PACKAGING TRENDS IN A CHANGING WORLD

Erkan SOKMEN
Procurement Manager,EE

3rd of July,ISTANBUL

Mondelēz International
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WHO AM I?

A.Erkan SÖKMEN
Manager, Procurement East Europe Mondelez Int.

ORTA DOĞU TEKNİK ÜNİVERSİTESİ
MIDDLE EAST TECHNICAL UNIVERSITY

CS&L
Engineering
Procurement

Mondelēz International
the power of big. and small.

	Competencies Developed	Roles/Positions	Experiences Gained
Leader	Manage vision and purpose Focus on what matters most	Procurement Manager EE (Mondelēz International) Coutry Proc. Snr. Mngr Turkey 2012 Log Proc Lead CEEMEA Region,Turkey 2011 (kraft foods) Transport Ops Grup Mngr,Turkey 2010 (CEVA) SSD Director Turkey 2006 (DANONE)	Cross country/Cross cultural experience Heavy Strategic Demand Managing People/ Scale experience
Manager	Building Effective Teams Strategic Agility Dealing with Ambiguity Developing Direct reports and others	Supply Chain Snr Mngr UK 2006 SC Snr Mngr Proc+CS&L Turkey 2002 (HONDA) Purchasing Manager,Turkey 1996 (HONDA)	Cross functional move/International Experience Start up/Building effective team
Individual Contributor	Organizational Agility Understanding Others Creativity	Purchasing Engineer Turkey 1993 (TOYOTA) Site Engineer,Tokar Istanbul, 1991	Functional/Technical Depth Company/Industry Expertise

OUR BUSINESS AND BRANDS

2017 net revenues of approximately **$26 billion**

Over **80,000** employees

Products sold in approximately **160 countries**

Investing over **$800 million** **to positively impact** people and the planet in local communities*

* Includes ~$400MM in donations, both cash and products since 2012 and a $400MM investment for our Cocoa Life program

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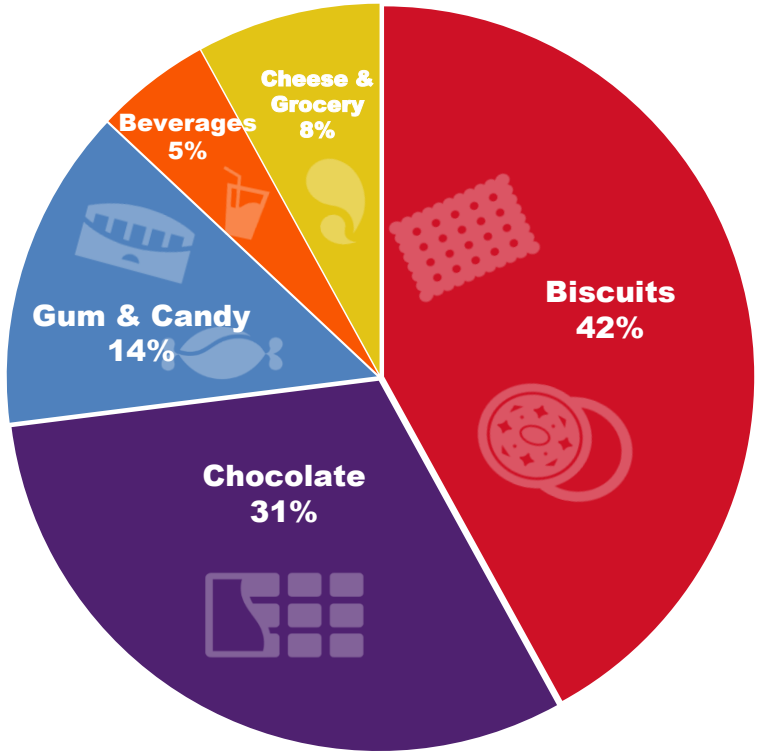
A GLOBAL SNACKS POWERHOUSE

