



the power of big. and small.

the call for well-being )))

# The Call For Well-being

2014 Progress Report

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

When we began our Mondelēz International journey three years ago, we set a high bar for ourselves – to create delicious moments of joy. To make that dream a reality, we knew we had the opportunity to grow our business by building a bright future for all of our stakeholders – colleagues, suppliers, farmers and consumers.

To do this we needed to understand the sustainability of our agricultural supply and address our end-to-end environmental impact. We needed to ensure our employees and the foods we make are safe. We needed to evolve our portfolio to fit into consumers' lifestyles and diets. We needed to help communities have access to nutritious foods and live healthier lives. And that's why protecting the well-being of our planet is one of our five business growth strategies.

Out of that strategy we created our Call For Well-being – a big idea we believe resonates and inspires both our employees and our external partners. Through our Call For Well-being, we bring a business mindset and the power of our global resources to address the critical societal issues in the communities where we do business. We realize we don't have all the answers; nor are we able to drive change on important issues, alone. To be successful we must engage our employees, suppliers, community partners, non-governmental organizations (NGOs) and outside experts.

Together we're helping smallholder farmers succeed while reducing our environmental footprint. We're using our scale to influence our business partners in our supply chains and to drive positive change globally and locally. We're



tracking our energy use and greenhouse gas emissions and designing our new facilities to be Leadership in Energy and Environmental Design (LEED) certified. We're improving the nutritional profile of our snacks, increasing portion control options, developing innovative new snacking products and encouraging mindful snacking. And we're working with our community partners around the globe to create healthy-lifestyle programs in hopes of reversing obesity trends.

The full results of our Call For Well-being actions in 2014 are detailed in this *Progress Report*. In it, we highlight our successes. But we also acknowledge areas where we still have more to do and where we need to find better solutions.

In addition to our annual *Progress Report*, if you want ongoing updates about our well-being efforts, please visit our [website](#) and follow us on Twitter [@MDLZ](#) and [Facebook](#).

I look forward to hearing your feedback and ideas. Together, we can answer this important call.

Warmest regards,

**Irene B. 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.

Mindful Snacking.

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**

## 2014 AT-A-GLANCE

At Mondelēz International our Call For Well-being focuses on four areas where we believe we can make the greatest difference: Mindful Snacking, Sustainability, Safety and Community. In each of these areas, we outlined specific goals to which we hold ourselves accountable. 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.



### MINDFUL SNACKING | Empowering consumers to snack mindfully.



#### Transform portfolio by offering more nutritious choices

#### Improve current portfolio

#### GOALS\*

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 2014

On Target

On Target

More Needed

On Target

On Target

On Target

#### HIGHLIGHTS

In 2014 **22.4% of our revenue** was from our Better Choices products.

Since 2012 Mindful Portion products **grew by 16%**. Examples include single servings of our chocolates, *Milka Crispello*, *Moro*, and *Gallito*; *Club Social* and *Pacific* crackers, and portion packs of *Oreo* cookies.

Achieved **1% reduction** of saturated fat across our entire global portfolio. We have seen success in reducing saturated fat by 40% in some *Oreo* varieties, and are replacing saturated fat oils in our biscuits.

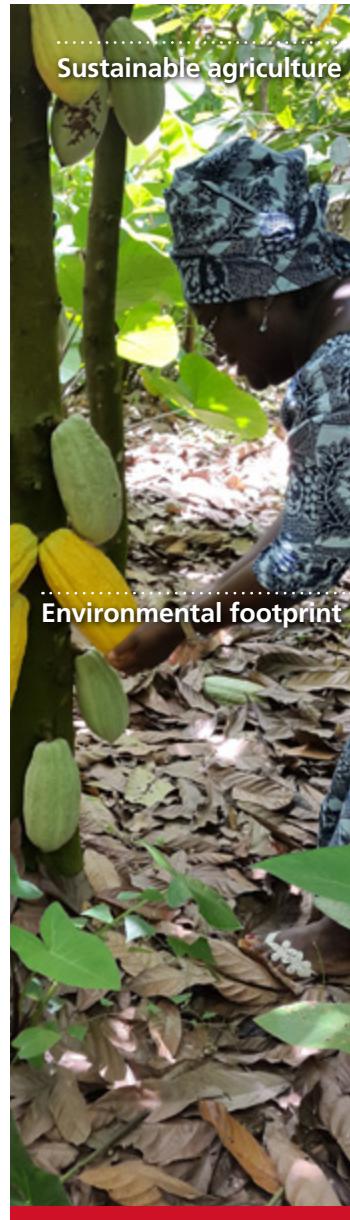
Achieved **2% reduction** of sodium across our entire global portfolio. We are making continued progress – reduced sodium in *Oreo*, as well as cheese and other biscuits in Latin America.

Since 2012 **increased whole grains by 23%** across global portfolio. Launched new products with whole grains including *Barni* mini biscuits, *Honey Maid Go Bites* and *Wheat Thins*. Introduced *belVita* into more countries.

By the end of 2014, an estimated **46% of portfolio was covered**.



## SUSTAINABILITY | Securing sustainable agricultural supplies and reducing our environmental footprint.



GOALS	PROGRESS BY END OF 2014	HIGHLIGHTS
All cocoa will ultimately be sustainably sourced	On Target	In 2014 <b>12% of our cocoa was sustainably sourced</b> . We expect this number to grow substantially as more farmers join the Cocoa Life program in coming years.
70% of global coffee will be sustainably sourced by 2015	On Target	As of 2014 <b>61%</b> of our coffee is sustainably sourced.
75% of Western European biscuit volume made with Harmony wheat by 2015	On Target	In 2014 <b>60%</b> of our West European biscuits were made with Harmony wheat.
Palm oil: 100% RSPO by 2015	Goal Achieved	<b>We met our RSPO palm oil goal in 2013.</b> Furthermore, at end of 2014, 70% of the palm oil we sourced was traceable back to the mill.
Reduce water in manufacturing 15% by 2015*	More Needed	<b>Reduced our incoming water usage by 10% per tonne</b> of product and looking to do more through our continuing global partnership with Ecolab® to identify further water saving projects in key sites.
Reduce waste in manufacturing 15% by 2015*	Goal Achieved	<b>Reduced net waste by 57% per tonne</b> through innovative solutions and partnerships in facilities worldwide - nearly 4x our goal.
Reduce energy in manufacturing 15% by 2015*	More Needed	Achieved <b>7% reduction in energy per tonne</b> at our sites worldwide. We continue to evaluate how we can improve upon this goal.
Reduce greenhouse gases from manufacturing 15% by 2015*	Goal Achieved	<b>Reduced emissions by 16% per tonne</b> through energy saving projects cleaner fuel use on-site, and purchase of renewable electricity certificates.
60% production from Zero Waste to Landfill sites by 2015*	On Target	<b>48%</b> of production from Zero Waste to Landfill sites in 2014.
Eliminate 50 million pounds (22,500 metric tonnes) of packaging by 2015	Goal Achieved	By 2014 <b>eliminated 89 million pounds</b> of packaging – exceeding our target by 78 percent.

\*measured per tonne of production



## SAFETY | Keeping our employees and consumers safe.



## GOALS

Achieve world-class safety performance

## PROGRESS BY END OF 2014



Achieve third-party food safety certification against the Foundation for Food Safety Certification (FSSC) 22000 Global Food Safety Initiative benchmarked scheme for all internal manufacturing facilities by 2015

## HIGHLIGHTS

In 2014 compared to 2013, **we achieved 26% reduction in lost time injury frequency rate (LTIFR);** and a **24% reduction in Total Incident Rate (TIR)** for all of our employees



By end of 2014 **90% of our manufacturing sites** – 152 out of our 168 of the facilities – are now FSSC 22000 certified.



## COMMUNITIES | Partnering with communities to promote healthy lifestyles.



## GOAL

Invest \$50 million USD into healthy lifestyle community partnerships

## PROGRESS BY END OF 2014



## HIGHLIGHTS

In 2014 allocated **64% of our \$50 million dollar commitment.**

## SUSTAINABILITY



### Sustainable Agriculture Goals

- All cocoa will ultimately be sustainably sourced
- 70% of global coffee will be sustainably sourced by the end of 2015
- 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

## SUSTAINABILITY

It is critical we operate our business in a way that is environmentally, socially and economically sound and sustainable over the long term. In order to accomplish this we need to first pinpoint the areas of our business that present the greatest challenges and opportunities for change.

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 the LCA annually and insights from our most recent review in 2014 will shape our priorities, goals and efforts in the upcoming years. Enhanced LCA data are helping us refine our focus on commodities that contribute the most to greenhouse gas emissions and water footprint in our supply chain.

We continue to seek input from stakeholders on the most effective ways to gain similar insights into socio-economic impacts in our agricultural supply chain. While more work stills needs to be done, we have made progress in scaling our efforts to drive the change we want to see.

## SUSTAINABILITY

### Sustainable Agriculture

Our business depends on a steady supply of crops like cocoa, coffee, wheat, and other commodities to create our delicious snacks. At the same time, we recognize that our global food system is facing a complex set of challenges – including extreme weather patterns and climate change, 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.

Yet, demand for such crops is increasing; and the strain on individual farmers and the land they use is evident. Smallholder farming communities in particular need support to increase their resilience. These challenges are complex, and call for solutions that require coordinated efforts by governments, industry, and scientific and environmental experts. As the world's largest snack company, we have a role in understanding these challenges and, working with others, to help to overcome them.

That is why we use our company's reach and global presence to work with experts around the globe to understand the challenges farmers are facing. A crucial part of this effort is giving farmers a voice. From this we created three signature programs to have a positive impact on the farms and communities where our main commodities are grown: **Cocoa Life**, **Coffee Made Happy** and **Harmony**. We also participate in independent certification programs.

We're increasing 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 through initiatives such as the [Sustainable Agriculture Initiative \(SAI\) Platform](#). By working together, with others, we know we can create a sustainable supply chain by doing what's right for farmers, their communities and for our business.

### 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](#). This audit evaluates suppliers against a common set of Corporate Social Responsibility standards to drive efficiency on performance improvement for the consumer goods industry. At end of 2014, 388 of our key suppliers – 108 percent of our target group of highest priority suppliers – completed the audit; and all received a "good" rating.



