

# Snacking Made Right

2021 ESG Report





## Empowering people to snack right

From Cadbury Dairy Milk chocolate to Triscuit crackers, 7 Days croissants, Oreo cookies and more – at Mondelez International, we're here to empower people to snack right.

We provide many of the world's favorite snack foods, such as, chocolate, biscuits and other baked snacks, that we strive to make the right way. This is what motivates us, day-in-day-out, all around the world.

Whether it's taking a bite out of your favorite chocolate bar, dunking a biscuit in your breaktime coffee, tucking into a pastry on-the-go, or enjoying a healthy savory cracker at the end of the day – one delicious snack can make a moment more meaningful. And when the right snacks, for the right moments, are made the right way, time and time again, we believe they can be even more meaningful – part of a brighter future for people and the planet.

Excited by this opportunity and guided by our purpose, we take a strategic long-term approach as we work to meet our environmental, social and governance (ESG) goals and build a more sustainable snacking company.

This is not only the right thing to do, it is core to our continued growth and success. We know that successful companies create value for the world at large. And as a global snacking leader, we work to reduce our impact on the environment, have a positive impact on communities and conduct ourselves in an ethical, purposeful and inclusive manner.

To this end, we focus on the key issues at the heart of making snacking right, including more sustainable sourcing of key ingredients; reducing associated impacts on climate and landscapes; using less and better packaging and advocating for improved systems to create long-term benefits such as a more circular economy for packaging; promoting ways of working that foster diversity, equity and inclusion; and renovating our products while offering more portion control options and information enabling people to snack more mindfully.

We continue to focus on creating innovative lasting solutions, prioritizing where we can make a greater impact and collaborating to drive end-to-end sector-wide transformation.

In this Snacking Made Right ESG annual report, we share the progress on our journey to empower people to snack right, including our strategic approach and our impact. Also, in celebration of our 10th year as a standalone snacking company, we look back on 10 years of learning and look ahead to the next decade. We invite you on this journey with us and as we look forward to creating a future together, where people and the planet thrive.

We hope you enjoy the report. (As with our snacks, we've tried hard to make it right...)





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# Chairman & CEO letter



**Dirk Van de Put**  
Chairman & CEO,  
Mondelez International

“

**As we accelerate our ambition of building a more sustainable snacking company, we remain focused on leading where we can make a bigger impact.**

”

I was looking forward to opening my letter with how proud I am of the strong progress and ambitious long-term goals our company has made and set in environmental, social and governance (ESG) areas critical to the long-term success of our business and the world at large. Instead, sadly I must start by sharing my deepest sympathies with everyone impacted by the war in Ukraine. I join our colleagues around the world in condemning this unjust aggression and senseless violence. We stand firmly with those calling for peace and an end to the war.

Mondelez International has taken numerous steps to protect our Ukrainian colleagues and their families since the war began — including closing our facilities, continuing to pay our employees, making food available, and providing border-crossing assistance and housing. Additionally, we are dedicating \$10 million to support humanitarian relief and food security. I am humbled at the outpouring of generosity I see every day among our colleagues — who are opening their hearts and their homes to Ukrainian people both in the region and around the world.

Trying times like these remind us why our products and our mission are so important. I'm especially proud of our employees across the globe, who remain steadfast in their commitment to delivering the right snack, for the right moment, made the right way.

As we accelerate our ambition of building a sustainable snacking company, we remain focused on leading where we can make a bigger impact — like in cocoa and wheat — while driving change by helping address issues such as climate change and reducing packaging waste. Our approach to our ESG priorities remains distinctive both in focus and in execution. Since the beginning of our company, we have integrated a sustainability mindset into our long-term business growth strategy — as we continue to create value and make our business more resilient.

In 2021 we continued to make strong progress against our ESG priorities, alongside relentless focus on our purpose. Highlights include:

- Announcing our goal of achieving net zero greenhouse gas emissions across our full value chain by 2050
- Continuing to lead the way in improving cocoa farmers' livelihoods through our signature Cocoa Life sourcing program
- Joining the Circulate Capital Ocean Fund to advance infrastructure for collecting, sorting and recycling plastic waste in developing countries
- Advancing our diversity, equity and inclusion agenda by increasing the proportion of Black colleagues in U.S. management positions and increasing our share of women in global management roles
- Building a more resilient business through economic inclusion and supplier diversity initiatives
- Issuing our first green bond to help fund our projects aimed at advancing sustainable sourcing and reducing packaging waste
- Expanding our involvement in public and private partnerships — recognizing that we cannot address urgent ESG issues alone

These are just a few examples of key actions advancing our ambition to become a more sustainable snacking company. We continue transforming how we do business across our own operations — as well as partnering with farmers and suppliers — to help drive lasting progress at scale. We're confident that the strength of our brands, our proven strategy, our continued investments, and our multi-faceted ESG agenda position us well to deliver sustainable growth and value creation for many years to come.

Most importantly, our diverse and talented team remain passionately dedicated to providing consumers the right snack, for the right moment, made the right way. By doing what's right, we are not only driving shareholder value, but also making a lasting, measurable and positive impact on those around us. As I hope you'll recognize from reading this report, we are delivering on our goals and applying nearly a decade of learnings. We look forward to further engagement with our stakeholders as we accelerate our focus on building a more sustainable snacking company.

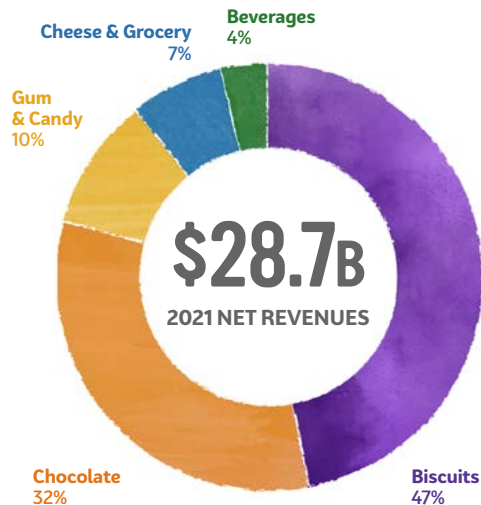


# About us

## A Taste of Mondelēz International

As one of the leading snack companies in the world, we are passionate and dedicated to leading the future of snacking. We're one of the world's largest snack companies and we live and breathe snacks – they're our world, and we want to make that world right for people and the planet. That's why our purpose is to empower people to snack right.

### Net Revenues by Category



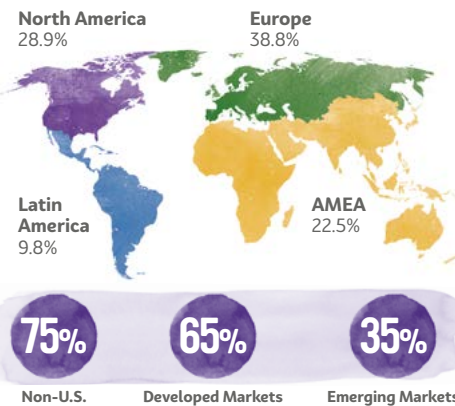
## Our Reach

We aim to be the global leader in snacking and also have strong local presence.

**~79k** Our approximately 79,000 employees bring our brands to life every day by making and baking our delicious products.

**150+** Our products are enjoyed in over 150 countries around the world, and we have operations in approximately 80 countries.

### Net Revenues by Region



## Our Impact

We strive to create a more positive impact on the world and communities in which we operate while driving business performance.

As part of living our purpose and values, we have a clear and distinctive approach to environmental, social and governance (ESG) issues reflected in our business strategy. We focus where we can make a bigger difference and deliver greater long-term positive impact. Our approach to Snacking Made Right includes:

### Ingredients

Implementing signature sourcing programs: Cocoa Life, Harmony Wheat and Sustainable Palm Oil, building more biodiverse landscapes, more resilient farming communities and thriving ingredient supply chains

### Climate

Combating climate change through science-based targets, using natural resources end-to-end more efficiently and renewably

### Packaging

Striving toward net zero packaging waste and a more circular economy for plastic through less and better packaging and improved systems

### Social Impact

Promoting human rights across our value chain and helping to enable empowered and inclusive communities

### Diversity, Equity & Inclusion

Championing diversity, equity and inclusion for our colleagues, culture and communities

### Consumer Well-Being

Empowering consumers with options and choices, such as portion control package sizes and portion guidance, that encourage mindful snacking habits

### Employee Well-Being

Building a culture which enhances the safety, physical and mental well-being of our colleagues



Snacking Made Right is the lens through which we determine our environmental, social and governance (ESG) priorities to deliver on our mission of leading the future of snacking by offering the right snack, for the right moment, made the right way.

## Our Brands

We aim to deliver a broad range of delicious, high-quality snacks that nourish life's moments, made with more sustainably sourced ingredients and delivered in packaging that more consumers can feel good about. Our portfolio includes snacking brands such as Cadbury, Milka and Toblerone chocolate; Oreo, belVita and LU biscuits; Halls candy; Trident gum and Tang powdered beverages.

Our brands span five product categories:

- Biscuits (including cookies, crackers and salted snacks)
- Chocolate
- Gum & candy
- Beverages
- Cheese & grocery





# Our purpose

We empower people to snack right.

We are driven by our purpose, mission and values.

*Our purpose* is to empower people to snack right.

*Our mission* is to lead the future of snacking by offering the right snack, for the right moment, made the right way.

*Our values* guide how we make snacking right. Across Mondelez International around the world, we work to:

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

To live up to our purpose and fulfill our mission, we focus on four strategic priorities:



**Growth**  
Accelerating  
consumer-centric  
growth



**Execution**  
Driving excellence  
in execution



**Culture**  
Building a  
winning culture



**Sustainability**  
Championing  
sustainable snacking



# Our approach

We have a clear strategic approach to making snacking right, so we can drive innovative, more sustainable business growth the right way for people and the planet.

Our approach is informed by our understanding of the issues that are significant to our business and to the communities we touch, and in turn by the priorities we have set for ourselves along our value chain.

## Prioritizing for Greater Impact

We prioritize where we can have greater impact, focus on long-term more sustainable outcomes by tackling root causes and take a collaborative approach. We have set public goals to achieve meaningful progress and drive positive, lasting change. And we work together in collaboration with partners, external advisors, governments and other stakeholders as we focus on increasing our long-term positive impact and supporting the needs of the planet, our consumers, our colleagues and our stakeholders.

We focus where we can make a bigger difference and deliver greater long-term positive impact. This includes reducing our impact on the environment through manufacturing and raw material sourcing, promoting the safety and well-being of our employees, partners and consumers and working to improve the lives and respecting the rights of people across our value chain. We use our scale to promote positive impacts on those who help produce and those who consume our products.

## Focusing on Key Issues

We have identified four social and environmental issues that are significant to building a more sustainable snacking company, each having a clear focus of action for each one.

1. Safety – Prioritizing the safety of our people and products.
2. Supply security – Focusing on key agricultural commodities and social aspects of our supply chain, including human rights and more sustainable agriculture, through our signature programs for cocoa and wheat.
3. Environmental footprint – Decreasing environmental impact across our operations, supply chain and communities, including primary ingredient sourcing, product packaging and manufacturing.
4. Consumer well-being – Promoting health and well-being through portfolio enhancements, on-pack, digital, in-store messaging and community partnerships.

Our strategy and goals in addressing these key focus areas are central to supporting our growth around the world and underpinned by our focus on promoting a culture of safety, quality, inclusivity and equity. Our strategy includes more sustainable sourcing of key ingredients, reducing our environmental footprint, promoting the rights of people across our value chain, and evolving our portfolio to offer a broad range of high-quality snacks addressing consumer needs while encouraging consumers to snack mindfully.

Ingredients	Climate	Packaging	Social Impact	Diversity, Equity & Inclusion	Consumer Well-Being	Employee Well-Being
Signature sourcing programs: Cocoa Life, Harmony Wheat and Sustainable Palm Oil building resilient landscapes and supply chains	Combat climate change through science-based targets, using natural resources end-to-end more efficiently and renewably	Strive for net zero waste packaging through less and better packaging and improved systems aiming for a circular pack economy	Promote human rights across our value chain and enable empowered communities	Champion diversity, equity and inclusion for our colleagues, culture and communities	Empower consumers with contemporary well-being options and choices, mindful snacking habits and portion control	Build a culture which enhances safety, physical and mental well-being of our colleagues



# Materiality

At Mondelēz International, we are committed to focusing where we can make a bigger difference and deliver greater long-term positive impact. We go about this in a disciplined and determined way.

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

Our Board oversees our ESG strategy, progress, alignment with purpose, stakeholder interests and strategic risk, and reviews progress and challenges on evolving our growth culture and our diversity, equity and inclusion goals. Specific responsibilities are delegated to Board committees. The Governance, Membership and Sustainability Committee oversees our ESG framework, including critical issues, KPI performance and strategic communications; consumer well-being, environmental and social sustainability including climate; and Board ESG education and capabilities. The People and Compensation Committee oversees our DEI priorities, including talent acquisition and development practices and pay equity tracking, as well as employee well-being matters and ESG KPIs for incentive plans. The Audit Committee oversees our safety priorities and goals, as well as ESG-related frameworks, disclosures, controls and assurance.

We validate our long-term targets and associated action plans with external experts including Quantis and gather feedback from investors. Additionally, we consider perspectives from our ongoing stakeholder engagement, as well as actively engage with various ESG ratings and indices and we continue to enhance our ESG disclosures.

Having a two-way dialogue with key stakeholders informs our ESG ambition, which defines our concept of social and environmental materiality. Our Governance Committee oversees our ESG framework, including critical issues and encourages this two-way dialogue.

Processes and materials that guide our ESG strategic planning and ongoing assessment include our Enterprise Risk Management (ERM) program that we utilize to identify, measure, monitor and manage risks; external analysis of stakeholder and regulatory issues; the greenhouse gas, land and water footprint of our total company; consumer insights data; and publicly available data on societal issues, including statistics and reports from government authorities, non-governmental organizations (NGOs) and peer companies.

The four social and environmental issues that we believe are most material to building a successful sustainable snacking company include:

Importance to Stakeholders

Influence on Business Success

## 1. Safety

Promote the safety of our people and products.

## 2. Supply security

Focus on key agricultural commodities and social challenges in the supply chain, including sustainable agriculture and human rights management within our signature programs for cocoa and palm oil and operations.

## 3. Environmental footprint

Improve environmental impact across our operations, supply and communities. Covering our primary ingredients, product packaging and manufacturing.

## 4. Consumer well-being

Promote improved health and well-being through portfolio enhancements, package messaging and community partnerships.



# ESG priorities

We want to make snacking right for everyone our business reaches — from the consumers who enjoy our snacks to the farmers and communities we work closely with to source key ingredients.

To be effective, particularly in the fight against climate change and plastic pollution, we need to recognize our impact on the world, prioritize and focus our programming on action we believe is transformational and attainable – so we can have a measurable and lasting long-term impact, faster. To this end, our priorities flow from our materiality evaluation.

Our strategic focus areas and 2025 goals map to the areas of our business that account for our greatest opportunity to make a positive lasting impact on the environment and communities. They are also aligned to what is most material to our long-term business success. By focusing our efforts in these areas, we can drive sustainable business growth and deliver meaningful progress in reducing our environmental impact and empowering people and communities.



## Environmental Reducing Our Environmental Impact & Sourcing Sustainably

- **Ingredients** – Developing signature sourcing programs across key raw materials including Cocoa (Cocoa Life), Wheat (Harmony Wheat), and Palm Oil (Palm Oil Action Plan) to build greater end-to-end resilience in these supply chains
- **Climate** – Combating climate change with an end-to-end, science-based, and third-party verified approach focused on reducing emissions in our operations and in our sourcing of key raw materials
- **Packaging** – Reducing net waste packaging by investing collaboratively in the innovation of materials, education and infrastructure to improve recycling globally



## Social Empowering People & Communities

- **Social Impact** – Promoting human rights across our business and helping to empower underprivileged communities
- **Well-being** – Empowering consumers with contemporary option and choices, such as portion control package sizes and portion guidance, that encourage mindful snacking habits
- **Diversity, Equity & Inclusion** – Championing progress for our colleagues, culture & communities
- **Quality & Safety** – Providing high-quality, safe food and fostering a culture of zero incidents and zero defects



## Governance Promoting Strong Governance Throughout the Company

- **Oversight** – Strong board oversight
- **Accountability** – A culture of accountability and compliance
- **Incentives** – Aligned incentives across our business
- **Dialogue** – Proactive two-way dialogue with stakeholders

## Goals

We have public goals, we are continuing to make progress in our efforts, and we are committed to being transparent and effective in sharing our progress. Some of our goals include the following:

Ingredients	Climate	Packaging	Social Impact	Diversity, Equity & Inclusion	Consumer Well-Being	Employee Well-Being
By 2025, 100% of the cocoa volume for our chocolate brands sourced through Cocoa Life	By 2025, reduce end-to-end CO <sub>2</sub> e emissions by 10%, reduce absolute water usage in priority sites by 10%, and reduce food waste in internal manufacturing by 15%, over 2018 base	By 2025, 100% of packaging designed to be recyclable  By 2025, 5% reduction in virgin plastic, and 25% reduction in virgin rigid plastic, over 2020 base	By 2025, Child Labor Monitoring & Remediation Systems cover 100% of Cocoa Life communities in West Africa  Invest in innovative Sustainable Futures ventures and funds	By 2024, double % of women in leadership roles, over 2018 base  By 2024, double % U.S. Black representation in management, over 2020 base	By 2025, 20% snacks net revenue from portion control snacks  Snack Mindfully portion icon on all packs by 2025	Continued focus to reduce severity 1 safety incidents to zero  By 2022, continue to advance mental and physical well-being (100% of colleagues have access to Employee Assistance Programs)



# Our ESG progress

We are committed to regularly and transparently reporting our progress.

We track adoption of standards such as those published by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD), and we disclose alignment indexes to SASB and TCFD on our website. We will continue to consider shareholder feedback as we align our sustainability reporting with evolving standards.

## Category Key:



Environmental



Social



Governance

## Snacking Mindfully

## Colleague & Community Well-being

## Sustainable Snacking

2025 Goals	2021 Performance	Progress	ESG
Snack Mindfully portion icon on all packs by 2025	18%	On track <sup>1</sup>	
20% snacks net revenue from portion control snacks by 2025	17%	On track	
<b>Child Labor:</b> Child Labor Monitoring & Remediation Systems (CLMRS) cover 100% Cocoa Life communities in West Africa by 2025	61%	On track	
<b>Human Rights:</b> 100% manufacturing sites completed SMETA audit within the past 3 years	38%	In progress	
<b>Human Rights:</b> 100% prioritized supplier sites completed SMETA audit within the past year	49%	In progress <sup>2</sup>	
<b>DE&amp;I:</b> Double U.S. Black representation in management by 2024 (2020 base of 3.2%)	5%	On track	
<b>DE&amp;I:</b> Double representation of women in executive leadership (defined as MLT+1) roles by 2024 (2018 base of 18%)	39%	Exceeded	
<b>EISD:</b> Spend \$1 billion annually with minority- and women-owned businesses by 2024	\$329.3M	In progress <sup>3</sup>	
<b>Severity and Total Accident Rate (TAR):</b> Continued focus to reduce severity 1 safety incidents to zero	-21%	On track	
<b>Employee:</b> By 2022, continue to advance mental and physical well-being (100% of colleagues have access to Employee Assistance Programs)	100%	Achieved	
<b>Cocoa:</b> 100% cocoa volume for chocolate brands sourced through Cocoa Life by 2025	75%	On track	
<b>Wheat:</b> 100% wheat volume needed for Europe business unit biscuits production grown under Harmony charter by 2022	91%	On track	
<b>Palm Oil:</b> Maintain 100% Palm Oil volume Roundtable on Sustainable Palm Oil (RSPO) certified palm oil	100%	Achieved	
<b>Eggs:</b> 100% cage free eggs globally by 2025 excl. Russia & Ukraine (Russia to be determined & Ukraine by 2027)	39%	On track	
<b>Dairy:</b> Majority of dairy materials purchased from suppliers operating under animal welfare schemes	74%	On track	
<b>GHG emissions:</b> 10% end-to-end CO <sub>2</sub> e emissions reductions by 2025 (vs. 2018)	In progress	In progress <sup>4</sup>	
<b>Water:</b> 10% absolute water usage reduction in priority sites by 2025 (vs. 2018)	-6.4%	On track	
<b>Waste:</b> 50% reduction in food waste from distribution by 2025 (vs 2018)	-65%	Exceeded	
<b>Waste:</b> 15% food waste reduction in internal manufacturing sites by 2025 (vs. 2018)	-28%	Exceeded	
<b>Less Packaging:</b> 5% recycled plastic content by 2025	0.5%	On track	
<b>Less Packaging:</b> 5% reduction in virgin plastic by 2025	+4%	In progress <sup>5</sup>	
<b>Less Packaging:</b> 25% reduction in rigid virgin plastic by 2025	-4%	On track <sup>5</sup>	
<b>Better Packaging:</b> 100% packaging designed to be recyclable by 2025	95%	On track <sup>5</sup>	

<sup>1</sup> In March 2021 the SKU baseline definition changed from a fixed # of SKUs to a real time # of SKUs in MDLZ specification System (PLM).

<sup>2</sup> Between 2018 and 2020 our SMETA program covered almost 100% of our direct spend (raw materials, packaging and external manufacturing) and all our highest priority suppliers were audited. In 2021, we started a new auditing cycle, using Sedex's Radar risk assessment tool to prioritize suppliers.

<sup>3</sup> Based on invoices/accrued spend

<sup>4</sup> As part of joining SBTi Business Ambition for 1.5°C, we are currently re-calculating our Scope 3 footprint to capture and reflect the impact of our ongoing mitigation strategies.

<sup>5</sup> Indicator covers Nov20 to Oct'21 period



# 10 Years On – Accelerating Impact at Scale



**Christine Montenegro McGrath**  
SVP, Chief Impact & Sustainability Officer,  
Mondelez International

“  
Our ambition is simple -  
lead sector transformation  
by driving holistic  
solutions that address  
root causes and create  
systemic, lasting change.  
”

This year's report marks an important milestone at Mondelez International. We embark on our 10th year as a standalone snacking company, reflect on 10 years of sustainability integrated into our business growth strategy and look ahead to accelerate our ESG strategy continuing to focus where we can have a bigger impact while contributing to where the world needs it most.

Cocoa — and our signature sourcing program Cocoa Life — is an excellent example. As one of the world's leading chocolate makers, cocoa is essential to our business. Looking after this core ingredient by developing more sustainable farming practices and positively contributing to the livelihoods of cocoa farming communities is arguably our single biggest opportunity to have a positive impact on people and the planet.

10 years ago, we pioneered our own program, Cocoa Life, because certification labels didn't go far enough in addressing the underlying, interrelated issues in cocoa. We wanted to tackle the challenges on the ground in the most effective way. Created with third-party experts, Cocoa Life is integrated into our business strategy, funded through our chocolate business, driven by impact data and continuous learning, and independently verified by outside, third-party verification. As part of our journey to lead a thriving cocoa sector, in 2012, we committed to invest \$400 million over 10 years to empower 200,000 cocoa farmers and improve the lives of approximately one million people living in cocoa communities. And in 2019, we set a new goal to source 100% of our cocoa volumes for chocolate brands through Cocoa Life by 2025.

10 years on, we have delivered on our original 2022 goals, and are well on the way to meeting our 2025 goal — 75% of our 2021 cocoa volumes for chocolate brands is sourced through Cocoa Life, including 100% for our much-loved global chocolate brands such as Cadbury Dairy Milk, Côte d'Or, Milka and Toblerone.

We have been making ongoing progress against our goals to improve yields, improve farmer incomes, reduce deforestation, empower women to create additional sources of income, and encourage more children to attend school. Importantly, our impact data — the only impact data publicly published across our industry — confirms our program is having the positive impact we want to see, and we are learning, improving and scaling up our signature sourcing programs, informed by this data.

Cocoa Life has made the difference on the ground in three key areas:

- Creating more sustainable cocoa farming businesses
  - Increased Cocoa Life farmer net incomes in West Africa by +15% in Ghana and +33% in Côte d'Ivoire
- Strengthening cocoa communities
  - 96% (2,482) of communities with Community Action Plans (CAPs) in place, of which 70% are supported by local governments
- Conserving and restoring forests
  - We see near to no deforestation in close proximity to our Cocoa Life farms in West Africa since 2018 (0.1% in Ghana & 0.4% in Côte d'Ivoire)

With Cocoa Life, we are going beyond more sustainable sourcing, we're leading the way in building a thriving cocoa sector. And we have 10 years under our belt demonstrating our ESG strategy in action — leading where we can make the biggest impact and contributing to where the world needs it most. Our mission is simple — lead sector transformation by driving holistic solutions that address root causes and create systemic, lasting change. Over time these efforts will contribute to reducing our total greenhouse gas (GHG) footprint in our long-term goal to realize net zero CO<sub>2</sub>e emissions.

The issues the world faces such as climate change, poverty, and plastic pollution are systemic and cannot be solved by one company alone. Collective action with our peers, suppliers, governments, NGOs, farmers, and communities is critical. This is why we're investing time and resources in key coalitions to transform systems and achieve even greater impact together.

Leading Sustainability for the past 10 years at Mondelez has been the most meaningful experience of my career so far. It is a privilege to work with so many passionate and creative colleagues and partners around the world who are driven to make a difference. Their determination combined with our results and learning so far gives me great hope for the future that we are building not only a sustainable snacking company, but a more sustainable world.

# Snacking Mindfully

As we strive to lead in the world of chocolate, biscuits and baked snacks, we do everything we can to help people enjoy these snacks mindfully. Indeed, we believe this is a big part of how we lead the future of snacking.

Comfort, indulgence, sustenance, celebration — our snacks bring joyful moments to millions of people around the world. By making and marketing our snacks mindfully, we help people to enjoy the products they love in ways they can feel good about.

This section details the many ways we champion snacking mindfully.

