



## SNACKING MADE RIGHT

2019 Report

A chocolate treat, a biscuit break, a boost at the end of a workout, a bite at the start of the day – we each have our own personal favorite snacks. In every case, we want to empower people to snack right.

The right snack, for the right moment, made the right way is how we say it. At Mondelēz International, that's what we're here to deliver – for everyone, around the world, every day.

This report shares the story of how we help people to snack right, the progress we're making and the impact we are having along the way.

We hope you enjoy it.

*(Maybe not quite as much as your favorite snack, but you never know...)*



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## RIGHT SNACK

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## RIGHT SNACK

So people can enjoy a high quality protein-rich morning snack, we have created belVita Protein.



## RIGHT MOMENT

Our Prince biscuits brand is pioneering the mindful snacking message in Europe.



## RIGHT WAY

We will purchase energy from a 65 MW solar installation, enabling us to reduce our CO<sub>2</sub> emissions by 80,000 metric tons.



## 2025 GOALS

To lead the future of snacking right we have set transparent goals for 2025.

# CHAIRMAN & CEO'S LETTER

## A message from Dirk Van de Put



**Dirk Van de Put**  
Chairman & CEO  
Mondelēz International

Successful companies do more than focus on financial results – they create value for the world at large and improve the lives of those they impact. At Mondelēz International, we are guided by our purpose to empower people to snack right by providing the right snack, for the right moment, made the right way.

As the world deals with a global pandemic, that purpose feels more important today than ever. It drives us to prioritize the health and safety of our colleagues, while continuing to provide the sustenance and moments of enjoyment that consumers need.

While many things have changed due to COVID-19, the issues we are tackling and the opportunities we are pursuing remain the same. In fact, there is an even greater need to accelerate our progress. We have long believed in using our global scale to create meaningful, lasting impact, and as you read our 2019 Snacking Made Right Report, I hope you agree we've continued to make significant progress to drive positive change, including:

- We delivered all of our 2020 environmental reduction goals on CO<sub>2</sub>, water and waste ahead of schedule
- Waste providing \$87 million in cost savings in 2019 and we eliminated ~65,000 tonnes of packaging
- We sourced ~63% of the volume of cocoa needed for our global chocolate brands through the Cocoa Life program, an increase of 20 points vs. 2018
- Within our product portfolio, our offering of portion control options for consumers increased to 16% of our snacks net revenues, ahead of our 15% goal for 2020
- And our Mondelēz International Foundation allocated 100% of its \$50 million commitment to community healthy lifestyle programs

We are proud of what we accomplished last year. We're fulfilling our mission – to lead the future of snacking – by continuing to align our actions to the goals set out in our 2025 Snacking Made Right strategy. These goals, rooted in our purpose, mission and values, include:

- Creating a sustainable supply chain of key ingredients
  - Scaling sustainable sourcing program Cocoa Life to 100% of cocoa volume for our chocolate brands by 2025
- Addressing climate change and reducing our end-to-end environmental impact
  - 10% reduction in CO<sub>2</sub> emissions by 2025 vs 2018 baseline with a focus on protecting and restoring forests through our signature sustainable sourcing programs

- Advancing zero net waste
  - 100% packaging recyclable and labeled with recycling information by 2025 with a focus on tackling plastic waste
  - 15% reduction in food waste in manufacturing and 50% reduction in food waste from distribution
- Respecting the rights of everyone across our value chain
  - 100% CLMRS coverage of Cocoa Life communities in West Africa by 2025

As we look to build an even stronger business, we will continue to support and empower colleagues, consumers, suppliers, and customers around the world. Now is the time for companies to do what's right. I am confident that our approach to sustainability, well-being and how we do business helps to create a better future.



### SPOTLIGHT ON CLIMATE CHANGE

2025 GOAL: End-to-end CO<sub>2</sub> emissions reductions and 100% packaging recyclable by 2025. For all our futures and for the future of the planet, it is critical we play our part in tackling climate change. To this end, we have created this goal in line with the Science Based Targets initiative and Task Force on Climate-related Financial Disclosures.



### SPOTLIGHT ON GOVERNANCE

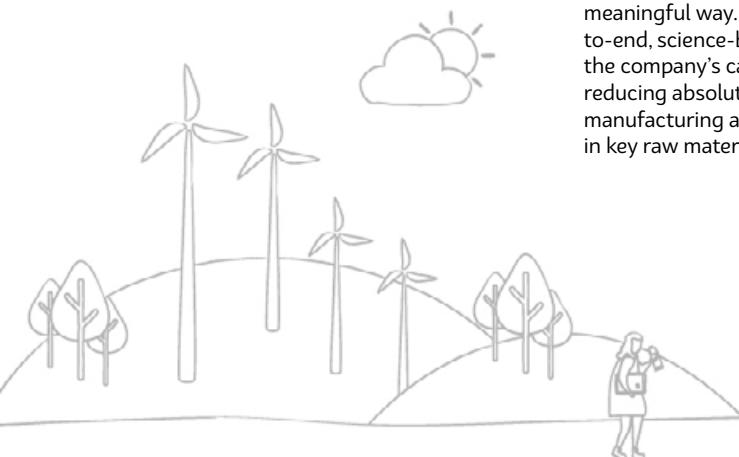
We promote strong compliance and governance throughout our company, to achieve long-term success and build ever greater trust with our stakeholders.

# KEY INSIGHTS



**Christine Montenegro McGrath**  
Vice President and  
Chief of Global Impact,  
Sustainability & Well-being

*Chief of Impact Christine Montenegro McGrath discusses our approach and progress as we all work together to make snacking right.*



**Q: How does Mondelēz International approach sustainability and well-being?**

**A:** At Mondelēz International, we focus on driving change at scale and concentrate on the areas where we can make a real difference. We continue to evolve and refine our approach to sustainable and mindful snacking in line with consumers' expectations to ensure that we stay relevant to them while making the greatest impact possible.

**Q: What are you most proud of in this year's report?**

**A:** I'm proud of the progress we have made so far, particularly in achieving our 2020 goals on CO<sub>2</sub>, water, and waste reductions as well as our growth goal for our portion control products ahead of time. Beyond that, I am proud that we've been able to set goals for 2025 that address climate change in a meaningful way. These are based on an end-to-end, science-based approach to reducing the company's carbon footprint, including reducing absolute CO<sub>2</sub> emissions from manufacturing and addressing deforestation in key raw material supply chains.

**Q: How does this science-based approach differ from the past?**

**A:** The science-based approach goes beyond the company's owned operations and now includes operations outside of the company's direct control such as farms producing raw materials and the production, use and disposal of packaging materials. This is another indication of our commitment to sustainable growth at scale alongside enhanced disclosure and reporting of progress in an effort to deliver meaningful change.

**Q: What are you excited about looking ahead?**

**A:** Many of the challenges we face are systemic and cannot be solved by any one company. Partnerships have been a cornerstone of our work for many years and we have increased our involvement in multi-stakeholder coalitions to address topics such as packaging waste infrastructure and landscape restoration. We believe industry, governments, farmers and communities, and civil society collaborating together will lead to transformative and truly sustainable solutions.

"I'm proud of the progress we have made so far, particularly in achieving our 2020 goals on CO<sub>2</sub>, water, and waste reductions as well as our growth goal for our portion control products ahead of time."

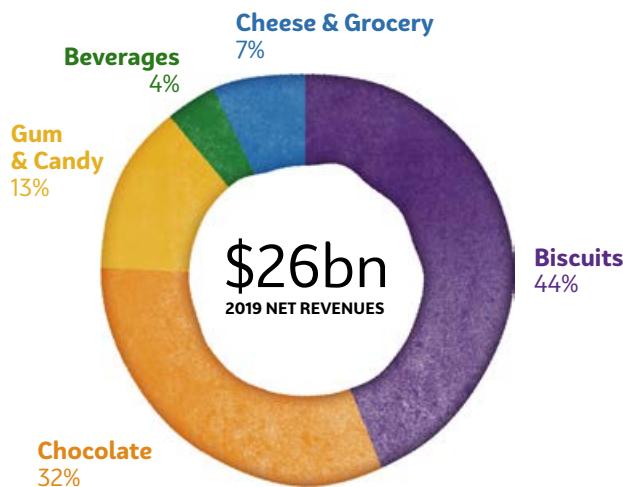


# ABOUT US

## What we do

We love consumers. And we love snacks – they're our world, and we want to make that world right for everybody.

### REVENUES BY CATEGORY 2019



### MARKET SHARE



\*2019 category position. Source: Euromonitor

## Our reach

We are a global snacking business with a strong local presence.

**~80K** We have approximately 80,000 employees

**4** 4 regions with 14 BUs

**150+** Our snacks are enjoyed in over 150 countries

### REVENUE PERCENTAGES BY MARKET 2019



## Our brands

Oreo, belVita, LU Petit Beurre, Cadbury Dairy Milk, Milka, Toblerone, Sour Patch Kids and Trident gum to name a few – we make and bake great snacks for millions of people around the world every day.

### GLOBAL BRANDS

**9** global brands:



### LOCAL JEWELS

**60+** local jewels, including:



## Our Impact

Empowering people to snack right – it's our way to grow well as a business, and do well for people and the planet, and it's about real lasting impact.

**\$800M**

We are investing \$800 million to positively impact people and the planet in local communities.<sup>1</sup>

### 2019 ACHIEVEMENTS

**63%**

of our cocoa volume for our chocolate brands is sourced via Cocoa Life

**100%**

palm oil certified by Roundtable on Sustainable Palm Oil ("RSPO") while pushing for more reforms

**93%**

packaging designed to be recyclable

**76%**

child labor due diligence via Child Labor Monitoring and Remediation Systems ("CLMRS") across Cocoa Life communities in Ghana

**16%**

snacks revenue from portion control options

# OUR PURPOSE

**We empower people to snack right.**  
We do it by offering...

## **The right snack...**

This is about giving people a wide range of high-quality snacks so they can make great informed choices. From indulgent treats to wholesome bites, we want to create snacks that people truly love and feel good about.

## **...for the right moment...**

This is about making it easy for people to enjoy snacks wherever they are in the world, whatever time of day and to do so mindfully.

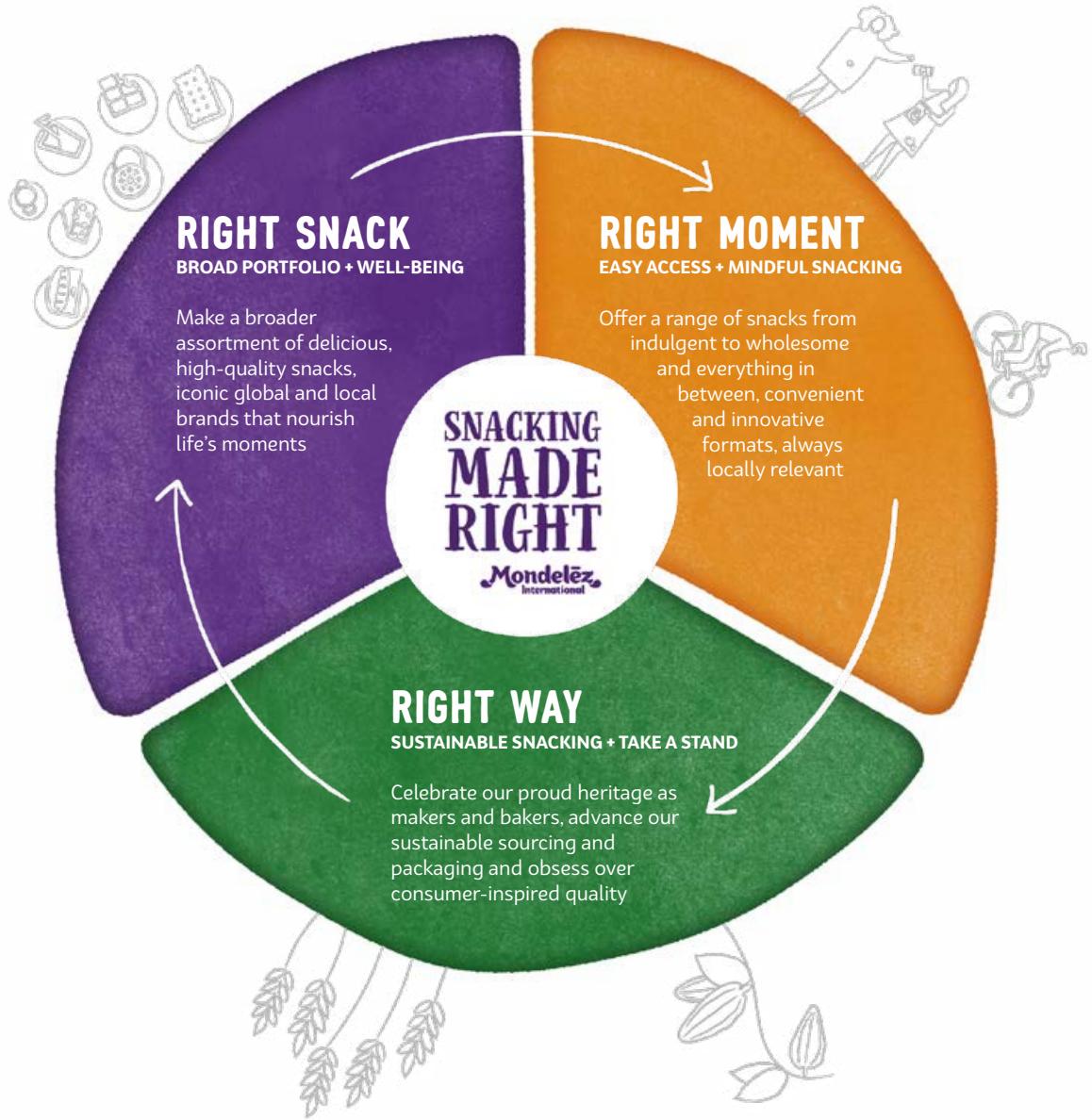
## **...made the right way**

This is about taking the lead in making sure our snacks are not only right for people but also right for the planet – from the raw materials we rely on to the communities we live in and work with and the climate we all need to care for.

## OUR VALUES

Our three values guide how we make snacking right. Across Mondelēz International around the world, we all do everything we can to:

**Love our consumers and our brands**  
**Grow every day**  
**Do what's right**



# OUR APPROACH

We're on a mission to lead the future of snacking by offering people around the world the right snack, for the right moment, made the right way.

To this end, we have a clear approach and have set transparent goals to achieve by 2025:

## SPOTLIGHT ON BUSINESS STRATEGY

At Mondelēz International, we are focused on our three strategic priorities: growth, execution and culture. We're accelerating consumer-centric growth; we're driving excellence in execution; and we're building a winning growth culture.

## RIGHT WAY



### SUSTAINABLE SNACKING

We strive to create a future where people and planet thrive.



### TAKE A STAND

We stand up for what we believe and do business the right way.

## RIGHT SNACK



### BROAD PORTFOLIO

We offer a wide range of delicious, high-quality snacks from indulgent to wholesome.



### WELL-BEING

We renovate and innovate our portfolio to satisfy consumers' current and changing well-being needs.

## RIGHT MOMENT



### EASY ACCESS

We help consumers with easy access to the right snacks throughout their day.



### MINDFUL SNACKING

We inspire mindful ways of snacking, to help people savor each bite and experience more satisfaction.

## 2025 GOALS:

### Portion control

20%

20% of global snacks net revenue from portion control products by 2025

### Mindful snacking

100%

Snack Mindfully icon with portion guidance on 100% of packages globally by 2025

## 2025 GOALS:

### Sustainable ingredients

100%

Sourcing 100% of the cocoa volume needed for our chocolate brands by 2025.

### Environmental impact

↓10%

Reduce end to end absolute CO<sub>2</sub> emissions by 10% by 2025 vs 2018 baseline.

### Packaging innovation

100%

Make 100% of our packaging recyclable and labelled with consumer recycling information by 2025.