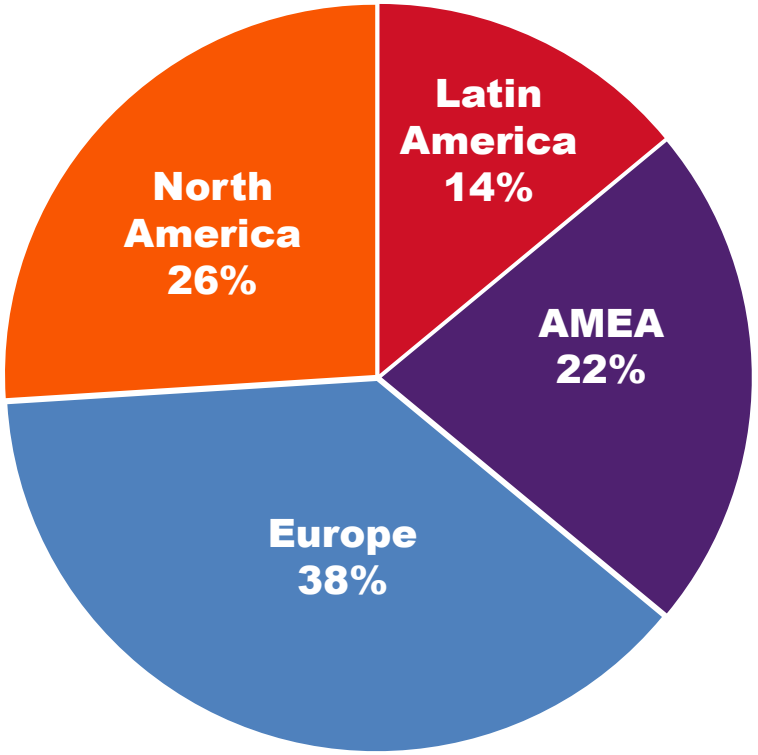
2017 net revenues of approximately $26 billion

Over 85% of revenues in fast-growing snacks categories



Sales by Category
Percentage of 2017 Net Revenues

Nearly 75% of revenues come from outside North America



Sales by Geography
Percentage of 2017 Net Revenues

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Our Purpose and Vision

CREATE
MORE MOMENTS OF
JOY

by building the

BEST
SNACKING COMPANY
IN THE WORLD

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LEADERS IN OUR CATEGORIES

#1

OREO
Chips Ahoy!
belVita BREAKFAST
Barni
CLUB SOCIAL
TUC

#1 / #2

Cadbury Dairy Milk
Milka
TOBLERONE

#1 **#2**

Trident
Dentyne
Clorets
SOUR PATCH Kids
HALLS

2017 category position. Source: Euromonitor

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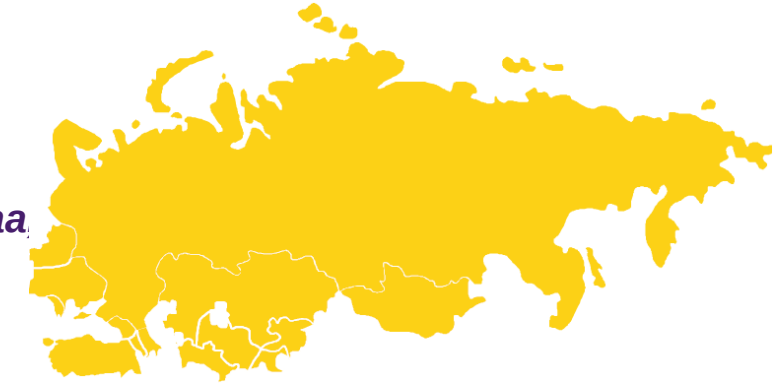
EE-East Europe Overview

14 Languages

4500 Employees

Mondelez operates in

14 Countries: *Russia,Turkey, Ukraine and Eurasia-Kazakhstan,Georgiaa, Belarus,Moldova,Armenia,Azerbaijan, Turkmenistan,Uzbekistan,Tajikistan, Kyrgzstan and Mongolia.*



Moscov

Kiev & Almaty

Istanbul

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Cadbury Turkey History

All started in Mardin in 1956

kent

1956

TOFITA

Missbon

Olips

TOYBOX

Cadbury

kent

2002 Merge

Cadbury

Turkey

2010

Cadbury buy

Intergum

Intergum

2007

Mondelēz International

Kraft Turkey History

MARSA

Edible oil company

1926

MARSA Kraft Jacobs Suchard

50/50 JV

1993

Kraft enters Turkish Market

MARSA Kraft Jacobs Suchard

49/51 JV

KRAFT SA

51/49 JV

2000

Divested in 2005

KRAFT

Fully Kraft owned
Acquired Kar Gida
(Salted Snacks)

2002

KAR

Milka

JACOBS

TANG

Mondelēz International

FURTHER CHANGES IN THE COMPANY

KRAFT

Cadbury

kent

kraft foods
make today delicious

2010 February

Mondelēz International

2012 October

- *Gum& Candy*
- *Chocolate*
- *Coffee*
- *SSN*
- *Biscuits*

Mondelēz International

Today.....

