

# The Call For Well-being

## 2015 Progress Report



the call for well-being ))))

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### A Message from Irene Rosenfeld, Chairman & CEO, Mondelēz International



Today, people around the globe are increasingly interested in well-being and ensuring a sustainable future – for themselves, their families and their communities. We know people expect more from companies and the products they make and sell. That's why we launched our Call For Well-being platform in 2013. We strongly believe our growth is directly linked to enhancing the well-being of the planet, the people who make and enjoy our products, and the communities we serve.

In the years since we launched our Call For Well-being platform, we've made steady progress in delivering against our commitments in four areas where we can make a positive impact: sustainability, well-being snacks, communities and safety.

In fact, 2015 was a year that marked the culmination of several key Call For Well-being goals.

We completed our first set of global sustainability goals, which have guided our efforts since 2010. By 2015, we achieved – and in several cases exceeded – our packaging, greenhouse gas emissions, net waste, waste-to-landfill and water-reduction goals. We also met our goal to have 75 percent of our Western European biscuits made with Harmony Wheat, our signature wheat sustainability program. Through our signature Cocoa Life program, we supported 76,700 smallholder farmers in 795 communities. And we used our scale to influence our supply chain partners to drive change and reduce deforestation, with 90 percent of our palm oil suppliers tracing oil back to the mill. Plus, we met our goal of having all of our own manufacturing sites certified against the Foundation for Food Safety Certification 22000, a widely recognized Global Food Safety Initiative (GFSI) certification scheme.

It was also a year of new beginnings and enhanced commitments for our Call For Well-being.

In September 2015, we announced our ambition to be the leader in well-being snacks, aiming to have about half of our portfolio in the well-being space by 2020. As a result, we renamed our Mindful Snacking pillar to Well-being Snacks to better reflect the increased focus on creating snacks that support people on their well-being journey. We announced our more aggressive 2020 Sustainability Goals at the end of 2015, placing us at the forefront in the fight against climate change. These new goals support our ambition to be the leader in well-being snacks and take our commitment a step forward, using the power

of our global resources and partners to drive meaningful change at scale. We also expanded our food safety efforts by committing to have all of our external manufacturers and suppliers certified against a GFSI scheme by the end of 2018.

Finally, we added three new healthy-lifestyle programs aimed at bringing nutrition education, active play and fresh foods to children and their families in Mexico, South Africa and the United States. With these new partnerships, our Foundation's programs now reach more than one million children and families.

I'm proud of how our colleagues, in collaboration with our suppliers and external partners, have stepped up and answered this important Call For Well-being as it evolves and grows. I invite you to learn more about our actions, which are detailed in this 2015 Progress Report. At the same time, we know our work isn't yet complete. There are areas where we still have more to do and where we need to find better solutions. If you want ongoing updates about our well-being efforts, please visit our website and follow us on Twitter ([@MDLZ](#)) and Facebook.

Warmest regards,

A handwritten signature in black ink that reads "Irene B. Rosenfeld".

**Irene Rosenfeld**  
Chairman & CEO



We believe in the power of big.

And small.

That great change can begin with a single voice.

So we're starting the call.

To action.

To change.

To Well-being.

A call built on simple foundations.

Sustainability.

Well-being Snacks.

Safety.

Communities.

Ideas born out of needs.

All coming together.

All forming one greater Well-being.

Not just for our company,

But for our world.

Yet we are only starting the call.

Because for the Well-being of everyone,

Every voice must be heard.

Will you lend yours?



**the call for well-being**

## 2015 AT-A-GLANCE

# 2015 AT-A-GLANCE



WELL-BEING SNACKS | Unlocking snack choices that nourish the body and the soul



Enhance the goodness of our brands

Inspire people to snack mindfully



At Mondelēz International, our Call For Well-being focuses on four areas where we believe we can make the greatest difference: Well-being Snacks\*, Sustainability, Community and Safety. In each of these areas, we outlined specific goals to which we hold ourselves accountable. The scope of our goals is our entire company, including all manufacturing facilities under our direct control, unless stated otherwise. We continue to make progress toward these goals and scale our efforts with our partners and suppliers to achieve our commitments to make impactful change.

### GOALS

#### Expand Well-being Choices portfolio

Deliver 25% of revenue from Better Choices by 2020\*\*

Increase individually wrapped portion control options 25% by 2020\*\*

Reduce saturated fat 10% by 2020\*\*

Reduce sodium 10% by 2020\*\*

Increase whole grains 25% by 2020\*\*

Front-of-pack calorie labeling globally by end of 2016\*\*

### PROGRESS BY END OF 2015

On Target

Goal Achieved

More Needed

More Needed

Goal Achieved

On Target

### HIGHLIGHTS

**25.5% of our revenue came from Better Choices** by the end of 2015, due to adjustments in our business and financial reporting.\*\*\* Going forward, we intend to increase further.

**Portion Control products grew by 26%** since 2012. Examples include portion-controlled packs of *Ritz Crisp & Thins* in the UK; *Cadbury Dairy Milk & Sweet Biscuits* in Australia, and *Oreo* in Russia, China and Southeast Asia.

**Achieved 2% reduction of saturated fat** across our global portfolio since 2012. Example includes reducing saturated fat in *TUC* crackers sold in the Middle East and Africa by 8%.

**Maintained 1% reduction of sodium** across our global portfolio. While we made steady reductions in Biscuits and Cheese globally, progress was offset by shift in sales to our higher sodium segments. We are scaling up sodium reduction efforts across all product categories.

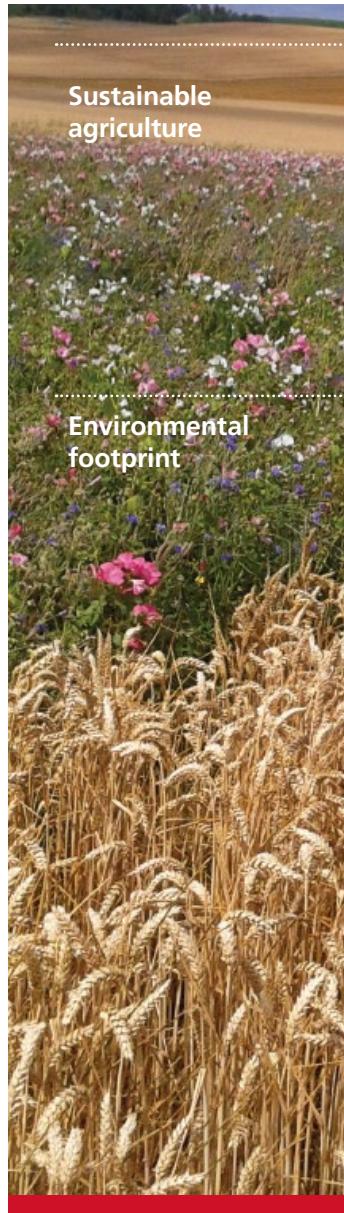
**Increased whole grains by 25.5%** across our global portfolio since 2012. Driven by new varieties of *Wheat Thins*, *Triscuits* and *Club Social*; and expansion of *belVita* into more markets.

**68% of our portfolio** was covered by the end of 2015.

\*changed pillar name from Mindful Snacking to reflect our increased focus on our portfolio

\*\*based on 2012 baseline

\*\*\*2012 revenue baseline restated due to coffee divestiture and removal of Venezuela operations from financial reporting

**GOALS****PROGRESS BY END OF 2015****HIGHLIGHTS****Sustainable agriculture**

All cocoa will ultimately be sustainably sourced, mainly through Cocoa Life

 **On Target**

**Environmental footprint**

Reduce water in manufacturing 15% by the end of 2015\*

 **Goal Achieved**

Reduce waste in manufacturing 15% by the end of 2015\*

 **Goal Achieved**

Reduce energy in manufacturing 15% by 2015\*

 **Goal Not Achieved**

Reduce greenhouse gases from manufacturing 15% by the end of 2015\*

 **Goal Achieved**

60% production from Zero Waste to Landfill sites by the end of 2015\*

 **Goal Achieved**

Eliminate 50 million pounds (22,500 metric tonnes) of packaging by the end of 2015

 **Goal Achieved**

**21% of our cocoa was sustainably sourced** in 2015, much through existing certification partnerships. Cocoa Life, the foundation of our long-term strategy, reached **795** communities and **76,700** farmers by the end of 2015.

**75%** of our West European biscuits were made with Harmony wheat in 2015.

**We met our RSPO palm oil goal in 2013.**

**90%** of the palm oil we sourced was traceable back to mill by the end of 2015.

**Reduced our incoming water usage by 17% per tonne** of product by the end of 2015, exceeding our goal.

**Reduced net waste by 70% per tonne** through innovative solutions and partnerships in facilities worldwide — nearly 5x our goal.

**Achieved 11% reduction in energy per tonne** at our manufacturing sites worldwide. While we missed our energy goal, we exceeded our greenhouse gas reduction goal, in line with our strategic focus on climate change.

**Reduced emissions by 19% per tonne** by the end of 2015, exceeding our goal.

**68%** of 2015 production volume came from facilities that were Zero Waste to Landfill sites.

**Eliminated 107 million pounds of packaging** by 2015, exceeding our target by 114%.

\*measured per tonne of production

During July 2015, we completed transactions to combine our coffee businesses with D.E. Master Blenders 1753 B.V. to create JACOBS DOUWE EGBERTS (JDE), the world's leading pure-play coffee company. As a result, our data and goals are re-based to remove the impact of coffee.

Coverage of our environmental footprint goals is for all manufacturing and packaging operations under our management control. Data are verified by SGS, except the packaging goal. The verification statement is available on our [website](#).



### SAFETY | Keeping our employees and consumers safe



#### GOALS

Achieve world class safety performance

#### PROGRESS BY END OF 2015

🕒 On Target

Achieve third-party food safety certification against the FSSC 22000 GFSI-benchmarked scheme for all internal manufacturing facilities by 2015

Goal Achieved

#### HIGHLIGHTS

**Achieved 13% reduction in Lost Time Injury Frequency Rate (LTIFR) and a 21% reduction in Total Incident Rate (TIR)** for all of our employees in 2015 compared to 2014.

**100% of our manufacturing sites** – 150 facilities – became FSSC 22000 certified by the end of 2015.

In addition, **80%** of our External Manufacturers and **91%** of our suppliers certified against one of the Global Food Safety Initiative (GFSI) benchmarked food safety schemes.



### COMMUNITIES | Partnering with communities to create healthier lifestyles



#### GOALS

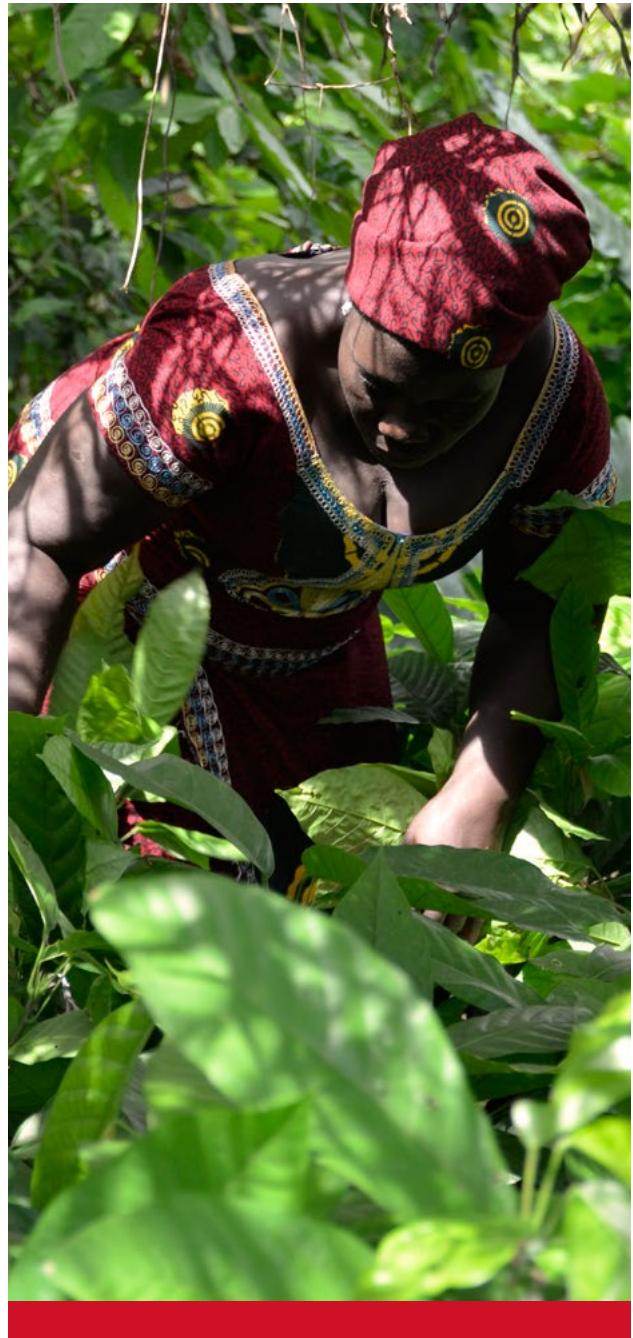
Invest \$50 million USD into healthy lifestyle community partnerships

#### PROGRESS BY END OF 2015

🕒 On Target

#### HIGHLIGHTS

**Allocated 78% of our \$50 million dollar commitment** in 2015.



## SUSTAINABILITY

By leveraging our position as the world's largest snack company and focusing where we can make the greatest impact, we continue to build on our heritage of leadership in sustainability – a heritage which includes being the first company to adopt certification for mainstream chocolate brands; 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.

2015 marked the end of measurement for the sustainability goals that guided our progress since 2010. In 2014, we were a year ahead of schedule in accomplishing our 2015 goals for packaging, greenhouse gas emissions and net waste. We also made considerable progress

against our other sustainable agriculture and environmental footprint goals – including meeting and exceeding our waste to landfill and water goals. While we didn't meet our energy reduction goal as planned, we exceeded our greenhouse gas reduction goal for manufacturing, in line with our strategic focus on climate change. Overall, we're pleased with our progress over the past three years.

In October 2015, we announced our [sustainability goals for 2020](#), an ambitious end-to-end approach to reduce our carbon footprint. Looking ahead, the new goals place us at the forefront in the fight against climate change and support our ambition to be the leader in well-being snacks. These new goals take our commitment a step forward using the power of our global resources and partners to drive meaningful change at scale (see [page 31](#)).