## Snacking Mindfully Progress

17%

17% Net Revenue comes from portion control snacks

18%

of packs globally included the Mindful Snacking portion icon by the end of December 2021.<sup>1</sup>

## UN Sustainable Development Goals



<sup>1</sup> Reported against a baseline of total active (real-time) number of stock keeping units (SKUs) in our specification system (PLM).





# Landscape & Insights

We aim to empower consumers everywhere to enjoy our snacks mindfully, as part of a balanced lifestyle.<sup>1</sup> Findings from our commissioned 2021 State of Snacking report include:

“

Staying close to the consumer is at the heart of all we do. As a global leader in snacking we're staying in front of some of the seismic shifts taking place in snacking driven by consumer demand including an uptick in conscious consumption, a trend toward balanced diets now often including a little indulgence and continued preference for snacking occasions throughout the day over traditional mealtime as a growing behavior.”

”

Martin Renaud,  
EVP and Chief Marketing & Sales Officer,  
Mondelēz International



## The Expanded Role of Snacking

As snacking definitions broaden, the role snacks play in consumers' lives takes on new meaning:

**79%**

“My definition of what a snack is has evolved over the last 3 years.” 84% imagine there will be more snack options to choose from in the next 3 years.

**86%**

“It's important to me to have control over my snacking choices such as what portion sizes I buy and eat and what ingredients are in the snacks.”

**64%**

Prefer to eat many small meals throughout the day, as opposed to a few large ones.  
(up 5% from 2019)

## Permissible Indulgence

Consumers are seeking snacks as well-being boosters throughout their daily lives:

**80%**

Consumers are looking for snacks to improve physical and emotional health equally.

**85%**

Eat at least one snack for sustenance and one snack for indulgence each day.

**88%**

“A balanced diet can include a little indulgence.” (up 7% from 2020)

## Contextual Commerce

Consumers are craving seamless integration of purchase options and inspiration in their everyday lives:

**80%**

Expect to be able to buy the snacks they want whenever they want. More than half report shopping more in the last year, using at least 3 emerging channels – such as delivery apps and direct to consumer (DTC) websites.  
70% Gen Z | 71% Millennial

**55%**

Say social media has inspired them to try a new snack in the past year. (up 5% from 2019)

**82%**

Gen Z enjoy food content on social media, as do 62% of global consumers overall.

## Sustainable Snacking

Snacking with purpose is accelerating, as part of a broader global consciousness:

**80%**

Have become more in touch with their values in the last year.

**#1**

Environmental driver of consumers' food choices is availability of low waste packaging.

**85%**

Either buy or would like to buy snacks from companies that are working to offset their environmental impact.

<sup>1</sup> Insights taken from the Mondelēz International State Of Snacking 2021 Global Consumer Snacking Trends Study

# Focused Portfolio

To meet the needs of our consumers around the world, we offer a great range of chocolate, biscuits and baked snacks, including some of the world's best-loved brands.

## 2021 Progress

**17%** Snacks net revenue from portion control snacks

**15** new Well-being product launches

### Offering Much-loved Chocolate, Biscuits and Baked Snacks

We offer a great range of delicious, high-quality products much-loved by consumers around the world, including *Cadbury Dairy Milk* chocolate, *Oreo* biscuits and *Triscuit* crackers and other baked snacks. And we want to build on this great portfolio, to grow our business and bring more moments of enjoyment to people everywhere.

To this end, we are continuing to innovate and enhance our portfolio, for example by adding to nutritional credentials of snacks our consumers have grown to love. We are also enhancing our focus on encouraging mindful snacking to empower people to enjoy the products they love in ways they can feel good about.

### Meeting Consumers' Well-being Needs

Consumers today have a more holistic understanding of well-being, now including physical and emotional needs. Our focus on well-being involves meeting this expanded definition. To this end, we innovate, renovate and extend our range of snacks to satisfy consumers' current and changing well-being needs. We focus on four key areas of opportunity here: Better for You; Authentic, Natural, and Simple; Functional Nutrition; and Permissible Indulgence.

#### Better for You

This is about understanding and responding to consumers' dietary needs, for example by offering reduced-sugar options or alternatives with good ingredient swaps. For example:

- *Cadbury Plant Bar* made with almonds (UK)
- *Oreo* and *Good Thins* Gluten Free (U.S./Canada)
- *Oreo Zero Sugar* (China)

### Authentic, Natural, and Simple

This is about making the most of nature's pure, potent and raw goodness harnessed and untouched to give maximum taste and health value. For example:

- *Hu Products* – premium vegan and paleo-friendly chocolate (U.S.)
- *Philadelphia Plant Based* (Europe)
- *Olina's Bakehouse Seeded Snackers* – 5 Health Star Rating, gluten free (Australia)

### Functional Nutrition

This is about offering snacks that not only taste good and give you sustenance but also have functional benefits too. Snacks with fortification or positive nutritional benefits to protect, rebalance, recharge. For example:

- *Perfect Snacks* – organic, non-GMO, nut-butter based protein bars and bites (U.S.)
- *Grenade* – high protein, low sugar snack bar (UK)
- *Tang Coco Plus Buko Pandan* – with magnesium and iron (Philippines)
- *Cadbury Fuse fit bar* with protein (India)

### Permissible Indulgence

This is about offering indulgent snacks with more permissible recipes, in smaller sizes or portion-controlled, so you can treat yourself now and then and stay in balance. For example:

- *Mini Oreo* 90 kcal/portion (UK)
- *TUC Thins* portion packs (China)
- *Oreo Thins* (U.S. and China)
- *Jacob's Baked Crisps* - Baked Not Fried (Malaysia)





# Innovating & Renovating for Consumers

We're committed to innovating and improving our portfolio to keep meeting consumers' evolving tastes and needs. To this end, we have a dedicated team that is focused on unlocking the future of new snacking offerings.

66

Over the last 3 years SnackFutures™ has proven to be a catalyst for change in how we approach the future of snacking, internally and externally. We've grown our own brands, invested in start-ups and brought the two together to create category disruptors and new capability that can be applied across the organization. We've also infused energy and excitement in our culture while fueling our investment pipeline with CoLab. I couldn't be prouder of the progress we've made.

99

Brigitte Wolf,  
VP, Global Head of SnackFutures,  
Mondelēz International



## SnackFutures™: Inventing, Investing & Responding to Consumer Concerns for the Environment

Our SnackFutures™ innovation and venture hub continues to drive consumer-centric growth through inventing and investing in emerging brands that are good for people, kind to the planet and deliciously fun.

In 2020 SnackFutures™ launched CoLab, a start-up engagement program designed to fill the venture pipeline, gain insights and build capability that can drive incremental growth and take us into new snacking categories, in particular in the areas of well-being and purpose-driven brands. The first class of nine start-ups resulted in potential investments and elevating our reputation in the start-up community as a CPG 'accelerator' that truly understands the challenges and needs of new brands. The second class is underway and CoLab is set to go global in 2023.

Additionally, the SnackFutures™ team continues on the path to scale two of its own brands with high growth potential and which reflect our commitment to innovation that is good for both people and the planet, as these brands are made from produce that would otherwise be wasted.

*Dirt Kitchen* snacks, a veggie-centric snack brand has expanded its portfolio and distribution. In 2021 SnackFutures™ applied its investment in the Israeli food tech start-up *Torr* to create veggie, fruit and nut bars to deliver on the consumer need for bars with no added sugar and a unique combination of real,

transparent ingredients. *Dirt Kitchen* snacks also secured its first national retail chain, expanding throughout California and into key markets in the southwest.

*NoCOé*, the first mainstream carbon neutral snack brand which launched in Paris with three cracker varieties is adding formats, including a pop chip, to its portfolio to elevate its play in clean, savory snacking. The brand will expand from 100-200 stores across France and also activate direct-to-consumer (DTC).

## Improving Our Products

As well as creating new well-being snacks, we also focus on improving the nutrition and ingredients of our existing products. As part of this work, we also collaborate with the International Food & Beverage Alliance (IFBA) on nutrient commitments and incorporate guidance from the World Health Organization (WHO). In essence, this is about reducing or removing what people don't want and adding more of what they do and doing that in partnership with third-party expertise and validation.

## Reducing Sodium and Saturated Fat

As part of our ambition to offer more options and help people snack mindfully, we continue to reduce the amount of saturated fat and sodium in our biggest-selling global brands and local jewels. We are also launching new products and line extensions with less saturated fat and salt without sacrificing the quality, flavor or texture people have grown to trust and love in our brands.

## Sugar

Sugar plays an important part in many of our snacks, for example giving them great taste and texture. We know some people want to limit their sugar intake as part of reducing calories. This aligns with the WHO and other health agencies' advice to limit added sugar to no more than 10% of daily calories. We have launched and continue to expand options with less sugar.

## Whole Grains

Most consumers do not get enough whole grains in their diet, so we try to provide them in our snacks. For example in 2021 we launched new *belVita* baked bars in Europe and *TUC integrale* with wholegrains in Italy. We continue to provide over 9 billion servings of whole grains with our products.



# Innovating & Renovating for Consumers (CONT.)

## Launching Oreo Zero in China

As consumers are becoming more conscious of their health and well-being, controlling sugar intake has gradually become an emerging dietary trend in China.

In 2021, we launched sugar-free Oreo Zero sandwich cookies in the market. The innovative sugar-free recipe retains Oreo's classic delicious taste while achieving zero sugar, giving consumers guilt-free enjoyment. The new offering comes in two flavors: Oreo Zero Classics (classic Oreo flavor) and Oreo Zero Thin (rose flavor).

The Oreo Zero series has maltitol in the recipe to replace traditional sugars like sucrose and glucose. It also adds functional ingredients, such as dietary fiber, in the new series. A portion of these cookies can provide about 9% of recommended daily amount of dietary fiber.

Moreover, to help consumers snack mindfully, the series includes a larger portion-controlled package featuring 11 independent small packs, each with three pieces of Oreo Zero sandwich cookies per pack. It is easy to carry and share and also helps consumers manage their intake while enjoying the delicious snack.

“

The consumer is the heart of our business. We are taking a lead to meet their evolving snacking demands through continuous and breakthrough innovation. The launch of the OREO Zero series is the result of intensive research on consumption trends applied to research and new product development. It not only fits with the growing consumers' demand for greater sugar control in their diets, but also demonstrates our efforts to explore sugar-free snacking in the biscuit category.

”

Grace Zhu,  
Vice President of Marketing,  
Mondelēz Greater China





# Portion Control

To help people enjoy their snacks mindfully we focus on enhancing our portion control options.

## Portion Control Progress

	2018	2019	2020	2021
Percentage of snacks net revenue from portion control options	15%	16%	16%	17%

## Portion Control Goal

# 20%

We aim to have 20% snacks net revenue from portion control snacks by 2025.

## Portion Control Goals

We aim to have 20% snacks net revenue from portion control snacks by 2025.

We continue to focus on expanding our range of portion control options – snacks that are 200 calories or less and are individually wrapped. Portion control is recognized as one effective way to help consumers manage their calorie intake. Individually wrapped products can help consumers to enjoy the treats they love, become more mindful when they eat, and help them manage calories.

We have a goal to grow our portion control products to 20% of our global snacks net revenue by 2025. Portion Control in biscuits reached 19.4% of total biscuit net revenue (9% increase vs previous year), and in chocolate grew by 6% vs 2020 to 16.4% of total chocolate net revenue.

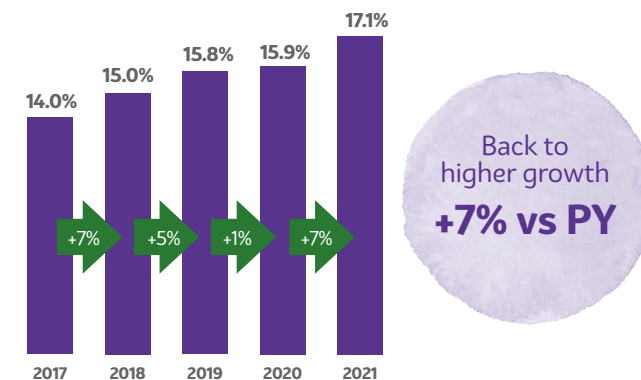
## Growing Year After Year

Looking ahead, we are committed to driving our portion control growth more actively to meet our 2025 target.

We are mindful of balancing our growth in portion control with our goal 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. Find out more about our packaging on [page 54](#) of this report.

## Portion Control Growth in 2021

% of Net Revenue of Global Snacks: Biscuits, Chocolate, Candy



# Mindful Snacking

We want to help everyone to snack mindfully, so they can savor each bite, enjoy each moment, and experience more satisfaction from our snacks.

## Mindful Snacking Progress

# 18%

By the end of December 2021, 18% of packs globally included the Snack Mindfully portion icon<sup>1</sup>.

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.

## Mindful Snacking Goal

We aim to have the Snack Mindfully portion icon on all packs by 2025.

## Helping People Snack Mindfully

Mindful snacking 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. We want to educate consumers about how to snack mindfully and inspire satisfying snacking experiences.

We help people snack mindfully in many ways – from on pack cues and information to brand-inspired tips, digital resources and programs, and health and nutrition professional community partnerships.

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, which are available on the website.

## Six Simple Steps

To help everyone snack mindfully, we've identified six simple steps that add up to fully enjoying the snacking experience.

1. Know what you want
2. Be aware of portion and moderate it
3. Be present in the moment
4. Enjoy and appreciate the snacks with all your senses
5. Be aware of your hunger, fullness and satisfaction level
6. Reflect on your whole eating experience

## The Benefits

Research shows that mindful snacking helps lead to:

- A positive relationship with food by making deliberate and conscious food choices<sup>2</sup>
- More satisfaction and pleasure from the food by savoring with all the senses<sup>3</sup>
- Better management of food portions and less likely to overeat by paying attention to hunger and fullness feeling<sup>4</sup>

## Piloting a Mindful Snacking App

In 2021, we launched a Mindful Snacking web app pilot in the U.S. providing 30 days of consumer-centric mindful snacking tips, micro-actions and community-building as part of a consumer behavior change curriculum. We co-developed the app with external mindful eating and nutrition expert Megrette Fletcher, MEd, RD, CDCES. It takes users through the 30-day program by sending daily mindful snacking tips and micro-actions straight to their phone. This pilot offered a great way for us to learn more about how to best reach consumers with this type of information. #moresnackingsatisfaction

## Hosting Mindful Mornings

In the U.S., we hosted Mindful Mornings with *belVita*, a webinar for influential social media dietitians covering the science and practice of mindfulness so they can help those consumers they reach snack more mindfully. The webinar was well-received, with approximately one million consumer impressions on social media, and 81% of attendees saying they will 'definitely/probably will' recommend Snack Mindfully steps specific to *belVita* Breakfast Biscuits.

## Highlighting the Issues in a Podcast

In the UK, we launched the MDLZ Bite podcast, on which we featured information on mindful snacking to help consumers find the right balance during a challenging time during the pandemic.

## Championing Mindful Snacking in Malaysia

To help champion the mindful snacking movement in Malaysia, we carried out an online survey in 2021 to understand consumer snacking behavior. We led virtual mindful snacking discussions with stakeholders and worked with the media to raise awareness.

## Providing Handy Tips to Consumers

Our brands play their part in providing tips to consumers on mindful snacking.

Building on our achievements to date, we will continue to innovate and test new ways to help and guide consumers so they can enjoy getting more out of snacking mindfully.



<sup>1</sup> Reported against a baseline of total active (real-time) number of stock keeping units (SKUs) in our specification system (PLM)

<sup>2</sup> Alberts et al., 2012; Katterman et al., 2014; Hendrickson et al., 2017; Camillieri et al., 2015; Gravel et al., 2014

<sup>3</sup> Hong et al., 2014; Arch et al., 2016; Cornil & Chandon, 2015; Hetherington et al., 2018

<sup>4</sup> Oldham-Cooper et al., 2011; Higgs et al., 2011; Mittal et al., 2011; Robinson et al., 2014; Daubenmier et al., 2016



# Engaging with Stakeholders

We work closely with experts, partner organizations and other stakeholders to address issues and to drive 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 2021, we participated in and presented at various conferences, including Food & Nutrition Conference & Expo (FNCE). This enabled us to learn about developing and new advancements in nutrition, 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. 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 2021 on topics including snacking, mindful snacking, portions, whole grains and more:

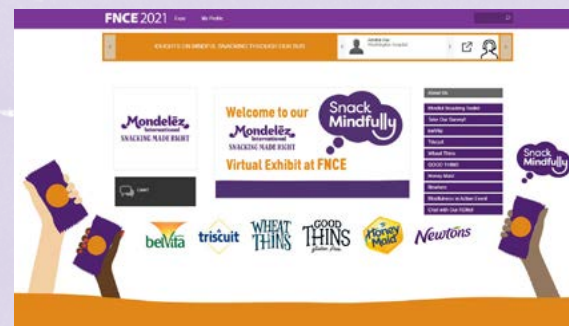
## Spotlight on FNCE 2021

The Academy of Nutrition and Dietetics Food & Nutrition Conference & Expo (FNCE) is the world's largest conference on food, nutrition and well-being. Held virtually in 2021, it attracted over 10,800 nutrition professionals from around the world and more than 90 exhibiting companies. We played a prominent part, engaging many food and health professionals to learn more about our commitment to encourage and enable everyone to snack mindfully, and building awareness and appreciation of our well-being brands.

- [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 \(SAN\)](#)
  - [Argentine Dental Association \(AOA\)](#)
  - [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](#)
  - [Federation of European Nutrition Societies \(FENS\)](#)
  - [Food and Nutrition Brazilian Society \(SBAN\)](#)
  - [Food Technology Institute \(ITAL -BRAZIL\)](#)
  - [Glycemic Index Foundation](#)
  - [HEALTHGRAIN Forum](#)
  - [Industry Nutrition Strategy Group \(IGD INSG\)](#)
  - [International Life Sciences Institute \(ILSI\)](#)
  - [International Food Technology \(IFT\)](#)
  - [International Food Information Council](#)
  - [National Institute of Nutrition \(NIN\)](#)
  - [Nutrition Society of Nigeria](#)
  - [Protein Foods and Nutrition Development Association of India \(PFNDAI\)](#)
  - [Uruguay Dental Association \(AOU\)](#)
  - [Whole Grains Council](#)
  - [Wholegrain Initiative](#)
- ### **Working with Nutrition Professionals and Governments**
- We partner with health and nutrition professionals and governments to help further awareness and understanding of the nature and benefits of mindful snacking. This includes attending and contributing to mindful snacking events, providing informational websites for professionals and sharing additional knowledge and communication materials.

## Working with Nutrition Professionals and Governments

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“Love your products – they are part of my everyday eating. I also try to practice mindful eating throughout the day and encourage my patients to do the same.”

Registered Dietitian Nutritionist  
attending FNCE

# Labeling & Marketing

We want to make sure our labeling and marketing not only complies with all regulations and standards but also helps our consumers snack right.

In 2021, 29,055 of 29,900 employees completed responsible marketing training, a 97.17% completion rate.

People need simple and straightforward information to make dietary 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 working with peers in our industry, consumers and health authorities

## Labeling

Our nutrition labeling is in line with international standards, including Codex Alimentarius (Codex). 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 front-of-pack (FoP) on all eligible products globally. Unless national requirements require alternative elements, our FoP calorie labeling depicts calories (energy) per serving or per pack for single serve individually-wrapped snacks.

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.

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.

## Nutrition and Health Claims

We base our nutrition and health claims on 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 nutrition and health 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 13.

Our policy covers any advertising where 30% or more of the total viewing audience is under the age of 13. Our approach applies to advertising in TV, print, radio, internet (both our own websites and third-party websites), digital, advergames, mobile, word of mouth, DVD/video, streaming media and in cinemas.

All our communications on packaging and in-store materials are directed to adults, and we have guidelines on the use of premiums and on-pack promotions. 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 IFBA.

Along with other members, we made a global commitment to the WHO to either not advertise products to children under age 13 or only advertise products that meet specific nutrition criteria to children under age 13 and to monitor those efforts.





# Labeling & marketing (CONT.)



## Promoting Digital Safety

We care about brand safety and have consistent principles across all digital platforms and media about the environments and contexts in which we advertise. That's why we are active participants in the Global Alliance for Responsible Media (GARM), a unique partnership that works collaboratively to identify actions and standards that will better protect consumers online. We support and advance the work towards a media environment where hate speech, bullying and disinformation are challenged, where personal data is protected and used responsibly and where everyone, especially children, is better protected from harm.

## Leading in Responsive and Inclusive Marketing

We support underrepresented communities not only through responsible food marketing, but also through a robust commitment to improving diversity, equity & inclusion (DE&I) representation in commercial activities, both in front of and behind the camera. As a founding member of the IFBA, we have made global commitments to the WHO in the areas of nutrition and responsible food marketing. Similarly, we were one of the first companies to join the GARM within the World Federation of Advertisers. This organization focuses on creating more effective social ecosystems through cross-sector initiatives such as preventing the monetization of hate speech.

We also require our employees to complete training on our advertising and marketing policy committed to truthfulness, decency and substantiation as part of our annual compliance program. Beyond our own organization, we stand up for DE&I by lending financial support to organizations such as the National Association for the Advancement of Colored People (NAACP), Black Lives Matter (BLM) and Parents, Families, and Friends of Lesbians and Gays (PFLAG); and by creating advertising campaigns that engage multicultural audiences and celebrate diversity and inclusion.

To improve DE&I within the broader marketing and advertising industries, we participate in the Unstereotype Alliance, which works to champion the end of bias in advertising through positive cultural change, as well as the FREE THE WORK initiative, a talent-discovery platform connecting advertisers with underrepresented talent. Today, approximately one-third of our U.S. marketing content uses Black, Indigenous and People of Color (BIPOC) or female director talent. Please reference the [marketing section of our website](#) for additional information.

## Regular Training and Reviews

We include robust and mandatory marketing training in our compliance program. We required employees to complete mandatory compliance training on our responsible and inclusive marketing policy and Marketing to Kids policy. In addition, robust training is provided at the local level.

We also implement an internal Global Advertising Review System, to make sure our advertising gets reviewed at the local level for compliance with our policies and regulations.

# Food Safety & Quality

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

## Food Safety & Quality Progress

	2018	2019	2020	2021
Internal manufacturing certified GFSI	100%	100%	100%	100%
External manufacturing certified GFSI	94%	91%	94%	97%
Raw material supplier certified GFSI	98%	99.8%	99.9%	99.9%
Food contact packaging suppliers certified GFSI	57%	90%	97%	97.9%

### Goal Progress

In 2021, we continued to make strong progress towards our goal of having all our manufacturers and suppliers certified to one of the Global Food Safety Initiative (GFSI) benchmarked food safety schemes. For example, we continued to increase the certification levels of our food contact packaging suppliers to 97.9% in 2021.

It is vital that we offer our consumers safe, high-quality snacks they can 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 promote 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 science-based systems and processes to identify and manage risk so our consumers can trust our products when they eat them.

### Regular Training and Reviews

Providing ongoing training to our employees is an important part of embedding our standards in our business. In 2021, 9,574 colleagues were trained on our standards<sup>1</sup>. Auditors of our manufacturers and suppliers review training records to confirm that all relevant training is carried out and records kept. Additionally, 4,446 employees of our suppliers were trained on our quality policies.

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 on Microbiological Specifications for Foods (ICMSF), Food Allergy Research and Resource Program (FARRP), and the GFSI.

### Championing Global Food Safety

We are proud to be part of the 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.

This commitment is supported at the highest levels of our organization, as our Chairman and CEO co-chairs the Consumer Goods Forum (CGF) food safety coalition, stewarding the food safety agenda.



<sup>1</sup> We have a comprehensive quality and food safety training curriculum; 5,705 participants across all functions took our top 15 digital courses. In 2021, we upgraded our quality and food safety policies and offered additional training that 3,869 participants completed.



# Colleague & Community Well-being

As part of our purpose we aim to have a positive impact on all the communities our business touches. This includes looking after our colleagues; advancing a more diverse, equitable and inclusive workforce; protecting the rights of all people across our value chain; and using our scale, spend and investment to lift up and unlock the potential and innovation of underprivileged populations.

## Colleague & Community Well-being Progress

# 39%

EXCEEDED Target of 2X Women in Executive Leadership by 2024 (baseline 2018) with 39% in 2021

## UN Sustainable Development Goals



# Landscape & Insights



## Colleague Well-being and Safety

Our colleagues remain the priority – our performance and positive impact ultimately depend on their contribution. In an increasingly complex world putting people first has never been more critical and we remain equipped to address disruptions.

## Diversity, Equity & Inclusion

As a global leader of snacking, we are driven always to do what's right. A big part of this goal is to champion diversity, equity and inclusion (DE&I) for our colleagues, culture and communities.

From our colleagues to our suppliers, we are investing and working to create jobs and opportunities in the diverse communities we are part of and to advance more equitable representation among our workforce. As a Global CPG company we aim to have a workforce that is representative of the consumers we serve every day, so we are focused on enhancing DE&I throughout our business and across our supply chain. We also aim to build greater resilience and improved performance by diversifying the suppliers and partners we work with.



## Human Rights

In these times of the pandemic and conflict around the world, human rights are under threat. We are focused on respecting the rights of people along our whole value chain. This includes our approximately 79,000 employees around the world; people working for our direct suppliers; and people growing our ingredients.

## Impact Investing

It takes a strategic approach, long-term goals and close collaboration to have a real long-term impact on society – one that unlocks innovation to change things for the better. To this end, we focus our impact investing through our Sustainable Futures platform – for self-sustaining solutions that contribute to our mindful snacking, community well-being and sustainable snacking goals.



## Community Impact & Employee Volunteering

The Mondelez International Foundation (MIF) has provided charitable donations supporting humanitarian aid and supporting children and families across communities in adopting lifelong healthy habits.

Through our new Mondelez International Changemakers employee volunteering program, our people are helping to make a positive impact in their communities.



# Colleague Well-being and Safety

People are at the heart of all we do, and putting our people first is part of our purpose, mission and values. We are committed to building a culture that promotes safety and the physical and mental well-being of all our colleagues, enabling and empowering them to thrive, both at work and at home.

