



belVita



OREO



Milka

SOUP
PATCH
KIDS



Cadbury

Mondelēz
International

SNACKING MADE RIGHT
2020 ESG Report

From global favorites such as *Cadbury Dairy Milk* chocolate, *Oreo* cookies and *Trident* gum to new go-tos such as *Hu's* plant-based, paleo snacks – at Mondelēz International, we're here to empower people to snack right.

The right snack, for the right moment, made the right way, is how we say it. And we're dedicated to bringing this to life for all kinds of people, around the world, every day. This is what guides and galvanizes us, and how we live up to our Environmental, Social and Governance (ESG) responsibilities.

Leading the future of snacking

We've been leading the future of snacking and have our eyes and energies firmly set on the years to come. Guided by our purpose, we are forging ahead in our own distinctive way to make snacking right for everyone. Our way is characterized by progress, priorities and partnerships. We are building a sustainable snacking company and putting our focus on long-term sustainable business outcomes. To this end, we prioritize for biggest impact, advocate for and invest in transformational approaches, and collaborate with public and private partners – to achieve better, longer lasting results sooner and at scale.

Staying true to our purpose and priorities

2020 was an extraordinary year on this multi-year journey. A year where we all faced the immense challenges of the global COVID-19 pandemic. Throughout, we stayed true to our purpose and priorities, and close to our colleagues, consumers and communities. We worked together like never before to tackle the challenges, and above all put people first, as we continued to safely and smartly do what we do best – bring consumers much-needed moments of sustenance, comfort and indulgence.

Focusing on key issues

Through the year, a number of key issues came to the fore. Issues such as the increasing importance to consumers of health and well-being; the growing focus on the realities of living incomes for cocoa growing communities; the need to address root causes of systemic issues like deforestation and diversity, equity and inclusion (DE&I); and the importance of working toward collective action and advocating for public-private partnership to tackle some of the biggest problems challenging our world today, including climate change and plastic pollution

This report shines a light on the issues as we share the story of how we empower people to snack right, the progress we're making and the impact we are having along the way.

We hope you enjoy the report. (We've certainly done our best to make it good enough to eat...)

TABLE OF CONTENTS

Performance

- CEO Q&A
- About us
- Our purpose
- Our approach
- Materiality
- ESG priorities
- Our ESG progress

Right Snack

- Overview 11
- Landscape & Insights 12
- Innovating for consumers 13
- Broad portfolio & Well-being 14
- Evolving our portfolio 15
- Food safety & Quality 16

Right Moment

- Overview 4
- Landscape & Insights 5
- Mindful snacking 6
- Portion control 7
- Labeling & Marketing 8
- Nutrition partnerships 9
- Making a difference where it counts 10
- Impact Investing

Right Way

- Overview 17
- Landscape & Insights 18
- Diversity, Equity & Inclusion 19
- Workplace safety 20
- Workplace wellness 21
- Human rights 22
- Climate 23
- Energy 24
- Packaging
- Waste
- Water

Sustainable Ingredients

- Overview
- Ingredients
- Cocoa

- 26 Cocoa Life 43
- 27 Conserving and restoring cocoa-landscapes 44
- 28 Improving the economics of cocoa farming 46
- 30 Creating empowered cocoa communities 47
- 31 Our progress 48
- 32 Continuing to make cocoa right 49
- 34 Wheat 50
- 35 Harmony Wheat 51
- 36 Palm oil 52
- 38 Leading a forest positive future 53
- 39 Looking forward 54

Governance

- 40 Overview 55
- 41 Compliance & Governance 56
- 42 UN SDGs 58
- Closing letter 59

Right Snack

[FIND OUT MORE](#)



Right Moment

[FIND OUT MORE](#)



Right Way

[FIND OUT MORE](#)



Sustainable Ingredients

[FIND OUT MORE](#)



AN INTERVIEW WITH DIRK VAN DE PUT AND CHRISTINE MCGRATH

EVP & General Counsel Laura Stein sits with CEO Dirk Van de Put and Chief of Global Impact Christine Montenegro McGrath to discuss our distinctive way of making snacking right.



Dirk Van de Put
Chairman & CEO
Mondelez International



Christine Montenegro McGrath
Vice President and
Chief of Global Impact
and Sustainability
Mondelez International



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

Laura: The past year has been one of the most challenging. How did Mondelez International continue to drive positive change and advance its ESG strategy?

Dirk: Snacking Made Right is the lens through which we define ESG, and our strategy is focused on lasting, meaningful and positive impact on the world. It drives us to take care of our people, protect our resources and empower and respect the people our business touches around the world.

Last year our purpose, empower people to snack right, was more important than ever. Our purpose alongside our sustainable growth strategy is tied intrinsically to our ESG strategy. With our global size and scale, we have the ability and responsibility to deliver on our commitments, look ahead to the future and enhance transparency in our progress.

2020 was indeed difficult but it brought out the best in Mondelez International. We accelerated our commitments. I am incredibly proud of the strong progress our people delivered driving positive change and I am excited about the lasting impact we are leading for the future.

Laura: Has Mondelez International changed its approach to ESG in light of the pandemic?

Chris: As part of our business strategy our ESG strategy focus is where we can make the biggest difference. We continually review and evolve our initiatives as we work to emerge stronger and create a future where people and planet thrive. Our ESG strategy has not changed, but we remain collaborative, innovative and transformative in our approaches to make strong progress and define our future focus.

The pandemic highlighted the immediate need to accelerate efforts to empower communities – especially underprivileged communities our business touches. We rolled up our sleeves and created approaches that can be part of holistic solutions to some of the biggest challenges our world faces today. The 2020 launch of

Sustainable Futures is just that – an impact investment platform funding the innovation, incubation and collaboration that will unlock long-term, self-sustaining solutions in our key areas of focus: addressing climate change, eliminating plastic waste and thriving building ingredient sources.

We also supported those struggling from the impacts of COVID-19, donating \$30 million globally to relief efforts.

Laura: How does ESG impact our long-term success?

Dirk: Our purpose – empower people to snack right – drives everything we do. ESG is core to our purpose. ESG metrics are integrated across our organization to enhance and drive stakeholder value.

Our ESG efforts play a direct role in the success of our business and are directly embedded within our financial measures. Through this approach we are able to achieve significant, business-impacting results.

Clear long-term goals, measurable progress and transparency are vital to building trust with our stakeholders, and this trust must be earned through action and maintained through enhanced disclosure and dialogue. Our consumers, our customers, our colleagues, and our investors want to support a company they trust and that's why ESG is woven into the fabric of our business.

Laura: What were you particularly proud of last year, and what do you want to continue to accomplish?

Chris: I am incredibly proud of our teams, whose work led us to exceed our 2020 Snacking Made Right goals in key areas like CO₂, water and waste reduction. Moving forward, we will continue to target our efforts where we can and should affect meaningful change at scale, such as in cocoa, plastics, and diversity, equity and inclusion.

Cocoa sourcing is clearly a big focus of ours given our portfolio. Our \$400 million Cocoa Life program delivers measured impact on the ground in our cocoa growing communities, leading to improved farmers' livelihoods, more sustainable use of land and women's empowerment.

We believe greater diversity of perspectives, approaches, partners and diverse employees bring about better business outcomes. We established bold goals for Economic Inclusion and Supplier Diversity, including spending \$1 billion with women and minority-owned businesses by 2024.

Looking ahead, we have focused 2025 goals including 100% of our packaging designed to be recyclable, and 100% of cocoa volume for chocolate brands sourced through Cocoa Life, and achieving our Science Based Target Initiative (SBTi) climate goals in line with expert recommendations to keep global warming well below 2 degrees.

We prioritize where we can have the greatest impact, focus on measurable outcomes, and seek partnerships to drive scale.

Laura: What does the future of Snacking Made Right look like?

Dirk: I envision a future company that is more sustainable, diverse, transparent and one that offers an array of choice to consumers.

The importance of well-being will only continue to grow.

We have work to do in accelerating our progress in diversity, equity and inclusion, but we are making good progress. A big step forward was expanding our commitments, including the commitment to double U.S. Black representation in management by 2024.

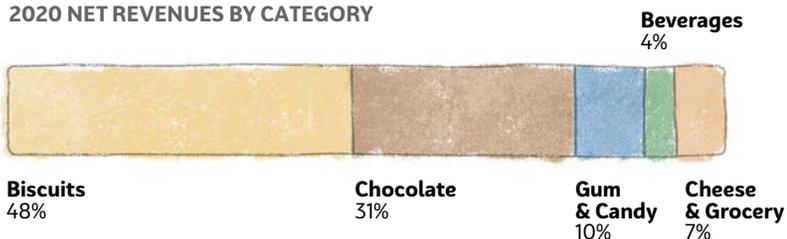
Snacking Made Right will guide us to this future, and it will evolve as we deliver the right snack, for the right moment, made the right way.

ABOUT US

What we do

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

2020 NET REVENUES BY CATEGORY



MARKET SHARE



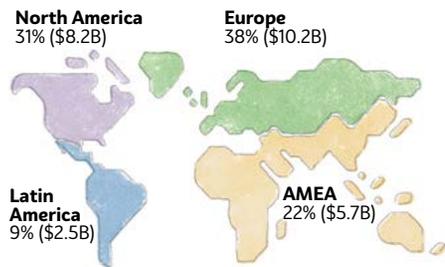
Our reach

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

79K+ We have approximately 79,000 employees

>150 Our snacks are enjoyed in over 150 countries

2020 NET REVENUES BY REGION



*2020 category position. Source: Euromonitor

Our impact

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

\$1B+

We are investing over \$1B to positively impact people and the planet in local communities.¹

2020 ACHIEVEMENTS

99%

palm oil sourced from suppliers aligned to our Palm Oil Action Plan.

67%

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

94%

packaging designed to be recyclable.

68%

of our cocoa volume for our chocolate brands sourced sustainably via Cocoa Life, and 100% cocoa volume for global chocolate brands.

30+%

reduction in priority water usage.

30+%

reduction in total waste from manufacturing. (baseline 2013)

20+%

reduction in CO₂ emissions from manufacturing. (baseline 2013)

16%

snacks revenue from portion control options.

\$1B

announced global DE&I public commitments including spending \$1B with women and minority-owned businesses annually and doubling U.S. Black representation in management by 2024.

¹Includes \$450 million in donations, both cash and products, since 2012, and a \$400 million investment in our Cocoa Life program. Reference page 10 of this report for baseline figures.

Our brands

Oreo and Chips Ahoy! cookies, belVita and RITZ biscuits, Cadbury Dairy Milk, Milka, and Toblerone chocolate, Sour Patch Kids candy, and Trident gum to name a few – from global brands to local jewels, we make and bake great snacks for millions of people around the world every day.



OUR PURPOSE

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

The right snack...

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

...for the right moment...

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

...made the right way

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



Our values

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



Love our consumers and our brands



Grow every day



Do what's right

Our ESG ambition: building a sustainable snacking company



Sustainably sourced ingredients from empowered communities



Minimal impact on climate & landscape



Diverse, inclusive & engaged workforce



Products that meet evolving consumer snacking needs



Zero packaging waste & circular pack economy

+ Strong governance

OUR APPROACH

As part of living our purpose and values, we have a clear and distinctive approach to ESG. It is aligned to our business strategy and we have set public commitments to achieve meaningful progress and drive positive, lasting change.

Our approach is informed by our understanding of the issues that are most material to us as a business and to the communities we touch, and in turn by the priorities we have set for ourselves along our value chain – from cocoa bean to chocolate bar, from biscuit bake to happy belly. Working together in collaboration with partners, external advisors, regulators and stakeholders, we focus on maximizing our long-term positive impact.



Spotlight on business strategy

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

Right Snack



Broad portfolio

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



Well-being

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

Right Moment



Easy access

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



Mindful snacking

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

Right Way



Sustainable snacking

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



Take a stand

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

MATERIALITY

At Mondelez International, we are committed to focusing where we can make the biggest difference and deliver the greatest 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.

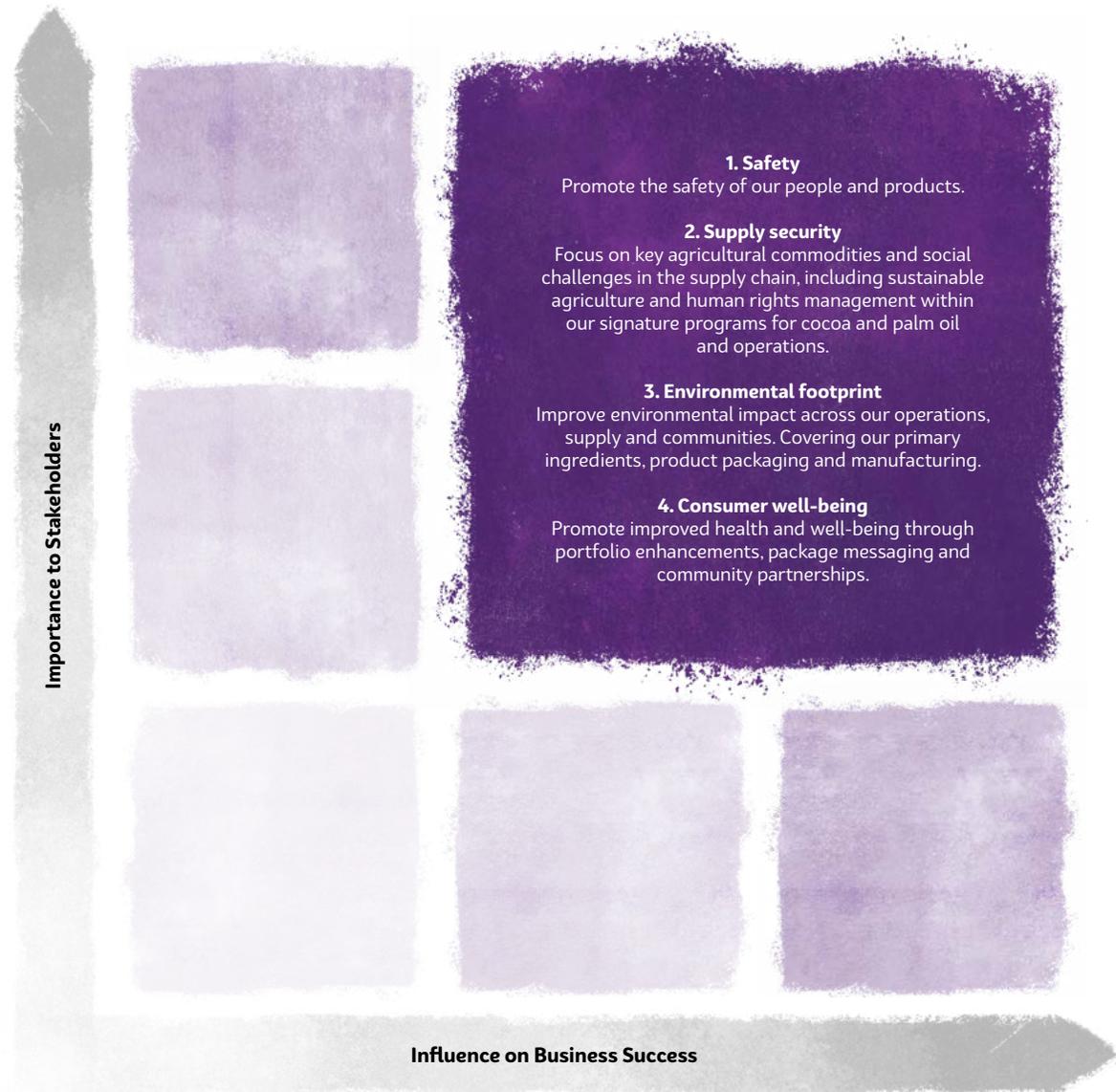
Our Board of Directors and the Governance, Membership and Public Affairs Committee of the Board are actively involved in our environmental and social agenda as part of the Governance, Membership and Public Affairs Committee, the Mondelez International Leadership team, as well as our regional business units and global functions.

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

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

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

We have identified four social and environmental issues that are most material to building a successful sustainable snacking company and have a clear focus of action for each one:



ESG PRIORITIES

We do everything we can to make snacking right for everyone our business touches — from the farmers and communities we work closely with to source key ingredients through to the consumers who enjoy our snacks.

To be effective, particularly in the fight against climate change, plastic pollution and human rights infringements, we need to recognize our impact on the world, prioritize and focus our programming on action we know 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** – Transformational signature sourcing programs across key raw materials including Cocoa (Cocoa Life), Wheat (Harmony Wheat), and Palm Oil (Palm Oil Action Plan) with a focus on holistic approaches to building resilience in these supply chains by implementing and innovating approaches to grow more efficiently in a way that enhances the land and improves the economics of farming these raw materials
- **Climate** – Combating climate change with an end-to-end, science based, and third party verified approach focused on reducing emissions in our operations and our sourcing of key raw materials
- **Packaging** – Creating zero net waste packaging by investing collaboratively in the innovation of materials, education and infrastructure to improve recycling globally

2025 Goals

We focus on achieving meaningful, clearly-defined, long-term sustainable business goals against which we measure our ESG progress.

