



the power of big. and small.

the call for well-being)))

The Call For Well-being

2013 Progress Report

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A MESSAGE FROM IRENE ROSENFELD, CHAIRMAN & CEO, MONDELÉZ INTERNATIONAL



Nearly two years ago, we launched Mondelez International — a new growth company with a dream to create delicious moments of joy through the world’s favorite snacking brands. Collectively, we believe in the power of both big *and* small actions to help ensure a bright future for people today and for generations to come.

We know that our business success is directly linked to enhancing the well-being of the people who make and enjoy our products. Success also depends on nurturing thriving communities where we live, work and grow the ingredients that go into our products. That’s why protecting the well-being of our planet is one of the five strategies that fuels our growth. This strategy reflects our determination to seize opportunities to grow our business quickly, efficiently and sustainably, while helping to make the world a better place.

This strategy also inspired our Call For Well-being — a big, powerful idea. One that sounds a call for action in four areas that are critical to the well-being of the world and where Mondelez International can make the greatest impact: sustainability, mindful snacking, safety and community partnerships. In each of these areas, we’ve set clear goals and metrics to track and report our progress, because what gets measured gets done.

I invite you to explore our first *Call For Well-being Progress Report*, in which we highlight our successes, as well as acknowledge the challenges we face and outline where we have more to do.

As the world’s largest snack company, our global reach and industry leadership enables us to bring together diverse voices and new ideas to drive meaningful change. At the same time, we know we can’t do it alone. We sounded the call first with our employees. Then we invited our suppliers, partners and outside experts to help us too. Our hope is that we’ll develop new solutions together to deliver programs that create real and lasting change. In this way, what starts small can grow incredibly big.

I’m so proud to lead a company that’s taking a bold approach to ensure a sustainable future.

I look forward to hearing your feedback and ideas as we share our progress on this journey. In addition to our annual *Progress Report*, if you want periodic updates about our well-being efforts, visit our [website](#) and follow us on Twitter [@MDLZ](#) and [Facebook](#). Only together can we answer this important call.

Warmest regards,

A handwritten signature in black ink that reads "Irene B. Rosenfeld". The signature is written in a cursive, flowing style.

Irene B. Rosenfeld
Chairman & CEO

We believe in the power of big.
And small.
That great change can begin with a single voice.
So we're starting the call.
To action.
To change.
To Well-being.
A call built on simple foundations.
Sustainability.
Mindful Snacking.
Safety.
Communities.
Ideas born out of needs.
All coming together.
All forming one greater Well-being.
Not just for our company,
But for our world.
Yet we are only starting the call.
Because for the Well-being of everyone,
Every voice must be heard.
Will you lend yours?




the call for well-being

2013 AT-A-GLANCE

At Mondelez International, our Call For Well-being focuses on four areas where we believe we can make the greatest difference: Mindful Snacking, Sustainability, Safety and Community. In each of these areas, we outlined specific goals to which we hold ourselves accountable. We've made good progress and continue to work with our partners to achieve our commitments to make impactful change.

MINDFUL SNACKING | Empowering consumers to snack mindfully.

	GOALS*	PROGRESS BY END OF 2013	HIGHLIGHTS
 <p>Transform portfolio by offering more nutritious choices</p> <p>Improve current portfolio</p>	Deliver 25% of revenue from Better Choices by 2020	🎯 On Target	In 2013, 22% of our revenue was from our Better Choices products.
	Increase individually wrapped portion control options 25% by 2020	🎯 On Target	Since 2012, Mindful Portion products grew by 7% . Examples include new <i>Club Social</i> sandwich crackers, <i>Chips Ahoy!</i> and <i>Oreo</i> cookies individual packs, and <i>Cadbury Crispello</i> .
	Reduce saturated fat 10% by 2020	🎯 On Target	Reduced saturated fat in our <i>Oreo</i> sold in the UK by 24% . Since 2009, reduced saturated fat by 50% across our <i>beVita</i> Crunchy Biscuit range.
	Reduce sodium 10% by 2020	🎯 On Target	Completed our 10% sodium reduction efforts in Latin America in 2013, removing approximately 1 million pounds of salt from our biscuit and cheese products. In the UK, our <i>Ritz</i> crackers now have 58% less salt ; and our regular <i>Philadelphia</i> Cream Cheese has 20% less salt .
	Increase whole grains 25% by 2020	🎯 On Target	In Europe we offer over 150 whole grain biscuits , delivering 17,000 tonnes of whole grain ingredients. In the US, our portfolio provides an estimated 5.5 billion servings of whole grain a year .
	Front-of-pack calorie labeling globally by end of 2016	🎯 On Target	By the end of 2013, an estimated 43% of portfolio was covered .

*based on 2012 baseline

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



GOALS

PROGRESS BY END OF 2013

HIGHLIGHTS

All cocoa will ultimately be sustainably sourced

🎯 **On Target**

In 2013, **10% of our cocoa was sustainably sourced**, much through existing certification partnerships. Cocoa Life, the foundation of our long-term strategy, will reach around 38,000 farmers / 500 communities by end-2014.

70% of global coffee will be sustainably sourced by 2015

🎯 **On Target**

As of 2013, **56%** of our coffee is sustainably sourced.

75% of Western European biscuit volume made with Harmony wheat by 2015

🎯 **On Target**

In 2013, **44%** of our West European biscuits were made with Harmony wheat.

Palm oil: 100% RSPO by 2015

✅ **Goal Achieved**

Since 2013, **100% of our palm oil is RSPO** — two years ahead of our commitment.

Environmental footprint

Reduce water in manufacturing 15% by 2015*

🎯 **On Target**

Reduced our use of water by 11% per tonne and will drive further through a new global partnership with EcoLab®.

Reduce waste in manufacturing 15% by 2015*

✅ **Goal Achieved**

Reduced net waste by 46% per tonne through innovative solutions and partnerships in facilities worldwide.

Reduce energy in manufacturing 15% by 2015*

🔄 **More Needed**

Achieved **6% reduction in energy per tonne** at our sites worldwide and continue to evaluate how we can improve upon this goal.

Reduce greenhouse gases from manufacturing 15% by 2015*

🎯 **On Target**

Reduced emissions by 9% per tonne through energy-saving projects and renewable energy sources.

60% production from Zero Waste to Landfill sites by 2015*

🎯 **On Target**

31% of production from Zero Waste to Landfill sites as of 2013.

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

🎯 **On Target**

By 2013, **eliminated 48 million pounds** of packaging.

*measured per tonne of production

SAFETY | Keeping our employees and consumers safe.



GOALS

PROGRESS BY END OF 2013

HIGHLIGHTS

Achieve world-class safety performance

🎯 **On Target**

In 2013, we saw a **36% year-on-year reduction in lost time injury frequency rate (LTIFR) for contractors** and a **16% decrease in LTIFR** across all of our **direct and temporary employees**.

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

🎯 **On Target**

By the end of 2013, 126 out of our 168 manufacturing sites — or **75%** — are now FSSC 22000 certified.

COMMUNITIES | Partnering with communities to promote healthy lifestyles.



GOAL

PROGRESS BY END OF 2013

HIGHLIGHTS

Invest \$50 million USD into healthy lifestyle community partnerships

🎯 **On Target**

In 2013, allocated **50% of our \$50 million USD** multi-year commitment, covering 10 countries.

SUSTAINABILITY

SUSTAINABILITY

Sustainable Agriculture

Our business depends on a steady, high-quality supply of crops like cocoa, coffee, wheat and many other commodities to create our delicious snacks. As demand for these supplies increases worldwide, so do the challenges facing farmers — from reducing the environmental impact of agricultural practices and dealing with more frequent extreme weather to the long-term impact of climate change and growing competition for land. These challenges are complex and require coordinated action by governments, industry, and scientific and environmental experts.