As the COVID-19 pandemic continued through 2021, it remained the focus of our health agenda. We invested in keeping our COVID-19 protocols and framework up-to-date with the relevant scientific and medical advancement to keep our colleagues safe and our facilities operating. Our efforts included a multi-layered prevention strategy to protect and promote the health of our workforce, both on-site and off-site. With the availability of lifesaving COVID-19 vaccines, our teams prioritized vaccine advocacy to protect our colleagues and their families. We implemented a dynamic phase model based on risk management and duty-of-care for our return-to-office framework. In addition, we provided evidence-based medical guidance to regional teams to meet their local situations. And now, as we proceed through this transitional period in early 2022, we continue to support our colleagues by maintaining a scientifically informed approach while keeping pace with the changing global landscape.

## Colleague Well-being and Safety Progress

	2019	2020	2021
Work-Place Related Reduction in Total Severity Incidents (year-on-year)	–	Baseline year for metric	-21%
Decrease in Total Recordable Accidents (year-on-year)*	-26%	-28%	-25%
Decrease in Total Recordable Accidents for contractors (year-on-year)*	-13%	-33%	-29%
Reduction in Lost Time Injury Frequency Rate (year-on-year) (LTIFR)	-15.4%	-9.1%	+30%
Reduction in Total Incident Rate (year-on-year) (TIR)	-20.8%	-5%	+17%

\*Total Recordable Accidents include first aid cases



# Workplace Safety

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

## Workplace Safety Progress

	2018	2019	2020	2021
Reduction in Total Recordable Incidents (year-on-year)	-18%	-22%	-10%	+17%
Decrease in Lost Time Injuries (year-on-year)	-15%	-14%	-15%	+30%

### Striving to Ensure Workplace Safety

Workplace safety is a critical part of our comprehensive Health, Safety and Environment (HSE) framework. We reinforce our HSE policies, standards and non-negotiables such as workplace safety to improve culture and compliance; we look for ways to improve work processes, tools and metrics to reduce workplace injuries; and we regularly conduct HSE assessments to evaluate our progress in embedding our HSE standards and culture throughout Mondelez International. We continue to invest in training and communication to continuously improve our HSE capability.

### Eliminating Risks

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

- 1. Occupational Health:** To safeguard our colleagues 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 0.5. We compare our performance against this benchmark and continue to perform well below the 0.5 level, currently operating at 0.21, with 38% of our facilities operating with a zero TIR in 2021, despite the challenges posed by the COVID-19 pandemic.

### Driving Down Incidents

Through ongoing capability building, enhanced protocols and safety measures, we've improved our safety performance year after year. TIR as a primary indicator has been helpful to drive this reduction in incidents. To also monitor and work to prevent high-severity incidents, we revised our metrics in 2020 to include Severity and Total Accident Rate (TAR).

This allows us to focus on all incidents including first aid cases and high severity. In 2021, we recorded a 21% reduction in Severity incidents vs our 2020 baseline year. This included zero work-related fatalities and zero severity incidents across 57 of our manufacturing facilities. We also reduced our Total Recordable Accidents by 26% year-on-year.

### Work, Play, and 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;
- 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.





# Workplace Wellness

We are deeply committed to promoting the physical and emotional health and well-being of all our colleagues around the world.

## Focusing on Holistic Well-Being

Furthermore, a more holistic internal campaign, The Right You program, is globally defined, but very much locally led, to ensure cultural relevance and engagement. So, while differing around the world, the local programs usually have a focus on physical and mental well-being and staying connected. Initiatives typically include:

- Lifestyle improvement programs, such as stress management, resiliency and resourcefulness training
- Mental health and mental illness resources and education
- Weight management, mindful snacking training and smoking cessation programs
- Fitness and/or sports facilities on-site, 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

## Continuing to Make the Most of Flexible Working

We are committed to flexibility and see it as a competitive advantage. We've refrained from global policies or mandates, instead opting to empower local teams to chart their "new normal" that works best for them. In office time is designed to be purposeful and organized around collaboration. Many of our global offices have been reorganized to enable these ways of working.

With the backing of our people, we are focusing on a hybrid workplace solution that permits colleagues to work remotely and flexibly

when appropriate, with our office spaces playing a bigger role in fostering connection and collaboration. This will enable better management of work and life for our colleagues, attract a broader and more diverse workforce, reduce environmental impact and improve productivity. In many ways, it is a winning way to work. Our Leadership Team has distilled our new way of working in our Flexible Working Pledge, which sets out three core principles:

- We trust each other to work flexibly and productively
- We show empathy, encouraging belonging and connection
- We are mindful of making space and taking time

We are committed to using technology to help our colleagues better integrate work and life now and in the future.

## Workplace Wellness Progress

# 100%

In 2021 and one year ahead of our goal, 100% of our colleagues around the world were covered by an Employee Assistance Program (EAP), significantly expanding the program's reach.



# “

As the pandemic challenges our way of life and ways of working with long-term impacts, we needed to create a dedicated program to care for our colleagues. So we launched The Right You in 2021, a global employee well-being platform supported by a cross-functional team, with three key interconnected pillars – Mind, Body, and Connection. It builds on many efforts we have going on across our communities to provide more resources where they are needed most. We will expand our global and holistic approach over time to support the diverse needs of our teams and continue to put people first during and beyond the COVID-19 pandemic.

# ”

Dr. Anh Tran  
Senior Director Global Health,  
Mondelēz International



# Workplace Wellness (CONT.)

## Optimizing Physical and Mental Health

We have always made the health and well-being of our colleagues a top priority. In 2020, with the majority of our office colleagues working from home, we developed a virtual care pack to provide help and guidance on managing wellness and working remotely. The virtual care pack includes tips and resources on key topics such as managing stress; collaborating better virtually; improving work-life balance; engaging with teams more effectively; and making the most of working flexibly.

Building on this good work, we ran a global Well-Being Weeks Campaign in May 2021, timed to coincide with Mental Health Awareness Month. The four-week campaign was designed to provide the right tools and support to optimize our colleagues' physical and mental health, and to help raise awareness of the expansion of our EAPs into 39 additional countries so we could offer EAPs to all our employees in 2021.

Each of the four weeks had a different focus: understanding your resources; growing your physical well-being; boosting your mental health; and making social connections. Activities and resources were tailored to each week.

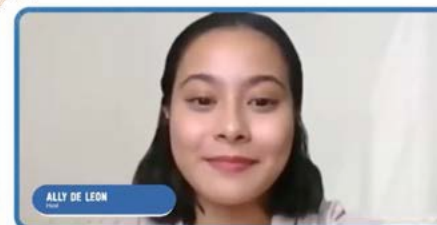


During the campaign, colleagues attended well-being webinars on a range of topics, from Eating Your Way To Wellness to Developing A Healthy Sleep Pattern. The webinars were well-received. As one participant said, "Great session and there were of course a few hints and tips I had no idea about and now definitely plan to incorporate ASAP."

As part of the program, we held our first global Workday Learning Campaign. There were eight topics, including well-being, mental health, resilience, financial wellness and tips for remote working. It was based on a 'pick and choose what suits you' approach with a mix of self-directed internal courses, LinkedIn Learning offers, and YouTube Videos.

To keep the momentum going and to share well-being best practice and inspiration across regions, local well-being leads ran follow-up activities within their business unit, site or function during June and July 2021.

In our October Growing Here Week event, our CEO Dirk Van de Put was joined by Roberto Martinez, Belgium National Football Team Manager, to talk about how professional athletes need to stay physically and mentally fit. Our colleagues from offices around the world joined the session to hear how being mentally fit is just as important as being physically fit, even as a professional athlete.





# Leadership & Employee Diversity, Equity & Inclusion

Throughout Mondelez International, we continue to focus on enhancing diversity, equity and inclusion at all levels – from the Board to new recruits. We see DE&I as not just the right thing to do but also a fundamental enabler of our continued growth and success.

## Gender and Race Progress

	2018	2019	2020	2021
% of our board of directors who are women	23%	25%	25%	25%
% of our executive management (defined as Mondelez Leadership Team plus one level below) team who are women	18%	31%	34%	39%
% of our management positions (defined as Director and above) globally who are women	35%	37%	38%	39%
% of U.S. Black management representation	NA	NA	3.2%	5.1%

## U.S.-Based Employee Demographics

	Non POC*	POC
US-based Senior Executives (F+)	62%	38%
US-based Management (All Banded)	65%	35%
US-based New Hires – Management (All Banded)	50%	50%
US-based All Mondelez	63%	37%

\* Person of color

## Expanding Our DE&I Initiatives

We are creating local and global opportunities to further racial equity and economic empowerment by expanding our DE&I initiatives across three key areas: colleagues, culture and communities. These opportunities include mobilizing our consumer-facing brands and leveraging our partnerships with agencies and advertising platforms to drive change, equity and inclusion.



Our DE&I approach focuses on setting the tone from the top, through our Board of Directors, and supported by the Mondelez Leadership Team and Global DE&I Steering Committee. We aspire to meet or exceed best in class representational percentages in all statistically underrepresented groups. And this is taken up by colleagues across the globe, as we all work together to elevate this important agenda through clear goals and accountability to make change happen.

To further reinforce DE&I, we have included specific DE&I aspirational metrics as part of our strategic scorecard within our annual incentive plan for the CEO and other senior leaders. The scorecard is used consistently across the company at both the corporate and region level and is linked directly to the three pillars of our strategy – growth, execution and culture.

In September 2020, we announced our new three-year DE&I goals. As an important step in our journey to make progress against DE&I, we established the Mondelez Diversity, Equity & Inclusion Steering Committee including C-suite officers and other key senior leaders charged with collectively setting the strategy and DE&I goals for the organization.

## DE&I Disclosures

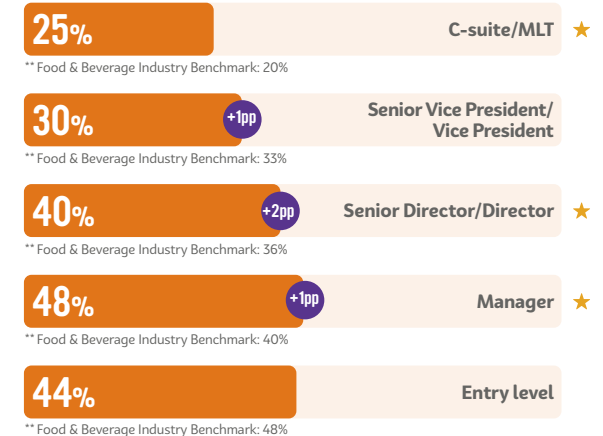
- [EE0-1 2021 Consolidated Report](#)
- [EE01 – 2020 Consolidated Report](#)

## Increasing Representation of Women in Leadership

We have improved women's representation at Mondelez International year-on-year for the past five years. In particular, we have seen continuous gains in increasing our representation of women in leadership. Over the last year, we have implemented practices focused on fairness in hiring and pay equity, including requiring diverse slates for open roles and providing inclusivity training for all people managers.

Annually, we track our representation of women in leadership against the food and beverage industry. As the graphic below highlights, we exceed gender representation across most benchmarks:

## Women in Leadership



★ = Exceeded Benchmark

\*\* Source: McKinsey 2021 Women in the Workplace

# Leadership & Employee Diversity, Equity & Inclusion (CONT.)

## Implementing a Multi-year Strategy

Our achievements reflect our multi-year strategy and focus to increase female representation at all levels of the organization.

We also exceeded our annual goal for women in leadership — increasing women in executive leadership (defined by Mondelēz Leadership Team plus one level below) to 39%.

To achieve our goals, we have made critical investments in our development practices, including expanding women's mentoring programs for senior-level colleagues. In addition to advancing women in leadership globally, we measure progress by business unit against their specific DE&I goals.

In 2021, leaders across Mondelēz International participated in our DE&I Culture & Inclusivity workshop.

## Committing to Pay Equity

Our goal is to reward our colleagues for their work equally based on the value they create regardless of gender, race or other factors unrelated to performance. We work with independent third parties to conduct regular pay equity reviews for salaried employees and we are committed to eliminating unaccounted for pay differences and have been doing so for many years.

We continue to see no discernible gap in women's pay equity, which is a critically important goal for achieving gender equity. Additionally, in the U.S., a 2021 independent pay equity analysis found no systemic issues and no negative pay gap between non-white and white employees performing substantially similar work.

## External Reviews

We completed a Diversity & Inclusion Advisory Review in our U.S. business. Led by a third-party, the review focused on assessing our progress in the areas of governance, talent acquisition and management, learning and development, and metrics and reporting. The results of the review have been shared with our Audit and People & Compensation Committees, and a summary can be found at [www.mondelezinternational.com](http://www.mondelezinternational.com).

## Ensuring Diversity of Candidate Slates

We have set a goal to have gender and racial diversity on every final candidate slate (list of candidates presented to a hiring manager) for manager-level positions and above. In addition to our goal of having female or racial representation on final candidate slates globally (and women/persons of color on U.S. slates), we track the percentage of women interviewed versus hired for the opportunities where they were considered.

In 2021, we over-indexed by almost a 2:1 ratio of percentage of women hired versus the percentage who were screened for the open positions. This demonstrates our continued progress in hiring women leaders.

## Creating a Culture of Championing Diversity

The increased representation of historically underrepresented groups is only part of the story. We are also creating a culture that fully leverages the benefits of diversity—one in which all colleagues, feel comfortable bringing their unique ideas, perspectives and experiences to the table. We are building this culture through our inclusivity leadership training, where more than 2,000 leaders across the enterprise have engaged in understanding how their leadership helps our diversity.



Ertharin Cousin,  
Founder, President and CEO of the  
Food Systems for the Future Institute

## Adding to Our Diverse Board Expertise

In November 2021, we announced the appointment of Ertharin Cousin, Founder, President and CEO of the Food Systems for the Future Institute, to the Board effective January 1, 2022.

Cousin, has more than 30 years of experience in the worldwide food industry, working in the government, nonprofit and corporate sectors. Her experience includes serving as Executive Director of the United Nations World Food Programme; Ambassador and Permanent Representative to United Nations Food and Agriculture Agencies in the Obama Administration; Executive Vice President and Chief Operating Officer of America's Second Harvest; and Senior Vice President for Public Affairs at Albertsons Companies Inc. She currently serves on the Board of Directors of Bayer AG.



“

We welcome Ertharin to our Board and look forward to benefitting from her wealth of knowledge and expertise. Her expert perspective on food policy and sustainability issues will bring important insights and value to our Board and team as we continue advancing our strategy and ESG priorities as a global snacking leader.

”

Dirk Van de Put,  
Chairman and CEO,  
Mondelēz International



# Leadership & Employee Diversity, Equity & Inclusion (CONT.)



inclusion and belonging efforts. We have been standing up a strong community of local DEI practitioners that are building competency and confidence of influencers to affect positive change in support of our DEI goals. And our Employee Resource Groups are bringing together communities and allies through their networks, events and collaboration increasing our employee engagement benchmarking scores above peer company averages.

## Increasing U.S. Black Management Representation

In September 2020, we announced our goal to double our Black representation percentage in U.S. management roles by 2024, and we are exceeding our expected annual progress toward that goal. Our 2020 baseline was 3.2% and we ended 2021 at 5.1%, an increase of nearly 60% in the first year of our four-year goal.

## Focusing on U.S. Early Careers

Our ambition is to build a more diverse set of leaders and to do that we invest in early career development as a key entry point to increased diversity within our company's leadership. In 2021, placements globally were 57% women, and in the US 48% persons-of-color.

## Backing the Next Generation

As part of helping to close the gap for youth we partner with the Thurgood Marshall College Fund (TMCf) and are proud to offer financial assistance to outstanding students attending one of TMCf's member-schools including 47 publicly-supported Historically Black Colleges and Universities (HBCU) and Predominantly Black Institutions. The Mondelez International HBCU Scholarship partnership is a 4-year needs-based scholarship where we contribute \$3 million in scholarships, immersion/bootcamps and professional development to TMCf over the next four years to increase higher education access and completion among minority students and underserved communities and to support educational programs that prepare the students for success in corporate careers.



The fund benefits selected scholars, who are college first-year students, each receiving up to \$9,000 in scholarships per year for four years. Further, in addition to scholarships, immersion programs, and professional development, scholars will have opportunities to secure internships and full-time employment after graduation.

Further, as a Lead National Partner for Boys & Girls Clubs of America's Youth of the Year program, we work with the local Boys & Girls Clubs year-round to foster a new generation of leaders prepared to live and lead in a diverse, integrated world economy.

As part of this initiative, we are proud to provide scholarship funds for the finalists of the National Youth of the Year which ranks amongst most prestigious honors bestowed upon a young person, representing the voice of 4.7 million Boys & Girls Club youth. Each year, one teenager rises to the role of National Youth of the Year after journeying through competitions at the local (club), state and regional levels. Promoting leadership, inspiration and success, the National Youth of the Year program culminates in a celebration featuring the top five regional finalists and the National Military Youth of the Year. The 2021-22 National Youth of the Year was awarded to 18-year-old Briana P., representing the Northeast region and Bristol (CT) Boys & Girls Club Association. She calls volunteering second nature and credits her experience at BGCA with helping her open up and communicate with her peers.



“

Through our work with the Boys and Girls Club and the Youth of the Year program, we honor extraordinary young people and their achievements in leadership, service, academics excellence and dedication to living a healthy lifestyle. We are honored to partner with an organization that, for 160 years, has enabled young people most in need to achieve great futures as productive, caring, responsible citizens.

”

Jamey Martin,  
Lead DEI, U.S.  
Mondelez International



# Economic Inclusion & Supplier Diversity

As part of our end-to-end commitment to make snacking right, we have built a global program focused on Economic Inclusion & Supplier Diversity (EISD) focused on where we can make the biggest impact. Through EISD, we are procuring more innovative, high-quality, cost-effective products and services from diverse businesses (those who are owned by person(s) identified as a minority, woman, LGBTQ+, veteran, people with disabilities, and are small businesses and/or historically underutilized businesses).

## EISD 2021 Progress<sup>1</sup>

	2021
Total EISD spend	\$682.4M
Total EISD Women and Minority Spend	\$329.3M

## 2021 Goal

**\$1B**

Our goal is to spend \$1 billion with minority and women-owned businesses globally by 2024.



“

At Mondelēz International, Diversity, Equity & Inclusion is at the forefront of our business and culture. Our Global Economic Inclusion & Supplier Diversity program strives to create equitable business opportunities through inclusive sourcing and supply chain transparency, driving consumer and society awareness regarding how our brands support the communities we live, work and snack in.

”

Liel Miranda,  
BU President, Brazil



“

It is often said that shared vision & purpose are key foundations of good partnership. When I think of the ASI & Mondelēz International relationship, this is what comes to mind. Culture & Community are important topics to each of our organizations independently, in which we multiply our impact on through our partnership together. Our partnership with Mondelēz International allows ASI, one of very few minority owned specialty chemical manufacturing companies in the US, to empower our employees to show up, be themselves, and deliver great product & service to our customers. It brings jobs and drives employment in an area where the poverty rate is nearly triple the national average. We have created a trusted transformative partnership, and together we are truly delivering impact.

”

Karl Johnson  
President and CFO,  
Diversified Chemical Technologies

## Building Relationships With Diverse Suppliers

Through our EISD program, we strive to create mutually beneficial business relationships with diverse suppliers that strengthen the communities in which we operate and that deliver value to our consumers and colleagues. This approach and partnership with diverse suppliers has helped us ensure our supply base mirrors the communities we serve in driving a more inclusive sourcing mindset.

The primary goal of our EISD program is to drive economic impact and provide business opportunities to diverse suppliers that satisfy our procurement and contractual standards through our inclusive sourcing processes and practices.

To this end, we encourage our sourcing and procurement colleagues to identify and include diverse suppliers and service providers in the procurement process. As part of our snacking made right initiatives, our goal is to increase our inclusive sourcing practices to integrate diverse suppliers globally more thoughtfully. This is good for our business and for our supplier communities – allowing for increased innovation and high-quality, cost-effective products and services.

## Spending With Purpose & Focusing On Inclusive Sourcing

As part of the program, we are creating more equitable sourcing opportunities for diverse suppliers, educating buyers around the value of supplier diversity, and challenging the business to think differently about ways to include diverse suppliers in our supply chain.

## Securing Mutual Economic Benefits

We actively seek certified diverse suppliers that can provide competitive, high-quality, innovative goods and services and whose business model is aligned with our business strategy and values.

## Developing Suppliers

We help diverse suppliers enhance their offerings, reach and capabilities through joint development and performance improvement programs.

## Enhancing Awareness and Education

We communicate the value of supplier diversity as a whole, and of our EISD program in particular, both internally and externally to our stakeholders.

In 2021, we conducted EISD awareness sessions for our business to educate team members on the importance of EISD and how they can personally make it an impact in communities throughout the globe. Education of EISD and tools available is a key pillar in driving program efforts to create equitable opportunities in the EISD landscape.

## Mondelēz International & ASI

For nearly a decade Mondelēz International has partnered with ASI, part of Diversified Chemical Technologies which over the years has supplied the company with over 13M lbs of adhesive for product packaging – high performance adhesives which deliver high quality food safety measures use on packaging of many of Company's brands in the U.S. including Oreo, Chips Ahoy, Ritz, Triscuits.



<sup>1</sup> Based on invoiced/accrued spend



# Human Rights

We are committed to promoting human rights across our value chain.

## Human Rights Progress

	2018	2019	2020	2021
Prioritized suppliers audited	248	338	257	190
SMETA audit completed in our manufacturing sites within the past 3 years	–	100%	100%	38% <sup>1</sup>
SMETA audit completed for our prioritized suppliers within the past year	–	100%	100%	49% <sup>1</sup>
Child Labor Monitoring & Remediation Systems (CLMRS) coverage in Cocoa Life communities in West Africa	–	27%	28%	61%
Child Labor Monitoring & Remediation Systems (CLMRS) coverage in Cocoa Life communities in Ghana	–	67%	67%	100%

## Human Rights Goals

**100%** of our manufacturing sites completed SMETA audit within the past 3 years

**100%** of our prioritized supplier sites completed a SMETA audit within the past year

**100%** Cocoa Life communities in West Africa are covered by a Child Labor Monitoring & Remediation System by 2025

## 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 and address risks, and to disclose our progress. For more information, please see our annual [Human Rights Due Diligence Report](#).

Our Human Rights Working Group defines our human rights due diligence strategy and drives its implementation throughout our organization. This working group reports regularly to functional and business unit leaders and annually to the Board of Directors' Governance, Membership and Sustainability Committee.

We work with a range of expert external advisors, including TwentyFifty, Embode and our [Cocoa Life External Advisory Board](#), to help us assess and strengthen our approach.

## Speaking Up and Investigating

In line with our worldwide Speaking Up and Investigations Policy, colleagues and external stakeholders can confidentially, and anonymously if they wish, report issues through the [HelpLine](#) and [WebLine](#). Our policy includes zero tolerance for retaliation. Management Action Plans (MAP) are established to address any gaps or weaknesses identified in the course of investigations.



## Managing Risk

We undertake practical, business minded, proactive, ongoing human rights due diligence to identify, mitigate and reduce the likelihood of potential and actual human rights impacts within our own operations, and work with our business partners across our supply chain to achieve the same. We identify potential human rights issues and monitor compliance with our policies, we use the Sedex Members 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. We also require higher-risk direct suppliers to complete a SMETA audit.

## Strengthening Our Commitment

We seek to respect and promote human rights as part of our duties as a responsible global business and our abiding belief in doing what's right. With the ongoing pandemic, rising inequalities, and the disproportionate impact of climate change on underprivileged and marginalized communities, people's human rights are increasingly under pressure, and in 2021 we strengthened our long-standing commitment to promoting human rights with the introduction of a dedicated [Human Rights Policy](#).

The new policy lays the foundation for achieving our reinforced ambition, looking to 2030:

## Respecting Human Rights Along Our Whole Value Chain

We are focused on respecting the rights of people along our whole value chain. This includes our approximately 79,000 employees around the world; people working for our suppliers; and people growing our ingredients.

We are using the United Nations Guiding Principles on Business and Human Rights as a framework to identify, mitigate and prevent risks, and continuously strengthening our approach.

In addition, we are joining forces with peers in the [Consumer Goods Forum Human Rights Coalition \(CGF HRC\)](#) to make the approach mainstream, learn from each other, and show the way for the sector more broadly, including publishing a human rights due diligence (HRDD) roadmap.

Moreover, we are supportive of legislative efforts to make Human Rights Due Diligence mandatory for all companies along the value chain.

<sup>1</sup> Between 2018 and 2020 our SMETA program covered almost 100% of our direct spend (raw materials, packaging and external manufacturing) and all our highest priority suppliers were audited. In 2021, we started a new auditing cycle, using Sedex's Radar risk assessment tool to prioritize suppliers. Despite the continued pandemic and related constraints, we are working hard to execute audits of our remaining global manufacturing sites and supply chain

# Human Rights (CONT.)

## Strengthening Our Recruitment Practices

Building on learnings from Human Rights Impact Assessments carried out in 2019, our South East Asia (SEA) team strengthened recruitment practices in our manufacturing plants across the region. The team implemented safeguards, including formal interviews with all incoming workers, a self-declaration process and capability building to deepen awareness of our [Human Rights Policy](#) and [Speak Up line](#). They reviewed the recruitment agencies we work with in the region, strengthened contractual agreements to incorporate elements on forced labor prevention where relevant, and terminated the partnership with one supplier, where engagement did not lead to necessary improvement in their recruitment practices.

As we work towards our goal to implement robust Human Rights Due Diligence across our own operations and supply chain by 2025, we will continue to learn from the team in SEA to strengthen our recruitment practices globally – informed by emerging industry best practice and our practical experience.

We continued to build our internal capability through 2021.

We also undertook a joint project with CGF HRC to future-proof our HRDD systems in our owned operations. This project is key in supporting our progress towards our goal of having forced labor focused Human Rights Due Diligence (HRDD) systems in 100% of our own operations by 2025.

## Making Communities More Resilient

We work to make communities where we matter most more resilient from a social and economic perspective.

