guidance outlined in the [WHO/FAO guidelines](#) on micronutrient fortification, as well as the principles below when considering making a claim:

- Claims are based on an appropriate serving amount for the product, unless local regulations mandate a different approach
- Claims are made only on products that contain a nutritionally meaningful amount of the nutrient on which the claim is based
- Claims must go through internal regulatory and legal review for final approval

ADVERTISING TO CHILDREN

Our Marketing to Children Policy is global and applies to every market where we do business. We do not advertise our products in any media primarily directed to children under age 12. Our policy covers any advertising where 35 percent or more of the total viewing audience is under the age of 12. Our [approach](#) applies to advertising in TV, print, radio, internet (both our own websites and third-party websites), digital, advergames, mobile, word of mouth, DVD/video, streaming media and in cinemas.

All of our communications on packaging and in-store materials are directed to adults, with guidelines on use of premiums and on-pack promotions. And we prohibit all in-school marketing in both primary and secondary schools (prior to university level)—which is an industry leading practice.

We have food marketing standards in place that provide additional guidance and are in line with the [International Chamber of Commerce \(ICC\) Code of Advertising and Marketing Communication Practice](#) and the [ICC Framework for Responsible Food and Beverage Communications](#). Additionally, we participate in a number of global and local pledge programs that rigorously monitor and report on our processes. Visit the [Responsible Marketing to Children](#) section of our website to learn more about the pledge programs.



PARTNERING AND SHARING OUR LEARNINGS

Over the years, we've been working with experts to better understand and address the complex challenges around diet and well-being. Throughout 2018, we participated in various conferences to learn about advancements in nutrition, as well as share insights from research we've conducted. We engage with governments, NGOs, public health advocates and others on a variety of topics, including nutrition, labeling, promoting healthy lifestyles and supporting mindful eating. Below are some of the organizations we engaged with throughout 2018:

- [Argentine Society of Nutrition \(SAN\)](#)
- [Academy of Nutrition and Dietetics](#)
- [Brazilian Association Nutrology \(ABRAN\)](#)
- [British Nutrition Foundation](#)
- [British Feeding and Drinking Group](#)
- [Cereals & Grains Association \(AACC Annual Meeting\)](#)
- [Children's Food and Beverage Advertising Initiative \(CFBAI\)](#)
- [China Association of Bakery & Confectionery Industry](#)
- [China Food Information Center \(CFIC\)](#)
- [China Nutrition Society](#)
- [Consumer Goods Forum \(CGF\) Health & Wellness Steering Committee](#)
- [French Nutrition Society Congress](#)
- [Grains for Health Foundation](#)
- [Grain & Legume Nutrition Council](#)
- [Glycemic Index Foundation](#)
- [HEALTHGRAIN Forum](#)
- [Indonesia Nutrition Association](#)
- [International Food & Beverage Alliance \(IFBA\)](#)
- [International Life Sciences Institute \(ILSI\)](#)
- [International Cereal and Bread Congress](#)
- [International Conference on Whole Grain](#)
- [International Dietary Fibre Conference](#)
- [International Food Technology \(IFT\)](#)
- [International Scientific Association for Probiotics and Prebiotics](#)
- [Nutrition Society of Malaysia](#)
- [The Philippine Society of Nutritionist-Dietitians \(PSND\)](#)
- [Shopping for Health Conference for Supermarket Dietitians](#)
- [Southeast Asia Public Health Nutrition Network](#)
- [Today's Dietitian Nutrition Communications Conference](#)
- [Whole Grains Council](#)
- [Yunnan Nutrition Society](#)



In addition, our [Nutrition Science Corner](#) website offers research findings and perspectives on emerging nutrition science, as well as access to publications and presentations from nutrition congresses.

SCALING UP OUR COMMUNITY IMPACT

Since 2012, the [Mondelēz International Foundation](#) (MIF), in partnership with leading community organizations, has been transforming the lives of 1.5 million children across 18 countries. Through its multi-year \$50 million USD commitment, MIF has invested in and partnered with leading community organizations on programs to help children and their families adopt lifelong healthy habits. This is critically important as the WHO and other health authorities recognize the serious public health challenges related to childhood obesity.

Our partners develop and implement the programs, which are commonly school-based, reaching children ages 6-12, as well as their families and teachers. Programs are rooted in a three-pronged approach that is widely regarded as crucial for fighting obesity and improving children's health: improving nutrition education, physical activity and access to nutritious foods, primarily fruits and vegetables.