### Progress Over The Past Three Years

#### Sustainable Agriculture

- All cocoa will ultimately be sustainably sourced 10% 12% 21%
- 75% of Western European biscuit volume made with Harmony wheat by 2015 44% 60% 75%
- Palm oil: 100% RSPO by 2015 100% 100% 100%

#### Environmental Footprint

- Reduce water in manufacturing 15% by 2015\* -13% -11% -17%
- Reduce waste in manufacturing 15% by 2015\* -47% -59% -70%
- Reduce energy in manufacturing 15% by 2015\* -8% -7% -11%
- Reduce greenhouse gases from manufacturing 15% by 2015\* -8% -16% -19%
- 60% production from Zero Waste to Landfill sites by 2015\* 40% 47% 68%
- Eliminate 50 million pounds (22,500 metric tonnes) of packaging by 2015 19,500T (43MM lbs) 37,000T (82MM lbs) 48,500T (107MM lbs)

\*vs. 2010, measured per tonne of production, excluding coffee



### Lifecycle Assessment

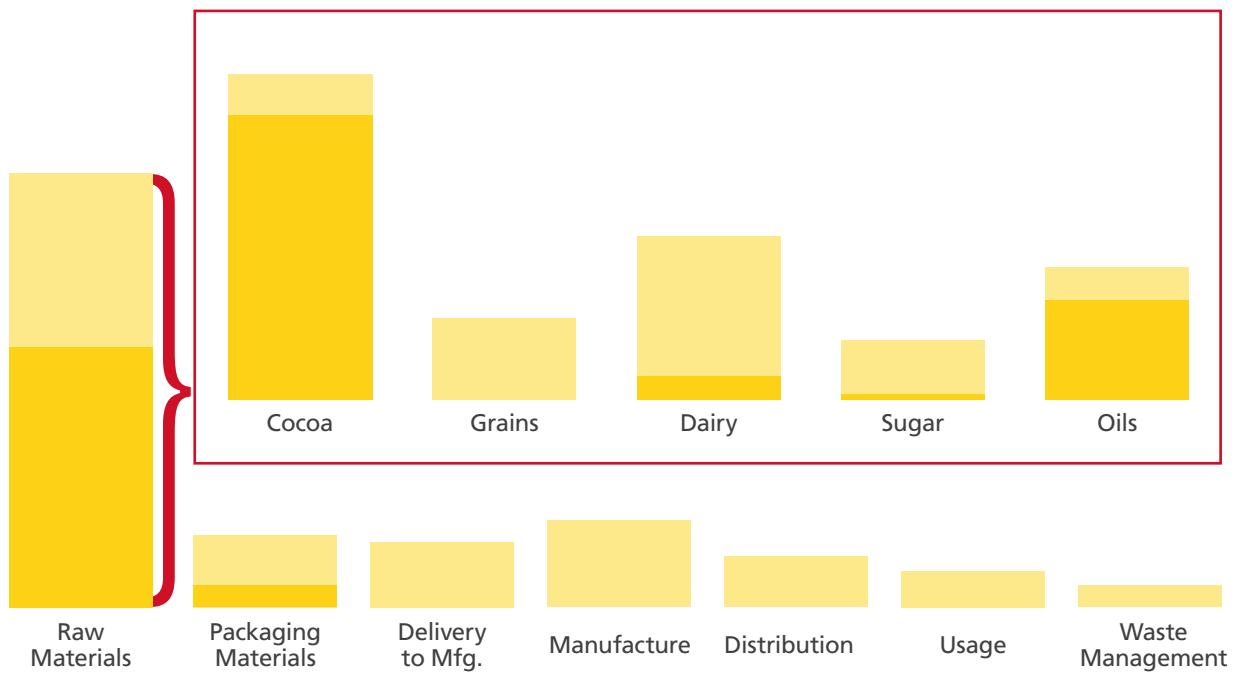
Using Lifecycle Assessment (LCA), we conducted a thorough assessment of our company's land, air and water footprint – from farm to fork. Based on those findings, we focused our efforts on two areas of our supply chain where we can have the greatest impact – agriculture and our operations. We update our LCA annually and the insights shaped our priorities and 2020 goals. In

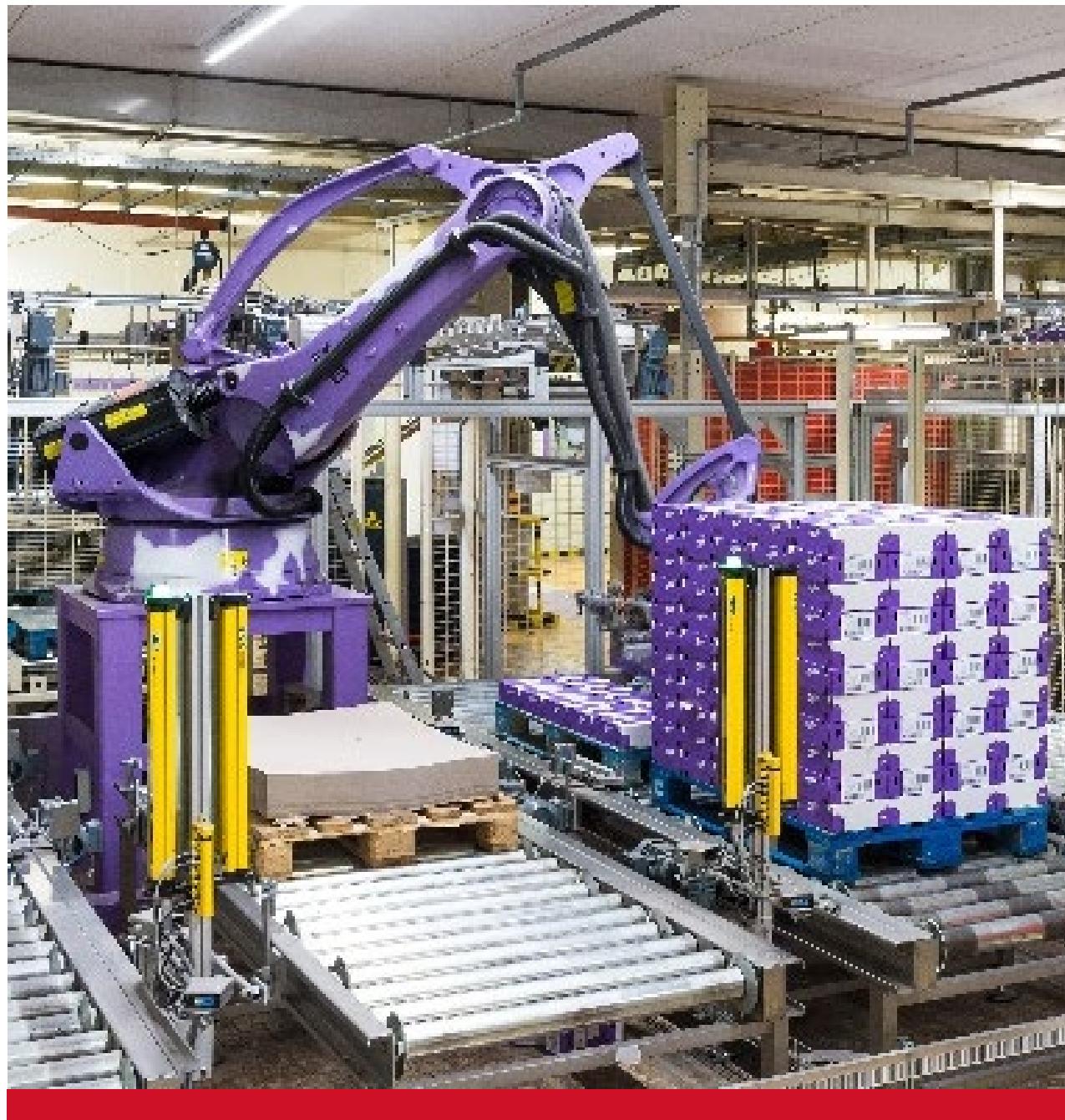
particular, the insights from our LCA indicated that deforestation within our supply chain represents the largest single contributor to our carbon footprint. That is why we're taking a lead in addressing deforestation in our key agricultural supply chains, primarily cocoa and palm. We also aim to measure and report our impact as progress is made on the ground.

### LCA Findings

Addressing deforestation offers largest opportunity to reduce our carbon footprint

- 👉 Carbon footprint, agricultural practices
- 👉 Carbon footprint, deforestation





## Calling on our Suppliers for Responsible Sourcing

We work with thousands of suppliers, consultants and business partners around the world. We are taking steps to align what they do for us with our own values and goals.

We have laid out our expectations to all 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](#) protocol. This audit evaluates our internal manufacturing sites and suppliers against a common set of Corporate Social Responsibility standards to drive efficiency on performance improvement for the consumer goods industry. In 2015, **286 of our key suppliers – 99 percent of our 2015 target group of highest priority suppliers** – completed the audit, in addition to the 388 suppliers audited in 2014.





### Sustainable Agriculture

Our business depends on a steady, high-quality supply of crops like cocoa, wheat and other commodities to create our delicious snacks. However, as demand for these crops increases worldwide, our global food system is facing numerous challenges that are weighing down on individual farmers and the land they use – from extreme weather patterns and climate change, to biodiversity loss and shortages in resources, and the growing competition for land. In addition, socio-economic challenges persist in agricultural supply chains, including poverty, gender inequality, and land and labor rights issues.

These challenges are complex, and call for solutions that require coordinated efforts by governments, industry, and scientific and environmental experts. Smallholder farming communities in particular need support to increase their resilience. As the world's largest snack company, we have a responsibility to understand these challenges and help to overcome them.

That is why we are using our company's reach and global presence to work together with outside experts and give farmers a voice. Our signature programs aim to make a positive impact on the farms and communities where our main commodities are grown: [Cocoa Life](#) and [Harmony](#).

We are strengthening our efforts and taking a more active role on the ground, as well as driving change within our own organization and with our

suppliers. Through our agricultural commodity sourcing, we are addressing key areas, including agricultural practices, human, gender and labor rights, deforestation and more. We are requiring more transparency at each stage of the supply chain and collaborating with our key suppliers and others. Together, we can create a more sustainable supply chain by doing what's right for farmers, their communities and for our business.

#### Sustainable Agriculture Goals

- All cocoa will ultimately be sustainably sourced, mainly through Cocoa Life
- 75% of Western European biscuits volume made with Harmony wheat by the end of 2015
- 100% of palm oil will be RSPO by the end of 2015

## Cocoa

**Cocoa Life** is a holistic, third-party verified program that aims to create a sustainable cocoa supply by transforming the lives of cocoa farmers and communities at scale. As the world's largest chocolate company, we know this is vital for the future of chocolate and our planet. It is our ultimate goal to source all of our cocoa sustainably, mainly through **Cocoa Life**.

Launched in 2012, **Cocoa Life** is investing \$400 million USD by 2022 to empower at least 200,000 cocoa farmers and reach over one million community members in six key cocoa growing origins: Côte d'Ivoire, Ghana, Indonesia, India, the Dominican Republic and Brazil. The **Cocoa Life** program is based on three non-negotiable principles: it is holistic and farmer-centered, committed to partnership and aligned with our sourcing.

**Cocoa Life** links cocoa farming with community development. The program includes a wide array of initiatives to support farmers in local communities, helping them to cultivate stronger, more resilient crops and creating real impact across our cocoa communities. Building on the Cadbury Cocoa Partnership founded in Ghana in 2008, **Cocoa Life** connects the beginning and end of the cocoa supply chain so farmers can see how their cocoa crop contributes to the chocolate we enjoy.



"Our commitment goes beyond generating a sustainable cocoa supply for years to come. It's deeply rooted in a desire to help cocoa farmers and their communities thrive. We are providing communities the tools they need to create inspiring places to live and work. Cocoa Life's groundbreaking, holistic approach links cocoa farming with community development. This is truly innovative, and we believe it will have a lasting, transformational impact."

—César Melo, President, Global Chocolate at *Mondelēz International*

## Making Progress on our Roadmap

By the end of 2015, **Cocoa Life** reached 76,700 farmers in over 795 communities, establishing a strong foundation and framework, and 21 percent of our cocoa was sustainably sourced.

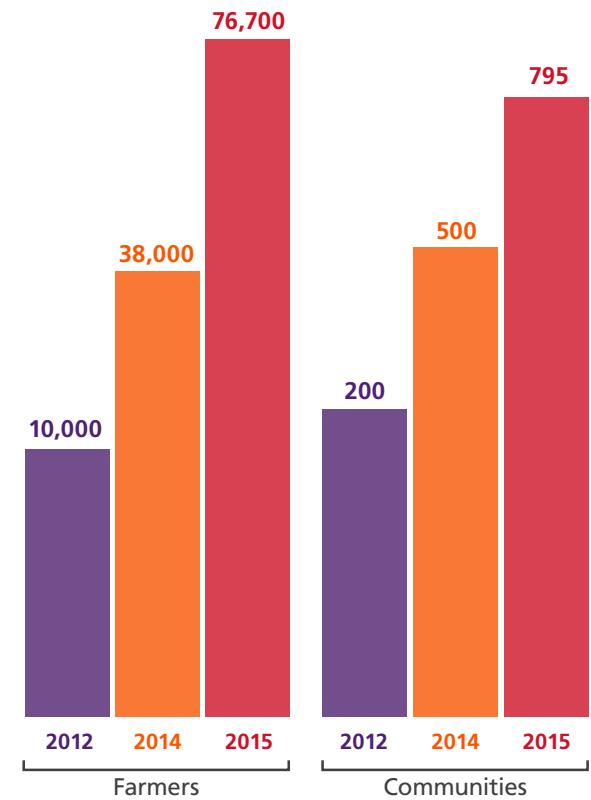
Initial results from the first impact evaluation in Ghana in early 2014 show **Cocoa Life** farmers' incomes increased by 49 percent more than similar control communities. Likewise, cocoa yield also increased 37 percent more than the control communities. While we are making progress in Ghana, we know there is more to do.



**Cocoa Life** is creating strong relationships with cocoa farming communities. By the end of 2015, we worked with **76,700** farmers in **795** communities across six different regions.

### COCOA LIFE PROGRESS

The amount of our global cocoa supply that is sustainably sourced increased to **21%** (**Cocoa Life** or certified). We expect this number to grow substantially as more farmers join the **Cocoa Life** program in coming years.



### HOW COCOA LIFE WORKS

Cocoa Life is driving change in **five key areas**, as well as cross-cutting themes of women's empowerment and elimination of child labor.



Cocoa Life tracks and reports impact against 10 global key performance indicators (KPIs) that correspond to the program's five key areas.

### Impact and Transparency

Cocoa Life aims for a scalable transformation at the farm level. Cocoa Life engages an independent research team to provide third-party verification of the program and measurement of its impact on the ground. These results enable us to learn how the program is delivering against its KPIs and make the adjustments necessary to meet its objectives. The verification framework consists of an annual outcome assessment against the 10 global KPIs, as well as impact evaluation every three years comparing participating communities with control communities.

Additionally, it is very important to have transparency in the supply chain to help empower farmers. Supply chain verification is, therefore, a critical element of Cocoa Life so it is known that participating farmers are part of a healthy supply chain and that their terms of trade are clear and respected. Cocoa Life has engaged [FLOCERT](#), a leading global certification body, to trace both the flow of Cocoa Life cocoa from Cocoa Life farms and the premium that is then paid to benefit the farmers. FLOCERT provides verification services for social, trade and environmental standards and private codes of conduct.



### Training Farmers to be Sustainability Stewards

The challenge of cocoa starts with providing the best environment for the cocoa tree to thrive. Inability to maintain this best farm environment has limited cocoa productivity for many years and continues to pose challenges to creating a vibrant cocoa supply chain. For example, Ghana supplies about 20 percent of global cocoa. However, excessive reliance on plant monocultures, failure to plant trees for shade and other poor agricultural practices have left this country's crop vulnerable to deforestation and resource depletion, impacting its future sustainability. To reverse this trend and ensure a sustainable future for the region's cocoa production, **Cocoa Life** is working with the [United Nations Development Programme's \(UNDP\)](#) Environmental Sustainability and Policy for Cocoa Production in Ghana (ESP) project, the [Ghana Cocoa Board \(COCOBOD\)](#) and cocoa traders.