## SUSTAINABILITY

### Cocoa

As the largest buyer of cocoa in the world, we believe it is imperative that we lead the transformation of the cocoa supply chain and be directly involved in implementing programs on the ground. In 2012, we launched **Cocoa Life** with a \$400 million USD 10-year commitment to empower over 200,000 farmers and more than one million people in our six key cocoa growing origins by 2022. The program takes a holistic approach to empower cocoa farming communities by tailoring action plans to the specific needs of those in Côte d'Ivoire, Ghana, Indonesia, India, Dominican Republic and Brazil.

Since **Cocoa Life's** launch in 2012, we have established a strong foundation and framework. Now we are focusing on achieving scale and

"Two years into Cocoa Life, we can see the benefits of investing directly in cocoa farming communities. Our involvement on the ground means we can focus our \$400 million investment on actions we know have the most sustainable impact on farmers' livelihoods and their communities."

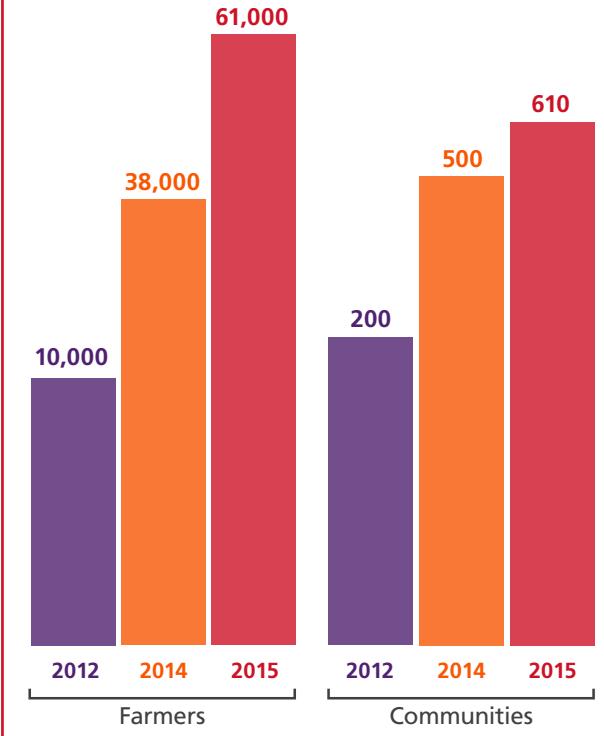
—Hubert Weber, *Executive Vice President and President, Mondelēz Europe*

driving impact in origin countries in order to reach our ultimate goal of sourcing all our cocoa sustainably, mainly through **Cocoa Life**.

Notably, in 2014 we increased our commitment to improving gender rights for women, partnered with respected NGOs and third-parties to refine our action plans, strengthened our commitment to verification and expanded the number of farmers participating in the program.

### COCOA LIFE PROGRESS

The amount of our global cocoa supply that is sustainably sourced increased to **12%**. We expect this number to grow substantially as more farmers join the **Cocoa Life** program in coming years.

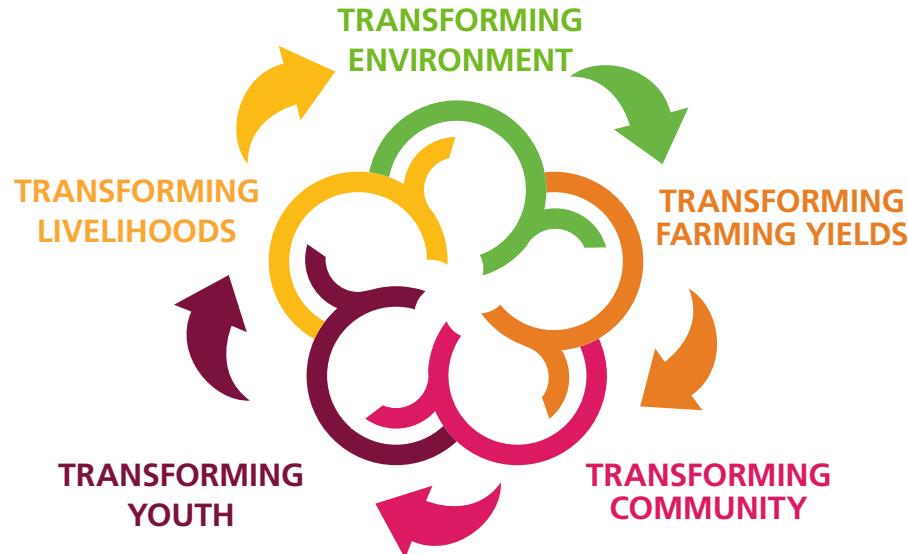


**Cocoa Life** is creating winning relationships with cocoa farming communities. By the end of 2014 we worked with 38,000 farmers in 500 communities across three different regions.



## SUSTAINABILITY

**Cocoa Life** works to transform cocoa farming communities in five ways



Just as the heart of the cocoa plant grows, our program pillars work together as five interrelated parts. With success of one, success of all becomes possible and vice versa. However, there are two issues that we seek to raise up through all program areas of **Cocoa Life**. We believe **women's empowerment** and **addressing the root causes of child labor** are keys to sustainable community improvement and the future of cocoa farming.

Farming	Community	Youth	Livelihoods	Environment
We believe efficient farming practices lead to better incomes	We believe a shared vision unites communities	We believe young people can be inspired by a career in farming	We believe a consistent livelihood creates financial security	We believe conserving the land is a promise to future generations

**Progress will be measured against KPIs that focus on the impact **Cocoa Life** is having**

Net income from cocoa (M/W)*	An increase in women's participation in decision-making process	Increase in career opportunity for youth in cocoa sector	Net income from sources other than cocoa (M/W)*	Helping future farming generations through sustainable natural resource use on the farm
Cocoa productivity (M/W)*	Increase of capacity in the community to plan and advocate for their own social development	Reduction in child labor and forced child labor	Cocoa farmers' reduced vulnerability to external shocks	Increase conservation of forests and maintenance ecosystems

\*disaggregated men/women

## SUSTAINABILITY

### Advancing Women's Rights in Cocoa Farming

We believe women's empowerment and addressing the root causes of child labor are keys to sustainable community improvement and the future of cocoa farming. This is why we include these areas as cross-cutting themes throughout our **Cocoa Life** program.

Gender equality benefits everyone and is essential if cocoa communities are to thrive. Yet, the cocoa industry is still plagued by gaps in income and lack of opportunities for women in cocoa communities. Our priority is to address these issues head-on in our supply chain, while also advocating for others to do their part.

Women are often the cornerstones of their communities. We know from talking with community leaders that empowering women has a positive impact on their children, families and villages. Therefore, we are focused on collaborating with local governments, suppliers and third parties to help address this challenge.

In early 2014, we published third-party assessments done by Harvard University and CARE International, which revealed striking gaps in income and opportunities for female cocoa farmers. For example, in Ghana, female cocoa farmers earn 25 percent to 30 percent less than their male counterparts. And in Côte d'Ivoire, women in cocoa communities earn up to 70 percent less than men. In both countries, women struggle with lower farm productivity, smaller farms and less access to financing and farm inputs.

Based on those insights, we strengthened our [action plan](#) on women's empowerment in cocoa communities. We have taken steps in Ghana and

"Mondelēz International is moving in the right direction ... and has the deepest analysis of the issues facing women cocoa farmers in their supply chain. The challenge for them now is to implement their plans in practice and to actively address the lack of women farmers as direct suppliers in the supply chain."

—Sarah Zoen, *Senior Policy Advisor, Private Sector Department, Oxfam America*



## SUSTAINABILITY

Côte d'Ivoire to systemically address the root causes driving gender inequality. In October 2014 an independent consultant from Oxfam found that our published gender action plans for Ghana and Côte d'Ivoire "stood out as being reasonably comprehensive and significantly stronger" than other action plans assessed. Following that, we published a further update to our plans in early 2015.

**Cocoa Life** continues to build interventions to support women's participation as cocoa suppliers and to reduce discrimination when women are working as either unpaid family members or as waged workers. We also continue to support women's wider role in the community and support livelihoods beyond cocoa that can contribute to their empowerment.

For example, in Ghana to ensure strong representation of women in leadership positions, each cooperative society or union within **Cocoa Life** is mandated to ensure that women comprise at least a third of its executive members. We also seek to increase the number of women able to acquire land and tree ownership.

We will implement the following efforts in **Cocoa Life** origins where we work:

- Engage women locally to develop Community Action Plans
- Improve farming training for female farmers and workers on cocoa farms
- Increase access to financing, farm inputs and land ownership for female farmers
- Involve local government and community leaders in program goals
- Track progress against key performance indicators and local metrics

"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. It will not only have a direct impact through its initiatives focused on kids, but also indirectly through its focus on farmer empowerment, gender and livelihoods."

—Nick Weatherill, Executive Director, International Cocoa Initiative

In addition to our **Cocoa Life** efforts, Mondelēz International is a proud signatory of the [United Nations Women's Empowerment Principles](#); and we continue our work with the World Cocoa Foundation to advocate for women's empowerment within CocoaAction, a sector-wide approach for cocoa sustainability that includes gender equality.

## Tackling Child Labor

Despite efforts by local governments, industry and civil society, child labor remains a challenge in cocoa communities. At Mondelēz International, we recognize that to secure a sustainable supply of cocoa we must address the issue of child labor. We believe that **Cocoa Life**, with its holistic approach to improve cocoa farming productivity and livelihoods while building stronger communities is our best opportunity to help eliminate child labor in cocoa-growing communities.

Working with NGOs like [Anti-Slavery International](#), the [International Cocoa Initiative](#) (ICI) and [CARE International](#), we are taking action on the ground to tackle the root causes of child labor and shed light on the issue. Our [approach](#) is built on the belief that transparency is critical to proactively address child labor. We want to seek out and uncover incidents in cocoa communities, to shine a spotlight on the issue and to be transparent about the findings.

To maximize the impact of our actions against child labor, in 2015 we are undertaking National Situation Assessments in key countries where we source cocoa: Côte d'Ivoire, Ghana and Indonesia. Independent human rights specialists will assess the risk of child labor, the actions we can take to address it and the child protection and remediation systems in place. Based on their recommendations, we will implement tailored action plans to most effectively help eliminate child labor in cocoa communities.

## Cocoa Life: Impact and Transparency

**Cocoa Life** aims for scalable impact at the farm level to measure progress on the ground. A priority for us is to ensure participating farmers are part of a healthy supply chain and that their terms of trade are clear and respected. We recently entered a partnership with FLOCERT, a socially focused global certification body. FLOCERT will verify the quantity of sustainably grown and traded cocoa and any **Cocoa Life** premium payments made to farmer organizations.

