

Mondelēz

Product categories assessed

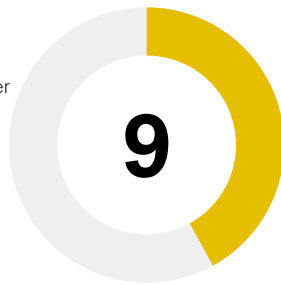
Baked Goods|Concentrates|Confectionery|Dairy|Other Hot Drinks|Savory Snacks|Sweet Biscuits, Snack Bars and Fruit Snacks

Percentage of company global sales covered by Product Profile assessment
50-55%

Headquarters
U.S.

Number of employees
80000

Type of ownership
Public



Rank 9 / Score 4.2

Rank 5 (2018)



Product Profile 1

Rank 11 / Score 4.7

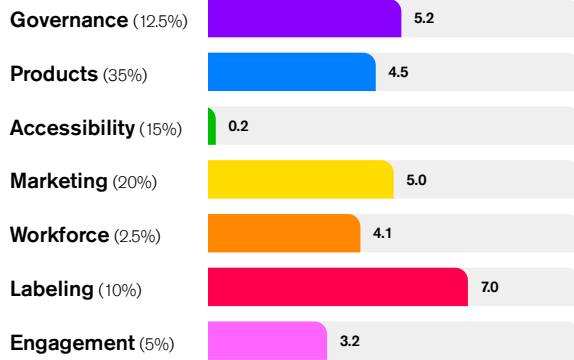
Rank 19 (2018) 2

Important:

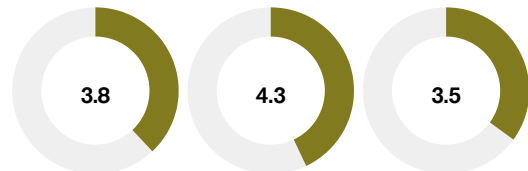
The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information such as differences in disclosure requirements among countries or capacity constraints within companies, amongst others the Covid-19 pandemic. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Corporate Profile

Rank 9 Score 4.2



Commitment Performance Disclosure



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type. The Commitment, Performance, Disclosure score only applies to category scores and not to the BMS/CF Assessment.

Main areas of strength

- **SCORES AND RANKS:** Mondelēz' overall score has fallen from 5.9 in 2018 to 4.2 out of 10. Its ranking has decreased from 5th place to 9th place. Alongside changes in the methodology, this reflects the company's lack of disclosure regarding addressing the needs of priority populations commercially, the expiration of its reformulation targets in 2020 without being replaced, and less evidence being found of the company working with governments to address malnutrition since 2018.

- **GOVERNANCE:** The company places a strategic focus on nutrition and health, with wellbeing, mindful Snacking, and portion control playing prominent roles in their new '2025 Snacking Made Right Strategy'. One of the KPIs for this involves letting 'well-being snacks' grow at twice the rate of traditional snacks, while also continuing to reduce sugar, sodium, and fat in snacks, and increasing portion control options. The company's Chief Strategy Officer holds formal accountability for implementing this strategy, which is subject to review by the CEO. It is one of only three companies assessed that links CEO remuneration to nutrition objectives. The CEO has also publicly stated that the company factors nutrition into decisions about acquisitions, disposals, and forming joint ventures (JV); having acquired Perfect Snacks in 2019, and divested its cheese business in the Middle East and Africa. Via its innovation hub, 'SnackFutures', the company has also invested in a number of new wellbeing companies.

- **GOVERNANCE:** Mondelēz has developed a multi-pronged, global strategy to address obesity through its product portfolio, with an emphasis on sugar and calorie reduction (acknowledging World Health Organization (WHO) sugar intake recommendations), and investment in portion control. To this end, the company reports that portion control options grew by 14 percent in 2017, seven percent in 2018, and five percent in 2019, and research was done to demonstrate the efficacy of its portion control efforts on consumer behaviour.

- **PRODUCTS:** To drive innovation and address the specific needs of priority populations, Mondelēz engages in research on starch digestibility and carbohydrate quality (to improve the nutrition quality of starch-based foods through milder processing), as well as research on healthier oils/lipids, proteins, and sodium and sugars replacements. The company engaged in a study in India that showed micronutrient-fortified milk-based drinks can reduce the risk of deficiencies related to certain micronutrients (such as iron/B12 and anaemia), in apparently healthy children from lower- to middle- socio-economic groups. The company has also developed products to specifically address the nutritional needs of women of childbearing age and children, providing examples from India, Southeast Asia, and China.