There is no easy solution. That's why we are using our reach and global presence to give farmers a voice. Our approach begins by evaluating the science and working with outside experts to understand the agricultural and environmental challenges. From this, we developed three signature programs through which we can make a significant impact across key commodities: **Cocoa Life**, **Coffee Made Happy** and **Harmony**. We also participate in independent certification programs.

And, we're looking to add momentum to our efforts by taking a more active role on the ground, driving change within our own organization and with our suppliers. We are raising the expectations of our suppliers and requiring more transparency and collaborating on efforts such as the [Sustainable Agriculture Initiative \(SAI\) Platform](#). Through our agricultural commodity sourcing, we are addressing key areas, including agricultural practices, human, gender and labor rights, deforestation and more. Together, we can create a sustainable supply chain by doing what's right for farmers, their communities and for our business.

Calling on our Suppliers for Responsible Sourcing



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

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

As a founding member of AIM-PROGRESS, we also adhere to the [Sedex Member Ethical Trade Audit](#). This audit evaluates suppliers against a common set of Corporate Social Responsibility standards to drive efficiency on performance improvement for the consumer goods industry.

Sustainable Agriculture Goals

- All cocoa will ultimately be sustainably sourced
- 70% of global coffee will be sustainably sourced by 2015
- 75% of Western European biscuits volume made with Harmony wheat by 2015
- 100% of palm oil will be RSPO by 2015

SUSTAINABILITY

Cocoa

Mondelēz International is among the largest cocoa buyers in the world. We rely on cocoa to make our delicious chocolate brands, including *Milka, Cadbury Dairy Milk, Toblerone, Côte d’Or* and many more. Around five million smallholder farms produce almost all the world’s cocoa. More than 70 percent is grown in West Africa, mainly in two countries: Côte d’Ivoire and Ghana. As the world’s largest chocolate company, it is imperative that we lead the transformation of the cocoa supply chain by being directly involved in implementing sustainability on the ground. This helps us to focus on the impacts we have learned will improve the welfare and livelihoods of cocoa farmers and therefore contribute to long-term stability.



Cocoa Life is a holistic program that works to transform the lives of cocoa farmers, create thriving communities and inspire the next generation. The impact we seek with **Cocoa Life** is community-driven,

“At the heart of Cocoa Life is our belief in improving the lives of cocoa farmers. We’re investing in much more than farming – it’s about empowering cocoa communities as a whole so cocoa farming villages become places where people want to live.”

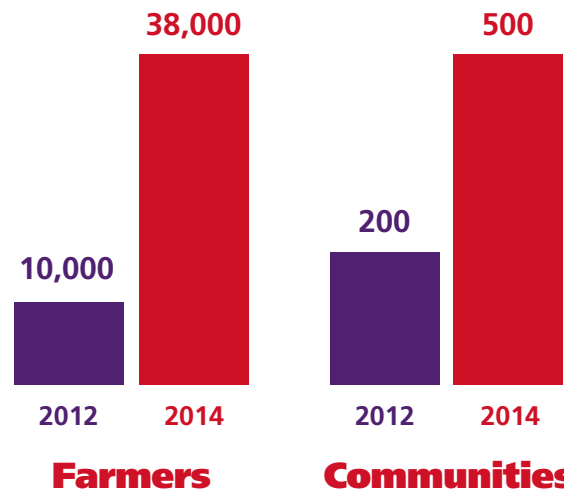
—Bharat Puri, *President, Global Chocolate, Gum and Candy, Mondelēz International*

so while the program is based on a common framework grounded in decades of insights, it is scalable and flexible to local needs. In 2012, we expanded the program with a \$400 million USD, 10-year commitment to empower more than 200,000 farmers and more than one million people in the cocoa-farming communities of Côte d’Ivoire, Ghana, India, Dominican Republic, Brazil and Indonesia.

Building on our existing programs in Ghana, India and Dominican Republic, in 2013, we introduced **Cocoa Life** to Côte d’Ivoire and Indonesia. Now, farmers in these regions will receive training in better agricultural and business practices, and gain better access to cocoa planting materials and other

inputs, like fertilizers. Additionally, communities will be taught how to create community action plans tailored to meet needs identified in local assessments, such as empowering women, improving health and nutrition education for the community and literacy of children.

Cocoa Life progress



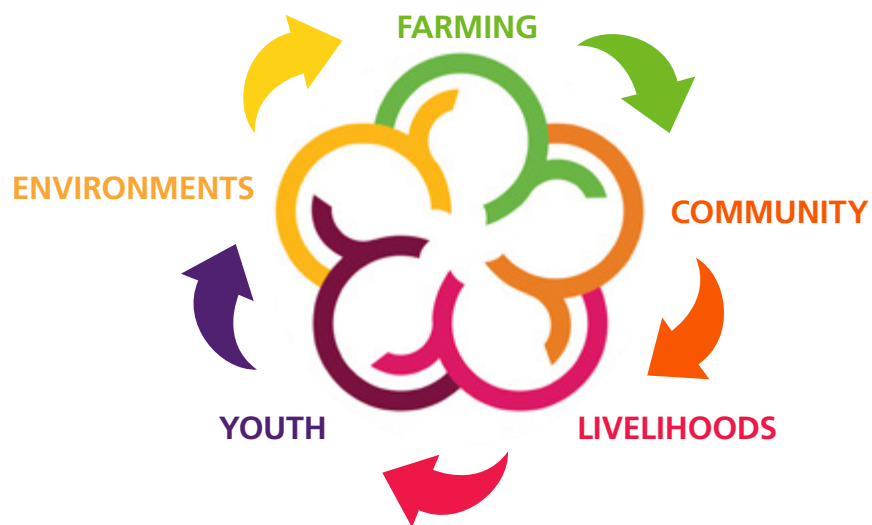
10% of our global cocoa supply is sustainably sourced, mainly through existing certification partnerships.



Working with our suppliers, CARE International and other partners – and coordinating with the Ivorian government’s Conseil du Café Cacao – **Cocoa Life** will reach about 15,000 farmers in at least 150 communities in Côte d’Ivoire by 2014.

SUSTAINABILITY

Cocoa Life works to transform cocoa farming communities in five ways



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

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

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

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

*disaggregated men/women

SUSTAINABILITY

Cocoa Life: Verifying Our Impact

Our focus is on having a positive impact on farmers' productivity and income. To track, evaluate and report **Cocoa Life** progress, we have published 10 global, high-level key performance indicators (KPIs) to measure the impact of the program's five core themes: farming, community, livelihoods, youth, and environment.

Our progress will be verified through a process consisting of three key steps:

1. Annual, independent evaluation in **Cocoa Life** communities at origin: Led by Harvard University research team, the evaluation will measure and report on the 10 KPIs.
2. Holistic analysis every three years: Using data collected annually on the ground, the Harvard research team will conduct a holistic study of **Cocoa Life** to ensure it is on track to achieve its vision of empowered, thriving cocoa communities, including comparison with control communities outside the program. The first holistic analysis run by Harvard University is underway. It focuses on Ghana, where the program first started in 2008, and is due to be published later in 2014.
3. Supply chain alignment verification: As the program scales up, a third-party monitor will verify the flow of cocoa from **Cocoa Life** communities into our supply chain.



SUSTAINABILITY



GENDER RIGHTS & CHILD LABOR

The cocoa industry remains challenged about children and gender rights. Despite many years of working with industry, local governments, suppliers and third parties, the problems still exist. Our priority is to address these issues head-on in our supply chain, while also advocating for others to do their part.

Over the past two years, we've commissioned reports — conducted by Harvard University and CARE International — that revealed striking gaps in income and opportunities for women in cocoa communities. In Ghana, female cocoa farmers earn 25-30 percent less than their male counterparts; in Côte d'Ivoire, women in cocoa communities earn up to 70 percent less than men. And, in both countries, women struggle with lower farm productivity, smaller farms and less access to financing and farm inputs. In 2013, we published an [action plan](#) tailored for each origin to systematically address the root causes driving these gender inequalities. We also advocate for women's empowerment through multi-stakeholder organizations, such as the World Cocoa Foundation. Additionally, we signed the [United Nations Women's Empowerment Principles](#) in 2013.