Each partner tracks and documents progress against a set of global healthy lifestyle metrics developed in partnership with public health experts from Yale School of Public Health. More importantly, each program implements these common measures to ensure all programs are measured against the same global metrics. Certain programs also measure Body Mass Index (BMI) or the percentage of participants with BMI in normal range.

- 1** | **Nutrition Knowledge:** Percentage of participants who improve nutrition knowledge
- 2** | **Physical Activity:** Percentage of participants who are physically active for 30 minutes or more daily
- 3** | **Healthier Eating:** Percentage of participants who report increased consumption of fruits, vegetables and other fresh foods



DELIVERING PROGRESS AROUND THE GLOBE

From 2016 through the end of 2018, we continued to see progress across our programs. Based on reports conducted or commissioned by our partner organizations, the results indicate the programs are helping to create behavior change:



18%↑



IN UNDERSTANDING WHAT GOOD NUTRITION IS, INCLUDING KNOWING THE NUMBER OF FRUITS AND VEGETABLES TO EAT DAILY



7%↑



IN PHYSICAL ACTIVITY TO AT LEAST 30 MINUTES DAILY



12%↑



IN EATING MORE FRUITS, VEGETABLES AND OTHER FRESH FOODS, AS PART OF THE GARDENING PROGRAM

Furthermore, an analysis published in the June 2018 [Food and Nutrition Bulletin](#) confirmed MIF's public-private partnership (PPP) approach was effective in creating positive change. The study identified the key factors that have led to successful programs being implemented across seven countries. Learn more about our PPP model and our approach in MIF's impact report [Helping Communities Thrive through Public-Private Partnerships](#), as well as the [gardening](#) and [physical activity](#) supplemental reports.



COLLABORATING WITH LEADING VOICES

Here's a list of our current community partners and their programs at the end of 2018:

- [After-School All-Stars](#) (U.S.)
- [CARE](#) (Egypt)
- [China Youth Development Foundation](#) (China)
- [CSR Ukraine](#) (Ukraine)
- [Doverie](#) (Russia)
- [Fundación Huerta Niño](#) (Argentina)
- [Helen Keller International](#) (Nigeria)
- [INMED Partnerships for Children](#) (Brazil and South Africa)
- [Klasse2000](#) (Germany)
- [Magic Bus](#) (India)
- [Save the Children](#) (Australia, Italy, India and Mexico)
- [Sport dans la Ville](#) (France)



VOLUNTEERING TO MAKE A POSITIVE IMPACT

Colleagues in every corner of the world take time out to help make an **#Impact4Good** in their communities. That's why we tap into their talents with opportunities that align with their passion to create positive change locally and globally. In 2018, colleagues made a positive impact for people and planet in big and small ways—12,000 employee volunteers from 52 countries made a difference in the communities where they work and live, contributing 45,000 hours of service.

JOY AMBASSADORS SERVING, SHARING AND LEARNING IN COCOA FARMING COMMUNITIES

Since 2013, we have sent a group of colleagues to serve as Joy Ambassadors in cocoa farming communities in Ghana—the home of Cocoa Life, our sustainable cocoa sourcing program. This unique skills-exchange volunteer program gives our colleagues the chance to learn firsthand about the challenges and opportunities in securing a sustainable cocoa supply; as well as help mentor and coach Cocoa Life community members.

In 2018, 14 Joy Ambassadors from 10 countries journeyed to three cocoa communities in Ghana, including Akwaduro in the Brong Ahafo Region, and Nyamebekyere and Onwe in the Ahafo Ano North, Ashanti Region. They worked on farms, visited processing plants and schools, and met with local officials and other important stakeholders in the Ghanaian cocoa industry. Most importantly, they worked side-by-side with farmers and shared their unique business skills—from marketing, manufacturing, finance, strategy and more—with Cocoa Life community members.



“WE COULD SEE HOW BEST FARMING PRACTICES BROUGHT ABOUT FROM COCOA LIFE PROGRAMS ARE IMPROVING CROP YIELDS AND INCREASING INCOMES FOR FARMERS.”

— David Whitworth,
Category Finance Manager, U.K.