### Social sustainability

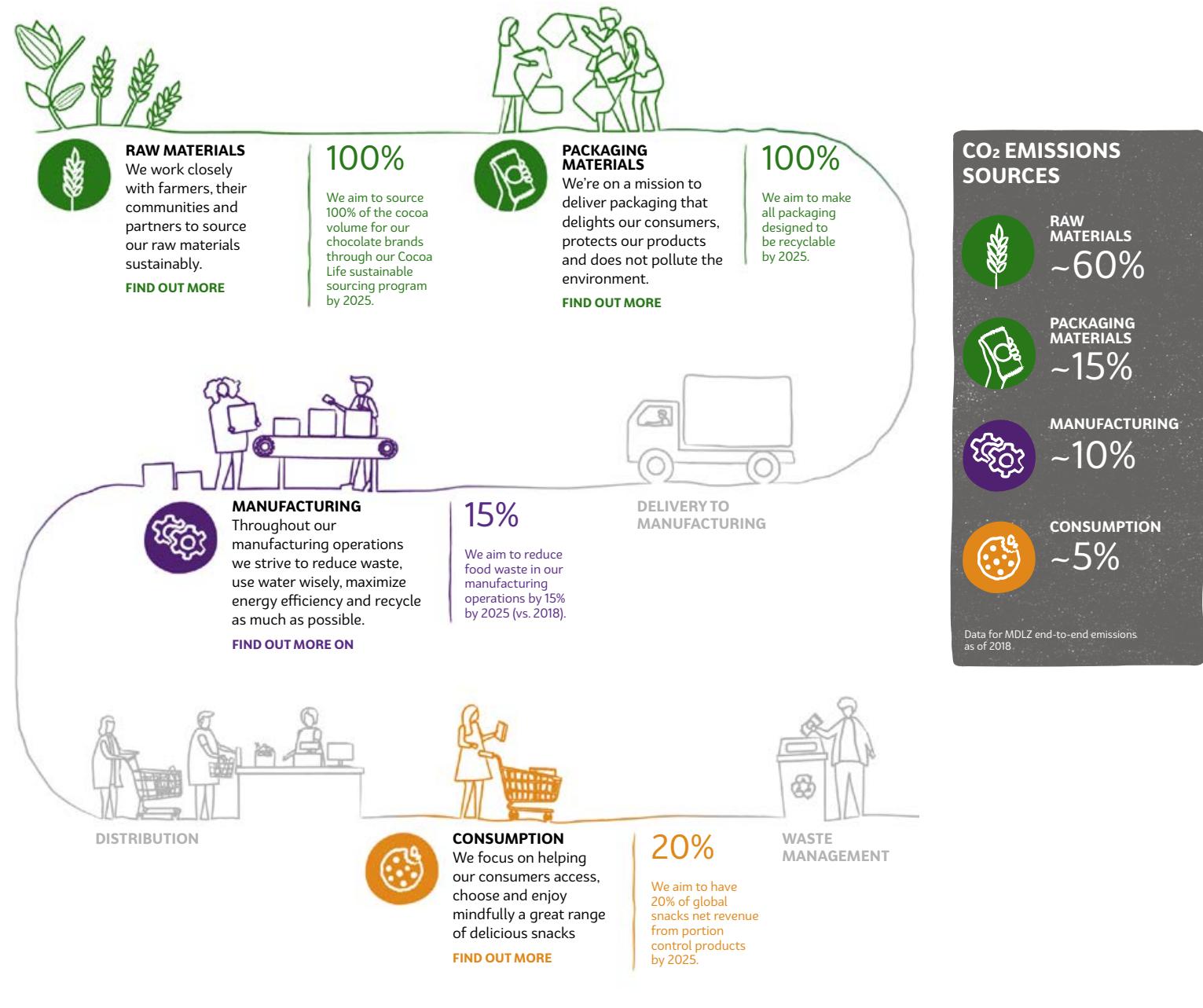
100%

100% adoption of child labor due diligence across Cocoa Life communities in West Africa.

# OUR PRIORITIES

From the farmers and communities we work closely with through to the consumers who buy and enjoy our snacks – we do everything we can to ensure snacking is made right, all the way along our value chain.

To be effective, particularly in the fight against climate change, we need to prioritize. Our strategic focus areas and 2025 goals map to those areas of our value chain that account for our greatest impact on the environment. They are also aligned to what is most material to our long-term business success. By focusing our efforts in those areas, we can drive meaningful change for our company and the world around us.



# OUR PROGRESS

We focus on offering the right snacks, for the right moment, made the right way. We are on track against our 2020 targets and in some cases, we've already achieved many of them ahead of schedule.

We have communicated that we are tracking adoption of standards such as those published by the Sustainability Accounting Standards Board ("SASB") and the Task Force on Climate-related Financial Disclosures ("TCFD"). We will reflect shareholder feedback as we continue to align our sustainability reporting with evolving standards. For more information on the areas of alignment between those standards and our current disclosure please visit our website where we have published SASB and TCFD indices and further data.

|  | 2020 GOAL  | 2019 PROGRESS   | 2025 GOAL  | 2019 PROGRESS                          |
|--|--|---|--|--|
| <b>RIGHT SNACK</b>   |  |   |  |  |
|  <b>Well-being</b>              | Well-being snacks grow at twice the rate of traditional snacks   | <b>More needed</b><br>Traditional snacks growth outpaced well-being snacks growth | Renovate and innovate to meet consumers well-being needs                                     | <b>On track</b><br>Roadmap developed   |
| <b>RIGHT MOMENT</b>  |  |   |  |  |
|  <b>Portion control</b>         | 15% global snacks net revenue from portion control snacks  | <b>Exceeded</b><br>16%  | 20% global snacks net revenue from portion control snacks                                    | <b>On track</b><br>16%                 |
|  <b>Mindful snacking</b>        | -  | -   | 100% mindful snacking labelling across packaging globally                                    | <b>On track</b><br>Roadmap developed   |
| <b>RIGHT WAY</b>   |  |   |  |  |
|  <b>Sustainable ingredients</b> | <b>Cocoa</b><br>Scale up Cocoa Life, our \$400 million investment to cocoa farming                                     | <b>On track</b>   | 100% of cocoa volume for our chocolate brands through Cocoa Life                             | <b>On track</b><br>63%                 |
|  | <b>Wheat</b><br>100% of EU biscuits use Harmony Wheat by 2022  | <b>On track</b><br>65%  | -  | -                                      |
|  | <b>Palm Oil</b><br>100% RSPO Palm Oil  | <b>Achieved</b><br>100%   | Support sector wide action against consistent policies; maintain 100% RSPO                   | <b>On track</b><br>100%                |
|  <b>Environmental impact</b>  | <b>CO<sub>2</sub> emissions</b><br>15% reduction in CO <sub>2</sub> emissions across manufacturing operations*         | <b>Achieved</b><br>15%*   | 10% end-to-end CO <sub>2</sub> emissions reduction**   | <b>On track</b><br>Roadmap in progress |
|  | <b>Water reduction</b><br>10% reduction in priority water usage*   | <b>Exceeded</b><br>27%*   | 10% reduction in priority water usage in areas where water is most scarce**                  | <b>On track</b><br>Roadmap in progress |
|  | <b>Total waste</b><br>20% reduction in manufacturing total waste*  | <b>Exceeded</b><br>21%*   | 15% reduction in food waste in manufacturing**   | <b>On track</b><br>Roadmap in progress |
|  <b>Packaging innovation</b>  | Eliminate 65,000 tonnes of packaging   | <b>On track</b><br>64,850 tonnes  | 50% reduction in food waste from distribution **   | <b>On track</b><br>Roadmap in progress |
|  <b>Social sustainability</b> | <b>Human Rights</b><br>100% human rights due diligence system coverage in own operations and priority tier-1 suppliers | <b>Achieved</b><br>100%   | 100% human rights due diligence system coverage in own operations and tier-1 suppliers       | <b>On track</b><br>100%                |
|  | <b>Child labor</b><br>Scale up Child Labor Monitoring & Remediation Systems in Cocoa Life communities in West Africa   | <b>On track</b><br>27%  | 100% Cocoa Life communities in West Africa have Child Labor Monitoring & Remediation Systems | <b>On track</b><br>27%                 |

\*2013 baseline against all 2020 Goals and 2019 Progress

\*\*2018 baseline

# RIGHT SNACK

## GOAL PROGRESS

Traditional snacks growth  
outpaces well-being snacks growth

We're committed to  
offering a wide range of  
delicious, high-quality  
snacks, and to keep on  
improving them to meet  
our customers' well-  
being needs.



## UN Sustainable Development Goals

**Top tier:** Priority SDGs where  
our impact is most closely linked



**Additional tier:** We also seek to  
positively impact the following SDGs

**9** – Industry, Innovation and Infrastructure  
**17** – Partnership for the Goals

# LANDSCAPE & INSIGHTS

*Consumer needs are changing.  
We need to evolve to meet their needs.*



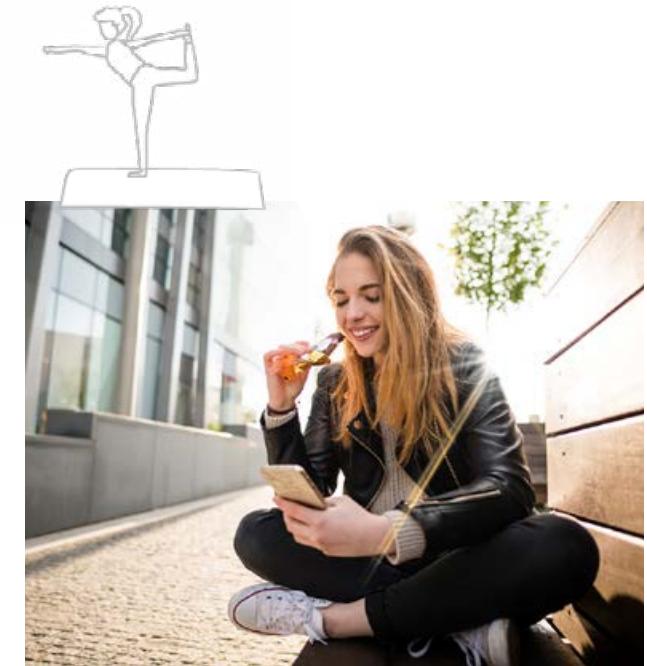
## PEOPLE ARE BUSIER THAN EVER

Consumers have less free time as they work longer hours with longer commutes. They want snacks that support a healthy lifestyle, providing nourishment and nutrition for their active and busy lives. Almost 3 in 4 people around the world say snacking gives them an essential break in their busy days (73%), while almost 8 in 10 millennials use their snacking moments as an opportunity to slow down and find moments of quieter, mindful reflection (77%).



## CONSUMERS ARE DEMANDING MORE FROM THEIR SNACKS

It's no longer enough for snacks to be convenient and delicious. Today's consumers want to feel good about what they're eating, with snacks composed of ingredients they know and trust, and which speak to who they are. 78% of millennials say food is a major part of their identity, while 82% say sharing a snack is a simple way to connect across cultures.



## THEY PLACE INCREASING IMPORTANCE ON HEALTH AND WELL-BEING NEEDS

Today's consumers are always on the lookout for holistic solutions that support their physical and emotional well-being, and are personalized for them. When it comes to snacks, they want all-natural, free-from, and functional options that help protect, rebalance, and recharge their bodies and minds. Around the world, 6 in 10 adults say "the snacks in my day are more for my personal needs, while meals tend to meet the needs of others" (60%).



# BROAD PORTFOLIO & WELL-BEING

*To keep satisfying our consumers' changing needs we never stop evolving our broad range of snacks.*

## BROAD PORTFOLIO

We offer a broad range of delicious, high-quality snacks – from indulgent bites to wholesome bars. We want to make sure our range keeps satisfying the diverse needs of millions of consumers around the world. So for example, we are continuing to reduce sugar, sodium and fat in snacks; increase portion control options; and extend our focus on encouraging mindful snacking.

## WELL-BEING

People have always loved snacks but their lives are changing – becoming busier than ever, more health and planet conscious, too. People increasingly want to feel good about their snacks – not only that they taste delicious but also that they are good for their minds and bodies, and that they are not doing harm to the planet. That's why we keep renovating and innovating our portfolio to satisfy consumers' current and changing well-being needs, with offers such as Better for You, Authentic Natural and Simple, Functional Nutrition and Permissible Indulgence.

## SNACK FUTURES

Our innovation hub, SnackFutures, capitalizes on changing consumer trends and emerging growth opportunities around the world. Innovations include four new well-being brands: NoCOe, Dirt Kitchen Snacks, CaPao and Ruckus & Co. NoCOe is an innovative and sustainable aperitif cracker which is certified organic. The crackers are a source of plant proteins and fibers, vegetarian, low in fat, with no added sugar or additives. CaPao was created in an attempt to reduce cacao wastage in the world, as the whole cacao fruit is rarely used. CaPao is defined as a brand that offers plant-powered snacks. The foundation of each snack is the fruit's juices itself, which have been described as having a "zingy, sweet, tart and zesty" taste profile. Dirt Kitchen Snacks uses unwanted vegetables which are air dried and made into healthy and convenient snacks, while Ruckus & Co is a line of ready-to-drink frozen fruit smoothies designed for active kids. The team has also invested in Hu and Uplift Food and launched three global market hubs in Australia, Germany and China



## FEEL GOOD INNOVATION

In 2019, we launched Tang Sabila Natural – giving our consumers a great-tasting powdered drink, made from fruit juice and fruit pulp, with added sabila (aloe vera) extract, for healthy skin, hair and digestion, and vitamins A, B1, B6 and C.

## PROTEIN-RICH BREAKFAST

Protein is one of the top three benefits our Generation X consumer is looking for, and we know it is especially important in the morning. As a growing morning brand, we want to make sure we are offering this important benefit, so our belVita Protein soft bake range offers 10g of high quality protein per serving.

## ALL-AROUND NATURAL GOODNESS

In France we launched LU Les Petits Épis – tasty snacks made from whole wheat and seeds and no coloring, preservatives or artificial flavorings. Just simple, natural goodness.

## BROAD PORTFOLIO & WELL-BEING PERFORMANCE

37

new or updated well-being offers in 2019

## GOAL PROGRESS:

### Well-being

Growth in traditional snacks outpaced growth in well-being snacks year-on-year. Consumers' contemporary well-being definition is broader than in the past, meaning there is a clear opportunity for health and wellness-driven renovation and growth in our core categories.

# EVOLVING OUR PORTFOLIO

To help people lead healthy lives, we focus on improving the nutrition and ingredients of our snacks.

As well as creating new well-being snacks, we also focus on improving the nutrition and ingredients of the global brands and local jewels already in our broad portfolio. In essence, this is about reducing or removing what people don't want and adding more of what they do.

## REDUCING SODIUM, SATURATED FAT AND TRANS FAT

As part of our drive to help people eat healthily, we continue to reduce the amount of saturated fat and sodium in our biggest-selling global brands and local jewels, as well as launch new products and line extensions with less fat and salt.

## SUGAR

Sugar plays an important part in many of our snacks, for example giving them great taste and texture, but we also agree people should limit their sugar intake as part of reducing calories. This aligns with the World Health Organization and other health agencies' advice to limit added sugar to no more than 10% of daily calories. To help consumers, we have launched and continue to expand lower sugar options.

## WHOLE GRAINS

Most consumers do not get enough whole grains in their diet, so we try to provide them in our snacks. We achieved our goal to increase whole grains by 25% in 2015 and we continue to look for options to add whole grain options to our portfolio.



## THE GROWING POPULARITY OF DARK CHOCOLATE

Demand for chocolate as a whole continues to grow around the world and dark chocolate in particular is proving to be increasingly popular with our consumers. Dark chocolate is naturally higher in saturated fat and lower in sugar and sodium than milk chocolate. This has contributed to the 0.3% rise in saturated fat for 2019.

## PORTFOLIO EVOLUTION PERFORMANCE

↓ 5.7%

↓ 4%

+0.1%

+9bn

We have reduced sodium by 5.7% since 2012, including -1.5%\* in the last year (2019 vs 2018)

We have reduced saturated fat by 4% since 2012, with a slight increase +0.3%\* in 2019 vs 2018

We kept sugars essentially flat in the last year (+0.1%\* 2019 vs 2018)

We continue to deliver over 9 billion servings of whole grains with our products

## GOAL PROGRESS:

Our aim is to improve the nutrition and ingredient profile of our biggest-selling global brands and local jewels. In 2019 we have:

↓ 25%

↓ 20%

We reduced saturated fat in our Ritz range in the UK and launched Ritz in Mexico with increased whole grains and lower sodium levels

↓ 30%

Launched a version of Oreo in China with a sweeter formulation and 25% less sugar

In Europe, we reduced sodium in our Barni range by 20%

Cadbury Dairy Milk with 30% less sugar and Boost Protein Bar with 27% less sugar, and in Australia, The Natural Confectionery Company gummies now have 25% less sugar

\*all % changes are on a weighted average basis in our Snacks portfolio

# FOOD SAFETY & QUALITY

*Making sure our consumers can enjoy safe, high quality snacks is at the heart of everything we do.*

We know how critical it is to offer our consumers safe, high-quality snacks they can really enjoy and feel good about. We do everything we can to meet this imperative and in turn, earn people's trust.

## MAINTAINING HIGH STANDARDS

Safety begins with each recipe we make. We set high standards with a comprehensive quality management system to ensure the integrity of our snacks and the ingredients we use. Our science-based risk identification and management processes help us assess and control factors that could potentially compromise ingredients, packaging, manufacturing processes or finished products.

We design consumer safety into all our products right from the outset. We have high Quality Management Standards covering our raw materials, product and process design and manufacturing. Our food safety systems are based on the internationally recognized and recommended Hazard Analysis and Critical Control Point (HACCP) system. We use leading edge science to identify and manage risk so our consumers can trust our products when they eat them.

## REGULAR TRAINING AND REVIEWS

Regularly training staff is an important part of embedding our standards in our business. In 2019, 5,500 of our staff were trained on our standards. Auditors of our manufacturers and suppliers review training records to confirm that all relevant training is carried out and records kept.

We review all our quality policies annually, based on benchmarking with our peers, and keep them up-to-date in terms of best practice. We make our own supplier quality expectations publicly available.

## LEADING FOOD SAFETY SCIENTISTS

Our food safety scientists are world experts who are on the Boards of leading global standard setting organizations such as the International Commission for the Microbiological Specifications for Foods (ICMSF), Food Allergy Research and Resource Program (FARRP), and the Global Food Safety Initiative (GFSI).