Child labor and exploitation of children are unacceptable. **Cocoa Life** takes a holistic approach to identify and address underlying causes.

"At CARE, we know that business can play a vital role in tackling poverty and injustice. Mondelēz International is putting farmers and communities at the heart of their supply chain. By working together with Mondelēz on **Cocoa Life**, we can leverage our experience and understanding of disadvantaged farmers from poor communities to bring about lasting change for the community and for the long-term benefit of the business itself."

—Christine Svarer, *Head of Private Sector Engagement, CARE International UK*

We believe **Cocoa Life's** holistic approach that addresses farmer productivity and incomes while empowering communities is the best way to eradicate child labor from the cocoa industry. We work with non-governmental organizations like Anti-Slavery International to deliver on our [child labor action plan](#).

We will proactively seek out and respond to incidents that we uncover, be transparent about what we find, as well as adapt our actions and collaborate with others to share and maximize our impact. We also work with [International Cocoa Initiative](#), which is active in hundreds of cocoa-growing communities worldwide, and seeks to eliminate the worst forms of child labor.

PARTNERSHIPS & CERTIFICATION

We are building partnerships to drive the transformational change needed within the cocoa industry. We are active board members of the World Cocoa Foundation (WCF) and are playing a leading role in the creation of WCF's CocoaAction, an industry-wide strategy to align sustainability efforts that boost supply chain productivity and community development. We're also active in the Bill and Melinda Gates Foundation West Africa Cocoa Livelihoods program. As we work towards long-term supply solutions, we continue to support the certification efforts of the Rainforest Alliance, and are the world's largest buyer of Fairtrade cocoa.

COCOA LIFE ADVISORY COUNCIL

Because the issues facing cocoa communities are too important and too complex to solve alone, **Cocoa Life** works with a group of external advisers and strategic partners:

- **Andrew Bovarnick**, Lead Natural Resource Economist and Global Head of the United Nations Development Programme's Green Commodities Programme
- **Michael Mapstone**, Head of Corporate Partnerships, Voluntary Services Overseas
- **David McLaughlin**, Managing Director and Vice President, Agriculture, World Wildlife Fund
- **Aidan McQuade**, Director, Anti-Slavery International
- **Mil Niepold**, Senior Mediator, The Consensus Building Institute
- **Christine Svarer**, Head of Private Sector Engagement, CARE International UK

The Advisors also played an instrumental role in developing the verification framework and will oversee the process going forward, including the selection of the verifiers.

SUSTAINABILITY



Coffee

Mondelēz International is the world’s second-largest coffee company, parent to brands including *Tassimo*, *Jacobs*, *Carte Noire*, *Kenco*, *Gevalia* and many more. We take great care in how we source the coffee used for our products.

Today, most of the world’s coffee is grown on smallholder farms — some 25 million shareholders produce 80 percent of the world’s coffee. Across all our sourcing countries, including Brazil, Vietnam, Indonesia, and parts of Central and South America and Africa, there are approximately one million farmers that contribute to our coffee supply chain. It can be challenging for these farmers to make a good living from coffee, causing experienced farmers to switch to other crops and younger people to leave the business entirely.

Coffee Made Happy is our \$200 million USD program to ensure the long-term viability of coffee farming by creating one million farming entrepreneurs by 2020. It aims to inspire and innovate in the way coffee companies do business sustainably.



The program focuses on the next generation of farmers. It offers assistance through trainings — which boost agriculture and business skills to increase their growing capacity — and increasing

access to the end-buyer and financing. **Coffee Made Happy** also encourages young people and women to participate in decision making roles in the coffee sector.

Achieving widespread change across our supply chain is more than what we can do alone. So, we partner with expert organizations that have on the ground know-how and coffee farming expertise.

We doubled our purchasing of sustainably sourced coffee in the last year and are more than two-thirds of the way to reaching our goal of 70%

56%*

sustainably sourced coffee

*graph reflects goal of 70% of global coffee

SUSTAINABILITY

“We can have real impact on the ground—inspire, train and build capacity to improve coffee farmers’ livelihoods and attract new generations to small-scale farming. Together with our partners, we can help farmers solve challenges and secure a more sustainable coffee supply.”

—Roland Weening, *President, Coffee, Mondélez International*

Since its launch in 2012, we now have **Coffee Made Happy** projects in the several regions where we buy coffee and where our company’s scale can make a real impact. We are working with local partners such as ACOM (Vietnam), Sogimex (Honduras) and Pronatur (Peru) to train farmers in better agricultural practices, to help boost their coffee crop yields and increase the quality of their beans. In 2013, we reached a milestone with the opening of the first **Coffee Made Happy** Farmer Training Center in Vietnam. Working with the 4C Association and supplier ACOM, 1,500 farmers today are now being trained in agricultural practices to help boost their coffee crop yields and increase the quality of their beans.

Our **Coffee Made Happy** program supports our goal to sustainably source 100 percent of our coffee in Western Europe by 2015. Today, over 80 percent of the coffee sold by the company in Western Europe is already sourced from farmers who are engaged in continuous improvement or certified.



In the coffee-growing areas of Peru, access to potable water for drinking and farm use is a particular problem. As part of the **Coffee Made Happy** program, our **Kenco** brand has helped install water tanks in rural communities, which will provide at least 500 million glasses of clean water over the years to come. So one cup of **Kenco** coffee means one glass of clean water for these communities, making every cup of **Kenco** count.

SUSTAINABILITY

Wheat

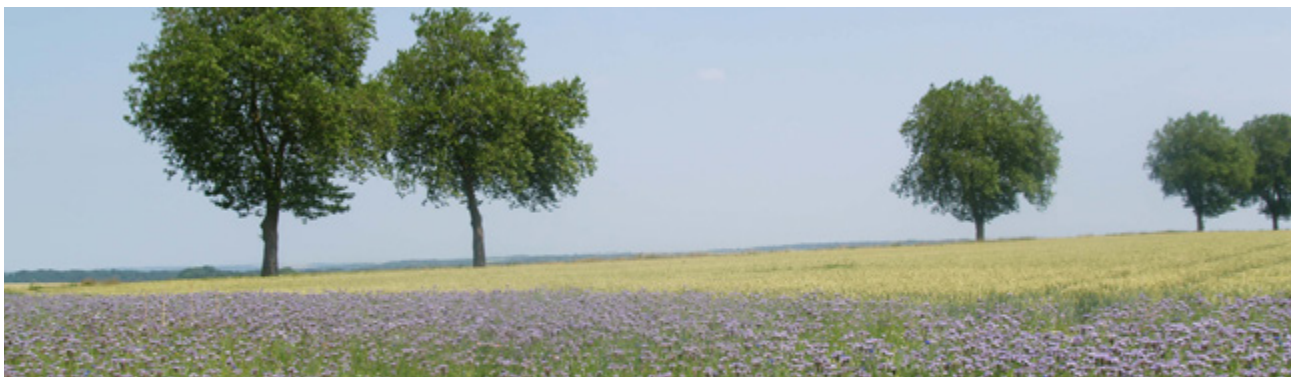


Wheat is the core ingredient in our biscuits.

As the largest baker of biscuits in Europe, with beloved brands like *Oreo*, *beVita* and *LU*, we know that the way wheat is grown has a significant impact on the quality of our biscuits, as well as on the local environment.

For that reason, in 2008, we created **Harmony** — a sustainable partnership with European players along the wheat chain: from farmers and millers, to scientists and NGOs. **Harmony** outlines provisions that promote local biodiversity and better environmental practices in wheat production.