**Cocoa Life** works to conserve the natural ecosystems within the cocoa landscapes to maintain and provide viable environments and farmland for future generations. Farmers receive support from the UNDP to help them plant and conserve economic trees – those planted for

purposes other than producing cocoa – which diversify the farms, provide alternate revenue streams, and also make the forests more resilient to the risk of pests and disease. UNDP has launched a campaign to encourage farmers to either replant destroyed trees or undertake new plantings on farms. Since 2014, the project has distributed more than 787,000 economic tree seedlings to more than 9,600 cocoa farmers.

These efforts enable and encourage cocoa farmers to move toward more sustainable "green production" principles. **Cocoa Life** has piloted Community Resource Management Areas (CREMA) in 36 communities within the Asunafo North cocoa landscape. These CREMAs serve as natural resource management and planning tools that are the basis for community initiatives. They provide communities, landowners and land users important resources to help them protect forest and wildlife resources within the boundaries of the CREMA. Simultaneously, the program hosts farmer training workshops on more sustainable farming practices.



Since **2014**,  
the project has  
distributed more than  
**787,000** economic tree  
seedlings to **more than**  
**9,600** cocoa farmers.

"Cocoa Life is a globally important and innovative program to promote and scale up sustainable cocoa by providing technical support and best practices via Mondelēz International's supply chains and partners. The program promotes environmental sustainability at the farmer, community and national levels, focusing on reducing deforestation and promoting the use of shade trees on cocoa farms. Cocoa Life is advancing strategies to increase scale. This should result in a major contribution to carbon emission reduction and make cocoa farms more sustainable and resilient to climate change."

—Andrew Bovarnick, *Cocoa Life Advisor and Lead Natural Resource Economist and Global Head, United Nations Development Programme's Green Commodities Programme*



### Fighting Child Labor

We believe addressing the root causes of child labor and women's empowerment are keys to sustainable community improvement and the future of cocoa farming, which is why these areas are the cross-cutting themes of **Cocoa Life**. Child labor, in its different forms, is present in cocoa-growing regions of Côte d'Ivoire and Ghana.\* Many factors, from the relative poverty of farmers to the lack of national infrastructure, schools and healthcare, make children vulnerable to risks and contribute to the problem.

Over the years, we have worked to help eliminate child labor in cocoa-growing communities. **Cocoa Life** addresses child labor directly as well as its root causes. Our NGO partners, like CARE International and Solidaridad, raise awareness of child labor in **Cocoa Life** communities with training for both

children and parents. Together, we implement broad-ranging community development programs, recognizing that every child needs a safe and conducive environment to grow and thrive. And importantly, **Cocoa Life** helps to address the root causes of child labor with actions to improve the livelihoods of farmers, empower women and promote education.

As part of this commitment, **Cocoa Life** has also partnered with Embodye, an independent human rights consultancy, to analyze the environment and national child protection infrastructure in key cocoa-producing countries. In 2015, Embodye conducted this research in Côte d'Ivoire and Ghana and published recommendations for us to strengthen our approach to child protection through **Cocoa Life** in May 2016.

\*Tulane University. 2013/14 Survey Research on Child Labor in the West African Cocoa Sector.



### ADDRESSING THE BROADER CHILD LABOR ISSUES

In Côte d'Ivoire, one of the structural obstacles that inhibit access to education is a lack of birth certificates. Unregistered children can be turned down upon enrollment or prevented from registering for school exams. Without a birth certificate, children can also face challenges in acquiring other services and benefits for registered citizens, rendering them more vulnerable to child labor. It can be a long and arduous administrative process to acquire such certificates involving legal services and local government.

Through **Cocoa Life**, CARE International supports local, school-age children through the process by helping to promote and ensure school attendance. As a result of this pilot project, 275 children received birth certificates.

"The only way to effectively tackle child labor is to address its multiple root causes, which requires gathering many skill sets. That's why the **Cocoa Life** commitment to partnerships is particularly important. As the program scales up, **Cocoa Life** will have a transformative effect on the communities where it's implemented and will have an important impact on a lot of the child labor risk."

—Nick Weatherill, Executive Director, International Cocoa Initiative

## Empowering Women in Cocoa Farming

Female cocoa farmers face many challenges – they earn less than their male counterparts and struggle with lower farm productivity, smaller farms and less access to financing and farm inputs. Supporting gender equality and women's empowerment not only helps women to better support their families and contribute to the development of their communities, but ultimately secures the future supply of cocoa by improving its productivity and quality.

**Cocoa Life** is empowering women in cocoa communities to be strong, accomplished cocoa farmers. For instance, training programs in Ghana focus on areas of significant need and often include hands-on farming technique demonstrations to ensure correct methods are applied on farms. The skills and knowledge gained from the trainings have helped women realize significant increases in their crop yields, learn ways to acquire or access land for cocoa farming and also become active members of their communities.

Through the development of Community Action Plans (CAPs), women are able to have a voice in shaping their communities' future success. **Cocoa Life** helps women build confidence in their abilities to be cocoa farmers and encourages communities to lead their own development.



### Partnerships are Crucial to Program Success

Partnership is the key to lasting change. **Cocoa Life** integrates the work of stakeholders to achieve common goals in ways that are relevant and tailored to **Cocoa Life** farming communities around the world. We work with communities, suppliers, non-governmental organizations and national cocoa authorities – including the [Ghana Cocoa Board \(COCOBOD\)](#), [Conseil du Café-Cacao](#) in Côte d'Ivoire and the [Indonesian Coffee and Cocoa Research Institute \(ICMRI\)](#) – to build lasting change.

Together, we implement national strategies for sustainable environmental management, including the [United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation \(REDD+\)](#), ensuring that field-level realities feed into national dialogues and policies.

The **Cocoa Life** program has also brought together a range of other partners, including [CARE International](#), [Save the Children](#), [Solidaridad](#), [Voluntary Services Overseas \(VSO\)](#) and [World Vision](#), to ensure holistic development for farm families and empowerment of farming communities.

Looking to the future, **Cocoa Life** will adapt to achieve the greatest impact as learnings are applied from measuring progress on the ground. **Cocoa Life** has enhanced its environmental strategy to address deforestation and to help farmers become more resilient to the impact of climate change.

#### COCOA LIFE ADVISORY MEMBERS

We work with a group of advisors and strategic partners from outside of the business to help develop our approach and provide oversight of the implementation of **Cocoa Life**:

- **Andrew Bovarnick** – Lead Natural Resource Economist and Global Head of the [United Nations Development Programme's Green Commodities Program](#)
- **David McLaughlin** – Managing Director and Vice President of Agriculture at [World Wildlife Fund](#), and specialist in sustainable supply chain transformation

- **Aidan McQuade** – Director of [Anti-Slavery International](#), the world's leading anti-slavery charity

- **Mil Niepold** – mediation expert of [The Mara Partners](#), focused on finding solutions to social and human rights issues through dialogue



## LEADING INDUSTRY IN THE FIGHT AGAINST DEFORESTATION AT COP21

We announced our commitment to combat deforestation in cocoa at the UN Climate Summit COP21, where world leaders met in Paris to negotiate a new climate agreement. Mondelēz International committed to lead private sector action in Côte d'Ivoire's national program to combat deforestation in cocoa. Deforestation accounts for over 10 percent of global greenhouse gas emissions and represents a major opportunity to reduce CO<sub>2</sub> release into the atmosphere – up to a third of the reduction opportunity, according to climate experts.

In Côte d'Ivoire, the world's number one cocoa-producing country, smallholder farmers are often expanding their cocoa production into the forest in an attempt to increase their income.

Through our Cocoa Life program, Mondelēz International is working with tens of thousands of cocoa farmers to improve the yield of their existing cocoa trees so they can increase their income without cutting down the forest.

This new commitment is an example of how we will reach our 2020 sustainability goal to address deforestation in our key agricultural supply chains. We will work together with the Ivorian government and other experts to map and monitor forested areas, and train farmers in good agricultural practices and agroforestry. These actions will initially focus in two areas of eastern and central Côte d'Ivoire and will contribute to the national United Nations sponsored REDD+ program, with financial support from the World Bank Forest Investment Program.



In addition to this work in Côte d'Ivoire, we are also supporting national forest-related emission reduction programs in Ghana, where Cocoa Life is implementing its environmental strategy alongside the United Nations Development Programme.

## Coffee

In 2015, we combined our coffee business with D.E. Master Blenders 1753 to create the world's leading pure-play coffee company, [Jacobs Douwe Egberts \(JDE\)](#). Both Mondelēz International and D.E. Master Blenders 1753 have a history of strong commitments to sustainability and that will be a key part of JDE's strategy going forward.



### Wheat

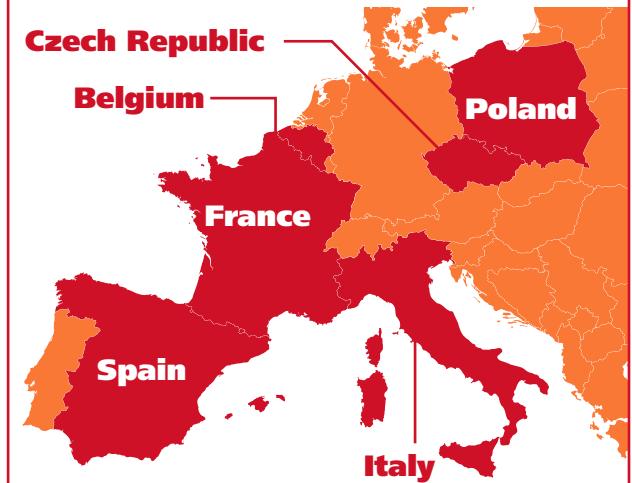
At Mondelēz International, we are bakers. We believe there is a way of working together – from wheat to biscuit – that we can all be proud of. **Harmony** builds an ecosystem that champions the way wheat is grown to bake good biscuits.

Wheat is in many of the foods we consume each day – bread, cereal, biscuits and more. It covers more of the earth than any other crop. And when we think of the idyllic, traditional farm, we imagine fields upon fields of it, swaying in the breeze. The European Union produces 156 million metric tonnes of wheat per year, with France growing more than one fifth of that. It makes sense, therefore, that Mondelēz International's sustainable wheat program, **Harmony**, has its foundation in France. Originally conceived around the iconic *LU* brand, Mondelēz International adopted the program in 2008 and nurtured it to become one of our signature sustainability programs.



By the end of 2015, **Harmony** has grown to include 2,269 wheat farmers, 13 millers and 37 cooperatives across Europe. And today, 75 percent of our biscuits in Western Europe are made with **Harmony** wheat. We partner with farmers as close as possible to our factories and mills, reducing our carbon footprint while supporting local communities.

### Countries with Harmony farmers



Spanning France, Belgium, Italy and Spain as well as Poland and the Czech Republic, the **Harmony** wheat program is based on a simple concept. The way we grow our wheat creates thriving environments. Through our **Harmony** Charter, farmers are choosing to conserve water, care for the soil, and protect biodiversity. Creating not only better conditions for the essential ingredient for our biscuits, but also enhancing local areas where people live.

We believe our way of working together is special and forms a partnership – between farmers and millers, with our factories and employees, and with

## SUSTAINABILITY

our consumers, as well as the bees and butterflies in our fields. The heroes of **Harmony** are all the partners in our ecosystem. Together we co-create, sharing expertise and the responsibility for driving forward an evolving program. Our farmers build valuable skills that improve the quality of their wheat and land.

Nine years into the program, the results continue to be substantial. The program is having a meaningful impact on Europe's wheat fields: **Harmony** farmers have achieved a 25 percent reduction in pesticide use,\* and in 2015, 14.3 million bees and 16 species of butterflies were observed in **Harmony** fields.

Farmers dedicate at least 3 percent of their fields to strengthening biodiversity. Farmers plant a number of hectares of specific flowers, the ones that are the most suitable to attract bees and other pollinators, around their fields. Working with the French National Museum of Natural History and NGO Noé Conservation, we track the populations of key species, which contribute to the pollination of 70 percent of the fruits and vegetables we eat.

**GOAL  
75%**

**GOAL MET**

**75%**  
of our Western  
European biscuits  
were made with  
**Harmony**  
wheat

\*Frequency of treatment of **Harmony** wheat crops in 2015 vs. the average treatment of all wheat grown in France — where the program first started and is most advanced to date.



### HARMONY FARMER ADDS BEES, BUTTERFLIES AND BIODIVERSITY TO FRENCH WHEAT FIELDS

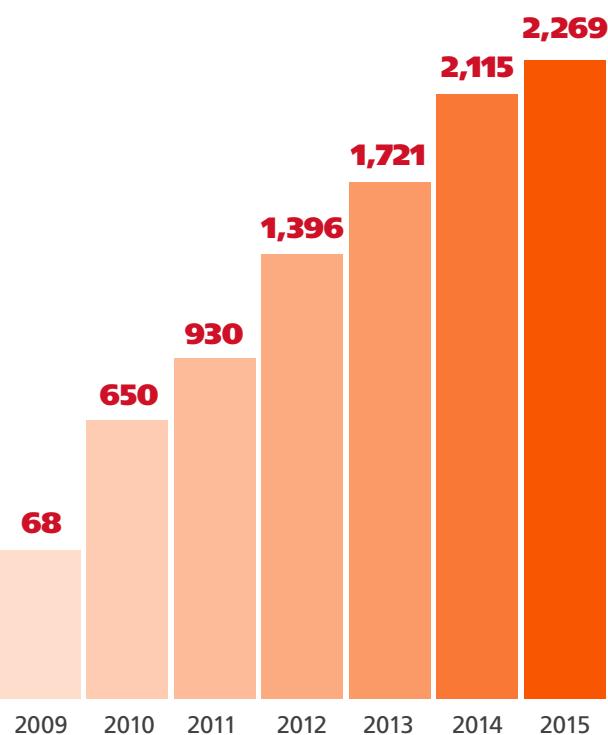
At the launch of the first *Petit LU* with the **Harmony** logo on the pack, Elisabeth Bouchet proudly displayed two boxes of the product on her fireplace mantle. This would seem an unusual decoration to some, yet for Elisabeth, they were much more than mere snacks on display. Elisabeth, a mother and a grandmother with a farm near Poitiers, France, is one of the first farmers to join the **Harmony** wheat program in her country, diversifying her farm capabilities from geese breeding into growing crucial wheat crops.

Not only is wheat farming helping to expand her own livelihood, but Elisabeth will proudly tell anyone how she is helping to repopulate the French countryside with bees and butterflies, as part of **Harmony**'s effort to strengthen biodiversity in the fields. Elisabeth has planted specific flowers around her wheat fields designed to attract bees and butterflies to support the local ecosystem. These efforts alone are enough for any farmer to feel immensely proud of those outputs. However, for Elisabeth, the best part of growing **Harmony** wheat is the chance to tell her grandchildren that the biscuits they love were made with their own grandmother's wheat.



**Harmony** is a choice our farmers are proud to make because they share our commitment to a thriving environment and believe in the quality of biscuits grown with their wheat. It's a way of bringing local communities together. The quality of the biscuits we bake fuels a growing business. We are sourcing the best wheat for the consistency of our flour. We know where the wheat in every biscuit comes from, and consumers can feel good about choosing our delicious brands. This makes **Harmony** sustainable for the long term.

## Progression of farmers over time across Europe:



### COLLABORATIVE DATA SHARING PROVIDES VALUABLE INSIGHTS

Wheat farming is a competitive business in North America. Many farmers track data and learnings year to year, but rarely share those valuable insights with each other. In the 2014 growing season, we partnered with Michigan State University (MSU) and our supplier, Cooperative Elevator Company, a 100-year old cooperative comprised of multi-generational family farmers who take pride in their communities, to launch a collaborative wheat sustainability pilot program. The program encouraged information sharing among Michigan wheat farmers, with the ultimate goal of helping farmers learn from each other's efforts and successes.