ENVIRONMENTAL Ingredients

- 100% cocoa volume needed for our chocolate brands sourced through Cocoa Life
- 100% EU wheat sourced through Harmony (by 2022)
- 100% palm oil continued RSPO certified, traceable to mill, sourced from suppliers with Mondelez Palm Oil Action Plan (POAP) policy compliance

Climate

- 10% end-to-end CO₂ emissions reduction
- 10% water reduction
- 15% food waste in manufacturing reduction



SOCIAL Empowering People & Communities

- **Social Impact** – Promoting human rights across our business and empowering underprivileged communities
- **Well-being** – Empowering consumers with choices, mindful snacking habits and portion control
- **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

Packaging

- 100% packaging designed to be recyclable and labeled with recycling information
- 5% reduction in overall virgin plastic
- 25% reduction in virgin rigid plastic

SOCIAL

Social Impact

- Human rights due diligence for 100% Cocoa Life communities in West Africa
- Continued investment in Sustainable Futures ventures and funds

Well-being

- 20% global net revenue from portion control snacks
- 100% mindful snacking labeling across packaging globally



GOVERNANCE Promoting Strong Governance Throughout The Company

Implementing governance supporting and driving our public commitments to environmental and social progress enabled by:

- Strong board oversight
- A culture of accountability and compliance
- Aligned incentives across our business
- Proactive two-way dialogue with stakeholders

Diversity, Equity & Inclusion

- Double representational percentage of women in executive leadership (2024)
- Double representational percentage of Black colleagues in U.S. management (2024)
- \$1 billion spent annually with minority- and women- owned businesses (2024)

Quality & Safety

- 100% Global Food Safety Initiative certification for manufacturers and suppliers
- 0.5 World-Class Total Incident Rate consistently achieved

Reference [page 10](#) of this report for baseline figures

OUR ESG PROGRESS

We are committed to regularly and transparently reporting our progress.

We have achieved or exceeded all but one of our 2020 goals; indeed we achieved a number of them ahead of schedule. We are on track against our 2025 goals.

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

LONG-TERM GOALS DRIVING SUSTAINABLE BUSINESS GROWTH THE RIGHT WAY FOR PEOPLE AND PLANET

Reducing environmental impact & sourcing sustainably, empowering people and communities.

Promoting accountability, strong board oversight, transparency, stakeholder engagement, aligned incentives.

CATEGORY KEY:

-  Environmental
-  Social
-  Governance

* 2012 baseline
 ** 2013 baseline
 *** 2018 baseline
 **** 2020 baseline

TOPIC	GOALS	2020 PROGRESS	ESG
Right Snack			
Well-being	Grow well-being snacks by 2X core***	On track Roadmap developed	
Right Moment			
Portion control	20% snacks net revenue from portion control snacks by 2025*	On track 16%	
	Mindful Snacking: Snack Mindfully portion icon on all packs by 2025****	On track 14%	
Right Way			
Sustainable ingredients	Cocoa Life: 100% volume for chocolate brands sourced through Cocoa Life by 2025*	On track 68%	
	Harmony Wheat: 100% wheat for EU biscuits sourced through Harmony by 2022*	On track 76%	
	Palm oil forest monitored: 100% by 2025****	On track to report in 2021	
	Palm oil RSPO certified: 100% by 2025 (since 2013)	Achieved 100%	
	Palm from suppliers aligned with Palm Oil Action Plan/policy: 100% by 2025 (since 2014)	On track 99%	
Environmental impact	CO ₂ : 15% reduction in CO ₂ emissions across manufacturing operations by 2020**	Exceeded -24%	
	Water: 10% reduction in priority water usage by 2020**	Exceeded -33%	
	Waste: 20% reduction in total waste from manufacturing by 2020**	Exceeded -31%	
Packaging innovation	Reduction: 65,000 tonnes packaging elimination by 2020**	Exceeded 68kT	
	Recyclability: 100% of packaging designed to be recycled, labeled with recycling info by 2025	On track 94%	
Social sustainability	Human Rights: 100% human rights due diligence system coverage in own operations & tier-1 suppliers by 2025	Achieved 100%	 
	Child labor: monitoring & remediation measures at 100% Cocoa Life communities in West Africa by 2025***	On track 28%	 
	Invest in innovative Sustainable Futures ventures and funds	On track	 
Diversity, Equity & Inclusion	Double representation percentage of Black colleagues in U.S. management ***	On track	
	\$1 billion in diverse supplier spend globally by 2024****	On track	
	Increase representation percentage of women in executive leadership roles by 2024**	Strong 34%	
Quality & Safety	Consistently achieve 100% Global Food Safety Initiative certification for manufacturers and suppliers	On track 100%	
	Consistently achieve world-class Total Incident Rate of 0.5	Strong 10% TIR reduction 2020	
Other	Cage Free Eggs: 100% N.A. by 2020***; 100% global by 2025 (excl. Russia and Ukraine)***	On track 100% N.A., 27% global	

KPI reporting excludes acquisitions

RIGHT SNACK



We're committed to offering a wide range of delicious, high-quality snacks that make people feel good, and to keep improving and innovating to meet our consumers' evolving well-being needs.

GOAL PROGRESS

We created five new well-being brands across the U.S. and EU.

UN Sustainable Development Goals

Top tier: We focus on a priority SDG where we can make the biggest impact:



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

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

LANDSCAPE & INSIGHTS

As consumer needs continue to change, we keep evolving and innovating to offer the right range of snacks.



TUNING INTO THE EVOLVING ROLE SNACKING PLAYS IN PEOPLE'S LIVES

Snacking has always had a role in people's lives but that role is expanding and evolving as they become busier than ever (at home or on the go), as the definition of snacking continues to expand, and as people become more conscious of the overall well-being of self and planet.



HELPING PEOPLE TO FEEL GOOD

Moreover, people increasingly want to feel good about the snacks they eat – knowing that they not only taste delicious but also mindful of the implications to mind, body, and planet.



EVOLVING MUCH-LOVED FAVORITES

People are keen to keep enjoying the traditional snacks they have loved for so long, but they are also increasingly concerned about well-being and environmental impacts. So they are open to having their favorite snacks evolved, for example by reducing sugar or adding nutrition.



CREATING NEW WINNERS

More than ever, innovations in snacking can make a big difference in providing the right snacks for all kinds of consumer needs. These can take many forms, from inventing completely new snacks, to adding new variations for an existing portfolio.

INNOVATING FOR CONSUMERS

To keep up with consumers' evolving needs, we have established a dedicated team that is focused on creating and investing in unlocking the future of new Well-being snacking offerings.

GOAL PROGRESS

Since its launch in 2019, SnackFutures™ has launched five new well-being brands in the U.S. and Europe (*NoCOé*, *Dirt Kitchen Snacks*, *CaPao*, *Millie Gram* and *Ruckus and Co*), made minority investments in *Uplift Food*, *Torr* and *Hu* (which was recently acquired by Mondelez International), and established a global footprint.

"SnackFutures™ plays an important role in our company's innovation pipeline and our position as the leader in snacking, especially as consumers' needs are continually evolving. We are hyper consumer-centric and dedicated to understanding those changing needs and developing snacking solutions to suit consumers' lifestyles and values, such as reducing waste, seeking out functional benefits, and making products that are better for the planet and deliciously fun!"

Brigitte Wolf,
Head of SnackFutures™



SNACKFUTURES™

SnackFutures™ is our innovation and venture hub dedicated to creating a portfolio of snacks that is good for people, kind to the planet and deliciously fun. It is deliberately designed to push the boundaries of what's possible in snacking by focusing on consumer trends and unlocking emerging growth opportunities around the world.

SnackFutures™ is a key pillar of our consumer-centric growth strategy. It seeks to accelerate innovation and support incremental growth against three key strategic areas: invent new brands and businesses, invest in early stage entrepreneurs, and amplify the SnackFutures™ impact with the CoLab startup engagement platform.

GLOBAL CASE STUDY

INTRODUCING CONSUMERS TO THE WONDER OF CACAOFRUIT WITH CAPAO

As one of the world's largest producers of chocolate, we have done a great deal to achieve a sustainable supply of key ingredients with initiatives such as our Cocoa Life sustainable program. We discovered that after the cocoa beans are extracted to make chocolate, the rest of the cacaofruit – about 70% – is wasted. Through SnackFutures™ we were able to incubate a new brand built on the promise of rescuing and reimagining that wasted cacaofruit. The outcome was *CaPao*. *CaPao* was created using upcycled cacaofruit pulp and combining it with other simple, real, plant-based ingredients into a completely new type of snacking experience. After the initial consumer testing in the UK, we pivoted to pilot *CaPao* in about 15 stores throughout Los Angeles. In 2020, we made several product and packaging improvements based on consumer and customer feedback. We are now in the process of scaling throughout southern California, and direct-to-consumer, while being one of the first brands to pursue Upcycled Certification.



GLOBAL CASE STUDY

CREATING SNACKABLY DELICIOUS VEGGIES WITH DIRT KITCHEN SNACKS

Dirt Kitchen Snacks is a new brand created by SnackFutures™ to help solve consumers' veggie dilemma. Consumers are trying to get more vegetables into their lives (91% according to a consumer survey) but there are barriers, like the time it takes to prepare them and convenient ways to consume them. Importantly, consumers want more excitement when it comes to snacks. *Dirt Kitchen Snacks* are made by air drying real, recognizable vegetables such as green beans, and giving them some culinary love. Moreover, one of the product lines is created from upcycled produce, which helps to both reduce food waste and support farmers. *Dirt Kitchen Snacks* entered into its pilot stage just before the pandemic hit and quickly pivoted to direct-to-consumer and a dedicated influencer strategy to optimize learnings, visibility and consumer experience. The brand is seeing steady growth as it begins expanding distribution.



GLOBAL CASE STUDY

SNACKIFYING CLIMATE CHANGE WITH NOCOÉ

Millennial and Gen Z consumers are eager to play an active role in protecting the planet and are increasingly doing so through the food choices they make. Given they are also a generation of snackers, we saw the opportunity to create a brand that could enable this group to make a snackable impact on one of their top priorities – climate change.

NoCOé is our first brand built by design to have a neutral carbon footprint. We do this in how we create the plant-based snack itself – using organic, local-first growing and production practices, short distribution circuits and sustainable packaging, and by offsetting our remaining impact 100% through partnerships.

The first product we created was a cracker to cater to the highly popular French aperitif occasion. We launched three varieties in 100 stores in Paris in 2019 in strategic partnership with Franprix, one of the major retailers in France, as well as through e-commerce. To make the most of its potential, we are focusing on growing the *NoCOé* portfolio and distribution.



BROAD PORTFOLIO & WELL-BEING

To meet the needs of our many different consumers, we offer a broad range of snacks, with an increasing focus on well-being.

BROAD PORTFOLIO & WELL-BEING PROGRESS

19

new well-being product launches in 2020

GOAL PROGRESS

Well-being

Our goal is to grow our well-being snacks at two times the rate of our traditional snacks by the end of 2020 and beyond. In 2020, our well-being snacks grew 3%, 0.8x versus our traditional snacks. This was due to the strong performance of our traditional snacks, especially in the U.S., and also COVID-19 lockdowns, which impacted performance in other countries.

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

OFFERING A BROAD PORTFOLIO

We offer a broad range of delicious, high-quality snacks – from indulgent bites to wholesome bars. We want to make sure our range keeps satisfying the diverse needs of millions of consumers around the world. For example, we are continuing to evolve our portfolio – innovating and renovating to broaden our offerings while improving the nutritional credentials of snacks our consumers have grown to love. We are also living up to our responsibility to increase portion control options, and enhancing our focus on encouraging mindful snacking to empower consumers to enjoy more of our portfolio in ways they can feel good about.

INCREASING OUR FOCUS ON WELL-BEING

We are increasing our focus on well-being. This involves a broader, more holistic approach – one that takes in people's emotional and functional needs. That's why we keep innovating, renovating and extending 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.

GLOBAL CASE STUDY

WELCOMING HU TO THE FAMILY

We're excited to welcome *Hu* Products to the Mondelez International family of brands following our acquisition of *Hu* Master Holdings.

Hu Products is a fast-growing snacking company in the U.S. with a strict focus on Ultrasimple™ ingredients. It has been recognized with various gold, silver and bronze medals in the "2019 Best Vegan Chocolate Awards." In addition to its popular chocolate bars, *Hu*'s full product range includes snacking and baking chocolate (Gems), chocolate-covered nuts and berries (Hunks), and grain-free crackers.

A pioneer in purpose-led paleo-friendly snacks – *Hu* is a great new addition to our well-being offer.

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 Dairy Milk almond milk
- Good Thins Gluten Free (US/Canada)
- belVita Bakes and Bites – gluten free source of fiber (Australia)

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:

- LU BIO – organic biscuits (France)
- Philadelphia Intense – 100% natural ingredients (Europe)

Functional Nutrition

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



- Bournvita Crunchy wholegrain biscuits (India)
- Oral B sugar free gum with fluoride (Europe)
- Clorets gum with activated charcoal (Japan)

Permissible Indulgence

This is about offering indulgent snacks with more permissible recipes, in smaller sizes or portion-controlled, so you don't have to feel guilty about treating yourself now and then. For example:

- Cadbury Simply Smooshed bars and Really Nutty mixes (Australia)
- Lacta Intense Dark chocolate (Brazil)

GLOBAL CASE STUDY

EMBEDDING BETTER ALL-ROUND

In Australia, *The Natural Confectionary Company* (TNCC) launched reduced sugar and vegan options, with portion-control packs. The launch has been a big success, with \$13m sales and +6% growth in year one. Looking ahead, there are plans to go further in 2021 with more options including kombucha (added prebiotics).

GLOBAL CASE STUDY

CREATING A DELICIOUS GLUTEN-FREE OREO

To give our existing *Oreo* customers more options as well as open up the world of *Oreo* to new customers, we expanded the product portfolio to include two gluten-free offerings: *Oreo* Gluten-Free and *Oreo* Double Stuf Gluten-Free cookies. These new versions give the same great *Oreo* taste, gluten-free. With the addition of these new offerings, the growing number of people with a gluten intolerance, gluten sensitivities or those pursuing gluten-free diets can now enjoy our *Oreo* snacks, too.



EVOLVING OUR PORTFOLIO

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

PROGRESS % CHANGE OF WEIGHTED AVERAGE IN SNACKS PORTFOLIO

Sodium	-6.0% in 2020 vs 2012	Sodium weighted average in Snacks was essentially flat in the last year (-0.3% in 2020 vs 2019)
Saturated fat	-6.7% in 2020 vs 2012	We reduced saturated fat average in Snacks portfolio by 2.8% in 2020 vs 2019
Sugars	We kept sugars average flat (-0.3% in 2020 vs 2019 due to volume changes between categories)	
Wholegrain	>9.5 billion servings of whole grain provided by our products in 2020, a 6% increase vs. 2019	

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

Our evolution efforts come in many shapes and sizes. In particular, we focus on:

- Enhancing communication, so consumers are super-clear about how to enjoy our snacks mindfully and responsibly (for more information on this see pages [19](#), [21](#) and [22](#) of this report)
- Resizing products, so people can enjoy the right portions (for more information on this see [page 20](#) of this report).

GLOBAL CASE STUDY

PUTTING MORE GOODNESS INTO A BREAKFAST FAVORITE

A longstanding favorite at many an Italian breakfast table, *Oro Saiwa* was nevertheless beginning to lose out to fierce competition. Undaunted, we turned this iconic morning snack around – giving it new life and winning back consumers' hearts and appetites.

The turnaround touched on all our key renovation action points while staying true to the brand's core DNA and much-loved taste:

- We enhanced communication, with new advertising addressing modern society and embracing diversity and inclusion
- We reformatted the pack, with a fresh new look and feel

- Reducing or removing ingredients people don't want
- Changing and adding ingredients people do want
- Sourcing ingredients locally, and more sustainably

REDUCING SODIUM, SATURATED FAT AND TRANS 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 World Health Organization 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.

WHOLEGRAINS

Most consumers do not get enough wholegrains in their diet, so we try to provide them in our snacks. For example, our offers with wholegrains include a new *beVita* variety in China and new *Chipsmore* cookies with twice as many oats in Malaysia. Over 25% of our snack/biscuit products include wholegrains, but we continue to add more wholegrains to our portfolio.

- We resized the product
- We removed palm oil, replacing it with sunflower oil
- We reduced salt by 31%, and fat by 1%
- We updated the ingredients, with a new recipe boosting taste and texture
- We began to use local ingredients: 100% Italian wheat

It has been a resounding success – *Oro Saiwa* has gained +900k families and grown sales +20% since the refresh.