“COCOA POD HARVEST WAS AN AMAZING EXPERIENCE. WE LEARNED ABOUT PRUNING, RIPE PODS, INVASIVE SPECIES AND HOW TO OPEN THE PODS AND PREPARE BEANS FOR FERMENTATION.”

— Ilona Simcoe,
Quality Assurance Leader, Canada



SUPPORTING COMMUNITIES AFTER DISASTER

Contributions from MIF have helped communities affected by disasters around the globe. It is part of our company's tradition to help those in need with both financial and in-kind support. Since 2012, we have given more than \$500 million USD in cash and product to support disaster response and relief.

In 2018, we renewed our funding support for the International Federation of Red Cross and Red Crescent Societies and the American Red Cross. The money is allocated to help provide food, water, shelter and other critical supplies quickly during times of disaster. In addition, Mondelēz International colleagues provide on-the-ground, hands-on support to local Red Cross and Red Crescent chapters when disaster strikes close to home.



“WHEN DISASTER STRIKES, THE FIRST RESPONDERS—OFTEN THE ONLY RESPONDERS—ARE LOCAL ORGANIZATIONS LIKE THE RED CROSS AND RED CRESCENT. DISASTER RELIEF EMERGENCY FUND MEANS THAT THEY CAN RESPOND QUICKLY AND EFFECTIVELY TO MEET THE NEEDS OF PEOPLE WHO MIGHT OTHERWISE BE LEFT WITH NOTHING. THIS IS POSSIBLE THANKS TO PARTNERS LIKE MONDELÉZ INTERNATIONAL. WE THANK YOU. YOUR SUPPORT MAKES SUCH A DIFFERENCE EVERY DAY.”

— Jemilah Mahmood,
Under Secretary General, Partnerships, International Federation of Red Cross and Red Crescent Societies



SAFETY OF PEOPLE AND PRODUCTS

Safety and integrity come first—every time, in everything we do. We are committed to achieving world-class safety standards for the places where our people work and for the foods we produce.

Our team of 80,000 is our most valuable resource. To ensure the safety of our colleagues, we've implemented world-class safety programs, along with policies to promote fair and equal treatment. With the strong food safety and quality measures we have in place, we have earned a high level of trust from our consumers.

SAFETY OF PEOPLE AND PRODUCTS GOALS

- Achieve world-class safety performance
- Achieve third-party food safety certification against the FSSC 22000 Global Food Safety Initiative (GFSI)-benchmarked scheme for all external manufacturing facilities

PROMOTING A CULTURE OF SAFETY

The safety of our colleagues is a top priority. Every day, we strive to ensure all of our employees feel safe and comfortable, and are able to work in an accident-free environment. Our goal is to build a safety culture that promotes our goal of zero incidents and zero defects by eliminating risks across four key areas:

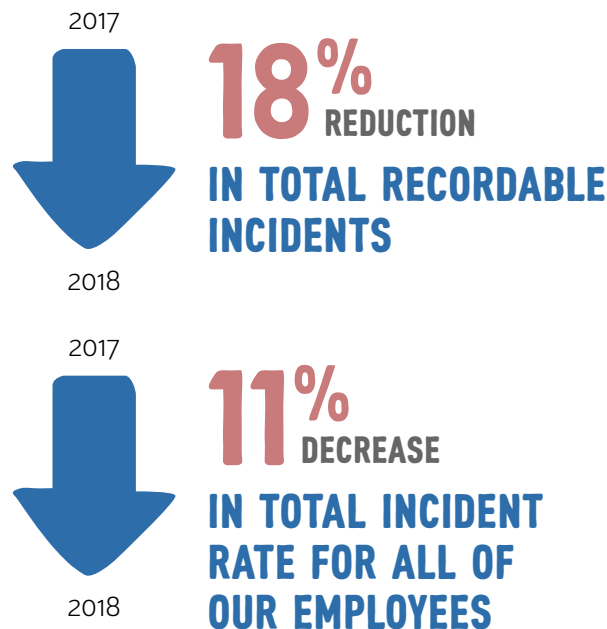
- 1 Occupational Health:** To safeguard our employees against long-term health issues related to the workplace
- 2 Personal Safety:** To entrench safe working tools and standards that promote the personal safety of every individual within our company
- 3 Process Safety:** To improve the design, implementation, management and control of any identified hazardous process within our operations
- 4 Vehicle Safety:** To improve driver safety and vehicle-related activities in all of our functions and operations

Through ongoing educational efforts, teamwork and enhanced protocols and safety measures, we've improved our safety performance each year. The global benchmark for a world-class Total Incident Rate (TIR) is defined as 0.5. We compare our performance against this benchmark and continue to perform well below the 0.5 level, currently operating at 0.24, with 67 percent of our facilities operating with a zero TIR in 2018.