Now in its second year, our North America Wheat Program in Michigan is a multi-year initiative designed to bring together farming statistics and uncover trends in performance and improvements that can be leveraged by farmers in the region. For example, being able to systematically track data on specific farming practices helps identify ways to elevate production across the board while reducing the environmental footprint.

MSU analyzed the data around yield after harvest, along with fuel and energy use, and also observed the impact of using fertilizers and other inputs. Information tracked included the type of seed used, when farmers planted the wheat, what type of planting technique was used and the final yield. After receiving data from 5,580 hectares worth of farms, and working with our farmer partners, clear patterns emerged, with some farms performing better than others when compared in terms of inputs versus yield. For example, data showed that planting date, as well as the seed type, had an impact on yield. With that knowledge in hand, farmers now know to work closely with Cooperative Elevator Company to get advice on the best planting date.

Overall, we achieved our goals, expanding the program to 12,000 hectares by the end of 2015. Farmers saw that through this program the sharing of information actually helps them optimize their environmental and financial outcomes. For us, we deepened our relationships with our suppliers and gained greater appreciation of their farming communities.



Photo Credit: UNDP Indonesia Palm Oil Platform (InPOP)

### Palm Oil

We believe sustainable palm oil is important for the long-term growth of our business and should be accessible to all. We know progress is only possible by working in partnership with farmers, communities, governments, suppliers and non-profit partners.

We believe 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. That's why we use our position as a global company to help catalyze change across the industry through broad scale partnership and engagement. One example is our support and collaboration with the United Nations Development Programme (UNDP), the Government of Indonesia, and other partners to develop the [Indonesia Sustainable Palm Oil \(SPO\) Initiative](#). The initiative aims to develop national capacity to promote and scale up sustainable palm oil by strengthening smallholder farmers, supporting national policy reform and reducing deforestation through public-private partnerships. In addition, we co-chair the Consumer Goods Forum's Palm Oil Working Group – which published [palm oil sourcing guidelines](#) for members during 2015 – and we serve on the Roundtable for Sustainable Palm Oil (RSPO) Board of Governors.

Within our supply chain, we are tackling deforestation through our Palm Oil Action Plan, which engages our suppliers to implement traceability and more sustainable production practices.

Working with [World Wildlife Fund](#) and the [UNDP](#), we developed an [action plan](#) in 2014 outlining steps needed to ensure the palm oil we buy is produced on legally held land, does not lead to deforestation or loss of peat land, respects human rights – including land rights – and does not use forced or child labor. The plan will be updated during 2016 to reflect progress made to date.

Our approach was driven by growing concerns regarding the long-term environment and societal impacts of palm oil production, including deforestation and human rights. In 2013, we achieved our goal of having RSPO coverage of 100 percent of the palm oil we buy.\* We achieved this through a combination of RSPO-certified oil and Greenpalm certificates that support sustainable production.

Our guidelines for palm oil production also dictate that development should not take place in Primary Forest, High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests, or use fire in plantation operations.



\*Our RSPO coverage refers to palm oil, not PKO, which is excluded on basis of complexity and low usage (2015: c4%).

**90%**  
of the palm oil  
we sourced was  
traceable back to  
the mill

We are driving change to make sustainable palm oil a reality by embedding this policy into our commercial negotiations with suppliers. We have challenged our palm oil suppliers to meet our principles. We give priority to supplies that meet these principles and exclude supplies that don't. In addition, suppliers must publish sustainable sourcing policies that meet our principles and implementation timelines. We did not just ask our suppliers to supply us with sustainable palm oil. We asked them to transform their entire supply chain.

At the end of 2015, 90 percent was traceable to the palm oil mill and 91 percent was from suppliers with published policies, including all our strategic global suppliers. We are pleased with this progress across a complex supply chain and have acted against suppliers that did not comply.

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. As such, we assess whether the supplier has the capacity and the motivation to remediate the issue. If not, we begin the process of disengagement. At the end of 2015, we confirmed plans to exit 11 suppliers.



Photo Credit: UNDP Indonesia Palm Oil Platform (InPOP)

We will also work with suppliers that show commitment to improve, based on an agreed plan, while retaining the right to exclude suppliers if the agreed terms are not met. This approach to challenge and engage our suppliers is promoting sector-wide change.

For example, during 2015, one supplier was put on notice to comply by the end of 2016. While the supplier was able to show oil designated for Mondelēz was traceable to the mill, the supplier was not able to meet our requirement for 100 percent traceability to the mill across their entire supply base – even though oil from that supplier to Mondelēz was traceable to the mill. As a result of this notice period, the supplier will establish traceability across its entire palm oil operation by the end of 2016 or cease to supply us.

By challenging suppliers in this way, we have prompted collaboration in the palm oil sector to improve traceability, particularly into emerging markets where there is not yet market demand for it.

Traceability to the mill is a powerful step. Mill data will enable us to use technology such as [World Resources Institute's Global Forest Watch](#) system to monitor deforestation, identify risk areas and focus supplier's efforts on deforestation hotspots. While traceability to the mill is a good first step, more needs to be done. We continue to call for the sector to go beyond by achieving traceability to the grower and for transparency of concession maps. We will also update our Palm Oil Action Plan in the second half of 2016 to reflect the progress that has been made on the ground.

## Other Commodities

### Eggs

We are committed to transitioning to fully using cage-free eggs in the United States and Canada by 2020 and in Europe by 2025. We currently use 100 percent cage-free eggs in all of our European chocolate brands biscuit products sold in Belgium and the Netherlands and our *Miracle Whip* dressing in Europe. This move follows years of progress in sustainable and responsible sourcing, including improving the welfare of egg-laying chickens in the supply chain.

We ultimately want all eggs to be produced cage-free, and we'll continue to advance conversations with suppliers to establish timelines for cage-free production in other regions, when we have evidence that commercially viable supplies are available.

### Milk and Dairy

Milk and other dairy products are important ingredients for our cheese and chocolate products. Milk production systems vary significantly around the world and a wide range of programs have been developed to manage sustainability. 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 have been building our sustainability agenda by working with key suppliers and national initiatives on a principle of continuous improvement. For example, milk to our *Cadbury* brand complies with the national program *Origin Green* in Ireland, or the [Red](#)



[Tractor](#) scheme the UK. In 2015, we completed visits to each of our 94 supplying farms in the UK. In Germany, we have supported the development of a new voluntary Quality Milk Standard, which will be implemented in 2016. And across Europe, we are engaging all our milk suppliers to build their sustainability roadmaps.

We are proud to hold the *Good Dairy Commendation* from Compassion in World Farming (CWIF) for our *Philadelphia* brands in the UK, Ireland and Benelux since 2013.

In Mexico, we are collaborating with regional stakeholders on [sustainable milk sourcing](#). There are a few government-sponsored programs in place that support dairy farmers and small farms.

However it is not enough, and small farms are disappearing while large farms are growing and consolidating. According to [La Camara Nacional de Industriales de la Leche \(Canilec\)](#), 31 percent of milk consumed in the country in 2013 was imported and domestic milk production had barely grown.

Additionally, while the consumption of milk has increased 2 percent annually in recent years, milk production has barely grown and suffers problems including low quality and poor traceability. We determined that, of the five million liters of milk produced daily, 80 percent comes from small farms. Understanding that, we put steps in place to raise production standards while following best environmental practices and supporting the needs of these crucial small farmers.

## Lessening our Environmental Footprint

Although the impact of our operations on the environment is much smaller compared to agriculture, we know making the operations under our direct control more sustainable and efficient is an important contribution to the well-being of our planet.

We made good progress on our 2015 goals. In 2014, we were a year ahead of schedule in accomplishing our 2015 goals for packaging, greenhouse gas emissions and net waste. In 2015, we also exceeded our waste to landfill and water goals. While we didn't meet our energy reduction goal, we are pleased we exceeded our greenhouse gas reduction goal relating to energy use in our manufacturing operations, which is in line with our strategic focus on reducing climate change.

### Environmental Footprint Goals

- Reduce energy in manufacturing 15% by the end of 2015\*
- Reduce greenhouse gases from manufacturing 15% by the end of 2015\*
- Reduce water in manufacturing 15% by the end of 2015\*
- Reduce waste in manufacturing 15% by the end of 2015\*
- 60% production from Zero Waste to Landfill sites by the end of 2015
- Eliminate 50 million pounds (22,500 metric tonnes) of packaging by the end of 2015



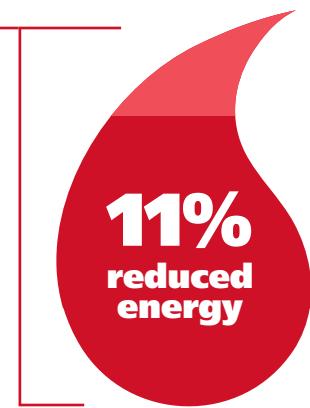
\*measured per tonne of production for Full Year 2015 vs. Full Year 2010

## Making Progress in our Operations

### Saving Energy

Around the globe, dedicated teams are hard at work looking for innovative ways to reduce energy consumption and improve efficiency. For example, in five years, our Capriata plant in Italy has reduced total energy consumption by 25 percent. Reductions were achieved through the application of Integrated Lean Six Sigma tools and by identifying ways to recover lost heat from ovens to support boilers. Automatic remote systems were implemented to manage winter heating and ventilation. By optimizing compressed air usage, teams were able to limit air leakage and conserve energy.

**GOAL 15%**



**11% of energy per tonne reduced**  
at our manufacturing sites worldwide –  
vs. our 15% goal in 2015

### Reducing CO<sub>2</sub> Footprint to Protect Global Food Supplies

There is no doubt that food security is at risk from climate change. Local temperature increases, extreme weather patterns, and shortages of essential resources are driving competition for land and threatening the supply of major crops. Recent reports by the [Intergovernmental Panel on Climate Change \(IPCC\)](#) show that climate change is already impacting global food supplies and is contributing to sharp food price increases and social unrest in various parts of the world.

So naturally, the food industry has a major stake in helping to protect global food security. Industry leaders such as Mondelēz International have a responsibility to play a role in addressing these issues.

We are taking action at every step of the manufacturing process. For every bar of *Cadbury Dairy Milk* chocolate sold in the UK, we are cutting some of the CO<sub>2</sub> released at our Bournville factory in England, which already reduced its emissions by 17 percent as of 2014 by pioneering an energy management system, leading to more efficient refrigeration and lighting. In Turkey, our Gebze plant achieved a 15 percent reduction in CO<sub>2</sub> from 2013 to 2015 and lowered CO<sub>2</sub> emissions by 8 percent in the last year.

And our factory in Upplands Väsby, Sweden converted heavy fuel oil burners to use waste vegetable oil instead; this switch to a lower carbon fuel significantly reduced annual CO<sub>2</sub> emissions by 16 percent in the last year.

**GOAL EXCEEDED**

**GOAL 15%**

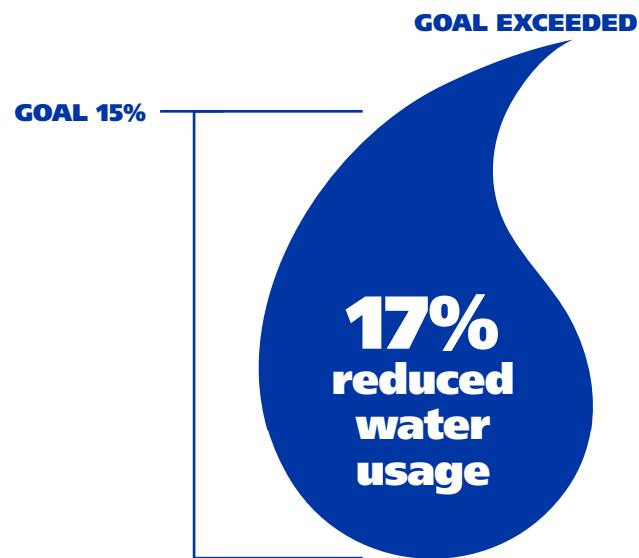


**19% of CO<sub>2</sub> emissions per tonne reduced** through energy saving projects, cleaner fuel use onsite, and purchase of renewable electricity certificates – exceeding our goal in 2015

## Preserving Water

When considering the various ways Mondelēz International addresses sustainability issues around the world, nothing is more important than conserving the valuable resource of water. Many of our plants have made significant progress by optimizing cleaning procedures, continuous checks for potential leakages and employees' involvement in sustainability efforts.

Our Gebze plant in Turkey achieved a 25 percent reduction in water usage in the last two years. And our Côte d'Or plant in Halle, Belgium reduced incoming water by 27 percent through activities, such as eliminating water leaks.



**17% of our incoming water usage per tonne of product has been reduced and we are looking to do even more through a continuing global partnership with Ecolab®**

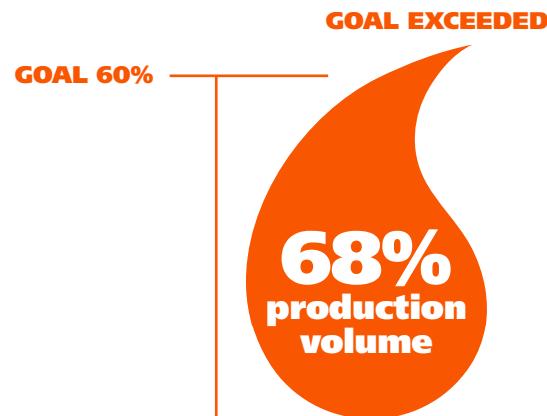


### A STORY OF TRANSFORMATION AT THE MALANPUR SITE IN INDIA

In the past, the Malanpur site in Madyha Pradesh, India, was receiving non-compliance notices and faced potential closure by the State Pollution Control Board. However, after implementing water conservation efforts, the site has transformed its environmental performance, water efficiency and wastewater compliance.

A cross-functional Water Management Team was established by the factory leader to generate innovative ideas and develop an

action plan to resolve the non-compliance issues. Following the mantra of Reduce, Reuse, Recycle, the site implemented closer monitoring of water use communication with employees and awareness efforts to eliminate leaks and overflows. Teams reduced the diameter of hose supply lines, recalibrated processing equipment, used recycled water to supply cooling towers and upgraded waste water treatment facilities. The initiative more than halved the site's water intake in less than a year.



**68% of our 2015 production volume** came from facilities that were Zero Waste to Landfill

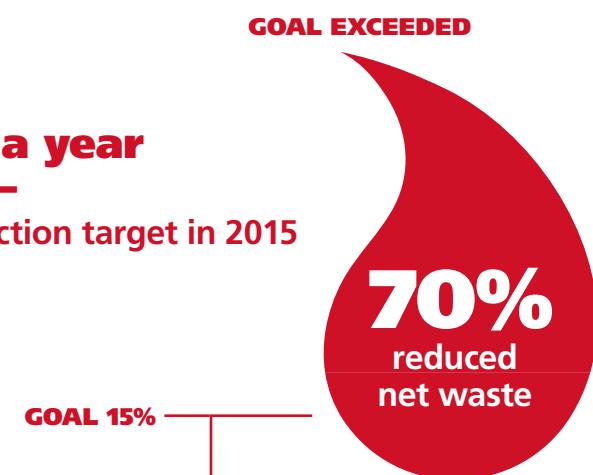
#### Eliminating Waste

Our focus has been to reduce waste in manufacturing, where we continually search for innovative reduction solutions.