FOOD SAFETY & QUALITY

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

PRODUCT SAFETY AND QUALITY PROGRESS

	2017	2018	2019	2020
Internal manufacturing certified	100%	100%	100%	100%
External manufacturing certified	94%	94%	91%	94%
Raw material supplier certified	97%	98%	99.8%	99.9%
Food contact packaging suppliers certified	NA	57%	90%	97%

GOAL PROGRESS

In 2020, we continued to make strong progress toward our goal of having all our manufacturers and suppliers certified to one of the Global Food Safety Initiative (GFSI) benchmarked food safety schemes. In particular, we continued to step-up the certification of our food contact packaging suppliers.

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

MAINTAINING HIGH STANDARDS

Safety begins with each recipe we make. We set high standards with a comprehensive quality management system to 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-edge science to identify and manage risk so our consumers can trust our products when they eat them.

REGULAR TRAINING AND REVIEWS

Regularly training staff is an important part of embedding our standards in our business. In 2020, 4,500 colleagues were trained on our standards. Auditors of our manufacturers and suppliers review training records to confirm that all relevant training is carried out and records kept. Additionally, 2,000 employees of our suppliers were trained on our quality aspects.

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

LEADING FOOD SAFETY SCIENTISTS

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

CHAMPIONING GLOBAL FOOD SAFETY

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

This commitment is supported at the highest levels of our organization, as our Chairman and CEO co-chairs the CGF Food Safety coalition, stewarding the food safety agenda.



RIGHT MOMENT

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

GOAL PROGRESS

16% of snacks' net revenue from portion control products

14% of packs globally included the Mindful Snacking icon

UN Sustainable Development Goals

Top tier: We focus on a priority SDG where we can make the biggest impact:



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

- 4 – Quality Education
- 9 – Industry, Innovation and Infrastructure
- 17 – Partnership for the Goals

Reference [page 10](#) of this report for baseline figures

LANDSCAPE & INSIGHTS

Snacks are meeting an increased and varied set of needs in consumers' lives, and we are endeavoring to meet more of those snacking moments.



AN INCREASING BEHAVIOR

Snacking around the world, which was already a rapidly increasing behavior, has only accelerated as consumers spend more time at home. According to our 2020 State of Snacking™ Report, 88% of respondents have been snacking more than before or the same during the pandemic. Moreover, the majority of respondents see snacking as a growing part of their everyday lives in the future.



AN IMPORTANT SOURCE OF COMFORT

Consumers see snacking as an important source of comfort, connection and community, especially during the past year. Comfort has been the top driver of snacking through the year – 52% of respondents said snacking has been a “lifeline” during the pandemic. Snacking also offers bite-sized moments of satisfaction and peace, with a majority of respondents noting it has helped distract them from a trying year.



A SOURCE OF NOURISHMENT, TOO

Our report also highlighted the important nourishing role snacking plays in people's lives, with 54% of respondents relying on snacks for nourishment during the pandemic. As we highlight in Right Snack, as snacking increases, so too does the focus on healthy products and ingredients.



A RISE IN ONLINE SNACK SHOPPING

Almost half of respondents are now buying snacks online, and this is only likely to increase. Indeed, 69% of respondents plan to continue shopping for snacks online once the pandemic ends.

MINDFUL SNACKING

We want to inspire mindful snacking behaviors, so the consumers we care about can savor each bite and experience more satisfaction from the brands we and our consumers love.

MINDFUL SNACKING PROGRESS

14%

By the end of December 2020, 14% of packs globally included the Mindful Snacking icon.

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.

We put a big emphasis on mindful snacking – it's our distinctive approach to helping consumers snack better. So what do we mean by mindful snacking? It is about eating with intention and attention, focusing on the present moment, and savoring how the food tastes so you really enjoy it. In short, it's about making the most of snacking in-the-moment. We want to educate consumers about how to snack mindfully to encourage them to get the most out of snacking and inspire satisfying snacking experiences.

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

Relevant

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

Sustainable

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

Effective

Research shows multiple benefits of mindful eating.

HELPING PEOPLE SNACK MINDFULLY

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

A FEW SIMPLE STEPS

Snacking mindfully involves a few simple steps that add up to fully enjoying the snacking experience.

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

THE BENEFITS

- A positive relationship with food by making deliberate and conscious food choices*
- More satisfaction and pleasure from the food by savoring with all the senses**
- Less likely to overeat and lose control by paying attention to hunger and fullness feelings***



Source:

*Alberts et al., 2012; Katterman et al., 2014; Hendrickson et al., 2017; Camillieri et al., 2015; Gravel et al., 2014

**Hong et al., 2014; Arch et al., 2016; Cornil & Chandon, 2015; Hetherington et al., 2018

***Oldham-Cooper et al., 2011; Higgs et al., 2011; Mittal et al., 2011; Robinson et al., 2014; Daubemier et al., 2016

Reference page 10 of this report for baseline figures

GLOBAL CASE STUDY

COMBINING THREE BRANDS INTO ONE SNACK MINDFULLY STORY

In Canada, to build on our different mindful snacking options and amplify the message for consumers, we took the simple innovative step to bundle our three top cracker brands together into one well-being-themed story.

We brought *Good Thins*, *TRISCUIT* and *Wheat Thins* together and inspired consumers with ideas how to create delicious snacking moment by combining nutritious crackers with other healthy categories, such as dips, fruits and vegetables or more practical tips how to snack more mindfully. This combination enabled us to take the brands beyond the cracker aisle of a store to the fresh/produce section as part of a broader well-being story.

Timed for January, during the key well-being season when 70% of Canadians make New Year's resolutions and improving eating is a top topic, the campaign included generating awareness on social media, creating a microsite with recipes and tips on snacking mindfully, and a new merchandising display.

GLOBAL CASE STUDY

MINDFUL SNACKING IN INDONESIA

In Indonesia, to help promote mindful snacking during the pandemic, we created a campaign partnering with Clinical Psychologist, Ms Tara de Thouars, BA, M. Psi through articles across regular and social media. It included a virtual session for mom-blogger community "Ibu-ibu doyan nulis" to share mindful snacking tips for parents.

PORTION CONTROL

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

PORTION CONTROL PERFORMANCE

	2017	2018	2019	2020
Percentage of snacks net revenue in portion control options	13%	15%	16%	16%

GOAL PROGRESS

At 16%, we are on track to reach our 2025 goal of 20% of global snacks net revenues from portion control products.

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 people manage their calorie intake. Individually wrapped products enable people to enjoy the treats they love, become more mindful when they eat, and help manage their calories.

We are committed to growing our portion control products to 20% of our global snacks net revenue by 2025. In 2018, we achieved our 2020 target of 15% and increased it to 16% in 2019. We maintained this 16% level in 2020, as the pandemic slowed overall portion control growth, to 1%, and affected consumer demand in different ways across chocolate, biscuits and candy. Portion control in chocolate grew 10% year-on-year in 2020 to 15.5% of snacks net revenue, while biscuits decreased 6% to 18%. Overall, our portion control offerings as a percentage of our snacks net revenue have risen from ~10% in 2012 to 16% in 2020.

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

In 2020 we committed to bring all of our Cadbury chocolate bars sold as part of a multipack under 200 calories by the end of 2021. This move will see over 2 billion calories removed from the UK market each year. It builds on our pledge to bring all Cadbury chocolate and biscuit products typically bought by parents for children to under 100 calories by the end of 2020. The much-loved Cadbury bars, Fudge, Curly Wurly and Chomp, as well as Barny Sponge Bears and Cadbury Mini Fingers and Cadbury Animals are now all under 100 calories.

We are mindful of balancing our growth in portion control with our commitment to reducing waste and plastic packaging. We focus on optimizing and reducing packaging as well as using post-consumer materials wherever possible and enabling recycling. Find out more about our packaging on [page 36](#) of this report.

As well as expanding our portion control options, we are placing a visual portion icon on all packs, globally by 2025.



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.

ENCOURAGING PEOPLE TO BE TREATWISE®

In the UK, being part of Be Treatwise® is one of the ways we bring to life our commitment to mindful snacking. In 2020, we introduced a redesigned Be Treatwise® logo across Cadbury packaging, to make it more prominent on pack and help encourage people to enjoy treats in moderation. The logo is also designed to drive people to www.betreatwise.net, where they can find practical tips and advice on how treats can be enjoyed as part of a balanced diet and active lifestyle.



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

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

LABELING

Our nutrition labeling is in line with international standards, including Codex Alimentarius. We provide nutrition labeling on all products, displaying the amount per serving and/or per 100 grams (depending upon local regulations) on key nutrients. Labels usually include the percentage that a nutrient provides of a person's recommended daily intake, such as Daily Value or Dietary Reference Intake.

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

RESPONSIBLE MARKETING

Our global Marketing to Children Policy applies to every market where we do business. We do not advertise our products in any media primarily directed to children under age 12.

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

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

PARTNERING

We work with others across the industry to support responsible marketing. We are, for example, a founding member of the International Food & Beverage Alliance. Along with other members, we made a global commitment to the World Health Organization to either not advertise products to children under age 13 or only advertise products that meet specific nutrition criteria to children under age 13 and to monitor those efforts.

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, 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.

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

NUTRITION PARTNERSHIPS

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

WORKING TOGETHER

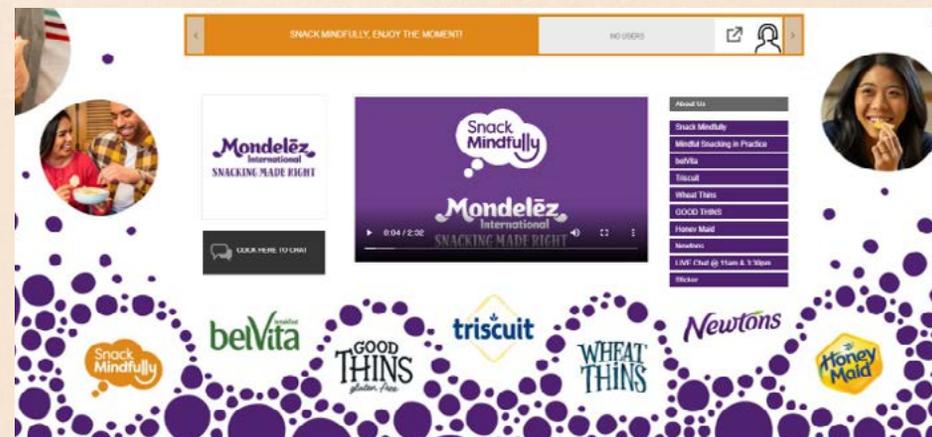
We have been working together with experts for many years to better understand and address the complex challenges around diet, health and well-being. This is especially important today, as obesity and related health concerns persist around the globe.

Throughout 2020, we participated in and presented at various conferences, including Food & Nutrition Conference Expo (FNCE), to learn about advancements in nutrition, as well as share progress and results from research we conducted and showcase our latest well-being innovations.

We continue to actively engage with public and private sector stakeholders, bringing industry partners together to address global health and well-being challenges. As part of this, we have discussions with governments, NGOs and others on topics such as nutrition improvements, enhancing consumer information and promoting healthy lifestyles and mindful eating.

Below are some of the organizations we engaged with throughout 2020:

- [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](#)



FNCE VIRTUAL EXHIBIT

The Mondelez virtual exhibit at the Academy of Nutrition and Dietetics Food & Nutrition Conference & Expo (FNCE) increased awareness about Mindful Snacking and well-being brands among nutrition professionals who guide consumers to eat right. This major event attracted 13,775 nutrition professionals from 66 countries and territories.

MAKING A DIFFERENCE WHERE IT COUNTS

We're proud of our purpose-driven culture where we live our values. One of the great ways our value of 'Do what's right' comes alive is through our people volunteering to help make a positive impact locally in their communities.

VOLUNTEERING PROGRESS

20,000

In 2020, 6,190 employee volunteers completed 20,000 hours of service to the communities where they work and live, despite COVID-19 restrictions.

Dirk Van de Put
Chairman & CEO
Mondelēz International



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

#STRONGERTOGETHER

Inevitably COVID-19 has been the main focus of our efforts to take care of our communities through the year. In the wake of the COVID-19 crisis we made a \$15 million global commitment to support relief efforts around the world, through the Mondelēz International Foundation (MIF) as well as global and local brand initiatives. We have surpassed this amount by double, achieving a total of \$30 million in cash and in-kind donations to date.

We are distributing funds to a variety of organizations around the world – from the American Red Cross in North America to the Xuhui Central Hospital of Shanghai, China, and from the National Disaster Mitigation Agency in Indonesia to local foodbanks in Latin America.



"Managing through and recovering from this global crisis will take everyone's support and I am pleased we're standing up to advance relief efforts around the world."



GLOBAL CASE STUDY

PROVIDING ESSENTIAL SUPPORT IN SOUTH AFRICA

In South Africa, MIF partner INMED showed great resilience to keep providing essential support to communities despite the pandemic. COVID-19 shut-downs were a threat to the continued operations of INMED's program broadly and specifically to its aquaponics facilities. This was greatly concerning, as the facilities provide food for the local community and economic stability for its employees.

Rising to the challenge, INMED provided nutrition packs for disadvantaged households already going hungry and helped families start backyard food gardens. The team also launched an online training program for staff and teachers in program schools using Google Classroom.

In addition, INMED applied for and received an essential services certificate, enabling the team to continue maintaining their aquaponics systems despite the lockdown, and in turn, share the harvests from the system in Port Elizabeth with nearby households and a community soup kitchen.

"We are proud of the partnership with Mondelēz and INMED. The learner support materials on COVID-19 will help a great deal toward raising awareness about the disease in our schools."

Mr. Mbanjwa
Chief Education Specialist
for the Eastern Cape Department of Education

After restrictions were eased to allow outdoor exercise, INMED kept children and adults active in the communities with guided physical activities plus educational information on COVID-19, all while ensuring social distancing.

The team also met virtually with the Department of Education in Port Elizabeth to share program updates, adjustments and new educational materials. The Department granted approval for the materials to be included in school packs for all 23 education districts across the province.

COMMUNITY IMPACT

We continue to partner with leading community organizations to transform the lives of children around the world and fund disaster relief efforts. At the same time, we are also on a migration toward impact investing, through our new Sustainable Futures strategy.

COMMUNITY IMPACT PROGRESS*

	2017	2018	2019
Nutrition Knowledge: Percentage of program participants who improve nutrition knowledge	12%	18%	18%
Physical Activity: Percentage of program participants who are physically active for 30 minutes or more daily	6%	7%	9%
Healthier Eating: Percentage of program participants who report increased consumption of fruits, vegetables and other fresh foods	11%	12%	12%

*2020 data not available due to COVID-19.

GOAL PROGRESS

In 2020, 100% of the \$50 million commitment was allocated to programs.

TRANSFORMING THE LIVES OF CHILDREN

Since 2021, the Mondelez International Foundation (MIF) has been partnering with leading community organizations to transform the lives of 1.5 million children across 18 countries. Through its multi-year \$50 million commitment, MIF has invested in and partnered on a variety of programs to help children and their families adopt lifelong healthy habits.

FIGHTING OBESITY AND IMPROVING HEALTH

MIF's partners develop and implement the programs, which are commonly school-based, reaching children aged 6-12, as well as their families and teachers. Programs are rooted in a three-pronged approach that is widely regarded as crucial for fighting obesity and improving children's health: improving nutrition knowledge, physical activity, and access to nutritious foods, primarily fruits and vegetables.

GLOBAL CASE STUDY

FOCUSING ON HEALTH AND WELL-BEING IN UKRAINE

In Ukraine, MIF's partner CSR Ukraine made sure it continued to provide children, families and communities with essential health and well-being education during the COVID-19 crisis. This was all the more important given the unavoidable strains on mental health and well-being created by the pandemic.

Two initiatives were developed: an online mental health competition for teachers, and a quarantine sports challenge for kids at home. The aim of the mental health competition was to find new ideas and create healthy spaces in schools for students and teachers alike. Students and families were encouraged to do physical activity at home together and to post updates on social media. Several hundred participants took part in the challenge, which had a very positive effect on them.



TRACKING PROGRESS

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

GLOBAL CASE STUDY

HELPING CHILDREN AND FAMILIES LIVE WELL TOGETHER IN MEXICO

Save the Children Mexico designed a digital strategy to address the comprehensive needs children face during quarantine. Delivering their program virtually reduced delivery costs, and enabled them to reach more schools and benefit a greater number of children than originally targeted.

The program focused on addressing physical activity, healthy eating, COVID-19 knowledge, personal hygiene and general health promotion, as well as offering psychosocial support and mental health.

The aim was to help improve practices that bring children and their family's comprehensive well-being, and above all, allow them to explore new ways of living together that promote health at home and in the family.