We continue to drive our goals and ambition toward zero incidents. That is why we track Total Recordable Incidents (TRI) each year. In 2018, we achieved an 18 percent reduction in TRI compared to 2017. And since 2014, we've reduced TRI by more than 60 percent across the company.



SAFETY PERFORMANCE



WORK, PLAY, LIVE, SAFE

Our safety principles guide our everyday actions:

- Nothing we do is worth getting hurt
- All injuries and occupational illnesses can and must be prevented
- Working safely is a condition of employment

With our Work, Play, Live, Safe program, colleagues across the globe are firmly committed to safe practices, safe environments and safe ways of working.

SUPPORTING WORKPLACE WELLNESS

We strongly value the health and well-being of all our employees across the globe. Each worksite brings workplace wellness efforts to life in fun and engaging ways. While differing slightly from site to site, the programs usually have a focus on nutrition or physical or mental well-being, including:

- **Lifestyle improvement programs**, such as stress management, weight management and smoking cessation programs
- **Fitness and/or sports facilities onsite**, incentives for gym membership reimbursement and employee sports competitions and fitness challenges
- **Health screenings and exams**, including vaccinations and flu shots
- **Healthier options and nutrition information** in our cafeterias and canteens
- **Health newsletters/intranet sites** that offer health tips and work-life/flex time programs

BOOST YOUR HEALTH

Our Northern European team launched the BOOST employee well-being program in early 2018 to help colleagues across the market stay happy and healthy. BOOST focuses on physical health, mental health, exercise and nutrition under four key pillars: *Stay Well, Find Balance, Keep Active and Eat Better*. Holistic and accessible by design, BOOST brings together and supports activities to promote well-being—from health checks and healthy food options, to on-site fitness and free counselling. In its first year, BOOST saw tremendous success, with 60 percent of people managers attending a Smash the Stigma training, and 40,000 goals and challenges were set and achieved with program users.

PRODUCING SAFE, QUALITY FOOD

Providing foods that are safe for people to eat is at the center of everything we do. People expect safe food, and maintaining their trust means offering quality foods they can rely on and feel good about. This is the cornerstone of our heritage and an essential part of our culture.

Safety begins with each recipe we make. We set high standards with a comprehensive quality management system that ensures the integrity of our snacks and the ingredients we use. Our science-based risk identification and management processes help us assess and control factors that could potentially compromise ingredients, packaging, manufacturing processes or finished products. Today, nearly 100 percent of our internal facilities worldwide are certified against the internationally recognized and independent [Foundation for Food Safety Certification \(FSSC 22000\)](#), the GFSI- benchmarked scheme.

We also expect our suppliers and external manufacturers worldwide to live up to the same strict standards we have set for ourselves and require them to meet [well-defined safety and quality expectations](#). Before we buy any ingredients or raw materials, we conduct an initial audit of their facilities to make sure they meet our Supplier Quality Expectations. Afterward, we conduct audits on a periodic basis to ensure they continue to meet our strict standards.

At end of 2018, we met our goal of having our external manufacturers and suppliers certified against a GFSI scheme, with 99 percent of our external manufacturers and raw material suppliers certified against a GFSI-benchmarked standard.

99%

EXTERNAL
MANUFACTURERS
CERTIFIED

99%

RAW MATERIAL
SUPPLIERS CERTIFIED

Our work in mindful snacking, communities and safety contributes to the following SDGs:



COMPLIANCE & GOVERNANCE

We strive to earn the trust of consumers, customers, communities, regulators, suppliers and our colleagues every day by doing what we say we will do and holding ourselves accountable. As a public company, we also strive to earn the trust of our shareholders.

We have structures, policies and processes in place to help promote the ethical and efficient governance of our company. And we have internal and external auditors to monitor our compliance.

