

Dairy Animal Welfare – Our Position

Fresh milk and milk derivatives are used as ingredients in a range of our brands, including our cream cheese brand Philadelphia and chocolate brands such as Milka and Cadbury.

To secure high-quality milk and dairy products, we work in partnership with our suppliers to engage in a continuous improvement process ensuring good farm practices and respecting animal welfare throughout our supply chain. Our first priority is our liquid milk supply in Europe.

Sector-wide transformation

Our priority is to support efforts to achieve sector-wide transformation. Mondelēz International welcomes the Dairy Sustainability Framework (DSF), a dairy sector initiative to align globally on sustainability. DSF has been developed in close cooperation with the Sustainable Agriculture Initiative (SAI) to define principles and practices for sustainable dairy farming.

We also recognize and accept industry and supplier standards that are consistent with DSF, such as the Red Tractor in UK, Origin Green in Ireland and Quality Milk Sustainability Module in Germany. These standards will build the foundation for a continuous improvement process.

We track progress according to the proportion of our dairy ingredients sourced from recognized industry standards. Currently this is 20% of our total global dairy supply; we expect this to increase to the majority by 2020 as supply becomes available.

Supplier engagement

We engage our suppliers to meet our animal welfare approach. We expect suppliers to promote improved standards in quality, safety and animal welfare respecting the Five Freedoms and recognize that this is a continuous improvement process.

We will embed our animal welfare requirements into our procurement process so that we can give preference in volume allocations to suppliers who are taking a continuous improvement process for animal welfare.

Brand initiatives

For the European markets UK, Ireland and Benelux, Philadelphia cream cheese was recognized in 2013 by Compassion in World Farming with its 'Good Dairy Commendation'. Compassion in World Farming is a leading NGO recognizing market leading food companies for their current policies or commitments that result in positive impacts on farm animal welfare in their supply

chains. With the German Quality Milk Sustainability module, we are furthering our efforts in sustainable sourcing for Philadelphia in European markets.

All milk we buy in the UK and Ireland for our Cadbury brand is currently certified by Red Tractor and Origin Green.

Key animal welfare considerations for dairy

We support the adoption of best management practices to address the following welfare concerns through industry and supplier standards and expect suppliers in our dairy supply chain to show continuous improvement:

De-horning Mondelēz International supports the use of polled genetics breeding programs that eliminate the need for de-horning. Until the need for de-horning is eliminated, we support the adoption of best management practices, including timing and use of analgesics and/or anesthetics.

Antibiotic- / Hormone use Responsible use of medically important antibiotics is needed to support the health and welfare of dairy animals. However, we believe antibiotics and/or hormones should be used only as necessary and appropriate to maintain animal health.

Accommodation The environment in which animals are kept must take into account their welfare needs and be designed to protect them from physical and thermal discomfort, fear and distress, and allow them to exhibit their natural behavior. We encourage husbandry systems where cows are able to move freely.

Health management and longevity Care and good herd management for dairy cows is fundamental to produce high quality milk. Cows must have access to adequate fresh water and feed and be housed in facilities with clean and dry bedding, proper ventilation, adequate space for movement, non-slip walking surfaces, and protection from adverse weather. Mondelēz International continuously works with suppliers to support good farming practices to avoid risk of pain and diseases, including lameness, mastitis and early culling.

Reporting

We will track and report the proportion of milk coming from sources meeting Industry standards that match or exceed our principles annually

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