- **PRODUCTS:** The company's Nutrient Profiling Model (NPM), the 'Nutritional Requirements', assesses the overall nutritional quality of all Mondelēz's products, considering negative nutrients only. This system sets a baseline criteria for all products and more stringent criteria for its 'Better Choices'. Mondelēz is the only company assessed that was found to publicly disclose its use of international

Priority areas for improvement

- **GOVERNANCE:** The company does not publish commentary on its commercial approach to addressing nutrition-related unmet needs of priority populations, including through products that address micronutrient deficiencies. Mondelēz is encouraged not only to do so, but also conduct annual internal audits of the delivery of its nutrition strategy, and ensure that its nutrition reporting is subject to verification or external review.

- **PRODUCTS:** While the company met several reformulation targets in 2020, and continues to track and report on its sodium, saturated fat, and added sugar reduction efforts year-on-year and against a 2012-baseline, it has not developed a new set of targets to work towards. ATNI encourages Mondelēz to set SMART targets that cover all relevant product categories, and for nutrients of concern relevant to their product portfolio. It is important that product formulation and reformulation are addressed comprehensively at portfolio level to ensure that all company products become healthier over time, rather than only improving the healthiness of selected products or product categories. The company is also encouraged to publicly disclose the percentage of their product portfolio that meets their criteria for healthy products.

- **ACCESSIBILITY:** No evidence could be found of a commitment or strategy to improve the accessibility and affordability of its healthy products (i.e., 'Better Choices'), especially for low income groups and priority populations. While Mondelēz provided two specific examples of discounted products, it is not clear whether these specifically meet the company's own 'healthy' criteria, and how they are priced relative to other less healthy products. The company is encouraged to make companywide public commitments on addressing the affordability and physical accessibility of its healthy products (according to objective nutrition criteria) and to develop concrete strategies with measurable targets to reach consumers; especially those living under poor socio-economic conditions, across all markets where the company operates.

- **MARKETING:** Mondelēz does not disclose any commitments or examples of marketing strategies designed to ensure that its healthy, fortified products reach undernourished populations in low- and middle-income countries. As such, the company could consider investing more in developing such strategies and reporting on their effectiveness.

- **MARKETING:** Despite a relatively strong responsible marketing to children policy, Mondelēz still has no commitments that prohibit any advertising near primary and secondary schools or other places popular with children, as recommended by WHO. Despite lowering the threshold for defining a child audience under 12 to 30 percent (as of 2021), the company could go further by establishing the best-practice threshold of 25 percent. The company is also encouraged to disclose the results of all its marketing audits and establish a response mechanism to ensure corrective measures are taken regarding any non-compliance with its marketing policy.

guidance on fortification (i.e., Codex CAC/GL 9-1987 and the World Health Organization (WHO)/Food and Agriculture Organization (FAO) Guidelines on Food Fortification with Micronutrients) in its approach to fortifying products aimed at addressing undernutrition and micronutrient deficiencies.

- **MARKETING:** As in 2018, Mondelēz commits to the International Chamber of Commerce (ICC) Code of Advertising and Marketing Communication Practice, and its marketing commitments are applied to all media assessed. The company has its own global policy on marketing to children, committing to not advertise its products in any media primarily directed to those under the age of 13 (as of 2021), irrespective of the product's nutritional profile. Of all the companies assessed, Mondelēz has in place some of the most comprehensive digital marketing arrangements to ensure that it does not reach younger age groups. It participates in pledges by organizations including the International Food and Beverage Alliance (IFBA), the Children's Food and Beverage Advertising Initiative (CFBAI), the EU Pledge, and in Canada, Australia, and Singapore, which ensures that its marketing to children policy is audited across a wide range of media in different regions. The company also has an internal auditing process in place which assesses compliance of its marketing practices with its responsible marketing commitments to all consumers.