Impressive improvements in terms of sustainability have been delivered by the Côte d'Or plant in Halle, Belgium over the last two years, where solid manufacturing waste has been reduced by 54 percent. The plant also worked to reduce electricity and gas consumption by 14 percent, as well as lowering water consumption by 27 percent and taking steps to prevent wasteful water leaks.

Our Gebze plant in Turkey worked to reduce waste 20 percent from 2013 to 2015, with a 9 percent reduction in the last year.

Both our Curitiba, Brazil factory and Toledo flour mill in the U.S. successfully reduced their net waste to become Zero Waste to Landfill sites by end of 2015.



**Surpassed our goal a year ahead of schedule —**  
**nearly 5 times over 15% reduction target in 2015**

### Using Less Packaging

Mondelēz International has earned a reputation as one of the leaders in our industry in eliminating packaging. Over the years, teams have worked to optimize packaging design and source materials that perform and protect with the minimum packaging possible.

Consumers continually expect less packaging. But we have to ensure that products are still kept fresh, safe, easy to use and store, and enable consumers to get all the nutritional and ingredient information that they need. By continually optimizing package design, we can minimize our environmental impact.

Small adjustments can have a huge impact. Between 2010 and 2015, our regional teams, through more than 600 R&D programs across all our categories, eliminated 48,500 tonnes of packaging from our business. Actions such as optimizing pouch size and shipper display dimensions result in saving thousands of tonnes of packaging each year.

Using less packaging provides an economic benefit, not only in material costs but also in transportation and disposal. This helps us to reduce our overall CO<sub>2</sub> emissions as well as operating more efficiently. It ultimately reduces costs to the business and thus helps us to contribute to our goal to create more fuel to power our growth. By eliminating packaging, we saved an estimated 100,000 tonnes of annual CO<sub>2</sub> emissions. We also reduce the amount of waste that consumers and local authorities have to deal with. That's good for people, businesses, and good for the planet.

#### GOAL EXCEEDED

**GOAL**  
50 million lbs  
(22,500 metric tonnes)

**107M lbs**  
(48,500 metric tonnes)  
**reduced packaging**

Surpassed our goal a year ahead of schedule—**exceeding our target by 114% in 2015**



#### REDUCED PACKAGING IN MANY OF OUR PRODUCTS IN 2015

- In Asia Pacific, we saved **1084 metric tonnes** by moving from cartons to flexible film for *Chips Ahoy!*
- In Latin America, we had **2,500 fewer trucks** on the road per year and a savings of 1,300 metric tonnes of packaging by changing *Tang* packaging – including primary pack, secondary pack and case packer.
- In Europe, we removed **92 metric tonnes** and had **35 fewer trucks** on the road by harmonizing our gum bottles to a smaller range, optimized for the consumer.
- In Eastern Europe, the Middle East and Africa, we saved **230 metric tonnes** by changing the *Tang* shipper from a standard box to wrap-around case.
- In North America, we removed **490 metric tonnes** of packaging per year by downsizing the pouch, carton and case for *belVita* packaging.

## Looking Ahead

While we made excellent progress against our 2015 goals, we recognize we still have more to do to reduce our end-to-end environmental impacts to combat climate change. In particular, the need to increase our focus on energy efficiency as a means to drive continued reductions in manufacturing CO<sub>2</sub> emissions.

Recognizing this, our 2020 sustainability goals announced in October 2015, set ambitious targets for an end-to-end approach to reduce our carbon footprint, including:

- Adopt science-based targets to reduce our absolute CO<sub>2</sub> emissions from manufacturing by 15 percent.\* This aligns with current approaches to setting science-based targets to support the global effort to limit climate change to less than 2° C.
- Address deforestation within the company's key agriculture supply programs, primarily in cocoa and palm oil; and, as progress is made on the ground, publicly report end-to-end carbon footprint reduction.
- Cut our absolute water footprint by reducing water use by 10% in manufacturing, focusing on priority sites where water is most scarce.\*
- Reduce packaging waste by eliminating 65,000 tonnes of packaging, without contributing to food waste.\*
- Reduce absolute total manufacturing waste by 20 percent.\*




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"These new goals take our commitment a step forward using the power of our global resources and partners to drive meaningful change at scale."

*—Hubert Weber, Executive Vice President and President, [Mondelēz Europe](#)*

\*By 2020 vs. 2013 baseline

## SUSTAINABILITY

We will also continue with our goal to have all of our cocoa sustainably sourced, mainly through **Cocoa Life**. In addition, we will create a global approach to sourcing wheat; as well as implement and update our Palm Oil Action Plan.

Compared to 2015, our 2020 goals for greenhouse gas, water and waste have moved from a per tonne to a more challenging absolute basis. Likewise, our focus has moved from net waste and sending zero waste to landfill, to reducing total waste generated in manufacturing. Using a 2013 baseline, at the end of 2015, we are already seeing progress against those goals.

Overall, our new 2020 sustainability goals set out a challenging and exciting journey for us as we move to the next level in improving the impact that Mondelēz International has on the environment. We will share full updates on all goals in 2017.

### 2020 SUSTAINABILITY GOALS

- Reduce water in manufacturing 10% focusing on priority locations where water is most scarce\*
- Reduce total waste in manufacturing 20%\*
- Reduce greenhouse gases from manufacturing 15%\*
- Eliminate 65,000 metric tonnes of packaging\*

### PROGRESS BY END OF FULL YEAR 2015

- Reduced our incoming water usage by 12%\*\* in priority locations, such as Malanpur
- Reduced total waste by 3%
- Reduced emissions by 6%
- Eliminated 35,500 metric tonnes of packaging

\*By 2020 vs. 2013 baseline

\*\*Our 2020 goal includes the anticipated impact of expansions for new lines and sites which will add to our future absolute water use and, therefore, not evident in 2015 performance

## UN Sustainable Development Goals Linkages

Through our sustainable agriculture programs **Cocoa Life** and **Harmony** that help improve the livelihoods of farmers and their communities, along with our efforts to reduce our environmental footprint and tackle climate change, we are supporting the following [Sustainable Development Goals \(SDGs\)](#).





## Well-being Snacks Goals\*

- Deliver 25% of our revenue from Better Choices by 2020
- Increase Portion Control products – individually wrapped, satisfying portion-control options that are fewer than 200 calories – by 25% by 2020
- Reduce sodium and saturated fat by 10% across the portfolio by 2020
- Increase whole grains across our portfolio by 25% by 2020
- Place calorie information on front of packages globally by the end of 2016

\*Based on a 2012 baseline, which has been restated due to the divestiture of our coffee business and the removal of Venezuela operations from our financial reporting.

## WELL-BEING SNACKS

Consumers are increasingly interested in well-being – for themselves and for their families. Today they are more aware of the connection between what they eat and their health. Snacking represents small eating moments throughout each day where consumers are faced with choices to satisfy what they need and want – both physically and emotionally. As such, people are seeking out foods that fit their lifestyle and have better well-being credentials.

At Mondelēz International, we create snacks to bring people delicious moments of joy. To help consumers on their well-being journey, we know our snacks must serve different needs. In addition to providing a delicious moment of joy, our snacks also need to help curb people's hunger or give them a nutritional boost.

That is why, as the world largest snack company, we intend on becoming the leader in well-being snacks, with about half of our portfolio being a Well-being Choice by 2020. We plan to evolve our portfolio to satisfy consumers' well-being needs by making people's favorite brands better and keeping the same great taste they expect. To create snacks that can nourish the body *and* the soul.

To realize our ambition, we plan to expand our well-being choice offerings in our portfolio, enhance the goodness of our current brands, and inspire consumers to snack mindfully, providing clear and simple nutrition information. As such, we have changed the name of this section from Mindful Snacking to Well-being Snacks to reflect our increased focus on our portfolio.

## Expanding Well-being Choices in our Portfolio

Our ambition is to be the global leader in well-being snacks by 2020, with about half of our portfolio being **Well-being Choices**. To help achieve this, we are focusing 70 percent of our new product development efforts on platforms to bring new, delicious snacks to the marketplace that meet consumers' well-being needs.

**Well-being Choices** are comprised of three types of snacks: **Better Choice** snacks that have an improved nutrition profile; individually-wrapped **Portion Control** options that are under 200 calories; and **Lifestyle Choice** snacks that are designed to meet a specific consumer well-being need – such as being organic, allergen- or gluten-free. **Portion Control** and **Lifestyle Choice** snacks must also meet baseline nutrition criteria that we use to assess new products being developed, as well as guide renovations. At the end of 2015, 34 percent of our revenue came from Well-being Choices.

### Better Choices

Our dedicated team of consumer researchers, nutritionists, product developers and culinary experts worked together to enhance the nutrition profile of our brands and help deliver more **Better Choice** options in our portfolio.

Compared to existing alternatives within our portfolio, **Better Choice** options have an improved nutrition profile and meet a stricter set of category-specific nutritional requirements. The criteria were developed with guidance from a panel of external nutrition experts and are based on international dietary guidance. In addition to meeting the nutrition criteria, **Better Choices** options must also deliver a positive nutritional element. For example, adding 8 grams of whole grain; or reducing a nutrient of public health concern, such as sodium, saturated fat or sugar, by at least 10 percent against baseline.



The expansion of our signature breakfast biscuit, *belVita*, into new markets and in new varieties, has helped deliver our **Better Choice** growth over the last few years. In 2015, we introduced *belVita* into China and across the Middle East. Throughout Europe, we launched new *belVita* Soft Baked Breakfast Biscuits and, in the U.S., introduced *belVita* Bites.

By restating our financial reporting to remove coffee and Venezuela, our **Better Choice** products now account for 25.5 percent of our revenue at the end of 2015. We remain on target, and going forward, intend to further increase our **Better Choice** options within our portfolio.

GOAL 25%  
of revenue  
in 2020

23%\* in 2012

**25.5%\***  
of our revenue,  
in 2015, was  
from our  
**Better Choices**

\*graph based on revenue; 2012 revenue baseline restated due to coffee divestiture and removal of Venezuela operations from financial reporting

## Portion Control Options

By developing and increasing **Portion Control** options – snacks that are 200 calories or less and are individually wrapped – we are helping people manage their calories and become more mindful about what they eat. We have learned from our conversations with consumers, independent experts and researchers about how portion-controlled products can better encourage mindful eating. Today, our single-serve offerings include a variety of options across our categories, including *Milka Crispello*, *Cadbury Time Out Wafer*, *Moro* and *Gallito* chocolates; portion packs of *Club Social*, *Tuc* and *Oreo* biscuits; *Cadbury Dairy Milk & Lu* chocolate biscuits; and *Barni* soft cakes.

As consumer demand continues to grow for more convenient, portion-controlled snacks, our **Portion Control** products are providing people with a variety of nourishing and deliciously satisfying options to choose from and enjoy. One of our most successful 2015 product launches was portion-controlled packs of new *Ritz Crisp & Thins* in the United Kingdom (UK). Other new **Portion Control** snacks in 2015 included *Cadbury Dairy Milk & Sweet Biscuits* in Australia; portion packs of *Oreo* biscuits in Russia, China, and across Southeast Asia; and *Cadbury Dairy Milk Marvelous Creation* bar in Lebanon and Egypt.



GOAL + 25% growth by 2020

2012

+26%\*

**Portion Control** growth in 2015

\*graph based on revenue

## increasing portion control options



## Lifestyle Choices

We recognize that people are increasingly interested in the role food plays in their overall well-being. So we are expanding our portfolio to offer snacks that are positioned and specifically created to meet consumers' broader well-being needs, beyond a purely nutritional benefit. These snacks must meet baseline nutrition requirements in addition to providing a consumer-defined well-being benefit. This includes snacks that have simpler ingredient lines; are gluten-, lactose- or allergen-free, like our new *Enjoy Life* products; or snacks that have been grown and sourced in a certain way, such as certified organic options, like our *Green & Black's* chocolates.

## GET CONNECTED AND CHECK YOUR PORTION

We have been creating new digital technology and tools to help people practice mindful eating. To provide a reliable and centralized source of information on all topics related to well-being, Mondelēz France launched an interactive dialogue section called "Vos questions, nos réponses" on its [website](#) for consumers. This is an open Q&A platform where consumers can submit their questions for our team to answer, addressing four key themes: nutrition, health, sustainable sourcing and environmental impact.



Mondelēz France also piloted a **Check Your Portion** tool – an interactive, web-based app that informs and educates consumers about mindful snacking and portion control. The tool provides consumption guidance for both adults and children; as well as nutritional value for each product per 100g and per portion, and product ingredient details.

## USING EDUCATION AND INNOVATION TO INSPIRE MINDFUL SNACKING

In July 2015, Mondelēz International continued its virtual dialogue on mindful snacking by hosting its second Google Hangout. The session brought together experts and stakeholders to explore how people are applying the concept of mindfulness to eating and snacking. Jennifer LaRue Huget, author and former nutrition columnist at *The Washington Post*, moderated the conversation on how companies and other organizations are using education and innovation to support people in making more mindful choices.

Panelists included Susan Albers, PsyD, mindful eating expert and clinical psychologist, Cleveland Clinic, Hank Cardello, Director, Obesity Solutions Initiative, Hudson Institute and Todd Abraham, PhD, Senior Vice President, Research and Nutrition, Mondelēz International.

Susan Albers, PsyD, offered tips for mindful snacking – sitting down to eat, slowly chewing, savoring your snack, simplifying your environment (e.g., putting snacks in a drawer or cupboard) and smiling between each bite. Todd Abraham, PhD, explained Mondelēz has created and is developing products to help people eat more thoughtfully. This includes offering

portion-controlled options, placing calorie information front-of-pack across the company's portfolio and improving the overall nutrition profile of products. The series is available on our [YouTube channel](#).



*"I encourage people to... take that snack, go sit down at the kitchen table and... really enjoy it. And our bodies perceive it in a different way. When we are really focused on what is it that we're eating, we enjoy it more, we slow down and the experience is different. And research really backs this up."*

—Susan Albers, PsyD, mindful eating expert and clinical psychologist, Cleveland Clinic

## Enhancing the Goodness of our Brands

We continue to focus our efforts across our global snack portfolio to enhance the goodness of our brands by increasing whole grains, and reducing saturated fat, sodium and sugars. We also plan to simplify ingredient lines and remove artificial flavors and colors in select key brands over time. While we have made progress, particularly in increasing the amount of whole grains across our portfolio, we have much more work to do to achieve our sodium and saturated fat reduction goals. The challenges remain in offering options that retain the great taste and quality consumers expect.

### Whole Grains

At the end of 2015, we achieved our goal of increasing whole grains by 25.5 percent across our portfolio. Products, such as our *Wheat Thins* Popped chips, new varieties of *Triscuits* and the addition of whole grains in *Ritz* and *Premium* crackers in the U.S., a new line of *Club Social* whole wheat crackers in Brazil, and the ongoing expansion of *belVita* into new formats and new markets, helped us reach our goal.



### Sodium and Saturated Fat

We are committed to reducing the amount of saturated fat and sodium within our products, with the goal of achieving our 10 percent reduction targets by 2020.

We made steady progress in taking out sodium across our biscuit and cheese categories. We reduced sodium by 5.5 percent in our biscuits global portfolio and 4 percent in our cheese and meals category. In the UK, we removed 117 tonnes of salt from our *Ritz* crackers; and our new *Ritz* thins were specifically designed to meet the 2017 UK salt targets. We also achieved a 5 percent reduction in sodium in select *Oreo* varieties across Latin America. Despite these efforts, shifts in sales across our portfolio offset our progress; as such we are accelerating and scaling up sodium reduction efforts across all product categories.