## CHAMPIONING GLOBAL FOOD SAFETY

We are proud to be part of the Global Food Safety Initiative (GFSI) as it continues to benchmark and raise food safety standards around the world. Since joining the GFSI in 2006, we have implemented it at all our plants, expect our suppliers to follow it and promote it more widely with our other stakeholders and the industry. Our Chairman and CEO co-chairs the CGF Food Safety coalition, stewarding the food safety agenda.

| PRODUCT SAFETY AND QUALITY PERFORMANCE     | 2017 | 2018 | 2019  |
|--|------|------|-------|
| Internal manufacturers certified           | 100% | 100% | 100%  |
| External manufacturers certified           | 94%  | 94%  | 91%   |
| Raw materials suppliers certified          | 97%  | 98%  | 99.8% |
| Food contact packaging suppliers certified | NA   | 57%  | 90%   |

## GOAL PROGRESS:

In 2019, we achieved our goal to have all our internal manufacturers and raw materials suppliers certified against one of the Global Food Safety Initiative (GFSI) benchmarked food safety schemes. Our goal is to have all our manufacturers and suppliers certified.

# RIGHT MOMENT

## GOAL PROGRESS

16%

of snacks net revenue from portion control products

We want to help consumers easily enjoy the right snacks throughout their day, and inspire them to snack mindfully so they can savor and feel good about each and every snack.



## UN Sustainable Development Goals

**Top tier:** Priority SDGs where our impact is most closely linked



**Additional tier:** We also seek to positively impact the following SDGs

- 4 – Quality education
- 11 – Sustainable Cities and Communities
- 17 – Partnership for the Goals

# LANDSCAPE & INSIGHTS

*The role that food and snacks play in our lives is becoming increasingly important.*



## A GROWING BEHAVIOR

People the world over are snacking, now more than ever. According to our 2019 State of Snacking™ report, 6 in 10 adults worldwide (59%) say they prefer to eat many small meals throughout the day, as opposed to a few larger ones. Younger consumers especially are leaning into snacks over meals as that number rises to 7 in 10 among millennials (70%).

## SNACKING AS A CONNECTOR

Whether it's a cultural connector to tastes from afar or distant homelands, traditions passed down through generations, or simply a small respite such as a break fueling us for the day ahead or a treat to reward ourselves at the end of the day – snacking meets the needs of our increasingly on-the-go and interconnected lives.



## A DIFFERENT RELATIONSHIP

We found that 71% of adults say snacking helps them control their hunger and manage their calories throughout the day. However, moments of indulgence continue to have an important place in daily routines. 77% of consumers agree there is a time and a place for a healthy snack, and a time and a place for an indulgent one.

## SNACKING IS ABOUT MORE THAN WHAT WE EAT

Snacking is a key way for people around the world to connect to their culture and share their sense of identity with their communities and families. 71% say snacking is a way to remind themselves of home. Around the world, more than 8 in 10 parents use snack time as a small way to connect with their children (82%).

# MAKING ACCESS EASY

*To help consumers snack right, we give them easy access to the right snacks throughout their day.*

To this end, we meet people where they are physically, and where they are emotionally.

## GETTING PHYSICALLY CLOSE

With our global scale and local reach across 150 countries, we put our great range of brands close to where our consumers are – so it's easy for them to get the snacks they'd like, when and where they'd like them.

## GETTING EMOTIONALLY CLOSE

We work hard to understand any and every consumer snacking occasion, so we can appreciate and meet people's emotional needs with snacks that fit in with their lives and are communicated in responsible, creative ways.



### DISTRIBUTION EXPANSION

Across the world we have a powerful and localized value chain: we touch millions of stores and combine this with local manufacturing. India is an important market for Mondelēz International. To have our products present in the farthest corners of the country we are constantly increasing our store coverage. In 2018 alone, we added 200,000 outlets and installed an extra 70,000 visi-cooler mini refrigerators.

### UNDERSTANDING CONSUMER SNACKING HABITS

Our deep knowledge connects us to hundreds of thousands of consumers globally and gives us the insights to understand the growing role snacking plays in our consumers' lives around the clock and across the globe. Our data provides a window on the world and a framework for us to approach consumer needs.

# MINDFUL SNACKING

*We want to inspire mindful snacking habits, so the consumers we love can savor each bite and experience more satisfaction from the brands we love to create for them.*

So what do we mean by mindful snacking? It is about eating with intention and attention, focusing on the present moment, and savoring how the food tastes so you really enjoy it. In short, it's about making the most of snacking in-the-moment. This has never been more important, given that we are all snacking more often.

We are big fans of mindful snacking. It's:

#### Relevant

More and more people are using mindfulness for well-being and balance.

#### Sustainable

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

#### Effective

Research shows multiple benefits of mindful eating.

#### A FEW SIMPLE STEPS

Snacking mindfully involves a few simple steps that add up to real all-around enjoyment:

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

We are placing the Snack Mindfully portion icon on all packs, for all snacks, globally by 2025. We established this goal in 2019 and aligned our approach globally to begin activation in 2020.

We also plan to invest in a digital consumer education campaign to reach even more people with practical tips and tools to help them snack mindfully.

 In 2019, our Prince biscuits brand pioneered the snack mindfully messaging in Europe. Packs have the "Snack Mindfully" logo on the front, highlighting how many biscuits are in a portion, as well as a short description on the back explaining mindful snacking, with an example of a balanced afternoon snack. There is also a dedicated page for more information on the brand's website, [www.luprince.be](http://www.luprince.be) / [www.luprince.nl](http://www.luprince.nl).

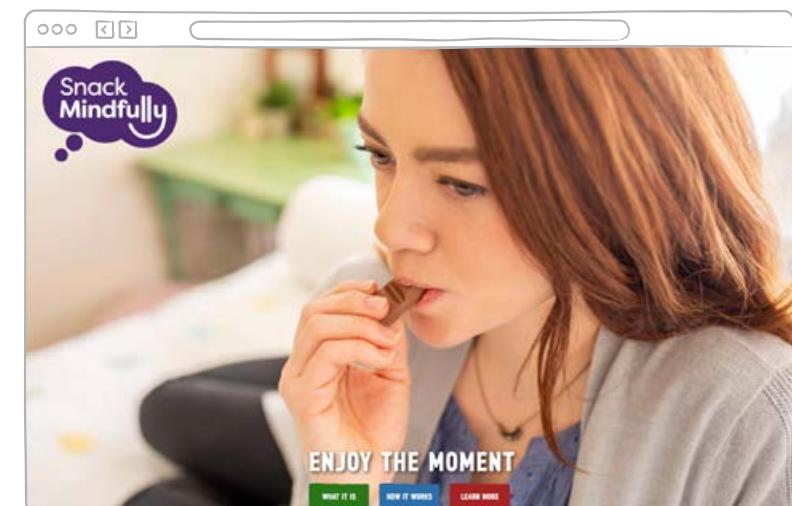


#### SNACKING CRACKERS MINDFULLY

In Canada we have begun to encourage people to snack on crackers mindfully. The campaign covers cracker brands Triscuit, Good Thins and Wheat Thins. It includes building awareness via social media, in-store support and an informational website: [www.snackmindfully.ca](http://www.snackmindfully.ca)

#### HELPING PEOPLE SNACK MINDFULLY

To help people get it right, our Snack Mindfully website provides resources, tips and information on mindful snacking. We have also partnered with renowned mindful eating expert, Dr. Susan Albers, Psy.D., on consumer-friendly videos that explain mindful snacking and how to practice it.



# PORTION CONTROL

*A major part of our commitment to mindful snacking comes to life in our focus on portion control.*

We have an expanding range of portion control options – snacks that are 200 calories or less and are individually wrapped. Individually wrapped products enable people to enjoy the treats they love, become more mindful when they eat, and help manage their calories.

We are committed to growing our portion control products to 20% of our global snacks net revenue by 2025. In 2019, we achieved our 2020 target of 15% – growing our portion control options to reach 16% of our global snacks net revenue. We grew across all three of our categories – biscuits, chocolate and candy – and across all our regions. Portion control in biscuits has increased by 3% year-on-year in 2019 to 19.1% of snacks net revenue while chocolate increased by 6% to 14%. Overall, portion control offerings as a percentage of our snacks net revenue have risen from ~10% in 2012 to 16% in 2019.

We are mindful of balancing our growth in portion control with our commitment to reducing waste and plastic packaging. We focus on optimizing and reducing packaging as well as using post-consumer materials wherever possible and enabling recycling.

As well as expanding our portion control options, we are placing portion guidance on all packs, for all snacks, globally by 2025.



## PORTION CONTROL PERFORMANCE

|   | 2017 | 2018 | 2019 |
|---|------|------|------|
| Growth in portion control options                           | 14%  | 7%   | 5%   |
| Percentage of snacks net revenue in portion control options | 13%  | 15%  | 16%  |



### GOAL PROGRESS:

We have already exceeded our 2020 goal of 15% of global snacks net revenues from portion control and we are on track for our 2025 goal of 20%.



## OFFERING INDULGENCE IN SMALL PORTIONS

By introducing smaller sizes and portion control in our chocolate snacks, we are giving people the option to snack mindfully, bite by bite. For example, we have brought the portion pack for Cadbury Animals and Mini Fingers down to under 100kcal in the UK. We have also introduced portion control for Cadbury Intense in Argentina.

# LABELING & MARKETING

*We're committed to labeling and marketing that not only complies with all regulations and standards but also helps our consumers snack right.*

We know people need simple and straightforward information to make mindful decisions that are best for them and their families. So we:

- Provide nutrition labeling on all products across global markets, according to local laws and regulations.
- Where space permits, include information on eight key nutrients: energy, protein, carbohydrates, sugars, fat, saturated fat, fiber and sodium.
- Deliver meaningful information at a glance through front-of-pack (FoP) and calorie labeling on all relevant products.
- Call for a harmonized approach to food labeling and will work with peers in our industry, consumers and health authorities.

## LABELING

Our nutrition labeling is in line with international standards, including Codex Alimentarius. We provide nutrition labeling on all products, displaying the amount per serving and/or per 100 grams (depending upon local regulations) on key nutrients. Labels usually

include the percentage that a nutrient provides of a person's recommended daily intake, such as Daily Value or Dietary Reference Intake.

We also place calories FoP on all eligible products globally.\* Unless national requirements require alternative elements, our FoP calorie labeling depicts calories (energy) per serving or per pack for single serve individually-wrapped snacks.

We believe a uniform, industry-wide approach to FoP labels can help consumers make informed choices and eat mindfully. We support a common approach that fits local market needs and regulations and gives consumers meaningful information at a glance. At the same time, we are working with industry peers and stakeholders to explore effective and pragmatic new labeling options for consumers.

In some markets, we participate in voluntary nutrition information initiatives, such as Facts Up Front and SmartLabel in the U.S., and Be Treatwise® in the United Kingdom and Australia.



## MINDFUL LABELING

We're helping consumers snack mindfully by upgrading our labels. Rather than simply providing the minimum legally required nutrient facts, we are empowering people to snack mindfully with product-specific portion information and nutrient facts and the Snack Mindfully icon.

We aim to add portion information via a portion icon on all packs globally by 2025 and references to Snack Mindfully tips and links.

## NUTRITION AND HEALTH CLAIMS

We base our nutrition and health claims on sound scientific evidence and comply with local regulations. For countries where regulatory standards have not been established, we use standards set out by Codex, which always serves as our baseline when making claims.

## RESPONSIBLE MARKETING

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

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

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

## PARTNERING

We work with others across the industry to support responsible marketing. We are, for example, a founding member of the International Food & Beverage Alliance. Along with other members, we made a global commitment to the World Health Organization to either not advertise products to children under age 12 or only advertise products that meet specific nutrition criteria to children under age 12 and to monitor those efforts.

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

# NUTRITION PARTNERSHIPS

*We work closely with experts and partner organizations to address the issues and to drive the changes needed to empower people to snack right.*

## WORKING TOGETHER

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

Throughout 2019, we participated in and presented at various conferences to learn about advancements in nutrition, as well as share progress and results from research we conducted and showcase our latest well-being innovations. We continue to actively engage with public and private sector stakeholders, bringing industry partners together to address global health and well-being challenges. As part of this, we have discussions with governments, NGOs and others on topics, such as nutrition improvements, enhancing consumer information and promoting healthy lifestyles and mindful eating.



Below are some of the organizations we engaged with throughout 2019:

- [Academy of Nutrition and Dietetics](#)
- [Alim 50+](#)
- [Argentine Chapter of the Latinoamerica Society of Nutrition \(CASLAN\)](#)
- [Argentine Food Technologist Association \(AATA\)](#)
- [Argentine Society of Nutrition \(SAN\)](#)
- [Brazilian Nutrology Association \(ABRAN\)](#)
- [British Dietetic Association](#)
- [British Nutrition Foundation](#)
- [Children's Food and Beverage Advertising Initiative \(CFBAI\)](#)
- [China Association Of Bakery & Confectionery Industry](#)
- [China Food Information Center \(CFIC\)](#)
- [China National Research Institute of Food & Fermentation Industries](#)
- [China Nutrition Society](#)
- [Consumer Goods Forum \(CGF\) Health & Wellness Steering Committee](#)
- [FENS Federation of European Nutrition Societies](#)
- [Food and Nutrition Brazilian Society \(SBAN\)](#)
- [Grain & Legume Nutrition Council](#)
- [Glycemic Index Foundation](#)
- [HEALTHGRAIN Forum](#)
- [Industry Nutrition Strategy Group \(IGD INSG\)](#)
- [International Life Sciences Institute \(ILSI\)](#)
- [International Food Technology \(IFT\)](#)
- [International Scientific Association for Probiotics and Prebiotics](#)
- [Mexican Dental Association](#)
- [Nutrition Society of Nigeria](#)
- [The Philippine Society of Nutritionist-Dietitians \(PSND\)](#)
- [Shopping for Health Conference for Supermarket Dietitians](#)
- [Southeast Asia Public Health Nutrition Network](#)
- [Whole Grains Council](#)
- [Wholegrain Initiative](#)

# COMMUNITY IMPACT

We partner with leading community organizations to transform the lives of children around the world.

## TRANSFORMING THE LIVES OF CHILDREN

Since 2012, the Mondelēz International Foundation (MIF), in partnership with leading community organizations, has been transforming the lives of 1.5 million children across 18 countries. Through its multi-year \$50 million commitment, MIF has invested in and partnered with leading community organizations on programs to help children and their families adopt lifelong healthy habits.

## FIGHTING OBESITY AND IMPROVING HEALTH

Our partners develop and implement the programs, which are commonly school-based, reaching children ages 6-12, as well as their families and teachers. Programs are rooted in a three-pronged approach that is widely regarded

as crucial for fighting obesity and improving children's health: improving nutrition education, physical activity, and access to nutritious foods, primarily fruits and vegetables.

## TRACKING PROGRESS

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



## IMPROVING HEALTH IN SOUTH AFRICA

South Africa's Health in Action program in at-risk communities has succeeded in increasing healthy weights among children and decreasing rates of obesity and wasting (an indicator of acute malnutrition). From 2016-2019 – an 8% increase of children with healthy weight; a 42% decrease in obesity and 40% decrease in wasting. The program has also improved teachers' health, with a 23% decrease in obesity and a 79% decrease in morbid obesity levels.

## MAKING A DIFFERENCE IN BRAZIL

Brazil's Health In Action (HIA) program over the last seven years has seen a 28% increase in vegetable consumption; a 73% reduction in childhood obesity among HIA participants; a 60% decrease in children with anemia; and an 85% reduction in parasitic infections related to inadequate supply of clean water.

## COMBATING OBESITY

We're working with our community partners around the world to help combat rising levels of obesity and encourage people to lead healthier lives. We're focusing on three areas: nutrition education, promoting active play, and providing access to fresh foods. In 2013, we announced a \$50 million commitment to promoting active, healthy lifestyles. In 2019, we completed the allocation of the \$50 million to programs.

## LOOKING AHEAD

We are evolving our philanthropic engagement by developing a new Sustainable Futures Impact Investment Fund. Its role is to amplify our positive impact through investments in innovative social entrepreneurs and organizations that address the challenges we're tackling in our Sustainability work and deliver benefits to people and the planet.

### HEALTHY LIFESTYLE PROGRAM PERFORMANCE

|   | 2017 | 2018 | 2019 |
|---|------|------|------|
| Nutrition Knowledge: Percentage of participants who improve nutrition knowledge   | 12%  | 18%  | 18%  |
| Physical Activity: Percentage of participants who are physically active for 30 minutes or more daily                      | 6%   | 14%  | 9%   |
| Healthier Eating: Percentage of participants who report increased consumption of fruits, vegetables and other fresh foods | 11%  | 12%  | 12%  |



### GOAL PROGRESS:

In 2019, 100% of the \$50 million commitment was allocated to programs.

# MAKING A DIFFERENCE WHERE IT COUNTS

*Around the world in many different ways our people volunteer to help make an #Impact4Good in their communities.*

We are deeply committed to doing what's right for our communities. This is at the heart of the work undertaken by the Mondelēz International Foundation (MIF) and the great contributions our people make as volunteers around the world.

## RESPONDING TO THE COVID-19 CRISIS

In these unprecedented times of the global COVID-19 pandemic, we are very aware of the many critical challenges faced by communities around the world. To help relief efforts, we have donated \$20 million of cash and products, surpassing our \$15 million global commitment, supported by the MIF and global and local brand initiatives.

## RESPONDING TO THE AUSTRALIAN BUSHFIRE CRISIS

In the summer of 2019-20, bushfires in Australia burnt 12.6 million hectares, affecting hundreds of communities, wildlife and the environment. The toll on some of Australia's iconic native animals – particularly koalas – was devastating. Cadbury is Australia's most popular chocolate brand, and many of Cadbury's much-loved heritage products are based on native animal characters. So it only seemed right to assist in the rescue and recovery of the animals.