Recognized for its unique approach and on the ground results, **Cocoa Life** received the 2014 UK Food & Drink Federation's [Environmental Leadership Award](#).

We also look at the impact our program is having for farmers and communities against ten key performance indicators (KPIs).

Impact measurement is independent and led by a team from Harvard University. Every three years, the Harvard research team will conduct and publish a holistic study including comparison against control communities without any interventions. In addition, there will be an annual evaluation of progress against our global KPIs. The first three-year impact study, originally slated for 2014, has not yet been completed. Timing and release of the study is controlled by Harvard.



### COCOA LIFE ADVISORY MEMBERS

In addition, 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** from the United Nations Development Programme – leader of UNDP's green commodities program
- **David McLaughlin** from World Wildlife Fund – Vice President agriculture and specialist in sustainable supply chain transformation
- **Aidan McQuade** from Anti-Slavery International – the world's leading anti-slavery charity
- **Michael Mapstone** - Head of Corporate Partnerships, VSO UK – Cocoa Life implementing partner
- **Mil Niepold** – expert in finding solutions to social and human rights issues through dialogue
- **Christine Svarer** - Head of Private Sector Engagement, CARE International UK – Cocoa Life implementing partner

### Commitment to Partnerships

Partnerships are vital for best practice sharing, sustainability, synergy and scale. We believe partnerships are the key to ensuring lasting change. Our entire **Cocoa Life** program is built on partnerships with governments, NGOs, supply chain partners, cocoa farmers and their communities. To best understand farmers' needs and put our scale to work on the ground, we work with a group of external advisors and strategic partners.

On the ground we partner with NGOs like CARE International, World Vision and Voluntary Services Overseas (VSO) who have a long experience of working with cocoa communities.

We work closely with our cocoa suppliers who have valuable on-the-ground expertise and existing relationships with farmer communities. As part of this partnership, our suppliers match our investment with support in kind.

We are also active board members of the World Cocoa Foundation (WCF), the Bill and Melinda Gates Foundation West Africa Cocoa Livelihoods program and are playing a leading role in the creation of WCF's CocoaAction approach. Throughout 2014 we worked towards long-term supply solutions and continued to be the world's largest buyer of Fairtrade cocoa.

## SUSTAINABILITY



"Mondelēz International is setting the bar for a new generation of sustainable coffee programs and supporting their direct investment with a solid process to verify the impact the program has on farmers' livelihoods and the environment."

—David McLaughlin, Vice President Agriculture, World Wildlife Fund



## Coffee

As the world's second-largest coffee company, with iconic brands such as *Jacobs*, *Carte Noire*, *Kenco*, *Gevalia* and *Tassimo*, Mondelēz

International takes great care in how we source our coffee.

We understand the importance of inspiring, training, and building the capacity of smallholder coffee farmers, so we can help improve their livelihoods and make coffee attractive to new generations of farmers. It is these farmers that currently have little access to the skills or tools needed to reach sustainability standards. Eighty percent of the world's coffee is produced by 25 million smallholder farmers. Of that 25 million, we estimate that approximately one million contribute to the Mondelēz International coffee supply chain across Asia, Central and South America and Africa.

To ensure the long-term viability of coffee supplies, Mondelēz International has set a goal of creating 1 million coffee farming entrepreneurs by 2020. To accomplish this, we launched a \$200 million USD program called **Coffee Made Happy**. The program aims to make coffee farming profitable, sustainable and attractive through improving farmers' business and agricultural skills, increasing farm yields, and engaging more young people and women in coffee farming.

Yet, to achieve our goal for widespread change across our supply chain, we knew we could not do it alone. That's why we joined with expert organizations that have on ground know-how and coffee farming expertise to be our partners and help us in this effort. We work with partners such as ACOM (Vietnam), Sogimex (Honduras) and Pronatur (Peru) to train farmers in better agricultural practices, to help boost their coffee crop yields and increase the quality of their beans.

We're close to reaching our goal of 70 percent sustainably-sourced global coffee by 2015

61%\*  
sustainably  
sourced  
coffee

\*graph reflects goal of 70% of global coffee

## SUSTAINABILITY

"We're delighted Mondelēz International is opening up its support and supply chain for third-parties to measure and report this impact in a transparent and accountable way."

—Andrew Bovarnick, *Global Head Green Commodities Program, UNDP*

In 2014 we established a partnership with the [Committee On Sustainability Assessment \(COSA\)](#) to develop the evaluation framework of the program and measure the impact experienced on the ground by coffee farmers. Evaluation will provide transparency to individual **Coffee Made Happy** projects already running in Honduras, Indonesia, Peru and Vietnam as well as an aggregated view of the positive impact **Coffee Made Happy** is bringing across diverse geographies. Over time, data collected across **Coffee Made Happy** projects will help build the world's largest database of coffee-farm metrics.

Today, over 80 percent of the coffee sold by Mondelēz International in Western Europe is sourced via sources that are 4C verified, [Rainforest Alliance](#) certified, or from **Coffee Made Happy** projects. We continue to work towards our goal of 100 percent sustainably sourced coffee by the end of 2015.

Looking to the future, we intend to combine 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 we expect that will be a key part of JDE's strategy going forward.



We currently have **Coffee Made Happy** projects underway in Vietnam, Honduras, Indonesia, Peru and Ethiopia:

- In Vietnam we are training 9,500 farmers, including female farmers, in sustainable farming techniques and business skills from our field school and training center. In addition, we are providing farmers with new high-yield seedlings.
- In Indonesia the **Coffee Made Happy** program is training over 3,000 farmers in a variety of better farming techniques and entrepreneurial skills from a purpose-built farmer training center.
- In Honduras we are working to deliver sustainable farming training and business skills to 16,000 smallholder farmers including young people.
- In Peru the program is equipping 1,000 farmers with the basic business and accounting skills to run a successful family business.
- In Ethiopia the program is providing agronomy training for 24,000 coffee farmers and will also focus on improving practices at local coffee bean hulling stations.

An independent Advisory Board of external experts guides the program strategy and approach, as we scale up **Coffee Made Happy**:

- **Andrew Bovarnick**, Lead Natural Resource Economist and Global Head of the United Nations Development Program's Green Commodities Program
- **David McLaughlin**, Vice President Agriculture, World Wildlife Fund (WWF)
- **Edward Millard**, Director Strategic Partnerships, Rainforest Alliance
- **Annette Pensel**, Director Sustainability Innovations, 4C Association
- **Karel Valken**, Global Head Trade and Commodity Finance Agriculture, Rabobank International

## SUSTAINABILITY

"Harmony is really innovative. It means we can mobilize farmers to take action for local biodiversity and it raises awareness of these issues for other audiences like consumers and Mondelēz International employees."

– Arnaud Greth, *Noè Conservation*



## Wheat

Mondelēz International is the largest baker of biscuits in Europe, with beloved brands like *Oreo*, *belVita* and *LU*. Wheat is the main ingredient in our biscuits. Having a sustainable supply of quality wheat is important to our business and our biscuits, as well as local farming communities and the environment. So we want to remain closely involved with the way our wheat is grown from field to biscuit.



That is why we created **Harmony**, a sustainable partnership in Europe with stakeholders who are key links in our wheat production chain. Throughout the year, farmers, cooperatives and millers work closely together with our biscuit manufacturing facilities, head offices and research & development teams to promote local biodiversity and better environmental practices.

Since its launch in 2008, the growth of the program has been dramatic. The number of wheat farmers committed to follow **Harmony** agricultural practices — covering the cultivation process from seed to crop — continues to grow. The initial group of 68 farmers in France is now a partnership of more than 1,700 farmers across Europe. The 2014 harvest covered 30,000 hectares and yielded 190,000 tons of **Harmony** flour for our biscuits.

Partnering with farmers located as close as possible to our biscuit plants is a key element of how **Harmony** works. Farmers agree to follow the **Harmony** Charter, a set of 49 agricultural practices developed with our partners and external agricultural and biodiversity experts.

## SUSTAINABILITY

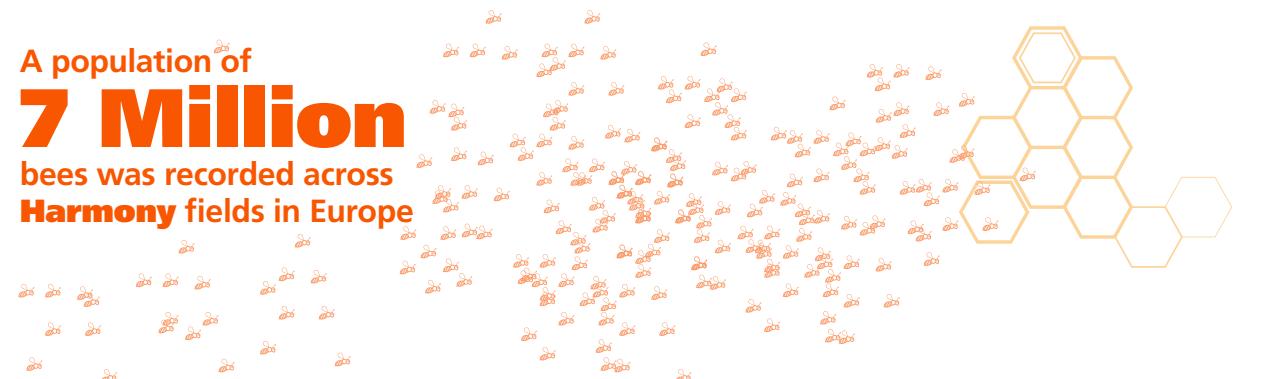
**Harmony** farmers follow practices that are more respectful to the environment and grow the carefully selected varieties of wheat that meet our rigorous baking needs, requiring traceability from seed to flour. Furthermore, they commit to limiting the use of treatment, using proper soil management, taking preventative actions, using precision tools, limiting the use of fertilizers and pesticides, and preventing excessive water use by analyzing real plant needs, soil reserves and climate.

Also, as part of **Harmony**, the farmers agree to practices that promote local biodiversity. Three percent of their wheat field surface is reserved for growing flowers that are selected to attract bees, butterflies and other natural pollinators. To guarantee compliance and traceability from seed to flour all partners along the supply chain track their practices against indicators and 10 percent of farmers and 100 percent of millers are audited every year.