IMPACT INVESTING

IMPACT INVESTMENT THROUGH SUSTAINABLE FUTURES

To do more for the greater good requires new ways of thinking and working for positive, long-lasting impact on people and the planet.



That's why in 2020 we created Sustainable Futures, an Impact Investment platform designed to address today's most complex challenges such as climate change, packaging, waste and recycling, and build resilient communities.

Sustainable Futures incubates and finances innovative social investments and partnerships that amplify our positive impact and create a future where people and planet thrive.

The Sustainable Futures investment strategy consists of two key pillars:

- Contributing to impact-focused funds that invest in sustainability initiatives
- Working with our business and partners on the ground to find, fund and scale local enterprises that have created unique solutions to global challenges

The Mondelez International Foundation (MIF) continues to support communities in time of need by providing disaster relief to the International Committee of the Red Cross (ICRC) and other partners.



GLOBAL CASE STUDY

HELPING TO BUILD HEALTHY RESILIENT COMMUNITIES IN SOUTH AFRICA

We aim to build healthy and resilient communities in our local communities through new impact investments. In South Africa, we are focusing on the challenges surrounding many communities, with a focus on climate change, racial injustice and food security. As part of our Sustainable Futures engagement we are concentrating on seed investment in social enterprises to deliver lasting positive social and environmental impact to and help marginalized people.

Sustainable Futures is helping finance the Aquaponics Social Enterprise (ASE). An innovative new enterprise aiming to deliver more lasting and self-sustainable social impact, ASE combines fish farming in aquacultures together with hydroponics for soilless crop production, as a climate-smart agriculture

process. By using less space, water and energy, ASE is helping historically disadvantaged populations in South Africa progress from subsistence to commercial agriculture production, with sustainable income opportunities and access to nutritious food. Together with INMED, we are a founding investor in ASE, have representation on the company's board and are committed to continue supporting through financial support and skill-based volunteering.

Our first impact investment pilot, ASE is set to positively impact 90,000 people, create over 270 jobs and educate more than 18,000 people over the next three years.

RIGHT WAY



From sourcing ingredients responsibly to using natural resources efficiently and renewably, from safeguarding human rights to promoting workplace safety – we focus on making our snacks in an economically, environmentally and socially sustainable way.

2025 GOALS PROGRESS

38% women in management

68% volume for chocolate sourced through Cocoa Life

24% reduction in CO₂ emissions from manufacturing

94% packaging designed to be recycle ready

UN Sustainable Development Goals

Top tier: We focus on priority SDGs where we can make the biggest impact:



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

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

Reference [page 10](#) of this report for baseline figures

LANDSCAPE & INSIGHTS

We have a clear and distinctive approach to Right Way. We prioritize where we can have the largest impact — cocoa, packaging and climate. We focus on innovative, lasting solutions. This means going beyond the certification scheme and tackling root causes, measuring our impact and investing in scalable solutions. The challenges we are tackling and the transformation we are driving cannot be solved alone. We work in close collaboration with partners, external advisors, regulators and stakeholders.



DIVERSITY, EQUITY & INCLUSION

As a global company, we know that diversity in all its forms is a driver of innovation and growth. Companies that embrace a real culture of DE&I will be attractive employers for talent today and tomorrow. That's why we champion a more diverse, inclusive and equitable world both socially and economically, for our colleagues, culture and communities.



CARBON

Climate change is a rapidly growing threat to society and the planet, and we know we need to be a part of the solution. That's why we take an end-to-end approach to reducing our carbon footprint. We know the sourcing of four ingredients make up the biggest contribution to our carbon emissions and are reducing the environmental impact of the commodities where we have an opportunity to advance forest positive, bio-diverse, and best-for-the-land practices at scale.



COCOA

The resilient supply of key raw materials like cocoa is essential to our business. Our signature sustainable sourcing programs are rooted in advancing sector-wide lasting change. We address systemic issues that threaten climate change and human rights. We innovate, collaborate and advocate for public-private partnership.



PACKAGING

We don't want our packaging to impact the environment and we are working hard to transform it and our packaging and increase recycling globally. That's why we are innovating to find new, smarter plastic packaging solutions that use less new material, combined with advocating for and advancing harmonized approaches to recycling systems and infrastructure.

DIVERSITY, EQUITY & INCLUSION

As a global employer, we recognize and value differences and are championing diversity, equity and inclusion (DE&I) around the world.

GENDER PROGRESS

	2017	2018	2019	2020
% of our independent directors who are women	31%	23%	25%	25%
% of our management positions globally who are women	35%	35%	37%	38%
% of our executive management team who are women	18%	18%	31%	34%

U.S.-BASED EMPLOYEE DEMOGRAPHICS

	Non-POC*	POC*
Senior Executives	66%	34%
Management	77%	23%
New Hires – Management	74%	26%
All Mondelez	64%	36%

*Person of color
Reference page 10 of this report for baseline figures

ADVANCING OUR DE&I COMMITMENT

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 commitment is led from the top, through our Management Leadership Team, Board of Directors and Global D&I Council. 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 commitments and we're proud to share early progress against our goals.

As an important step in our journey to make progress against DE&I, we established a Diversity and Inclusion Steering Team including C-suite officers and other key senior leaders charged with collectively setting the strategy and DE&I commitments for the organization.

CHAMPIONING WORKFORCE DIVERSITY

In 2020, we announced our goal to increase representation percentage of women in executive leadership roles by 2024. At the end of 2020, women held 38% of global management roles (defined as Associate

Director and above) and 34% of executive leadership roles (defined as the management leadership team plus one level below), a year-on-year increase on both counts.

In September 2020, we announced our goal to double Black representation in our U.S. management by 2024. We also announced the appointment of Robert Perkins in the newly created position of Chief Global Diversity & Inclusion Officer. Robert is accountable to our Chief Human Resources Officer, CEO, the Management Leadership Team and our Board of Directors.

BUILDING A STRONG WINNING CULTURE

We know how important DE&I is to building a strong winning growth culture, and our senior leadership team has been modeling the way with our U.S. Top 200 Leaders completing a new DE&I Leadership Workshop in 2020 to promote a long-term sustainable culture change. Plans are underway to cascade the training further in the U.S. and across the globe to increase colleagues' knowledge, skills and understanding about why and how DE&I is good for business.

ENHANCED DISCLOSURE IN U.S.

At Mondelez International we have enhanced disclosure about our DE&I performance, including the 2020 publication of our EEO-1 consolidated filing which can be downloaded on our website or accessed via the link below. We are making progress to advance our performance in DE&I and remain committed to making strong progress against our public commitments.

The EEO-1 categories are not necessarily representative of how our industry or workforce is organized. The U.S.-Based Employee Demographic chart on this page is an illustration of our U.S. employee representation by level. Access our full EEO-1 Report by [clicking here](#).

2X%

Double representation percentage of Black colleagues in U.S. management

\$1BN

Reach \$1 billion in diverse supplier spend globally

2X%

Increase representation percentage of women in executive leadership roles by 2024 (2018 baseline)

"An ongoing commitment to reflect the diversity of the world in which we operate is essential to the long-term success of our business and delivering on our purpose, mission and values. We are accelerating our efforts to promote inclusivity for our colleagues, communities and brands and stepping up transparency around our progress."



Robert Perkins,
Chief Global Diversity & Inclusion Officer

DIVERSITY, EQUITY & INCLUSION (CONT.)

We are working together with partners to extend and enhance DE&I, for broader, more sustainable positive impact.

FORGING NEW MARKETING PARTNERSHIPS

From racial inclusion to LGBTQ+ representation, our brands have a long history of ally-ship, advocacy, and standing up for the diversity of the world we live in. We have opportunities to further mobilize our brands and leverage partnerships with agencies and advertising platforms to drive change, equity and inclusion in our creative processes. We're excited that from the start of 2021, we are members of the Unstereotype Alliance, a thought and action platform that seeks to eradicate harmful stereotypes in all media and advertising content, and the FREE THE WORK initiative, a global talent-discovery platform for advertisers to find and connect with underrepresented creators.

WORKING TOGETHER TO INCREASE BOARD DIVERSITY

We've joined other international organizations as a signatory of the Board Diversity Action Alliance, which seeks to increase the representation of racially and ethnically diverse directors on corporate Boards of Directors, beginning with Black directors. As a signatory to the Alliance, we are accelerating change by supporting a concerted enterprise transformation approach to diversity by integrating talent, accountability and engagement. We are holding ourselves accountable through clear commitments, including disclosure of Board Directors' self-identified race and ethnicity, and annual reporting of our diversity, equity and inclusion progress.

ENHANCING ECONOMIC INCLUSION AND SUPPLIER DIVERSITY

As a global company, we want to enhance economic inclusion and supplier diversity all around the world. Our goal is to reach \$1 billion in diverse supplier spend globally by 2024. By increasing the inclusion of underrepresented and/or economically disadvantaged groups in the sourcing process and increasing the diversity of our supply chain, we will generate greater social and economic value. We're focused on generating social and business impact by including historically under-used businesses so they can gain the benefits of participation, stability and growth.

PAY EQUITY ANALYSIS

We are committed to rewarding our employees 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 annual pay equity reviews for salaried employees and we are committed to eliminate unaccounted for pay differences. At the enterprise-wide level, our pay gap between male and female employees was less than 1% and decreasing through pay adjustments for employees identified during the review. In the United States a 2020 independent pay equity audit found no systemic issues and no negative pay gap between non-white and white employees performing substantially similar work.

GAINING EXTERNAL RECOGNITION

Valuing all aspects of diversity has always been an integral part of our company values. We're proud to say that our strong DE&I commitment and impact has been recognized through a number of recent awards:

- In the U.S., we received a score of 100 on the Human Rights Campaign Foundation's 2021 Corporate Equality Index, earning Mondelez International the designation as one of the Best Places to Work for LGBTQ+ Equality in the U.S.

- In the UK, we have been honored with a Glassdoor Employees' Choice Award, recognizing Mondelez UK as one of the Best Places to Work in 2020.
- In Asia, we received the Human Resources Excellence Awards 2020 in Diversity & Inclusion from Human Resources Online Singapore. This prestigious award is a platform for teams to showcase their

strategies and initiatives, honoring best-in-class teams and individuals for their work executed across the entire function.

- In addition, we have been included among the "Best Places to Work in Vietnam 2020" in an annual survey conducted by Anphabe and Intage. For the second time in a row, we have been listed in this prestigious ranking, five years after entering the Vietnam market.

GLOBAL CASE STUDY

OREO ENCOURAGES PROUD PARENTS IN SUPPORT OF LGBTQ+ COMMUNITY

For over 100 years, Oreo has been celebrating families and sparking playful moments of connection across generations because we believe playfulness nurtures life-long bonds. When a child comes out of the closet, they often leave their parents inside and that life-long bond is at risk of breaking.



In 2020, Oreo collaborated with PFLAG, the first and largest organization dedicated to bringing LGBTQ+ individuals in the U.S., their parents and families and allies together. Family support and acceptance makes a huge positive difference in the lives of people who come out as lesbian, gay, bisexual, transgender or queer. The Proud Parent initiative consisted of a series of programs throughout 2020, highlighting the important role parental support plays in fostering greater LGBTQ+ acceptance and providing allies with additional tools to support the LGBTQ+ people in their lives.

As part of the Proud Parent social campaign, Oreo created an Augmented Reality filter on Instagram, enabling LGBTQ+ allies and family members to "hold" signs inspired by those held by pioneering parents at Pride marches of the past. Oreo and PFLAG encouraged fans to celebrate World Pride Day (June 27, 2020) by sharing a picture holding a sign on social using the hashtag #ProudParent.



WORKPLACE SAFETY

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

WORKPLACE SAFETY PROGRESS

	2017	2018	2019	2020
Reduction in Total Recordable Incidents (year-on-year)	32%	18%	22%	10%
Decrease in Lost Time Incidents (year-on-year)	36%	15%	14%	15%

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

RESPONDING TO THE COVID-19 PANDEMIC

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

ADDRESSING SAFETY THE RIGHT WAY

To ensure we address safety the right way, we reinforce our HSE policies, standards and non-negotiables to improve our culture and compliance. We also continuously look for ways to improve our work processes, tools and metrics to reduce workplace injuries and enhance safety. In addition, we regularly conduct HSE assessments to validate the implementation and effectiveness of our HSE systems.

ELIMINATING RISKS

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

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

WORLD-CLASS SAFETY

The global benchmark for a world-class Total Incident Rate (TIR) is defined as 0.5. We compare our performance against this benchmark and continue to perform well below the 0.5 level, currently operating at 0.18, with 46% of our facilities operating with a zero TIR in 2020. In 2020, we continued to improve our safety performance.

Lost Time Incidents decreased by 15% year-on-year. We have achieved a 71% reduction in Lost Time Incidents since 2013. Total Recordable Incidents went down by 10% year-on-year. Since 2013, we have reduced them by 75%.

Through ongoing educational efforts, teamwork and enhanced protocols and safety measures, we've improved our safety performance each year. TIR as a primary indicator has been extremely helpful to drive this reduction in incidents, however it has not necessarily helped us identify and eliminate the high severity incidents that translate into more severe injuries. To address this, we revised our primary 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 2020 we recorded a total of 2041 total accidents (94% first aid cases and 6% recordable injuries) across the business of which 100 (4.9%) were classified as severity incidents.

WORK, PLAY, LIVE, SAFE

Our safety principles guide our everyday actions:

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

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 the health and well-being of all our employees around the world.

"We're refining our strategic framework to support, promote, and protect the well-being of our colleagues and their families through a holistic and inclusive approach that connects with the communities where we live and operate."

Anh T. Tran,
MD, MPH, FACP
Global Director of Health,
Mondelēz International



PROVIDING VIRTUAL HELP THROUGH THE PANDEMIC

In 2020, we put great emphasis on doing everything we could to supporting the health and well-being of our colleagues through the COVID-19 crisis.

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. It 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.

CONTINUING TO MAKE THE MOST OF FLEXIBLE WORKING

Our belief in the power of flexible working has been reinforced through our experiences of enabling and supporting our people to continue working well through the pandemic. As we emerge stronger from the crisis, we continue to provide a modern and flexible approach to how and where we work.

With the backing of our people, we are focusing on a hybrid workplace solution which will ensure colleagues can work remotely and flexibly when appropriate and that our office spaces can play 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 all ways, it is a winning way to work.

14,576

employees made use of our virtual care tools and support through 2020.

WORKPLACE WELLNESS SPOTLIGHT BRAZIL

We're going beyond legislation needs, and actively promoting employee health while driving well-being and engagement through our Total Health approach.

2020 Progress in Brazil:

- \$4MMR in savings and cost avoidance
- 31% increase in flu shots, 60% of total population



Our Leadership Team has distilled our commitment to the 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.

PROUD, ENGAGED COLLEAGUES

Our commitment to supporting our colleagues' wellness is helping to drive our engagement scores to new heights. We are scoring in the top 20th percentile compared to global benchmarks. We will continue our commitment to work on the areas that matter most to our people and build on this momentum.

SUPPORTING LOCAL INITIATIVES

We are significantly expanding our reach through local Employee Assistance Programs for colleagues. The majority of our workplace wellness initiatives are driven locally across the organization. Each worksite brings workplace wellness efforts to life in fun and engaging ways.

While differing slightly from site to site, the programs usually have a focus on nutrition or physical or mental well-being. Initiatives typically include:

- Lifestyle improvement programs, such as stress management, 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

HUMAN RIGHTS

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

HUMAN RIGHTS PROGRESS

	2017	2018	2019	2020
Prioritized suppliers audited	330	248	338	257

- We met our targets on audits of our own plants; 100% of our manufacturing sites were independently audited following a three-year cycle, using the SMETA protocol, which includes forced labor risk indicators
- We met our targets on audits of prioritized tier 1 supplier; 100% of 2020's highest priority suppliers completed a SMETA audit
- We conducted comprehensive Human Rights Impact Assessments in plants located in high risk geographies in 2020, and are working on integrating the learnings into our global practices in 2021

Aarti Kapoor,
Executive Director,
Embode



"What we discovered through our on-the-ground research is that the situation of migrant workers in Malaysia is of significant concern. Migrant workers are not adequately represented and their voices need to be better heard. We need more collective action by governments industry, and NGOs, building on industry efforts made to improve worker standards and in full consultation with migrant workers themselves."

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 [2019 Human Rights Report](#).

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

SPEAKING UP AND INVESTIGATING

In line with our worldwide Speaking Up and Investigations Policy, employees and external stakeholders can confidentially, and anonymously if they wish, report issues through the HelpLine and WebLine. 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 IN OUR OWN OPERATIONS

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

WORKING WITH SUPPLIERS

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

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

In the 2020 update of the Palm Oil Action Plan, we strengthened our supplier expectations on human rights. This included spelling out the due diligence steps we expect our palm oil suppliers to follow in order to identify and mitigate risks in their own operations and supply chain, in line with the framework of the UN Guiding Principles on Business & Human Rights and our own commitment to respect the rights of people across the value chain.