Cadbury launched a campaign to promote the purchase of Cadbury Freddo, Caramello Koala and Furry Friends with all proceeds for a week's worth of sales donated to organizations at the forefront of animal rescue and habitat restoration: Zoos Victoria, Taronga Zoo and Kangaroo Island Wildlife Park. The initiative raised AUD630,000 for emergency vet care, population and habitat assessments, animal rescue, and captive breeding programs.

*"The level of satisfaction that one feels when able to make a difference in the lives of others, especially children, is indescribable. It is magnificent to feel the joy when seeing their smiles and their lives changed by something seemingly insignificant to others, such as a simple act of kindness, appreciation, or simply just playing a game with them. It is extremely rewarding to be able to have such an impact in our communities. I am proud to be part of such a great organization that always looks out for our people, our communities and our planet. And I am proud of our employees for prioritizing volunteerism and taking accountability for making such a difference."*

**Jorge E. Gomez,**  
Global Lead, IBS #Impact4Good



## VOLUNTEERING PERFORMANCE

In 2019, 16,000 (2018: 12,000) employee volunteers from 52 countries contributed nearly 47,000 (2018: 45,000) hours of service to the communities where they work and live.

# RIGHT WAY

## GOAL PROGRESS

| SUSTAINABLE SNACKING   | 2017  | 2018  | 2019  |
|--|-------|-------|-------|
| <b>SUSTAINABLE INGREDIENTS</b>   |       |       |       |
| All cocoa volume for our chocolate brands sourced through Cocoa Life (goal: 100% by 2025)                          |       |       |       |
| 35%  | 43%   | 63%   |       |
| EU wheat need via Harmony (goal: 100% by 2022)   | 60%   | 60%   | 65%   |
| RSPO palm oil  | 100%  | 100%  | 100%  |
| Palm oil traceable to the mill   | 95%   | 96%   | 97%   |
| Palm oil from suppliers with aligned policies  | 99%   | 99%   | 98%   |
| Cage-free eggs in U.S. and Canada by 2020 and rest of world by 2025 (goal: 100% globally, excl Russia and Ukraine) | 15%   | 15%   | 17%   |
| <b>ENVIRONMENTAL IMPACT</b>  |       |       |       |
| Reduction of absolute CO <sub>2</sub> emissions from manufacturing   | 10%   | 10%   | 15%   |
| Reduction in priority water usage in areas where water is most scarce*   | 25%   | 22%   | 27%   |
| Reduction in total waste from manufacturing*   | 15%   | 13%   | 21%   |
| <b>PACKAGING INNOVATION</b>  |       |       |       |
| Tonnes of packaging eliminated   | 53.5K | 59.6K | 64.8K |
| <b>SOCIAL SUSTAINABILITY</b>   |       |       |       |
| 100% human rights due diligence system coverage in own operations and priority tier-1 suppliers                    | 27%   |       |       |
| Cocoa Life communities in West Africa with child labor monitoring and remediation                                  |       |       |       |

\*2013 baseline against all 2020 Goals and 2019 Progress

We're focused on making our snacks more sustainably by using less energy, water and waste, with ingredients consumers know and trust.



## UN Sustainable Development Goals

**Top tier:** Priority SDGs where our impact is most closely linked

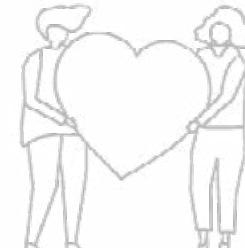


**Additional tier:** We also seek to positively impact the following SDGs

- 1 – No poverty
- 4 – Quality education
- 5 – Gender Equality
- 7 – Affordable and Clean Energy
- 9 – Industry, Innovation and Infrastructure
- 10 – Reduced Inequalities
- 11 – Sustainable Cities and Communities
- 14 – Life Below Water
- 16 – Peace, Justice and Strong Institutions
- 17 – Partnership for the Goals

# LANDSCAPE & INSIGHTS

*Creating a future where people and planet thrive.*



## ACTION ON CLIMATE CHANGE

Consumers, colleagues, stakeholders and investors expect companies to stand up for what matters and to play a key role in strengthening the global response to address climate change. By working to reduce our environmental footprint, through reductions in our emissions across our value chain and helping eliminate deforestation, we're driving meaningful change.

## MAKING SOURCING SUSTAINABLE

Our biggest impact on the world is made where we source our ingredients. The production of the raw ingredients that get baked into biscuits or made into chocolates is where we can make the greatest positive impact, and where we focus our efforts – deploying our scale and resources to drive change and improvement across the industry.

## PROTECTING PEOPLE

We have an obligation to respect the rights and well-being of the people who live and work in the communities we touch. From the farming communities where we source our raw materials through the factories in which our employees produce our snacks, we stand up for the rights of everyone across our value chain.

## TAKING A STAND

Our brands and our people are our greatest assets – not least because of the change they make in the world. Our colleagues donate their time and talent to give back to their communities. And by creating brands that positively impact the world through their actions and communications, we can use our voice to drive change in the areas that our consumers are most passionate about. Like championing a more diverse and inclusive world.

# SUSTAINABLE AGRICULTURE

*We are working with farming communities, suppliers and partners around the world to promote sustainable agriculture, so everyone involved can thrive and the planet can, too.*

## TACKLING COMPLEX CHALLENGES TOGETHER

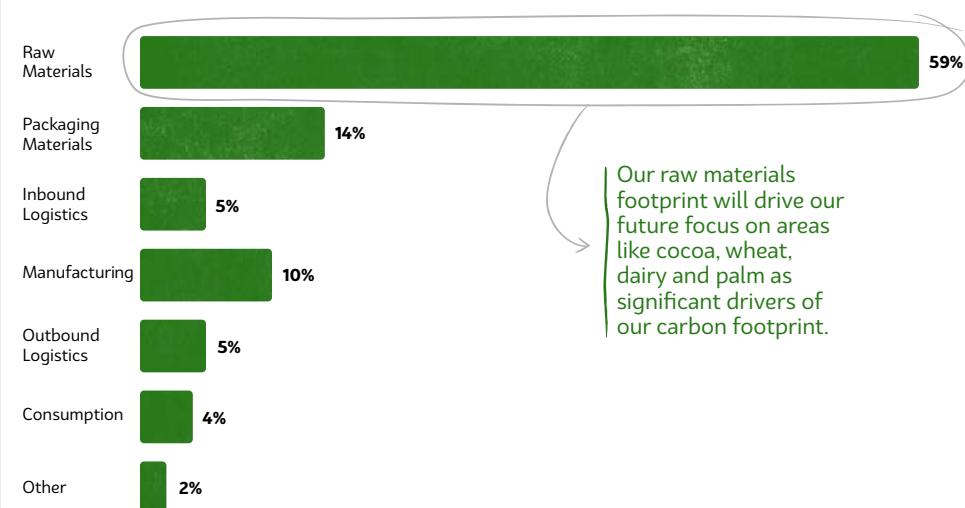
From climate change to population growth, our global food system faces numerous challenges which in turn puts pressure on agriculture. Resources and livelihoods are at stake, as is the future of the planet. We're mindful, too, that consumers are interested in the provenance of ingredients and increasingly expect good agricultural practices from their brands. These challenges are complex and lasting solutions call for the concerted collaboration of all concerned – from companies to farming communities to governments to social, scientific and environmental experts.

## PROMOTING SUSTAINABLE INGREDIENTS

We're working to build a thriving ingredient supply chain to promote sustainable supplies of high-quality cocoa, wheat and other raw materials we use to create the snacks our consumers love. We use our reach and global presence to work with outside experts to give farmers a voice. Through our signature programs, Cocoa Life and Harmony Wheat, we aim to make a positive long-term impact on the farms, communities and environments where our main raw materials are grown. More broadly, we are addressing key areas where we can have the most impact, looking to increase transparency, and collaborating with our key suppliers and others to promote widespread change so that sustainability becomes the normal way to do business around the world.

## ENVIRONMENTAL FOOTPRINT FINDINGS

We draw on our Lifecycle Assessment (LCA) to help us shape our priorities and focus our efforts to reduce our carbon footprint for maximum effect.



## FOCUSING ON ANIMAL WELFARE

Our focus on animal welfare involves setting clear expectations with our suppliers and taking feedback from external experts to drive continuous improvement. Take dairy, for example. In 2019, 62% of our dairy supply was sourced from suppliers following recognized animal welfare standards. Our annual global dairy supplier sustainability survey is in its second year.

## SUSTAINABLE AGRICULTURE PERFORMANCE

63% Cocoa volume for our chocolate brands sourced through Cocoa Life. Our 2025 goal is 100%.

65% We made 65% of our biscuits in Europe with Harmony flour. Our 2022 ambition is 100%.

100% We maintained our goal of 100% RSPO palm oil.

>97% We achieved 97% palm oil traceability to the mill and 98% from suppliers with aligned policies. Our goal is 100%.

17% of our eggs were cage-free. Our goal is 100% in the U.S. and Canada by 2020 and globally by 2025 (except Russia and Ukraine).



# COCOA

*For cocoa farming communities, for consumers, for our company – we are making cocoa right*

## LOOKING AFTER OUR CORE INGREDIENT

Cocoa is at the heart of chocolate. The chocolate that two-thirds of us can't imagine living without.<sup>1</sup> It is an essential ingredient for a much-loved snack, demand for which is growing. We are determined to meet that demand in the right way – by creating a thriving cocoa sector and driving sustainable growth at scale. That way we will make the most of arguably our single biggest opportunity to have a positive impact on people and the planet.



| COCOA PERFORMANCE   | 2017   | 2018    | 2019    |
|---|--------|---------|---------|
| Farmers in the Cocoa Life program (goal: 200,000 by 2022)   | 88,134 | 142,875 | 175,017 |
| Cocoa communities impacted  | 1,030  | 1,476   | 2,012   |
| % of cocoa volume needed for our chocolate brands sourced through Cocoa Life (goal: 100% by 2025) | 35%    | 43%     | 63%     |
| Farmers trained or coached on Good Agricultural Practices   | 88,134 | 114,380 | 175,017 |
| Youth trained on cocoa-related enterprises  | 7,591  | 9,893   | 19,059  |

### GOAL PROGRESS:

Today 63% of cocoa volume needed for our chocolate brands sourced through Cocoa Life, compared to 43% in 2018. Our goal is to source 100% by 2025.



### COCOA MADE RIGHT

Through our own global cocoa sustainability program, Cocoa Life, we holistically tackle the root causes of the complex challenges cocoa farmers and their communities face, including climate change, deforestation, gender inequality, poverty and child labor. We work on the ground, hand-in-hand with the men and women who make their living from cocoa, focusing on where we can make the biggest difference in three critical areas of intervention: making cocoa farming a sustainable business, creating empowered cocoa communities, and conserving and restoring forests.

### WORKING TOGETHER

Through Cocoa Life and beyond, we are leading in driving the sector-wide collaboration needed to address key issues and achieve real change for the better. It is the only way to build a resilient supply of cocoa for the long-term, grown by empowered communities so that consumers can enjoy their chocolate knowing it has been made right, and we can enjoy the business of making some of the world's best-loved chocolate products.

<sup>1</sup> Harris Poll, 2019 State of Snacking™ Report, available at [www.stateofsnacking.com](http://www.stateofsnacking.com)

# WHEAT

As the world's largest biscuit baker, we're on a mission to ensure wheat is grown in a sustainable way.

From Europe to North America, we are committed to sourcing the wheat we need for our biscuits in the most sustainable way.

## GROWING WHEAT SUSTAINABLY IN NORTH AMERICA

In North America, we have been actively working to synchronize tracking and improvement in key impact areas, such as water and greenhouse gases. Our wheat farmers are adopting innovative practices to optimize pesticide and fertilizer use, growing all the wheat we need for our *Triscuit* brand with a lower environmental footprint.

## WORKING TOGETHER

Since 2015, we've partnered with Michigan State University (MSU) and our supplier of soft white wheat, Cooperative Elevator Company (Coop). With our partners, we engage a group of about 100 family farmers each year to anonymously track their farming practices, use of inputs such as fertilizer, and their yields.

### IMPROVING YIELDS

In 2018, MSU analyzed data over three years of the program and determined that farmers who used advanced agronomy practices improved their yields between 1.5 and 4 bushels per acre more than those who didn't.

Growers in this program collaborate and learn from each other, to produce the highest quality *Triscuit* wheat while considering the ecological footprint. As they enjoy a higher yield than peers outside the program, MSU and Coop's agronomy team are working to make the learnings more widely accessible to all 1,100 Coop growers.



| NORTH AMERICA WHEAT PERFORMANCE | 2017 | 2018 | 2019 |
|---------------------------------|------|------|------|
| Number of farmers               | 112  | 98   | 84   |



# HARMONY WHEAT

Through our Harmony Wheat sustainability program, we are changing the way wheat is grown and harvested across Europe

## CHANGING THE WAY EUROPEAN WHEAT IS GROWN

We work with farmers to grow wheat in a way that helps conserve water, cares for the soil, protects and promotes biodiversity, and reduces carbon emissions. We also engage with governments and NGOs. To date, more than 1,700 farmers have joined the program. In 2019, 181,850 tons of flour were produced by our 13 mills and 26 cooperatives.

## DELIVERING IMPROVEMENTS

We monitor and measure the environmental and economic impact of Harmony practices. Each year, 10% of farmers, all our storage bodies and all our millers are audited by an independent organization to ensure compliance with the Harmony Charter. To date, the program has led to a 20% reduction in pesticide use (since 2008), and nearly 10 million bees and more than 25 species of butterflies have been observed in flowers sown around the Harmony fields.

Each year, we promote and update the Harmony Charter to ensure continuous improvement. From 2020 for example, thanks to the smart use of innovative blockchain



technology, consumers will be able to simply scan packs of LU Véritable Petit Beurre to access reliable detailed information on the traceability of Harmony's sustainable wheat.

## SCALING UP

We scaled up in 2019 by increasing planting and adding Hungary to the program. We also added new brands such as belVita to the program.

"The Harmony program is an example of how biodiversity can play a role in wheat production as farmers dedicate a percentage of their fields for planting flowers and promote natural pollination. This collaboration also allows Noé to deploy and share these creative solutions – inspiring good practices in sustainable agriculture."

**Pauline Lavoisy**, Program Manager, Agriculture & Food at Noé

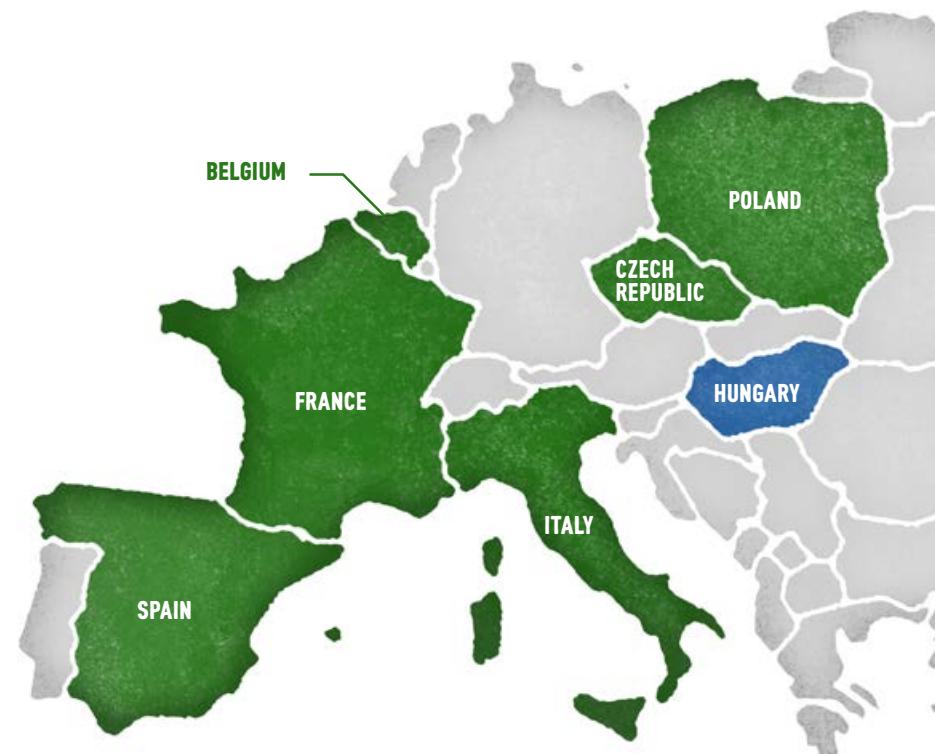


## Countries with Harmony Farmers

New Country in 2019

↓ 20%

Since 2008, we have reduced treatment frequency by 20%.



## HARMONY WHEAT PERFORMANCE

|   | 2017  | 2018  | 2019  |
|---|-------|-------|-------|
| Number of farmers to have joined the Harmony Wheat initiative | 1,768 | 1,617 | 1,606 |

### GOAL PROGRESS:

At the end of 2019, 80% of our biscuits in Western Europe, and 65% across Europe, were made with Harmony flour. Our ambition is to source 100% of our wheat needed in Europe by 2022.

# PALM OIL

*We are driving change to promote sustainable palm oil and help end deforestation.*

## USING OUR INFLUENCE

Despite only buying 0.5% of global palm oil production, we are using our influence to drive change at a sector level. We are committed to sourcing palm oil sustainably and helping to eradicate deforestation and respecting human rights in the palm oil supply chain.