What started with just 68 farmers in France has now grown to a multi-country partnership involving more than 1,700 European farmers who have committed to follow **Harmony's** agricultural practices — covering wheat culture from seed to crop. As part of **Harmony**, our priority is to partner with farmers located as close as possible to our bakeries. The farmers commit to growing wheat



By committing along with us, our farmers help us ensure the entire process — from field to biscuit in our consumers' homes — is a more sustainable one.

that is carefully selected to match our specific baking needs, with greater traceability from seed to flour. They also must follow more respectful agricultural practices. This includes planting a wide variety of wheat and selecting the best varieties of wheat for our biscuits. These farmers commit to limiting the use of treatment afterwards, adhering to proper soil management, limiting fertilizers and pesticides, and preventing excessive water use by analyzing real plant needs, soil reserves and climate. Additionally, to foster local biodiversity, they dedicate three percent of their wheat field surface to sowing flowers, specifically selected to attract bees, butterflies and other pollinators.

Third-party auditors check compliance on 10 percent of the farms that partner with us each year on **Harmony**. Traceability from seed to flour is controlled with external audits of 100 percent of the millers.



As of 2013, 44 percent of our Western European biscuits were made with **Harmony** wheat. By the end of 2015, we aim to increase that to 75 percent. Even more important, our farmers are using approximately

20 percent* less pesticides compared to standard agriculture, and at least 10 million bees have been accounted for through the French Museum of Natural History's counting protocols.

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

44%*

of our Western European biscuits are made with Harmony wheat



***graph reflects goal of 75%**

SUSTAINABILITY

Palm Oil

We are concerned about the potential long-term environmental and societal impacts of palm oil production, including deforestation and human rights. That’s why we are taking steps to ensure the palm oil we purchase is produced on legally held land, does not lead to deforestation or loss of peat land, respects human rights — including land rights — and does not use forced or child labor. Specifically, palm oil development should not take place in Primary Forest, High Conservation Value (HCV) areas, High Carbon Stock (HCS) forests, or use fire in plantation operations.

We reviewed our approach with our palm oil suppliers and published an [action plan](#) to give priority to supplies that meet these principles and eliminate supplies that do not. The plan requires suppliers to achieve 100 percent traceability to the

mill level by the end of 2015. In addition, suppliers must publish sustainable sourcing policies that meet our principles and implementation timelines by the same date.

We are working with the World Wildlife Fund to evaluate options and will report on our progress and findings annually.

While we recognize its limitations, the Roundtable for Sustainable Palm Oil (RSPO) provides the most widely supported approach to developing and enforcing standards for sustainable palm oil production. Since 2013, 100 percent of our palm oil is RSPO — two years ahead of our commitment. We achieved this through a combination of RSPO-certified oil and Greenpalm certificates that support sustainable production.

Additionally, we have supported the United Nations Development Programme (UNDP), the

Government of Indonesia, and other partners to develop the Indonesia Sustainable Palm Oil (SPO) Initiative. The initiative aims to develop national capacity to promote and scale up sustainable palm oil by strengthening smallholder farmers, supporting national policy reform and reducing deforestation through public-private partnerships.

100%
of our palm oil is RSPO — two years ahead of our commitment

purchasing palm oil



Photo Credit: Bremen Yong

SUSTAINABILITY



Lessening Our Environmental Footprint

The world's natural resources are limited and increasingly in demand by an ever-growing population. So, it's critical that we run our business in a way that is environmentally, socially and economically sound and sustainable over the long term.

Using Lifecycle Assessment (LCA), we conducted a thorough assessment of our company's land, air and water footprint to pinpoint the areas of our business we needed to focus on to make an impact. The LCA measures our company's total environmental impact from farm to fork, to help shape our strategic priorities. Based on that, we determined that two stages of our supply chain — agriculture and our operations — presented the greatest challenges and opportunities for change. Our strategy is based on these areas, and we have a culture and systems in place to hold ourselves accountable to the goals we've set out.

Environmental Footprint Goals

Reduce energy in manufacturing 15% by 2015*

Reduce greenhouse gases from manufacturing 15% by 2015*

Reduce water in manufacturing 15% by 2015*

Reduce waste in manufacturing 15% by 2015*

60% production from Zero Waste to Landfill sites by 2015

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

*measured per tonne of production

SUSTAINABILITY

Reducing Impact of Our Operations

CLEANER PACKAGING

Packaging is part of the joyful experience people have with our brands. It is why we are always looking at new ways to use fewer materials while increasing the amount of recycled content in our packages. Between 2010 and 2013, we eliminated around 48 million pounds of packaging material from our supply chain, so we are well ahead of schedule to reach our goal to eliminate 50 million pounds (22,500 tons) of material by 2015. Examples include:

- Converted *Cadbury Dairy Milk* bars in Australia from traditional foil and cardboard packaging to a new, single-layer flow wrap. This eliminated 2.8 million pounds of packaging.
- Re-launched *Jacobs Velvet coffee* in a new lighter-weight glass jar, combining consumer appeal with the elimination of more than 10 million pounds of packaging weight.

Key to this reduction is our proprietary Eco-Calculator™. The tool helps us create more environmentally conscious packaging by determining the percentage of post-consumer recycled materials, as well as the amount of energy and greenhouse gas emissions associated with creating and disposing of a pack.

Using data from the US Environmental Protection Agency, the US Department of Energy and packaging industry groups, our packaging designers learn how to use materials more efficiently. In 2013, we made Eco-Calculator web-based to make it more accessible to our teams around the world, as well as faster to update. We also partnered with TerraCycle® to “upcycle” waste such as flexible films (which are difficult to recycle through normal channels) and convert them into merchandise. In 2009, we were one of the first companies to work with TerraCycle® in the US, and we now have programs in Europe, Latin America, Canada and New Zealand.



*graph reflects goal of 50M lbs

48M lbs

We almost reached our 2015 goal in 2013, by eliminating 48 million pounds of packaging from products worldwide*



SUSTAINABILITY

ELIMINATING WASTE

Through innovative solutions, production changes and employee training programs, we are reducing the amount of net waste produced at our sites. Because more than 99 percent of the waste we generate is from our factories, we focus our waste reduction efforts there. Overall, today we recycle or reuse about 90 percent of manufacturing waste and we have reduced net waste by 46 percent per tonne from 2010 to 2013, far in excess of our 15 percent goal. In our bakeries and manufacturing facilities worldwide, common scraps are sorted so that they can be recycled and reused. Materials that are not recyclable or reusable are harvested and transformed into energy. Today, 50 of our facilities send Zero Waste to Landfill (ZWTL) and, as of 2013, 31 percent of our production was from ZWTL sites.

31% of our products are made at facilities that sent Zero Waste to Landfill during 2013.



exceeded goal

Reduced net waste by **46%, 3X goal**

Cutting Waste Around the Globe

Our plant in Herentals, Belgium, installed two waste andons (status-display stations) on each production line — one for production waste bins and one for packaging waste bins. In 2013, the plant surpassed its 20 percent goal, achieving an actual reduction of 52 percent in net waste per tonne of production compared to 2012.

Individual plants have been successful in cutting waste — by 40 percent in Cikarang and Karawang, Indonesia; 35% at Claremont, Australia; and 90% at Saint Petersburg, Russia. Our Zero Waste to Landfill sites include Fallingbostal, Germany, and the Chicago and Naperville bakeries in the US.



SUSTAINABILITY

REDUCING GHG EMISSIONS & SAVING ENERGY

We've made strides by reducing energy-related greenhouse gas emissions from manufacturing by 9 percent and manufacturing-site energy use by 6 percent since 2010. We're investing in projects to save energy and use renewable sources, like creating biogas from effluent at our Banbury, UK plant, and burning rice husks and coconut shells as a renewable energy source at Sucat, Philippines.

We have developed an integrated energy management system aimed at reducing our total energy consumption and are installing heat recovery systems in specific areas of our biscuit bakery networks.