- **LIFESTYLES:** Mondelēz's approach to supporting healthy eating and active lifestyle programs is industry leading practice. Through the Mondelēz International Foundation (MIF), the company's philanthropic arm, it funds community programs that offer nutrition education, promote active play, and provide access to fresh foods. All of the company's community programs are based on a Private-Public Partnership model that is endorsed by the National Academy of Medicine (NAM), WHO, and the World Bank. This ensures that they are designed by and/or (co)implemented with diverse stakeholder groups who have relevant expertise, while simultaneously being adapted to the specific needs, backgrounds, and levels of nutrition literacy of priority populations. The company also commits to exclude branding from nutrition education and physical activity programs in schools.

- **LABELING:** As in 2018, Mondelēz commits to providing nutrition labeling both front-of-pack (FOP) and back-of-pack (BOP) on its products in all markets. The company reports that its approach to nutrition labeling is in-line with international standards, including Codex Alimentarius. The company provides labeling information per serving and/or per 100 grams for eight key nutrients. Regarding its FOP labeling, it commits to show nutrient levels in numeric format, including the percentage relating to recommended daily intake, such as Daily Value or Dietary Reference Intake. Mondelēz discloses publicly that it has rolled out its full labeling commitments in all its markets.

- **LIFESTYLES:** ATNI encourages Mondelēz to publish a consistent global policy with paid maternity leave of six months (if country legislation is not stronger), and to provide the same working arrangements and facilities globally to support all breastfeeding mothers.

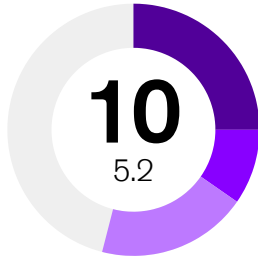
- **LABELING:** The company could consider enhancing consumers' awareness about the nutritional value of its products by using interpretive FOP labels globally. Mondelēz is also advised not to provide additional interpretive labeling or other information FOP that directly relates to the message of the mandatory FOP labeling (which may confuse consumers or modify the effect of the mandatory labeling).

- **LABELING:** While the company commits, in countries where no national regulatory system exists, to comply with Codex Alimentarius Guidelines for Use of Nutrition and Health Claims, Mondelēz is also encouraged to commit to follow this guidance in markets where national regulatory are less strict.

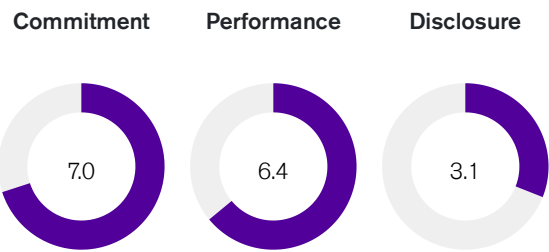
- **ENGAGEMENT:** There is currently little evidence of Mondelēz working with governments to address malnutrition in their respective markets. The company is advised to take a more active and constructive role in supporting governments' efforts to combat all forms of malnutrition. Mondelēz should publicly commit to lobby responsibly; that is, with an explicit focus on supporting measures designed to improve health and nutrition that have a solid grounding in independent, peer-reviewed science. While the company has assigned oversight of its lobbying activities to its Board and has a robust internal whistle-blowing mechanism ('Speaking Up'), it is encouraged to conduct internal or independent audits of the company's lobbying activities, including third parties, to better manage and control these. The company could also consider improving its lobbying disclosure on its website, publishing a more comprehensive list of the trade associations in which it participates, as well as any potential governance conflicts of interest and Board seats at these organizations, and disclosing its position on important nutrition-related topics.