At the end of 2014, 60 percent of our Western European biscuits were made with **Harmony** wheat. By the end of 2015, we aim to increase that to 75 percent. In France, where the program first started six years ago, we measured an average of 22 percent\*\* less pesticides compared to conventional agriculture, and over 700 hectares were dedicated to growing flowers by **Harmony** farmers. Using the French Museum of Natural History's biodiversity protocol, a population of 7 million bees was recorded across **Harmony** fields in Europe.

\*\*Frequency of treatment of **Harmony** wheat crops (average over 2009-2014) vs. the average treatment of all wheat grown in 2008 in France — where the program first started and is most advanced to date.

A population of  
**7 Million**  
bees was recorded across  
**Harmony** fields in Europe



### EXPLORING SUSTAINABLE WHEAT IN THE U.S.

In 2014 Mondelēz International launched a pilot wheat sustainability program in the United States. In partnership with [Michigan State University \(MSU\)](#) and our supplier, Cooperative Elevator Company, we began to track and measure wheat farming practices and environmental impact. Eighty-three farmers in Michigan are participating in the program, covering 6,000 hectares. As conserving and improving water quality are important in lessening our environmental footprint, as well as critical within the growing region, we partnered with The Nature Conservancy and the Michigan Agribusiness Association on securing a \$10 million USD grant to increase conservation practices in wheat production.

The farmers are currently tracking data through harvest. After harvest, MSU will analyze the data around yield, as well as fuel and energy use. They also will look at the impact of using fertilizers and other inputs. Once MSU's analysis is completed, we will share best practices for improving outcomes for farmers and the environment. Our goal is to expand the program to 12,000 hectares in 2015-2016.



Photo credit: Michigan State University

## SUSTAINABILITY



"With Mondelēz's support, we have partnered with UNDP to create the Sustainable Palm Oil Initiative. The initiative aims to ensure that plantations are developed in non-conservation areas and it will support 3 million smallholder palm oil farmers across Indonesia."

—Arif Havas Oegroseno, Ambassador of Indonesia to Belgium, Luxembourg and the EU

## Palm Oil

Sourcing sustainable palm oil is at the heart of our operations. Using our scale as a global company, we collaborated with our suppliers and have embedded sustainability into our palm oil sourcing practices. 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 Roundtable for Sustainable Palm Oil (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. But while RSPO is well recognized for having the most widely supported approach, it has been challenged to do more.

So, in 2014 we published an [action plan](#) to secure a sustainable supply of palm oil that takes us beyond our current RSPO coverage. The plan was developed in consultation with World Wildlife Fund and the UNDP. The plan outlines the steps we are taking to ensure that 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. Our guidelines for palm oil production also dictate that development should not take place in Primary Forest, High Conservation Value (HCV) areas, High Carbon Stock (HCS) forests, or use fire in plantation operations.

We have challenged our palm oil suppliers to meet our principles. As outlined in our action plan, we give priority to supplies that meet these principles and exclude supplies that don't. The plan requires suppliers to achieve 100 percent traceability to the mill level by the end of 2015. In addition suppliers must publish sustainable sourcing policies that meet our principles and implementation timelines by the same date. We did not just ask our suppliers to supply us with sustainable palm oil. We asked them to transform their entire supply chain. We feel that these steps not only improve the palm oil we're sourcing, but also positively influence suppliers' approach more broadly.

We are committed to report annually on our progress; and at the end of 2014, 70 percent of the palm oil we sourced was traceable back to the mill. Furthermore, approximately two-thirds of our suppliers have published policies



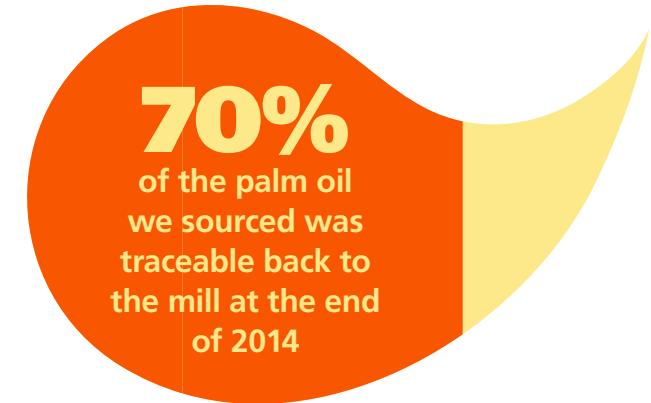
\*Our RSPO coverage refers to palm oil, not palm kernel oil, which is excluded on basis of complexity and low usage (2013-14: c7%).

## SUSTAINABILITY

in place that meet our sustainability principles, including all of our strategic suppliers who supply around 80 percent of our total purchase. While we're encouraged by the progress with strategic suppliers, we are seeing gaps that we will need to address with local suppliers who may fail to meet our requirements by end of 2015.

Additionally, we have supported the 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 September 2014, Mondelēz International, along with UN-REDD Programme and others, agreed to provide funding to support the design, launch and expansion of the SPO Initiative, extending its reach to the provincial level. We are also inviting our suppliers to add their support to the platform as a means to help ensure deforestation-free supply chains across the Indonesian palm oil sector.



### AMPLIFYING OUR CALL TO TACKLE CLIMATE CHANGE

Mondelēz International Chairman and CEO, Irene Rosenfeld, joined world leaders at the United Nations Climate Summit in September 2014 to announce the first global timeline to slow and then end forest loss. The New York Declaration on Forests strives to cut forest loss in half by 2020, and end it by 2030 – and also calls for restoring at least 350 million hectares of degraded forest lands by 2030, an area greater than the size of India. When implemented the Declaration would cut emissions of global warming pollution between 4.5 and 8.8 billion tons every year – the rough equivalent of removing from the road all the cars in the world, or not burning a trillion pounds of coal, or turning off every smokestack and tailpipe in the United States.



## SUSTAINABILITY

### Lessening Our Environmental Footprint

The world's natural resources are limited and increasingly in demand by an ever-growing population. Using the findings from our Lifecycle Assessment (LCA), we determined that in addition to agriculture, our operations are another area where we must focus to reduce our environmental impact. Although the impact of our operations on the environment is much smaller compared to agriculture, we know making our operations more sustainable and efficient is critical to the well-being of our planet.



"Our new manufacturing facilities are key in helping us deliver our global strategy to protect the well-being of our planet. The building design of all our new facilities will be LEED certified and they will be operated to minimize their environmental footprint in terms of CO<sub>2</sub> and energy, water, and waste."

—Daniel Myers, Executive Vice President, Integrated Supply Chain, Mondelēz International

### 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

## SUSTAINABILITY

### Making Progress In Our Operations

#### Using Less Packaging

We continue to look for new ways to use less packaging without taking anything away from people's enjoyment of our brands and – crucially – without contributing to increased food waste. This means using fewer materials and increasing the amount of recycled packaging content in our packages. Our efforts have yielded results. Over the last four years, we have eliminated over 80 million pounds (approximately 40,500 metric tonnes) of packaging from our supply chain which is nearly double our goal of eliminating 50 million pounds (22,500 metric tonnes) of material by the end of 2015.

To track and measure results we use our proprietary Eco-Calculator™. This tool helps us determine the percentage of post-consumer

recycled materials so that we can create more environmentally conscious packaging. Also, it helps us improve our packaging by tracking the amount of greenhouse gas emissions that result from making and disposing of our packaging.

Our packaging designers use data from the U.S. Environmental Protection Agency, the U.S. Department of Energy and packaging industry groups, to learn how to use materials more efficiently. Our Eco-Calculator™ has been web-based since 2013 so that it's more accessible to our teams around the world, as well as faster to update.

We also "upcycle" waste such as flexible films, which are difficult to recycle through normal channels, and convert them into merchandise through our work with TerraCycle®.



Surpassed our goal of eliminating  
50 million pounds of packaging –  
exceeding our target by  
78 percent



#### Reduced Packaging in Many of Our Products in 2014

- By finding a way to eliminate the shipper box for *Picnic* bars sold in Russia, we were able to reduce packaging by 3.5 million pounds (1594 metric tonnes) per year.
- In Latin America we reduced the pouch and display height of *Tang* which resulted in more pouches per display unit and optimized paperboard and cardboard consumption. The changes created package reductions of nearly a million pounds (441 metric tonnes) per year.
- By replacing the *Oreo* cookie tray with a film wrap, we were able to reduce packaging by 650,000 pounds (approximately 300 metric tonnes) per year in China.

## SUSTAINABILITY

### Eliminating Waste

Knowing that the vast majority of the waste we generate is from our factories, it is there that we continually search for innovative reduction solutions. These solutions led to production changes and employee training programs that have resulted in measurable results.

Today we are recycling or reusing the bulk of our manufacturing waste. From 2010 to 2014, we were able to reduce net waste by 57 percent per tonne – far exceeding our 15 percent goal.

Reduced net waste by

**57%**

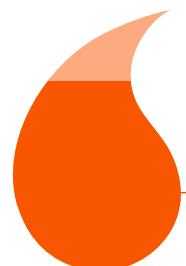
**nearly  
4x over  
goal**

Where possible surplus materials are recycled and reused in our manufacturing facilities worldwide. And we went even further, by finding ways to harvest and transform into energy the materials that are not recycled or reused. All these efforts speak for themselves. As of 2014, 67 of our facilities send Zero Waste to Landfill (ZWTL) and 48 percent of our production was from ZWTL sites.



### Transforming Into a Zero Landfilled Waste Facility: Piracicaba

Piracicaba, one of Mondelēz International's largest plants in Brazil, produced large amounts of landfill waste each year. This included food containers, ingredient packages, plastic cups and other non-recyclable waste material. The on-site team challenged itself to cut to ZWTL by the end of 2014. The team implemented a multi-faceted plan to recycle and co-process waste as well as turn broken and rejected material into compost and animal feed. The plant successfully achieved the ZWTL goal by November 2014.



**48%\*** **of our products**  
are made at facilities that sent zero waste to landfill during 2014

\*graph reflects goal of 60%

## SUSTAINABILITY

### Reducing GHG Emissions & Saving Energy

Around the world our facilities continue to demonstrate our commitment to save energy and reduce our greenhouse gas emissions. We're investing in projects to find innovative ways to save energy and use renewable sources.

We're burning rice husks and coconut shells as a renewable energy source as part of our Go Green program in our Sucat, Philippines facility; and are using spent coffee ground burners to produce steam and reduce natural gas and recycle solid waste in St. Petersburg, Russia and in Banbury, UK. And in South China, our Mondelēz International Guang Tong facility was recognized by the Guangzhou Environmental Protection Bureau (GEPB) for its outstanding oil-to-gas boiler conversion project, passing both the data review and field inspection conducted by the GEPB.