We made some improvement in our saturated fat reduction efforts. At the end of 2015, we reduced saturated fat by 2 percent across the portfolio, with success in regional recipe reformulations. For example, we reduced the saturated fat content in our *TUC* crackers sold in the Middle East and Africa by 8 percent since 2014. We replaced the coconut oil in the recipe of our *TUC* crackers sold in Egypt with oils that have a better fat profile to significantly reduce the saturated fat levels. This renovation resulted in a 35 percent reduction – going from 15.6g to 9.6g of saturated fat per 100 grams of product.



To help showcase the benefits of whole grain, Mondelēz International hosts exhibits across North America featuring our “Whole Grain for the Whole Day” program. The program, which is featured at nutrition conferences and with retail partners, demonstrates how our various whole grain snacks can help people reach the U.S. Dietary Guidelines recommendation of including more whole grains in their diet – an area where many people still fall short.

In the UK since 2012,  
we have taken out  
**117 tonnes**  
**of salt** in our  
***Ritz* crackers**

## Trans Fat

We continue to focus on removing, and ultimately eliminating, industrially-produced trans fats from our entire portfolio. Over the years, we have significantly reduced industrially-produced trans fatty acids (TFAs) and partially hydrogenated oils (PHOs) from our products, while maintaining taste and quality. As part of our efforts, we made a [commitment](#) along with members of the International Food & Beverage Alliance to reduce industrially-produced TFAs from PHOs in our products worldwide to be less than 1g of TFAs per 100g of product by the end of 2018.

## Sugar

With the growing concern over sugar consumption and its impact on weight gain and other health considerations, we believe the best way we can help people reduce the amount of sugar they consume is through our efforts to reduce calories and offer portion-controlled options. In order to effectively maintain a healthier, more balanced diet, it is important to manage the intake of both sugar and calories.

Over the years, we have expanded products with less sugar and calories, such as our lower sugar *Tang* products. Since 2012, we've reduced sugar by 27 percent across our global powder beverage portfolio. In 2015, we launched new varieties of our powdered beverage *Clight* with stevia in Argentina.

More than 90 percent of our chewing gum is sugar-free, which supports oral health. In China, we launched *Trident*, and in the U.S. and Canada, we introduced new varieties of our *Stride*, *Dentyne* and *Trident Layers* chewing gums.

We lowered the amount of added sugar in many of our products in the UK. Specifically, from 2013-2015, we reduced sugar on average by 8 percent across our *Barny* soft cakes varieties. Within our *belVita* line in the UK, we reduced sugar in the Cranberry and Crunchy Apricot varieties by 4 percent.

And we've created new options that provide the taste and enjoyment of a beloved brand but with fewer calories and sugar. For example, in the U.S., *Oreo Thins* have 30 percent fewer calories and one-third less sugar than a regular *Oreo*. So consumers can still savor the enjoyment and taste of an *Oreo* – but as a lighter eating experience with fewer calories and sugar.

**Removed 154 million lbs of sugar since 2012 across our global powdered beverages**



## Providing Information to Make Mindful Choices

To make informed, mindful decisions for themselves and their families, people need the right information to be delivered in a simple and straightforward manner. Our marketing and communications practices are designed with this in mind, so we can help people have clear information about our snacks and empower them to make the best choices.

### Nutrition Labeling

We understand the importance of being open and consistent in the way we communicate about our snacks with consumers around the world. Our approach is in line with international standards, including Codex Alimentarius. We provide nutrition labeling on all of our products across our worldwide markets, 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. On very small packages with limited space, we list calories, protein, carbohydrates and total fat. Nutrition labels usually include the percentage that a nutrient provides of a person's recommended daily intake, such as Daily Value or Dietary Reference Intake.

When we make a claim about a nutrient (e.g., good source of fiber) or when we add a specific nutrient for fortification purposes, we will include information on that nutrient in the label and in accordance with local regulations or by recognized bodies, such as CODEX, in those cases where country regulations or standards have not been set. We also follow the guidance outlined in the WHO/FAO guidelines on food fortification with micronutrients.

**At the end of 2015, 68 percent of our portfolio had calorie front-of-pack in place**

### Front-of-Pack Labeling

Calories are universally recognized around the globe. We are committed to helping our consumers be mindful of how many calories they are taking in. By the end of 2016, we will have calorie information front-of-pack (FoP) on all our eligible products globally.\* And we're making solid progress on our goal. At the end of 2015, **68 percent** of our portfolio had calorie FoP in place.

We participate in FoP labeling systems in several markets, either based on local regulations or voluntary industry efforts. For those markets that do not have a calorie FoP in place, we developed our own internal guidelines based on existing FoP labeling systems to ensure we are consistent globally. Unless national requirements require alternative elements, our FoP calorie labeling must depict calories (energy) per serving; or per pack for single serve individually wrapped products.



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

## Advertising to Children

We support the role of parents, as the decision-makers, in choosing the products that are right for their children. In 2005, we were the first company to announce global policies for advertising to children. In 2014, we took additional steps to strengthen our [Marketing to Children Policy](#).

Starting January 1, 2016, we no longer advertise our products in any media primarily directed to children under age 12, irrespective of the product's nutritional profile. 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, advergaming, mobile, word-of-mouth, DVD/video and in cinema.

Specifically, we will focus all advertising efforts towards the parents and adults, giving them information and choices to help make mindful snacking decisions for themselves and their families. We will continue to prohibit all in-school marketing of our products in both primary and secondary schools (prior to university level). Our marketing to children policy is global and applies to every market where we do business.

In parallel with our policy, 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](#).

## MONITORING OUR ADVERTISING COMMITMENT

To ensure compliance with our Marketing to Children Policy, we are engaged in a number of global and local pledge programs that rigorously monitor and report on our processes. Pledge programs include the [U.S. Children's Food and Beverage Advertising Initiative \(CFBAI\)](#); the [Canadian Children's Food and Beverage Advertising Initiative](#); the [EU Pledge](#); the [Responsible Child Marketing Initiative of the Australian Food & Grocery Council](#); the [Singapore Food & Beverage Industry Responsible Advertising to Children Initiative](#); as well as our global pledge through the [International Food & Beverage Alliance \(IFBA\)](#).

To monitor our global progress, IFBA engages Accenture, a third-party media auditor; and employs a measure of compliance intended to help member companies identify genuine breaches and instances where spots for

restricted products were placed in or around daytime programs reaching 35 percent or more children under age 12.

In 2015, 98 percent of our television advertising was compliant and we were 100 percent compliant for print and online. Accenture's report was based on a review covering six countries: Brazil, China (Shanghai), Colombia, Indonesia, Malaysia, Russia, Saudi Arabia, South Africa, Thailand and the United Arab Emirates. Accenture also reviewed print publications and websites across five countries: Brazil, China (Shanghai region), Russia, Singapore and South Africa. We review results with our marketing and media buying teams, as well as media buying agencies where there were incidences of non-compliance and put corrective steps where needed to avoid future concerns.

## Partnering with Experts

We believe in the power of collaboration. We have been working together with experts to better understand and address the complex challenges around diet, health and well-being. This is especially important today, as obesity and related health concerns persist around the globe.

Throughout 2015, we participated in and presented at various conferences to learn about advancements in nutrition research, as well as share progress against our nutrition strategies and results from research and scientific reviews we conducted. We also have partnered with academic experts and organizations on joint scientific research projects in the fields of satiety and mindful snacking. We continue to actively engage with public and private sector stakeholders, and industry partners, to implement and promote effective approaches to address global health and well-being challenges.

- **Argentine Congress of Nutrition (SAN)** – a conference held every two years in Argentina attended by 1,600 health professionals and food technologists. Mondelēz International sponsored a symposium on mindful snacking, and shared an overview of portfolio nutritional improvements.
- **Brazilian Society for Food and Nutrition (SBAN) Congress** – a scientific conference held every two years on food and nutrition in Brazil. In 2015, SBAN sponsored a scientific panel session focused on the importance of a moderate glycemic response for health.
- **British Dietetic Association (BDA) Work Ready Programme (WRP)** – a new dietitian-led wellness initiative designed to help the workforce stay healthy and well at work. *beVita* is proud to be a lead partner in offering support, insights and consumer expertise to the WRP and the publication of the BDA white paper, *Supporting healthier working lives through dietitian-led wellness initiatives*.



Accredited BDA  
Work Ready Dietitian

- **Consumer Goods Forum (CGF) Health & Wellness Steering Committee** – group of retailers and manufacturers who together have established a set of Health and Wellness Resolutions and Commitments to help improve the well-being of consumers, employees, their families and the communities they serve.
- **Dietitians Association of Australia (DAA) Conference** – an annual scientific conference in Australia with a scientific and keynote speaker program on nutrition and dietetics.
- **European Nutrition Leadership Platform (ENLP)** – a forum brings together nutrition experts, food industry and nutrition organizations from across Europe to train young nutritionists in leadership skills, preparing them for a successful career in nutrition in the private or public sectors.
- **European Platform on Diet, Physical Activity and Health** – a multi-stakeholder platform which works to promote balanced lifestyles. Since 2005, the Platform has introduced over 200 initiatives to fight obesity.
- **12th European Nutrition Conference (FENS)** – conference held every four years in Europe, attended by 2,000 scientists, nutritionists and stakeholders. Mondelēz International sponsored the congress, as well as two symposia on whole grains and slow digestible starch.

- **Food and Nutrition Conference and Expo (FNCE)** – an annual meeting on food and nutrition in the U.S. that features more than 140 research and educational presentations, lectures, panel discussions and culinary demonstrations. In 2015, we provided an overview of our whole grain research and showcased our “Whole Grain for the Whole Day” platform.
- **Grains for Health Foundation** – a nonprofit working across the grain-based food chain to improve public health by increasing healthy, whole grain foods in the food supply.
- **HEALTHGRAIN Forum** – a multi-partner, pan-European research program to promote the benefits of whole grains.



## WELL-BEING SNACKS

- **International Food & Beverage Alliance (IFBA)** – an organization that has made a global commitment to the WHO in five key areas: product composition and availability; nutrition information to consumers; marketing and advertising to children; promotion of physical activity; and healthy lifestyles and partnerships.
- **International Life Sciences Institute (ILSI)** – a nonprofit, worldwide organization that is focused on providing science which improves human health, well-being and protects the environment.
- **Latin American Society of Nutrition (SLAN) Congress** – a conference held every three years that hosts 1,200 researchers, health professionals and policymakers from across Latin America. In 2015, Mondelēz International showcased at the conference research behind the science of slow-release carbohydrates for sustained energy and applications in product development.
- **Mexico National Institute of Public Health (INSP) Congress** – a public health conference in Mexico, where current health issues were reviewed and presented, including prevalence of obesity and related policy actions to address it.
- **National Association of Dietitians (ANDID) Congress** – based in Italy, an influential conference for dietitians across Europe to come together and share learnings around the latest research and initiatives on nutrition and health.
- **Pan American Health Organization SaltSmart Consortium** – a group of representatives from civil society, government, academia and the private sector supporting efforts to reduce salt consumption and promote healthier diets across the Americas.
- **Shanghai Nutrition Society** – a partnership with Mondelēz International to engage key opinion leaders and nutrition experts in sharing *belVita* science and the latest updates from China's leading experts in breakfast, whole grains and glycemic response.
- **UK Responsibility Deal** – a series of pledges and commitments by companies to reduce salt, remove trans fat, support calorie labeling and promote physical activity in the UK.
- **Whole Grains Council** – a nonprofit organization that supports scientific research and consumer education around the benefits of whole grains.





## nutrition science corner

At Mondelēz International we believe in driving innovation and success through nutrition research. We are proud to share our findings and perspectives on emerging nutrition science and our partnerships and peer-reviewed publications.

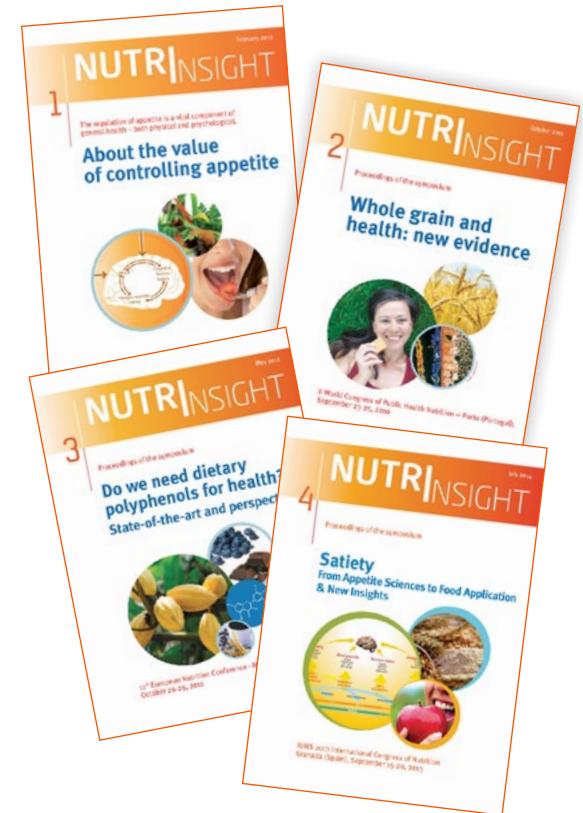
### Nutrition Science Corner

Through Mondelēz International's [Nutrition Science Corner](#) website, we invite people to learn more about our featured nutrition topics, partnerships, publications and presence at nutrition congresses and conferences around the world.

Conducting research in nutrition core science focus areas allows us to share our findings and perspectives on emerging nutrition science with the global community of nutrition researchers. As part of our *NutriInsights* series in the Nutrition Science Center, we publish nutrition science updates, articles in peer-reviewed journals based on its clinical research, abstracts and nutrition-related insight articles at scientific meetings. These publications capture research done on nutrients

and ingredients in the areas of carbohydrates, proteins, whole grains and their effects on, for example, glycemic response, health and appetite.

In addition to our Nutrition Science Corner site, we launched a [website](#) in the U.S. and Canada dedicated to educating health care professionals on slowly digestible starch (SDS) or slow-release carbohydrates. The website offers tools and shares several published clinical studies that investigated the physiological effects of SDS. Studies demonstrate lower and more stable rates of glucose in the body and lower post-meal blood glucose and insulin responses when foods with high SDS content have been compared to foods with low SDS content.



### UN Sustainable Development Goals Linkages

Our efforts to improve the nutritional profile of our current portfolio, by reducing nutrients of concern, such as sodium, saturated fats, sugars and trans fats, as well as increase whole grains and expand our Better Choices and Well-being options, help support the tenets of the following UN [Sustainable Development Goal \(SDG\)](#).





**"The Mondelēz Hope Kitchen – Nutrition and Healthy Lifestyles Program is very practical, comprehensive and systematic in terms of content, implementation and measurement. The program provides a best practice and lays a solid foundation for conducting large scale food and nutrition education programs to rural students across China in the future."**

— Ma Guansheng, *Department of Nutrition & Food Hygiene, School of Public Health, Peking University; and former Deputy Director, National Institute for Nutrition and Health of China CDC*

## COMMUNITIES

### Promoting Community Well-being

The path to community well-being begins by fostering environments to help children and families adopt life-long healthy habits. This is critically important as the World Health Organization and other health authorities recognize obesity and childhood obesity as serious public health challenges. That is why the Mondelēz International Foundation continuously invests in innovative community programs and partners to help improve the lives of some of the 2.1 billion overweight and obese people in the world.