## TRANSFORMING THE ENTIRE SUPPLY CHAIN

We don't just ask our suppliers to provide us with sustainable palm oil, we ask them to transform their entire supply chain in line with our Palm Oil Action Plan (POAP). In 2019, we updated our POAP with a stronger set of expectations on our direct suppliers to improve transparency and traceability.

### PALM OIL PERFORMANCE

|                                       | 2017 | 2018 | 2019 | TOTAL |
|---------------------------------------|------|------|------|-------|
| Number of suspended concessions/mills | 3    | 67   | 19   | 89    |
| Number of suspended companies         | 2    | 13   | 18   | 33    |

### GOAL PROGRESS:

At the end of 2019, we improved traceability to 97% to the mill (2018: 96%) and achieved 98% (2018: 99%) from suppliers with aligned policies across their entire supply base. Since 2014 we've required our palm oil suppliers to convert their entire supply chain to sustainable practices, regardless of the ultimate customer. We also require traceability to the mill across their entire palm oil operation, not just the portion supplied to us, and publish this mill list on our website ([mondelezinternational.com](http://mondelezinternational.com)).

 In 2019, we maintained our goal of 100% Roundtable for Sustainable Palm Oil (RSPO) palm oil.

## MONITORING COMPLIANCE

If a supplier fails to meet the terms of our POAP, we start by working with them to fix the problem. But when there is a significant breach of our principles, we exclude suppliers until the breach is put right. We investigate claims against our suppliers and take action against verified deforestation allegations and any producers shown to be part of groups we've previously excluded. These cases highlight the urgent need for sector-wide monitoring to provide one source of verified data about deforestation by palm oil plantation companies.



## SUPPORTING CHANGE IN INDONESIA

We helped Conservation International and other partners to create the Coalition for Sustainable Livelihoods, focused on collective action to drive economic development, reduce poverty and improve natural resource management in the Indonesian provinces of North Sumatra and Aceh. The project supports Indonesia's first-ever National Action Plan for sustainable palm oil.

*“Despite being a relatively small consumer of palm oil, I am proud of the leadership we've shown in this space. Now we need more partnerships across the public and private sectors, together with innovative and technology-driven solutions to help tackle deforestation. Sustainable palm oil production benefits everyone across the value chain – we need to work together to scale it up.”*

**Alex Turolla, VP Global Raw Materials, Procurement, Mondelēz International**



# FORESTS

*By tackling deforestation, we are helping to combat climate change and ensure sustainable supply of key ingredients*

## REDUCING DEFORESTATION

We are committed to sourcing our ingredients sustainably without harming the environment. To this end, we are reducing deforestation in our supply chain. We believe this is critical in order to address global climate change and protect the local ecosystems that farmers need to grow sustainable raw materials.

## FOCUSING FOR MAXIMUM IMPACT

Our 2018 Lifecycle Assessment (LCA) helped us focus our efforts for maximum positive impact. Insights indicated that deforestation within our supply chain represents the largest single contributor to our carbon footprint.

Data from our 2018 LCA show the contribution to emissions from land-use change in forest-risk commodities:

- Cocoa and cocoa products: 3,857,000 tonnes CO<sub>2</sub>
- Palm oil: 278,000 tonnes CO<sub>2</sub>
- Other oils (inc. soy): 91,000 tonnes CO<sub>2</sub>
- Bought indirectly via dairy: 821,000 tonnes CO<sub>2</sub>

We focus on tackling deforestation in cocoa and palm oil, where we can have the biggest direct positive impact. We continue to take the lead in this issue, for example by requiring palm oil suppliers to adopt forest protection and sustainability policies for their entire supply base, not just the palm oil they supply to us.

We use our influence to drive sector-wide collaboration and change, so that together we can end deforestation while enabling farmers to become more productive and climate-resilient, encourage practices that respect land rights and invest in innovation and technology to increase transparency and measure impact at scale across our value chain.

## COLLABORATING FOR A FOREST POSITIVE FUTURE

As a member of the [Consumer Goods Forum Forest Positive Coalition of Action](#), we are committed to moving efficiently and quickly towards a forest positive future. Collectively we are focusing on systemic change and are working with governments, partners at the [Tropical Forest Alliance](#) and other stakeholders towards shared action and progress on supply chain sustainability and green economic development. Together, we are participating in and supporting:

- Accelerated efforts to remove commodity-driven deforestation from our individual supply chains
- Setting higher expectations for traders to act across their entire supply base
- Driving more transformational change in these key commodity landscapes
- Transparently reporting on progress to promote accountability



## LEADING THE WAY

We were the first company to raise the issue of deforestation in the cocoa industry, at the 2015 United Nations Climate Change Conference, COP 21, in Paris.

We are a founding signatory of the Cocoa & Forests Initiative (CFI) and continue to be a driving force to accelerate industry change. Last year, as part of our commitment to the CFI, we published action plans outlining how Cocoa Life is working to protect and restore forests in our cocoa-growing regions, as well as our targets for 2022.

We are among the first companies to report emissions from land-use change and to include land-use change in our science-based targets.

## PARTNERING WITH UNDP

Since 2013, Cocoa Life has been partnering with the United Nations Development Program in Ghana on a pioneering program to distribute and register economic trees. Economic shade trees – those planted for purposes other than producing cocoa – diversify the cocoa farms, provide alternate revenue streams, and also make forests more resilient to the risk of pests and disease. Farmers who have planted economic shade trees on their farms have been receiving help registering them with the Forestry Commission in order to guarantee their ownership of the trees.

## FORESTS PERFORMANCE

|  | 2017      | 2018      | 2019      |
|--|-----------|-----------|-----------|
| Economic shade trees distributed by Cocoa Life   | 1,162,102 | 1,232,059 | 1,420,082 |
| Cocoa Life registered farms mapped and monitored in partnership with Global Forest Watch | 80,730    | 93,416    | 149,761   |
| Palm oil mills monitored in partnership with Global Forest Watch                         | NA        | 3,470     | 3,187     |

# PACKAGING

We want our packaging to have a positive impact on people and the planet.

## ELIMINATING AND INNOVATING

We're on a mission to deliver packaging that delights our consumers, protects our products and does not pollute the environment.

To this end, we are determined to:

- Make all packaging recyclable by 2025.
- Have recycling information for consumers on all packaging by 2025.
- Lead the way in pack optimization and material reduction.
- Eliminate unnecessary plastic while delivering product safety and quality.
- Address the collection and recycling of plastic packaging.
- Invest in waste management and increase post-consumer recycled material in all plastic packaging.

## Working together to tackle plastic waste

We have joined a number of leading initiatives focused on tackling plastic waste and pollution:

- Ellen MacArthur Foundation's New Plastics Economy Global Commitment
- the UK Plastics Pact
- the Consumer Goods Forum Packaging Waste Coalition of Action
- the Circular Plastics Alliance, sponsored by the European Commission
- the Material Recovery for the Future (MRFF) program in the USA
- Circular Economy for Flexible Packaging (CEFLEX) in Europe

93.3%

Today 93.3% of our total packaging (both plastic and non-plastic) is designed to be recyclable

## PIONEERING PAPER PACKAGING

In New Zealand we are trialing our *Cadbury Energy* bar in new packaging made from recyclable, sustainably sourced paper. To deliver this world-first, we worked with Syntegon Technology to develop an innovative solution that enabled the new paper to be used on existing packaging machines. A neat way to go plastic-free and give consumers choice.

## COLLECTING FLEXIBLE PACKAGING CURBSIDE

As part of the Material Recovery for the Future (MRFF) program in the USA, we've begun the first-ever curbside collection of flexible packaging in the country. We aim to expand this initiative over the next year.



## PACKAGING PERFORMANCE

|  | 2017   | 2018   | 2019   |
|--|--------|--------|--------|
| Packaging materials eliminated vs 2013 (metric tons) | 53,500 | 59,600 | 64,850 |
| Packaging designed to be recyclable                  | NA     | 92.5%  | 93.3%  |
| Paper-based packaging sustainably sourced            | >75%   | >90%   | 100%   |

## 2019 ACHIEVEMENTS

- Cellophane and most PVC and black plastic eliminated from our portfolio
- Sustainable sources for all paper-based packaging materials using virgin fiber

## GOAL PROGRESS

Today 93.3% of our packaging is designed to be recyclable, compared to 92.5% in 2018. Our goal is to make all packaging recyclable by 2025.



# WASTE

For the environment and for our business, we are determined to reduce waste.

## STRIVING TO ELIMINATE WASTE

From damaging the environment to adding to business costs – waste helps no one. We want to do everything we can to eliminate it as part of our ongoing efforts to contribute to a better world.

We believe the best way to tackle waste is not to generate it in the first place.

As most of our factories have achieved zero waste to landfill, we focus beyond recycling to reduce total waste in our manufacturing. For us, that mainly means food waste. In 2019, we have saved a total \$87.5 million due to waste reduction initiatives. Our goal is to reduce total waste in manufacturing by 20% by 2020 (vs. 2013). To this end we have adopted a zero-waste mindset and empower factory floor teams to run our War on Waste methodology to identify, reduce and eliminate waste at the source.

**\$87.5mn**

In 2019, we saved a total \$87.5 million through waste reduction initiatives.



| WASTE PERFORMANCE                          | 2017    | 2018    | 2019    |
|--|---------|---------|---------|
| Total waste generated (metric tons)        | 353,679 | 363,050 | 325,955 |
| Total waste per production (kg/metric ton) | 72      | 73      | 65      |
| Total landfill waste (%)                   | 3.14%   | 3.16%   | 2.97%   |

### GOAL PROGRESS

We have exceeded our goal to reduce total waste by 20% by 2020, compared to 2013. In 2019, we have already reduced total waste in manufacturing by 21%, compared to our 2013 baseline.



### CHANGING PRODUCT SAMPLING TO REDUCE WASTE

Our Sucat plant in the Philippines has reduced waste by changing the way it samples finished goods on its cheese line. Sampled products no longer have to be destroyed – reducing the site's total waste by 22.5 metric tons (2%) and saving \$52,000.

### REDUCING BROKEN AND REJECTED BISCUITS

Our Richmond Bakery implemented an initiative to reduce broken and rejected biscuits – reducing line losses by half and delivering \$1.5 million in savings. As a result of this project and others, Richmond reduced total waste by 12% versus 2018 – eliminating 3,300 metric tons of waste.

# WATER

*We are committed to using the world's precious resource, water, responsibly.*

## FOCUSING WHERE WATER IS MOST SCARCE

Global population growth, industrialization, climate change – the world's water is under pressure. We know how important it is to look after this precious resource and we are playing our part by focusing where we can make the biggest difference. Using the Aqueduct tool from World Resources Institute, we have identified priority sites in areas where water is most scarce and targeted our reduction efforts on these sites. Our goal is to reduce absolute water use by 10% at these sites by 2020, compared to 2013.

### 74 OLYMPIC POOLS

In 2019, we reduced water consumption in our manufacturing by 184,966m<sup>3</sup> – enough water to fill 74 Olympic-sized swimming pools.



#### WATER PERFORMANCE

|  | 2017       | 2018       | 2019       |
|--|------------|------------|------------|
| Total incoming water (m <sup>3</sup> ) (without borrowed and rainwater, as per our current KPI definition)   | 10,891,947 | 10,534,512 | 10,362,594 |
| Total incoming water from priority sites (m <sup>3</sup> ) (without borrowed and rainwater, as per our current KPI definition)                           | 2,802,174  | 2,916,608  | 2,727,169  |
| Total incoming water per production (m <sup>3</sup> /ton)  | 2.21       | 2.11       | 2.07       |
| Total incoming water per production from priority sites (m <sup>3</sup> /Metric Ton) (without borrowed and rainwater, as per our current KPI definition) | 2.13       | 2.04       | 1.82       |

#### GOAL PROGRESS:

By 2019, we have achieved a 27% reduction in priority water usage in areas where water is most scarce. Our goal was to reduce it by 10% compared to 2013.

#### SAVING FRESH WATER AND MONEY

Our Borg El Arab plant in Egypt worked closely with Ecolab to reuse treated wastewater for cooling – reducing freshwater consumption by up to 40%, thereby using less of this precious natural resource as well as saving money. This was part of a larger plant upgrade to optimize performance.

#### IMPROVING THE TREATMENT OF WASTE WATER

Our Curitiba plant has invested more than \$2.5 million to expand and improve its waste water plant. As a result, the plant has increased its ability to remove organic load from around 95% to 99.3%. Being able to treat wastewater more efficiently means the plant can reduce its environmental impact.

# ENERGY

To help combat climate change we are committed to reducing our carbon footprint.

## COMBATING CLIMATE CHANGE

Climate change is a real risk to our consumers, our business, our economy and the planet at large. That's why we have set science-based targets to reduce our carbon footprint across our value chain – from farms growing our ingredients to the packaging around our products.

In February 2020 we set a new target to reduce absolute end-to-end greenhouse gas emissions by 10% by 2025, compared to a 2018 baseline.

This is in line with reductions in emissions necessary to keep global warming well below 2 degrees Celsius and an important milestone in our work towards creating a sustainable future for snacking.

We have increased our focus on continually reducing our CO<sub>2</sub> emissions from manufacturing. This includes improving energy management systems and investing in energy efficient technologies in our factories. We are also using low-carbon renewable energy sources to reduce our CO<sub>2</sub> emissions.

"Climate change is an existential threat for our sector. Companies and suppliers need to do much more to address it. Our science based target is an important step towards a low-carbon future."

**Jonathan Horrell,**  
Global Sustainability Director,  
Mondelēz International

### USING RENEWABLE SOLAR ENERGY IN THE USA

We have begun a new renewable energy partnership in the USA with Enel Green Power North America. We will purchase the energy generated from a 65 MW portion of a new solar farm, enabling us to reduce our CO<sub>2</sub> emissions by 80,000 metric tons – 5% of our global manufacturing emissions.

### REDUCING CO<sub>2</sub> EMISSIONS IN INDIA

Our Induri site in India has invested in a biodiesel project that is benefiting the planet and saving money. The project has reduced CO<sub>2</sub> emissions at the plant by 1,450 tons (15%) per year.

50%

We're purchasing enough renewable energy in the USA to produce more than 50% of all the Oreo cookies consumed in the country – around 10 billion Oreo cookies a year.



#### ENERGY PERFORMANCE

|   | 2017                             | 2018      | 2019      |
|---|----------------------------------|-----------|-----------|
| Scope 1 + 2 CO <sub>2</sub> emissions (CO <sub>2</sub> e Metric Ton - market-based) | 1,494,340                        | 1,404,481 | 1,336,793 |
| Scope 3 CO <sub>2</sub> emissions (CO <sub>2</sub> e)                               | Scope 3 calculations in progress |           |           |
| Total energy used (GJ/ ton)   | 3.68                             | 3.64      | 3.61      |
| Total electricity used (GJ/ton)   | 1.34                             | 1.34      | 1.27      |
| Total natural gas used (GJ/ton)   | 2.03                             | 2.07      | 2.03      |
| Total renewables used (%)   | 6%                               | 6%        | 8%        |

#### GOAL PROGRESS:

In 2019, we achieved our goal to reduce carbon emissions across our manufacturing operations by 15% by the end of 2020, compared to 2013.

# HUMAN RIGHTS

*We are committed to doing business the right way and to respecting human rights.*

## STRONG COMMITMENT AND GOVERNANCE

We follow the United Nations Guiding Principles on Business and Human Rights as a framework to guide our approach to identify, prevent and address risks, and to disclose our progress. For more information, please see our [2018 Human Rights Report](#).

Our Human Rights Working Group defines our human rights due diligence strategy and drives its implementation throughout our organization. The Board has ultimate accountability for governance. Business units manage human rights issues in operations and with local suppliers; global functions manage them across supply chains. We work with a range of expert external advisors to help us assess and strengthen our approach, including TwentyFifty, Embode and our Cocoa Life External Advisory Board.

## SPEAKING UP AND INVESTIGATING

In line with our worldwide Speaking Up and Investigations Policy, employees and external stakeholders can confidentially, and anonymously if they wish, report issues through the HelpLine and WebLine. In 2019, we received more than 2,700 contacts. Our policy includes zero-tolerance of retaliation. Management Action Plans (MAP) are established to address any gaps or weaknesses identified in the course of investigations.

## MANAGING RISK IN OUR OWN OPERATIONS

To identify potential human rights issues and monitor compliance with our policies, we use the [Sedex Member Ethical Trade Audit \(SMETA\) protocol](#) to evaluate our internal manufacturing sites against a common set of corporate social responsibility standards developed for the consumer goods industry.

## WORKING WITH SUPPLIERS

We expect our suppliers to follow our Corporate Responsibility Guidelines, including 'to endeavor to provide safe working conditions'. We also ask prioritized suppliers to undergo SMETA audits to support the identification of potential human rights risks and help guide our approach for impact mitigation and monitoring.

We have increased our focus on supply chain transparency, including publishing a list of [palm oil mills](#) in our upstream supply chain and providing an [online overview](#) of the locations of Cocoa Life registered farms.

## BUILDING AWARENESS AND CAPACITY

We are strengthening human rights due diligence systems and have prioritized key risks, including forced labor across our own operations and supply chain.