BUILDING AWARENESS AND CAPACITY

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

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

GLOBAL CASE STUDY

RESEARCHING HUMAN RIGHTS RISKS AND RECOMMENDING IMPROVEMENTS

In 2020 we co-commissioned a report offering an independent assessment of the issue of migrant labor in the palm oil sector in Malaysia. The study was conducted by the human rights consultancy Embode. The report '[The Road to Worthy Work and Valuable Labour](#)' is publicly available on Embode's website.

Our collective goals in commissioning the report were to assess the extent of human rights risks among migrant laborers in this sector, and obtain informed, credible, and specific recommendations on how to address any such risks.

We discovered a number of things through the on-the-ground research: the situation of migrant workers in Malaysia is an issue of significant concern; the labor issues on Malaysian palm plantations are complex, driven by economic and socio-political dynamics; Malaysia is an economy where there is demand for cheap, low-skilled labor, which poorer countries in the region are providing; risk of exploitation arises because migrant laborers are not well represented and often don't fully understand their rights.

Key actions recommended to improve the situation included advancing public-private platforms and collective action to address the situation surrounding migrant workers in Malaysia, promoting greater representation for migrant workers in Malaysia, and encouraging stakeholders to better protect and resource migrant workers by improving worker protection services and complaints mechanisms.

We are also continuing our active participation in the Consumer Goods Forum Palm Oil & Human Rights working groups. We will continue our focus on compliance and due diligence.

HUMAN RIGHTS (CONT.)

Forced and child labor are critical issues in our sector and we are addressing them head on.

COCOA AND PALM OIL

Cocoa:

- Commitment to 100% coverage of Cocoa Life communities in West Africa with Child Labor Monitoring & Remediation Systems (CLMRS) by 2025
- Ongoing International Cocoa Initiative pilot on forced labor, to also address adult forced labor risk

Palm oil:

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

GOAL PROGRESS

Our goal is 100% CLMRS coverage in West Africa by 2025. As of the end of 2020, we have coverage across 28% of total communities in West Africa.

FOCUSING ON FORCED AND CHILD LABOR

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

ADDRESSING THE ROOT CAUSES

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

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

MONITORING & REMEDIATION

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

COLLABORATING ACROSS THE SECTOR

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

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

RESPECTING RIGHTS THROUGHOUT SUPPLY CHAINS

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

SUPPORTING MANDATORY DUE DILIGENCE

Recognizing the need for everyone involved to work together to tackle human rights issues in global supply chains, we support legislative efforts to enable practical, proactive, ongoing human rights due diligence.



Reference [page 10](#) of this report for baseline figures

CLIMATE

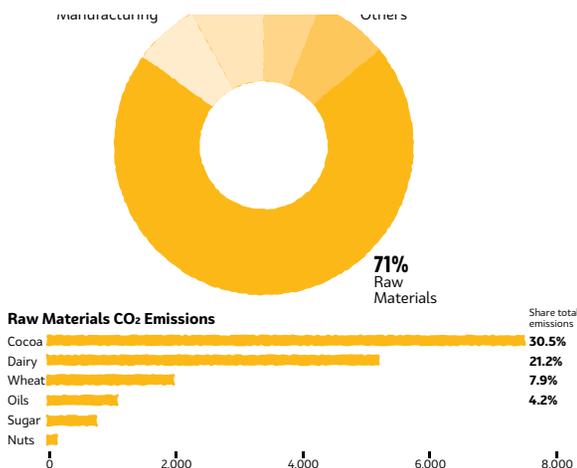
We take an end-to-end approach to reducing our carbon footprint both within our own operations and through signature, sustainable sourcing of key raw materials where we know we have the biggest impact.

MONDELÉZ INTERNATIONAL GHG EMISSIONS

	2019	2020
Mondelēz Scope 1 + 2 CO ₂ market based emissions (CO ₂ e Metric Ton)	1,758,608	1,527,318
Scope 3 CO ₂ emissions (CO ₂ e Metric Ton)	22,657,830	23,084,148
TOTAL Scope 1, 2 & 3 total CO ₂ emissions (CO ₂ e)	24,416,439	24,611,466

MONDELÉZ'S CARBON FOOTPRINT TODAY

~70% of Mondelēz's CO₂ emissions comes from our raw materials, concentrated in 4 key commodities



COMBATING CLIMATE CHANGE

Climate change is a real risk to our consumers, our business, our economy and the planet at large, and a critical part of our commitment to making snacking right is to help tackle this global challenge.

Our targets to reduce CO₂ emissions in our operations and across our lifecycle constitute a concrete approach to mitigating climate change risks.

In February 2020 we set a new target to reduce absolute end-to-end greenhouse gas emissions by 10% by 2025, compared to a 2018 baseline. This is in line with reductions in emissions necessary to keep global warming well below 2 degrees Celsius and an important milestone in our work towards creating a sustainable future for snacking.

ASSESSING OUR ENVIRONMENTAL FOOTPRINT

We draw on our Lifecycle Assessment (LCA) to help us shape our priorities and focus our efforts to reduce our carbon footprint for maximum effect. Insights from our LCA indicate that land use change within our supply chain represents the largest single contributor to our end-to-end carbon footprint, and represents a major opportunity to reduce CO₂ release into the atmosphere.

We focus on tackling deforestation in cocoa, dairy, wheat and palm oil where our direct purchase has the largest risk of deforestation, so we can make the largest impact to reduce our overall carbon footprint.

LIFECYCLE ASSESSMENT

Underlining our commitment to tackling climate change, in 2020 we assessed and began to disclose our Scope 3 emissions, to give a more complete picture alongside our Scope 1 and 2 emissions.

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

NET ZERO CARBON: WHAT ARE THE RULES?

Emissions reduction ambitions defined by Scope 1, 2 and 3

WHAT WE MAKE

	SBTi Requirements Coverage	Ambition
Scope 1 direct emissions (onsite thermal energy production and owned logistics)	95%	1.5°C

ENERGY WE BUY

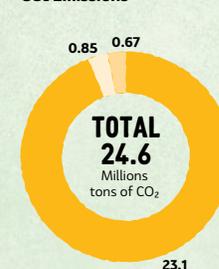
Scope 2 indirect emissions used onsite like electricity	95%	1.5°C
---	-----	-------

ALONG VALUE CHAIN

Scope 3 All other indirect emissions	67%	1.5°C* or WB2C
--	-----	-------------------

* May change up to 95%; SBTi will release guidance in Nov 2021

MONDELÉZ 2020 CO₂ EMISSIONS



Reference page 10 of this report for baseline figures

ENERGY

We continue to focus on reducing our energy consumption as part of our ongoing commitment to reduce our CO₂ emissions.

ENERGY PROGRESS

	2017	2018	2019	2020
Manufacturing Scope 1+2 CO ₂ emissions from energy (CO ₂ e Metric Ton – market-based)	1,494,340	1,404,481	1,336,793	1,189,684
Total energy used (GJ/ton)	3.68	3.64	3.61	3.45
Total electricity used (GJ/ton)	1.34	1.34	1.27	1.31
Total natural gas used (GJ/ton)	2.03	2.07	2.03	1.96
Total renewables used (%)	6%	6%	8%	23%

GOAL PROGRESS

- ✓ In 2020, we exceeded our goal to reduce carbon emissions across our manufacturing operations by 15%, compared to 2013 – achieving a 24% reduction.

We have continued our focus on reducing our CO₂ emissions from manufacturing. This includes improving energy management systems and investing in energy efficient technologies in our factories. We are also using low-carbon renewable energy sources to reduce our CO₂ emissions.

IMPROVING ENERGY EFFICIENCY

In 2020, we succeeded in improving our overall energy efficiency by 9%, leading to a total 117,000 tons reduction in CO₂ emissions in our manufacturing plants. As an example, at our BIMO plant we saved four hours of gas use by synchronizing oven pre-heats and dough crossing. This resulted in a reduction of 813 tons of CO₂v and a total saving of \$100,000.

REDUCING CO₂ EMISSIONS BY INCREASING OUR USE OF RENEWABLE ENERGY

Through the year, we significantly increased our use of renewable energy, from 8% to 23% of total energy used. This increase played a key part in enabling us to achieve a big reduction in CO₂ emissions – by 147,109 tons, from 1,336,793 tons in 2019 to 1,189,684 tons in 2020. The annual reduction in CO₂ is equivalent to taking 31,993 cars off the road for a year.

- Our Mexican manufacturing plants now use 100% renewable energy from wind farm plants. This equates to 33,000 less tons of CO₂.
- In Australia, we have signed a ten-year agreement to source 100% renewable electricity for our Victorian manufacturing sites, reducing our Australia and New Zealand carbon emissions by 50% – 34,217 tons over 10 years (after verification).



PACKAGING

We are committed to sustainable packaging that keeps our products safe to enjoy, delights our consumers, and does not harm the environment.

PACKAGING PROGRESS

	2017	2018	2019	2020
Packaging materials eliminated vs 2013 (metric tons)	53,500	59,600	64,850	68,000
Packaging designed to be recycled	NA	92.5%	93%	94%
Paper-based packaging sustainably sourced	75%	90%	100%	100%

GOAL PROGRESS

Today 94% of our packaging is designed to be recyclable, compared to 93.3% in 2019. Our goal is to:

- Make all packaging recyclable by 2025
- Have 5% recycled content in our plastic packaging by 2025
- Have recycling labeling on all packs by 2025

FOCUSING ON SUSTAINABLE PACKAGING

As a key pillar of our sustainability strategy, we aim to create zero net waste packaging and to form innovative partnerships to improve recycling infrastructure globally. To this end, we want to design 100% of our packaging to be recycled, contribute to improvements and advancements in waste management infrastructure, reduce the amount of virgin material used and stimulate a change in consumer behavior by providing more recycling information on pack for consumers.

DESIGNING FOR RECYCLABILITY

A key goal is to have all our packaging designed to be recyclable by 2025. We are well on the way with this – achieving 94% in 2020.

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

REDUCING PACKAGING

We achieved ten months ahead of schedule our 2020 goal of taking action to reduce packaging materials by 65,000 tons since 2012. Year-on-year, we reduced packaging by 4,100 tons. Our actual reduction over these 8 years was over 68,000 tons.



OUR PACKAGING MIX

The chart below shows the amount and mix of packaging we used in 2020 (metric tons):

Rigid Plastics	49,000	5.4%
Flexible Plastics	140,500	15.6%
Corrugated	410,500	45.5%
Paper	277,000	30.7%
Glass	15,500	1.7%
Metals	10,000	1.1%
Total	902,500	

As the chart shows, the great majority of our packaging, around 79%, is non-plastic. There are relatively well-developed recycling markets around the world for this packaging.

Within the remaining 21% of our packaging, which is plastic, about 75% is lightweight flexible packaging. This packaging works well to protect our products for our consumers, keeping it safe and fresh for longer. It also reduces shipping costs and CO₂ emissions from transportation due to its relative light weight. Indeed, only 5% of our total CO₂ emissions come from packaging.

However, lightweight flexible packaging creates environmental challenges as collection and recycling are underdeveloped in most countries. As a result, only 2% of our plastic packaging is currently recycled. We're working on this.

We set a virgin plastic reduction target for 2025 that will result in a 5% absolute reduction in virgin plastic use in overall plastic packaging relative to 2020, including a 25% cut in virgin plastic in its rigid plastic packaging. These actions are expected to result in a 10,000 ton reduction of virgin plastic packaging in five years.

TACKLING THE PLASTICS CHALLENGES

The challenges around plastics involve process, policy and perception. Flexible plastics films are difficult to collect, sort and reprocess because they are lightweight in nature and formed from multiple different materials. In addition, there is a lack of adequate, harmonized policy frameworks and incentives for profitable investment in infrastructure for the collection, sorting and reprocessing of flexible plastics. And consumers are confused about recycling flexible plastic films, even where the infrastructure to collect and recycle them is in place.

Our sustainable packaging strategy proactively tackles the challenges in three key ways:

INNOVATE

We aim to innovate in designing packaging to be recycled, as well as optimizing packs to reduce excess packaging. This includes eliminating unnecessary plastic where climate change impact is favorable while delivering product safety and quality.

2025 goal: 100% packaging designed to be recycled

ENABLE

We aim to enable the recycling of materials, particularly flexibles, by improving the infrastructure for collection and recycling. We are, for example, investing in waste management and increasing post-consumer recycled material in our plastic packaging.

2025 goal: 5% recycled content in our plastic packaging

ENGAGE

We are advocating for sound policy and take a leading position in on-pack communication for recycling relevant to consumers' local context. To this end, we support local and global plastics pacts and treaties to inform effective policy frameworks and placing guidance on pack.

2025 goal: recycling labeling on all packs

PACKAGING (CONT.)

PARTNERING FOR SCALE AND IMPACT

We believe concerted and collaborative action is necessary to advance recycling systems that cater to flexible films, so that more of the light-weight, multi-layer plastics that are used in the confectionery and snacking industries can be economically and practically collected, reprocessed, and ultimately reused, instead of ending up in the environment. Alongside the significant financial contributions that we will make through voluntary and mandatory programs, we support public and private partnerships and recycling programs to build better infrastructure so that these materials are not only designed to be recycled, but actually get recycled.

We have joined a number of leading initiatives focused on tackling plastic waste and pollution and improving recycling.

- We are signatory to the Business Call for a Global UN Treaty on Plastics Pollution
- We joined the US Plastics Pact, committing to meet ambitious circular economy goals by 2025 including making all packaging reusable, recyclable or compostable
- We are a signatory of the Ellen MacArthur Foundation's New Plastics Economy Global Commitment
- We are a participant in the New Plastics Economy Initiative and committed to use 5% of recycled content by weight across all our plastic packaging
- We are a member of the UK Plastics Pact and have committed, among other things, to ensure 70% of plastic packaging will be effectively recycled by 2025
- We are a stakeholder of the Circular Economy for Flexible Packaging (CEFLEX) in Europe and have committed to developing sustainable end markets for flexible films through recycling infrastructure projects by 2025

- We are sponsors of the Materials Recovery for the Future (MRFF) program in the U.S.
- We have joined the Consumer Goods Forum Packaging Waste Coalition of Action
- We are a member of the Circular Plastics Alliance, sponsored by the European Commission

We are investing in partnerships to collect and recycle flexible plastic packaging. With CEFLEX, we have co-developed design guidelines for flexible packaging. In addition, we have joined a European consortium to prepare the scale up of digital watermarks. Looking ahead, in 2021 we aim to develop a recycling plan for flexibles in India.

ADVOCATING FOR HARMONIZED APPROACHES

We are contributing to developing extended producer responsibility (EPR) programs. We support global efforts to increase recycling rates for plastic waste, including flexible films, and call for greater collaboration across the industry to develop and implement effective EPR programs to help realize a more circular economy.

We are a signatory of the Business Call for a UN Treaty on Plastic Pollution, which calls on governments to adopt a more harmonized approach to policymaking, to increase infrastructure investments and to coordinate infrastructure development to address plastic waste.

"While on the one hand, we work with the government to support collection, segregation and recycling and undertake 100 percent extended producer responsibility, we felt it was critical to pilot technologies and initiatives that can recycle multi-layered packaging at scale. The success of this project and its learnings will create a model for companies in India and around the world to address the key issues of recycling plastic waste at scale."

COLLECTING FLEXIBLE PACKAGING CURBSIDE

As part of the MRFF program in the U.S., we began the first ever curbside collection of flexible packaging in the country in 2019. We continued to expand this initiative in 2020.

FOCUSING ON RECYCLED PLASTICS

When it comes to plastic packaging, we want to maximize our use of recycled plastics. In the UK for example, we implemented recycled polyethylene terephthalate (rPET) in our Dairylea range. We also implemented rPET in lead cookie tray formats in the U.S.

From 2022, our *Philadelphia* cream cheese tubs across Europe will use recycled plastic, reducing waste and the need for virgin plastics. *Philadelphia* will be the first major cream cheese brand to take this innovative step – helping us get closer to our goal of using 5% recycled content across all our plastic packaging and in turn, supporting a circular economy for plastic that reduces environmental harm.

ENCOURAGING RECYCLING

We continue to encourage consumers to recycle via on-pack communications. We started implementing recycling labeling in the U.S., Canada and UK. We also expanded coverage of labeling in Australia and New Zealand.



Deepak Iyer
President, India BU

\$350M+

By 2025, we will have spent over \$350 million across our sustainable packaging strategy, including innovation, recycling infrastructure and education.