**16%\***

of emissions per tonne reduced through energy saving projects, cleaner fuel use on-site, and purchase of renewable electricity certificates

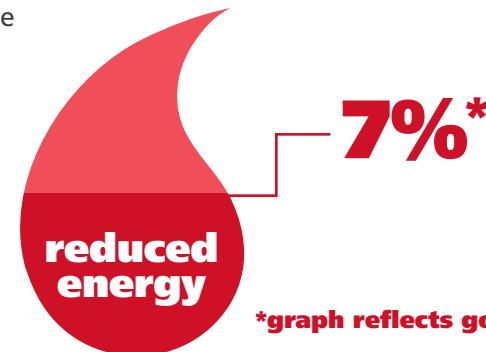
\*graph reflects goal of 15%

Furthermore, our biscuit bakery networks around the globe are investing in heat recovery systems. Our biscuit facility in Capriata d'Orba, Italy reduced its consumption of energy by 13 percent through heat recovery system optimization.

We are also embedding sustainable initiatives into all our new and remodeled facilities around the world. A number of our facilities have received Leadership in Energy and Environmental Design (LEED) certifications. These include our facilities in Recife, Brazil; Orbigo, Spain; Fallingbostel, Germany; and our state-of-the-art new biscuit facility in Salinas, Mexico. Our new Mondelēz International France Headquarters is a leading-edge sustainable facility, set to open in Clamart in 2015. The building is designed to produce more energy than it consumes with 4,000 m<sup>2</sup> of solar panels, geothermal heat and cooling, and readily visible

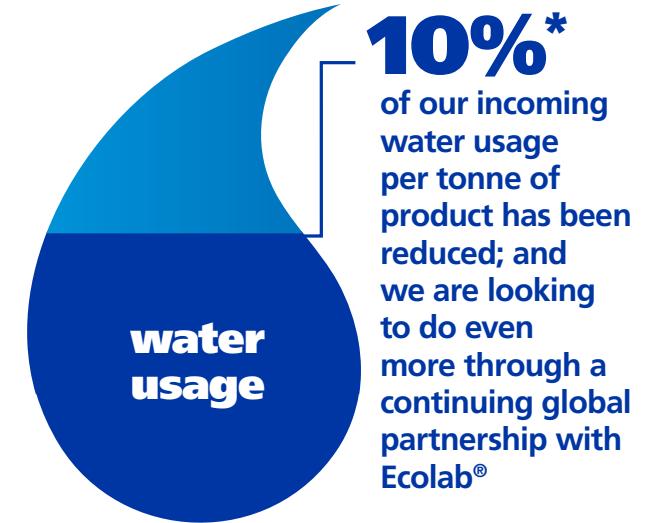
energy-consumption monitors. From the large windows designed to bring in natural light to the pale walls and carpets designed to reduce use of extra light, the new building represents the future of sustainable, energy-saving complexes.

After strong progress since 2005, initiatives from our current operational footprint have slowed, and we anticipate missing our 2015 energy reduction goal. However, future manufacturing investments will include enhanced energy reduction measures by design. In addition, we have exceeded our greenhouse gas reduction goal by using cleaner energy sources and purchase of renewable electricity certificates.



\*graph reflects goal of 15%

reduced energy per tonne at our manufacturing sites worldwide and we continue to evaluate how we can improve upon this goal



\*graph reflects goal of 15%

## Preserving Water

Water is a precious and finite resource that is critical to the ecosystem, to people and the communities in which they live, and to our business.

Water management is integrated into our energy and land management efforts. We continually analyze our water usage through our Lifecycle Assessment and in our ongoing global partnership with Ecolab®. Together we identify and implement opportunities to significantly reduce incoming water use in, with a particular focus on sites located in areas where there is significant risks to the availability and quality of water. We expanded our disclosure on water to include the CDP Water Assessment.

Improving the processes and equipment to limit the amount of water used in the farming of our ingredients and production of our products is one key focus area for us. Examples of where we have expanded our efforts include:

- Our plant in Namur, Belgium decreased its use of water by 25 percent over the last three years – the equivalent of 22 Olympic swimming pools – through measuring and monitoring water leakages, investing in water reduction projects and improving cleaning processes to optimize water usage.
- By recycling cooling water, our coffee plant in Elmshorn, Germany saved about 150 million liters of water – at least enough to fill a million bath tubs.

A significant number of our factories are in locations where the availability and quality of water can be an issue. Water reduction at our factories is an important goal. One success story is the Guang Tong coffee factory in Guangzhou, China. It reduced water usage by 28 percent per tonne of product in 2014, as compared to the year before – equivalent to around 25 Olympic-sized swimming pools. The team implemented recycling projects for cooling water, as well as set daily water use targets for operators.

## MINDFUL SNACKING



### Mindful Snacking Goals\*

- Deliver 25% of our revenue from **Better Choices** by 2020
- Increase Mindful Portion products — individually wrapped, satisfying portion control options that are less 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 front-of-pack globally by the end of 2016

\*Based on a 2012 baseline

## MINDFUL SNACKING

At Mondelēz International we make some of the world's most delicious snacks, including *belVita*, *Oreo*, *Barni*, *Cadbury*, *Milka* and many more. Our snacks serve different needs – they can curb people's hunger; give them a nutritional boost; or simply provide a delicious moment of joy. At the same time, as the world's largest snack company, we recognize the opportunity we have to help people snack mindfully.

The balance of foods and nutrients within the overall diet, along with adopting a healthy lifestyle, is important for well-being. Mindful snacking is about eating with intention; and being more conscious about what and how much we are consuming. As obesity and other health issues increase across the globe, helping people to be more mindful when snacking is all the more important.

That is why we have scaled our efforts and are making progress on transforming our portfolio over time to help people snack mindfully. Today we're offering more **Better Choices** and satisfying portion control options. We also recognize that people are increasingly interested in the role food plays in their overall well-being. So, we have expanded our portfolio to offer products that have fewer ingredients or are gluten, lactose- or allergen-free, like our new Enjoy Life® products. We have also strengthened our policies on advertising to children and expanded our front-of-pack labeling efforts – all to help people make more informed decisions when it comes to their well-being.

## MINDFUL SNACKING

### Mindful Portions

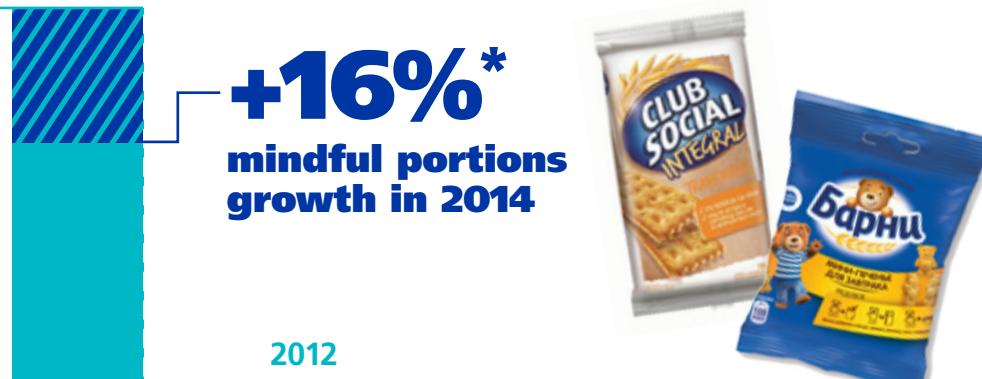
Through conversations with consumers, independent experts and researchers, we understand the important role portion controlled products can have in helping people be mindful about what they eat. That's why we are increasing the availability of Mindful Portions – satisfying, individually wrapped snacks that are 200 calories or less. Today, our single-serve offerings include *Milka Crispello*, *Moro* and *Gallito* chocolates as well as *Club Social* biscuits, some *Cadbury*, *Ritz* and *LU* chocolate biscuits and portion packs of *Oreo*.

These Mindful Portion products are meeting an important consumer need, as people are increasingly seeking out more convenient, portioned control snacks. For example, one of our successful 2014 product launches was portion controlled packs of *Pacific Soda Crackers* in China. The product offers four crackers to a pack and encourages people to enjoy a satisfying snack.

### Increasing mindful portions

#### GOAL

+ 25%  
growth  
by 2020



\*graph based on revenue

"We can set the stage for snacks that are nourishing and pleasurable...not about making certain foods bad and certain foods good."

— Michelle May, M.D., a family physician, award-winning author and founder of *Am I Hungry?*<sup>TM</sup> Mindful Eating Programs and Training (Mindful Snacking Google Hangout, October 20, 2014)

### Creating a Mindful Snacking Dialogue



Mindful snacking is about awareness of the present moment, without judgment. It's about balancing eating for nourishment and eating for enjoyment. To help make people more aware of the mindful snacking concept, we started a virtual dialogue on the topic. In October 2014, we brought together a group of experts and stakeholders to discuss the idea of mindful snacking and consumer behaviors through a Google Hangout. Jennifer LaRue Huget, author and former nutrition columnist at *The Washington Post*, moderated the conversation around the concept of mindfulness, global trends and how companies like Mondelēz International, working with others, can help consumers snack mindfully.

Panelists included Michelle May, M.D., a mindful eating expert and founder, *Am I Hungry?*<sup>®</sup> Mindful Eating Programs and Training; Jean Kristeller, Ph.D., Indiana State University; and Maria Alvarado, Vice President of Consumer Insight & Strategy at Mondelēz International. The series is available on our [YouTube channel](#).



## MINDFUL SNACKING

### Better Choices

With a dedicated team of 600+ nutritionists, product developers and culinary gurus, we're working to enhance the nutrition profile of our brands and offer more **Better Choice** options. **Better Choice** options are products that meet a stricter set of category-specific nutrition criteria, compared to our existing alternatives. The criteria were developed with guidance from a panel of

outside nutrition experts. In addition to meeting the criteria, **Better Choices** must deliver either a positive nutritional element (e.g., increase in whole grains) or a specific reduction in a nutrient of public health concern (e.g., sodium). In 2014 22.4 percent of our revenue came from **Better Choices**, up from 22 percent in 2013.