Additionally, a number of our facilities have been recognized with Leadership in Energy and Environmental Design (LEED) certifications, including Recife and Orbigo in Brazil, and Fallingbostel, Germany.

Emissions and Energy Changes in Our Factories

Our *Milka* chocolate factory in Lorrach, Germany reduced its steam demand significantly in 2013. By eliminating five boilers and using heat pumps and heat recovery from several utilities, Lorrach reduced its energy use by 19 percent in 2013 compared to 2012, despite a significant increase in production volume.

Our factory in Ikeja, Nigeria installed a new vapor absorption chiller that uses waste heat from an onsite power generator, rather than requiring its own boiler. The initiative, installed in October 2013, is reducing the site's energy use per tonne of production by 10 percent.



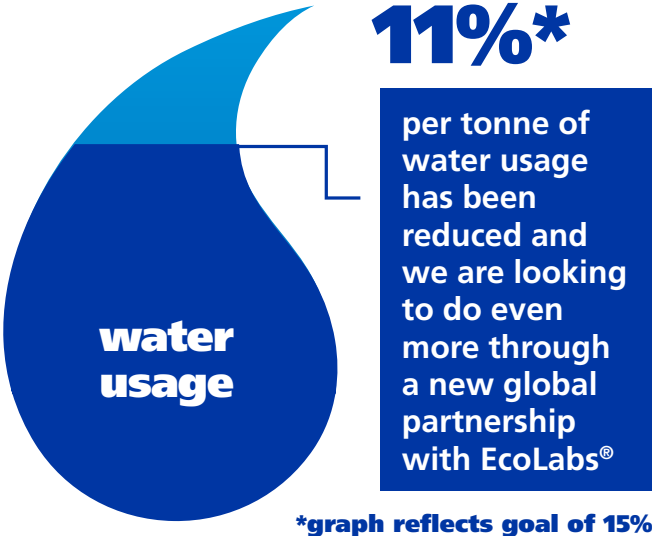
9%* *graph reflects goal of 15%

of emissions per tonne reduced through energy saving projects and renewable energy sources



6%* *graph reflects goal of 15%

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



PRESERVING WATER

Water is a priceless resource that is critical to the well-being of people and the planet. Part of our effort to reduce water use is a global partnership with the renowned water chemicals and technology supplier Ecolab®. The initiative involves conducting a number of total plant assessments each year to identify and implement opportunities to significantly reduce water use in high-priority water usage sites, as well as facilities in locales where water is scarce. The initial assessment took place in the Asia-Pacific region, with eight other assessments due for completion globally in 2014.

Additionally, across the world, we are making changes to improve processes and equipment to limit the amount of water used in the farming of our ingredients and production of our products. For example, our Scoresby facility in Australia was nominated for the [savewater!](#) awards®, Australia's leading awards for water sustainability.

In 2013, our *Cadbury* chocolate factory at Induri was recognized by the Quality Circle Forum of India for reducing its absolute water consumption by 22 percent versus 2010, despite a 9 percent increase in production.

MINDFUL SNACKING



MINDFUL SNACKING

As the world's largest snack company, we believe we have a critical role to play in empowering consumers to snack mindfully. Our approach is to create foods that fit the way people eat, while bringing joy to those small eating moments.

After talking with thousands of our consumers, we know people are looking for snacks that support their busy lifestyles. Snacks that can help fuel them, curb their hunger or to treat themselves to a delicious moment of pleasure.

Likewise, no matter where or how we live in the world, we all share the desire to be well. And this includes being mindful about what we are consuming. This is all the more important as obesity and other health issues increase across the globe.

By developing new products, improving the nutrition profile of our portfolio, and empowering consumers with clear information — including calories front-of-pack — we can help people become more mindful about what they're eating. That's what we mean by mindful snacking.

We've taken a comprehensive approach to help consumers snack mindfully through two objectives:

- First, we have set standards to help **transform our portfolio** over time to offer more nutritious choices — known as our Better Choices. To help people enjoy the treats they love while maintaining healthy lifestyles, we are also increasing portion control options.
- Secondly, we have set clear goals to **improve the nutrition profile** of our products globally.

Mindful Snacking Goals*

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

*Based on a 2012 baseline

MINDFUL SNACKING

Transforming Our Portfolio

We take seriously the nutrition responsibility that comes with being the world's largest snack company. Our team of 600+ nutritionists, culinary gurus and product developers work together to transform our portfolio and improve the nutrition profile of our products. This includes reducing sodium and saturated fat and increasing whole grains — without sacrificing taste.

Completed our sodium reduction efforts in Latin America, removing approximately 1 million pounds of salt from our biscuit and cheese products.

BETTER CHOICES

We are also increasing **Better Choice** options in our portfolio — products that meet stricter nutrition criteria compared to existing alternatives within our portfolio. Consulting with a panel of outside nutrition experts, Mondelez International developed a set of category-specific nutritional requirements that products must meet to be considered a **Better Choice**. The criteria are based on globally recognized nutrition science and dietary guidance from international bodies. In addition to meeting specific nutrition criteria, **Better Choices** must also deliver either a positive nutritional element (e.g., increase in whole grains) or a specific reduction in a critical nutrient (e.g., sodium). At the end of 2013, 22 percent of our revenue came from **Better Choice** products.



belVita: Nutritious Steady Energy

“With people skipping breakfast, how can we create a food option that is nutritious, tastes great and provides sustained energy for the whole morning?”

This question from our biscuit innovation team in France led to the development of an innovation that has transformed the breakfast category. *belVita* biscuits are made with a combination of whole grains carefully baked using a proprietary, specifically controlled process. This process allows for the slow release of carbohydrates over four hours. When eaten as part of a balanced breakfast, *belVita* provides the fuel to get through the morning. We now offer *belVita* in more than 20 varieties in over 40 countries, including United Kingdom, Belgium, Brazil, Canada, Columbia, Russia, Australia, Poland, and the US. Increasing *belVita* availability worldwide has contributed over 54 million pounds of whole grains — a 15 percent increase from 2012.

increasing better choices



GOAL
25% of revenue by 2020



22%*
of our revenue, in 2013, was from our *Better Choices* products

20% in 2012

*graph based on revenue

MINDFUL SNACKING

MINDFUL PORTIONS

At the same time, we're helping people to manage calories and become more mindful of portion sizes. That's why we're committed to developing and making available more **Mindful Portions** — satisfying, individually wrapped snacks that are 200 calories or less.

increasing mindful portions

GOAL

+ 25%
growth
by 2020



+7%*
mindful portions
growth in 2013

2012

*graph based on revenue



In the U.S., our portfolio provides an estimated 5.5 billion servings of whole grains a year.

Providing Essential Nutrients



We continue to help address important nutritional deficiencies in developing countries, creating foods fortified with key micronutrients. In product development, we look to see what the micronutrient deficiencies in a country or region are to understand

what is needed — as well as the best products for delivery. Working with local nutritionists, we have reformulated products to add nutrients to combat micronutrient deficiencies in specific markets. For example, in Southeast Asia, our *Tiger Biskuat* line is fortified with nine vitamins and six minerals recommended by the World Food Programme; in Nigeria, the Nutrition Society of Nigeria endorsed our *Bournvita* fortified milk-based beverage. And we don't simply add the nutrients. We invest in technology that helps ensure the nutrients we use can be absorbed by the body most effectively and efficiently.

MINDFUL SNACKING

Empowering Through Information

People need information delivered clearly and simply to help them make mindful snack choices for themselves and their families. We are committed to ensuring our marketing and communication policies are designed with this in mind.

NUTRITION LABELING

Except for single ingredient products, like coffee, we provide [nutrition labeling](#) on all of our products, listing amounts for key nutrients, as well as calories. Our labels will display the amount of each nutrient on packages either in a given portion and/or 100 grams, depending upon local regulations. We also work with other companies and organizations to deliver nutrition information on front of pack; and by the end of 2016, we are committed to have calorie front-of-pack labeling globally on all relevant products.