We recognize that inequalities and poverty are often underlying drivers of other systemic human rights risks such as forced and child labor. Through our flagship sustainability program [Cocoa Life](#), we are learning from our decade of experience on the ground in cocoa communities about the importance of living income.

Building on our ongoing commitment to [pay our employees a living wage](#), we joined the [Sustainable Trade Initiative \(IDH\) Living Wage roadmap](#) to help advance living wage and income in global supply chains, and we are also working with peers in the AIM-Progress Living Wage working group. We will work with our suppliers with the goal of having all our strategic suppliers engaged on a living wage roadmap by 2030.

## Focusing on People in our Value Chain

Through 2021, we made continuous efforts to strengthen our ongoing systems to identify, mitigate and prevent human rights risk along the value chain. This included strengthening our policy covering everyone working on our sites, and we expect our suppliers to comply with the principles of the policy.

In 2021, many of our manufacturing sites had to postpone audits to respect local COVID-19 restrictions, protect the health of auditors and of our people. As a result, as the pandemic entered its third year, 38% of our global manufacturing sites have completed a SMETA audit over the past three years. Despite the continued pandemic and related constraints, we are working hard to execute audits of our remaining identified global manufacturing sites and supply chain. Beyond our audit program, we continued to strengthen our human rights due diligence systems: building internal capability, embedding good practices within the relevant functions and local business units, and prioritizing key risks.

## Focusing on Upstream Supply Chains

We are committed to addressing the issues of child and forced labor. Our annual 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 addressing them through our sustainable cocoa sourcing program [Cocoa Life](#) and our [Palm Oil Action Plan \(POAP\)](#), and through collective action within the [International Cocoa Initiative](#) and the [Consumer Goods Forum](#).

## Addressing the Root Causes in Cocoa

Cocoa Life's holistic approach aims to address the root causes of child labor through interventions to increase income, empower communities to advocate for their development, and empower women at the 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 and 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 2021, we made significant progress in rolling out CLMRS, expanding coverage to 1,548 communities, bringing us to 61% coverage in West Africa.

In Indonesia, where the risk is relatively low, we are focusing on safety interventions so children legally working and 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 reduce the risks of child and forced labor in the cocoa supply chain, and to drive efforts to strengthen public-private partnership with the governments of Ghana and Côte d'Ivoire.

As a board member of CGF, we work collaboratively to reduce the risks of 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](#). We are also members of the [Human Rights Coalition of Action](#). Through these roles, we and our partners are working together to prevent forced and child labor and uphold human rights.

“

Now is the time to take a next step towards creating a living wage economy. We applaud Mondelez International for joining the movement and taking action on living wage. Only together, business, governments and civil society, can we pursue a world where workers are valued, treated equally, and where living wages are an integral part of a sustainable, resilient economy.

”

Daan Wensing,  
CEO of IDH





# Human Rights (CONT.)



Ending child labor across the West African cocoa sector is more than Mondelez International can do alone, so we collaborate with a number of stakeholders across the cocoa supply chain. Through our involvement with the World Cocoa Foundation (WCF) and the International Cocoa Initiative (ICI), we support a systemic approach to address the root causes of child labor and call for strong public private partnerships with governments, development partners and civil society organizations.

On the key topic of education, we also work together with the Ivorian government, foundations, peers and suppliers in the CLEF and ELAN initiatives led by the Jacobs Foundation. Through these two initiatives, which aim to raise a total of CHF 150 million (~USD \$150 million), Mondelez International is investing CHF 3 million to address children's inadequate access to quality education in cocoa-growing regions: a key root cause of child labor, which can only be addressed systemically. The goal is to improve access and quality of education for 5 million children, reaching 90% of rural primary schools in Côte d'Ivoire through the construction of 2,500 classrooms, and tested interventions to improve teaching quality. These initiatives will strengthen the Ivorian educational system and benefit children of cocoa farmers across the sector, including those in our supply chain. Building on the success of this public-private initiative, we are encouraging the Jacobs Foundation to partner with the Ghanaian government to expand this initiative to our other key cocoa sourcing country, Ghana.

## Taking Action on Palm Oil

Through our 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.

To support the mainstreaming of robust due diligence practices in the palm oil sector, we have joined forces with peers in the CGF Human Rights Coalition, the Fair Labor Association, and the International Organization for Migration to deploy and test systems at each stage of the supply chain. Recognizing the systemic nature and its prevalence among migrant workers, we complement this support to palm oil suppliers with engagement of key actors of the Malaysian recruitment market, as well as joint advocacy towards the Malaysian government and the government of migrant workers' country of origin.

Most of the world's hazelnut production comes from Turkey. Research, including studies conducted by the US Department of Labor and the Fair Labor Association have confirmed the risk of

child labor in the Turkish hazelnut sector, which relies on migrant workers during the harvest season, who often travel to the hazelnut growing regions with their families.

To address this systemic issue, we joined CAOBISCO's partnership with the International Labor Organization to combat child labor in seasonal harvesting. This Public-Private Partnership Agreement contributes to overall policy advocacy and implementation, expansion of the knowledge base and improvement of institutional capacity for the elimination of child labor in the hazelnut sector. Key outcomes from the program during the 2021 harvest season include awareness raising sessions with seasonal workers and their families, outreach to hazelnut orchard owners and labor intermediaries. As a result, 1,456 children were removed or prevented from engaging in harvesting activities across the Black Sea region and benefited from educational activities.

## Supporting Mandatory Due Diligence

Recognizing the need for everyone involved to work together to tackle human rights issues in global supply chains and make good practices mainstream, we support legislative efforts to enable practical, proactive and ongoing human rights due diligence. We welcome the European Union Commission's proposed Corporate Sustainability Due Diligence directive (issued in February 2022), which will require companies to identify and address human rights and environmental risks in their value chain.



“

It's very significant that Mondelez was prepared to stick their head above the parapet and say: 'actually, we need human rights due diligence to become mandatory, so that we can level the playing field and that all businesses start upholding human rights standards in their supply chain'. This kind of engagement with the European Union played an important role in bringing about the new due diligence law in one of the biggest markets in the world.

”

Dr. Aidan McQuade,  
Human Rights Expert & author of *Ethical Leadership: Moral Decision-making under Pressure*

# Impact Investing

Our focus for Sustainable Futures is around climate & environment, packaging & waste and resilient communities



“

Our CCOF investment marks a pivotal step forward in our contribution to a circular economy for plastics and is a clear demonstration of our long-term goal of zero net waste. As part of our ambition to become a more sustainable snacking company, this partnership will help fund businesses that are filling systemic gaps in the collection, sorting and reuse of plastic waste, including flexible film.

”

Dirk Van de Put,  
Chairman and CEO,  
Mondelez International

## Tackling Today's Most Complex Challenges

In 2020, we created Sustainable Futures, our Impact Investment platform. Sustainable Futures funds innovation, incubation and collaboration to unlock self-sustaining solutions in our key areas of focus: addressing climate change in key ingredient supply chains, reducing plastic waste and driving circular economy, and building thriving communities where we live and work. We seek to create partnerships with like-minded investors, increase the impact Mondelez International can have on the world and create self-sustaining projects.



At Sustainable Futures, our current priority is to incubate and seed-fund innovative social ventures that deliver social, environmental impact, co-invest in impact funds to support larger scale systemic change, and support collaboration to achieve great impact together.

## Impact Investments

We have a great opportunity to positively influence the landscape where we source our key ingredients and communities where we operate—that's where we seek to make a positive impact. This includes, for instance, our investment in funds that address packaging waste infrastructure and future investments that tackle climate change more broadly.

## Investing in The Circulate Capital Ocean Fund

In November 2021, we invested in the Circulate Capital Ocean Fund (CCOF), a fund dedicated to addressing India and Southeast Asia's plastics challenges. Our investment will help CCOF support scalable business solutions to help develop infrastructure for the collecting, sorting and recycling of plastic waste, including flexible films. It will enhance the focus on the physical collection of flexible films – lightweight, multi-layer plastics used by the snacking industry – that have traditionally been more difficult to collect, sort, recycle and ultimately reuse. Our investment in CCOF is also expected to finance enterprises that support our goal to collect more plastic waste than we currently produce across India and Southeast Asia.



## Social Ventures

To help create lasting change, we use financial means to support solutions that create positive impact in the communities in which we operate. We partner with social entrepreneurs to provide support in the form of seed funding or growth capital to help them incubate, nurture and scale their ideas toward a more sustainable and equitable future. From recycling to agricultural diversification to projects that support marginalized communities, our financial support is helping to generate environmental and social impact all over the world. In 2021 for example, we partnered with The Plastic Flamingo (PLAF), a social enterprise in the Philippines that collects and transforms plastic waste into sustainable construction materials. Through this partnership, 42,000 kilos of post-consumer plastic waste were collected and recycled into outdoor furniture such as benches, bike racks, and tables. In 2022, we're supporting PLAF as they grow their range of recycled plastic products.



In 2021, we continued to advance Sustainable Futures, expanding its investments, both geographically into three of our four regions (Asia, Middle East and Africa; Latin America; and Europe) and across our Snacking Made Right pillars.



“

The Plastic Flamingo commends Mondelez International's continuing commitment to ensuring that proper collection and recycling of plastic happens in the country. We believe that a world without oceanic waste is possible with collective effort from different members of the community.

”

Francois Lesage,  
CEO of The Plastic Flamingo





# Community Impact

In 2021, we continued to migrate our impact investing through our Sustainable Futures strategy, as we completed the Mondelēz International Foundation multi-year program to help children and families adopt lifelong healthy habits.

## Healthy Lifestyles Impact Figures

1.9M	children directly impacted
750K	parents and other adult community members benefitted
10.6K	produce gardens established

## Community Giving

	2019	2020 <sup>1</sup>	2021 <sup>1</sup>
Cash and in-kind donations (USD)	\$70M	\$93M	\$50M

<sup>1</sup> Inclusive of COVID donations in 2020

## Mondelēz International Foundation (MIF)

As a responsible global company, we seek to support others in times of greatest need. For many years, alongside its work to promote nutrition, the Mondelēz International Foundation has supported communities by working with a disaster relief funds managed by the IFRC and ARC (International and American Red Cross organizations). We will continue to engage with the ARC, IFRC and other NGOs via grants and matching funds to colleagues' gifts. This will better enable us to help with disaster relief across the world, supporting communities and people to withstand and overcome the most severe disasters like earthquakes, hurricanes, flooding and disease.

## Encouraging Lifelong Healthy Habits

MIF has achieved a great deal over the years – partnering with leading community organizations to transform the lives of millions of children across 18 countries since the start of the company. Through the Healthy Lifestyles program, MIF has invested \$50 million and partnered on a variety of programs to help children and their families adopt lifelong healthy habits. Over the years, the impact has been considerable – a 34% increase in children knowing what good nutrition is, a 13% increase in children being physically active for at least 30 minutes a day, and a 25% increase in children eating more fruits, vegetables and other fresh foods.

## Fighting Obesity and Improving Health

The Healthy Lifestyles programs have normally been school based, reaching children aged 6-12, as well as their families and teachers. Programs were rooted in a three-pronged approach that has been widely regarded as crucial for fighting obesity and improving children's health: improving nutrition knowledge; 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 evaluate all programs against the same global metrics. Certain programs also measure Body Mass Index (BMI) or the percentage of participants with BMI in normal range.



## Investing in Healthy Lifestyles Programs across the World: Lessons Learned

In late 2021, the MIF commissioned a report by the Yale School of Public Health to review the overall impact and potential for longevity of all 19 programs funded through the Foundation's \$50 million Healthy Lifestyles commitment.

Yale  
SCHOOL  
OF PUBLIC  
HEALTH

Over 300 program documents were reviewed to evaluate the following key dimensions for each program:

- Co-design and co-implementation with key stakeholders;
- Reach;
- Effectiveness;
- Adoption, not only by participating schools, but also families and community members;
- Dissemination potential to other schools and communities, or through local government entities;
- Maintenance or sustainability (e.g., what is required to run the program, training materials, satisfaction of key stakeholders, etc.); and
- Innovation

“

Overall, MIF should be commended for having partnered with very solid and experienced organizations that believed in community-engaged approaches to program development and delivery, and for ensuring that socio-economically disadvantaged children were included in all programs supported. [My] analysis... clearly illustrates the importance of school vegetable gardens to improve the quality of meals and snacks consumed in the schools and even at home! These produce gardens truly captured the interest and imagination of children, teachers, school food service staff, parents, and community leaders alike.

”

Rafael Pérez-Escamilla, PhD  
Professor of Public Health & Director of the Office  
of Public Health Practice Yale School of Public Health

# Community Impact (CONT.)

“

The work done by social partners such as INMED and Mondelēz International is very vital for the department. It improves both learner enrichment and education outcomes.

”

Thembisa Futshane,  
Chief Director for Education  
and Social Support Services, South Africa  
Eastern Cape provincial department



## Best-in-class School-based Healthy Lifestyles Programs

Both **South Africa and Brazil's Health in Action (HIA) programs** are innovative, school-based

programs meant to reduce obesity rates and promote healthy lifestyles among disadvantaged children. An initiative of INMED Partnerships for Children and the Mondelēz International Foundation, HIA combines participatory education in nutrition and healthy choices, access to fresh food via school gardens and regular break-time fitness activities. The program is facilitated by INMED's South Africa and Brazil entities, respectively, both registered local NGOs. In addition to improving access to fresh food, school gardens are used as living “learning laboratories” where children are exposed to different academic disciplines, such as agriculture, food systems, nutrition, science, biodiversity, and environmental sustainability.



HIA South Africa followed a highly participatory and iterative approach that engaged school, community, and government stakeholders in the co-design of the program. A key aspect of the program from its inception was its “climate-smart” aquaponics technology for increasing access to fresh, nutritious foods.



“

What happens in schools will happen in society. Working together is essential to generate a support network for children through the improvement of well-being in their community and in the care of the environment that shelters them. Our work in the field, supported by the Mondelēz International Foundation's sustainability strategies, made the improvement of the quality of life of thousands of children and the possibility of having greater opportunities for the future, a reality.

”

Barbara Kuss,  
Executive Director, Fundación  
Huerta Niño, Argentina

“

The Health in Action program was very gratifying and important, especially for the students. We could work on certain principles, such as a sense of responsibility, encouragement and care for the environment, and food origin, [and] mainly to encourage awareness of healthy eating.

”

Renata Noblat,  
Principal of the Nossa Senhora  
do Pilar school, Brazil

Similarly, HIA Brazil was an exemplar of how important it is to co-design school-based healthy lifestyles programs with local communities from the get-go. The success was in establishing the produce gardens and getting not only the students, but also teachers, school principals, school food services, families, and communities engaged with them. It had the added component of not only focusing on nutrition and obesity prevention, but also on other key public health problems affecting low-income children in Brazil.

The Mondelēz International Foundation and **Fundación Huerta Niño** partnership began in 2018 with the goal of improving nutritional knowledge, increasing physical activity amongst school-aged children, and promoting access to fresh produce of high nutritional quality for low-income children across Argentina.

The central concept of the program was the establishment of tailored garden spaces at each school site. Experiential learning in the garden space was considered the basis of strengthening nutritional knowledge and the incorporation of healthy eating habits. The project was highly innovative, as the produce gardens were co-designed with each respective community. As a result, no two produce gardens were alike. This degree of customization allowed for carefully adapting the produce gardens to the specific needs and wants of each school and community.





# Employee Volunteering

With our relaunched MDLZ Changemakers, our people are lending their time, talents and treasure to help to make a positive impact in their communities.

## Volunteering Progress

# 15,000

In 2021, 4,000 employee volunteers completed 15,000 hours of service to the communities where they live or work.



## Making Change For The Better Across Communities

In October 2021, we launched MDLZ Changemakers, our revamped employee volunteering, charitable giving and purpose mission program. It is designed to enable our colleagues to play an even more direct and impactful role in supporting our goals and strategies to make snacking right – so they can make even more of an individual and personal contribution making a difference in the communities where we all live and work.



The investment in the enhancement of our existing program underlines how our purpose to empower people to snack right drives what we do, including employee volunteering, which continues to be a priority for both the business and for colleagues.

Across local markets, we have undertaken a number of community projects:

### Engaging in Skills-Based Volunteering

In South Africa, the marketing team has been engaged in a long-term skills-based volunteering project that assists the Sustainable Futures Aquaponics Social Enterprise (ASE) investment, a venture supporting agro-entrepreneurs in climate-smart food production.



### Offering Virtual Apprenticeships

In Mexico, Mondelēz International Digital Services worked with Junior Achievement to put on a virtual apprenticeship program called “Socios por un día”.

### Providing Online Mentoring

Our global Corporate & Legal Affairs function launched a partnership with Volunteer Vision, a virtual mentorship program designed to help underserved youth build employability skills.

# “

I joined the Volunteer Vision platform as an opportunity to share my career experiences and learnings and become a mentor to a young person at the start of their career. The experience with Volunteer Vision has been positive and rewarding. My mentee is a wonderful young woman in Delhi, India, who is studying to become a hospital administrator. I am learning a great deal from her too and feel enriched after each conversation. The lessons on the platform are very helpful and create a meaningful structure for the mentoring sessions. Overall, being a mentor with Volunteer Vision has been a fantastic experience for me.

# ”

Ivanka Djoleva-Minioti,  
Senior Director, Global Internal Communications,  
Mondelēz International



# “

Working with the ASE team was inspiring, creative and thought-provoking. The impact the team make[s] to society is invaluable and to offer my services and expertise on building a brand for such a worthy cause was humbling.

# ”

Lara Sidersky,  
Category Lead Chocolate,  
Mondelēz International South Africa





# Sustainable Snacking

We're determined to make our snacks the right way to preserve our planet and meet our consumers' needs every day. We aim to make an end-to-end positive impact on the world and the communities where we do business. This is core to who we are as a company – it goes right to the heart of our purpose to empower people to snack right.

The right snack for the right moment made the right way means taking a lead in making our snacks right for people and for the planet – from more sustainable sourcing of the raw materials we rely on, to more positive impact on the communities we live in and work with, while striving to reduce our impact on the environment we all need to care for.

To this end, we're committed to reducing our impact on the climate and environment. Specifically, we are aiming to reduce our greenhouse gas emissions with a long-term goal of net zero, while continuing to reduce waste, use less water, promote biodiversity and minimize packaging ending up in the environment.

More sustainable sourcing of key raw materials is core to minimizing our impact on climate and landscapes and we have signature programs for the key raw ingredients contributing most significantly to our overall carbon footprint, including cocoa, wheat, dairy and palm oil.

## 2025 Goal

# -10%

10% end-to-end CO<sub>2</sub>e emissions reductions by 2025 (vs. 2018)

## UN Sustainable Development Goals





# Landscape & Insights



## Climate & Environment

### Climate Action

For the past few years we have been on a path to reduce our carbon emissions and in 2021, we took a key step forward – setting a goal of net zero greenhouse gas emissions across our full value chain by 2050.

### 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 where resources are looked after and used with care and in turn, carbon emissions are reduced.

### Water

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 a bigger difference.

### Environmental Resilience

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.



## Packaging

### Sustainable Packaging

We are committed to more sustainable packaging that protects our products, delights our consumers, and to help minimize harm to the environment.

### Making It Light and Right

In 2021, we introduced an enhanced strategic approach to continue to improve our packaging, focused on three key areas: less packaging, better packaging and improved systems.



## Sustainable Ingredients and Supply Security

### Taking the Lead

The resilient supply of key raw materials such as cocoa, wheat, dairy and palm oil is essential to the success of our business, and also critical to the prosperity of the communities producing these raw materials. It is an area where we can have a bigger impact and continue to lead on driving sector-wide transformation in more sustainable sourcing of these key commodities at scale.

### Aiming for Real, Lasting Impact

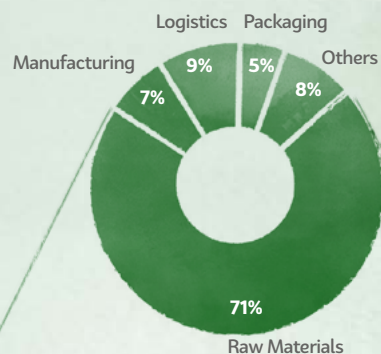
Our distinctive approach has a number of key pillars: leading in more sustainably sourced key ingredients, pioneering approaches that holistically tackle root issues, driving sector-wide transformation through collaboration, and sharing and learning from impact data assessing the positive progress made by our programs.



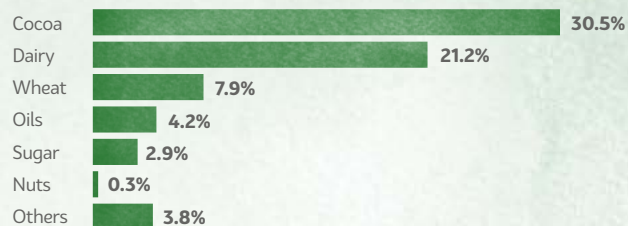
# Climate & Environment

## Mondelēz International's Carbon Footprint<sup>1</sup>

~70% of Mondelēz International's CO<sub>2</sub>e emissions comes from our raw materials, concentrated in 4 key commodities.



### Raw Materials CO<sub>2</sub>e Emissions (CO<sub>2</sub>e Metric Tonnes)



<sup>1</sup> Breakout calculated on 2020 data



# Climate Action

From droughts and wildfires to devastating flooding and the chronic impact on our biosphere, wildlife and humankind – the consequences of climate change are everywhere and escalating. Combating climate change is the challenge of our lifetime, and we're taking action like never before. We're building on our progress in reducing our end-to-end carbon footprint and working toward our long-term goal of net zero carbon emissions by 2050. In doing so, we're transforming how we do business across our entire supply chain – from farmer's field to shop shelf.



“

For the last several years, we've worked with the Science Based Targets initiative to reduce our emissions footprint and with our net zero target, we are accelerating our efforts to create a more sustainable snacking company. We're transforming how we do business across our operations and with the suppliers and farmers we work with – from seeking to improve cocoa farming practices in West Africa to promoting regenerative agriculture in wheat fields in the Midwest United States.

”

Dirk Van de Put,  
Chairman and CEO,  
Mondelez International

## Joining the Race to Net Zero

For the past few years we have been on a path to reduce our carbon emissions and in 2021 we took a key step forward – committing to a goal of net zero greenhouse gas emissions across our full value chain by 2050.

As part of the goal, we have signed the Science Based Targets initiative's (SBTi's) Business Ambition for 1.5°C, aligning our long-term emissions mitigation targets with the aim of limiting temperature rise in accordance with the Paris Agreement. We've also joined the United Nations Race to Zero Campaign to help build momentum towards a decarbonized economy.

## Defining Net Zero Carbon

The SBTi Net-Zero Standard defines corporate net-zero carbon as:

- Reducing Scope 1, 2, and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C-aligned pathways
- Neutralizing any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter

### What we make

**Scope 1:** direct emissions (onsite thermal energy production and owned logistics)

SBTi Requirements  
Coverage Ambition

95% 1.5°C

### Energy we buy

**Scope 2:** indirect emissions used onsite like electricity

95% 1.5°C

### Along Value Chain

**Scope 3:** All other indirect emissions

67%<sup>1</sup> 1.5°C or WB2C

## A Clear Way Forward

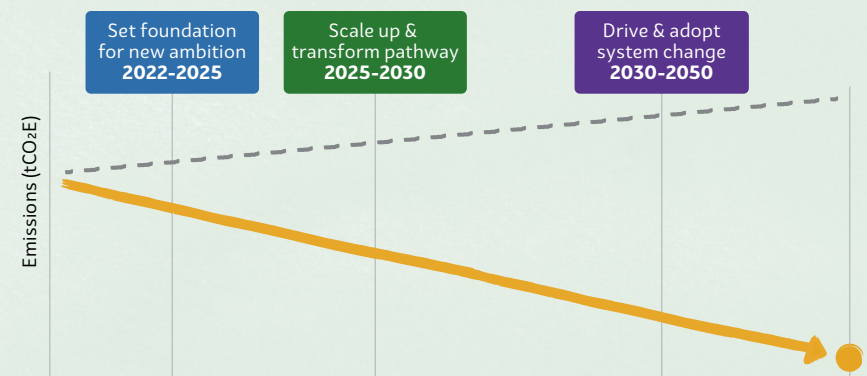
Achieving net zero is no easy task, but we have set a clear path and know what we have to do to steer toward our long-term goal.

### Our principles for transition:

1. We aim to transform the way we do business
2. Build on our existing efforts, scaling proven models for wider impact
3. Collaborate across the industry & sector and engage suppliers
4. Invest in bold innovation to drive technological evolution
5. Be transparent in progress, setting interim targets and communicating regular updates

## WE'RE READY. WE'RE IN.

Mondelez International is Joining the Race to Net Zero and Setting a Goal of Net Zero Emissions by 2050



Curve is not scientific but rather for illustration purposes.

<sup>1</sup> 67% near-term, 90%+ long-term

# Climate Action

## (CONT.)

We're working with our suppliers and farmers to grow ingredients in ways that protect forests and promote biodiversity.

Across our owned facilities we are converting electricity to renewables, and replacing thermal fuels with low carbon alternatives.

### An End-to-end Approach

To deliver lasting change at scale, we are prioritizing where we can have the greatest impact, focusing on innovative and measurable solutions, and collaborating to drive sector-wide transformation.

We're taking an end-to-end approach – from field to shelf – to reach our net zero carbon emissions goal by focusing our efforts across key areas and delivering against set targets.

As we work toward our goal, we're transforming how we do business – across 150 countries, tens of thousands of suppliers, and hundreds of thousands of farmers. It marks a major step on in our differentiated approach to sustainability focused on driving lasting progress at scale and creating long-term value for our business and stakeholders.

## Mondelēz International is joining the race to zero and commits to 2050 net zero emissions goal

Our climate action plan is focused for impact, prioritizing efforts across key areas and delivering against existing goals and targets. We will engage our strategic suppliers, evolve our brand and portfolio, and collaborate with industry partners for greater impact.