Our [Board of Directors](#) exercises independent oversight and has adopted best practices for corporate governance, including majority voting in director elections, annual elections of all Board members and providing a “proxy access” right to shareholders. The Board values diversity; 23 percent of directors are female. It is also committed to Board refreshment and has added five new directors since 2016. The Board sets the right tone from the top, abiding by its [Corporate Governance Guidelines](#) and [Code of Business Conduct and Ethics for Non-Employee Directors](#). We design our [corporate governance practices and policies](#) to provide a strong and balanced framework that enhances our Board’s effectiveness in upholding its fiduciary responsibilities. This promotes accountability and trust.

Our Board is committed to shareholder engagement and seeks their input on emerging issues to address their questions and concerns. During 2018 and 2019, non-employee directors and members of senior management conducted comprehensive shareholder engagement, which included outreach to shareholders in the aggregate, representing approximately 55 percent of our outstanding stock. The Board and management took shareholders’ feedback into consideration when, for example, designing enhancements to our 2018 and 2019 executive compensation programs.

The Board is also heavily involved in our commitment to create a positive impact on the world while driving business performance. The [Governance, Membership and Public Affairs Committee](#) (GMPAC) oversees our policies and programs related to corporate citizenship, including political contribution and lobbying activities, as well as social responsibility and public policy issues, such as sustainability and environmental responsibility. The committee also reviews our [Corporate Governance Guidelines](#) and [Code of Business Conduct and Ethics for Non-Employee Directors](#). This Code addresses doing business with integrity (e.g., conflicts of interest), as well as legal and regulatory compliance issues.

Our Chief Executive Officer and senior executives drive home the central message of our [Code of Conduct](#)—that integrity and growth go hand-in-hand. To support the right behaviors throughout the company, we have a Chief Business Integrity Officer and other members of our Business Integrity group to ensure employees have the knowledge and tools needed to conduct business in a lawful and ethical manner. For example, in 2018, more than 35,800 employees completed web-based compliance training and more than 8,500 employees participated in formal in-person compliance training.



MONDELÉZ INTERNATIONAL’S SUSTAINABLE AND MINDFUL SNACKING STRATEGIES BRING TOGETHER OUR ENVIRONMENTAL SUSTAINABILITY, CONSUMER WELL-BEING, COMMUNITY ENGAGEMENT AND SAFETY PROJECTS, AND CONNECT THEM TO OUR BUSINESS STRATEGY IN SERVICE OF GROWTH.”

— Joseph Neubauer,
Independent Lead Director and GMPAC Chair

EMPOWERING OUR PEOPLE

Fair and equal treatment of all people is not just the right thing to do—it is good for business, now and in the future. It’s part of our values as a company and underscored in our Code of Conduct: Treat People Fairly. We have a robust [Compliance and Integrity Program](#) to help us train, monitor and address any issues in these areas.

Our “Speaking Up” policy empowers our colleagues to ask questions and raise concerns about business practices when they see something they think may be wrong. There may be times when they are not comfortable speaking with their supervisors, business integrity officers or human resources contacts, or simply wish to remain anonymous. So we have a toll-free, and in some countries a collect call/reverse charge, telephone [HelpLine](#), and an online [WebLine](#) version where our employees can confidentially and, if they wish, anonymously report instances of suspected wrongdoing or ask questions about compliance matters. In 2018, our Business Integrity group received more than 2,000 contacts from around the world through our “Speaking Up” channels.

We subscribe in principle to the United Nations Guiding Principles (UNGPs) on Business and Human Rights, as a standard for preventing and addressing the risk of adverse impact on human rights by businesses. In line with the UNGP framework of Protect, Respect and Remedy, we have the appropriate policies in place, and we acknowledge our responsibility to respect human rights by avoiding the infringement of the rights of others, addressing negative impacts with which we may be involved and providing access to effective remedy if violations have occurred.

Our [Corporate Responsibility Guidelines](#), which include prohibitions against bribery, and our Mondelez International [Code of Conduct](#) guide everything we do as we strive to ensure that human rights are respected within our own operations, as well as our upstream supply chains. We seek to do business with partners who share the same commitment. We have reiterated this commitment through the adoption of the Consumer Goods Forum's [Forced Labor Priority Industry Principles](#) and our signature to the UN's [Women's Empowerment Principles](#). Disseminated by the UN Entity for Gender Equality, UN Women and the UN Global Compact, the provisions outline steps to advance and empower women that include establishing high-level corporate leaderships for gender equality, treating all women and men fairly at work, and ensuring the health, safety and well-being of all women and men. In addition, we are a signatory of the [CEO Action for Diversity & Inclusion pledge](#), joining more than 150 companies in promising to advance inclusion and diversity within the workplace.