In the U.S., we are implementing the Grocery Manufacturers Association and Food Marketing Institute's *Facts Up Front* front-of-pack labeling program, with the goal to be completed by 2015.

ADVERTISING TO CHILDREN

We also support the parents' role in monitoring and choosing products that are right for their children. Since 2005, we have had a [global policy](#) to not advertise our products to children under the age of six; for children between ages 6 and 11, we only advertise those products that meet specific [nutrition criteria](#).* We also prohibit advertising in both primary and secondary schools.

Our marketing-to-children policy is defined as any advertising primarily directed to children between the ages of 6 and 11; and where 35% or more of the viewing audience is under the age of 12. Our policy and approach applies to child-directed advertising in TV, print, radio, Internet (both our own brand websites and third-party websites), adver-gaming, mobile, video and in cinema.

We also have food marketing standards that provide additional guidance and are in line with the [International Chamber of Commerce \(ICC\) Code of Advertising and Marketing Communication Practice](#) and the [ICC Framework for Responsible Food and Beverage Communications](#).

Monitoring Our Advertising Commitment

As a founding member of the [International Food & Beverage Alliance \(IFBA\)](#), we — along with the other members — made a global commitment to the World Health Organization (WHO) to only advertise products that meet specific nutrition criteria to children under age 12 and to monitor our efforts.

To monitor and [report](#) publicly on progress against the pledge, IFBA engages Accenture, a third-party media auditor. In 2013, Accenture's report was based on a review covering seven countries: China (Shanghai region), Colombia, Malaysia, Russia, South Africa, Saudi Arabia and Thailand. Accenture also reviewed 50 print publications and 86 websites across five countries: Brazil, China (Shanghai region), Russia, Singapore and South Africa. Our IFBA Pledge compliance rate in 2013 was 97.3 percent for television for all timeslots, and 100 percent for print and online.

*Exception to this is in the US and EU, where we apply the uniform pledge nutrition criteria. In the US, it's the [US CFBAI criteria](#), and in the EU we follow the [EU pledge criteria](#).

MINDFUL SNACKING

Empowering Through Partnership

We are attentive to the levels of obesity and other health issues increasing across the globe. We've consulted with and listened to experts in the area to better understand our role in helping to address this complex challenge. We believe more can be accomplished together than alone. To promote healthy lifestyles, we actively engage with stakeholders in both the public and private sectors to amplify effective approaches to the world's health and wellness challenges, and bring them to life.

- We served on the **Pan American Health Organization's SaltSmart Sodium Reduction Consortium** steering committee and support efforts to reduce salt consumption and promote healthier diets across the Americas.
- We support the **European Nutrition Leadership Platform**, which brings together nutrition experts, food industry and nutrition organizations from across Europe to promote nutrition and health.
- We joined our industry partners in supporting the **UK Responsibility Deal**, a series of pledges and commitments to reduce salt, remove trans fat, support calorie labeling and promote physical activity.
- We are a founding member of the **HEALTHGRAIN Forum**, a multi-partner, pan-European research program to promote the benefits of whole grains.
- We support the **European Platform on Diet, Physical Activity and Health**, which works to promote balanced lifestyles. Since 2005, the Platform has introduced over 200 initiatives to fight obesity.
- We are a founding member of the **International Food & Beverage Alliance (IFBA)**, and have made a global commitment to the WHO in five key areas: product composition and availability; nutrition information to consumers; marketing and advertising to children; promotion of physical activity; and healthy lifestyles and partnerships.
- We sit on the board of the **Consumer Goods Forum (CGF)** and its Health & Wellness Steering committee. We championed the **CGF Health & Wellness Resolutions** on providing healthier options; responsible marketing to children; nutrition labeling; and promoting healthy lifestyles.



Working with Others to Address Non-Communicable Diseases (NCDs)

The International Food & Beverage Alliance, with the UN Global Compact, hosted a panel “Working Together to Accelerate Progress on NCDs” during the UN High Level Meeting on NCDs. The program brought together distinguished speakers from around the globe and explored the successes and challenges addressing NCDs. The panel emphasized the value of collaboration among governments, civil society and the private sector, and the strategies for accelerating progress.

Panelists (from left to right): Shannon Pettypiece, Bloomberg News; Dr. Margaret Hamburg, Commissioner of U.S. FDA; Dr. John Duperly, MD, Internal Medicine, PhD Sports Medicine, Chronic Disease Research Center, Los Andes University - Fundación Santa Fe de Bogotá, Colombia; Richard Dobbs, Director, McKinsey Global Institute; Pilar Farjas Abadía, Secretary of State for Health and Consumer Affairs, Spanish Ministry of Health, Social Services and Equality; Prof. Giorgio Calabrese, Nutrition and Dietary Studies, University of Naples Federico II; and Johanna Ralston, CEO of World Heart Federation, Member of the NCD Alliance Steering Group.

COMMUNITIES



COMMUNITIES

Paving the Way for Community Well-being

We believe the path to community well-being begins by fostering environments that help children and families adopt lifelong healthy habits. We also believe that with 2.1 billion people overweight or obese — nearly 30 percent of the global population — a critical component of our Call For Well-being is investing in innovative community programs and partners to help reverse these trends. Paving the way for these efforts is the Mondelēz International Foundation, which is dedicated to promoting healthy lifestyles through a three-pronged approach:

- Offering nutrition education
- Promoting active play
- Providing access to fresh foods

To advance this work, our Foundation made a \$50 million USD, multi-year commitment to community programs that get children playing, making informed food choices, preparing healthy snacks and accessing nutritious foods. We're targeting our efforts in 13 key markets, including Australia, Brazil, China, France, Germany, India, Italy, Mexico, Russia, South Africa, Spain, UK and US. Eight programs are already up and running in markets that have some of the highest rates of obesity and overweight.

COMMUNITIES

Collaborating with Leading Community Voices

Our partners represent some of the leading voices in promoting healthy lifestyles and they share a vision to change the trajectory of community health. Targeting the underserved — often with the largest health disparities — our partners give a voice to children, teachers and families, which uniquely positions them to answer the Call For Well-being. Active on our partner roster are:

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



Health in Action

In Brazil, nearly 30 percent of children and youth are overweight and obese. To help curb trends, the Mondelēz International Foundation partnered with **INMED Partnerships for Children** and the **Institute for Sports Education (IEE)** to support **Health in Action**. Gardens in schools are at the center of the program. They are used to teach students about nutrition, to expand access to fresh foods and to diversify diets. Today, kids in the program eat more vegetables, have fewer cases of anemia and have improved their body mass indices.

Families are seeing changes at home too. Mom Cristiane Marie said, *“My kids plant vegetables with my husband and me — they love it! Besides that, the garden brought health to my family and most important of all, it brought us together.”*

COMMUNITIES

Unleashing Partner Impact and Innovation

The key to developing meaningful programs that make the biggest impact is creating an innovative learning environment and engaging in mutual dialogue with community organizations on the ground. It was with this in mind that we — through the Mondelēz International Foundation — brought together for the first time seven of the world’s leading non-governmental organizations (NGOs) to address how we can impact the effectiveness of community-based obesity prevention programs and better measure impact.

The Healthy Lifestyles Summit leveraged Program Impact Pathways, a cutting-edge, comprehensive and rigorous evaluation approach. What emerged was a common set of global metrics that all

our community partners will use to measure improvements in nutrition knowledge and to track steps children and families are taking to get active and eat healthier.

We’re hopeful others will join us on this journey, so we’re committed to sharing our successes and opportunities along the way. To that end, summary findings from the workshop will be published in the September 2014 edition of the *Food & Nutrition Bulletin*, a leading resource for researchers, academics and nutrition policy makers in 125-plus countries.