### Goals – From Field to Shelf

Cocoa	Wheat	Dairy	Renewable Energy	Oven & Refrigerants	Logistics	Packaging
Source 100% cocoa volume for chocolate brands through Cocoa Life Program by 2025 (cocoalife.org)	Grow 100% wheat volume needed for Europe business unit biscuits production under Harmony charter by 2022	Majority of dairy materials purchased from suppliers operating under animal welfare schemes	Continue to convert global manufacturing electricity footprint to renewable energy	Work toward achieving energy efficiency for biscuit ovens and steam boilers  Start replacing thermal fuels (e.g., natural gas, diesel, gasoline) with 'green' alternatives	Investing in new mobility concepts including electric and hydrogen trucks  Reduce warehouse emissions in owned and third-party facilities by converting to renewable energy sources  Improve efficiency of distribution networks	100% packaging designed to be recyclable by 2025  Reduce overall virgin plastic use by 5% and reduce overall virgin rigid plastic by 25% by 2025 (Baseline 2020)



# Climate Action (CONT.)

66

With our net zero goal, we are accelerating our efforts to create a more sustainable snacking company. We're transforming how we do business across our operations and with the suppliers and farmers we work with – from seeking to improve cocoa farming practices in West Africa to promoting regenerative agriculture in wheat fields in the Midwest United States.

99

Dirk Van de Put,  
Chairman and CEO,  
Mondelēz International



## Mondelēz International GHG Emissions

We have been calculating and monitoring Scope 1 and Scope 2 emissions for several years, enabling us to gain experience in setting up carbon reduction programs and related metrics and targets as well as the processes and governance required. As a next step, we calculated and added Scope 3 emissions, to ensure a holistic carbon view across our full supply chain – from field to shelf. Since then we have been busy building out our end-to-end supply chain carbon roadmap, leading to our net zero goal.

The largest environmental, social and economic impacts related to our business occur outside our direct operations – in fact 94% of our greenhouse gas (GHG) emissions reside in Scope 3 (namely the sourcing of key raw materials). That's why we take an end-to-end approach to reducing our carbon footprint so we can work to reduce emissions within our owned operations and also, importantly, work to reduce emissions through signature programs designed to achieve more sustainable sourcing of the key raw materials we know have the biggest impact on our overall carbon footprint.

	2018	2019	2020	2021
Scope 1 & 2 emissions (CO <sub>2</sub> e Metric Tonnes), market-based	1,843,540	1,758,609	1,527,318	1,427,714
Scope 3 emissions (CO <sub>2</sub> e Metric Tonnes), market-based	22,167,196	22,657,830	23,084,148	In progress

## Mondelēz International's Carbon Footprint

We have been monitoring and implementing programing to decrease emissions across Scopes 1, 2 and 3 for several years, enabling us to gain experience in setting up long-term and more ambitious carbon reduction programs and related metrics and goals as well as the processes and governance required.

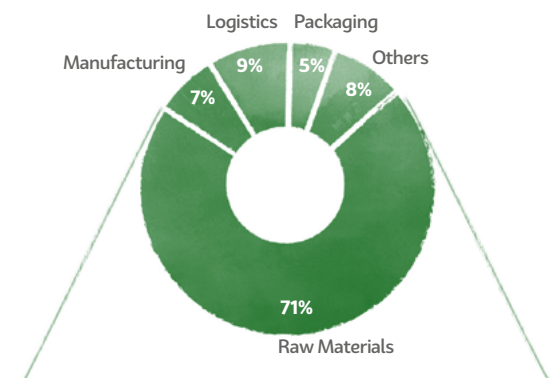
We have also been calculating our Scope 3 emissions for several years and, as a next step as part of joining the SBTi Race to Net Zero are currently working with our external carbon experts and partners on a planned model revision allowing us to incorporate our Scope 3 interventions into the carbon model, review the materiality of recent acquisitions as well as incorporate planned updates to carbon accounting standards and recommendations set by the SBTi and the GHG Protocol, both targeting to enhance clarity around Scope 3 definitions.

~70% of Mondelēz International's CO<sub>2</sub>e emissions comes from our raw materials, concentrated in four key commodities so more sustainable sourcing of these key raw materials will have biggest impact in reducing our overall carbon footprint.

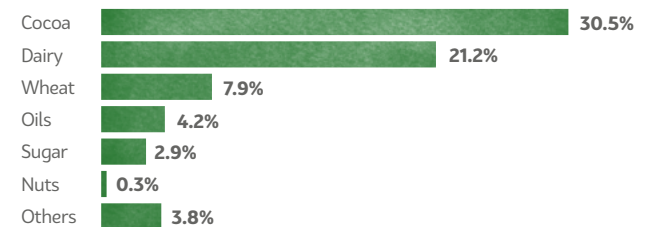
We have been implementing programs to reduce Scope 3 emissions that we are currently in the process of translating into carbon emissions reductions. We are focused on scaling signature sourcing programs in Cocoa and Wheat where third-party verified impact data gives us confidence to confirm our programs have a direct impact on emission reductions. For more information on the impact of our signature sourcing programs on a forest positive future please see [page 53](#).

We're working with our suppliers and farmers to grow ingredients in ways that protect forests and promote biodiversity globally with tens of thousands of suppliers, and hundreds of thousands of farmers.

## Mondelēz International's 2020 Carbon Footprint



## Raw Materials CO<sub>2</sub>e Emissions (CO<sub>2</sub>e Metric Tonnes)





# Climate Action

## (CONT.)

### Assessing Our Carbon Footprint

We take a thorough approach following the internationally recognized GHG Protocol Standards to calculate, annually, our total carbon footprint across our end-to-end supply chain, covering Scopes 1, 2 and 3.

We assess the following activities:

#### Scope 1 emissions:

- Combustion of fuels in our owned and operated facilities
- Combustion of fuels in our owned and operated mobile sources
- Fugitive emissions from our owned and operated manufacturing sites

#### Scope 2 emissions:

- Indirect emissions associated with purchased electricity, heat and steam in Mondelēz-owned and operated facilities

#### Scope 3 emissions:

- Purchased goods and services (including effects of Direct Land Use Change)
- Fuel and energy related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Downstream transportation and distribution
- Use of sold products
- End of life treatment of sold products

### Focusing End-to-End

We look at each individual step within our supply chain to understand the contributors to our carbon footprint and where our focus matters most.





# Climate Action (CONT.)

## 2025 Goal

# -10%

Our goal is to achieve 10% end-to-end CO<sub>2</sub>e emissions reductions by 2025 (vs 2018).



## Our Ambition

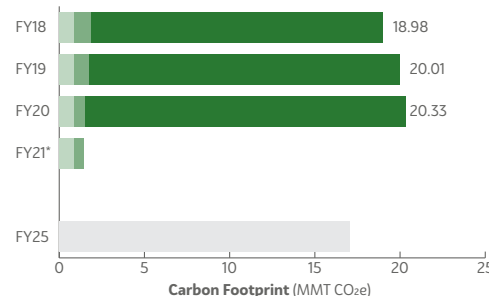
We are in the process of adjusting our path towards net zero, which is subject to verification by the SBTi (by 2023 latest). In the meantime, we continue to deliver against our 2025 public goals, including reducing our absolute end-to-end greenhouse gas emissions by 10% by 2025 vs a 2018 baseline, which is equivalent to a 23% reduction vs business-as-usual.

Following the SBTi guidelines, we focus our carbon reduction programs on the categories of GHG emissions that are most impactful for Mondelez International. This represented 20.3 million metric tonnes CO<sub>2</sub>e in 2020 (or 83% of our total value chain GHG emissions footprint). Accordingly, we include the following GHG emissions in our goal setting: Scope 1, Scope 2 and major elements of Scope 3: purchased goods and services and waste generated in operations.

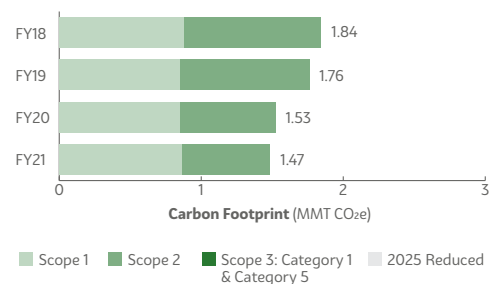
In 2021, we reduced our Scope 1 and 2 (market-based) emissions by 23% versus our 2018 baseline by continuing to improve energy efficiency and increase our use of renewable energy.

We have been implementing programs to reduce Scope 3 emissions that we are currently in the process of translating into carbon emissions reductions.

## Our 2025 Ambition (In Progress)



## Our 2021 Scope 1 & 2 Progress



## Energy Progress

	2018	2019	2020	2021
Scope 1 + 2 CO <sub>2</sub> e emissions (Metric Tonnes of CO <sub>2</sub> e - market-based)	1,843,540	1,758,609	1,527,318	1,427,714
Total renewables used (%)	6%	8%	23%	32%

Electricity and natural gas energy sources are the largest contributor to our manufacturing footprint and so are a major focus of our carbon reduction efforts.

We continuously invest in energy management systems and energy efficient technologies in our factories. We are also using low-carbon renewable energy sources to reduce our CO<sub>2</sub>e emissions.

## Improving Energy Efficiency

In 2021, several energy efficiency projects were implemented across our manufacturing network. Here are some examples:

- In South Africa, our Port Elizabeth site installed four centralized chiller units, saving 380 MWh per year in refrigeration, reducing CO<sub>2</sub>e by 2240 metric tonnes.
- Meanwhile in Poland, our Skarbimierz plant optimized its refrigeration system with the installation of dry coolers as a free cooling loop, reducing the workhours of the chillers and in so doing cutting out 1,300 metric tonnes of CO<sub>2</sub>e.
- Our East Suzhou plant, in China, is using the 200°C air emitted by its ovens to heat water and generate savings across the refrigeration process and other systems – saving 334 metric tonnes of CO<sub>2</sub>e.

\* As part of joining SBTi Business Ambition for 1.5°C, we are currently re-calculating our Scope 3 footprint to capture and reflect the impact of our ongoing mitigation strategies.

# Climate Action (CONT.)

## 2021 Local Highlights

**100%**

Many of the UK's favorite treats are now made with 100% renewable electricity

**31%**

Reduction in our UK manufacturing emissions

**2,700**

Switch offsets 2,700 person's worth of CO<sub>2</sub>e emissions

**19k+**

Over 19,000 metric tonnes of carbon saved

### Focusing on Our Baking Ovens

We operate a significant number of baking ovens across the globe, typically fueled by natural gas. Decarbonizing our natural gas footprint represents a key technological challenge, so as a first step we have been working towards improving energy efficiency. For example, we have been optimizing oven output and baking times, improving heat insulation, reducing heat loss at exhaustion, upgrading burners and their maintenance.

In 2021, we took a critical step to further boost energy efficiency by developing an upgraded oven design and specifications that are now mandatory for all new ovens as well as any major oven overhaul. This design, which was developed in partnership with leading oven vendors, is already fully operational at our Lima factory in Peru. Many more units are planned to be installed in the years ahead.

Beyond energy efficiency, we are exploring alternatives to deeply decarbonize the ovens by replacing natural gas with renewable or low-carbon solutions such as electrification, biogas and hydrogen.

### Increasing Our Use of Renewable Energy

In 2021, 32% of the electricity used in our manufacturing sites was renewable compared to 23% in 2020. This initiative was the most important contributor to our reduction of 56,000 tons of carbon emissions in 2021.

Brazil, Peru and UK manufacturing plants now use 100% renewable electricity from wind, solar farms, or from biomass. Several other countries have also implemented or expanded renewable energy projects, including China (Power Purchase Agreement (PPA) and on-site solar), South Africa (wind farm) and Thailand (on-site solar).

### Making Much Loved Products With 100% Renewable Energy

The initiatives are part of our roadmap to ensure that 90% of our internal manufacturing electricity globally is renewable by 2025, and 100% by 2030.

Our business units have screened their local renewable energy markets to identify and assess available alternatives and develop a specific plan. Around the world, we will be using a mix of Power Purchase Agreements (PPAs), virtual Power Purchase Agreements (vPPAs), green tariffs, on-site generation and certificates at selected countries where no other options may be available.

At our Port Elizabeth site, in South Africa, a new contract for wind energy almost doubled the percentage of renewable electricity in 2021, from 30% to 57%, reducing CO<sub>2</sub>e emissions by 9,000 metric tonnes annually.

Our Claremont site in Australia is reducing its dependence on fossil fuels by installing heat pumps and recovering waste heat. They achieved more than 12,000 Gigajoules (GJ) in energy savings, reduced CO<sub>2</sub>e by 900 metric tonnes.

In China, we're reducing CO<sub>2</sub>e with the help of solar power. Our East Suzhou plant launched its solar generation installation, generating 1,317 MWh of power and reducing CO<sub>2</sub>e by 800 metric tonnes annually. Our Beijing plant's new solar panels are generating 187 Megawatt-hour (MWh) of electricity and saving 117 metric tonnes of CO<sub>2</sub>e annually. But it's not just a solar story. Our Guangzhou plant is purchasing renewable electricity from wind, generating 2,000 MWh of power and in so doing, reducing CO<sub>2</sub>e by 1,200 metric tonnes annually.





# Climate Action (CONT.)

## Reducing Emissions in Logistics

On our journey to net zero emissions in logistics, we focus our efforts across these key areas:

- Improve the efficiency of distribution networks by optimizing routes, improving truck and container utilization, increasing intermodal solutions and reducing traveled distances.
- Invest in new mobility concepts including electric and hydrogen trucks.
- Reduce warehouse emissions at both owned and third-party facilities by converting to renewable energy sources.

During 2021, we continued increasing the efficiency of distribution networks, building on strategic programs like end-to-end network design, product design, intermodal solutions, transport modelling and transport technologies to increase asset utilization and reduce traveled distances.

We also invested in a number of new mobility concepts. This included piloting electric trucks for our own fleet in the U.S. and collaborating with our partners to increase the use of biofuels. We are, for example, replacing regular diesel with HVO biodiesel for transportation in Sweden, Finland and Denmark. This will reduce CO<sub>2</sub>e emissions by an estimated 88%.

## Innovating to Maximize Our Sustainability

Innovation programs delivered by our R&D teams play a major role in minimizing our end-to-end environmental impact.

Located in 13 tech centers around the world, our R&D teams are key enablers of our innovation fueled by a deep understanding of science, technology and consumer needs. Current areas of focus include:

- Sustainability, including sustainable ingredients (see Cocoa Life and Harmony Wheat), designed to be recyclable packaging solutions across our portfolio (see Packaging), as well as developing internal capabilities to guide both pack and product design, while also exploring future technologies to help us get to net zero.
- Well-being innovation and renovation
- Mindful snacking brand activation

In addition to an existing tool for packaging, we recently led the development of an internal tool to help us assess the environmental impact of our existing and new products, from raw materials to manufacturing. We are now able to estimate carbon and water footprint down to a stock-keeping unit (SKU) and brand level. We can also identify the end-to-end carbon footprint value-chain hotspots and get specific information on agriculture and manufacturing of raw materials, inbound logistics, product manufacturing and packaging. With this knowledge, we can make better, more climate-responsible portfolio decisions.

Our R&D is in the process of developing technology to enable more planet-friendly [products] such as:

- Chocolate: *Cadbury Plant Bar*
- Meals: Plant-Based *Philadelphia Cream Cheese*
- Candy: *The Natural Confectionery Company* (Vegan Jellies (Australia), 'made with 100% Renewable Electricity' information on pack),
- Gum: *Stimorol* — Natural Based Gum (vegan, made from sustainably sourced chicle)
- Biscuits/Snacks: European products made with Harmony Wheat, *Triscuit* (traceability to the farm), *LU Bio* portfolio (organic), *NoCoE* (Snack Futures), *CaPao* (Snack Futures),



R&D's future focus includes:

- Embedding sustainability across daily ways of working
- Continuing to develop digital tools to help optimize and design the right products: consumer-centric, affordable, good for you, good for the planet
- Helping identify new technologies to benefit regenerative agriculture, including cocoa agroforestry and incentivizing our farmers, as well as improving supply chain traceability
- Continuing to develop higher-yielding wheat and cocoa agriculture practices for disease resistant and climate resilient varieties
- Designing our products with more sustainable raw materials, including perennial crops and upcycled ingredients
- Investigating more efficient process technologies as we migrate to clean energy

# Climate Action (CONT.)

## Offering Our First Ever Green Bond

In September 2021, we announced the successful pricing of our first green bond – totalling €2 billion, it was the largest green bond issuance to date in the packaged foods and consumer goods industry. We are allocating the net proceeds from the offering to eligible projects designed to support the achievement of the United Nations Sustainable Development Goals and that further our goals of more sustainably sourced ingredients, reducing waste in packaging and tackling climate change. We will publish an update on the allocation of the proceeds annually until the proceeds have been fully allocated to projects meeting the eligibility criteria.

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**Snacking Made Right is part of everything we do at Mondelēz International. Now more than ever is the time for companies to do what's right and drive more sustainable business growth, and ESG investment is a critical element of that mission. This offering reflects our commitment to doing business the right way to reduce our impact on the environment, have a positive influence on society and advance sector-wide lasting change. We look forward to working with our stakeholders to continue advancing these initiatives.**

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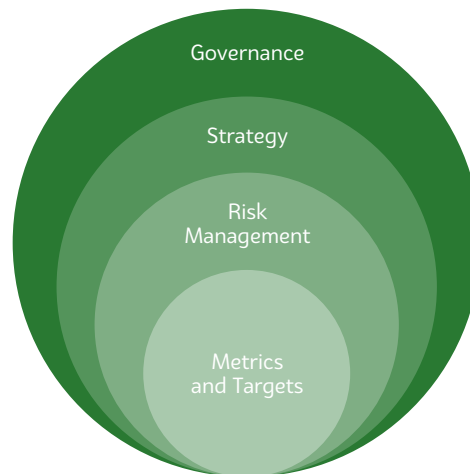
Christine Montenegro McGrath  
SVP, Chief Impact & Sustainability Officer,  
Mondelēz International



## Assessing Climate Risk

The Task Force on Climate-Related Financial Disclosure (TCFD) provides voluntary climate-related financial disclosure recommendations designed to help companies provide better and consistent information to stakeholders and support informed capital allocation. At Mondelēz International, we strive to provide our stakeholders with relevant information on climate related issues following the TCFD approach.

The disclosure is structured around four thematic areas:



Our climate strategy encompasses the decarbonization of our end-to-end supply chain in line with the SBTi guidance and following recognized carbon accounting standards (GHG Protocol). As such, we are focusing on the reduction of our Scope 1, 2 and 3 GHG emissions.

Our Board of Directors and the Governance, Membership and Sustainability Committee of the Board provide oversight over our environmental and social agenda. Our CEO is engaged in the review and progress of our ESG Strategy in conjunction with the Governance, Membership and Sustainability Committee, with regular briefings from our Chief Impact & Sustainability Officer. Our Chief Impact & Sustainability Officer chairs our Sustainability Steering Committee with key members from the Mondelēz Leadership Team (MLT). The Steering Committee reviews and approves environmental and social sustainability (including climate) related strategies.

Our metrics are aligned with the SBTi requirements across our value chain including Scopes 1, 2 and 3 while following the relevant reduction pathway.

## Managing Risks

We have an Enterprise Risk Management (ERM) process for identifying, measuring, monitoring, and managing risks, with oversight by the Risk and Compliance Committee (MRCC), which reports annually to the Audit Committee. The purpose of the MRCC is to manage our process to identify and assess our most significant risks so we may adequately mitigate them and/or monitor them across the Company. The MRCC assigns ownership of specific risks to the Mondelez Leadership Team. As owners of each specific risk, MLT members are responsible for verifying that appropriate mitigation controls and monitoring systems are in place. The risk universe considered during this process is wide and varied. Climate change is included in this risk universe and so we consider broader climate change impacts.

In 2021, we began collaborating with EY to conduct a climate risk and opportunity assessment using climate scenario analysis in alignment with the TCFD. The assessment does consider physical risk through chronic and acute climate change related impacts as well as transition risks (policy, market, technology, reputational) across our end-to-end supply chain. The objective is to enhance our identification, measurement and monitoring process while leveraging the well-established ERM capabilities we have in place.



# Waste

We continue to reduce waste where we can, to help the climate and the environment and to increase our operational efficiency. We drive out waste as we drive for excellence.

## Waste Progress

	2018	2019	2020	2021
Total waste generated in internal manufacturing sites (metric tonnes)	363,050	325,955	284,554	275,203
Total food waste generated in internal manufacturing sites (metric tonnes) <sup>1</sup>	243,258	206,934	183,576	174,083

## Goal Progress

We've already exceeding our 2025 goal by reducing food waste in distribution by 65% in 2021 compared to our 2018 baseline (goal 50% reduction). And we've reduced food waste in internal manufacturing sites by 28% (vs. 2018 baselines).

## Moving From Total Waste to Food Waste in Manufacturing

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 world where resources are looked after and used with care and in turn, carbon emissions are reduced.

Although we will continue to measure, track and strive to minimize all kinds of waste in manufacturing, we've decided to dedicate a greater focus towards food waste. This makes sense for a food company like us, especially considering that a nearly third of all food produced for human consumption is lost or wasted. Beyond that, food loss and waste also amount to a major squandering of resources including water, land, energy, labor and capital, as well as contributing to global GHG emissions.

## Striving to Eliminate Waste

We believe the best way to tackle waste is to not generate it in the first place. To this end, we set bold goals, developed robust plans and executed the waste reduction agenda with strong governance and discipline. We apply different technologies and approaches to reduce waste, for example, using high speed cameras to analyze processes, improving inspections and maintenance to reduce line stoppages, and developing more efficient changeover processes. And we continue to design processes and lines to avoid waste generation. As a result of our focused and transformational approach, our manufacturing sites and our distribution area have achieved very strong results in waste reduction.

# -28%

Food waste reduction in internal manufacturing sites (metric tonne vs 2018)

# -65%

Food Waste reduction in Distribution (metric tonne vs 2018)

# 2.7%

of total manufacturing waste went to landfill in 2021

We achieve these strong results by focusing on zero losses and engagement with colleagues driving responsibility for the identification and eradication of losses.

## Sending Zero Waste to Landfill in Canada

Our Gladstone site, in Canada, achieved zero waste sent to landfills. The team identified sustainable alternatives to all waste streams, including a waste to energy program. As a result, they were able to send 10 MWh of energy to the grid as well as save more than 50 cubic meters of landfill space.

## Reducing Waste in Australia

By redesigning its Crunchie bar line syrup tanks system to allow for more flexibility, automation and rework consumption, our Ringwood site in Australia succeeded in reducing food waste by 215 tons a year.

## Engaging Everyone to Drive Down Waste in Switzerland

At our Bern site in Switzerland, engaging colleagues in an initiative to drive down waste resulted in 43% less food waste and a 45% reduction in cost compared to 2020. Colleagues used many tools and projects including improving reworks and increasing line reliability.

## Recovering and Reusing Dust in Thailand

Replacing a centralized dust collector with individual collectors at our Khon Kaen site in Thailand enabled the team to recover and reuse the dust – reducing food waste by 10% (36 metric tonnes) compared to 2020.

## Reworking Scrap in Bahrain

The team at our Bahrain site implemented 12 different projects focused on reducing scrap waste. All-in-all, they achieved a 92% reduction in food waste compared to 2020 from the initiatives.

## Targeting Biscuit Waste in Mexico

At our biscuit factory in Ecatepec, Mexico, the team undertook multiple initiatives to reduce biscuit waste. The result: 400 metric tons less waste.

<sup>1</sup> The Food Waste generated in 2018 and 2019 was estimated due to lack of data granularity. The estimation was calculated using the contribution of Food Waste to the Total Waste indicator in year 2020 (year we started collecting granular data). An assumption was made that this contribution was constant in the previous years and it was applied to the verified 2018 and 2019 Total Waste numbers. Waste exceptions apply.

# Water

We are committed to using water responsibly and are focusing our water reduction efforts where we can make a bigger difference.

## Water progress

	2018	2019	2020	2021
Total incoming water (m <sup>3</sup> ) (without borrowed and rainwater, as per our current KPI definition)	10,534,512	10,362,594	10,326,848	10,276,279
Total incoming water to priority sites (m <sup>3</sup> ) (without borrowed and rainwater, as per our current KPI definition) <sup>1</sup>	6,186,951	5,995,809	5,884,183	5,790,894

## Goal Progress

In 2021, we achieved a 6.4% reduction in water usage at priority sites in areas where water is most scarce. Usage at these sites is 56% of our total water usage.

Having more than met our 2020 goal on water (vs. 2013 baseline), in 2021 we launched our new 2025 goal (vs. 2018 baseline) to reduce absolute water use at priority sites by 10%.

### 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 a bigger difference.

We have updated our list of priority sites using the Aqueduct tool from World Resources Institute and changed our water scarcity threshold, which led to an increased number of priority sites: from 27 during the 2013-2020 cycle to 48 during the current 2018-2025 cycle.

In 2021, we reduced our absolute water use at priority sites by 6.4% (vs. 2018). Many projects contributed to this result, including our Fallingbostal factory in Germany which optimized its heat exchangers operation and maintenance (60,000 cubic meters (m<sup>3</sup>) water savings per year), our Borg El Arab factory in Egypt which invested in a treated wastewater recycling system (10,600m<sup>3</sup> water savings per year), our Curitiba factory in Brazil which optimized sanitation procedures and also recycled cooling water (nearly 10,000m<sup>3</sup> water savings per year) and our East Suzhou factory in China which also implemented a treated wastewater recycling system (8,000m<sup>3</sup> water savings per year).

### Modernizing Wastewater Recycling in China

Our team at our East Suzhou site, in China, implemented a modern wastewater recycling system that feeds the cooling towers. It not only reduced wastewater, but also water consumption by 8,000m<sup>3</sup>.

### Improving Heat Exchangers to Save Water in Germany

Our Fallingbostal site in Germany has 165 heat exchangers. By improving the maintenance program for these exchangers and implementing a system to detect defects, the team reduced the site's water consumption by 60,000m<sup>3</sup> a year.