In 2019, we carried out extensive Human Rights Impact Assessments in two of our manufacturing plants in Thailand and Malaysia. The assessments allowed us to better evaluate our exposure, identify opportunities to strengthen our practices globally and implement improvements.



## HUMAN RIGHTS PERFORMANCE

We met our targets on audits of our own plants – 100% of our manufacturing sites were independently audited following a three-year cycle, using the SMETA protocol, which includes forced labor risk indicators.

We met our targets on audits of prioritized tier 1 suppliers – 100% of 2019 highest priority suppliers completed a SMETA audit.

|                               | 2017 | 2018 | 2019 |
|-------------------------------|------|------|------|
| Prioritized suppliers audited | 330  | 248  | 338  |

We conducted comprehensive Human Rights Impact Assessments in two plants located in high risk geographies in 2019, and are working on integrating the learnings into our global practices in 2020.

6th

Mondelēz International is included in the 2019 CR Magazine 100 Best Corporate Citizens, where we rank 6th overall in Human Rights.

# HUMAN RIGHTS (CONT.)

*We know forced and child labor are critical issues in our sector and we are tackling them head on.*

## FOCUSING ON FORCED AND CHILD LABOR

We are deeply committed to tackling forced and child labor. Our [2018 Human Rights Report](#) identified them as salient human risks in our value chain. They are the consequence of several complex socioeconomic challenges and we are taking a stand and addressing them through our sustainable cocoa sourcing program [Cocoa Life](#), our [Palm Oil Action Plan](#), and collective action within the International Cocoa Initiative and the Consumer Goods Forum.

## ADDRESSING THE ROOT CAUSES

Cocoa Life's holistic approach addresses child labor's root causes through interventions to increase income, empower communities to advocate for their development, and the empowerment of women at household and community level.

Through Cocoa Life, we train communities on child protection issues and monitor conditions to identify high risk farms or communities. We're also leading the response across our cocoa-growing communities by establishing and training Child Protection Committees within communities, and working with schools and district authorities.

## MONITORING & REMEDIATION

In West Africa, to respond to the relatively high level of risk, we are rolling out Child Labor Monitoring and Remediation Systems (CLMRS) and our goal is to have all Cocoa Life communities in West Africa covered by 2025. In Indonesia, where the risk is relatively low, we are focusing on interventions so that children who do work in cocoa outside of school hours do not engage in any tasks deemed hazardous.

## COLLABORATING ACROSS THE SECTOR

To achieve widespread change across whole supply chains, we collaborate with peer companies, expert organizations and governments. As a board member of the [International Cocoa Initiative \(ICI\)](#) for example, we work collaboratively with our peers, suppliers and civil society organizations to address both child and forced labor in the cocoa supply chain, and drive efforts to strengthen public-private partnership with the governments of Ghana and Côte d'Ivoire.

As a board member of the Consumer Goods Forum (CGF) we work collaboratively to help eradicate forced labor. We support CGF's Priority Industry Principles on Forced Labor. In addition, we co-chair CGF's Forest Positive Coalition of Action and the Palm Oil Working Group, and are members of the Human Rights Coalition of Action.

## RESPECTING RIGHTS THROUGHOUT SUPPLY CHAINS

Through our Palm Oil Action Plan (POAP), we require suppliers to respect the labor rights of all workers and embed the CGF Priority Industry Principles against Forced Labor within both their own operations and their supply chains. The POAP requires suppliers to provide annual assurance of continuous improvement, verified by third party labor rights experts.

## SUPPORTING MANDATORY DUE DILIGENCE

Recognizing the need for everyone involved to work together to tackle human rights issues in global supply chains, we support legislative efforts to enable practical, proactive, ongoing human rights due diligence. In 2019, we joined forces with peers, suppliers and NGOs to call on the European Union to strengthen human rights and environmental due diligence requirements of companies in global cocoa supply chains, and implement a smart policy mix to support human rights in producing countries.

## EMPOWERING WOMEN IN COCOA-GROWING COMMUNITIES

Cocoa Life is addressing gender inequality in cocoa-growing communities, where women farmers have lower incomes and less access to financing, inputs and land ownership. In October 2018, we published renewed [Women's Empowerment Action Plans](#). They help women to run more successful farms; take a more active role in community decision making; be able to give their children a quality education; make cocoa farming more attractive for young people; become more entrepreneurial; and protect their natural environment.

## HUMAN RIGHTS PERFORMANCE

### Cocoa:

- Commitment to 100% coverage of Cocoa Life communities in West Africa with CLMRS
- Ongoing [International Cocoa Initiative](#) pilot on forced labor, to also address adult forced labor risk

### Palm oil:

- Continued engagement with suppliers on our Palm Oil Action Plan, to support the transition to sustainable practices
- Collaborative action through the Consumer Goods Forum, driving industry improvements in palm oil sourcing

### GOAL PROGRESS:

Our goal is 100% CLMRS coverage in West Africa by 2025. As of the end 2019, we have 447 communities covered out of the 1,629 total communities in West Africa.

# WORKPLACE SAFETY

*We promote a strong culture of safety – keeping our colleagues safe is a top priority.*

Every day, we strive to make all of our employees, contractors and visitors feel safe and able to, and able to work in an accident-free environment. To this end, we foster safety leadership throughout the organization, as part of our comprehensive Health, Safety and Environment (HSE) Management.

## ELIMINATING RISKS

Our goal is to build a strong safety culture that promotes our goal of zero incidents and zero defects by eliminating risks across four key areas:

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

## WORLD-CLASS SAFETY

The global benchmark for a world-class Total Incident Rate (TIR) is defined as 0.5. We compare our performance against this benchmark and continue to perform well below the 0.5 level, currently operating at 0.19, with 70% of our facilities operating with a zero TIR in 2019. In 2019, we achieved a 22% reduction in TIR compared to 2018. And since 2014, we've reduced TIR by more than 65% across the company.

Through ongoing educational efforts, teamwork and enhanced protocols and safety measures, we've improved our safety performance each year. TIR as a primary indicator has been extremely helpful to drive this reduction in incidents, however it has not necessarily helped us identify and eliminate the high

## Zero

In 2019, eight of our business units exceeded safety targets and 70% of our manufacturing and commercial facilities achieved zero Total Recordable Incidents (TRI)s.

severity incidents that translate into more severe injuries. To this end as we look to continuously improve in Safety, we will be revising our primary metrics in 2020 to include Severity and Total Accident Rate (TAR). This will allow us to focus on all incidents including first aid cases and high severity.

## WORK, PLAY, LIVE, SAFE

Our safety principles guide our everyday actions:

- 1 Nothing we do is worth getting hurt
- 2 All injuries and occupational illnesses can and must be prevented
- 3 We will continually strive for zero incidents
- 4 Everyone is responsible for Safety; Leaders are accountable
- 5 Working safely is a condition of employment

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

## RESPONDING TO THE COVID-19 PANDEMIC

As the COVID-19 pandemic continues, it is our top priority to protect the health and safety of our employees, partners and customers in close collaboration with global institutions and local health authorities. We have implemented strict health protocols and taken appropriate measures in our factories and facilities, including implementing temperature screening, social distancing, mask-wearing, and work-from-home policies where applicable.



| WORKPLACE SAFETY PERFORMANCE                           | 2017 | 2018 | 2019 |
|--|------|------|------|
| Reduction in Total Recordable Incidents (year on year) | 32%  | 18%  | 22%  |
| Decrease in lost time injuries (year on year)          | 36%  | 15%  | 14%  |

### GOAL PROGRESS:

In 2019 we unfortunately suffered a few high severity incidents. Our learnings have resulted in Priority Safety metrics being revised to Severity and Total Accident Rate for 2020.

# WORKPLACE WELLNESS

*We strongly value the health and well-being of all our employees across the globe.*

Our workplace wellness initiatives are driven locally across the organization. Each worksite brings workplace wellness efforts to life in fun and engaging ways.

## MINDFUL WELLNESS

While differing slightly from site to site, the programs usually have a focus on nutrition or physical or mental well-being, building on our championing of mindful snacking.

Initiatives typically include:

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

## FLEXIBLE WORKING

We believe that flexible working is part of a winning growth culture. It is key to empowering our people to do their best work, at the right time and place. It is also important in increasing diversity and equality across our organization. Helping people be more productive, encouraging loyalty to Mondelēz International and

improving relationships across teams – we're big fans of flexible working and are supporting its adoption around the world, for example through webinars on working smarter remotely.

## STRONGER TOGETHER

We have a wealth of resources available to support our people during the unprecedented times and challenges of the COVID-19 pandemic. These include a range of support materials and courses on health & well-being; remote working; personal resourcefulness; supporting teams; and managing the new reality.

## TACKLING MENTAL HEALTH

In 2019 we launched the global 'See What You Don't See' campaign to smash the stigma around mental health, shine a light on 'unseen' disabilities, and create an environment where colleagues feel comfortable sharing their stories. This awareness campaign started in Northern Europe and went viral in other markets, including a video featuring our senior leaders launched on World Mental Health Day.

## HOSTING WELLNESS CHALLENGES

Using a digital platform, we ran a pilot with teams from all over the world where they were challenged to perform different types of exercise activities and complete certain amounts of exercise time. Participants garnered different numbers of points, resulting in hundreds of hours of exercise time and nudging participants through micro-habits towards healthier lifestyles.



## BOOSTING WELL-BEING

Our BOOST employee well-being program helps colleagues across Northern Europe stay happy and healthy. Launched in 2018, BOOST focuses on physical health, mental health, exercise and nutrition under four key pillars: Stay Well, Find Balance, Keep Active and Eat Better. Holistic and accessible by design, BOOST brings together and supports activities to promote well-being – from health checks and healthy food options, to onsite fitness and free counselling.

We have 98 wellbeing champions, known as BOOSTers, across the UK to drive awareness of and engagement with the BOOST employee wellbeing offer. Nearly two-thirds of people managers in the UK have attended a "Smash the Stigma" mental health awareness workshop to date. In addition, our employees have also meditated for over 117,000 minutes via our free corporate Headspace app subscription.

# DIVERSITY & INCLUSION

We recognize and value everyone's differences and are championing diversity and inclusion (D&I) around the world.

## EMBRACING DIFFERENCES

We want to reflect the diversity of our consumers, and to maximize the power and potential of our passionate makers and bakers around the world to deliver stronger business performance as we lead the future of snacking. To this end, we're committed to creating and sustaining a workplace where differences are valued and everyone can be themselves.

## OUR THREE D&I GOALS

We're taking a stand on D&I with three clear goals:

### 1 Closing our senior-level gap of women in leadership

From our cocoa fields to our C-suite – we're committed to empowering women around the world. In particular, we are focusing on increasing representation of women at senior levels across our business. We have, for example, launched a global mentorship program for rising women leaders around the world. We also have local initiatives, for example the Hungry for More campaign in Europe to develop women leaders in Sales.

### 2 Offering an inclusive bias-free workplace

Through our company value to Do What's Right, we're committed to creating a diverse, inclusive and connected community.

We review our global pay equity for gender annually and take deliberate actions to eliminate the gap and target equal pay for equal work.

# 100%

We're proud to earn 100% on the Human Rights Campaign's Corporate Equality Index for LGBTQ-inclusive workplace policies and practices.

We provide globally consistent gender-neutral minimum standards for parental leave. We also have a global philosophy on flexible working. In addition, we ensure balanced slates and interview panels for all SBI+ roles.

### 3 Building an active and purposeful D&I community

Over the last year we've moved from a focus on demographics to building the right inclusive leadership behaviors to harness our diversity of thought and to holding our people accountable for creating a culture that values difference.

### GLOBAL D&I COUNCIL

We have established a global D&I council, sponsored by senior leaders and including functional and commercial representation from across the business. The council seeks to increase the number of women in leadership roles, drive an integrated D&I agenda, align global approaches on flexible working and embed a contemporary parental leave policy.



### SPONSORING WORLD GAY PRIDE

Oreo sponsored World Gay Pride in New York City, USA, and gave away 40,000 limited edition pronoun packs to celebrate inclusivity for all gender identities and expressions.

### COMBATING RACISM

Cadbury in Australia and New Zealand took a stand against racism and other forms of intolerance by launching its Symbol For All campaign. The brand worked with eight designers from different cultural backgrounds, to create a new symbol for any person, organization or company to customize and use to express their support for a more respectful and culturally inclusive society.

### D&I PERFORMANCE

|  | 2017 | 2018 | 2019 |
|--|------|------|------|
| % of our independent directors who are women         | 31%  | 23%  | 25%  |
| % of our management positions globally who are women | 35%  | 35%  | 37%  |
| % of our C-suite who are women                       | 18%  | 18%  | 31%  |

- We are implementing gender equality initiatives throughout all aspects of our business, including in our cocoa supply chain, our plants and our corporate offices.
- We conduct a global pay equity analysis every year which looks at pay equity across the white-collar workforce in 65 different countries. Our results have shown improvement each year; we currently have less than a 1% difference in pay between men and women globally.
- We were joined by four other companies and hosted the inaugural "Diversity and Inclusion in Grocery" conference in the EU in March 2019.
- We continue to invest in women's empowerment in our supply chain, with specific action plans that bolster the pivotal role of women in cocoa communities around the world.

# COCOA LIFE

## GOAL PROGRESS

175,017

Farmers in the Cocoa Life program (goal: invest \$400 million to empower at least 200,000 cocoa farmers by 2022)

2,012  
63%

Cocoa communities impacted

of cocoa volume for our chocolate brands sourced through Cocoa Life (goal: 100% by 2025)

### COCOA MADE RIGHT

It's one of our key ingredients, the heart of the chocolate loved by millions of people around the world - for us, for the farmers we work with and for their communities – cocoa is life.

Making cocoa right is a complex, critical task. It takes a holistic, integrated approach that addresses root causes and drives real change for the better. It's why we established Cocoa Life, to create positive lasting change across the cocoa supply chain.



### UN Sustainable Development Goals

Cocoa Life contributed directly to the eight UN SDGs, however its work touches of nearly all of the goals



# LANDSCAPE & INSIGHTS

*We asked our external advisors to touch on the core issues surrounding our commitment to making cocoa right...*



**David McLaughlin**  
Senior Advisor, Strategy,  
Conservation International



**Andrew Bovarnick**  
Lead Natural Resource Economist  
and Global Head, United Nations  
Development Programme's Green  
Commodities Program



**Mil Niepold**  
Mediation Expert, Founder,  
The Mara Partners



**Aidan McQuade**  
Human Rights Expert



**Jane Nyambura**  
Regional Manager Africa,  
Ethical Tea Partnership

**Q:** What is the most significant climate change risk and opportunity in the cocoa supply chain today? How does Cocoa Life contribute to conserved and restored forests?

**A:** Cocoa Life is bringing much needed innovation and technology to cocoa farming, from nursery practices that greatly reduce the pre production period of the cocoa trees so that farmers can generate income sooner after replanting, to impressive agroforestry trials that will enable farmers to produce other crops and sequester carbon. These are practical technologies that can be easily replicated that improve cocoa productivity, and more importantly, improving livelihoods.

**Q:** How does Cocoa Life promote sustainable cocoa farming, particularly when there are so many small, family-run farms involved?

**A:** Small, family-run farms with less than two hectares of land produce ninety percent of the world's cocoa beans. These farms often struggle with low productivity and income, which can prevent them from establishing a sustainable cocoa supply. Cocoa Life is a dynamic program that works on the ground with local farmers and partners, bringing together geographic and technical expertise to increase yields and promote sustainable cocoa farming businesses.

**Q:** What is the biggest gender equality challenge in cocoa growing communities? How does Cocoa Life address it to empower communities?

**A:** As with many commodities across the economic spectrum, the biggest equality challenge that women face is the opportunity to fully contribute their leadership, innovations and energy to solving the environmental crises that are rapidly worsening their community's already fragile existence.

Equality for women in the cocoa value chain will remain elusive until they have the land tenure, farming inputs, training and quality education for their children that will enable them to increase their incomes and those of their families.

**Q:** Respecting and promoting human rights is a key principle of our framework as part of our work to ensure our cocoa communities are empowered and inclusive. Central to this work are our efforts to eliminate child labor and protect the rights of children. How does Cocoa Life's approach empower cocoa communities and address the issue of child labor?

**A:** A thing that comes into sharp focus in the midst of this COVID-19 pandemic is that people and the planet are at least as important as profits in any sustainable community. Cocoa Life recognises this interdependency in its formulation. Hence it perhaps provides the model of an approach which more businesses concerned about a sustainable future may wish to engage with and learn from in the months and years ahead. Certainly, the abuse that workers and the earth have been enduring for so long cannot continue if we as human beings wish to maintain our tenure on this planet.

**Q:** Why do you think Cocoa Life's holistic approach can help address all of these issues?

**A:** Cocoa Life story is more synonymous with human transformation in all its shapes and forms. Working with Governments and other development partners, Cocoa Life endeavour to transform lives through social – economic programmes and projects for sustainable development.

# OUR APPROACH

## TOGETHER, WE MAKE COCOA RIGHT

We are passionate about chocolate. We channel that passion for maximum positive impact through Cocoa Life, our global cocoa sustainability program designed to ensure cocoa is made right. Making it right means tackling the complex challenges that cocoa farmers and their communities face, including climate change, gender inequality, poverty and child labor.