Healthy Lifestyles Global Summit

At the Mondelēz International Foundation NGO summit, organizations from across the world stretched their imaginations on what could be done to improve health outcomes and drive behavior change in the community. Madam Gu LAN of the China Youth Development Foundation and leader of Hope Kitchen said, *“The workshop helped us to recognize that collectively healthy food access, nutrition education, hygiene and physical activity impact a child’s nutritional health.”*



“It was a unique endeavor for a corporate foundation to bring together a global group of NGOs to share best practices — the Mondelēz International Foundation’s efforts are a major step in the right direction towards improving community health programs, processes, oversight and outcomes.”

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

COMMUNITIES

Employees Answer the Call For Well-being

Employees around the world help us answer the call by sharing their time and talents to volunteer in big and small ways. We tap into their passion to drive change throughout the year, but collectively we shine the brightest in October — the occasion of our **Global Volunteer Month** and **Joy Ambassadors** program.

GLOBAL VOLUNTEER MONTH, THE POWER OF BIG

Our **Global Volunteer Month** invites employees to roll up their sleeves to volunteer in October and throughout the year. In 2013, more than 15,000 employees stepped up to answer the call, resulting in nearly 26,000 hours of service across 80 countries in projects designed to help protect the well-being of people and the planet. Employees put their skills to work — from planting school vegetable gardens in Egypt and running nutrition workshops in the US, to packing food parcels for

needy families in Japan and organizing sports for children in China and India.

JOY AMBASSADORS, THE POWER OF SMALL

The **Joy Ambassadors** program sends employees from around the world to serve and experience life in cocoa-farming communities in Ghana, the birthplace of the Cocoa Life program. In 2013 (our inaugural year), we designed the two-week volunteer program in partnership with Voluntary Service Overseas, piloting the program with nine employees from Brazil, China, Russia, Sweden, Switzerland, UK and the US. To help build a cultural bridge to Ghana, each Joy Ambassador was assigned a “buddy” to help them quickly navigate cocoa farming life. This life altering, skills-exchange program gave Joy Ambassadors a firsthand look at the challenges and opportunities in securing a sustainable cocoa supply. In turn, the Ambassadors were able to share their own diverse business skills — from agronomy and R&D to operations, procurement, and marketing — with the cocoa farmers.

“The opportunity to live among cocoa farmers and work side-by-side with them was a truly humbling and energizing experience. I now feel a sense of duty to impart what I learned with others and apply it to my everyday operations within the company.”

—Joy Ambassador Miles Eddowes, Associate Director, Research, Development & Quality



From Brazil to Ghana— Joy Ambassador Buddies

Jens Hammer, Research, Development and Quality Manager in Brazil, had the good fortune of being partnered with fellow agronomist Eric Ababio. Jens recalls, *“Eric is a Field Extension Agent in Ghana. He goes into farming communities and teaches good practices. I was inspired by how many farmers Eric reaches and how this affects change. Eric, in turn, was inspired by the techniques I taught him. He began to question the status quo with regards to farming and open up to new ideas and practices. This relationship left us both transformed. We still keep in contact, sharing updates on family, football and farming.”*

COMMUNITIES

RESTORING WELL-BEING AFTER DISASTER

We have a long history of helping communities across the globe in times of disaster by providing both financial and in-kind support. In 2013, the our Mondelēz International Foundation pledged \$2 million USD to the American Red Cross and the International Federation of the Red Cross and Red Crescent Societies in support of humanitarian aid. This two-year contribution helps both organizations have resources immediately available when disaster strikes to more quickly deliver food, water, shelter and other critical resources to people impacted by disasters across the world.

“As the world’s largest volunteer-based humanitarian network, we are committed to meeting the needs and improving the lives of vulnerable people around the world. We are grateful for the generosity of the Mondelēz International Foundation and look forward to how their support will help us respond to disasters and health emergencies across the globe.”

—Walter Cotte, Under Secretary General, Programme Services, International Federation of Red Cross and Red Crescent Societies

Being There When it Counts

Catastrophic is the only way to describe Typhoon Haiyan that swept across the central Philippines affecting millions — including our employees, customers, supplier, retail and other business partners. We did our part to support the response effort by providing financial assistance and ready-to-eat snacks. In addition — and perhaps most inspiring — local employees stepped up to answer the call by volunteering their time to assemble relief kits for those in need.



Photo Credit: Patrick Fuller, IFRC

SAFETY

Safety of People & Products Goals

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



SAFETY

Safety of People & Products

Responsible growth depends on ensuring the snacks we make are safe to eat and our employees work in a secure environment. Every day we aim to achieve world-class safety standards for the foods we produce and the places in which our people work.

Our most valuable resource is our team of 100,000 dedicated and diverse colleagues that make and sell our products. It's our goal to support each and every employee's well-being through an emphasis on safety programs, workplace wellness efforts, and policies that promote humane and equal treatment of all.

We equally hold sacred the trust people have in the safety and quality of our foods and drinks. We've put in place strong food safety and quality systems for our ingredients and products. And, we continue to make these systems better to create the great-tasting foods our consumers expect and can feel good about.

SAFETY

Assuring Employee Safety

PROMOTING A CULTURE OF SAFETY

Every day we work to keep all of our employees safe and aim for an accident-free work environment, because one injury is one too many when it comes to people’s well-being. As the welfare and safety of our people is paramount, we launched our **Work, Play, Live, Safe** program. The initiative asks our colleagues to make a commitment to being safe — both at work and at home. Through the establishment of safety principles, manager trainings and employee educational materials as well as workplace awareness efforts focused on behavior-based safety and high hazards, we are creating a culture of safety.

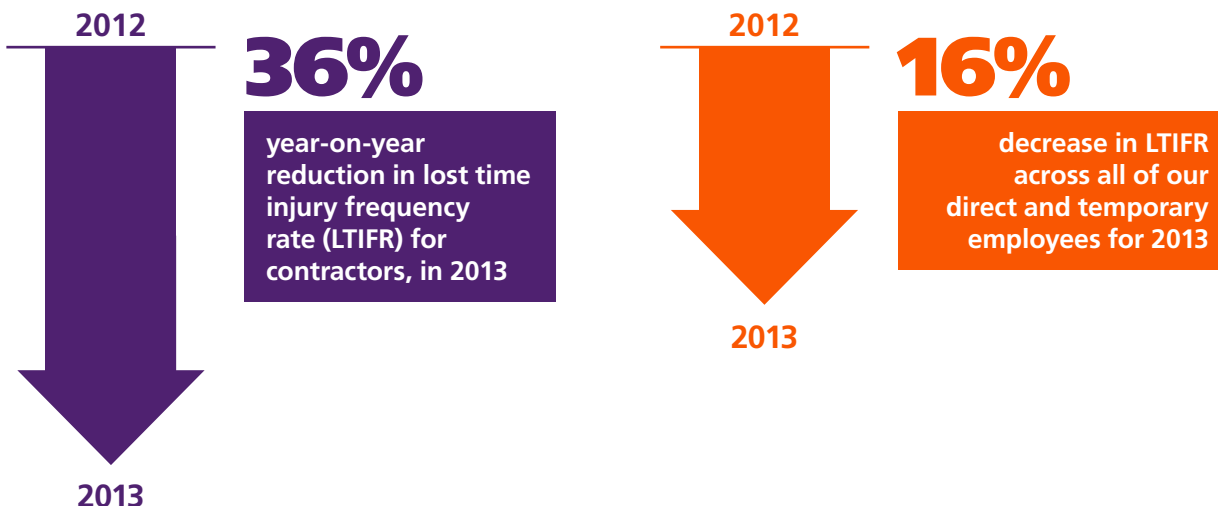
The programs we put in place at our plants meet the [Occupational Health and Safety Assessment Series](#) (OHSAS) 18001, one of the only internationally recognized safety management systems. We are seeing improvements in our performance every year. One example is a focused effort we have on recognizing and controlling hazards associated with contractor work, from small low-hazard to large-scale site projects. Through educational efforts, safe systems of work, improved protocols and safety measures, we saw a 36 percent year-on-year reduction in lost time injury frequency rate (LTIFR) for contractors in 2013 compared to the previous year. We also saw a 16 percent decrease in LTIFR across all of our direct and temporary employees in our manufacturing facilities worldwide.