We select suppliers (including consultants and other service providers) not only on quality and price, but also on whether their ethical standards align with ours. Our guiding principle is that we will not expect any less of our suppliers than we expect of ourselves. In addition to the [Corporate Responsibility](#)

[Guidelines](#), we provide on our website a summary of our corporate social responsibility expectations for suppliers, which are consistent with our own internal policies:

- [Corporate Responsibility Expectations for Direct Suppliers](#)
- [Supplier Contract Provisions](#)
- [Supply Chain Transparency and Labor Practices](#)

Of all our assets, trust is the one we value most. Our governance policies, our Mondelez International Code of Conduct and our expectations of suppliers support our ongoing efforts to preserve trust. Our standards, policies and processes make it plain to anyone who works for us, does business with us or buys our products: we're working every day to have positive impact on people and planet.

MATERIALITY

The areas of action outlined in our impact ambition define our [concept of materiality](#) for social and environmental purposes. As a global snacks powerhouse, our worldwide reach and leadership position enable us to bring together diverse voices and identify new ideas to drive meaningful change on issues central to our business and our world. Our Board actively oversees our concept of materiality for social and environmental purposes.

Since 2012, we have worked with internal and external experts to review the impact of major societal issues on our business and shape our strategic responses to them. This includes representatives from our internal Global Growth Council and Well-being Steering Committee, as well as from our region business units and global functions. External experts include World Wildlife Fund, Quantis and various investment groups. In addition, we consider perspectives from our ongoing [stakeholder engagement](#), as well as participation in various [shareholder indices](#).

Materials and processes that guide our assessment include our Enterprise Risk Management (ERM) program for identifying, measuring, monitoring and managing risks; external affairs analysis of stakeholder and regulatory issues; the greenhouse gas, land and water [footprint](#) of our total company; proprietary consumer insight data; and publicly available data on societal issues, including statistics and reports from authorities, NGOs and peer companies.

BELOW ARE THE TOP ENVIRONMENTAL* AND SOCIAL ISSUES:

- 1 | Consumer well-being—promote improved health and well-being through portfolio enhancements and community partnerships
- 2 | Supply security of key agricultural commodities and social challenges in supply chain
- 3 | Environmental footprint of agriculture and our operations
- 4 | Safety of our people and products

* We refer to our major environmental challenges collectively as the sustainability of resources and agriculture.

LOOKING TOWARD 2025: OUR SNACKING MADE RIGHT IMPACT STRATEGY

Our iconic snacks bring people together and nourish life's moments. In these simple moments, we want to have a meaningful impact on the lives of our consumers and the world. It's why we are driven to live up to our purpose to empower people to snack right, and why our vision for impact is to lead the future of snacking by making snacks for both people and planet to love.

We understand that the way we live is changing the way we eat—people are more conscious of their health and well-being and are leading lives that are more complicated than ever before. And the world around us is also changing—we're all more aware of the environmental impact of a growing global population on everything from deforestation and ocean plastics to climate change.

Our consumers shouldn't have to choose between snacking and eating right. And they shouldn't have to worry about the impact their snacking choices have on the world and their communities. We want them to be confident when they are choosing our brands, that they are choosing snacks made the right way.

Which is why we're committed to ensuring that snacking can be both **sustainable and mindful**. These twin priorities are the driving force of our 2025 Impact Strategy.

SUSTAINABLE SNACKING

Creating a future where people and planet thrive

SUSTAINABLE INGREDIENTS

We are building a resilient supply chain by protecting natural resources, driving out deforestation and enhancing the lives and businesses of farmers.

How we take action:

- Cocoa Life
- Harmony Wheat
- Palm Oil

ENVIRONMENTAL IMPACT

We are reducing our environmental impact by using and reusing the natural resources our business relies on more innovatively, efficiently and responsibly.

How we take action:

- CO₂ reduction
- Water reduction
- Food waste reduction

PACKAGING INNOVATION

We are developing zero net waste packaging by making all our packs recyclable and pursuing partnerships to improve recycling around the world.

How we take action:

- Recyclable packaging
- Waste management infrastructure
- Consumer recycling communication

MINDFUL SNACKING

Redesigning the experience of snacking

PORTFOLIO EVOLUTION

We are evolving our portfolio by investing behind new product development, renovating brand favorites, and growing our well-being offerings and portion control options.