## FOCUSING FOR MAXIMUM IMPACT

Cocoa Life is addressing these challenges holistically across six cocoa-growing countries: Ghana, Côte d'Ivoire, Indonesia, Dominican Republic, India and Brazil. We work on the ground, hand-in-hand with the men and women who make their living from cocoa, focusing on where we can make the biggest difference in three key areas of intervention: making cocoa farming a sustainable business, creating empowered communities, and conserving and restoring forests.

## LEARNING AND IMPROVING

To help us keep learning and improving, we engage two independent third-parties, Ipsos and FLOCERT, to measure and verify that we are accomplishing what we set out to do.

“In 2019 we scaled up our program and set a goal to source 100% of our cocoa volume needed for all chocolate brands from Cocoa Life by 2025. This is an important step for our brands, as it will sustainably source their cocoa while also bringing them closer to their consumers.”

Cathy Pieters

Global Director Cocoa Life,  
Mondelēz International



## PARTNERING FOR GREATER IMPACT

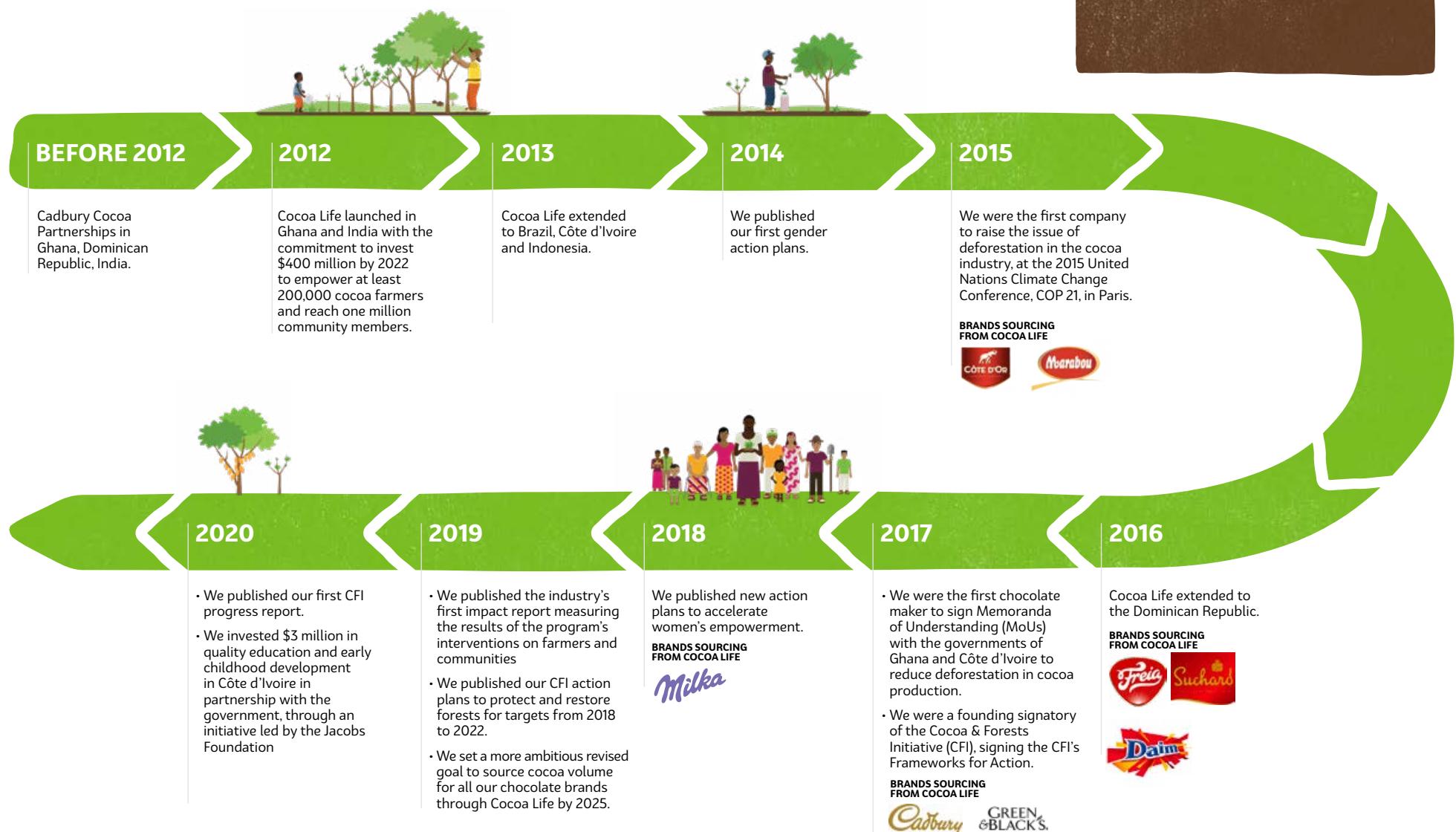
Close partnerships with farmers, communities and various industry and non-governmental organizations have always been at the core of Cocoa Life's commitment to championing significant long-term change for the better. Together, we can deliver greater impact. In 2019 for example, The Cocoa Life Steering Committee traveled to meet cocoa farmers in Ghana and Côte d'Ivoire, together with the Cocoa Life External Advisory Council. It was a

great opportunity to engage first-hand with the local teams, farmers and communities that grow our chocolate's essential ingredient, the implementing partners and ministries who help make our work possible, and the expert external advisors who challenge us, influence the Cocoa Life strategy and keep us on track.

# THE STORY SO FAR

## PARTNERSHIPS

Working closely with our partners is a critical part of how Cocoa Life delivers on its goal to drive long-term change for the better.



# OUR PROGRESS

We focus where we can make the biggest real, lasting difference. Through 2019, we made good progress across our three key areas of intervention: making cocoa farming a sustainable business, creating empowered communities, and conserving and restoring forests. We highlight here our progress across all our Cocoa Life origins around the world.

|  |  | 2017      | 2018      | 2019       |
|--|--|-----------|-----------|------------|
|  <b>Making cocoa farming a sustainable business</b> | Farmers trained, coached or having a farm development plan on Good Agricultural Practices (GAPs) | 88,134    | 142,875   | 175,017    |
|  | Cocoa seedlings distributed  | 5,753,969 | 8,428,682 | 10,809,555 |
|  | Cocoa-farming demonstration plots  | 884       | 764       | 689        |
|  | Nurseries  | 583       | 86        | 391        |
|  | Youth trained on cocoa-related enterprises <sup>1</sup>  | 7,591     | 9,893     | 19,059     |
|  <b>Creating empowered communities</b>              | Communities with a CODEC and Community Action Plan (CAP) activated <sup>2</sup>                  | 1,030     | 1,355     | 1,599      |
|  | Community members trained on gender awareness  | 59,404    | 74,318    | 97,860     |
|  | Community members who participate in VSLAs   | 51,566    | 70,921    | 121,167    |
|  | Communities with Child Protection Committees   | 516       | 619       | 656        |
|  | Communities with a Child Labor Monitoring and Remediation System or equivalent                   | 137       | 499       | 583        |
|  <b>Conserving and restoring forests</b>          | Community members and farmers trained on Good Environmental Practices                            | 68,163    | 114,380   | 172,285    |
|  | Economic shade trees distributed   | 1,162,102 | 1,232,059 | 1,420,082  |
|  | Farms mapped and monitored   | 80,730    | 93,416    | 149,761    |

<sup>1</sup> Youth is the age range from 18-35 in Ghana and Côte d'Ivoire, and 15-24 in Indonesia.

<sup>2</sup> A committee elected by the community develops and presents the plans.

# MAKING COCOA FARMING A SUSTAINABLE BUSINESS

We work hand-in-hand with the cocoa farmers to make cocoa farming a sustainable business, helping them become more knowledgeable and productive, so they can increase their income from cocoa.

## HELPING FARMERS GROW MORE COCOA

We know we need to modernize cocoa farming and make sure that farmers choose cocoa because it is a productive crop that provides a good livelihood. Therefore, our first intervention focus is to strengthen cocoa farmer organizations and help farmers grow more cocoa on less land.

## TAILORING OUR INTERVENTIONS

We support the adoption of Good Agricultural Practices (GAPs) in a targeted way. This helps farmers prioritize the most effective actions. In addition, we provide access to fertilizer, crop protection, improved planting materials and financial knowledge – at the right time and with the right support.

## TRACKING OUR PROGRESS

We made considerable progress in 2019 – increasing the number of farmers trained on GAPs from 142,875 to 175,017, and almost doubling youth trained on cocoa-related enterprises to 19,059.

## SCALING UP AND STRENGTHENING OUR PROGRAM

We believe farmers shouldn't have to farm cocoa because it's the only viable business option for them but because it is a prosperous business. For that to be the case, returns from other crops and rural development overall also need to increase. We have various projects to support this aim and are scaling up where we're seeing success. We also continue to test and learn from new ideas as we seek to strengthen our program.

## DELIVERING RESULTS

Results indicate that Cocoa Life farms are typically more productive than non-Cocoa Life farms in similar circumstances. As we help cocoa farms become more efficient, their yield increases. And when farms can do more with less, they are able to free up land for other income-generating activities – further helping to make cocoa farming a sustainable business. It becomes a virtuous cycle. We have seen +23% higher incomes of Cocoa Life registered farmers in Ghana vs. non-Cocoa Life farmers; driven by higher yields and additional livelihoods.



## DEVELOPING YOUTH SKILLS IN INDONESIA

In Indonesia, we are encouraging youth to learn and engage in the cocoa sector. Take Asep, for example – a young man we developed to be a youth mentor in Lampung. After training, Asep had the courage and skills to offer his services to farmers in Lampung. We are currently exploring a plan for Asep to further enhance his cocoa farming skills.

“Before the training, our goal was to plant as many trees as possible. We thought that the more we planted, the more we would earn. Now we understand that is not how it works – rather, they need space to be more productive.”

Cocoa Life registered farmer from Tiassale, Côte d'Ivoire, trained on Good Agricultural Practices

# CREATING EMPOWERED COMMUNITIES

We're empowering the men, women and youth in cocoa growing communities to lead their own development and improve their livelihoods through entrepreneurship.

## ENABLING COMMUNITIES TO OWN THEIR PROGRESS

We encourage and help communities to create Community Action Plans (CAPs). They are key enablers for cocoa farming communities to take ownership of their own development, advocate for what they need, secure funding to achieve their own priorities and drive change for the better. To date, 1,599 communities with CAP activated by end 2019. In Ghana around 70% of CAPs are supported by local government.

## INCREASING INCLUSION

CAPs also play an important part in making communities more inclusive by enabling more voices to be heard. For instance, by including women and young adults in the decisions, the whole community benefits from more rounded sustainable plans and actions. During

## TRACKING OUR PROGRESS

We made big improvements in 2019, for example more than tripling the number of CAP projects completed in communities to 3,205; increasing the number of community members who participate in VSLAs from 70,921 to 121,167; and the number trained on child labor prevention from 116,004 to 270,863.

community meetings for example, women's groups were the strongest advocates for health and education related community infrastructure.

## HELPING COMMUNITIES BUILD RESILIENCE

Through savings and loan groups, we support farming families in increasing their resilience and ability to withstand the impacts of crop seasonality, small land size, and changes in weather patterns. To date, 1,967 savings and loan groups have been established across all our origin countries, with over 121,167 members (72% of members are women).

## GROWING INCOMES

We offer workshops for cocoa farmers to grow new income opportunities and increasingly advocate governments and other key actors to support the rural sector with sufficient investment.

[FIND OUT MORE](#)

“We are focused on eliminating child labor. Our approach focuses on prevention, monitoring and remediation, with a heavy emphasis on addressing the root causes.”

**Virginie Mahin, Global Social Sustainability & Human Rights at Mondelēz International**



## EMPOWERING WOMEN TO LEAD PROGRESS

In Gnanzobly, West Africa, women have been taking the lead in making the most of VSLAs. Angèle Oulaï, for example, leads the Association of the Women of Gnanzobly, which runs two VSLAs. With the help of training on how to manage her money and make productive investments, Angèle has used VSLAs wisely to keep growing her business. She is able now to support herself, her husband and six children.

“We are seeing a real difference in our communities. Before we understood gender equality, I would never leave the house but now I have a more active role in the community. In the past, women would stay at home but thanks to our better understanding we see our position with men as equal.”

**Cocoa Life registered farmer in Pringsewu, Indonesia on increased gender awareness**

# CONSERVING AND RESTORING FORESTS

Working closely together with farmers, communities and partners, we protect and restore the land and forests where cocoa is grown. We see this as a critical part of our promise to future generations.

**EDUCATING FARMERS AND COMMUNITIES**  
We are committed to deforestation-free cocoa across all our cocoa supply. To this end, we encourage and enable cocoa farmers and communities to protect the land where cocoa is grown, providing information and training about the importance of environmental protection.

**MAPPING AND MONITORING FARMS**  
Understanding where and under what conditions cocoa is produced is also vital. The most efficient way to achieve this is to map and monitor farms. Since 2016, we have partnered with our suppliers to locate and map the farms that supply our cocoa. We openly publish this data, to promote a coordinated strategy and supply-chain transparency. To date, 85% (149,761) of Cocoa Life registered farms, spanning over 243,792 ha, have been mapped. We have mapped 100% of the farms registered with Cocoa Life in Ghana, Côte d'Ivoire and Indonesia when we set our CFI targets in 2018.

## TRACKING OUR PROGRESS

We made good progress in 2019 on all three fronts: community members and farmers trained in Good Environmental Practices; economic shade trees distributed; and farms mapped and monitored. We are also targeting reductions in end-to-end greenhouse gas emissions, an ambition that our Cocoa Life work will play a key role in.

We are also well on our way to mapping farms newly registered in 2019.

## WORKING TOGETHER FOR LASTING CHANGE

To secure lasting change, we need national structures in place and sector-wide collaboration. We became a founding member of the Cocoa and Forest Initiative, a public-private partnership to end deforestation and restore forest areas in cocoa growing regions, in 2018. Through the CFI, governments, cocoa industry participants and civil society act together to create a deforestation-free cocoa supply chain, jointly committing to actions and targets.

We also partner with Global Forest Watch to analyze how Cocoa Life farms interact with forested and protected land, allowing us to intervene if farmers expand into priority protected areas.

## ENCOURAGING FOREST-FRIENDLY TECHNIQUES

In the future, we will continue to explore innovative schemes such as Payments for Environmental Services (PES), to incentivize farmers and communities to protect forests and adopt forest-friendly farming techniques such as planting complementary crops and shade trees alongside cocoa.



“When we talked about climate change, we established that replanting is good. By doing this we can recreate the forest. I think it will have a positive impact in the future.”

Cocoa Life registered farmer from Tiassale, Côte d'Ivoire

## REAPING THE BENEFITS OF FOREST-FRIENDLY FARMING

Cocoa Life distributes economic shade trees to farmers to grow alongside their cocoa trees to manage farm shade, diversify their income and simultaneously promote reforestation. Kwaku Agyei, a farmer in Bebuabou in the Amansie West District, Ghana, has seen the benefits of GAP training and in turn, economic shade trees. Alongside his nine cocoa farms he has established an eight-acre woodlot. “I know with time as the trees grow, more flora and fauna will thrive in and around the woodlot,” says Kwaku. “I have another three acres of undeveloped farmland. And once I can raise funds, I will start another woodlot on it.”

# LOOKING FORWARD

Around the world, working closely with our farming communities and industry-wide partners for long-term maximum impact – we continue on our journey to make cocoa right.

## SUPPORTING FARMERS AND COMMUNITIES

During this extremely challenging time of the COVID-19 pandemic, we are committed to doing everything we can to keep our farmers and their communities safe and as prosperous as possible.

We're supporting government-led activities wherever possible, while also contributing to relief and response projects of our partners on the ground, with a focus on health and safety, income continuity and child protection.

## SCALING UP OUR IMPACT AND AMBITION

Looking ahead, we have plans to continue to scale up our ambition and impact. We have added a new Cocoa Life 2025 goal to Mondelēz International's snacking made right strategy – 100% adoption of child labor monitoring and remediation across Cocoa Life communities in West Africa. We have also set a more ambitious commitment to source cocoa volume for all our chocolate brands through Cocoa Life by 2025.

Through Cocoa Life's work conserving and restoring forests, we will also play a critical part in achieving our new company-wide science-based target to reduce end-to-end greenhouse emissions by 10% by 2025, compared to 2018.

## MAKING PROGRESS

Our approach has been two-fold: to enhance and scale up our most successful initiatives; and to pilot and learn from new, innovative approaches that will be accelerated or course-corrected this year.

We are making good progress, for example:

- Achieving 76% child labor due diligence in Cocoa Life communities in Ghana.
- Almost doubling youth trained on cocoa-related enterprises to 19,059.
- More than tripling the number of Community Action Plans completed in communities to 3,205.
- Mapping 100% of the farms in Ghana, Côte d'Ivoire and Indonesia registered when we set the target in 2018 – 149,761 farms all-in-all. We are also well on our way to mapping farms newly registered in 2019.

In 2019, we announced our Payment for Environmental Services (PES) pilot in Côte d'Ivoire. These financial incentives encourage farmers to transition to agroforestry by planting non-cocoa trees on their farms and protecting and renewing forest areas. Agroforestry techniques are important as they help farms become more sustainable, efficient and resilient to environmental changes. By the end of 2019, over 1,000 cocoa farmers had signed PES contracts, and we're pleased to say that we have secured partnerships to roll this out further in 2020.

## WORKING TOGETHER

Strong partnerships and close collaboration remain at the heart of our holistic approach to securing real lasting change and impact at scale. We will continue to work closely with our implementing partners, chocolate brands, external advisors, industry platforms, verification and research bodies, and governments.