### Using Less Water and CO<sub>2</sub>e in Egypt

By investing in a wastewater recycling system that feeds the boilers, chillers and cooling towers, our Borg El Arab site, in Egypt, reduced not only water consumption but also natural gas and chemicals for water treatment. The team used 10,600m<sup>3</sup> less water, reduced CO<sub>2</sub>e by 220 tons.

### Saving Water and Energy in the UK

At our Sheffield site in the UK, the team combined improvement in the jellies pump seals and in the flash vessel tank to reduce water and save energy. The site saved 10,950m<sup>3</sup> of water and 150 MWh of energy thanks to these two projects.

### Making a Big Difference in Brazil

Our Curitiba site, in Brazil, optimized the Clean-In-Place (CIP) process, cooling water recycling in several systems, and in turn, using 9,820m<sup>3</sup> less water.

### Extending Our Water Strategy

Building on our experience in our own operations, in 2021 we used the Aqueduct tools to expand our water scarcity assessment from manufacturing to an end-to-end approach beyond our own operations to include our commodities. This enabled us to start a more comprehensive water enterprise risk assessment, which in turn will lead us to develop and launch an End-to-End Water Stewardship Strategy in 2022.

<sup>1</sup> This indicator was updated in 2021 to reflect the new baseline (2018) and an expanded list of priority sites, according to an analysis based on the Aqueduct tool from World Resources Institute.



# Environmental Resilience

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

## Forests Progress

	2018	2019	2020	2021
Economic shade trees distributed by Cocoa Life	1,232,259	1,420,082	2,216,761	4,453,761
Cocoa Life registered farms mapped and monitored in partnership with Global Forest Watch	93,416	149,761	167,795	198,099
Traceability from plantation to palm mills	N/A	54%	83%	85%

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Through our collective efforts, we are setting new standards and leading the industry forward toward forest positive solutions. Fundamentally we, the Forest Positive Coalition of Action, understand the opportunity of forest protection as a driver of economic growth. There is great power in the type of transformational partnership our Coalition is leading.

We're collectively transforming how we do business, and we expect everyone we work with to share the same ambition. Progress can be accelerated through the power of the collective; combining our individual learnings with shared action-oriented approaches and underpinning our work with the transparency necessary to reinforce trust and accountability.

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Christine Montenegro McGrath  
SVP, Chief Impact & Sustainability Officer,  
Mondelēz International



## Reducing Deforestation

We are committed to sourcing our ingredients more 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 2020 LCA show the contribution to Mondelēz's total CO<sub>2</sub>e emissions from 'forest-risk' commodities:

- Cocoa and cocoa products: 7,495,962 metric tonnes CO<sub>2</sub>e
- Dairy: 5,211,285 metric tonnes CO<sub>2</sub>e
- Oils: 1,033,524 metric tonnes CO<sub>2</sub>e

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 leading 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

In 2021, the first annual report for the Forest Positive Coalition of Action was published. It sets out the aims and progress made by the Coalition in its first year, as everyone involved works together to achieve a forest positive future.

## 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. As part of our commitment to the CFI, we have 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 (UNDP) 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.

# Packaging

## Making It Light and Right

In 2021, we introduced an enhanced strategic approach to continuously improve our packaging, focused on three key areas: less packaging, better packaging, and improved systems. Our aim is to achieve net zero waste by 2025 and support development of a circular pack economy by 2050.

Our guiding principle is to make packaging light and right while collaborating, innovating and investing in improved systems to increase recycling globally.

This strategic wheel relies on all three parts coming together, with less packaging, better packaging and improved systems reinforcing each other for bigger impact.





# Packaging

We are committed to sustainable packaging that protects our products, delights our consumers, and does not harm the environment. To this end, we take a strategic approach focused on driving toward net zero waste packaging through less and better packaging and improved systems, leveraging innovative partnerships to improve recycling globally. Our aim is to play our part in advancing a circular pack economy for packaging that is good for people and the planet.

## Our Packaging Mix

The diagram on the right shows the amount and mix of packaging we used in 2021 (metric tonnes).

As the chart shows, the great majority of our packaging, around 78%, is non-plastic. There are relatively well-developed recycling markets around the world for this packaging.

Within the remaining 22% of our packaging, which is plastic, about 76% is lightweight flexible packaging. This packaging works well to protect our products for our consumers, keeping it safe and fresh for longer, and reduces food waste. It also reduces shipping costs and CO<sub>2</sub>e emissions from transportation due to its relative light weight. Indeed, only 5% of our total CO<sub>2</sub>e emissions come from packaging.

However, lightweight flexible packaging creates environmental challenges as collection and recycling are underdeveloped in most countries. As a result, on average globally only 2% of flexible plastic packaging in 2020 is currently recycled, but as part of our packaging strategy we are working on increasing this.

2021 Portfolio	Metric Tonnes
Rigid Plastics	48,100
Flexible Plastics	149,700
Corrugated	428,100
Paper	257,000
Glass	13,700
Metals	10,000

## Packaging Progress

	2018	2019	2020	2021
Packaging materials eliminated vs 2013 (metric tonnes)	-59,600	-64,850	-68,000	-72,100
Packaging designed to be recyclable	92.5%	93.3%	94%	95%
Paper-based packaging sustainably sourced	90%	100%	100%	98%*

## 2025 Goal

- ➔ Make 100% packaging designed to be recyclable by 2025
- ➔ Have 5% recycled content in our plastic packaging by 2025
- ➔ Reduce virgin plastic in rigid plastic packaging by at least 25% and by 5% in all plastic packaging by 2025



\*2021 impacted by expansion of supplier base, on track to achieve H2 100% in 2022

# Packaging (CONT.)

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Our support for a more sustainable future for plastics is clear. We're already one of the most efficient users of plastic packaging in the consumer goods space and we've made significant strides to reduce plastic packaging use, substitute plastics for other materials and design for recyclability. Given the strong progress we've made in packaging, and our focus on leading a sustainable future for snacking, we're committing to reductions in virgin plastics use and investments in innovation to remove packaging or switch to more easily recyclable materials.

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Dirk Van de Put,  
Chairman and CEO,  
Mondelēz International



## Making It Light and Right

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## Less Packaging

Our focus on less packaging includes keeping our packaging light and safe with low environmental impact. It also involves reducing the overall footprint of our packaging, and designing packaging for consumer reuse and refill where feasible.

## Opening a “Zero Waste” Retail Store

In partnership with Travel Retail Norway, we have opened a “zero waste” Cocoa Life store at Oslo Airport. It uses displays of natural wood made entirely of wood off-cuts from other units, with living plants “woven in” to emphasize the sustainability story.

## Making the Packaging Smaller

At our Jussy plant, in France, we introduced new packaging for Napolitain biscuits – reducing the volume of the box by 20%. This saves 500 metric tonnes of packaging a year.

## Setting a New Goal to Reduce Virgin Plastic Packaging

We set a new goal to reduce by at least 25% virgin plastic use in our rigid plastic packaging or a 5% reduction in virgin plastic use in our overall plastic packaging, assuming constant portfolio mix, by 2025.

In the UK in 2021, we removed more than 6.4 million plastic windows from Cadbury Easter Inclusion Shell Eggs – reducing plastic by 5.4 tons for the Easter 2021 season. We also introduced a simplified and optimized cardboard-only pack structure, made with 98% sustainably sourced cardboard. We also added a “Be A Good Egg” on-pack recycling label in partnership with OPRL, the UK’s most recognized recycling label to encourage consumers to dispose of their packaging responsibly.

In Australia, we removed PVC plastic windows from 7.5 million Cadbury Favourites boxes – eliminating 8 tonnes of hard-to-recycle plastic per year. We also transitioned to local sourcing of packaging materials for Cadbury Favourites and removed clay coating to improve recyclability. These packaging sustainability improvements delivered a 23% reduction in CO<sub>2</sub>e emissions.

In 2021, we also supported the introduction of a U.S. Federal recycling scheme that takes into account the various types of plastic packaging used across the industry.

## Better Packaging

By better packaging we mean making our packaging recyclable and removing challenging materials. Also, substituting virgin (new) plastic packaging with alternatives including recycled plastic content. This way, we’ll help create a circular economy.

A key goal for us on this front is to have all our packaging designed to be recyclable by 2025. We are getting closer and closer to this – achieving 95% in 2021.

All our paper and carton board, and some rigid plastics and flexible plastic films are already designed to be recycled.

## Wrapping More Cadbury Dairy Milk in Recycled Packaging

We have innovated to make Cadbury Dairy Milk block wrappers up to 30% recycled plastic in 2022 in the UK, Ireland and Australia. We’ve invested in using recycled soft plastic, produced using advanced technology, to make this possible. Our new packaging will wrap more than 28 million chocolate block bars in 2022.

## Replacing PET Around the World

In 2021, we replaced around 600 metric tonnes of polyethylene terephthalate (PET) flexible packaging used for biscuit brands such as Club Social produced in our Peru and Brazil plants. Part of our ‘Designed for Recycling’ program, the plastic virgin use was reduced by 5%.

In Vietnam, China and Bahrain, we also converted over 1,410 metric tonnes of biscuits packaging from PET to sustainable plastic.

And in India, we improved our Cadbury Celebrations Gift box tray – changing from difficult-to-recycle High Impact Polystyrene (HIPS) to recycled polyethylene terephthalate (RPET), using 80% recycled content, and changing the color of the plastic from black to purple to make it easy to detect for recycling at the sorting facility.



## Packaging (CONT.)

### Improved systems

Through improved systems, we aim to collect as much plastic as we put into the environment; lead the development of capabilities to scale the necessary infrastructure; and advocate for extended producer responsibility (EPR) schemes to include plastic packaging, especially packaging made from flexible plastics.

### Turning Plastic Waste Into Construction Materials

We have invested in a project in India to transform multi-layered plastic food packaging waste into construction materials. Wealth out of Waste Boards (WoW Boards) uses technology from female-led start-up, TrashCon, in India. Each year, WoW Boards converts around 600 tons of flexible, multi-layered plastic into boards for use

in construction and manufacturing. We've also enabled local Mondelēz International colleagues to support the project through skill-based volunteering.

### Focusing on Plastic in The Philippines

In the Philippines, we're helping to repurpose 130 million tons of multi-layer and single-use plastics. In early 2021, we partnered with several food manufacturing and consumer goods companies through the Plastic Credit Exchange Partnership in the Philippines, and also collaborated with small enterprises. Our focus was on building capabilities to enable a circular economy for plastic, with a goal of collecting 130 million tons of post-consumer plastic for processing and recycling.

In addition to this program, we're working with industry groups across the Philippines and other South East Asian countries to form a roadmap to increase plastic collection and recycling rates.

Moreover, we have worked with advocacy group Save Philippine Seas to help everyone better understand the issue of plastic waste and marine litter – from the causes of plastic pollution in the sea to how people can help tackle the problem themselves at home.

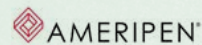
**6.4 MILLION**  
**PLASTIC WINDOWS REMOVED**



**Mondelēz**  
International  
SNACKING MADE RIGHT

### Working Together

To help create lasting positive impact on the world of packaging, we participate in and collaborate closely with many different organizations, including:



Business Call for a  
Global UN Treaty on  
Plastics Pollution



## Packaging (CONT.)

“

This investment marks a pivotal step forward in our contribution to a circular economy for plastics and is a clear demonstration of our long-term goal to zero net waste with a focus on advancing collection rates in key markets like Southeast Asia. As part of our ambition to lead a sustainable snacking company, this partnership will help fund businesses that are filling systemic gaps in the collection, sorting and reuse of plastic waste – particularly the collection of flexible film used to safely package many snacks like ours but which has historically been harder to collect, sort and reuse.

”

Glenn Caton,  
President Southeast Asia,  
Mondelēz International



“

Our support for a more sustainable future for plastics is clear. We've made significant strides to reduce plastic packaging use, substitute plastics for other materials, design for recyclability and set ambitious plastics packaging goals across our portfolio. We are proud of our progress to date but know more must be done through innovative partnerships and investments like this one to be able to scale more sustainable solutions for plastics packaging, especially flexible film like much of the plastic packaging used by the snacking industry. This is why we're so keen to support the Ocean Fund.

”

Christine Montenegro McGrath  
SVP, Chief Impact & Sustainability Officer,  
Mondelēz International



### Investing in the Circulate Capital Ocean Fund

In November 2021, we invested in the Circulate Capital Ocean Fund (CCOF), a fund dedicated to addressing India and Southeast Asia's plastics challenges. A key issue here is the need to invest in creating collection infrastructures for plastics in parts of the world where they are currently weak or inadequate. Our investment will help CCOF support scalable business solutions to help develop infrastructure for the collecting, sorting and recycling of plastic waste, including flexible films. It will enhance the focus on the physical collection of flexible films – lightweight, multi-layer plastics used by the snacking industry – that have traditionally been more difficult to collect, sort, recycle and ultimately reuse. It is also expected to finance enterprises that support our goal to collect more plastic waste than we currently produce across India and Southeast Asia.

By investing in the Circulate Capital Ocean Fund, we aim to:

- Support the fund's next phase of work focusing on collection infrastructures for flexible plastics
- Achieve our ambition to collect more plastic than we produce in India and South East Asia
- Help develop infrastructure for sustainable, scalable systems for collecting and sorting waste
- Support technological advancements in recycling
- Improve livelihoods by creating local jobs and supporting economic growth





# Sustainable Ingredients and Supply Security

The resilient supply of key raw materials such as cocoa, wheat, dairy and palm oil is essential to the success of our business, and also critical to the prosperity of the communities producing these raw materials. Moreover, it is an area where we can have our biggest impact and continue to take the lead on driving sector-wide transformation in more sustainable sourcing of these key commodities at scale.

Our distinctive approach has a number of key pillars: leading in more sustainably sourced key ingredients, pioneering approaches that holistically tackle root issues, driving sector-wide transformation through collaboration, and sharing and learning from impact data assessing the positive progress made by our programs. Over the past 10 years through the implementation of our signature sustainable sourcing programs including Cocoa Life and Harmony Wheat, we have gathered meaningful data confirming our approach is delivering the type of change we're aiming for and can be scaled for greater impact.

At a time of mounting climate change, continuing supply chain disruptions and widening economic inequality, sustainable sourcing and supply has never been more challenging or more important, for our business and for the communities we live and work in. The time to learn from the past 10 years and to look ahead to the next 10 is now. We're doubling down on signature sourcing programs that we know have positive lasting impact on communities and the environment, and provide the security of supply our business depends on.





# Ingredients

A resilient and sustainable supply of key raw materials is essential to our business, and as a leading buyer of these commodities, we have a responsibility to minimize the environmental impact of growing them while positively contributing to the livelihoods of farming communities and addressing human rights risks. To this end, we pioneer innovative and holistic approaches in partnership with our suppliers and with the farming communities from whom we source. Moreover, our data confirms the programming is having the positive impact we want to see, and we are learning, improving and scaling up our signature sourcing programs, informed by this data.

## Sustainable Ingredients Progress

- 75%** of our cocoa volumes for chocolate brands currently sourced through Cocoa Life
- 91%** of wheat volume needed for our Europe business unit biscuits production was grown under Harmony charter by 2022
- 100%** of palm oil sourced from suppliers aligned to our Palm Oil Action Plan

## Tackling Complex Challenges Together

From climate change to population growth, the 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 the brands they love to source their ingredients from suppliers engaged in good agricultural practices. These aims and related 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.

## Tailoring Our Approach to Ensure Sustainable Sourcing

We customize our approach to the local realities, priorities and sensitivities of each of our sourcing communities, taking into account different geopolitical, cultural and environmental contexts. Our goal is to drive greater sustainable sourcing. This calls for signature sourcing programs that are tailored to each instance, from working with cocoa farming smallholders in West Africa to partnering with large wheat farming cooperatives in North America.

## Promoting Sustainable Ingredients

We are working collaboratively to drive sector-wide transformation in cocoa and wheat sourcing. We use our reach and global presence to work with outside experts to elevate farmers' voices. We collaborate across our own and related industries, with governments and through public-private partnerships to advance positive, long-term, transformational impacts on the farms, communities and environments where the raw materials we use are grown. Our aim is to introduce holistic approaches, in partnership and with the support of producing governments, that address underlying systemic issues and transform the way we do business and collectively use land across sectors and landscapes.

## Sustainable Ingredients Impact

Our impact data demonstrates how our signature programming is driving the change we want to see at scale:

- +15–33%** Cocoa Life farmer net incomes in Ghana (+15% vs. 2019) and Côte d'Ivoire (+33% vs. 2019) are increasing over time, driven mainly by premiums and higher prices including the Living Income Differential (LID), as well as farm productivity
- 0.1%** Near to no deforestation on or closely surrounding Cocoa Life farms in West Africa since 2018 (0.1% in Ghana & 0.4% in Côte d'Ivoire)
- 61%** CLMRS coverage in West African Cocoa Life farming communities (vs. 27% in 2020)
- +76%** melliferous flowers fallows surface for biodiversity protection across Harmony wheat program in Europe since 2018





# Cocoa

As one of the world's leading chocolate makers, we continue to work toward more sustainable sourcing and we're leading the way with a collaborative approach to building a thriving cocoa sector. In this way, we are helping cocoa farmers and local communities while we also work to secure more sustainable ingredients for our business.

## Cocoa Progress

	2018	2019	2020	2021
Farmers in the Cocoa Life program (goal: 200,000 by 2022)	142,875	175,017	188,043	209,954
Cocoa communities impacted	1,476	2,012	2,169	2,597
% of cocoa volume required for our chocolate brands that is sourced through Cocoa Life (goal: 100% by 2025)	43%	63%	68%	75%
Farmers trained or coached on Good Agricultural Practices (approximately)	114,380	175,017	181,257	208,840
Youth trained on cocoa-related enterprises	9,893	19,059	23,112	33,587

## Goal Progress

**75%** of our cocoa volumes for chocolate brands currently sourced through Cocoa Life

## Looking After Our Core Ingredient

Cocoa is essential to chocolate, and therefore essential to our business. Chocolate – which two-thirds of people can't imagine living without – is a much-loved snack and global demand for chocolate is growing. We are committed to meeting consumer demand in a responsible way by working to develop a more sustainable, scaled and thriving cocoa sector. This is arguably our single largest opportunity to have a positive impact on the planet and people. Over time these efforts will contribute to reducing our total greenhouse gas (GHG) footprint in our long-term goal to realize net zero CO<sub>2</sub>e emissions.

## Cocoa Made Right

Through Cocoa Life, our global cocoa sustainability program, we are working to 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 with farming communities, Cocoa Life implementing partners, such as cocoa suppliers and development NGOs, which allows us to focus on where we can make the biggest difference in three key areas of intervention: creating more sustainable cocoa farming businesses; strengthening cocoa communities; and conserving and restoring forests.



# Cocoa Life

“

We pioneered our own program, Cocoa Life, because certification labels didn't go far enough in addressing the underlying issues in cocoa. We wanted to tackle the challenges on the ground in the most effective way, and so we partnered with farmers, communities, local governments, suppliers and NGOs, invested directly in cocoa communities to create lasting change, and measured the impact of our actions. We have been making ongoing progress against our goal to improve yields, improve farmer incomes, reduce deforestation, empower women to create additional sources of income, and encourage more children to attend school.

”

Christine McGrath,  
SVP, Chief Impact & Sustainability Officer,  
Mondelēz International



## Making Cocoa Right, Together

Through Cocoa Life, we work to tackle a complex underlying and systemic challenge that many cocoa farmers and their communities face – poverty – that threatens their communities, livelihoods and a sustainable cocoa supply. We enable and empower the cocoa farmers and communities we partner with to drive their own development and work in partnership across the public and private sectors to innovate and invest in solutions that improve the economics of cocoa farming and limit its impact on the environment. We do this across six cocoa-growing countries: Ghana, Côte d'Ivoire, Indonesia, Dominican Republic, India and Brazil.

## A Pioneering Program



### Cocoa Made Right

#### Mission

Lead cocoa sector transformation by driving holistic solutions that address root causes and create systemic, lasting change

#### Principles

1. Increase transparency, connecting consumers to our journey/farmers
2. Promote "self-sustainability" by building capacity in origins
3. Respect human rights, focus on child rights and women's empowerment
4. Pursue partnerships and policy dialogue for greater impact

#### Key areas of intervention



Independently verified and evaluated for transparency and ongoing improvement

#### Public goal

Source 100% of the cocoa volume for our chocolate brands through Cocoa Life by 2025

## Celebrating 10 years of Cocoa Life

In 2022, we celebrate 10 years of Cocoa Life. When we started this program back in 2012, we pioneered a new approach to more sustainably sourced cocoa – investing and working with Cocoa Life implementing partners on the ground where change was most needed and working to tackle the different challenges that affect cocoa sourcing through an integrated program.

Cocoa Life was created with third-party experts, is integrated into our business strategy, funded through our chocolate business and is driven by impact data, continuous learning and is independently verified by outside, third-party verification.

As part of our journey to lead a thriving cocoa sector, in 2012, we committed to invest \$400 million over 10 years to empower 200,000 cocoa farmers and improve the lives of approximately one million people living in cocoa communities. And in 2019, we set up a new goal to source 100% of our cocoa volumes for chocolate brands through Cocoa Life by 2025.

Ten years on, we have delivered on our original 2022 goals, and are well on the way to meeting our 2025 goal – in 2021 75% of the cocoa volume for chocolate brands sourced through Cocoa Life, including 100% for our much-loved global chocolate brands such as Cadbury Dairy Milk, Côte d'Or, Milka and Toblerone.





# Cocoa Life (CONT.)

## A unique approach

Our signature sourcing program, Cocoa Life is designed to:

- ➔ Take a holistic, tailored yet integrated approach
- ➔ Look at the range of interconnected root causes such as poverty and slow rural development
- ➔ Leverage strong partnerships on the ground, including with NGOs, suppliers, farmer cooperatives and local governments
- ➔ Innovate by introducing new tools, such as regional need assessments, community action plans (CAP), payments for environmental services (PES), landscape approaches
- ➔ Drive impact at scale

“

What makes Cocoa Life different is its community-based approach, taking a whole community perspective in developing cocoa growing families. This requires an understanding of people on the ground and responding to their needs within each local context. To avoid a one size fits all solution, working through local partners is essential in order to support each community's unique development trajectory.

”

Aarti Kapoor,  
Executive Director of Embode

“

In 2016, the Fairtrade-Mondelēz International partnership moved away from certification of the Cadbury Dairy Milk brand to collaboration between Fairtrade and Cocoa Life, to support farming communities. In Ghana we collaborate on a programme with the farmers Cocoa Life sources from, on climate change and organisational strengthening. Fairtrade Foundation publishes a partnership statement which validates that in Ghana Cocoa Life has met their partnership commitments (on loyalty payments and volumes purchased) and Cocoa Life have also commissioned research from Fairtrade Foundation into sustainable livelihoods. We stand as equal partners in the belief that the impact of joint working exceeds what could be accomplished alone.”

”

Michael Gidney,  
Chief Executive, Fairtrade Foundation



## Partnering for Greater Impact

Collaborating has always been a key part of Cocoa Life to create lasting change.

We work with over 50 partners. These include implementing partners: NGOs such as Care, Solidaridad, Save The Children, Child Rights International and Wahana Visi Indonesia, as well as local NGOs; cocoa suppliers such as OFI, ECOM, Barry Callebaut, Cargill and Touton; and experts including UNDP, Embode, Impactum, Pur Projet, South Pole, Tree Global and Stag. Collaborations with universities help drive important cocoa research and apply in the program – with Wageningen University & Research we worked to advance the living income debate while Kerala Agricultural University is a key research partner to implement the Cocoa Life program in India.

We also work with verification partners: FloCert, and IPSOS. And strategic partners, including various advisors, the Fairtrade Foundation, platforms such as the World Cocoa Foundation (WCF) and the International Cocoa Initiative (ICI), and governments in producing countries.

Our external advisory council consists of leaders from prominent environmental, policy, and humanitarian organizations whose expertise and outside perspective help us develop the Cocoa Life strategy and program. They challenge and expand Cocoa Life's goals and policies, and hold us accountable along the way as we continue to improve our program and work toward creating a sustainable, community-based supply.

The past 10 years have been shaped and made possible by the efforts of the many people involved with the program.



## Cocoa Life (CONT.)

“

Thanks to the Cocoa Life program, we have learnt many things such as pruning, elimination of gourmands, fermentation. With these good farming practices, we have a good quality of cocoa.

”

Yao Kouame Martial,  
Cocoa Life registered farmer  
from Côte d'Ivoire



“

The Village Savings and Loan Association allows women to mobilize resources with their savings and to carry out income-generating activities. Thanks to the VSLA, women can contribute to the family's needs, such as the schooling of their children.

”

Koffi Gbai Pélagie,  
a woman living in a Cocoa Life community  
in Côte d'Ivoire



“

Over the last 10 years, I know that there's been a lot of impact when it comes to the financial independence of cocoa farmers: their incomes. For instance, if a farmer was producing two bags on 10 acres of cocoa trees, and today the farmer is producing 20, 30, or 40 bags on the same piece of land, then I take that as positive impact though we aim at minimum 80 bags for the 10-acre farm. Producing more and earning more income is not our ultimate objective: the increase should translate into progress in the household and community. That is why we invest in holistic training and other interventions. And that is the most important impact that we are seeking. That we have more sustainable communities.

”

Yaa Peprah Amekudzi,  
Head of Cocoa Life Ghana, Mondelez International



### Delivering on our Cocoa Life Goals

In the first 10 years of Cocoa Life, we have delivered on all our 2022 goals:

#### 2022 goals

\$400M investment

200,000 cocoa farmers

1 million community members

#### 2021 progress

\$404M invested in Cocoa Life to improve cocoa farmers' livelihoods

209,954 farmers reached

an estimated 3 million community members in 2,597 communities reached

### Making A Real Difference Where It Matters Most

Through Cocoa Life, our goal is to make a real difference where it matters most. We are working to achieve more sustainable cocoa at scale, create positive impact on the ground, establish new partnerships, and learn how we can keep improving as we move forward, to drive sector transformation.