Category Analysis

Governance

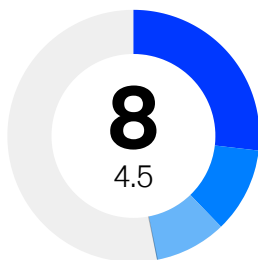


- A1 Nutrition strategy
- A2 Nutrition management
- A3 Reporting quality

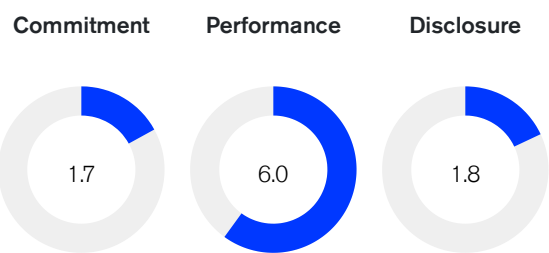


The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

Products

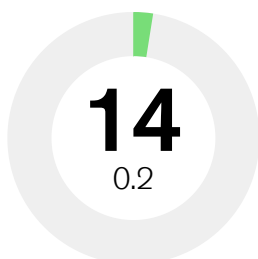


- B1 Product Profile
- B2 Product formulation
- B3 Defining healthy products

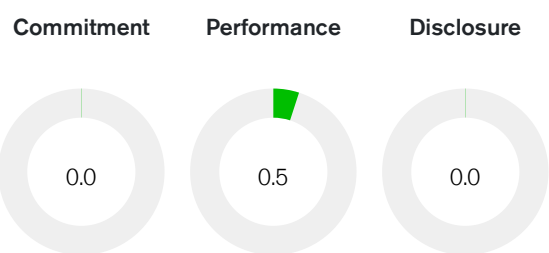


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Accessibility

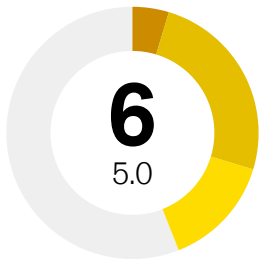


- C1 Product pricing

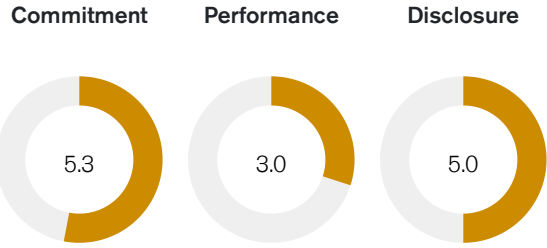


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Marketing

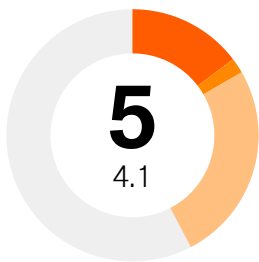


- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

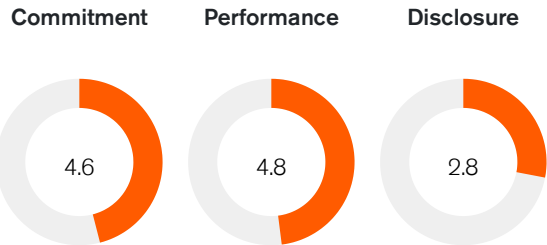


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Workforce

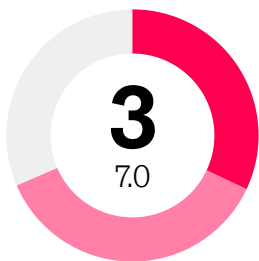


- E1** Employee health
- E2** Breastfeeding support
- E3** Consumer health

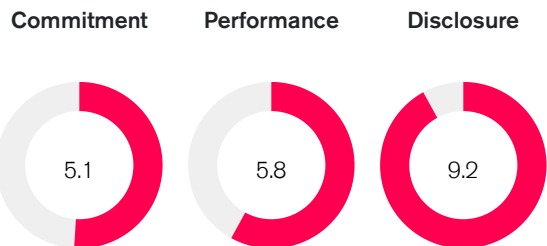


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Labeling

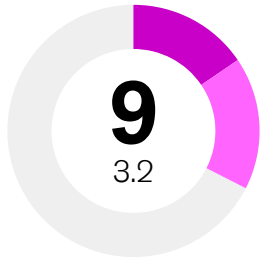


- F1** Product labeling
- F2** Claims



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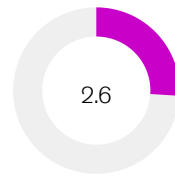
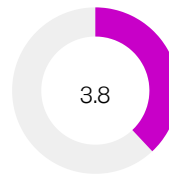
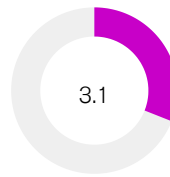
Engagement



Commitment

Performance

Disclosure



- G1** Influencing policymakers
- G2** Stakeholder engagement

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Detailed Product Profile Results ¹ ³