GLOBAL CASE STUDY

INVESTING IN A SOCIAL ENTERPRISE TO RECYCLE FLEXIBLE PACKAGING IN INDIA

A key challenge in plastics waste management in India is recycling multi-layered packaging at scale, given the infrastructure constraints. To rise to this challenge, in partnership with Sustainable Futures, our India business unit is financing a pilot project with NGO Hasiru Dala – to create a social enterprise that will sort, clean, and recycle flexible plastic waste into Wealth from Waste (WOW) boards that can be used for construction and creation of sustainable everyday products.

Set up in Bangalore, India, the pilot project will use the technology purchased from local start-up TrashCon. The partnership with Hasiru Dala and TrashCon – both women-led organizations – will test the concept of sustainably recycling more than 600 tons of flexible packaging per year, packaging that would otherwise end up in nature or waterways.

Through our seed investment, the social venture is undertaking proof of concept, before becoming investible for scale-up by external investors. This is our first impact investment in packaging and waste. This project will not only remove tons of flexible packaging in India, but also positively impact people and create jobs.



WASTE

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

WASTE PROGRESS

	2017	2018	2019	2020
Total waste generated (metric tons)	353,679	363,050	325,955	284,554
Total waste per production (kg/metric ton)	72	73	65	54
Total landfill waste (%)	3.14%	3.16%	2.97%	2.76%

GOAL PROGRESS



We have exceeded our goal to reduce total waste by 20% by 2020, compared to 2013. In 2020, we reduced our total waste generated by 31%, compared to our 2013 baseline.

STRIVING TO ELIMINATE WASTE

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

We believe the best way to tackle waste is 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 applied 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 minimize waste generation in the first place. As a result of our focused and transformational approach, our manufacturing sites achieved very strong results in waste in the 2013-2020 cycle: 31% reduction versus 20% reduction goal in absolute terms, despite production volume growth. This achievement is the result of the zero losses and 100% engagement approach taken in our supply chain, in which every single colleague is responsible for the identification and eradication of losses.

WINNING THE WAR ON WASTE IN NORTH AMERICA

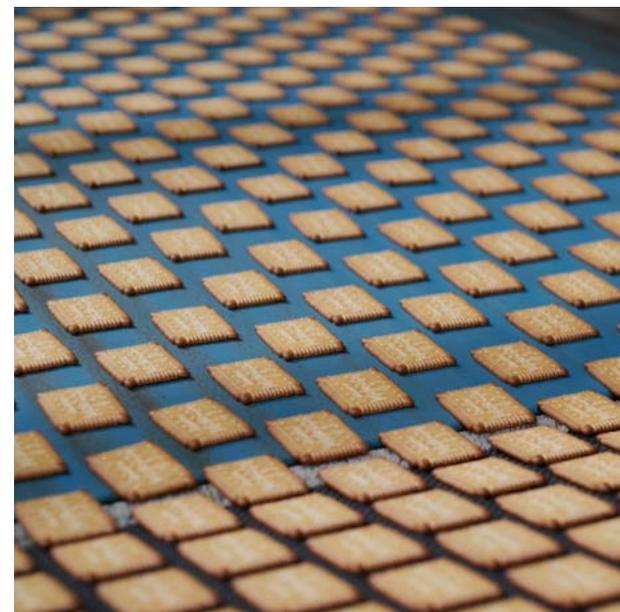
In North America, we made significant progress with our WAR on WASTE program, with over 100 initiatives implemented across the region achieving a 25.6% reduction in waste – amounting to 40,000 metric tons less waste.

REDUCING PRODUCT LOSSES IN THE PHILIPPINES

Our Sucat plant in the Philippines has reduced waste by changing the way it samples finished goods on its cheese line. Sampled products no longer have to be destroyed – reducing the site's total waste by 22.5 metric tons (2.5% of site waste) and saving \$52,000.

REDUCING BROKEN AND REJECTED BISCUITS

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



\$11.2M

In 2020, we saved a total \$11.2 million through waste reduction initiatives, reducing waste by a total of 41,600 tons versus 2019

UPCYCLING PLASTIC WASTE

Our Induri plant worked with E-Ventures to upcycle plastic waste by converting plastic laminates into ropes that can be used for various applications. The result was 20 tons less waste per year, and zero cost for waste disposal of the now reused plastic.

KAIZEN FOR OUR CANDY FACTORY

Our candy factory in Curitiba developed a 12-step Kaizen process with over 80 actions to reduce candy waste. As a result, the factory saved \$322,000 and reduced waste by 351 metric tons.

WATER

We are committed to using one of the world's most precious resources, water, responsibly.

WATER PROGRESS

	2017	2018	2019	2020
Total incoming water (m ³) (without borrowed and rainwater, as per our current KPI definition)	10,891,947	10,534,512	10,362,594	10,326,848
Total incoming water from priority sites (m ³) (without borrowed and rainwater, as per our current KPI definition)	2,802,174	2,916,608	2,727,169	2,513,516
Total incoming water per production (m ³ /ton)	2.21	2.11	2.07	1.96
Total incoming water per production from priority sites (m ³ /Metric Ton) (without borrowed and rainwater, as per our current KPI definition)	2.13	2.04	1.82	1.58

GOAL PROGRESS

- ✓ In 2020, we achieved a 33% reduction in priority water usage in areas where water is most scarce. Our goal was to reduce it by 10% compared to 2013.

FOCUSING WHERE WATER IS MOST SCARCE

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

CLEVER COOLING IN MONTEREY

At our Monterey plant we have reduced water use by 100,000m³, with annual savings of \$413,000, by improving cooling water performance and recycling wastewater.

REUSING MORE WASTEWATER

Our Pacheco plant installed a sludge wastewater filter that compresses sludge and returns more water to the treatment plant for reuse – saving 13,000m³ of water.

RECOVERING MORE RUN-OFF WATER

At our BIC plant, the installation of additional capability resulted in a 50% reduction in run-off (RO) water in one year – 11,000m³ of water, saving \$17,000.

13%

In 2020 we succeeded in increasing water efficiency in our priority sites by 13% versus our 10% goal

35,700

In 2020, we reduced water usage in priority and non-priority sites by 35,700m³ versus 2019



Reference page 10 of this report for baseline figures

SUSTAINABLE INGREDIENTS

The resilient supply of key raw materials like cocoa, wheat, dairy and palm oil is essential to the success of our business.

We take a distinctive and focused approach to sustainable ingredient sourcing of key raw materials where we know we can have the greatest positive impact on reducing our end-to-end environmental footprint, while also empowering the communities from which we source these ingredients.

Our approach is transformational, signature, holistic and rooted in advancing sector-wide lasting change that addresses systemic issues threatening these ingredient supplies.

To this end, we have signature raw material sustainable sourcing programs across cocoa (Cocoa Life), wheat (Harmony and North America Wheat), dairy and palm oil. In addition, we lead sector-wide transformation through our work with the Consumer Goods Forum in advancing a Forest Positive future and promoting Human Rights. This sets the bar for approaches we know are necessary for the future of sustainably sourcing these key ingredients.

UN Sustainable Development Goals

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



INGREDIENTS

We are committed to sourcing ingredients sustainably. To this end, we develop innovative and holistic approaches in partnership with our suppliers and with the farming communities we source from, so we can promote a resilient and sustainable supply of key raw materials.

SUSTAINABLE AGRICULTURE PROGRESS

68%

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

76%

wheat volume for Europe biscuits sourced from Harmony Charter. Our 2022 goal is 100%

99%

palm oil sourced from suppliers aligned to our Palm Oil Action Plan

98%

we achieved 98% palm oil traceability to the mill and 99% from suppliers with aligned policies

TACKLING COMPLEX CHALLENGES TOGETHER

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

TAILORING OUR APPROACH TO PROMOTE SUSTAINABLE SOURCING

Our approaches must be customized to the local realities, priorities and sensitivities of each of our sourcing communities, taking into account different geopolitical, cultural and land contexts. Our commitment remains the same across all our core ingredients – to achieve genuine sustainability. 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're working to build a thriving ingredient supply chain to promote sustainable supplies of high-quality cocoa, wheat, and other raw materials we use to create the snacks our consumers love. We use our reach and global presence to work with outside experts to elevate farmers' voices. Through our signature programs, such as Cocoa Life and Harmony Wheat, we aim to make a positive long-term impact on the farms, communities and environments where our main raw materials are grown. More broadly, we are addressing key areas where we can have the most impact, looking to increase transparency, and collaborating with our key suppliers and others to promote widespread change so that sustainability becomes the normal way to do business around the world.



COCOA

Informed by our Lifecycle Assessment, guided by our end-to-end science-based targets for reducing carbon emissions and as one of the world's leading chocolate makers, we have a responsibility to pave the way in building a thriving cocoa sector – for our business, for cocoa farming communities and for our consumers.

COCOA PROGRESS

	2017	2018	2019	2020
Farmers in the Cocoa Life program (goal: 200,000 by 2022)	88,134	142,875	175,017	188,043
Cocoa communities impacted	1,030	1,476	2,012	2,169
% of cocoa volume needed for our chocolate brands sourced through Cocoa Life (goal: 100% by 2025)	35%	43%	63%	68%
Farmers trained or coached on Good Agricultural Practices	88,134	114,380	175,017	181,257
Youth trained on cocoa-related enterprises	7,591	9,893	19,059	23,112

GOAL PROGRESS

Today 68% of cocoa volume needed for our chocolate brands is sourced through Cocoa Life, compared to 63% in 2019 and 100% of cocoa volume for all global chocolate brands are currently sourced through Cocoa Life. Our goal is to source 100% by 2025.

¹ Harris Poll, 2019 State of Snacking™ Report, available at www.stateofsnacking.com
Reference page 10 of this report for baseline figures

LOOKING AFTER OUR CORE INGREDIENT

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

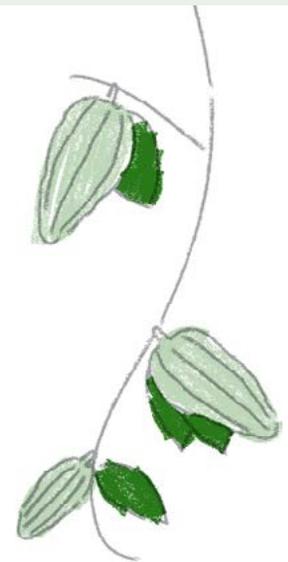
COCOA MADE RIGHT

Through our signature global cocoa sustainability program, Cocoa Life, we holistically tackle the root causes of the

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

WORKING TOGETHER

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



SUSTAINABLE GLOBAL BRANDS

Cadbury Dairy Milk, Côte d'Or, Milka, Freia, Daim, Suchard, Marabou, Lacta Brazil, Toblerone, Green & Black's Velvet – we're pleased to say that in 2020 all our global brands sustainably sourced their cocoa through Cocoa Life.

COCOA LIFE



TOGETHER, WE MAKE COCOA RIGHT

We are passionate about chocolate. We channel that passion for maximum positive impact through Cocoa Life, our global cocoa sustainability program designed to ensure cocoa is made right and safeguard a sustainable future for this essential ingredient. Through Cocoa Life we tackle the complex challenges that cocoa farmers and their communities face, we focus our efforts on solutions to address the interwoven root causes, the challenges that threaten a sustainable supply. We enable and empower the 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. We do this across six cocoa-growing countries: Ghana, Côte d'Ivoire, Indonesia, Dominican Republic, India and Brazil.

"The Jacobs Foundation invests in the future of young people to give them the opportunity to reach their full potential and thrive in life by providing opportunities for positive development and equitable access to education. We are proud to be partnering with Mondelez through the TRECC Program in Côte d'Ivoire and their commitment to CLEF and ELAN. These multi-stakeholders' initiatives are setting the path to create systemic change by promoting good parenting and quality education at scale."



Fabio Segura,
Co-CEO,
Jacobs Foundation

Through Cocoa Life, we are investing \$400 million over 10 years to empower 200,000 cocoa farmers and improve the lives of more than one million people in cocoa communities. We have now been on the ground for nine years and well on track to deliver this commitment, reaching more than 188,000 farmers and more than 2,100 communities by 2020. In 2020, Mondelez invested \$46 million in the Cocoa Life program which included premiums to farmer organizations and their farmers¹.

GOING BEYOND CERTIFICATION

Our mission is to lead the transformation of the cocoa sector. We work on the ground to create this transformation by moving beyond complying to standards and investing directly on the ground, where change is most needed.

We set Cocoa Life up as an independent verification program to ensure we are accountable for the sustainability of the cocoa we use. Working with external experts, we verify that the benefits of our program are reaching farmers and their families.

LEARNING THROUGH IMPACT

Making cocoa right is only possible through in-depth impact measurement against clear KPIs, and we have years of experience of this so we can share learnings and better address the challenges.

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

PARTNERING FOR LASTING CHANGE

We believe partnership is key to lasting change. So we work closely with the people on the ground and engage in public-private collaboration.

BEING HOLISTIC

We know how important it is to take a holistic view and look for interconnected solutions, rather than fixing one problem in isolation only to create another.

LIVING INCOME DIFFERENTIAL

Mondelez International also endorses the producing governments' initiatives and fully embraced the Living Income Differential for all the cocoa we source from Ghana and Côte d'Ivoire, paying the full increase of 400 USD per tonne.

AT A GLANCE: COCOA LIFE'S 2020 IMPACT AND PROGRESS

Key area

Cross-cutting enabler

Progress & Impact

Over 181,200 farmers trained in Good Agricultural Practices

Over 18 million cocoa seedlings distributed

+22% higher incomes for Cocoa Life registered farmers in Ghana vs. non-Cocoa Life farmers

+8% higher incomes for Cocoa Life registered farmers in Côte d'Ivoire vs. non-Cocoa Life farmers

Women's Empowerment as impact amplifier

1,959 (90%) Cocoa Life communities have CAPs in place

82,371 community members who participate in VSLAs, of which more than 75% are women

1,650 Communities in West Africa with Community Action Plans reaching 2.1 million people in 320,000 households

65% CAPs in West Africa backed by local government

Education infrastructure #1 priority in Community Action Plans of Cocoa Life supported communities to improve access to quality education

246,262 community members and farmers trained on Good Environmental Practices

2,216,761 economic shade trees distributed

71% of Cocoa Life farms are now mapped to monitor deforestation, which is a total of 167,800 farms, up 12% from last year

82% of West African farmers involved in GEP training changed practices to reduce climate impact

¹ An earlier version of this report stated \$31 million was invested in implementing the Cocoa Life program in 2020 and \$46.3 million for Cocoa Life premiums in 2020. The number and statement has been corrected for accuracy.

CONSERVING AND RESTORING COCOA-LANDSCAPES

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



WORKING WITH FARMERS AND COMMUNITIES

We are committed to deforestation-free cocoa across all our cocoa supply. To this end, together with farmers and their communities, we focus on protecting the land and forests where cocoa is grown and help communities be more resilient to climate change impacts.

MAPPING AND MONITORING FARMS

Understanding where and under what conditions cocoa is produced is also vital. The most efficient way to achieve this is to map and monitor farms. Since 2016, we have partnered with our suppliers to locate and map the farms that supply our cocoa. We openly publish this data, to promote a coordinated strategy and supply-chain transparency. To date, 71.3% (167,795) of Cocoa Life registered farms, spanning over 265,844 ha of land, have been mapped.

HELPING FARMS TO BECOME CLIMATE RESILIENT

Our aim is to help tackle climate change and make farms and communities climate resilient. Through coordinated interventions targeting good environmental practices, forest restoration and planting of non-cocoa trees, we will keep advancing to this goal.

PARTNERING FOR LASTING CHANGE

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

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

ENCOURAGING FOREST-FRIENDLY TECHNIQUES

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

"We would like to express our satisfaction with the implementation of the Memorandum of Understanding signed by the Ministry of Environment and Sustainable Development with Mondelez International. Over the past two years, this partnership has made it possible to introduce and pilot the innovative approach to payments for environmental services in the Nawa region of Côte d'Ivoire and has played an important role in our strategy for scaling-up PES around the Taï National Park. This collaboration is a driver of innovation for the future of cocoa in Côte d'Ivoire that must be welcomed. We will continue to ensure joint efforts with Mondelez and to share our expertise in monitoring projects of the Cocoa Life Program to achieve the targeted objectives."

Kouame Ernest AHOULOU

Permanent Executive Secretary of REDD+, Ministry of Environment and Sustainable Development, Côte d'Ivoire

FARM MAPPING DATA

167,795

total number of Cocoa Life registered farms mapped

71.3%

percentage of Cocoa Life registered farms mapped spanning over 265,844 ha of land

TRACKING OUR PROGRESS

We made good progress in 2020 on all three fronts: community members and farmers trained in Good Environmental Practices; economic shade trees distributed; and farms mapped and monitored. We are also targeting reductions in end-to-end greenhouse gas emissions, an ambition that our Cocoa Life work will play a key role in.