Cocoa Life has made the difference on the ground in three key areas:

- Creating more sustainable cocoa farming businesses
- Strengthening cocoa communities
- Conserving and restoring forests

### Our Monitoring & Evaluation Journey to Understand Impact

Investigating Cocoa Life's impact on farming families and communities is a core element of the program. The first step for Cocoa Life was to formulate its first set of key impact indicators, showing what we want to achieve and measure.

For Cocoa Life it was clear from the beginning that a strong program must be based on adaptation to the needs and challenges present in each country. Cocoa Life is based on local needs assessments that highlight the differences among countries and people. That also means that measuring how the program performs to meet those needs requires a lens that can adapt to different situations.

Researchers from Harvard University led the first impact measurements in Ghana in 2009. With the growing program, we needed to expand our impact measurement

across additional countries and to cover different areas of impact – economic, social, and environmental. Ipsos Mori joined as an impact evaluation partner in 2016 and gave us the ability to update our impact measurement approach significantly. Impact measurement has always been a core component of Cocoa Life and has created critical insights into the relationship of cocoa growing with local families, their communities, and the environment surrounding them. This has allowed us to guide how we impact those relations. With upcoming regulations and directives at EU and national level on sustainability challenges across the globe, knowing what is happening on the ground will become ever more important and continue to evolve. We aim to contribute our part.

### Our Impact to Date:

- ➔ 75% of cocoa volume for our chocolate brands sourced through Cocoa Life
- ➔ Cocoa Life farmer incomes in Ghana and Côte d'Ivoire are increasing over time, driven mainly by premiums and higher prices including the Living Income Differential (LID), as well as farm productivity
  - Increased net income: +15% in Ghana and +33% in Côte d'Ivoire vs. 2019
  - +11% relative increase of Cocoa Life households in West Africa earning a living income vs. 2019 (despite the pandemic and inflation)
- ➔ 96% (2,482) of communities with Community Action Plans (CAPs) in place, of which 70% are supported by local governments
- ➔ 198,099 Cocoa Life registered farms (78.5%), spanning across 310,413 ha of land, are polygon mapped and satellite monitored for deforestation
- ➔ Recent findings show near to no deforestation on or closely around Cocoa Life farms in West Africa since 2018 (0.1% in Ghana & 0.4% in CIV)



## Cocoa Life (CONT.)

### Piloting an Innovative Cocoa Digi-App at Cocoa Life India

The Cocoa Life team in India supports new cocoa farmers through regular interactions and farm visits. This includes cocoa education print materials, an education series through audio-visual media, and an exclusive cocoa van to reach out to remote villages for training. The latest innovation piloted at the end of 2021 was the Cocoa Digi-App created to reach out to more farmers in a digital way and provide expertise on good agricultural and environmental practices. Through the app, farmers can also access information on cocoa pest and diseases controls based on weather patterns, scientific knowledge and biodiversity protection. The pilot in Andhra Pradesh and Kerala will reach 10,000 farmers with tailored content and video materials. The aim is to expand the project to other states and introduce more training modules.



### Creating More Sustainable Cocoa Farming Businesses

Farmer poverty remains one of the most prominent and complex challenges faced by agricultural communities across the world. We believe that securing a Living Income — an income that enables a decent standard of living for all members of a household — is a critical enabler to building a sustainable livelihood and tackling this challenge. That's why developing approaches to strengthen the income portfolio of cocoa farming households has been a priority and a KPI focus for the Cocoa Life program from day one. We know we have a role to play in supporting the farmers who grow our cocoa in building sustainable livelihoods.

We focus on improving farmer productivity by training farmers in Good Agricultural Practices, so they can grow more cocoa on less land, which means more income from cocoa and the ability to increase income from other sources.

Our **loyalty premium, training on business management, and access to finance** encourage farmers to supply their cocoa to us and enables them to invest in their farms as a business of choice.

Specific actions we have taken include the training of more than 208,000 farmers in Good Agricultural Practices, providing more than 23 million cocoa seedlings, running more than 300 nurseries and training more than 33,500 youth (44% women) on cocoa-related enterprises.

When farmers are more productive and women and communities are empowered, it helps overall livelihoods.

Cocoa Life farmer incomes in Ghana and Côte d'Ivoire are increasing over time, driven mainly by premiums and higher prices including the LID, as well as farm productivity.

### Progress

# 209,954

farmers trained in Good Agricultural Practices to increase yield and protect the environment

# 23,658,100

cocoa seedlings distributed (+30% vs. 2020)

# 317

nurseries producing cocoa seedlings

### Impact



Cocoa Life farmer incomes in Ghana and Côte d'Ivoire are increasing over time, driven mainly by premiums and higher prices including the Living Income Differential (LID), as well as farm productivity

# +15-33%

Increased net income: +15% in Ghana and +33% in Côte d'Ivoire vs. 2019

# +11%

relative increase of Cocoa Life households in West Africa earning a living income vs. 2019 (despite the pandemic and inflation)

Yet we know that more action is needed. Each farm is different. Each farmer is different. Each community is different. In Ghana, our **Targeted Good Agricultural Practices** project has continued into its third year. Our aim is to increase cocoa production by providing finance and services to enhance farms' performance. For example, applying fertilizer to a farm's soil, pruning and pest and diseases control. Farmers are provided with credit to cover input and labor costs which is recovered at harvest time. Yield results look very promising. We will continue to collect harvest data until September 2022 when final analysis and a recommendation will be made. We will discuss with stakeholders what and how to take the findings to scale.

Within cocoa, there is no quick one-size-fits-all solution that can successfully and sustainably address the complex, interrelated challenges facing the cocoa communities we source from. In 2021, in partnership with Wageningen University & Research, we published a detailed paper, Balancing the Living Income Challenge, that shows why we must take a multi-actor approach for more farmers to reach a living income. We present specific actions different actors can take to make meaningful contributions to a healthy rural economy with the right conditions, so farming families are enabled to achieve and sustain living incomes. Strengthening holistic approaches through collaboration within and beyond cocoa, is the only way we can respect the rights of all farming families so they can achieve a decent standard of living.

## Cocoa Life (CONT.)

### Strengthening Cocoa Communities

We believe a sustainable cocoa supply begins with empowered cocoa farmers. We are empowering men, women and youth within cocoa communities to lead their own development and improve livelihoods through entrepreneurship. We encourage and help communities to create and implement **Community Action Plans (CAPs)**. CAPs 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. The development of these plans is facilitated by expert NGO partners.

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 community meetings for example, women's groups are strong advocates for health and education-related community infrastructure.

Cocoa Life facilitates the establishment of **Community Development Committees (CODEC)** to ensure that CAPs are "owned" by the community. These committees are formed by elected members, representing all groups of the community. The CODEC can be seen as the platform in community and representing the community with which stakeholders will interact. By the end of 2021, more than 2,400 communities had a CODEC and an activated Community Action Plan.

### Progress

**96%**

(2,482) of communities with with a CODEC and CAPs in place, a good indicator that communities become empowered to drive their own development



Accelerated roll-out of child protection systems across West Africa

**163,749**

community members participate in VSLAs, of which 75% are women

### Impact

**71%**

of CAPs being supported by local governments



Priorities are school infrastructure, water and health/ sanitation

**61%**

More than doubled our CLMRS coverage to 61% of Cocoa Life communities across West Africa in 2021 (vs. 27% in 2020)

We are encouraging savings and loans groups, called **Village Saving and Loans Associations (VSLAs)**. A flagship activity of Cocoa Life, their purpose is to encourage savings and access loans for cocoa farmers. Members of a VSLA make small, regular monetary contributions to a shared pool, from which they may each take out low-interest loans. At the end of a one-year cycle, the sum of the pool is shared out among members based on contributions made, and a new contribution cycle begins. By the end of 2021, 4,133 VSLAs were operational, and more than 163,000 community members participated in VSLAs (of which 69% are women). VSLAs affect multiple areas: they are used to fund school fees, women's entrepreneurship activities or health costs.

Child labor is a symptom of underlying systemic issues in the cocoa supply chain such as poverty and slow rural development. Our Cocoa Life program's holistic approach addresses these root causes through interventions to increase income, empower communities to advocate for their development, and the empowerment of women at household and

community level. Our goal is to set up a **CLMRS** in all Cocoa Life communities in West Africa by 2025, including Côte d'Ivoire and Ghana, where third-party studies including independent assessments commissioned by Mondelez International confirmed a significant risk of child labor.

In 2021, we made significant progress in rolling out CLMRS, expanding coverage to 1,548 communities, bringing us to 61% coverage in West Africa. A Cocoa Life community is considered covered by a CLMRS when people have been sensitized to the dangers of child labor, remediation is under way for identified vulnerable children. The local school is also involved, children then learn about their rights, and a committee of community volunteers is put in place to serve as the focal point on child protection issues. This committee then takes action when a child is found to be in a situation involving child labor, working in partnership with the local authorities and with the support of our local NGO partner.

### Bridging the Needs Of Forest With the Needs of Cocoa Farming Communities

Grace Botwe lives in Akwaduro, in the Asunafo North Municipal in the Ahafo Region of Ghana and has been cocoa farming for more than 30 years. Over three decades, she witnessed how illegal human activities, such as bush burning and logging, reduced the Ayum Forest Reserve to a shell of its former self. Today, Grace is one of 200 farmers working on our partnership with the United Nations Development Program and local Ghanaian institutions to restore the forest using the Modified Taungya System. As Grace explains, "The forest restoration initiative has given us access to food all year round. When cocoa is out of season, we rely on our plantain and vegetable harvest." And the initiative is bringing new business to the village. Dora Ansah, a market trader in the town of Kumasi, drives for over three hours to purchase plantain from the farmers: "We usually make a profit because we are buying straight from the farms. And the plantains and cocoyams we buy from here are always fresh".





## Cocoa Life (CONT.)

### Growing Cocoa in the Amazon

In Brazil, the Cocoa Life program contributes to the preservation of the Amazon rainforest and already reaches more than 1,100 farmers in the regions of Pará and Bahia state. Cocoa is a native species of the Amazon biome, and we are working with farmers to reforest degraded areas in the region. This has provided alternative income streams for cocoa farmers, whilst at the same time helped to restore one of the most critical tropical ecosystems to productivity. More than 700 hectares of pasture have been transformed into agroforestry because we are producing cocoa. Along with that, we have helped to enrich 750 hectares of cocoa farms with new agroecological soil management, and restore additional 500 hectares of riparian forest and increase the number of producers, families and indirect workers benefited by the program by 50% in the country. We're doing it because it's right, thinking about the future and preserving our planet while ensuring the best experience for our consumers, with quality products made right in every way.



### Conserving and Restoring Forests

We believe conserving the land and forests is a promise to future generations. Forests help stabilize the climate: they regulate ecosystems, protect biodiversity, drive sustainable growth — and play an integral part in the carbon cycle. Climate change remains the biggest challenge facing our planet, its people — and businesses — and the cocoa sector has a key role to play in tackling this issue.

Our work on forest conservation and restoration is driven by the local external environment. The cocoa producing regions in West Africa and Indonesia see wide-spread deforestation, cocoa farming being a key driver of this development. In India, cocoa farming is seen as an additional source of income, so local farmers practice intercropping with other crops such as coconut or areca nut. In Brazil, cocoa farming helps to restore degraded pasture land.

Back in 2015 at the United Nations Climate Change Conference in Paris (COP 21), we were the first chocolate company to raise the issue of deforestation. Two years later, we were proud to be a founding member of the Cocoa & Forests Initiative (CFI) and, in 2019, released action plans to end deforestation in the cocoa sector and restore forest areas.

As Cocoa Life continues to work with more and more farmers, **farm mapping** continues to be crucial: unless we understand where (and under which conditions) cocoa is produced, we cannot identify areas to help stop deforestation. Farm mapping is vital in identifying problem areas and allowing us to take action where it is most needed. As new farmers and co-operatives join the Cocoa Life program each year, mapping progresses, often requiring collaboration with agents across individual farms in hard-to-reach areas.

We have mapped more than 198,000 farms in an effort to gain a deep understanding of the needs of farming communities and the boundaries of farms. We use satellites to monitor the mapped farms to ensure they don't

### Progress

**198,099** **209,954** **4.5M** **~3,000**

Cocoa Life registered farms (78.5%), spanning across 310,413 ha of land, are polygon mapped and satellite monitored for deforestation.

farmers and community members trained in Good Environmental Practices, a 16% increase from 2020

economic shade trees distributed, a +101% increase from 2020

Payment for Environmental Services (PES) pilots benefiting ~3,000 farmers

### Impact



We see near to no deforestation on or closely around Cocoa Life farms in

West Africa since 2018 (0.1% in Ghana & 0.4% in CIV)

**~1,200 Ha**  
of degraded forest restored in West Africa

**~95%**  
of Cocoa Life registered farmers apply safe distance to water sheds when applying fertilizer and crop protection

encroach into forests. Recent findings show near to no deforestation on or closely around Cocoa Life farms in West Africa since 2018.

By the end of 2021, we distributed over 4.4 million **non-cocoa (or shade) trees** to provide additional sources of income and shade to help cocoa grow. The distribution of non-cocoa trees is an important part of sustainable cocoa farming: they safeguard cocoa against too much sun and heat, help promote biodiversity and can provide additional income for farmers.

We engage and raise awareness with communities to help them understand the importance of forest protection and increase the likelihood that our programs will be adopted by them. An example of the benefits of engaging communities is our innovative **Payment for Ecosystem Services (PES)** program, the first in the cocoa sector, which pays farmers a combination of financial and in-kind incentives to plant non-cocoa trees. Covering a variety of arrangements for environmental services, from forest

conservation to carbon sequestration, PES schemes reward those whose lands provide these services. The PES scheme was piloted with Cocoa Life communities in the Nawa region in Côte d'Ivoire, and since then we have introduced it to Ghana and Indonesia as well.

“

Our ambition is to help eliminating deforestation, maintaining cocoa ecosystems, protecting the land and the forests and drive forward landscape partnerships. But we cannot achieve this alone. Only together can we implement the urgent changes needed to tackle deforestation and climate change. We continue to build ambitious and innovative landscape approaches with suppliers, NGO partners, peers and local authorities that connect forest conservation to people's livelihoods.

”

Cedric Van Cutsem,  
Senior Director Cocoa Life, Mondelēz International



# Cocoa Life (CONT.)

“

We know that one company alone cannot solve the deeply rooted systemic challenges. And that is why since day one, we've always cherished sector-wide partnerships, and collaborations to really drive lasting change on the ground.

”

Cathy Pieters,  
VP Sustainable Ingredients  
Mondelēz International



“

In our parents' time [...] the cocoa trees were strong. With the disappearance of the forests, the cocoa trees suffer a lot and die. With Cocoa Life, we have been sensitized, we are planting trees and today we are aware of their impact on our farms.

”

Yao Ahou Brigitte,  
Cocoa Life registered farmer  
from Côte d'Ivoire



## Working Together to Drive Sector Change

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.

## Pathways for Sector Transformation

- Cocoa & Forests Initiative – We are a founding member of the CFI, a public-private partnership to end deforestation and restore forest areas.
- International Cocoa Initiative – As founding members and board members, we support the work of the ICI, aiming to address the root causes of child labor and drive efforts to strengthen public-private partnership with governments, development partners and civil society organizations.
- Landscape initiatives – We engage in two flagship partnerships, among others:
  - In the Jacobs Foundation's unique Transforming Education in Cocoa Communities (TRECC) and Child Learning and Education Facility (CLEF) initiatives, public and private actors jointly invest in quality education for all children in the cocoa sector of Côte d'Ivoire. Alongside the Ivorian government and industry peers and suppliers, Cocoa Life is investing 3 million Swiss francs (~3 million USD) in access to quality education in Côte d'Ivoire. CLEF is a pooled funding facility with a total target capitalization of 110 million Swiss francs (~110 million USD).
  - Through the Modified Taungya System in Ghana in collaboration with the Forestry Commission and UNDP communities are assigned areas of degraded forest to plant new tree seedlings which help reforestation — while adding food crops until the tree canopy closes. Cocoa Life provides farmers with seedlings, tools and labor, enabling them to diversify and ultimately increase the household income. Food crops grown can be used by farmers to feed their households or as a source of income. It is a win-win practice for forestry and adaptation to climate change mitigation.

## Looking Ahead

Along the journey, we've gathered valuable learnings and impact data that help us better understand what we will need to do within the program and at industry-level to accelerate impact and drive sector transformation. All that we have learned is shaping all that we do in the next phase of Cocoa Life. We will be able to share more about our next decade and how we will continue to move cocoa forward together towards end of this year.





# Cocoa Life

## (CONT.)



### Innovating with Climate-smart Technology for a Cocoa Farming Model of the Future

In 2021, we announced a new collaboration in Indonesia with Olam Food Ingredients (OFI), a leading supplier of cocoa beans and cocoa ingredients, to create the world's single largest sustainable commercial cocoa farm.



From sensors in fields to irrigation systems, the project will lead the way in using advanced climate smart and plant science technology for the 2,000-hectare cocoa farm on Seram, the largest island in Maluku province in Indonesia. Together, we want to create a scalable approach for the future of sustainable commercial cocoa farming – one which brings together best practice cocoa farming, optimal land usage and farming community planning, so people and planet thrive.

Demand for cocoa is growing across Asia, which is set to become the second largest consuming region of cocoa ingredients in the world. Indonesia is a key cocoa-producing country in the region, but farmers have struggled with rising temperatures, low yields and crop disease and we anticipate these issues will continue to intensify as climate change and adverse weather and other factors pose ongoing challenges. Leveraging our cocoa growing research and development experience working with sustainable cocoa farm managers, and evolving more sustainable agricultural practices, we aim to work with local farmers, communities and other partners to address these problems by helping to restore environmental productivity and improve the livelihoods of partner cocoa farmers and empowering local communities to sustain scaled cocoa businesses.



Our collaboration with OFI aims to deliver:

- The creation of 700 jobs for local residents in an area which has limited income opportunities due to its isolated location. Nearly half of these employment opportunities will go to women.
- 2,000 hectares of previously deforested brown field land, which will be planted with cocoa, shade trees, forest and fruit trees to promote biodiversity and carbon capture. More than 1,080 hectares have already been planted across the total plantation area of 3,380 hectares.
- An area of 47 hectares which has been identified as High Conservation Value forest and is being fully protected as a vital habitat for flora and fauna.
- A seedling nursery which can grow up to one million high-yielding cocoa seedlings each year.
- Access to healthcare and education for all employees and their families, as well as housing, electricity, water, day care for the 200 families who live on site.
- Apply learnings from the collaboration to help further enhance smallholder models.

“

We're excited to leverage our know-how in a collaborative approach to sustainable raw material sourcing with a geographically customized solution. Creating opportunities to innovate, in partnership with our suppliers, and exploring the ability to scale high-yielding, forest-positive, income-generating approaches to commercial cocoa farming on the single largest farm of its kind offers attractive potential and is an important step forward on our journey to lead the future of a more sustainable and resilient cocoa supply. This initiative sits alongside Mondelez International's existing Cocoa Life program in Indonesia and our cocoa crop science technical center in Pasuruan, established to support more sustainable cocoa farming practices and drive positive change for farmers and communities in the region.

”

Michelle Pickering,  
SVP Chocolate & Cocoa Research and Development,  
Mondelez International

# Wheat

As the world's largest biscuit baker – we focus on sourcing wheat that is grown more sustainably. Our goal for 2022 is to have 100% of the wheat volume needed for our Europe business unit biscuits production grown under the Harmony charter while we continue to expand the North American wheat sustainability program.

## North America Wheat Progress

	2018	2019	2020	2021
Number of farmers:	98	84	125	145
Number of acres	21,115	21,136	27,865	31,370

Across Europe and North America, we focus on sourcing the wheat we need for our biscuits in more sustainable ways. We aim to lead the sustainable sourcing of wheat. We do this through two sourcing programs that allow us to work with wheat farmers to implement advanced agronomy practices that help conserve water, care for the soil, protect and promote biodiversity, and reduce carbon emissions. We also engage with governments and NGOs as part of our commitment to progress, transparency and continuous improvement.

### Focusing on North American Wheat

In North America, we have been actively working to synchronize tracking and improvement in key impact areas, such as water and greenhouse gases. The wheat farmers we are collecting data from are adopting innovative practices to optimize pesticide and fertilizer use, growing wheat with a lower environmental footprint.

Since 2015, we've partnered with Michigan State University (MSU) and our supplier of soft white wheat, Cooperative Elevator Co., a 100+ year old Michigan-based agricultural cooperative. Together, we engage a group of around 100 family farmers each year to anonymously track their farming practices, use of inputs such as fertilizer, and their yields. Through this program, participating farmers are able to track their own year-over-year performance, as well as their performance versus peers.

### Generating Higher Yields

The findings show that growers who adopt advanced agronomy practices, encouraged under this program, tend to generate higher yields overall. So, a six-year study of participation showed that adopting advanced agronomy protocols improved yields by 2.2 to 4.0 bushels per acre.

### Learning Together

The study also found these improvements are based on better intelligence, enabling better decision-making by farmers. Growers in this program collaborate at the end of the year to go over the year's experiences and learn from each other what works and opportunities to improve.

Collectively, they form a group of common practices with a harmonized goal of producing the highest quality wheat mindful of the ecological footprint. The success of this program has encouraged MSU and Cooperative Elevator Co.'s agronomy team to make the program's learnings more widely accessible to all 1,100 Cooperative Elevator Co. growers.

In the annual meeting with Cooperative Elevator Co., MSU, and growers, where 2019 results were discussed, we understood the need to improve the way data is collected on farms. We are therefore working towards enhancing the process of data gathering via industry standard tools and further focus on greenhouse gas calculation and improvement, such as Field to Market: The Alliance for Sustainable Agriculture, in which, Mondelēz became a member in 2020. In 2021, we successfully implemented the Fieldprint Calculator from Field to Market. The growers have received their results on their environmental metrics for the first time, as we look to get a solid, science-based baseline that will help us identify the areas of opportunity where we need to focus in the following years to improve our environmental footprint.

“

Most days during the growing season involve scouting fields, determining what tasks need to be completed, fixing equipment, and making management decisions on what needs to be adjusted for the rest of the season. I enjoy checking fields daily to monitor the crop growth as the season progresses. It is amazing to watch the crops grow day after day.

”

Joel Fritz,  
Farmer

“

When I see Triscuits on the shelf at the grocery store, I do feel a sense of pride knowing that wheat I raised could be inside the box. I'm proud of the effort that goes into producing food, and keeping it clean and safe for the consumer.

”

Kameron Southworth,  
Farmer

“

It's gratifying to know that the wheat we produce is used to feed so many people. The whole purpose of farming is to feed people. Without our consumers, this career wouldn't exist, and I wouldn't be living this life that I love.

”

Aaron Karg,  
Farmer



MICHIGAN STATE  
UNIVERSITY



# Harmony Wheat



Through our Harmony Wheat sustainability program, we are changing the way wheat is grown and harvested across Europe. Our goal for 2022 is to have 100% of the wheat volume needed for our Europe business unit biscuits production grown under the Harmony charter.

## Harmony Wheat Progress

	2018	2019	2020	2021
Farmers to have joined the Harmony Wheat initiative (#)	1,617	1,606	1,609	1,525
Harmony wheat flour needed for our Europe business unit biscuits production (metric tonnes)	n/a	181,850	215,329	255,182
Wheat surface (Ha) – est.	35,590	35,920	49,800	55,830
Melliferous area surface (Ha) – est.	1,030	1,070	1,450	1,810

## Goal Progress

At the end of 2021, 91% of the volume of wheat needed to produce our biscuits across our Europe business unit was grown under Harmony charter.

	2018	2019	2020	2021
Wheat volume needed for Europe business unit biscuits production grown under Harmony charter by 2022	60%	65%	76%	91%

## Ensuring European Wheat Is Grown Sustainably

Harmony champions biodiversity and good environmental practices in wheat production in Europe. Co-created along the wheat supply chain, the program seeks the commitment of partner farmers to follow sustainable practices, aiming at protecting biodiversity, caring for the soil, reducing carbon emissions, and preserving water. Our Harmony charter of 35 sustainable practices was developed together with NGOs, agronomists, environment specialists, farmers. 100% of mills, 100% of storage bodies and 10% of partner farmers are audited every year – over 310 audits were performed in 2021. Harmony was working with 1,525 farmers and 18 millers across Europe in 2021.

## Continuously Improving

In France and Italy, Harmony is measuring the impact on our environmental footprint. Together with Agrosolutions – our agro-ecological consulting partner in France and SMAG – a publisher of software solutions for the agricultural industry, Harmony has developed a strong and unique data reporting system on farming practices. The aim is to calculate and monitor 12 economic and agro-environmental performance indicators, such as nitrogen balance, greenhouse gases emission or eutrophication of water. Every year, key results are shared with our wheat chain to fuel a continuous improvement approach and our charter is reworked to further reduce our environmental footprint.

## Countries With Harmony Farmers

We grow Harmony Wheat as close as possible to our biscuit factories in Europe, to keep ingredient miles to a minimum.



# Harmony Wheat (CONT.)

“

Biodiversity, including life in the soil of my fields, is very important to me; it is essential and at the heart of my job. I partner with a beekeeper; we have about 50 beehives near the Harmony melliferous flowers. The citizens also appreciate it and come to have a look – from a distance of course!

”

Eric Bonnefoy  
Harmony Farmer in France since 2010



## Pioneering Biodiversity Protection



Biodiversity protection has been at the heart of Harmony since its creation. To enhance our impact over the last decade, we have partnered with Noé, an NGO striving to safeguard and restore biodiversity. Over the years, we have built considerable expertise.