In Mexico, our **sugar-free Tang powdered beverage** is recommended to keep kids healthy and hydrated by the Mexican Association of Pediatrics

### increasing better choices

#### GOAL

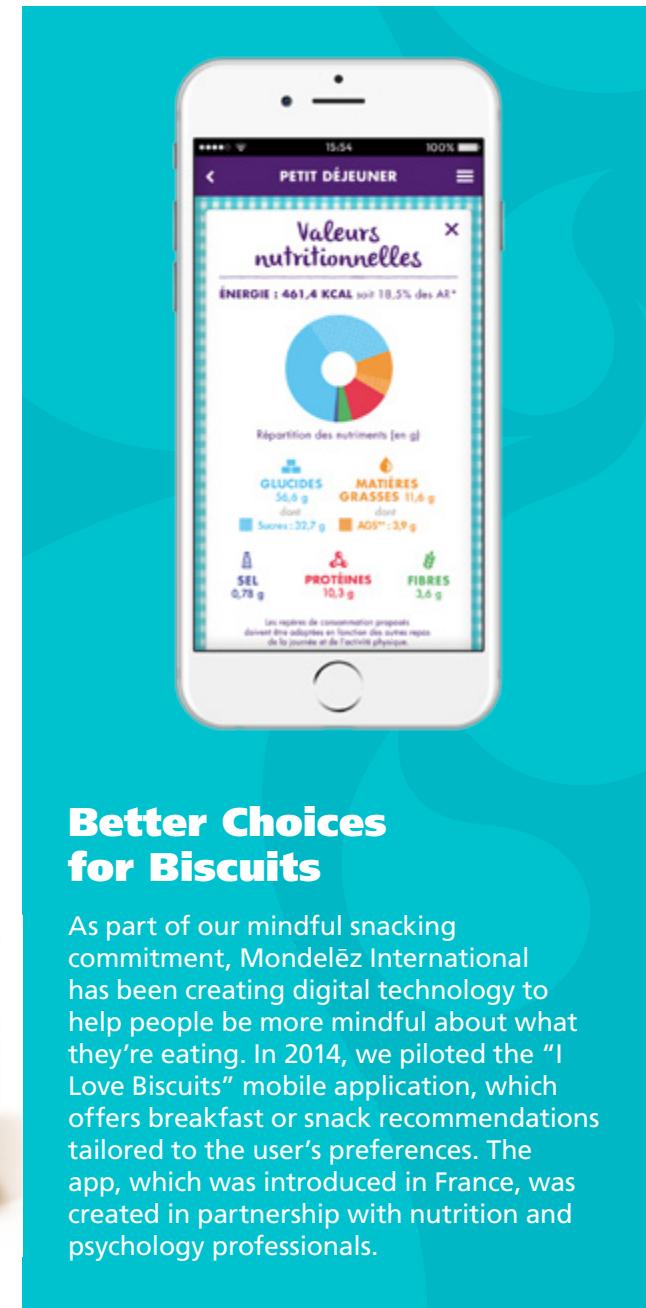
25% of revenue by 2020



**22.4%\***  
of our revenue, in 2014, was from our **Better Choices**

20% in 2012

\*graph based on revenue



### Better Choices for Biscuits

As part of our mindful snacking commitment, Mondelēz International has been creating digital technology to help people be more mindful about what they're eating. In 2014, we piloted the "I Love Biscuits" mobile application, which offers breakfast or snack recommendations tailored to the user's preferences. The app, which was introduced in France, was created in partnership with nutrition and psychology professionals.

## MINDFUL SNACKING

### Progress Against Key Nutrients

#### Whole Grains

We are making great strides in our goal to add more whole grains into our products. Since 2012, we have increased whole grains by 23 percent across our portfolio. New products in 2014, such as our *Honey Maid Go Bites*, *Wheat Thins* baked pita chips and *Barni* mini biscuits, combined with our efforts to increase whole grain content in products like our *Prince* biscuits in the EU, are helping us reach our goal. And the expansion of *belVita* breakfast biscuits in Australia, Brazil, Uruguay, Colombia, Canada and the United States is providing consumers whole grains, along with fuel to get through the morning.

#### Sodium and Saturated Fat

We are committed to reducing the amount of saturated fat and sodium within our products. We have made continued progress in these areas and plan to do more so we can achieve our 10 percent reduction targets by 2020. Since 2012, we have reduced sodium by six percent in cheese and nine percent across our biscuits in Latin America. In select *Oreo* varieties we have reduced saturated fat by 40 percent and sodium by 26 percent.

#### Sugar

There has been an increasing interest in 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 control options. Reducing sugar without reducing calories is not a benefit when it comes to reducing the risk of obesity. Unlike a beverage, when sugar is removed from a food it must be replaced with something else. And that replacement is usually another carbohydrate that has the same or similar amount of calories as sugar. Over the years, we have introduced products with less sugar and calories, such as our lower sugar *Tang* products. We also have a number of sugar-free options, such as powdered beverage *Clight* in Latin America, sugar-free version of *Halls*. More than 90 percent of our gum is sugar free – which also supports oral health.

In 2014, global expansion of *belVita* breakfast biscuits increased whole grains in diets around the world by

**11 Million lbs**



## MINDFUL SNACKING

### Providing Information to Make Mindful Choices

We know people need simple and straightforward information to make mindful decisions that are best for themselves and their families. We remain committed to our marketing and communication practices that best deliver on our goal to empower consumers through information.

#### Nutrition Labeling

At Mondelēz International we believe it is important to be consistent in how we talk to our consumers around the world. To make informed decisions, people need the right information delivered clearly and simply. We provide nutrition labeling on all products in all markets worldwide. Our approach is in line with international standards, including Codex Alimentarius. We give information 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, carbs 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.

#### Front-Of-Pack Labeling

Calories are universally recognized around the globe. To help our consumers be mindful of how many calories they are taking in, we are putting calorie information front-of-pack (FoP) on all our eligible products globally by the end of 2016\*.

We currently participate in FoP labeling systems in several markets, either based on local regulations or voluntary industry efforts. And 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. As of 2014, 46 percent of our portfolio had calorie FoP in place.



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

## MINDFUL SNACKING

### Advertising To Children

We believe it is the parents' role to choose products that are right for their children and that we can support them in this. That is why since 2005, we have had a global Marketing to Children Policy which states we do not direct marketing communications to children under age six; and only advertise those products that meet strict nutrition criteria\*\* to children between the ages of 6 and 11. We also prohibit advertising and branded communications in both primary and secondary schools. Our policy applies to any advertising primarily directed to children under age 12; and where 35 percent or more of the viewing audience is under the age of 12. Our approach applies to child-directed advertising in TV, print, radio, internet (including our own corporate and brand websites, as well as third-party websites), advergames, apps, emails, mobile, video and cinema.

### Partnering With Experts

As obesity and related health concerns progress across the globe, we recognize the value of working together with experts to address these complex challenges around diet and health. Throughout 2014, we participated in several conferences to learn about advancements in nutrition research, as well as present results from our own research and scientific reviews – specifically on whole grains and the slow release of carbohydrates. Through our newly established [Nutrition Science Corner](#) website, we share our findings and perspectives on emerging nutrition science that have been published in peer-reviewed journals and abstracts, as well as in our NutrInsights series.

We've also partnered with academic experts and a range of universities, consortia and organizations on joint scientific research projects in the fields of satiety, mindful snacking and cognitive performance. Additionally we collaborate with public and private sector stakeholders to promote effective approaches to address global health and wellness challenges.

\*\*Exception to this is in the US, Canada and EU, where we apply the uniform pledge nutrition criteria. In the US, it's the US CFBAl criteria, in Canada we align to the Canadian CFBAl criteria and in the EU we follow the EU pledge criteria.

We also have 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](#).

In 2014 we decided to further strengthen our Marketing to Children Policy by no longer advertising our products directly to children under age 12, irrespective of the product's nutritional profile. 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. Our brands are in the process of transitioning their marketing campaigns and this new policy will be in effect by January 2016.

### Monitoring Our Advertising Commitment

We ensure compliance with our Marketing to Children policy through monitoring and reporting processes of the global and local pledge programs we are engaged in. This includes the U.S. Children's Food & Beverage Advertising Initiative (CFBAI); the Canadian Children's Food & 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. Based on that measurement, for 2014, 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: Colombia, India, Malaysia, South Africa, Turkey and the United Arab Emirates. Accenture also reviewed print publications and websites across five countries: Brazil, China (Beijing region), India, Singapore and South Africa.

## MINDFUL SNACKING



### Collaborating To Reduce Sodium

Since 2012 we've been an active contributor in the Pan American Health Organization's SaltSmart Consortium. The Consortium is made up of representatives from civil society, government, academia and food and beverage companies – all joining together to help reduce sodium consumption and promote healthier lifestyles across the Americas.

Together, the group developed final Consensus and Regional Targets for Salt Reduction, which was disseminated across Latin America and serves as PAHO's recommendation to governments in the region to address sodium reduction initiatives. The document encourages governments to build upon existing national and industry efforts; and provides a valuable resource to those countries that are just starting on a sodium reduction journey.

- **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.
- **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.
- **Pan American Health Organization's SaltSmart Consortium** – a group of representatives from civil society, government, academia and private sector supporting efforts to reduce salt consumption and promote healthier diets across the Americas.
- **European Nutrition Leadership Platform** – a forum brings together nutrition experts, food industry and nutrition organizations from across Europe to promote nutrition and health.
- **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.
- **Antidiabetic Food Center (AFC Lünd University)** – a consortia research program between Academy and Industry partners to help prevent diabetes thought Grain research.
- **HEALTHGRAIN Forum** – a multi-partner, pan-European research program to promote the benefits of whole grains.
- **Marabou Symposia** – a series of bi-annual top level nutrition symposia held since 1973. Symposia are sponsored by Marabou's foundation for the promotion of nutritional research, an independent foundation set up by a donation from the Marabou company, which is part of Mondelēz International.
- **UK Responsibility Deal** – a series of pledges and commitments to reduce salt, remove trans fat, support calorie labeling and promote physical activity in the UK.
- **Australia Food and Health Dialogue** – a collaboration between government, the public health sector and the food industry to promote healthier food supply via voluntary reformulation targets.
- **International Life Sciences Institute** – scientific nonprofit that is focused on providing science which improves human health, well-being and protects the environment.
- **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.
- **Whole Grains Council** – a nonprofit organization that supports scientific research and consumer education around the benefits of whole grains.