How we take action:

- Portion control products
- Expanded well-being products
- Nutrition and ingredient improvements

ENGAGING CONSUMERS

We are inspiring mindful snacking habits by empowering more enjoyable snacking experiences and helping consumers to focus on tasting and savoring each bite.

How we take action:

- Portion guidance and Snack Mindfully message on pack
- Snack Mindfully digital campaign

EMPOWERING COMMUNITIES

We are mobilizing innovative partnerships to create a healthier and more sustainable future for the communities where we work and live.

How we take action:

- MDLZ Foundation programs and partnerships
- Health influencer outreach and engagement

SUSTAINABLE SNACKING

WE ARE INVESTING IN A FUTURE WHERE PEOPLE AND PLANET CAN THRIVE

Whether it's the wheat that makes our biscuits the cocoa in our chocolate or the water and energy that powers our facilities, our business depends on the natural world. So, we make sustainable, responsible and innovative decisions to secure a future where people and planet can thrive. There are three areas where we focus.

We are building a **resilient ingredient supply chain** working with the farmers who provide the ingredients for our iconic snacks to help them conserve resources and build more durable businesses. Through our Cocoa Life, Harmony Wheat and palm oil programs, we are protecting a delicate environment, driving out deforestation and advancing the rights and opportunities of the people in our supply chain. And because we believe sustainability should be universal and available to all, we're collaborating with peer companies, suppliers, governments and non-profit partners to spread best practices beyond our supply chain.

To **reduce our environmental impact** on the planet, we are focusing on the end-to-end impact of our snacks. From growing our ingredients, making, baking and distributing our snacks, we are committed to reducing our use of, and impact on, the earth's natural resources—including CO₂ emissions, water use in priority locations and food waste in our own operations.

We are developing **zero net waste packaging** because the only things our snacks should leave behind are inspired taste buds. Nothing should get in the way of a more sustainable future for snacking, including packaging, which is why we aim to make ours 100 percent recyclable. We're building partnerships to help improve waste management systems in local communities and we're developing consumer communications to increase recycling rates.

Sustainable snacking is also right for our business. By using resources more innovatively, efficiently and responsibly, we are building a business that can weather whatever comes next.

OUR COMMITMENTS FOR SUSTAINABLE SNACKING:

- All chocolate brands will source their cocoa from Cocoa Life by 2025.
- We will minimize food waste, end-to-end CO₂ emissions and priority water usage by 2025.
- All of our packaging will be recyclable and labeled with consumer recycling information by 2025.



MINDFUL SNACKING

WE ARE REDESIGNING THE EXPERIENCE OF SNACKING

For decades, people have dunked, twisted, “mmmmmed,” crunched and munched our snacks. We want to continue to inspire them to enjoy every wholesome nibble and every indulgent bite by offering the right snack for the right moment for decades to come.

We are **evolving our portfolio** to meet new needs with snacks that have even more to love. By removing what people don't want, adding more of what they do and expanding portion-controlled options, we are making and baking snacks that are even more relevant for today's consumer. We are expanding portion-controlled products and well-being offerings, prioritizing nutrition and ingredient improvements, and investing in our Snack Futures innovation pipeline.

But that's not all. We're **inspiring mindful snacking habits** to help people focus on the snacking moment and savor each bite, so they can experience even more satisfaction from the snacks they love. We will be placing portion guidance and the snack mindfully message on all packs, for all snacks, globally. And we plan to invest in a digital consumer education campaign to reach even more people with practical tips and tools to help them on their mindful snacking journey.

Lastly, we are **mobilizing innovative partnerships** through the Mondelez International Foundation, investing in healthy lifestyles, from community resiliency to individual well-being. Creating a more sustainable future that is right for the communities where we work and live is important to us. To do so, we are prioritizing work with mindful and well-being experts, and designing and implementing next-generation grants, programs and partnerships.

OUR COMMITMENTS FOR MINDFUL SNACKING:

- Growing portion control products to 20 percent of global net revenue by 2025.
- Including portion amounts and mindful snacking information on all packages globally by 2025.
- Creating and continuing to invest in innovative Mondelez International Foundation programs and partnerships.
- Growing Snack Futures to contribute \$100 million USD to our revenue by 2022.



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