Work, Play, Live, Safe

Our safety principles guide our everyday actions

- Nothing we do is worth getting hurt
- All injuries and occupational illnesses can and must be prevented
- We will continually strive for zero accidents
- Everyone is responsible for safety; leaders are accountable
- Working safely is a condition of employment

safety performance



SAFETY

SUPPORTING WORKPLACE WELLNESS

Our collective success depends on our employees. We know that healthy colleagues are engaged and productive. It's no surprise that to grow a successful business you need an engaged and healthy workforce.

Over the last year, we have increasingly focused on the health and well-being of our employees across the globe, and continue to find ways to expand our wellness programs to each one of our employees, including those in our manufacturing

facilities. We offer various tools and resources — paying particular attention to employee stress and chronic conditions, such as diabetes, asthma, and heart disease. While differing slightly from site to site, our employee wellness programs provide education around nutrition as well as physical and mental well-being. We also continually evaluate our programs to make sure they are relevant, allowing for some flexibility to meet local needs.

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

US Case Study: Empowering Employees to Be Well

In the US, our employees are answering the call by taking advantage of tools and resources to improve their well-being. Our wellness challenges, which take place throughout the year, invite employees to set goals and track wellness progress, and even form teams to compete. Results to date have been promising. We've seen a reduction in the prevalence of some chronic conditions, including lower back pain and high cholesterol, and in the number of emergency room visits. The number of biometric screenings has increased and we're seeing employee health status improve. In addition, more employees with chronic health conditions are actively working to control their disease and improve their health.

How Do We Promote Employee Wellness?

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

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

SAFETY

Producing Safe, Quality Food

Providing foods that are safe for people to eat is at the core of our values. We have in place a comprehensive, quality management system to ensure the integrity of our products. All of our 168 manufacturing facilities are being evaluated against the internationally recognized and independent [Foundation for Food Safety Certification \[FSSC 22000\]](#), the Global Food Safety Initiative-benchmarked scheme. Today, 75 percent of our facilities worldwide are certified, with the remaining sites expected to qualify by the end of 2015. We expect our suppliers to live up to the same standards we have set for ourselves and have well-defined safety and quality expectations in place. We currently have set a goal of having all of our raw material suppliers certified against a GFSI benchmarked standard by the end of 2015, as well. At the end of 2013, 52 percent of our suppliers had achieved such certification.

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

BIOTECHNOLOGY & THE USE OF GENETICALLY MODIFIED INGREDIENTS

We believe that crop biotechnology can play an important role in improving food production and ensuring enough food for the world's growing population. The technology already provides

“The safety and quality of our products is a personal priority. I like to ask employees, ‘Would you want the products produced here ending up in your child’s hand?’ Through that lens, we can all see the tremendous responsibility we have to maintaining the highest quality standards.”

—Peter Begg, Senior Director Global Quality, Mondelez International

some environmental benefits, such as reduced use of pesticides and water, and increased crop yields. We also know consumers worldwide have different points of view about crop biotechnology and derived ingredients.

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

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



*graph reflects goal of 100%

By the end of 2013, 126 out of our 168 manufacturing sites (75%) are now FSSC 22000 certified

SAFETY

Tapping Our Partners for Help

In addition to our own food safety and quality experts, we leverage external partners to support our efforts to provide safe food every day. One example is the global partnership we have with Ecolab for cleaning and sanitation of equipment and infrastructure. As a global leader in hygiene and water management, Ecolab is assisting us in implementing standard practices across all of our facilities. This enables us to accelerate our cleaning efficiency and effectiveness through the sharing of best practices.

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



Panel discussion at Consumer Goods Forum annual meeting on the Global Food Safety Initiative's impact on improving the level of food safety worldwide — which is increasingly important as the food supply chain becomes more complex and global.

(Left to right) Cenk Gurol, VP, Food Safety Initiative, Aeon Co. Ltd and GFSI Chairman; Peter Begg, Sr. Director, Global Quality Programs, Mondelez International; Danny Wegman, CEO, Wegman's Food Markets and co-Chair, CGF Food Safety Pillar; Alex Thomson, Moderator, Chief Correspondent ITN'S CHANNEL 4 NEWS, UK

COMPLIANCE & GOVERNANCE

COMPLIANCE & GOVERNANCE

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

Living up to these expectations and obligations requires detailed planning and focused action. That's why we have structures, policies and processes to help promote the ethical and efficient governance of our company. And we have internal and external auditors to monitor our compliance.

Our Board of Directors sets the right tone from the top by governing our company in line with our [Corporate Governance Guidelines](#). In addition, all non-employee Board members are expected to adhere to our [Code of Business Conduct and Ethics for Non-Employee Directors](#). This Code addresses such issues as legal and regulatory compliance and conflicts of interest.

Our CEO and senior executives drive home the central message of our [Code of Conduct](#) — that integrity and growth go hand in hand. To support the right behaviors throughout the company, we have a Chief Compliance Officer and other members of our Compliance & Integrity group who provide assurance that employees have the knowledge and tools needed to conduct

“One thing is certain — when gaining a business advantage means violating the rules or ignoring our values, we don’t do it.”

—Mondelēz International Code of Conduct, Introduction

business in a lawful and ethical manner. For example, in 2013, 40,000 employees took web-based compliance training and 6,000 employees participated in formal in-person compliance training.

Empowering Our People

Equal treatment of women and men is not just the right thing to do — it is also good for business, now and in the future. It's a part of our values as a company and called out in our Code of Conduct: “Treat People Fairly.” We have a robust [Compliance and Integrity Program](#) to help us train and monitor in these areas.

Under our Speaking Up Policy, we empower our colleagues to ask questions and raise concerns about business practices when they see something they think may be wrong. There may be times when they are not comfortable speaking with their supervisors, compliance officers or human resources contacts, or simply wish to remain anonymous. So we have a toll-free and in some countries a collect call/reverse

charge telephone [HelpLine](#), and an online version [WebLine](#), so that our employees can confidentially and, if they wish, anonymously report instances of suspected wrongdoing or ask questions about compliance matters.

We also support the [Women's Empowerment Principles](#), disseminated by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the UN Global Compact. The provisions outline steps to advance and empower women, including establishing high-level corporate leaderships for gender equality, treating all women and men fairly at work, and ensuring the health, safety and well-being of all women and men. Business leaders across the company are using the Principles as guidance for actions that are taken in the workplace.

We select suppliers (including consultants and other service providers) not only on quality and price, but also on whether their ethical standards align with ours. Our guiding principle is that we will not expect any less of our suppliers than we expect of ourselves. On our website, we provide a summary of our corporate social responsibility

COMPLIANCE & GOVERNANCE

expectations for suppliers, which are consistent with our own internal policies:

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

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

Materiality & The Call For Well-being

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

This included representatives from our Well-being Leadership team, as well as from our regional business units and global functions. External experts included World Wildlife Fund, Quantis and various socially responsible investment groups.

In addition, we considered perspectives from our ongoing [stakeholder engagement](#), as well as participation in various [shareholder indices](#).

Materials that guided our assessment included our external affairs analysis of stakeholder and regulatory issues, the greenhouse gas, land and water [footprint](#) of our total company, proprietary consumer insight data, and publicly available data on societal issues, including statistics and reports from authorities, NGOs and peer companies.

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

ENVIRONMENTAL*

1. Environmental footprint of agriculture
2. Supply security of key agricultural commodities
3. Environmental footprint of our operations

SOCIAL

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

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



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