## COMMUNITIES



"Since *Health in Action* started, we've seen a 65% improvement in body mass index (BMI) and approximately one-third of these children achieve a normal BMI. Together, we are making a positive impact on the health and future of Brazilian children."

— Linda Pfeiffer, Ph.D., President and CEO, INMED Partnerships for Children

INMED Health In Action - Brazil

## COMMUNITIES

### Scaling Up Innovations In Community Well-Being

Today more than 40 million children around the world are considered overweight or obese. Coordinated action among communities, governments, NGOs and the private sector is critical to halt rising obesity rates. Solving today's most pressing public health issues, like obesity, requires diversity of ideas, voices and actions.

That's why the Mondelēz International Foundation, along with our public health partners, are working together to empower communities to embrace active and healthier lifestyles. We share our partners' beliefs that helping people – especially children and their families – adopt lifelong healthy habits like making balanced food choices, preparing healthy snacks and moving more can lead to big changes in their well-being and that of their communities.

To scale up innovations in community well-being, our Foundation made a \$50 million USD, multi-year commitment to promote healthy lifestyles in 13 key markets, including Australia, Brazil, China, France, Germany, India, Italy, Mexico, Russia, South Africa, Spain, UK and the US. As of 2014, eight programs are up and running in markets that have some of the highest rates of childhood obesity. The innovation behind these efforts is rooted in a three-prong approach to delivering community programs which includes offering nutrition education, promoting active play and providing access to fresh foods.

## COMMUNITIES

## Program in Action, Delivering Results – *Health for Life*

For several years the city of Birmingham in the UK has seen a rise in obesity rates, especially among school-age children. According to a 2014 report from the Birmingham City Council, 24 percent of Birmingham children are overweight or obese when they start school. This figure rises to 40 percent by the time they leave primary school.

To help reverse this trend, Mondelēz International partnered with the Health Education Service, Life Education Centres of West Midlands and The Conservation Volunteers to launch *Health for Life*, a program geared to improve health outcomes for at-risk children and their families in the south Birmingham area. The *Health for Life* program supports primary and secondary schools in their effort to engage the community in active and healthier lifestyles by teaching students and their families how to cook and grow their own food.

Since its launch in 2011, *Health for Life* has been implemented in 90 schools, reaching over 25,000 students, 1,000 school staff and thousands of parents. Results from primary schools participating during 2014 show the program is making a difference and helping to improve children's health outcomes:

- Increasing nutrition knowledge – 53 percent of students have knowledge about eating 5 or more servings of fruit and vegetables a day – an increase from 47 percent.
- Getting active – More children are active in school PE classes, increasing from 56 percent to 63 percent.
- Expanding fresh food access – Significant improvement in the number of children growing fruits and vegetables, increasing from 30 percent to 51 percent.

"This programme is exactly the kind of programme other food companies should be doing - a genuine focus on education for all sections of the community about healthy lifestyles with not one mention of the brands sold by the business."

— Eleanor McGee, *Public Health Nutrition Lead, Birmingham Community Healthcare NHS Trust*

"The impact that the *Health for Life* programme has had on our children is immeasurable. We hope that they will take this into their adult life and obviously talk about their learning with their families."

— Richard Malcolm, *Deputy Head, Park Hill Primary School (cohort 3 - 2014)*



## COMMUNITIES

### Partnering For Impact

A major component of answering the Call For Well-being includes partnering and collaborating with community-based NGOs to identify best practices and tools needed to better deliver healthy lifestyle programs and measure their impact. Together with the Yale School of Public Health, we made great strides to achieve this goal.

The Mondelēz International Foundation brought together seven of the world's leading NGOs to reshape how NGO partners create, refine and measure the impact of obesity prevention programs. Working with Dr. Rafael Perez-Escamilla, Director of the Office of Public Health Practice at the Yale School of Public Health, we used the Program Impact Pathways model – a cutting-edge, comprehensive and rigorous evaluation approach our partners can use to further improve evidence-based programs.

By working together in this unprecedented way, we were able to take inventory of what's working, hear successes in different parts of the world and take steps to ramp up efforts to achieve even greater impact. More importantly, with the help from our community partners we identified three critical success indicators to measure the impact across all Foundation programs going forward:

1. Nutrition Knowledge: percentage of program participants who improve their nutrition knowledge
2. Physical Activity: percentage of participants who increase their daily amount of activity or play
3. Healthier Eating: percentage of participants who report increased consumption of fruits, vegetables and other fresh foods



*"If we're going to make progress on obesity, the approach to tracking success must be collaborative, thoughtful, ongoing and included in the planning process. Obesity is not the problem of any one country or organization. What works in Brazil can be useful in Russia and China and vice versa."*

—Dr. Rafael Perez-Escamilla, Professor of Epidemiology & Director of the Office of Public Health Practice at the Yale School of Public Health

Additionally, NGO participants collectively identified three essential factors to ensure effective programs:

- Strong training and developmental programs for facilitators whether they are teachers, community health promoters or NGO staff;
- Commitment from local government, school administrators and community-based organizations; and,
- Engagement of parents to reinforce program messages at home.

We published the key lessons from the Healthy Lifestyles Program Evaluation Workshop in the September 2014 edition of the [Food and Nutrition Bulletin](#), showing how knowledge sharing and finding common ground on success indicators can accelerate our collective efforts to improve community health. The publication also serves as a resource of best practices for developing effective school-based healthy lifestyle programs. To help current and future Mondelēz International Foundation community health partners adopt the same methodology for tracking success indicators, we developed a set of implementation guidelines. Tracking success and understanding what works will help community programs fill knowledge gaps and create even greater impact.

## COMMUNITIES

### 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 at the global and local level.

#### Global Volunteer Month, The Power Of Big

During Global Volunteer Month, employees step up to answer the call and take action through volunteerism. In October 2014, 15,000 employees volunteered, resulting in 47,000 hours of service across 71 countries in projects designed to promote healthy lifestyles and help protect the well-being of people and the planet.

Our employees also lend their time throughout the year to make a positive impact in their local communities. For example, Mondelēz International employees in Egypt volunteered to join farmers in the wheat fields for their first crop of the year as part of the recently launched **Our Children's Wheat**. The program, developed in partnership with CARE International, is designed to help more than 8,000 farmers in five Egyptian governorates raise their wheat yields and reduce Egyptian reliance on expensive imports.

In Peru more than 63,000 children and 3,600 teachers received nutritional and active life education in 500 schools. This was part of **Crecer Bien**, a community program supported by Mondelēz Peru business along with other companies, as part of the Peru Vive Bien Association, and the Ministry of Education.

And in China, through our **Hope Kitchen – Nutrition and Health Promotion** program, more than 1,700 employee volunteers of Mondelēz China and its business partners took part in teaching nutrition classes and encouraging children to be active. Employees played various outdoor games, as well as helped the children start their own vegetable gardens.



"It was both humbling and exhilarating to be able to make a contribution to the farmer and, by extension, helping feed the country. I realize now how much one can underestimate the effort that goes into making one loaf of bread. Helping in the harvest really made me appreciate that."

—Reham Mohamed, *Scientist, Mondelēz International, Egypt*

Clockwise from top left: Crecer Bien-Peru; Our Children's Wheat-Egypt; and Hope Kitchen-China

## COMMUNITIES



### JOY AMBASSADORS, THE POWER OF SMALL

The Joy Ambassadors program sends employees from around the world to serve and experience life in cocoa-farming communities in Ghana, the birthplace of the Cocoa Life program. This two-week volunteer program in partnership with Voluntary Service Overseas (VSO) is a once in a lifetime skills-exchange experience. Joy Ambassadors get a first-hand look at the challenges and opportunities in securing a sustainable cocoa supply. In turn, the Ambassadors are able to share their own diverse business skills — from agronomy to operations — with the cocoa farmers. The Joy Ambassadors program was interrupted by the Ebola outbreak in West Africa in 2014, but will resume later in 2015.

### Lending A Hand To Help Fight Ebola

Ghana and Côte D'Ivoire, home to our Cocoa Life program, border the West African countries that were hit the hardest by the Ebola outbreak. Using our scale and reach in the region, we joined the global community of organizations committed to containing the disease. We worked with our Cocoa Life partners on the ground, including CARE International, VSO and others, to raise awareness and advise communities on how they can reduce risks. During training sessions, we walked farmers, women and youth leaders through precautionary measures and provided materials for use throughout their villages. Through our partnership with the International Federation of the Red Cross (IFRC), we directly supported Red Cross national societies in Sierra Leone, Liberia and Guinea who were leading disease prevention education and counseling to families. To further boost our efforts, we joined a coalition of industry leaders through the World Cocoa Foundation – all unified to contain the outbreak.

## 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:

- Alícia Foundation (Spain)
- Charities Aid Foundation (Russia)
- China Youth Development Foundation (China)
- The Conservation Volunteers (UK)
- Football Federation Australia (Australia)
- Life Education Centres West Midlands (UK)
- Institute for Sports Education (Brazil)
- INMED Partnerships for Children (Brazil)
- Klasse 2000 (Germany)
- Magic Bus (India)
- Save the Children (Italy and India)

## COMMUNITIES

### Restoring Well-Being After Disaster

Pledges 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. In 2014, we announced a 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 that people impacted by disasters receive food, water, shelter and other critical relief supplies more quickly. Throughout the year, our contributions have helped the global Red Cross network multiply their resources in response to 125 global disasters, assisting more than 13 million people.

**"It's important for the public and the private sectors to collaborate. Such partnerships generate more resources and enable us to produce immediate results. After calamities, people have to see something happening right away. Our partners have the capacity to act and implement rebuilding projects quickly."**

— Mario A. Deriquito, *Undersecretary of Partnerships and External Linkages, Department of Education, Republic of the Philippines*

### BEING THERE WHEN IT COUNTS

The city of Tacloban in the Philippines experienced utter devastation when Typhoon Haiyan destroyed many parts of the town. In January 2014, the Mondelēz Philippines team answered the call to help by adopting a local public elementary school destroyed during the Typhoon. The team provided a nine-month feeding program to students, teacher training, and worked with school officials to rebuild facilities. The team went a step further when during the rebuilding they implemented many of the sustainability and energy-saving initiatives that are also used in the local Mondelēz International plant. They installed solar-tubes and solar panels to provide sun-powered light to the classrooms and put in a rainwater harvesting tank for bathroom and cleaning water. Employees also found a way to transform the active play of children into real energy by installing a carousel and seesaw that pumps water from a deepwell to be used for school bathrooms.