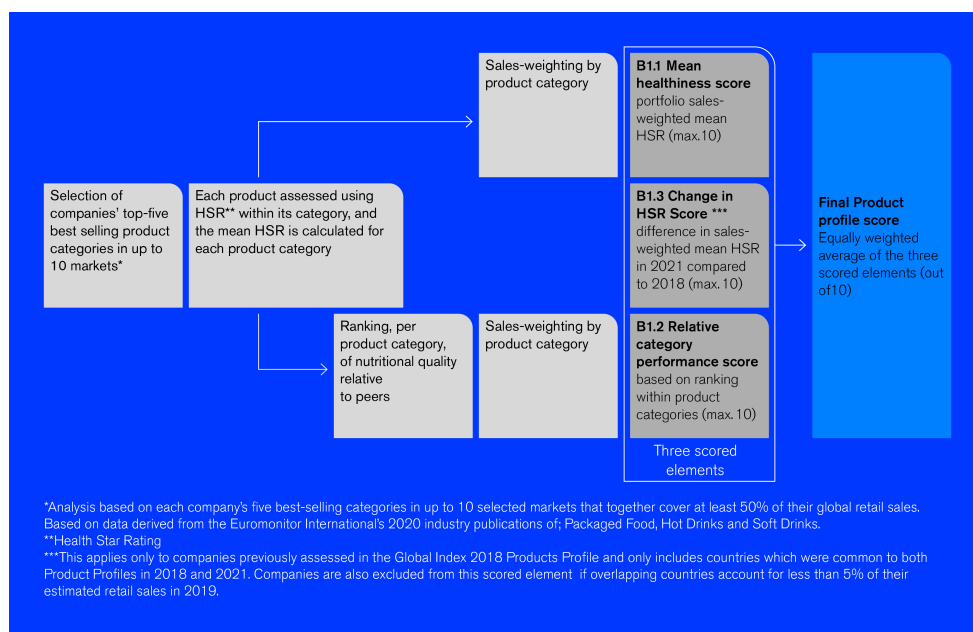


11

Rank 11 / Score 4.7

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthy. This assessment is undertaken in partnership with The George Institute for Global Health (TGI), with additional data input from Innova Market Insights.

The methodology for the Global Index 2021 Product Profile has been revised and now includes three scored elements. The overall Product Profile score reflects: B1.1, the mean healthiness of a company's product portfolio; B1.2, the relative healthiness within product categories compared to peers, and; B1.3, changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile. The steps taken to calculate the final Product Profile scores are visualized in Box 1. The next section further explains each of these three elements.



Mondelez has been assessed for the second time in the Global Index Product Profile. In the previous assessment, eight of the company's markets were selected, and a total of 2,048 products analyzed – accounting for approximately 40-45% of global retail sales in 2017, excluding plain tea, and coffee. In this Index, a total of 3540 products have been analyzed across 10 of the company's major markets. Products from the top five best-selling product categories within each market are included. In 2019, these products accounted for 50-55% of the company's global retail sales, excluding plain coffee.

Brazil and Hong Kong are new countries included in this iteration. Products from the same seven categories selected in 2018 are also assessed in 2021.

In this Product Profile assessment, Mondelez's scores 2.9 out of 10 (B1.1) in the mean healthiness element, 5.3 out of 10 (B1.2) for the relative healthiness of its products within categories compared to peers, and 6 out of 10 (B1.3) for changes in nutritional quality (mean HSR) over time. This results in Mondelez obtaining an overall score of 4.7 out of 10, ranking 11 out of 25 in the Product Profile.

B1.1 Portfolio-level Results

Average HSR (out of 5 stars) (sales-weighted)	10 Countries included	Range of global sales included ⁴	Healthy products (HSR)				Products suitable to market to children (WHO regional models) - UNSCORED		
			No. products assessed	% products healthy (≥3.5 stars)	% retail sales healthy 2019 (≥3.5 stars) – assessed countries only	% estimated global retail sales healthy 2019 (≥3.5 stars) ⁵	No. products assessed	% products suitable	% sales from suitable
1.5	Australia, Brazil, China, Hong Kong, India, Mexico, New Zealand, South Africa, UK, USA	50-55%	3540	6%	9%	6%	3658	1%	2%

- A total of 3,540 products manufactured by Mondelez, sold in 10 countries, covering seven product categories, were included in this Product Profile (plain tea and coffee were not assessed). The company's sales-weighted mean HSR is 1.5 out of 5. ATNI turns this value into a score between 0 and 10, resulting in a mean healthiness score of 2.9 out of 10 for Mondelez. The company ranks 22 out of 25 companies in this first scored element (B1.1).