Our Harmony charter requires that each partner farmer sets up one action in favor of biodiversity, with a specific focus on pollinators:

- Dedicate a minimum of 3% of Harmony Wheat field to honey fallows flowers or
- Implement or extend hedges, with clear guidelines in terms of length depending on Harmony Wheat surface – for example: for a new one, minimum of 25 linear meters of hedge for a wheat surface comprised between 1 and 5 hectares or
- Implement a melliferous intercrop on Harmony field right after harvest, keeping a minimum of 3% of this crop surface until end of flowering

Our key actions for biodiversity with Harmony include:

- We select dedicated flower species for fallows: at least 5 different species from 3 different families – for example, a mix used in France is composed of Sainfoin, Alexandria clover, Phacelia, Borage and Knapweed
- We advise on the planting and care of ecological features – for example, we prevent any chemical treatment on the melliferous fallows

- We encourage our partner farmers to implement good practices such as counting worms, auxiliary insects or putting in place insect hotels, perches for birds
- We promote responsible use of pesticides on wheat fields by encouraging practices that prevent crop diseases – for example, our partner farmers should diversify their crop rotations to cut the cycle of diseases (minimum of 3 different crops in 4 years), select wheat varieties that are resistant to diseases, use digital tools to treat with pesticides only at the right moment with the right dose

We have multiplied by 4 the surface of melliferous fallows over the last decade, reaching over 1,800 hectares in 2021 across 7 countries. At 2021 harvest, we observed over 26 million bees and 32 butterfly species in Harmony fallows. Also, we improved our pollinators counting protocol in 2021 to diversify the pollinators counted. For example, in France, we are now counting and identifying wasps, bumblebees, syrphid flies and coleopterans.

Our Harmony program has been recognized as exemplary by the EU Commission in its “Business and Nature Working Together: Action by the Agri-Food and Beverage Sector to Protect Wild Pollinators” publication in 2020.





# Harmony Wheat (CONT.)



## Embedding Harmony Wheat Into Our Brands

Our Harmony Wheat program is a key asset for our European biscuit brands. It allows them to demonstrate to their consumers that they are taking care of their number 1 ingredient, that they have relevant and strong goals to preserve the environment, that they support the farmers who grow the wheat, but also that they are sourcing this wheat locally, close to the biscuit factories. Harmony adds value to our brands, laddering up to trust.

Most European brands are now activating Harmony:

- More than 80% of our biscuit brands are carrying the Harmony logo on pack
- Our major Local Heritage Brands – LU in France, Oro in Italy, Opavia in Czech Republic, Fontaneda in Spain – go further:
  - Via pack: they dedicate their back-of-pack to the Harmony program storytelling, in a simple and visual way
  - Via TV: they use Harmony to reinforce their commitments and local sourcing
  - Via digital: they describe the key pillars of our Harmony program (carefully selected wheat, grown locally, in a more sustainable way and in partnership with farmers)



## Looking to the Future

We want to continue pioneering with our Harmony program, to create greater value from the strong expertise of our partners and reinforce our transparency towards our consumers. From July 2020 to June 2021, we piloted an innovative blockchain technology used for the first time on a biscuit. It enabled consumers to scan their pack of LU Véritable Petit Beurre, enter the lot code, access information on the full journey of Harmony Wheat – from farms to biscuit manufacturing plant, with details of exact locations, date of transformation, as well as portraits and testimonies of farmers, millers. Feedback from consumers and other stakeholders was very positive. Survey included into the webapp showed that 85% of consumers trust more LU thanks to this experience. This pioneer initiative generated 27 press articles and 3.4 MM estimated contacts in earned media. We will continue exploring innovative approaches to enhance traceability and transparency.

Looking ahead, we are building a renewed ambition for the program, hand in hand with our wheat chain, with a focus on two key areas: contributing to Mondelez International's Net Zero emissions goal by 2050, and ensuring we stay at the leading edge of protecting biodiversity in Europe.



# Dairy

We are working with farmers and other partners to increase the sustainability of our dairy sourcing.

## Goal progress

74%

dairy materials purchased from suppliers operating under animal welfare schemes

## Focusing on Dairy

Dairy accounts for approximately 22% of our overall carbon footprint, and we are focused on driving this down. Within the dairy footprint, liquid milk accounts for 27% while the remainder comes from powdered dairy or cheese. At a farm level, approximately 40% of emissions are attributed to enteric emissions (from the animals' digestive systems), 34% from feed source and 11% from manure management. The remaining (15%) of emissions are from fertilizer usage, fuel and electricity.

We see animal welfare as inseparable from the climate impact of dairy farming – there is a clear link between healthy, productive animals and lower emissions. So we are working with farmers on both fronts – to decrease emissions and improve animal welfare. Typical elements for carbon improvement at a farm level include the selection of feed sources, fertilizer and slurry usage, herd health and yield from forage.

We have initially focused on our liquid milk supply, where we have the closest relationship with our farmer suppliers. This is a key step towards working with our remaining supplier network to monitor carbon emissions on farm, set reduction targets and report on progress.

## Tracking and Reducing Greenhouse Gas Emissions

In the UK and Ireland, 100% of farmers supplying milk for Cadbury Dairy Milk are tracking their greenhouse gas (GHG) emissions on farms and working on action plans to reduce emissions.

The 72 farms in the Selkley Vale farming group, for example, completed their first farm level GHG assessments in 2021 and have put in place a plan to reduce emissions by 10% by 2025. That's equivalent to taking almost 10,000 cars off the road.

With the help of Meadow Foods, who act as an enabling partner to Mondelez International and the Selkley Vale group, the company Alltech E-CO<sub>2</sub>e was selected to deliver an on-farm carbon footprint and emissions reduction scoping analysis using their Dairy EA™ carbon footprint model. The Alltech E-CO<sub>2</sub>e model is accredited by the Carbon Trust.

The first year of the project has acted as a benchmark for the supplying farms to understand the carbon footprint associated with their milk production and how it can be improved, while also improving the efficiency and sustainability of production.

Each farmer taking part in Alltech E-CO<sub>2</sub>e's Dairy EA™ assessment received a bespoke report, specific to their own farm with comments for efficiency and sustainability improvement. A meeting was also conducted with each farmer individually to discuss the on-farm opportunities for efficiency improvement.

Milk suppliers in Spain and Germany for our Philadelphia cheese brand are also on track to complete initial on-farm assessments and develop their action plans and emissions reduction goals.

As part of our Alpine Sustainability Program, 95% of our Alpine milk for our Milka brand is produced on farms tracking GHG emissions. The milk is produced by Ravensburg Milchwerke, part of Lactalis, and they are working on action plans to reduce emissions as part of their Alpine Charter.

“

At Mondelez our goal is to reduce our end-to-end CO<sub>2</sub>e emissions by 10% by 2025. This means not only making changes in our own operations to reduce emissions, but also working to reduce the emissions contributed through our sourcing of raw materials. Dairy is critical for some of our biggest brands and brands don't come bigger in the UK than Cadbury Dairy Milk. Therefore, the steps farmers in the Selkley Vale group have taken to participate in carbon tracking and begin to tackle reduction are incredibly exciting and Selkley Vale are the first group supplying Mondelez International to achieve the milestone of 100% of members carbon footprinted.

”

Nicola Brown  
Manager Sustainability,  
Mondelez International





## Dairy (CONT.)



### Improving Animal Welfare

The Alpine Charter also requires farmers to work to continuously improve animal welfare and rewards them for improvements in key animal health indicators, such as somatic cell count and total animal losses.

Our focus on animal welfare involves setting clear expectations with our suppliers and taking feedback from external experts to drive continuous improvement. Our supplier expectations are reinforced through regular tracking and reviews via our supplier management process, ensuring that specific topics such as dehorning and antibiotic management procedures are kept high in priority. We also carry out an annual dairy supplier sustainability survey, which captures the percentage of their supply covered by animal welfare schemes, whether farms are subject to third-party animal welfare audits, which welfare schemes and standards are applied, the average arithmetic somatic cell count as an indicator of general herd health, and their policy on the use of antibiotics on their farm. In 2021, 74% of our dairy supply was sourced from suppliers following formal animal welfare standards.

### Providing Guidance

We provide guidance to suppliers which starts with asking them to know their on-farm GHG emissions footprint and share their plans for reduction by 2025. Suppliers can use any GHG calculation tool provided it follows the International Dairy Federation (IDF) methodology.

The first action we ask suppliers to take is to examine their livestock feed sourcing and to ensure any soy is certified or sourced from a no-deforestation risk location.

### Working In Partnership Across Industry Platforms

Partnerships are critical for delivering our commitments. In 2021, we joined the Sustainable Agriculture Initiative (SAI) Platform, to work with industry, research institutes and peers to advance sustainability in dairy and crops through shared standards and creating consensus to raise the bar. We are participating members in the Dairy working group and Dairy Sustainability Partnership.

We are also supporting Danone's Margarita program with smallholder dairy farmers in Mexico. Running since 2011, Margarita aims to strengthen dairy farming in Mexico by consolidating resilient business models and farming systems. Together, we are helping to build successful farming businesses that can grow sustainably with healthy livestock and extended environmental stewardship.

As well as working directly with our suppliers, Mondelez recognizes the benefits of pre-competitive collaboration. This is why we have joined with Gield to Market, CoolFarm Alliance and SAI Platform to share and collaborate on best practice and participate in actions which advance the sustainability of agriculture and its supply chains.

### Cage-free Eggs

Eggs and egg derivatives are used as ingredients in a range of our chocolate and biscuit brands as well as in our Miracle Whip dressing in Europe. We are striving for 100% of our egg supply globally to be cage-free by 2025 (excluding Ukraine and Russia),\* to have a positive impact on animal welfare while maintaining food safety and quality standards.

At the end of 2021, 39% of eggs supplied globally were cage-free, excluding Russia and Ukraine volumes—this represents a 12% increase year-on-year. Also at the end of 2021, 100% of the egg ingredients purchased in the U.S. and Canada were cage-free.

We are part of a joint industry call to the EU Commission and Members of the EU Parliament, for a phase out of the use of cages in animal farming, and a revision of animal welfare legislation to ban the use of cages in animal farming across the EU. We look forward to continuing to work with our suppliers and other relevant stakeholders towards our 100% global cage-free goal, and to drive further industry-wide progress.

\*Goal for Ukraine is by 2027, Russia date is to be determined

# Palm Oil

We are committed to realizing a positive future for palm oil, where production is free from deforestation, development on peatland and conversion, and the rights of people along the supply chain are protected.

## Palm Oil Progress

	2018	2019	2020	2021
Number of suspended concessions/mills	67	19	9	0
Number of suspended groups	13	18	2	0

### Driving Change for The Better

We currently source 0.5% of the annual global palm oil production. We source this palm oil predominantly from Malaysia and Indonesia, and to a lesser degree from other countries.

To achieve our goal to source palm oil more sustainably, we work along the supply chain and partner across the industry, leveraging our influence to drive positive change at the sector level.

### Transforming the Entire Supply Chain

We don't just ask our suppliers to provide us with sustainable palm oil, we ask and expect them to transform their entire supply chain in-line with our Palm Oil Action Plan (POAP). The POAP requires existing and potential suppliers to commit to no deforestation, no development on peatland, no exploitation of workers or communities and no violation of human rights.

We are pleased to have achieved in 2021 our 2025 goal of 100% palm oil sourced from suppliers aligned to the POAP ahead of schedule and we will continue to work with our suppliers to ensure compliance to our expectations and requirements along the entire value chain.

Furthermore, through our leadership in the Consumer Goods Forum Forest Positive Coalition (CGF FPC) we continue to set and communicate common standards for palm oil suppliers and traders. We assess progress against these standards via the Palm Oil Transparency Coalition's (POTC) annual supplier assessment.

By leading in taking an industry-wide approach to setting standards and assessing suppliers we expect to catalyze faster transformation to achieve our ambition of a people and planet positive future for palm oil.

### Evaluating Compliance

We require suppliers to trace the palm oil they supply to us to the mill and plantation level to evaluate whether they comply with the no deforestation requirements. Moreover, our suppliers must implement forest monitoring solutions to provide assurance that there is no active deforestation at the concession or plantation level.

By the end of 2021, 99% of the palm oil we sourced was traceable to the mill and 85% was traceable to the plantation, with 97% palm oil forest monitored.

As an additional layer of scrutiny, we have implemented Satelligence satellite monitoring to cover our extended supply chains in Indonesia and Malaysia, representing 88% of the palm oil we source.

Through our membership of the CGF FPC, we are also playing an active role in developing a shared Monitoring & Response Framework (MRF). In 2022, we look forward to working with the other member companies to successfully implement the MRF to reduce the risk of deforestation, development on peat and conversion in the palm oil supply chain.



\*Prior to the Snacking Made Right (SMR) 2021 Report, the KPI result reported reflected performance over the full year prior to the reporting year – for example, the SMR 2020 Report KPI result reflected full-year 2019 performance. For this SMR 2021 Report, we have adjusted our process and timeline and the KPI result reflects full-year performance for the reporting year – i.e., SMR 2021 KPI result reflects full-year performance for 2021



# Palm Oil (CONT.)

## Goal Progress

At the end of 2021, 100% of our palm oil was sourced from suppliers aligned to our Palm Oil Action Plan, achieving our goal of 100% by 2025 four years ahead of our plan. Additionally, we continued to achieve 100% Roundtable on Sustainable Palm Oil (RSPO) certified palm oil sourcing in 2021.



## Focusing on Human Rights

In 2020, we updated the POAP to require our suppliers to take action against the potential exploitation of human rights of workers through adopting the CGF Priority Industry Principles on forced labor. We track supplier performance against our POAP expectations and requirements for Human Rights via the POTC supplier & trader assessment, and push suppliers to demonstrate continuous improvement. We also continue to work via the CGF Human Rights Coalition (CGF HRC), the Fair Labor Association and the International Organization for Migration to develop and deploy more robust due diligence systems along the palm oil supply chain.

## Tackling Challenges via Suspend and Engage

We investigate claims of deforestation and human rights violations made against our suppliers. If we verify that a supplier has failed to meet the terms of our POAP, we work with them to fix the problem. When there is a significant breach of our requirements, we suspend that supplier from our supply chain and engage with them to ensure an action plan is fully implemented and the issues remediated. Prior to re-entering suspended suppliers, a thorough re-entry assessment must be completed to ensure that the supplier is now operating in full compliance with our POAP.

## Collaborating to Drive Sector Change

We know that to champion sustainable snacking we must lead in driving change for the better at a sector-wide level, and that this can only be achieved through close and wide collaboration across the industry. For palm oil, we play a leading role in the CGF FPC of Action and are an active member of the CGF HRC and the Palm Oil Working Group (POWG).

## CGF FPC

We work across the membership community to set and implement an ambitious roadmap for sustainable palm oil, including implementing common supplier standards and a consistent approach to deforestation monitoring and response.

As of the end of 2021, 95% of the palm oil we source is from suppliers engaged in and informed about CGF FPC supplier commitments and coalition asks (aligned to sourcing policies agreed upon and upheld by coalition members).

1. Public goal to 'deforestation and conversion-free' across entire commodity business including a public time-bound action plan with clear milestones
2. Process for regular supplier engagement
3. Mechanism to identify and to respond to non-compliances
4. Support initiatives delivering forest positive development at landscape and sectoral level
5. Regular public reporting against key KPIs

## CGF HRC

As a member of the CGF HRC, we work actively with industry peers and critical stakeholders to understand and collectively address human rights risks along the palm oil supply chain.

## Landscape Initiatives

Via the CGF FPC Production Landscapes group, we are working with other companies to develop and implement a shared production landscapes strategy. In 2021, we supported the Coalition for Sustainable Livelihoods' initiative in North Sumatra. This initiative focuses on improving smallholder farmer livelihoods, removing palm oil from illegal deforestation from supply chains, maintaining tree cover in buffer zones of critical forests, and providing incentive models to drive scale.

## Palm Oil Collaboration Group (POCG)

As members of the Implementation Reporting Framework (IRF) Active Working Group we collaborate with other companies to develop and implement the IRF workplan and tools.

Via this collective industry-wide approach, we believe that we can be successful in driving sector transformation and realizing a people and planet-positive future for palm oil.

\*Prior to the Snacking Made Right (SMR) 2021 Report, the KPI result reported reflected performance over the full year prior to the reporting year – for example, the SMR 2020 Report KPI result reflected full-year 2019 performance. For this SMR 2021 Report, we have adjusted our process and timeline and the KPI result reflects full-year performance for the reporting year – i.e., SMR 2021 KPI result reflects full-year performance for 2021

# Governance

Strong governance is fundamental to sound management, sustained success and the positive impact of our business.

## UN Sustainable Development Goals



We align our goals to our business ambition to lead the future of snacking, and several of these goals positively impact a number of the UN Sustainable Development Goals (SDGs).





# Compliance & Governance

Led by our Board of Directors, we are committed to living our values and doing business the right way. To this end, we have strong compliance structures, policies and processes in place.

## Compliance & Governance Progress

In 2021, we continued to provide compliance training to many colleagues across the business:

**35,059**

Colleagues trained via web-based e-learning (17 courses). (2020: 31,128)

**375**

Live & interactive training sessions. (2020: 289)

**2,422**

Total contacts to the Compliance Team reporting channels. (2020: 2,859)

## Comprehensive Governance Structure

Our comprehensive governance structure provides the foundation for our sustainability efforts at all levels of our organization.

### Board Oversight

Our Board oversees our environmental, social and governance (ESG) strategy, progress, alignment with purpose, stakeholder interests and strategic risk, and reviews progress on evolving our growth culture and our diversity, equity and inclusion goals.

### Committee Responsibilities

Specific responsibilities are delegated to committees. The Governance, Membership and Sustainability Committee oversees our ESG framework, including critical issues related to consumer well-being, KPI performance and strategic communications; philanthropic and political activities and contributions; and Board ESG education and capabilities. The People and Compensation Committee oversees our diversity, equity and inclusion priorities, including talent acquisition and development practices and pay equity tracking, as well as employee well-being matters and ESG KPIs for incentive plans. The Audit Committee oversees our safety priorities and goals, as well as ESG-related frameworks, disclosures, controls and assurance.

## Comprehensive Governance

We have a comprehensive governance structure that provides oversight of our ESG efforts. This includes management team oversight on critical sustainability programming and strategy development, in addition to regular progress reviews. We take a disciplined approach to our sustainability initiatives and are committed to remaining transparent and proactive about our progress. We track, report on and hold people accountable for achieving our goals, and we include sustainability metrics in the annual compensation plan for executives.

## Working in Partnership

As part of our goal to evaluating feasibility and promoting accountability, many of our long-term goals and associated action plans are developed in partnership with external experts. Additionally, we consider perspectives from our ongoing engagement with shareholders and other stakeholders, and actively engage with multiple ESG ratings agencies and representatives of ESG investment index funds as we advance our disclosures and promote transparency. Having a two-way dialogue informs our ESG ambition and helps defines our assessment of the social and environmental issues most significant to us. Processes and materials that guide our ESG strategic planning and ongoing assessment include our Enterprise Risk Management (ERM) program that we utilize to identify, measure, monitor and manage risks; external analysis of stakeholder and regulatory issues; information about our greenhouse gas, land and water footprint; consumer insight data; and publicly available data on societal issues, including statistics and reports from government authorities, non-governmental organizations and peer companies.

## Setting the Tone From the Top

Our Board of Directors has governance practices and policies to promote accountability and contribute to our long-term success. Our Chief Executive Officer and senior executives drive home the central message of our employee Code of Conduct – that business integrity and growth go hand-in-hand. To support the right behaviors throughout the company, we have a Compliance Team led by a Chief Compliance Officer.

# Compliance & Governance

## (CONT.)

### Strength in Diversity

The Board of Directors values diversity, equity and inclusion, and the Board's diversity is an important aspect of the director recruitment and nomination process. The Board of Directors also embraces and encourages the company's DE&I culture and is a signatory to the Board Diversity Action Alliance, which seeks to increase the representation of racially and ethnically diverse leaders on boards of corporations, beginning with Black directors. The Board's directors bring a diversity of gender, race, national origin, thought and global experiences that promotes informed decision-making.

[FIND OUT MORE](#)


### Working With Suppliers Who Share Our Approach

We expect from our suppliers and partners a goal to cost leadership, value delivery and mutual growth, based on the below foundational principles:

- Abide by our Supplier Code of Conduct and the highest standards of ethics and integrity.
- Comply with all local, regional, and global regulatory requirements.
- Bring innovation that delivers competitive advantages.
- Provide safe goods and services of the highest quality, on time, in full, at a most competitive price.
- Support and contribute to our efforts in diversity, economic inclusion, and sustainability.

For more comprehensive information about our approach to Governance, Human Capital Management, and our shareholder outreach and engagement program, please consult our 2022 Proxy Statement.

### Respecting Human Rights

At Mondelez International, we are committed to making our snacks the right way, protecting the planet and respecting the human rights of people in our value chain, using the United Nations Guiding Principles on Business and Human Rights (UNGPs) as a framework for preventing and mitigating human rights risks. Our Human Rights Policy is aligned with our Code of Conduct and together with our Supplier Code of Conduct and other company policies, they set out human rights requirements and expectations applicable to our own operations, as well as to our suppliers and business partners. 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.

[FIND OUT MORE](#)


### 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 work diligently to address concerns raised.



# UN Sustainable Development Goals

Our goals are aligned with our ambition to make snacking right and several directly support the UN Sustainable Development Goals.

Our goals are aligned to our business ambition to lead the future of snacking at Mondelez International. Several of our ESG goals and the work that we are doing to advance ESG positively impact the UN SDGs and we focus on those SDGs where we can make a bigger impact or where our signature programming, like Cocoa Life, has a direct contribution:

- 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 more circular packaging solutions.
- 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 in the facilities in which our people work.
- We continue to invest in strategic programs to enhance community well-being, as well as helping those affected by disaster around the globe.

We track, report on and hold people accountable for achieving our goals, and we include sustainability metrics in the annual compensation plan for executives.

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

	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Ensure healthy lives and promote well-being for all at all ages.	Ensure availability and sustainable management of water and sanitation for all.	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	Ensure sustainable consumption and production patterns.	Take urgent action to combat climate change and its impacts.
<b>MONDELEZ PROGRAM ALIGNMENT</b>	• Ingredients • Community	• Mindful snacking • Community	• Environmental	• Safety • Ingredients • Social	• Packaging • Environmental • ESG reporting	• Ingredients • Environmental

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

	1 NO POVERTY	4 QUALITY EDUCATION	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES
	• Ingredients (Cocoa Life)	• Ingredients (Cocoa Life) • Community	• Ingredients • Diversity and Inclusion	• Environmental	• Environmental	• Social
	11 SUSTAINABLE CITIES AND COMMUNITIES	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
<b>MONDELEZ PROGRAM ALIGNMENT</b>	• Community	• Ingredients • Packaging	• Ingredients	• Social	• All	

# Closing Letter



**Laura Stein**  
EVP, Corporate & Legal Affairs and  
General Counsel  
Mondelez International

Our hearts go out to everyone whose lives have been upended by the senseless and tragic war in Ukraine. Thank you to our colleagues, customers, business partners and other stakeholders who are working together to address these immense challenges – doing what’s right to protect our people, serve our consumers, support our local communities and mobilize humanitarian aid, now and in the future.

In 2021, our purpose, empower people to snack right, was more important than ever. With our global size and scale, we have the ability to drive meaningful positive impact. We remain committed to transparency, compliance, and integrating our ESG strategy across our business.

I am incredibly proud of the strong progress our people delivered toward driving positive change, and I am excited about the lasting impact we are leading for the future. From helping improve the livelihoods of cocoa farmers through our Cocoa Life program to reducing the use of virgin plastics in our packaging material, while building a more diverse workforce and doing business with a more diverse set of suppliers to advance more resilient and innovative snacking business, we are driving a real, positive difference in the world.

We want to make our stakeholders aware of our actions through regular progress updates. We want our colleagues to be proud to work for a company that is purpose-led. We want our customers and partners to know they are working with an organization that can help them achieve their own long-term goals to doing business the right way. And, of course, consumers want to support companies that are aligned with their values.

With size and scale also comes the responsibility to look ahead to the future – continuing to set a clear and distinctive path forward. We remain focused on reducing our environmental impact and sourcing ingredients essential to our business more sustainably. We remain dedicated to helping to promote people’s rights, empower communities and support improved livelihoods of those who grow ingredients for the snack products we make and consumer enjoy.

We are incredibly proud of what we have accomplished, but we know there is much more to do. We know where we are headed and what it will take. We will forge ahead in our distinctive way – leading to better, lasting and quicker results at scale. This is Snacking Made Right.

Laura Stein

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**I am incredibly proud of the strong progress our people delivered toward driving positive change, and I am excited about the lasting impact we are leading for the future.**

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## About Our ESG goals

Reported performance against our quantitative ESG goals covers the period from January 1, 2021 to December 31, 2021, including manufacturing facilities under our direct and indirect control (excluding acquisitions since 2018) unless stated otherwise. Where quantitative goals are linked to revenue, coverage is for all Mondelez International revenue (excluding acquisitions since 2018) except Venezuela, for which results are excluded from our consolidated financial statements. Where quantitative goals are linked to operations, coverage is for all operations under the control of our integrated supply chain function (excluding acquisitions since 2018); data for external manufacturing includes estimations. Our 2015 acquisition of Enjoy Life Foods is included only in our reporting for our packaging innovation goal. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

## Forward-Looking Statements

This report contains forward-looking statements. Words, and variations of words, such as “will,” “may,” “expect” and similar expressions are intended to identify these forward-looking statements, including, but not limited to, statements about: our growth strategy and ambition of building a more sustainable snacking company; our ESG strategies, goals, targets and initiatives; and long-term value creation. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Mondelez International’s control, which could cause our actual results to differ materially from those indicated in these forward-looking statements. Please also see Mondelez International’s risk factors, as they may be amended from time to time, set forth in our filings with the U.S. Securities and Exchange Commission (SEC), including our most recently filed Annual Report on Form 10-K and Quarterly Report on Form 10-Q. There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statements we make. Mondelez International disclaims and does not undertake any obligation to update or revise any forward-looking statement in this report, except as required by applicable law or regulation. The information included in, and any issues identified as material for purposes of, this report may not be considered material for SEC reporting purposes. In the context of this disclosure, the term “material” is distinct from, and should not be confused with, such term as defined for SEC reporting purposes.