The Mondelēz International Foundation is working with our public health and community partners to empower communities to embrace active and healthier lifestyles. Our programs are commonly school-based, reaching children ages 6-12 during and/or after school hours. The innovation behind these efforts is rooted in a three-pronged approach to deliver community programs which are focused on offering nutrition education, promoting active play and providing access to fresh foods.

As part of our multi-year, \$50 million commitment to promote healthy lifestyles and address obesity, we are working with partners across 13 markets, including Australia, Brazil, China, France, Germany, India, Italy, Mexico, Russia, South Africa, Spain, the United Kingdom and the United States. As of 2015, all programs are up and running in markets that have some of the highest rates of childhood obesity.

## Program Reach and Impact

In 2015, our Foundation announced the addition of three new well-being programs aimed at bringing nutrition education, active play and fresh foods to children and their families in Mexico, South Africa and the United States.

In **South Africa**, INMED Partnerships for Children will adapt its award-winning program from Brazil to South Africa, which will include school-based gardens.

In the **United States**, After-School All-Stars will expand its middle school program to offer nutrition education, cooking classes and urban vegetable gardens; it is our first ever program geared towards middle school students.

In **Mexico**, Save the Children will work in early childhood development centers and primary schools to improve nutrition and physical activity by promoting active play.

With the addition of these new partnerships, the Foundation's collective program reached more than one million children and families across 13 countries.

Each community partnership tracks progress against global healthy lifestyle metrics critical to achieving well-being: nutrition education, physical activity and access to nutritious foods.

**1. Nutrition Knowledge:** Percentage of program participants who improve their 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



These metrics were developed with community partners and public health experts from Yale School of Public Health convened by the Mondelēz International Foundation in 2013. Additionally, certain programs measure BMI, or the percentage of participants with BMI in normal range, as

appropriate. Tracking success and understanding what works will help community programs fill knowledge gaps and create even greater impact.

## MEASURING FOR IMPACT

Overall, we have seen improvements against all our metrics; however, the range of improvement varies among countries and programs. At the end of 2015, we received results against our global healthy lifestyle metrics from partnerships in the United Kingdom (UK), China, Australia, Brazil\* and Russia. While each of these five programs were implemented at different timeframes, we have seen steady improvements. Highlights include:

### NUTRITION EDUCATION:

- We have seen a range of nutrition knowledge increase between 2% to 17% with an average increase of 7.6% in Brazil, China and the UK.
- Across the China and UK programs, more than 50% of children have improved nutrition knowledge. In some schools, more than 70% of children have improved nutrition knowledge.

### PHYSICAL ACTIVITY:

- Physical activity in participants has increased in the range of 1% to 24% with an average increase of 7.8% in the five programs noted above.
- In Australia, Brazil, Russia and the UK, at least 40% of the children are now physically active 30 minutes or more daily.
- In China, on average 80% of the students would spend 60 minutes or more on sports activities a day, including PE classes and exercises during breaks.

### ACCESS TO FRESH FOODS:

- Consumption of fresh fruit and vegetables increased in the range of 2% to 24% with an average increase of 7.6% across China, Russia and the UK.
- In Brazil, before the program started in 2010, there was minimal fresh produce on school menus. Since 2013, 58% of schools with gardens now supply fresh produce for school meals at least three times per week.

### BMI:

- Brazil is the only program that has been measuring BMI. In Brazil, at the beginning of the program in 2010, more than 3 out of 10 children were outside the normal BMI range. By 2013, 65% of children showed improved BMI and 1/3 of these children achieved normal BMI.

Programs that began in 2015 conducted baseline measurements for these global metrics in 2015 and will begin measuring progress in 2016. Programs already in place in 2015 are changing measurement tools to align with the global metrics. We continually work with each community partner to implement and track our common metrics, with the goal to have all community programs being measured against the same global metrics by end of 2016. We will also be convening all of our community partners for a conference where we will collectively look at our key learnings, determine areas for continued improvement and work collectively to determine approaches for even greater impact in the future.

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*"The Health in Action program has brought many benefits to our students and the community, since the community is very involved with the actions in the school. We have parents coming in to the school saying their children began asking about vegetables (such as arugula), which they have never heard of, and they [the parents] began to understand the importance of various fresh foods. The majority of the students did not eat vegetables before, but since this garden it has all changed—they ask for vegetables in the meals and they take home what's left over."*

—Núbia Meira, teacher, Alfredina Soares elementary school, Glória do Goitá, Pernambuco, Brazil

\*Brazil program metrics were from 2010-2013. A new program started in 2015 in different schools and those metrics will be reported in future.

## Building a New Program in South Africa — *Health in Action*

Medical reports have shown that South Africa has the highest rates of obesity in sub-Saharan Africa. The country also grapples with persistent hunger and malnutrition challenges.

To help address these complex issues, the Mondelēz International Foundation partnered with INMED Partnerships for Children and INMED South Africa to launch *Health in Action*, a program designed to develop a sustainable healthy lifestyle culture in schools and communities to help build a healthier future for South Africa's children. The *Health in Action* program is based in primary schools and teaches children educational messages about nutrition, physical activity and healthy lifestyles through hands-on, skills-based activities, including the development of school gardens and opportunities for structured, facilitated active play. The program builds on successful programs the Mondelēz International Foundation and INMED have supported together in Brazil.

The program was launched in October 2015 and will run for four years until 2019. It is expected to reach 50,000 to 75,000 children, parents and community members across 100 to 120 schools. *Health in Action* will operate in the Gauteng and Easter Cape provinces of South Africa. At the end of 2015, 115 schools were identified and have begun to implement with their students.



*"We're proud to partner with the Mondelēz International Foundation to prioritize well-being in South African communities and schools. Through our work with the Foundation in Brazil, we've seen 65 percent of the children improve their BMI and approximately one-third of these children achieve a normal BMI. In South Africa, we're hoping to achieve similar results through collaborative partnerships among school administrators, local governments, non-governmental organizations and communities."*

—Linda Pfeiffer, PhD, President and CEO, INMED Partnerships for Children

## Collaborating with Leading Voices

Our partners share our vision to change the course of obesity by providing people with the education, tools and access to lead healthier lives. They are recognized as global thought leaders in what it takes to drive change at the community level. They include:

- After-School All-Stars (US)
- Alícia Foundation (Spain)
- Charities Aid Foundation (Russia)
- China Youth Development Foundation (China)
- The Conservation Volunteers (UK)
- Football Federation Australia (Australia)
- The French Red Cross (France)
- Life Education Centres West Midlands (UK)
- Institute for Sports Education (Brazil)
- INMED Partnerships for Children (Brazil and South Africa)
- Klasse2000 (Germany)
- Magic Bus (India)
- Save the Children (Italy, India and Mexico)

### HEALTHY LIFESTYLE PROGRAMS, MINDFULNESS AND CREATING HEALTHIER COMMUNITIES

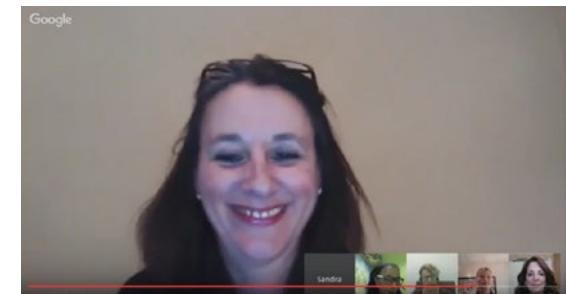
In October 2015, Mondelēz International and the Mondelēz International Foundation brought together several experts in a virtual dialogue to discuss the evolving importance of healthy lifestyle programs to foster healthier environments for children – both in schools and at home. The Google Hangout was moderated by Jennifer LaRue Huget, author and former nutrition columnist at *The Washington Post*.

Google Hangout panelists, who included two of the Foundation's community program partners, discussed the importance of including all relevant stakeholders, such as parents, teachers,

community leaders, local school and health officials, among others, in community health programs to ensure the programs and their learnings are embedded in the fabric of the community and become sustainable. Experts also noted how mindfulness could be part of both the development and implementation of these programs.

Panelists included Bonnie Taub-Dix, MA, RDN, CDN, Nutrition Consultant and Director and Owner, BTD Nutrition Consultants, LLC, Linda Pfeiffer, PhD, President and CEO, INMED Partnerships for Children, Sandra Passmore, PhD,

Education Advisor, Health Education Service and Birmingham Public Health and Nicole Robinson, President, Mondelēz International Foundation. The series is available on our [YouTube channel](#).



*"It's not just physical health, it's actually emotional health. It's about looking at children as a whole being, about looking at families as a whole unit, and about how we can actually bind people together in a way that is supportive and constructive. And so although these programs essentially look like they're quite physical health-related programs in terms of cooking and healthy eating and physical activity and gardening – actually, it's about the child as an individual and about their emotional health as well as their physical health."*

—Sandra Passmore, PhD, Education Advisor, Health Education Service and Birmingham Public Health

## Employees Answer The Call For Well-being

Our employees in every corner of the world volunteer to help answer the Call For Well-being. We marry their talents with volunteer opportunities to create positive change both globally and locally.

### Global Volunteer Month in Action Across the World

In October 2015, 12,000 employee volunteers from 70 countries answered the Call For Well-being, resulting in 40,000 hours of service during Global Volunteer Month.

Our employees also lend their time throughout the year to make a positive impact in their local communities. For example, 1,025 Mondelēz International employees throughout **India** volunteered by creating kitchen gardens and hosting nutrition education workshops and sports development sessions.

Since the launch of the **United Kingdom** *Health for Life* program in the autumn of 2011, more than 800 employees have supported schools and the community in Birmingham. In 2015, 166 Mondelēz International employees volunteered more than 1,160 hours of time to *Health for Life*. Working with the program partners, employee volunteers enthusiastically signed up to help create better facilities for growing food, healthy eating and physical activity.



"We had a lovely afternoon helping the school to prepare the ground for the vegetable and herb patches. The aim of the day was to develop the children's awareness of healthy eating and involve them in the process. It was a great opportunity for the team to spend time together outside of work, and a bonus that the sun was shining!"

—Stacey Prince, Customer Demand Analyst, Mondelēz International, United Kingdom

In the **Philippines** and **Thailand**, 400 employee volunteers led activities across eight public elementary schools as part of the company's Joy Schools program. The program's goal is to transform public schools through feeding and nutrition programs, vegetable planting, teacher training and facilities improvement. Employees played traditional games with students as part of active play learning, organized snack-making contests and quizzed students on nutrition as part of healthy lifestyle education.

In **Mexico**, employee volunteers worked with a range of local partners on various projects. In partnership with the local Red Cross, volunteers in Mexico City sorted food pantry products for donations to local HIV/AIDS charities. Employees in Puebla partnered with Save the Children to lead physical activity events and produced handcrafts benefiting the Mexican Association Against Cancer. And employee volunteers worked with counterparts from the Walmart Foundation to paint children's playground equipment, garden work and clean open spaces in Mexico City's Bosque de Aragon Park.

And in **Morocco**, employee volunteers, in collaboration with local community partner, [l'Heure Joyeuse](#), selected four schools where the canteens were in urgent need of refurbishment. The schools were located in rural areas of the country, within Ksar Seghir, Jerrada, Demnat and Nouaceur regions, and served between 150 to 400 children daily. Mondelēz colleagues helped renovate the canteens from cleaning and painting to repairing walls and fixing electrical systems, from building new kitchen facilities to installing cooking equipment.




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"Mondelēz volunteering activities help me promote our great place to work. In promoting work-life blend, I see work as a genuine part of life shared with colleagues whom I consider close friends."

—Ralph Geronimo, Customer Service and Logistics (CS&L), Mondelēz International, Philippines

## Joy Ambassadors Serving, Sharing and Learning in Cocoa Farming Communities

In October 2015, 14 of our Mondelēz International employees from across the world served as Joy Ambassadors in cocoa-farming communities in Ghana. The employees came from ten different countries (Australia, Brazil, Canada, China, Colombia, Egypt, Turkey, United Arab Emirates, the United States and Switzerland) and lived in Aysikrom, Adiembra and Ethiamenkypene, three of the more than 200 Ghanaian villages active in Cocoa Life.

The team had the unique chance to learn about the challenges and opportunities in securing a sustainable cocoa supply, share their diverse business skills – from agronomy and research and development to operations, procurement, marketing and law – and mentor and coach Cocoa Life community members. The program was developed in partnership with [Voluntary Service Overseas \(VSO\)](#) and paired Joy Ambassadors with Cocoa Life leaders. The on-the-ground

counterparts helped the Joy Ambassadors by breaking down language barriers, demystifying cultural cues and offering their know-how along the way.

Leveraging their day-to-day experience, the Joy Ambassadors facilitated micro-enterprise workshops focused on developing entrepreneurial skills to help local communities. They shared insights on how to identify and launch a business idea, by scaling a business through effective marketing practices and building the critical facilitation, collaboration and influencing skills to help enable positive community outcomes. Joy Ambassadors also focused elements of the workshop on developing innovations to help empower women in cocoa growing communities to launch and operate small enterprises. You can read more about the reflections from the 2015 Joy Ambassadors [here](#).



*"I enjoyed interacting with the Joy Ambassadors and working in my small groups to learn practical ways to grow my business. While my primary income comes from cocoa farming, the workshops opened my eyes to additional business opportunities as a secondary income to help my family prosper."*

—Emmanuel Tetteh, *local cocoa farmer, Adiembra, West Akim Municipality, Ghana*

*"The women involved in the Cocoa Life program are very entrepreneurial and eager to share their business ideas and learn new ways to grow their micro-enterprises more efficiently. I've learned a lot from their determination, strength and innovation to find ways to produce additional income for their families. They are fighters."*

—Maria Gabriela Cadenas, *Joy Ambassador and Associate Director Information Systems, Mondelēz International, Colombia*

*"This experience was both humbling and energizing. Our small team was able to teach, learn about the life behind the cocoa and add value to our Cocoa Life communities. The relationships developed and deep sense of pride established in such a short period of time have been transformative."*

—Don Sweat, *Joy Ambassador and Customer Business Lead, U.S. Sales, National Accounts, Mondelēz International, United States*

## Restoring Well-being After Disaster

Contributions from our Mondelēz International Foundation 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.

2015 marked the second year of our two-year, \$2 million USD contribution to the American Red Cross and the International Federation of the Red Cross and Red Crescent Societies. The money is earmarked to help these organizations acquire the resources they need in a timely way so people impacted by disasters receive food, water, shelter and other critical relief supplies more quickly. Throughout 2015, our contributions have helped the global Red Cross network multiply their resources in response to 250 global disasters, assisting more than 14 million people.

**"Our Disaster Relief Emergency Fund (DREF) ensures that immediate financial support is available for National Red Cross and Red Crescent Society emergency response work, assisting millions of people worldwide every year. We can only do this thanks to our partners such as Mondelēz International. We are grateful for the generous support to DREF, which enables us to make a difference in the lives of people affected by disasters and crises."**

—Jemilah Mahmood,  
*Under Secretary, General Partnerships,  
International Federation of the Red Cross*



### BEING THERE WHEN IT COUNTS

In April 2015, a massive 7.8 magnitude earthquake struck Nepal, damaging cities including the capital of Kathmandu and rural areas near the epicenter. Mondelēz International employees from across the world answered the Call For Well-being by raising \$120,000 for Nepal recovery efforts. Employees generously donated \$60,000, which the Mondelēz International Foundation matched. Contributions will support the International Federation of the Red Cross in their efforts to help the millions still in need of food and clean water.