## TACKLING THE ROOT CAUSES OF CHILD LABOR IN CÔTE D'IVOIRE

Without access to quality education, children are at higher risk of child labor. We are proud to share that, alongside the Jacobs Foundation, the Ivorian government and industry peers and suppliers, Cocoa Life is investing 3 million Swiss francs (approximately \$3 million) in early childhood development and access to quality education in Côte d'Ivoire. Jointly we will provide the necessary seed funding to launch two pooled funding facilities to raise CHF 150 million to promote effective learning and early childhood development at scale. This groundbreaking initiative will reach 5 million Ivorian children across 10,000 primary schools in rural areas, including virtually all schools across the cocoa-growing region.

# COCOA LIFE AROUND THE WORLD



## STANDING CLOSELY WITH FARMERS IN THE DOMINICAN REPUBLIC

"In the Dominican Republic, we helped cocoa farmers deal with an extraordinary drought which decimated agricultural harvests across the country. During such times of hardship Cocoa Life stands closely with the cocoa growers and communities, providing much needed resilience to help them to bounce-back. By the end of 2019, we distributed over 91,000 cocoa and non-cocoa trees to farmers to replant damaged cocoa farms. We also trained cocoa farmers and communities on good environmental practices."

**Manuel Kiewisch,**  
Head of Cocoa Life Dominican Republic



## RESTORING DEGRADED LAND IN BRAZIL

"In Brazil, Cocoa Life takes the lead in promoting the restoration of degraded land through agroforestry systems. In 2019, through our partnerships on the ground we achieved the transformation of more than 400 hectares of former pasture land into cocoa forests."

**Jens Hammer,**  
Head of Cocoa Life Brazil



## PILOTING INNOVATIVE APPROACHES IN CÔTE D'IVOIRE

"Protecting and restoring forests has been a key focus for us in Côte d'Ivoire in the past three years. For example, we are the first organization to offer financial incentives to cocoa farmers in return for practicing agroforestry in their farms and protecting and renewing forests in their communities. Cocoa Life will build on these initiatives in the future!"

**Mbalo Ndiaye,**  
Head of Cocoa Life Côte d'Ivoire



## IMPROVING COCOA PRODUCTIVITY IN INDONESIA

"In 2019, Cocoa Life trained 42,669 farmers in 343 communities in Sulawesi and Sumatra, Indonesia. Training covered cocoa productivity, additional income generating activities, gender awareness and capacity building through community action plans. In addition, Village Savings and Loans Activities helped farmers access fertilizer to improve cocoa productivity."

**Andi Sitti Asmayanti,**  
Head of Cocoa Life Indonesia



## PROVIDING NEW INSIGHTS AND OPPORTUNITIES IN INDIA

"In India in 2019, we focused on training farmers in good agricultural practices and distributed cocoa seedlings. Initiatives included training women on agriculture; providing new livelihood opportunities through cocoa tree planting; and bringing 560 farms (953 hectares) under drip irrigation to save water. On 5th June 2019, the Cocoa Life team celebrated World Environment Day with cocoa community members in South India."

**KP Magudapathy,**  
Head of Cocoa Life India

# GOVERNANCE

We are committed to governing our company ethically and efficiently for long-term success. To this end, we have strong structures, policies and processes in place and focus on areas where we can have the greatest sustainable impact.



## UN Sustainable Development Goals



Our goals are aligned with our ambition to make snacks in the right way. Several of them directly support the above UN Sustainable Development Goals (SDGs).

# COMPLIANCE & GOVERNANCE

*To earn the trust of all our stakeholders we promote strong compliance and governance throughout our company.*

We are committed to governing our company ethically and efficiently for long-term success. To this end, we have strong structures, policies and processes in place. Internal and external auditors monitor our compliance.

## COMPREHENSIVE GOVERNANCE STRUCTURE

Our comprehensive governance structure provides the foundation for our sustainability efforts at all levels of our organization. The Governance, Membership and Public Affairs Committee is directly responsible for overseeing social responsibility, including well-being and environmental and social sustainability. We take a disciplined approach to our sustainability initiatives, are committed to remaining transparent and proactive about our progress, and track, report on and hold people accountable for achieving our goals.

## SETTING THE TONE FROM THE TOP

Our Board of Directors abides by its Corporate Governance Guidelines and Code of Business Conduct and Ethics for Non-Employee Directors and adopts best practices for corporate governance, including comprehensive stakeholder engagement.

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 Business Integrity group led by our Compliance Team and a Chief Compliance Officer.

## STRENGTH IN DIVERSITY

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

## WORKING WITH SUPPLIERS WHO SHARE OUR APPROACH

We select suppliers 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. This is reflected in our:

[Corporate Responsibility Expectations for Direct Suppliers](#)

[Supplier Contract Provisions](#)

[Supply Chain Transparency and Labor Practices](#)

For more comprehensive information about our approach to Governance, Human Capital Management, and our shareholder outreach and engagement program, please consult our 2020 Proxy Statement which is available [here](#).



## STRIVE TO RESPECT HUMAN RIGHTS

We subscribe to the United Nations Guiding Principles (UNGPs) on Business and Human Rights. Our [Corporate Responsibility Guidelines](#) and our [Code of Conduct](#) guide everything we do as we strive to ensure that human rights are respected within our own operations, as well as our supply chains. We have adopted the Consumer Goods Forum's [Forced Labor Priority Industry Principles](#) and the UN's [Women's Empowerment Principles](#). In addition, we are a signatory of the [CEO Action for Diversity & Inclusion pledge](#).

## EMPOWERING OUR PEOPLE

We treat everyone with care and integrity, in line with our Do What's Right value. This is underscored in our [Code of Conduct](#) and by our robust [Compliance and Integrity Program](#) to help us train, monitor and address any issues in this area.

Our Speaking Up policy empowers our colleagues to ask questions and raise concerns confidentially, and anonymously if they wish, via a telephone HelpLine and an online WebLine. We monitor all contacts and address concerns raised.

## COMPLIANCE & GOVERNANCE PERFORMANCE

In 2019, we have reached many colleagues across the business with our compliance training.

30,328

Web-based  
compliance training  
via e-learning

8,932

people live in-person  
compliance training

# UN SUSTAINABLE DEVELOPMENT GOALS

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

We're empowering farmers who grow our key ingredients, like cocoa and wheat, and investing in their communities to help them thrive. We're producing our snacks with less energy, water and waste; sourcing our ingredients more sustainably and in ways that reduce deforestation in our supply chain; and developing zero net waste packaging.

We're seeking more transparency and raising expectations of our suppliers to address cross-cutting themes, such as human and land rights. We're evolving our snacks and improving the nutrition profile of many of our beloved brands. We maintain world-class safety standards for the foods we sell and the facilities in which our people work. And we continue to invest in community programs that help improve the well-being of children and their families, providing them with access to nutritious foods, as well as help those affected by disaster around the globe.

We have specific goals and targets to which we hold ourselves accountable, and report our progress publicly each year.

Our goals are aligned with our business's impact ambition to make snacks in the right way and several of them directly support the above UN Sustainable Development Goals (SDGs).

**Top tier:** Priority SDGs where our impact is most closely linked

|   |  |   |   |   |  |
|---|--|---|---|---|--|
| <b>2 ZERO HUNGER</b><br>  | <b>3 GOOD HEALTH AND WELL-BEING</b><br>                                       | <b>6 CLEAN WATER AND SANITATION</b><br>  | <b>8 DECENT WORK AND ECONOMIC GROWTH</b><br>   | <b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b><br>   | <b>13 CLIMATE ACTION</b><br>  |
| End hunger, achieve food security and improved nutrition and promote sustainable agriculture<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Ingredients</li><li>• Community</li></ul> | Ensure healthy lives and promote<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Mindful snacking</li><li>• Community</li></ul> | Ensure availability and sustainable management of water and sanitation for all<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Ingredients</li><li>• Environmental</li></ul> | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Safety</li><li>• Ingredients</li><li>• Social</li></ul> | Ensure sustainable consumption and production patterns<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Packaging</li><li>• Environmental</li><li>• ESG reporting</li></ul> | Take urgent action to combat climate change and its impacts<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Ingredients</li><li>• Environmental</li></ul> |

**Additional tier:** We seek to positively impact all SDGs

|  |  |   |   |  |  |
|--|--|---|---|--|--|
| <b>1 NO POVERTY</b><br>   | <b>4 QUALITY EDUCATION</b><br>   | <b>5 GENDER EQUALITY</b><br>  | <b>7 AFFORDABLE AND CLEAN ENERGY</b><br>              | <b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b><br> | <b>10 REDUCED INEQUALITIES</b><br> |
| • Ingredients (Cocoa Life)<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Ingredients (Cocoa Life)</li><li>• Community</li></ul> | • Ingredients (Cocoa Life)<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Ingredients (Cocoa Life)</li><li>• Community</li></ul> | • Ingredients<br>• Diversity and Inclusion<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Ingredients</li><li>• Diversity and Inclusion</li></ul> | • Environmental<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Environmental</li></ul>                  | • Environmental<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Environmental</li></ul>                 | • Social<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Social</li></ul>             |
| <b>11 SUSTAINABLE CITIES AND COMMUNITIES</b><br>                               | <b>14 LIFE BELOW WATER</b><br>  | <b>15 LIFE ON LAND</b><br>   | <b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b><br> | <b>17 PARTNERSHIPS FOR THE GOALS</b><br>            |  |
| • Community<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Community</li></ul>   | • Ingredients<br>• Packaging<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Ingredients</li><li>• Packaging</li></ul>            | • Ingredients<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Ingredients</li></ul>  | • Social<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• Social</li></ul>                                | • All<br><br><b>MONDELĒZ PROGRAM ALIGNMENT</b> <ul style="list-style-type: none"><li>• All</li></ul>                                     |  |

# MATERIALITY

Since 2012, we have worked with internal and external experts to review the impact of major societal issues on our business and shape our strategic responses to them.

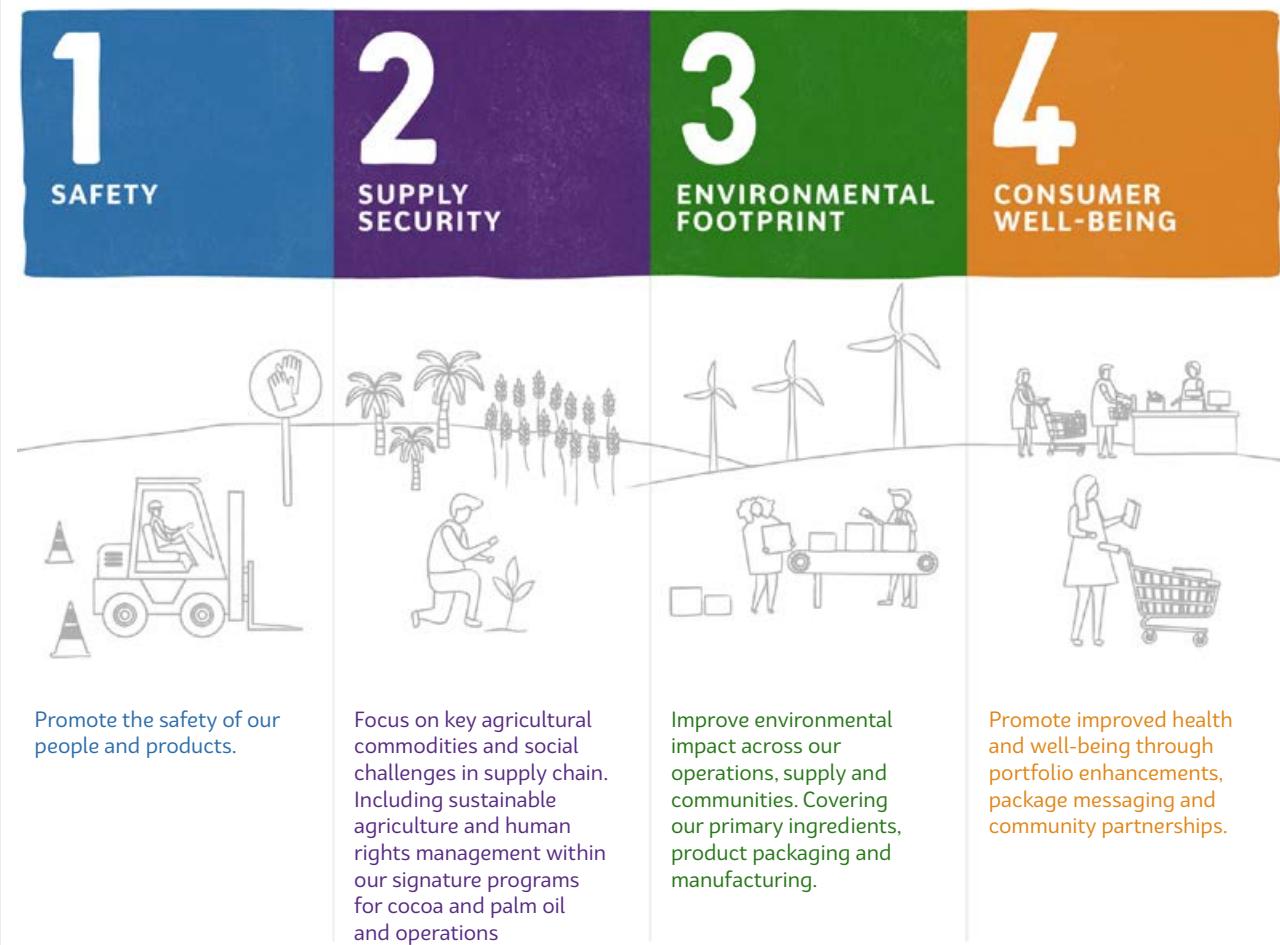
This starts with our Board of Directors, who are actively involved in our agenda as part of the Governance, Membership and Public Affairs Committee, through the Mondelēz International Leadership team, as well as our regional business units and global functions.

External experts include World Wildlife Fund, Quantis and various investment groups. In addition, we consider perspectives from our ongoing stakeholder engagement, as well as participation in various shareholder indices.

This dialogue informs our impact ambition, which defines our concept of social and environmental materiality. Our Board actively oversees this concept.

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

**The top environmental and social issues identified in our materiality review are:**



# CLOSING LETTER

*Continuing to champion environmental, social and governance (ESG) issues as we all work together to make snacking right.*



**Gerd Pleuhs**  
Executive Vice President,  
Corporate & Legal Affairs  
and General Counsel,  
Mondelēz International

As I hope you have seen throughout this report, Mondelēz International is deeply committed to creating a positive impact on the world while driving strong business performance.

Now more than ever, as we all continue to contend with and tackle the unprecedented challenges created by COVID-19, a real commitment and focus on ESG issues is critical. This goes to the heart of the success and future sustainability of our company and to the positive difference we make for consumers, communities and all our stakeholders around the world – now and going forward.

This broad, responsible approach to ESG runs through our shared purpose to empower people to snack right. In the report we have touched on all the key aspects and elements – from creating the right range of well-loved snacks for consumers to encouraging consumers to snack mindfully at the right

moment; from sourcing, producing and packaging our snacks in the right way to setting and following the right governance principles, frameworks and policies.

Growing our business by making snacking right is at the core of what we do. Authenticity, integrity and transparency guide us in how we do business to create meaningful, lasting impact for all of our stakeholders around the world. As one of the world's largest snacking companies, we are confronting some of the largest societal issues of our time. We recognize that earning – and retaining – the trust of our stakeholders demands a response that is ethical, lawful and right. We remain committed to driving longstanding and enduring positive change in the world and in the communities in which we operate.

In addition to the important environmental and societal features of an effective ESG approach, effective governance means we promote behaviors that are right and lawful within our organization. That includes providing knowledge, policies and tools to empower our employees to conduct business ethically, and in a way that respects our values. We expect our partners, suppliers and consultants to also share these values and we seek to do business only with those that uphold the highest standards of conduct.

Together, we are committed to Do What's Right – this is one of our company values. Across the company, each and every one of us actively works to live up to the expectations that consumers and society have of us, as well as the high standards that we hold each other accountable to.

And our purpose connects and inspires us. In our recent internal employee engagement survey, we were pleased to see that over 70% of our global employee population believed in our purpose and its power to impact our company, our consumers and the world around us.

We're proud of the progress we are making against our ambitious goals and strategies and we look forward to doing more of what's right, together – empower people to snack right.

Best regards,

**"Across the company, each and every one of us actively works to live up to the expectations that consumers and society have of us, as well as the high standards that we hold each other accountable to."**



**For More Information on Our Company,  
Purpose and Strategies Visit:**  
[www.mondelezinternational.com](http://www.mondelezinternational.com)

#### **ABOUT THIS REPORT**

The scope of this report and the performance against our quantitative goals is our entire company from January 1, 2019 to December 31, 2019, including all manufacturing facilities under our direct control, unless stated otherwise. Where quantitative goals are linked to revenue, such as our published Well-being Snacks and Communities goals, coverage is for all Mondelēz International revenue except Venezuela, for which results are excluded from our consolidated financial statements. Where quantitative goals are linked to operations, such as our manufacturing environmental goals (CO<sub>2</sub>, water, waste) and employee safety and food safety goals, coverage is all operations under the control of our integrated supply chain function. Data for our manufacturing environmental goals are subject to final verification by SGS. The verification statement will be available on our website.