- Overall, 6% of distinct products assessed were found to meet the HSR healthy threshold (HSR ≥3.5). Together, these products accounted for an estimated 9% of Mondelez' retail sales of packaged food and beverages 2019 in the selected markets (excluding plain coffee). Assuming the products and markets included in the assessment are representative of the company's overall global sales, ATNI estimates the company derived approximately 6% of its global retail sales from healthy products in 2019.

WHO nutrient profiling models (unscored): Only 1% of products assessed were found to be of sufficient nutritional quality to market to children, according to the World Health Organization (WHO) regional nutrient profiling models. These products were estimated to generate 2% of the company's sales in 2019. More information on this part of the assessment can be found in the Marketing section (Category D) of the Index.

B1.2. Product Category Results

	No. products analyzed	% products healthy (HSR >= 3.5)	Company mean HSR	Mean HSR for all companies selling this product category	Company performance (rank in mean HSR compared to peers selling products in the same category)
Baked Goods	3	0%	1.2	2	7th out of 9
Concentrates	108	0%	0.5	1.2	6th out of 7
Confectionery	2,064	5%	1.1	1	3rd out of 6
Other Hot Drinks	51	2%	0.7	1.4	4th out of 5
Dairy	71	23%	2.4	2.9	16th out of 18
Savoury Snacks	315	18%	2.2	2.2	5th out of 8
Sweet Biscuits, Snack Bars and Fruit Snacks	928	4%	1.4	1.8	6th out of 8

- Products from the 'Dairy' category obtained on average the highest mean HSR for the company, although these are still considered of less nutritional quality. The 71 dairy products analyzed obtained mean HSR of 2.4 out of 5. 'Concentrates' (0.5) had the lowest mean HSR of all product categories included for Mondelez.

- For two out of the seven categories assessed, Mondelez products perform equal to or better than the mean HSR of companies selling products in the same categories.

- Mondelez scores 5.3 out of 10 in this second scored element (B1.2) and ranks 17 out of 25 companies. This is based on its ranking compared to peers within the seven categories, using the scoring system set out in ATNI's methodology.

B1.3. Change in mean HSR

	No. of products analyzed in 2018	No. of products analyzed in 2021	Sales weighted mean HSR 2018	Sales weighted mean HSR 2021
Australia	393	602	1	1
China	182	240	1.2	1.7
India	71	200	0.7	0.6
Mexico	103	161	1.4	1.6
New Zealand	247	295	1.1	1
South Africa	93	130	1.4	1.3
UK	578	724	1.1	1
USA	381	777	1.5	2
TOTAL	2048	3129	1.3	1.6

- Mondelez was one of the nine companies that obtained a positive result in this third scored element, taking into account eight countries included in both assessments (mean HSR=1.3 to 1.6). It appears that 'Confectionery' had a higher overall mean HSR in 2021 compared to 2018. The USA also represents the largest market among the countries included in analysis (>40%) and so any

changes to US data lend weight to the overall mean increase in HSR.

- Adjusting scores by country sales weighted estimates (which gives more weight to company's largest markets), Mondelez achieves an increase of 0.3 in mean HSR between 2018 and 2021, resulting in a score of 6 out of 10 on this element using the scoring system set out in ATNI's methodology.

Full Product Profile report: https://new-l40rlzsq.accessstonutrition.org/app/uploads/2021/06/GI_Global-Index_TGI-product-profile_2021-2-1.pdf

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Global Index

2021

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Footnotes

1. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
2. In the Global Index 2018, the Product Profile Assessment was conducted as a separate assessment. The results were based on scores generated by applying the Health Star Rating (HSR) nutrient profiling system, which analyzes the level of several positive nutrients (e.g. fruits, vegetables and fibers) and several negative nutrients (e.g. salt, sugar and saturated fat) in products.
3. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
4. Retail sales data derived from Euromonitor International.
5. ATNI estimates this value by taking the proportion of healthy products within each category assessed and multiplying that figure by the global category retail sales. The values are then aggregated to generate an estimate of the overall global healthy sales (excluding baby foods, plain tea, and coffee, which are not included in the Product Profile).
6. Within-category ranks are calculated for all product categories in which two or more companies are active. Next, a performance percentage is calculated from the inverted rank (e.g. first out of 10: inverted rank $10/10 = 100\%$ performance score; tenth out of 10: inverted rank $1/10 = 10\%$ performance score). The 'Bottled Water- Pure' category receives a standard rating of five stars, according to the HSR algorithm for all companies.