## COMMUNITIES

### Award Winning Efforts

The company and Foundation community programs are not only impactful, but award winning. The most recent recognition includes:

- Save the Children honored Mondelēz International as one of its most valued partners, with the *Transformational Partner for Children* award.
- *Our Children's Wheat* program in Egypt received the Federation of Egyptian Industries' CSR award.
- *Health in Action* program in Brazil and *Hope Kitchen* program in China both received PR News Corporate Social Responsibility Awards.
- *Health in Action* program won the 6th annual Ozires Silva Prize for Sustainable Entrepreneurship in Brazil.

- *Hope Kitchen* program received 2014 China CSR Excellence Award from China Philanthropy Times.
- Alícia Foundation and its *Tú y Alícia por la Salud (TAS)* Program received the following recognition:
  - \* Spanish Minister of Health and the Agency of Consumption, Food Security and Nutrition (AECOSAN) awarded the prestigious NAOS award to TAS for its school-based nutrition education efforts.
  - \* Actualidad Economica recognized TAS in the "100 best ideas of products and services" edition in the CSR section.
  - \* Received the NAOS Strategy Award from the Spanish Agency for Food Safety and Nutrition (AESAN), in the "Healthy Food in Schools" category.
- UK *Health for Life* program received the following awards:
  - \* The UK charity, Business in the Community, bestowed the 'Big Tick' Award to *Health for Life* in the Building Stronger Communities category.
  - \* Received the "Health and Wellbeing Champion" Award from the UK Food & Drink Federation.



**SAFETY****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

**SAFETY****Safety of People & Products**

Our commitment to world-class safety for the foods we produce and the places where our people work is unwavering. We know that our success on making sure the snacks we produce are safe to eat and that our people go to work each day in a secure environment.

Mondelēz International is fortunate to have a team of 100,000 dedicated and diverse colleagues who make and sell our products. As our most valuable resource, ensuring their safety and well-being is our primary goal. We've put in place world-class safety programs, along with workplace wellness programs and policies that promote humane and equal treatment of all.

Equally important is the strong food safety and quality measures we have in place for the foods we produce. Our colleagues focus on ensuring and delivering safe foods is one of the reasons our products have earned a high level of trust from consumers. And, we continually strive to improve these systems and maintain the high quality of great-tasting foods our consumers expect and can feel good about.

## SAFETY

# Assuring Employee Safety

### Promoting A Culture Of Safety

Keeping our employees safe is of the utmost importance to us. Every day we strive for an accident-free work environment and making sure each of our employees return home in the same condition they came to work.

Our employees' commitment to ensure the safety of their colleagues and of themselves helped us deliver a best-in-class safety performance in 2014. Through ongoing educational efforts, teamwork and enhanced protocols and safety measures, we achieved improvements in our safety performance versus prior year. In 2014, we saw a 26 percent year-on-year reduction in lost time injury frequency rate (LTIFR); and a 24 percent decrease in Total Incident Rate (TIR) for all of our employees, worldwide compared to 2013.

Adherence to our safety policies and practices are critical to realize our goal of achieving world-class safety performance. We strive to ensure they meet the Occupational Health and Safety Assessment Series (OHSAS) 18001, one of the only internationally recognized safety management systems.

One way we encourage our colleagues across the globe to keep safety top-of-mind is through our "Work, Play, Live, Safe" program. This global program challenges our teams to recommit to safe practices, safe environments and safe ways of working. This has led to many of our safety accomplishments in 2014. Over 35 plants reported zero accidents and 72 plants were lost time accident free in 2014. One example is our facility in Belgium. The Namur plant adopted a variety of tools and strategies to further the team's commitment to safety. Working together as a team to identify risks, increase communication and enhance their safety training, the plant decreased total incident rate over the last three years.

Our safety efforts are being recognized. Our plants based in San José, Costa Rica; Khon Kaen and Lad Krabang, Thailand; Jiangmen, Shanghai and Suzhou, China; and Chicago, IL, USA received awards from national and local governments, as well as industry groups, applauding our efforts to assure safety of our employees, as well as the safety and well-being of the communities surrounding the facilities.

### 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 accidents

- Everyone is responsible for safety; leaders are accountable
- Working safely is a condition of employment

### safety performance

2013

**26%**

reduction in lost time  
injury frequency  
rate [LTIFR], in 2014  
compared to 2013

2014

**24%**

decrease in Total  
Incident Rate (TIR) for  
all of our employees in  
2014 compared to 2013

2013

2014

## SAFETY



### 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, Safety & Environmental month. Facilities will hold events and programs throughout the month for employees, as well as their families and members from the local communities. Programs focus around three key themes: maintaining good health; improving the safety of colleagues and family members; and reducing energy, water and waste.

Some highlights from HSE Month 2014 include: our plants throughout Latin America invited employees' families to participate in safety trainings to encourage healthy and safe environments in our facilities and at home. In the Philippines we hosted a defensive driving seminar in partnership with Honda that included both hands-on and in-classroom training. And in Europe our Fallengbostel, Germany plant hosted Safety Day 2014, which brought employees, local leaders and works councils together to conduct risk assessments and share observations and personal experiences.

### Supporting Workplace Wellness

The health and well-being of our employees across the globe remains a top-priority. From our manufacturing facilities to our headquarter sites, we continue to find 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 will usually have a focus on nutrition, physical or mental well-being. Programs may also offer resources, with a particular focus on employee stress and chronic conditions, such as diabetes, asthma, and heart disease.

Mondelēz France hosted a Health, Safety & Wellness Week where more than 350 colleagues took part in week-long safety activities. Employees participated in local a blood drive, "Count Your Steps" challenge and smoking cessation seminars. Similarly, our U.S. employees participated in wellness challenges to set goals and track wellness progress throughout the year. At our European headquarters in Zürich, Switzerland, we installed a new employee gym. In Nigeria, our employees participated in the Lagos State Blood Transfusion Committee blood-donation campaign.

Recognizing that a little friendly competition can be fun and healthy, over 700 employees based throughout Central Europe took part in the Global Corporate Challenge – reaching new health goals one step at a time. From beating personal bests to bringing team trophies, employees together achieved over 800,000,000 steps, burning over 22 million calories.

Throughout Asia Pacific, employees have a myriad of choices on ways to get active and have fun. Our Chinese R&D Thunderbolt Squash Team play squash each week to release pressure. It's no coincidence that their slogan is 'Play hard to have a better life and work better'. In Indonesia every Tuesday, Wednesday and Thursday you can find a large group taking part in Thai Boxing, Zumba, yoga and aerobics. There's a regular deskFIT day in Australia facility, where specific exercises such as stretches, squats and dancing occur on the hour.

Whether at work or at home, we encourage all of our colleagues to make their well-being a top priority.

### 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
- Fitness and/or sports facilities onsite, incentives for gym membership reimbursement and employee sports competitions
- 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

## SAFETY

### Producing Safe, Quality Food

Providing foods that are safe for people to eat is at the core of our values. We've set high standards with a comprehensive, quality management system that ensures the integrity of our products. All of our 168 manufacturing facilities are being evaluated against the internationally recognized and independent [Foundation for Food Safety Certification \[FSSC 22000\]](#), the Global Food Safety Initiative (GFSI)-benchmarked scheme.

Today, 90 percent of our facilities worldwide are certified, with the remaining sites expected to qualify by the end of 2015. We expect our suppliers to live up to the same standards we have set for ourselves by asking them to meet well-defined safety and quality expectations. We currently have set a goal of having all of our raw material suppliers certified against a GFSI benchmarked standard by the end of 2015. At the end of 2014, 73 percent of our suppliers had achieved such certification.

Equally as important as having quality management systems in place are having employees committed to ensuring our world-class standards are upheld. At each facility, we provide employees with the infrastructure, training and tools that give them the power to establish and maintain a culture of safety.

#### Biotechnology & The Use Of Genetically Modified Ingredients

We believe that crop biotechnology can play an important role in improving food production and ensuring enough food for the world's growing population. The technology already provides some environmental benefits, such as reduced use of pesticides and water, and increased crop yields. We also know consumers worldwide have different points of view about crop biotechnology and derived ingredients.

Many public authorities with scientific expertise have affirmed the safety of genetically modified (GM) ingredients and biotech crops that are currently on the market. This includes the [World Health Organization](#), the [Food & Agriculture Organization](#) of the United Nations, the [European Food Safety Authority](#), and the [US National Academy of Science](#).

While the scientific consensus around the safety of currently available GM food ingredients is clear, local regulation and consumer acceptance of GM food ingredients varies across the globe. That's why as a global company, we consider various factors when deciding whether or not to use GM ingredients in individual countries. In addition to meeting our strict safety and quality criteria, other factors our local businesses take into account include local regulatory requirements on use, consumer acceptance, and availability of alternatives. As such, the final decision to use (or not to use) GM ingredients are made at the local level. Our full policy statement is available [online](#).



## SAFETY

### Tapping Our Partners For Help

In addition to our own food safety and quality experts, we leverage external partners to support our efforts to provide safe food every day.

We maintain a global partnership with Ecolab for cleaning and sanitation of equipment and infrastructure. As a global leader in hygiene and water management, Ecolab is assisting us in driving sustainability and food safety 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 work to raise food safety across the value chain through our engagement with the 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 take a leadership role to drive food safety standards and practices within the industry. We promote the Global Markets program 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 PRINCIPLES IN ACTION

In 2014, Mondelēz Mexico received the Corporate Social Responsibility Seal for the ninth consecutive year. This award is given by the Mexican Center for Philanthropy (Cemefi); and recognizes leadership in environment and sustainability, company ethics and values, community involvement; and workplace, and balance between work and home.



## COMPLIANCE &amp; 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](#). Our Board Committee, 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](#). Our 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

**"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

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Integrity group to ensure that employees have the knowledge and tools needed to conduct business in a lawful and ethical manner. For example, in 2014, over 40,000 employees took web-based compliance training and more than 20,000 employees participated in formal in-person compliance training.

## 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.

## COMPLIANCE & GOVERNANCE

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.

Based on assessment, below are the top three environmental and social issues:

### ENVIRONMENTAL\*

1. Environmental footprint of agriculture
2. Supply security of key agricultural commodities and social challenges in supply chain
3. Environmental footprint of our operations

### SOCIAL

1. Mindful snacking — to promote better health of consumers
2. Promoting well-being through community partnerships
3. Safety of our people and products

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



[www.mondelezinternational.com](http://www.mondelezinternational.com)