BUILDING NURSERIES

In Côte d'Ivoire we have contracted STAG, a local professional nursery company, to build 10 nurseries with a total capacity of 1.2 million seedlings by 2022. In addition, we are working with Village Savings and Loans Groups (VSLAs) to establish the nurseries and sell the seedlings. This provides an additional source of income to those running the nurseries, many of whom are women. To date, our nurseries hold up to 200,000 seedlings.



CONSERVING AND RESTORING COCOA-LANDSCAPES (CONT.)



BUILDING LANDSCAPE PARTNERSHIPS

In 2020, we focused on building ambitious and innovative landscape partnerships with longstanding suppliers, NGO partners, peers and local authorities that connect forest conservation and restoration to people's livelihoods. These partnerships create an impact that goes beyond those in our own supply chain or Cocoa Life registered communities. As a result, we're seeing holistic benefits for farmers and the land – from the creation of new income streams to nutrition, and ultimately creating more climate change resilient communities.

"We're pleased to see the continuous benefits from our partnership with Mondelez International and how their integrated landscape approaches and cocoa rehabilitation activities are contributing to the long-term productivity of high quality cocoa. We're united by our belief that open dialogue with farmers and their communities and working with them on the ground through trainings, environmental protection strategies and taskforces, is essential to tackling deforestation."

Musah Abu-Juam

Technical Director (Forestry),
Ministry of Lands and Forests, Ghana

In Ghana, for example, we have been an active founding member of the Landscapes Consortium in the Asunafo Region, where we're establishing a Landscape Governance Structure in collaboration with key stakeholders including regulators and private sector companies. Together, we plan to implement climate-smart cocoa production practices as well as agroforestry models.

SCALING PAYMENT FOR ENVIRONMENTAL SERVICES

Taking a landscape and partnership approach has enabled us to scale our Payment for Environmental Service (PES) agroforestry scheme in Côte d'Ivoire and launch a first-of-its-kind initiative in Ghana and Indonesia. In 2018, we pioneered these agreements offering farmers economic incentives for environmental action.

HELPING TO REDUCE CARBON EMISSIONS

We developed a tool with South Pole, a climate change solutions and services firm, to estimate the possible carbon impact of Cocoa Life's interventions on farms and forests. We're currently analyzing Cocoa Life's interventions to plant trees, improve cocoa farm practices and yields, implement agroforestry programs, and invest at the landscape level to protect and regenerate forests. Our initial estimations show promising signs that our program has potential to reduce carbon emissions. The calculations look at 2018 to 2020 and include the measurement of both carbon reduction and removal interventions. We're still in the initial stages but are encouraged by the tool's detailed analysis of specific Cocoa Life interventions and their carbon impact.

EMPOWERING WOMEN TO AMPLIFY IMPACT

Women's empowerment has always been at the foundation of our program, with VSLAs being a core tool for encouraging financial empowerment. More and more we're seeing the wider benefits of women acting as impact amplifiers across every aspect of our work – especially forest protection. We're seeing the emergence of Green VSLAs led by women who are becoming community champions, sparking initiatives that protect the environment and earn them additional income.

Another example is our new clean cookstoves project in Côte d'Ivoire. In collaboration with our local implementing partners and with funding from Sustainable Futures, 4,000 sustainable cookstoves will be installed over the next three years. These cookstoves decrease household air pollution, promote healthier homes, reduce carbon emissions by reducing the demand for wood for burning, and provide an income for the women we are training to install them.



IMPROVING THE ECONOMICS OF COCOA FARMING

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

WORKING TOGETHER HOLISTICALLY TO CLOSE THE GAP

To lift everyone towards a living income, all the drivers of farmer income need to be considered and addressed holistically, through sector-wide collaboration, coordinated by government leadership.

IMPACTING INCOME

In Ghana, average Cocoa Life household income is 22% higher than comparison households. In Côte d'Ivoire, it is 8% higher.

IMPACTING PRODUCTIVITY

In Ghana, average cocoa productivity (kg/ha) per household per year in Cocoa Life household is 19% higher than for comparison farmers. In Côte d'Ivoire, it is 42% higher.

TRACKING OUR PROGRESS

Despite COVID-19, we made great progress in 2020 and increased the number of farmers trained on GAPs from 175,017 to 181,257, and the number of youth trained on cocoa-related enterprises to 23,112. By the end of 2020, we had also distributed more than 18 million cocoa seedlings to help improve farm productivity.



HELPING FARMERS GROW MORE COCOA

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

TAILORING OUR INTERVENTIONS

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

In 2019, we started piloting targeted GAPs, supplying farmers with a tailored package of services – including yield-enhancing farming methods and facilitating credited loans to access inputs such as pest control and fertilizers. Proving successful so far, we are validating this approach with 500 farmers in Ghana for a second season of crops. In 2019, we enrolled 364 farmers across 26 communities in the program, which directly helped increase the productivity of the farms in the first year by 25% producing

KWAME'S STORY

Through Cocoa Life's trainings in good agricultural practices and community empowerment, Kwame has seen benefits for his cocoa farming business and his family. His farm's productivity has increased and consequently improved his livelihoods. Through participation in a village savings & loan group (VSLA), he was also able to save money for difficult times and for his children's education.

Image: Nick Adatsi, VSO

439 kg of cocoa per hectare versus the baseline value of 349 kg per hectare. Now in its second year, the average productivity has risen to 618 kg. However, not all farms have responded equally. We are now focusing our work to understand why some farms did not improve as expected.

SCALING UP AND STRENGTHENING OUR PROGRAM

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

DELIVERING RESULTS

Results indicate that Cocoa Life farms are typically more productive than non-Cocoa Life farms in similar circumstances. As we help cocoa farms become more efficient, their yield increases. And when farms can do more with less, they are able to free up land for other income-generating activities – further helping to make cocoa farming a sustainable business. It becomes a virtuous cycle. We have seen >22%

higher incomes of Cocoa Life registered farmers in Ghana vs. non-Cocoa Life farmers; driven by higher yields and additional livelihoods.

There is still a long way to go to close the gap on cocoa farming families achieving sustainable living incomes.

"I now know that cocoa is my future, so I endeavor to work hard and apply all the practices. I access cocoa seedlings from Cocoa Life to plant at the correct time and spacing. I have learnt to save for my future. My community and I have benefited a lot from the Cocoa Life program and I am a happy man now."

Isaac Awiakye Amoah, a cocoa farmer from the Adiembra community in the Eastern region of Ghana



CREATING EMPOWERED COCOA COMMUNITIES



We're helping create empowered, thriving cocoa communities where human rights are respected, women use their voices and children have the future they deserve. Such communities are the beating heart of sustainable cocoa farming.

IMPACTING COMMUNITY DEVELOPMENT

- 65% Community Action Plans in West Africa backed by local government
- Education infrastructure #1 priority in Community Action Plans of Cocoa Life supported communities to improve access to quality education

PROGRESS

	2018	2019	2020
Communities with a CODEC and Community Action Plan (CAP) activated	1,355	1,599	1,959
Communities with Child Protection Committees	619	656	812
Village Savings and Loan Associations operational	1,817	1,967	3,205

TRACKING OUR PROGRESS

We made strong improvements in 2020, for example, involving more than 29,000 community members in additional Income Generating Activities; and increasing the number trained on child labor prevention from 270,863 to more than 320,000.

FOCUSING ON THE FUTURE

Empowered communities create access to loans and finance, education and training, farm labor, and educate the next generation of cocoa farmer. That's why we focus on increasing opportunities for cocoa communities to drive their own development. And because the long-term future of cocoa farming depends on an empowered next generation, we also support and invest into access to education, for instance through the [TRECC and CLEF/ELAN programs](#) led by the Jacobs Foundation.

ENABLING COMMUNITIES TO OWN THEIR PROGRESS

We encourage and help communities to create Community Action Plans (CAPs). They are key enablers for cocoa farming communities to take ownership of their own development, advocate for what they need, secure funding to achieve their own priorities, and drive change for the better. CAPs in West African Cocoa Life communities reach more than 2.1 million people in 320,000 households. To date, 1,959 communities with CAPs have been activated. In Ghana, around 70% of CAPs are supported by the local government.

INCREASING INCLUSION

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

During community meetings, for example, women's groups were the strongest advocates for health and education-related community infrastructure. Our impact data shows, for example, that women prioritize education when they have decision-making power over household income.

In Indonesia, we have embedded the bottom-up community development approach Musrenbang into the Cocoa Life program. This tool empowers cocoa communities to build the kind of communities they want to live in, access local funding, and advocate for their own development in response to real community needs.

HELPING COMMUNITIES BUILD RESILIENCE

Through savings and loan groups, we support farming families in increasing their resilience and ability to withstand the impacts of crop seasonality, small land size, and changes in weather patterns. To date, 3,205 savings and loan groups have been established across all our origin countries, with over 82,371 members (75% of members are women).

GROWING INCOMES

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

ADDRESSING THE RISK OF CHILD LABOR

We focus on addressing the risk of child labor through prevention, monitoring, and remediation. Child labor is rooted in poverty, lack of infrastructure and awareness. That's why we are improving household income from cocoa and other sources, empowering women, and promoting access to education as key actions to preventing the risk of child labor holistically. In addition, we provide targeted interventions to build and strengthen local child protection systems at scale, in partnership with local authorities. We are working with local authorities and partners towards having a Child Labor Monitoring and Remediation System (CLMRS) in place in all Cocoa Life communities in Ghana and Côte d'Ivoire by 2025. The CLMRS implemented in West African Cocoa Life communities to date reach more than 620,000 people and 125,000 households.

As part of the CLMRS, we set up and train Community Child Protection Committees (CCPCs) to become the focal point within the community, liaising with schools and district authorities, helping to identify vulnerable children so that they can receive the necessary support. To date, 672 Cocoa Life communities in West Africa have Child Protection Committees that reach a total of 926,757 people in reach 159,530 households.



ENCOURAGING CHILDREN IN COCOA COMMUNITIES TO READ

As part of our community work in Ghana, we are partnering with the NGO Child Rights International, to support youth and children in cocoa-growing communities. This includes providing mobile libraries in rural cocoa communities. So children there can have access to reading materials that will encourage and improve their reading and communication skills, develop critical thinking and other talents. In total, 36,000 children were reached through mobile libraries in 165 communities. In partnership with Child Rights International we have also established 249 reading clubs in 214 communities since 2017, so children can enjoy reading together.

OUR PROGRESS



We focus where we can make the biggest, lasting difference. Through 2020, we made good progress across our three key areas of intervention: improving the economics of cocoa farming, creating empowered communities, and conserving and restoring forests. We highlight here our progress across all our Cocoa Life origins around the world.



Improving the economics of cocoa farming

	2017	2018	2019	2020
Farmers trained, coached or having a farm development plan on Good Agricultural Practices (GAPs)	88,134	142,875	175,017	181,257
Cocoa seedlings distributed	5,753,969	8,428,682	10,809,555	18,129,650
Cocoa farming demonstration plots	884	764	689	1,013
Nurseries	583	86	391	267
Youth trained on cocoa-related enterprises ¹	7,591	9,893	19,059	23,112



Creating empowered cocoa communities

	2017	2018	2019	2020
Communities with a CODEC and Community Action Plan (CAP) activated ²	1,030	1,355	1,599	1,959
Community members trained on gender awareness	59,404	74,318	97,860	49,697
Community members who participate in VSLAs	51,566	70,921	121,167	82,371
Communities with Child Protection Committees	516	619	656	812
Communities with a Child Labor Monitoring and Remediation System or equivalent ^c	137	499	583	649



Conserving and restoring forests

	2017	2018	2019	2020
Community members and farmers trained on Good Environmental Practices	114,380	114,380	172,285	246,262
Economic shade trees distributed	1,232,059	1,232,059	1,420,082	2,216,763
Farms mapped and monitored	93,416	93,416	149,761	167,795

CONTINUING TO MAKE COCOA RIGHT



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

BUILDING A BETTER FUTURE FOR COCOA

We have a clear direction and focus. It is rooted in our experience and understanding of what is needed to build a better future for the world of cocoa. We know that the long-term sustainability of cocoa depends on a number of interconnected factors. These are the factors we are focusing on:

- Enabling farmers to earn sufficient income to build sustainable livelihoods
- Empowering cocoa communities to lead their own development, and in particular helping children to have a chance at the bright future they deserve by enabling access to quality education
- Tackling climate change by protecting and restoring forests
- Empowering women, which is fundamental because women are key catalysts for sustainable change across farming families, communities and environments
- Providing farmer training and resources to protect and restore forests, help tackle climate change, and make farming communities climate resilient

COLLABORATING ACROSS THE BOARD

We are convinced that a world where all cocoa is sustainably grown will only be realized through strong collaboration and connected effort across the board. So we will continue to champion partnerships focused on holistic change for the better.

SUPPORTING CONSISTENT SHARED GOALS

We support due diligence legislation that drives a level playing field. We recognize that successful due diligence also calls for deep, insightful impact measurement, including consistent frameworks that have been created in collaboration with government, and private and public sector partnerships so we're all working to the same goals.

INCREASING TRANSPARENCY

We need everyone involved to continue to increase transparency across the sector, sharing what we've learned and the challenges faced on the journey and accountability for delivery. Together, we can go far. And for this, we need to be clear.

AIMING FOR 100% COCOA LIFE

All our global brands now source their cocoa volume from Cocoa Life, but we continue to go further. Our global commitment is to source cocoa volume for all our chocolate brands from Cocoa Life by 2025.

Brands give us the scale to make a real impact on the future of sustainably sourced cocoa, but this is only part of the story.



CELEBRATING CADBURY DAIRY MILK'S COCOA LIFE

We are proud to say that Cadbury Dairy Milk uses 100% sustainably sourced cocoa volume for chocolate. It is part of our commitment to have all our chocolate brands sourcing from Cocoa Life by 2025. We're sharing this pride with consumers through a new campaign which includes an increased on-pack Cocoa Life logo emphasizing "100% sustainably sourced cocoa", and back of pack program stories.

WHEAT

Living up to our responsibilities as the world's largest biscuit baker – we want to ensure wheat is grown sustainably. Our Lifecycle Assessment (LCA) confirms that sustainably sourcing this ingredient presents the single biggest opportunity to deliver against our carbon emission reduction targets to combat climate change and minimize our impact on the environment.

NORTH AMERICA WHEAT PROGRESS

	2017	2018	2019	2020
Number of farmers:	112	98	84	125



Across Europe and North America, we focus on sourcing the wheat we need for our biscuits in sustainable ways. We do this through two innovative and holistic signature sourcing programs. These programs 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 all the wheat we need for our *TRISCUIT* brand with a lower environmental footprint.

Since 2015, we've partnered with Michigan State University (MSU) and our supplier of soft white wheat, The Co-op Elevator (Co-op), 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. But the impact

benefits did not stop at the wheat we buy for *TRISCUIT*. 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 *TRISCUIT* wheat mindful of the ecological footprint. The success of this program has encouraged MSU and Co-op's agronomy team to make the program's learnings more widely accessible to all 1,100 Co-op growers.

In the annual meeting with Co-op, 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*, for which MDLZ became members of for the first time in 2020.

FOLLOW THE WHEAT

We are working on a transparency project to enable *TRISCUIT* customers to "Follow the wheat" via an on-pack QR code, so they can see exactly where the wheat in their biscuits comes from.

J&L GREMEL FARMS

Joel and his wife, Lyndsay, proudly grow wheat on the farm that's been in their family for three generations — it's now a fourth-generation farm with the help of their kids!

"It's very cool knowing that some of the *TRISCUIT* crackers in grocery stores have white winter wheat in them that was grown right here on our farm, in the Thumb of Michigan."

"It's our sole responsibility as farmers to put quality food on tables across America. It's a special sense of pride and satisfaction. Crops that are grown right on our farm feed people across the country, and that's something we're very proud of as a family."

"Feeding the country is the reason we farm. I always feel a sense of pride knowing that my wheat is going into a consumer product. Since our business began with the farming our ancestors did, I feel a great responsibility to pass that heritage down to future generations."

JADE FARMS

This unique family farm is actually a combination of two different farms — neighboring families that partnered together decades ago to pool resources and grow together.

HARMONY WHEAT



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

HARMONY PROGRESS

	2017	2018	2019	2020
Number of farmers to have joined the Harmony Wheat initiative:	1,768	1,617	1,606	1,609

GOAL PROGRESS

At the end of 2020, 76% of the volume of wheat needed to produce our biscuits across our EU business unit was grown under Harmony charter. Our goal is to reach 100% by 2022.

CHANGING THE WAY EUROPEAN WHEAT IS GROWN

We work with farmers to grow wheat in a way that helps conserve water, cares for the soil, protects and promotes biodiversity, and reduces carbon emissions. We also engage with governments and NGOs. To date, more than 1,600 farmers have joined the program. In 2020, 215,330 tons of wheat flour was produced by our 17 millers and 26 cooperatives.