Unfortunately, this disaster hit close to home for several Nepalese employees working in Mondelēz International's Dammam, Saudi Arabia, plant. The earthquake damaged homes and personal belongings, but thankfully their loved ones were safe and sound. To help families get back on their feet, Mondelēz International covered the costs for these employees to return to Nepal to support loved ones with the rebuilding process.

**"I'm really thankful for the initiative taken by our company to help the people of Nepal who required so much support from all international organizations. Thank God my family and house are safe in Kathmandu, Nepal."**

—Dharma Shakya, *Team Leader Quality, Dammam plant*

### Award Winning Efforts

The company and Foundation community programs are not only impactful but also award winning. Recognitions from 2015 include:

- Mondelēz United Kingdom *Health for Life* program was recognized at the June

**Responsible Business Awards 2015** by the charity **Business in the Community** in the **Building Stronger Communities** category, which recognizes partnerships between businesses and community organizations to address key social issues.

- Mondelēz Hope Kitchen Program in China received the following awards:

- \* Awarded the **Top 10 CSR Programs** by Shanghai Xuhui District Government.

- \* Recognized as the **2015 Top 10 Excellent CSR Model Award** by Health Times for its outstanding contribution to improve the nutrition and health of China's rural students.
- \* Mondelēz China was recognized as one of the **2015 Top 10 Corporate Citizens of Foreign Companies in China for 2015** for the outstanding contribution of the Mondelēz Hope Kitchen Program by **Xinhua News**.
- \* Mondelēz China received the **2015 Outstanding Contribution Award for Project Hope** given its support for China Youth Development Foundation (CYDF) and Hope Kitchen program.

- Mondelēz Thailand Joy School Program received the **2015 AMCHAM Corporate Social Responsibility Excellence Recognition** with the special "Creative Partnership Designation" for the company's outstanding achievement in community program.
- Mondelēz Philippines' Employee Volunteerism program called "Joy Force" yielded a **Silver Award at the Public Relations Society of the Philippines (PRSP) 51st Anvil Awards**. The award recognized the employees' successful involvement in Joy Schools' Program dedicating more than 1,500 volunteer hours in 2015.



### UN Sustainable Development Goals Linkages

Working closely with our NGO partners on the ground, we are empowering communities to lead healthier lives through programs that offer nutrition education, promote active play and provide access to nutritious fresh foods to help address nutrient needs for at-risk populations – all of which help support of the following UN Sustainable Development Goals (SDGs).



# SAFETY

## Safety of People & Products

We are committed to achieving world-class safety standards for the foods we produce and the places where our people work. It is crucial to ensure the snacks we make are safe to eat and that our employees are able to work each day in a secure environment.

Our team is Mondelēz International's most valuable resource. We have 100,000 capable, dedicated and diverse colleagues around the world who make and sell our products. In order to ensure their safety and well-being, we have implemented world-class safety programs, along with workplace wellness programs and policies that promote humane and equal treatment of all.

With the strong food safety and quality measures we have in place for the foods we produce, we have earned a high level of trust from our consumers. We are continually working to improve these systems, so we can maintain the high quality of great-tasting foods our consumers expect and can feel good about.

### Safety of People & Products Goals

- Achieve world-class safety performance
- Achieve third-party food safety certification against the FSSC 22000 GFSI-benchmarked scheme for all internal manufacturing facilities



## Assuring Employee Safety

### Promoting a Culture of Safety

The safety of our employees always remain 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 safety policies and practices are designed to provide a safe workplace for employees. Through ongoing educational efforts, teamwork and enhanced protocols and safety measures, we have been able to improve our safety performance each year. In 2015, we saw a 13 percent year-on-year reduction in Lost Time Injury Frequency Rate (LTIFR) and a 21 percent decrease in Total Incident Rate (TIR) for all of our employees worldwide compared to 2014.

We continuously work to improve safety in everything that we do – whether it's in manufacturing or in sales – as all our employees are our priority. With our **Work, Play, Live, Safe** program, we are encouraging our colleagues across the globe to make a firm commitment to being safe – both at work and at home. This

global program challenges our teams to recommit to safe practices, safe environments and safe ways of working.

As a result of our employees' commitment and our collective efforts, we are continuing to build a strong culture of safety and have achieved many accomplishments in 2015. One example is our Biscuiterie Industrielle du Maghreb (BIMO) plant in Morocco which reported a significant transformation in safety culture and performance over the past two years since being acquired in 2013, reaching a 92 percent reduction in LTIFR and a 90 percent reduction in TIR. Significant changes were also made to work techniques and practices, as well as equipment design, such as machine guarding, stairs and emergency preparedness.

All of the programs at our plants meet the [Occupational Health and Safety Assessment Series \(OHSAS\) 18001](#), one of the only internationally recognized safety management systems. Adherence to our safety policies and practices is critical to reaching our goal of achieving world-class 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
- We will continually strive for zero incidents
- Everyone is responsible for safety; leaders are accountable
- Working safely is a condition of employment

### safety performance

2014

**13%**  
reduction

in Lost Time Injury  
Frequency Rate [LTIFR], in  
2015 compared to 2014

2015

2014

**21%**  
decrease

in Total Incident Rate  
(TIR) for all of our  
employees in 2015  
compared to 2014

2015



## KEEPING SAFETY AT THE FOREFRONT

We believe community and family ties are a driving force for employee safety engagement. That's why each year, in all our facilities worldwide, we hold an annual Health and Safety month. Facilities hold events and programs throughout the month for employees, as well as their families and members from the local communities. Programs focus around key themes of maintaining good health and improving the safety of colleagues and family members.

## SOME HIGHLIGHTS FROM OUR HEALTH AND SAFETY MONTH 2015 INCLUDE:

- In Nigeria, employees made declarations on health and safety. Activities involved exhibitions, educational talks, outdoor and indoor games, a fitness walkathon, Children's Day event, a road show and an awards presentation.
- At our manufacturing facility in Cikarang, Indonesia, colleagues participated in a motorcycle driving safety course, as well as health and nutrition classes with local doctors and donated blood as part of a local community blood drive.
- Colleagues at our chocolate facility in Pokrov, Russia took part in a range of events under the theme, "A safe future for our families." This included activities such as cleaning and sorting waste; a cycle race, volleyball match, and a cross-fit master class; as well as first-aid and fire emergency training.
- In our biscuit plant in Victoria, Mexico, employees conducted fire brigade training to ensure readiness and an educational campaign on importance of air quality in reducing risk of respiratory illnesses.
- Family members of our biscuit manufacturing plant employees in Viana, Spain visited the facility to see the safety measures in place with the equipment as well as take part in safety training.
- Across North America, colleagues participated in health and wellness activities, including blood pressure checks, body fat measurements and "Know your Food" contests.

## Supporting Workplace Wellness

We strongly value the health and well-being of all our employees across the globe. From our manufacturing facilities to our headquarter sites, we are always seeking new ways to expand our wellness programs to help our employees be healthy, engaged and productive. 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.

Through our comprehensive wellness program in Mexico, we kicked off a physical activation program to create a more fun, engaging work environment and encourage employees to lead healthier lifestyles. The program aims to activate the energy and intellectual potential of employees with 10-minute physical exercises in the workplace once a week. Since it was launched in 2015, the program has benefited over 250 employees with more than 50 activations and is continuing to make an impact.

In Nigeria, we hosted our Annual Fitness Week, during which colleagues participated in week-long health and wellness activities. From football games to table tennis, relay and sack races to tug of war, employees engaged in a variety of fun physical challenges and competitions together.

Our RD&Q team in Jurong, Singapore has a workplace well-being "Mind & Body" monthly event, where they focus on cooking healthy meals, without frying, as well as take part in pilates and yoga classes. In our offices in Shanghai, China, employees are treated to "Happy and Healthy Moments" each Friday afternoon. These "Moments" entail 15 minutes of exercise and a stretching class led by outside health coaches.

Throughout Western Europe, employees are regularly offered a wide range of options to make healthier lifestyle choices and become more active. Close to 400 employees in Belgium and in the Netherlands are provided with fresh fruit each week, and different sports initiatives are organized in the headquarters and plants, including team running events, the Step2JOY step-counting competition, indoor soccer tournaments, boot camps, yoga sessions, mountain bike tours and more. There are also educational workshops on healthy eating, nutrition and safety. In addition, Mondelēz France has been recognized by the French National Nutrition and Health Program for its commitments to promoting nutrition and dialogue with employees, and implementing at least three actions each year related to topics of physical activity, research, education and management of nutritional pathologies.



### HOW DO WE PROMOTE EMPLOYEE WELLNESS?

We're helping our teams feel better — physically and mentally through:

- **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

## 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 start with the highest quality ingredients; and we have set high standards with a comprehensive, quality management system that ensures the integrity of our products 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. All of our 150 manufacturing facilities have been evaluated against the internationally recognized and independent [Foundation for Food Safety Certification \[FSSC 22000\]](#), the Global Food Safety Initiative (GFSI) benchmarked scheme. Today, 100 percent of our internal facilities worldwide are certified.

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. This starts with our comprehensive supplier approval program to verify the supplier and the quality of the ingredients. Before we buy any ingredients or raw materials from any supplier, we conduct an initial audit of their facilities to make sure they meet our Supplier Quality Expectations. Afterwards, we conduct audits on periodic basis to ensure they continue to meet our strict standards.

By 2018, all of our external manufacturers and suppliers must be certified against a GFSI scheme. And we're making good progress towards that goal. At the end of 2015, 80 percent of our external manufacturers and 91 percent of our raw material suppliers were certified against a GFSI benchmarked standard.

Equally important is having employees trained and committed to ensuring our world-class safety and quality standards are upheld. We provide colleagues with the infrastructure, training and tools that give them the power to establish and maintain a culture of safety. For example, at our plant in Lima, Peru, colleagues participate in an interactive program called *The Perfect Process*. The program, set up like a game, entails passing through a maze – without touching the sides. It takes participants through the various stages of the food safety certification process, and also covers Good Manufacturing Practices (GMP), such as good hand-washing techniques and using safety equipment correctly. The game helps reinforce the importance of high quality standards amongst the team, and builds teamwork in a fun and engaging way.

And we work with governments and industry partners around the world to share learnings, because we know that all food safety issues, even when they are not ours, can shake consumer trust.

were



**By the end of 2015, all of our 150 manufacturing sites (100%) were FSSC 22000 certified**

**80% of external manufacturers and 91% of our raw material suppliers were certified against a GFSI benchmarked standard.**

## Tapping our Partners for Help

In addition to our own food safety and quality experts, we leverage external partners to support our efforts in providing safe food every day. We maintain a global partnership with Ecolab® for the cleaning and sanitation of equipment and infrastructure. As a global leader in hygiene and water management, Ecolab assists us in driving sustainability and food safety efforts through water treatment across all of our facilities. This enables us to accelerate our cleaning efficiency and effectiveness through the sharing of best practices. We are partnering with Ecolab to drive best in class on sanitation efforts; and will be rolling out comprehensive sanitation improvement programs across selected plants in 2016.

We also work to secure and maintain food safety across the value chain through our engagement with the Global Food Safety Initiative (GFSI), as part of the Consumer Goods Forum (CGF). As co-chair of the Food Safety Pillar for CGF and one of 18 GFSI board member companies, we assume a leadership role in driving food safety standards and practices within the industry. We promote the [Global Markets Programme](#) to assist small and medium-sized suppliers in improving their Food Safety Management System. Enhancing practices across all manufacturers ultimately benefits consumers, as well as the broader food industry and retail partners.



### OUR PHILOSOPHY OF “CONTINUOUS IMPROVEMENT”

At Mondelēz International, we have a strong food safety system in place. Safe food is at the core of our heritage and is ingrained in our culture. However, we also understand that no system is perfect. That's why we instill a culture that encourages us to continuously improve. We look at what's going on externally – as well as internally – and try to learn from those events. We've also put a focus on our suppliers and our supply chain, by educating them and sharing our knowledge. We have supplier quality improvement programs to evaluate supplier performance; we conduct quality reviews with suppliers and employees, leveraging outcomes from those reviews to influence quality and safety design; and we offer our suppliers quality and food safety seminars, e-training modules and on-site quality technical visits.

## UN Sustainable Development Goals Linkages

The strong food safety and quality measures we have in place to ensure the foods we produce are safe to eat, and our workplace wellness initiatives to ensure the safety and well-being of our employees globally, help support the following UN [Sustainable Development Goals \(SDGs\)](#).



# COMPLIANCE & GOVERNANCE

We value trust...of consumers, customers, communities, regulators, suppliers and employees above all else. We strive to earn trust every day by doing what we say we will do and holding ourselves accountable. As a public company, we have the added responsibility to be open and responsive to our shareholders.

Living up to these expectations and obligations requires detailed planning and focused action. That's why we have structures, policies and processes 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 sets the right tone from the top by governing our company in line with our [Corporate Governance Guidelines](#). The [Governance, Membership and Public Affairs Committee](#) oversees our policies and programs related to corporate citizenship, social responsibility, and public policy issues, such as sustainability and environmental responsibility. In addition, all non-employee Board members are expected to adhere to our [Code of Business Conduct and Ethics for Non-Employee Directors](#). This Code addresses such issues as legal and regulatory compliance and conflicts of interest.

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 that employees have the knowledge and tools needed to conduct business in a lawful and ethical manner. For example, in 2015, more than 43,000 employees took web-based compliance training and more than 7,700 employees participated in formal in-person compliance training.

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**"One thing is certain — when gaining a business advantage means violating the rules or ignoring our values, we won't do it."**

—Mondelēz International Code of Conduct, Introduction

## Empowering our People

Equal treatment of all people is not just the right thing to do – it is also 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 and monitor in these areas.

Under our Speaking Up Policy, we empower 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 version [WebLine](#), so that our employees can confidentially and, if they wish, anonymously report instances of suspected wrongdoing or ask questions about compliance matters.

We also support the [Women's Empowerment Principles](#), disseminated by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the UN Global Compact. The provisions outline steps to advance and empower women, including 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. Business leaders across the company are using the Principles as guidance for actions that are taken in 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. On our website, we provide a summary of our corporate social responsibility expectations for suppliers, which are consistent with our own internal policies:

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

Of all of our assets, trust is the one we value most. Our governance policies, our Code of Conduct and our expectations of suppliers are all parts of our ongoing efforts to preserve trust. Our standards, policies and systems make it plain to anyone who works for us, does business with us or buys our products: We're working every day to have an impact – both big and small – to ensure a better future – and doing so the right way.

## Materiality & The Call For Well-being

The Call For Well-being and the four areas of action define our [concept of materiality](#) for social and environmental purposes. In 2012, we sat down with internal and external experts to review the impact of major societal issues on our business, and to shape our strategic responses to them.

This included representatives from our Well-being Leadership team, as well as from our regional business units and global functions. External experts included World Wildlife Fund, Quantis and various socially responsible investment groups. In addition, we considered perspectives from our ongoing [stakeholder engagement](#), as well as participation in various [shareholder indices](#).

Materials that guided our assessment included our 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.

In 2015, we reviewed our sustainability strategy and set new environmental footprint goals for 2020. As part of this process, we confirmed our assessment of our top environmental issues.

### **Based on assessment, 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.



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