DELIVERING IMPROVEMENTS

We monitor and measure the environmental and economic impact of Harmony practices. Each year, 10% of farmers, all our storage bodies and all our millers are audited by independent organizations to ensure compliance with the Harmony Charter. To date, the program has led to nearly 15 million bees and 31 species of butterflies being observed in flowers sown around the Harmony fields (data harvest 2019).

We aim to drive continuous improvement of Harmony charter practices to improve our environmental impact, particularly when it also supports the quality of our biscuits and farmer partnerships. That's why in 2020, we launched a new, holistic and integrated, initiative in France in collaboration with four of our Harmony cooperatives. The aim is to modernize our biscuit wheat portfolio which is essential for our biscuit production. The objective in the first year is to screen biscuit wheat varieties according to their optimal environmental, technological, and farmer profitability performance. This includes ways to reduce greenhouse gas emissions and improve margins.

INNOVATION AND TRANSPARENCY

We also want to keep pioneering through our Harmony program, to create greater value from the strong commitments and expertise of our partners and reinforce our transparency towards our consumers. In 2020, we introduced innovative blockchain technology used for the first time on a biscuit. It enables consumers to simply scan their pack of LU Véritable Petit Beurre, then enter the lot code, to access information on the full journey of Harmony sustainable wheat - from farms to biscuit manufacturing plant, for each lot of biscuit.

“Since 2016, Agrosolutions is proud to support Mondelēz in its Harmony program. The charter is fully in line with the 'third way of agriculture': traced agricultural practices, a strong support for farmers and a program that meets consumers' expectations in terms of quality and environment. Harmony is an example of a sustainable program in Europe!”

Gildas Mevel, Project manager for agro-environmental indicators at Agrosolutions

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.



Reference page 10 of this report for baseline figures

PALM OIL

We are collaborating to realize a future where all palm oil is sourced sustainably, free from deforestation and respectful of protecting the rights of people across the palm oil supply chain.

PALM OIL PROGRESS

	2017	2018	2019	2020	TOTAL
Number of suspended concessions/ mills	3	67	19	9	98
Number of suspended groups	2	13	18	2	35

GOAL PROGRESS

At the end of 2020, 98% of our palm oil was traceable to mill and 99% sourced from suppliers aligned to our Palm Oil Action Plan (our goal is 100%- by 2025).

In 2020, we continued to achieve 100% Roundtable for Sustainable Palm Oil (RSPO) certified.

“Mondelez is strongly engaged in addressing deforestation risks and improving transparency in their supply chain. Satelligence is delighted to work with Mondelez, expanding to global coverage with next generation remote sensing technology to further reduce the environmental impact of the palm oil sector, and make meaningful progress towards a verified deforestation free supply chain.”

Niels Wielaard
Satelligence Chief Executive Officer

Reference [page 10](#) of this report for baseline figures

USING OUR INFLUENCE

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

TRANSFORMING THE ENTIRE SUPPLY CHAIN

We don't just ask our suppliers to provide us with sustainable palm oil, we ask them to transform their entire supply chain in line with our Palm Oil Action Plan (POAP). This sets our expectations for 100% transparency and 100% sustainability. In addition, we publish our mill list on our corporate website. When we initially published our POAP in 2014, we were the first company to call on suppliers to convert their entire supply chain (regardless of the ultimate customer) to be deforestation-free, by requiring traceability to the mill across their entire palm oil operation, not just the portion supplied to us.

In 2020, we updated our POAP. We require suppliers to:

- Take full responsibility for eliminating deforestation in their own operation and upstream supply chain by mapping and monitoring all plantations and adopting a “suspend and engage” approach requiring immediate suspension of companies involved in deforestation.
- Take action against the exploitation of worker human rights through adopting the Consumer Goods Forum (CGF) Priority Industry Principles on forced labor.

- Improve traceability and transparency by maintaining universal mill lists with group level owners clearly indicated, and publishing them regularly, as well as using satellite technology to map and monitor sources of palm.
- Demonstrate implementation of supplier progress against this updated POAP as a prerequisite of doing business with us.

MONITORING COMPLIANCE

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

ENHANCING SUSTAINABILITY TOWARDS DEFORESTATION-FREE

From Q1 2021, we require traceable, forest-monitored palm oil from mills across our supply chain. The new requirements include traceability to plantation and satellite monitoring covering all palm oil concessions supplying mills attributed to the company, against the deforestation criteria set out in the POAP. All mills must be identified on Global Forest Watch and risk assessed, with no active grievances against concessions in their direct supply or operated by the same producer groups elsewhere. In addition, suppliers must have third-party assurance of their monitoring process and systems used and be subject to cross-check by us. We have built an additional verification/assurance system using Satelligence monitoring and risk assessment services covering 90% of our palm mills, including 100% in Malaysia and Indonesia. The enhanced sourcing requirements will improve transparency across the sector. From Q1 2021

80% of our palm oil will meet these enhanced expectations based on strong supplier partnership and commercial arrangements.

Going forward, all our suppliers are required to:

- Take full responsibility for eliminating deforestation in their own operation and upstream supply chain
- Improve traceability and transparency by identifying and risk assessing all mills attributed to the company on Global Forest Watch
- Demonstrate implementation of supplier progress via third-party assurance
- Take action against exploitation of workers in the palm oil supply chain



LEADING A FOREST POSITIVE FUTURE

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

FORESTS PROGRESS

	2017	2018	2019	2020
Economic shade trees distributed by Cocoa Life	1,162,102	1,232,059	1,420,082	2,216,763
Cocoa Life registered farms mapped and monitored in partnership with Global Forest Watch	80,730	93,416	149,761	167,795
Palm oil mills monitored in partnership with Global Forest Watch	NA	3,470	3,187	1,874
Traceability from plantation to palm mills	NA	NA	NA	54%



REDUCING DEFORESTATION

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

FOCUSING FOR MAXIMUM IMPACT

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

Data from our 2020 LCA show the contribution to Mondelez's total CO₂ emissions from 'forest-risk' commodities:

- Cocoa and cocoa products: 7,495,962 tons CO₂
- Dairy: 5,211,285 tons CO₂
- Oils: 1,033,524 tons CO₂

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

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 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.

"We know as individual companies we can only achieve limited progress in the fight against systemic issues like climate change. The Forest Positive Coalition of Action provides a critical opportunity to work in collaboration with the willing – both our members and our stakeholders – to enable a forest positive future."

Christine Montenegro McGrath,
Vice President and Chief of Global Impact & Sustainability

LOOKING FORWARD

Investing in innovation in cocoa

LAUNCHING A CENTER FOR SUSTAINABLE COCOA FARMING SOLUTIONS

In 2020 we opened our new global Cocoa Tech Center in Pasuan, Indonesia. An important investment for us, it is dedicated to supporting sustainable cocoa farming practices and driving positive change for farmers and communities. The Center will develop cocoa crop science initiatives that support high-yielding, sustainable and scalable approaches to cocoa farming. It combines an R&D facility with laboratories, a pilot post-harvest processing area, and a state-of-the-art agronomy experiment station of five hectares of nursery and growing modules where scientists can carry out fully controlled experiments.



Increasing focus on sustainable dairy sourcing

WORKING WITH DAIRY FARMERS TO REDUCE GREENHOUSE GAS EMISSIONS

In 2020 we took our CO₂ reduction targets to our suppliers to ask them to work together with us in reducing the emissions generated on their farms through dairy production. In Europe, our key suppliers are committing to measure and track emissions at the farm level and are developing action plans to reduce emissions. These include increasing efficiencies on their farms, advancing herd management strategies, and working to eliminate deforestation in their livestock feed supply chain. Our suppliers have implemented this for 100% of the milk going into *Cadbury's* chocolate in the UK - so the glass and a half in every bar is now more sustainably sourced. And by working with our largest supplier of Alpine dairy materials we are developing a roadmap to achieve the same for our *Milka* chocolate under our new Alpine Milk Charter.

FOCUSING ON ANIMAL WELFARE

Our focus on animal welfare involves setting clear expectations with our suppliers and taking feedback from external experts to drive continuous improvement. Take dairy, for example. 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 2020, 68% of our dairy supply was sourced from suppliers following formal animal welfare standards.

GOVERNANCE

We are committed to conducting our business ethically. To this end, we have strong structures, policies, and processes in place.

UN Sustainable Development Goals



Our goals are aligned with our ambition to make snacking right, and several of these goals directly support a number of the UN Sustainable Development Goals (SDGs).

[FIND OUT MORE](#) ➔

COMPLIANCE & GOVERNANCE

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

COMPLIANCE & GOVERNANCE PROGRESS

In 2020, we reached many colleagues across the business with our compliance training.

31,128

Colleagues trained via web-based e-learning (14 courses). (2019: 30,328)

289

Live & interactive training sessions. (2019: 454)

2,859

Total contacts to the Compliance Team reporting channels. (2019: 2,815)

We are committed to conducting our business ethically. To this end, we have strong structures, policies and processes in place. Internal and external auditors monitor our compliance.

COMPREHENSIVE GOVERNANCE STRUCTURE

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

THE GOVERNANCE, MEMBERSHIP AND PUBLIC AFFAIRS COMMITTEE OF THE BOARD

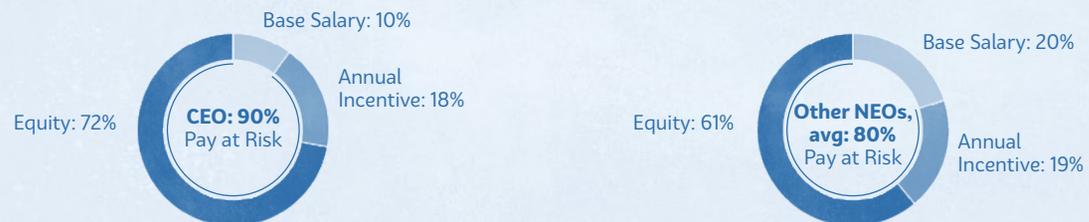
The Committee of the Board is directly responsible for overseeing social responsibility, including well-being and environmental and social sustainability. We take a disciplined approach to our sustainability initiatives, are committed to remaining transparent and proactive about our progress, and track, report on, and hold people accountable for achieving our goals.

SETTING THE TONE FROM THE TOP

Our Board of Directors abides by its Corporate Governance Guidelines and Code of Business Conduct and Ethics for Non-Employee Directors and adopts best practices for corporate governance, including comprehensive stakeholder engagement. Our Chief Executive Officer and senior executives drive home the central message of our Code of Conduct – that integrity and growth go hand-in-hand. To support the right behaviors throughout the company, we have a Compliance Team led by a Chief Compliance Officer.

To reinforce our ESG leadership from the top, incentives for our CEO and senior executives are aligned to both financial and social objectives:

Executive pay aligned to shareholder interests



20% Strategic Key Progress Indicators

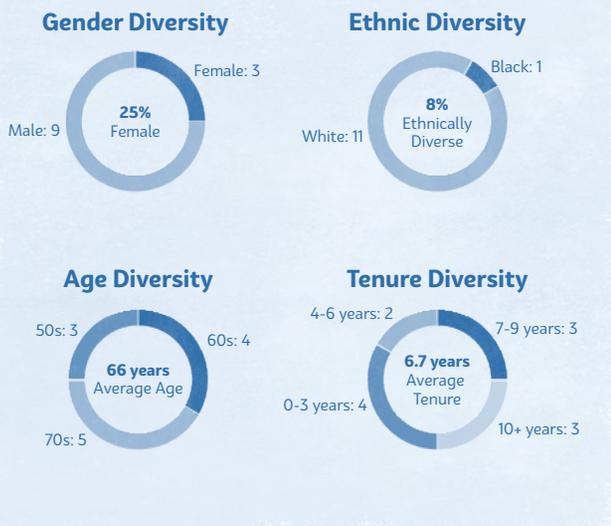
• Includes sustainability/recyclability and other metrics related to growth, execution and culture

COMPLIANCE & GOVERNANCE (CONT.)

STRENGTH IN DIVERSITY

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

We seek and value diversity in our Board of Directors:



WORKING WITH SUPPLIERS WHO SHARE OUR APPROACH

We select suppliers not only on quality and price, but also on whether their ethical standards align with ours. Our guiding principle is that we will not expect any less of our suppliers than we expect of ourselves. This is reflected in our:

- Corporate Responsibility Expectations for Direct Suppliers
- Supplier Contract Provisions
- Supply Chain Transparency and Labor Practices

For more comprehensive information about our approach to Governance, Human Capital Management, and our shareholder outreach and engagement program, please consult our 2021 Proxy Statement.

RESPECTING HUMAN RIGHTS

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

EMPOWERING OUR PEOPLE

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

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

BOARD OVERSIGHT

Our Company, under the leadership of our Board of Directors, is committed to the principle that living our values and doing business the right way can help create a future where people and planet thrive.

Snacking Made Right means taking a stand on the issues that matter; it is at the core of how we drive sustainable business growth at scale with a positive impact on the lives of those across our value chain and the world around us.

We have specific goals to which we hold ourselves accountable and continue to make progress in our efforts to deliver meaningful change. We believe that consumers should not have to choose between snacking and eating right, or be concerned about the impact their snacking choices have on the world and their communities.

Beginning with our Board, we have a comprehensive governance structure that provides oversight of our sustainability efforts at all levels of our organization including our strategic areas of focus: climate change, empowered communities, and circular packaging solutions. This includes management team oversight on critical sustainability programming and strategy development, in addition to regular progress and impact reviews.

The Governance Committee is directly responsible for overseeing social responsibility, including well-being. We take a disciplined approach to our sustainability initiatives, are committed to remaining transparent and proactive about our progress, and track, report on and hold people accountable for achieving our goals.

UN SUSTAINABLE DEVELOPMENT GOALS

We focus on areas where we believe we can have the greatest impact, using our scale to drive meaningful change for consumers.

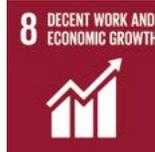
We're empowering farmers who grow our key ingredients, like cocoa and wheat, and investing in their communities to help them thrive. We're producing our snacks with less energy, water, and waste; sourcing our ingredients more sustainably and in ways that reduce deforestation in our supply chain; and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

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

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

Our goals are aligned with our ambition to make snacking right and as we show here, several directly support the UN Sustainable Development Goals (SDGs).

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

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

Additional tier: We seek to positively impact all SDGs:

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

CLOSING LETTER

Our purpose is to empower people to snack right, by delivering the right snack, at the right moment, made the right way. Snacking Made Right is at the heart of everything we do at Mondelez International. It is core to our organization, and we must do our part to live up to the high expectations we have set for ourselves. By doing what's right, we are not only driving shareholder value but making a lasting, measurable and positive impact on those around us.

As I hope you recognize from reading our report, we are delivering on our robust commitments. Not only did we exceed our 2020 goals in key areas like CO₂, water, and waste reduction, but we also set significant 2025 goals that focus and guide our unique approaches to delivering meaningful change and lasting impact. As we look ahead we will continue to strengthen our commitments to address some of the biggest challenges the world faces today in the spaces where we can make a real difference, at scale. Enhancing disclosure and engagement is central to our continued transparency around our progress and action.

Our approach to ESG is unique to our business as the global leaders in snacking. We are effective in setting actionable commitments, focused on the areas where we can drive real change at scale, and prioritize transformational and collaborative approaches with measurable outcomes.

We have set a clear path forward. We are focused on reducing our environmental impact and sustainably sourcing ingredients essential to our business. We are dedicated to promoting people's rights and empowering communities. We are committed to transparency, compliance, and integrating our ESG strategy and programming across our business. From improving the livelihoods of cocoa farmers through our Cocoa Life program to reducing the use of virgin plastics in our packaging material, to committing to spending \$1 billion with women- and minority-owned businesses by 2024, we know we will drive a real, positive difference to the world.

Our stakeholders expect action and regular progress updates. Our colleagues want to work for a company that is purpose-led. Our customers and partners want to know they are working with an organization that can help them achieve their own long-term commitments to doing business the right way. And, of course, consumers want to support companies that are aligned with their own values.

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

Best Regards,

Laura Stein,

EVP Corporate & Legal Affairs, General Counsel Mondelez International





**For More Information on Our Company,
Purpose and Strategies Visit:**
www.mondelezinternational.com

ABOUT THIS REPORT

The scope of this report and the performance against our quantitative goals is our entire company from January 1, 2020 to December 31, 2020, including all manufacturing facilities (excluding acquisitions) under our direct control, unless stated otherwise. Where quantitative goals are linked to revenue, such as our published Well-being Snacks and Communities goals, coverage is for all Mondelēz International revenue except Venezuela, for which results are excluded from our consolidated financial statements. Where quantitative goals are linked to operations, such as our manufacturing environmental goals (CO₂, water, waste) and employee safety and food safety goals, coverage is all operations under the control of our integrated supply chain function. Data for our 2020 Life Cycle Analysis and 2020 progress have been verified by SGS. These verification statements is available on our website.

Version 1.0