- *Gum& Candy*
- *Chocolate*
- *Biscuits*

2015 July

49/51 JV

JDE
JACOBS DOUWE EGBERTS

Mondelēz International

2013 April

SSN sold to Dogus Gida

JACOBS

D·E
MASTER BLENDERS
1753

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GROWTH

ACCELERATE CONSUMER-CENTRIC GROWTH

EXECUTION

DRIVE OPERATIONAL EXCELLENCE

CULTURE

BUILD A WINNING GROWTH CULTURE

LOVE OUR CONSUMERS & BRANDS • GROW EVERY DAY • DO WHAT'S RIGHT

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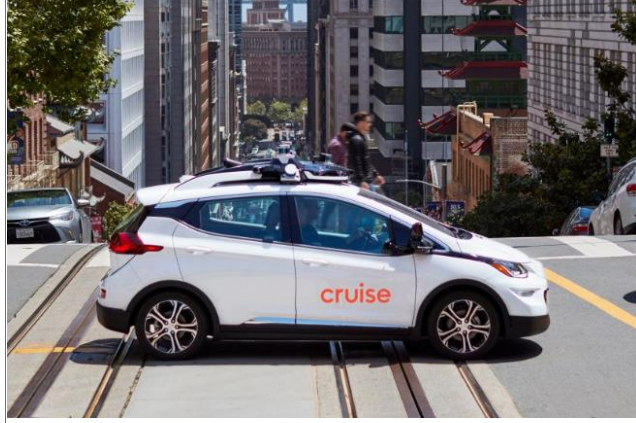
BUILDING A STRONG ECOMMERCE FRANCHSE



- Goal to be a $1B business by 2020
- Grew net revenues by 40%+ in 2017
- Accelerating gifting and subscription growth platforms

	GM	CRUISE
2018 Turnover	147 B $	0
VALUE	49 B $	19 B $

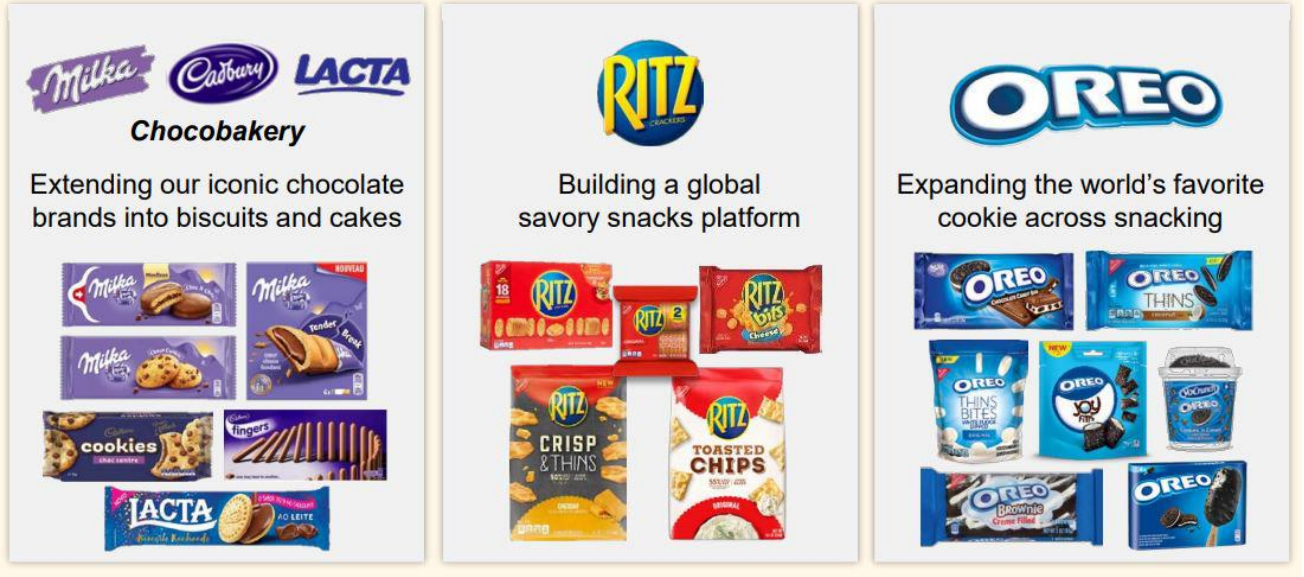
GM bought CRUISE 100% and paid 1 B $ in 2016

GROWTH STRATEGY EXPLAINED WITH EXAMPLES

GROWTH

Accelerate consumer-centric growth

- ***Broader snacking***
- ***Full portfolio leverage - global brands & local jewels***
- ***New brand playbook***



- ***Growth channels & key markets***

Convenience → Discount → E-commerce → Traditional trade

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GROWTH

Accelerate consumer-centric growth

- ***Partnerships and M&A***

Mergers & Acquisitions

SNACKFUTURES

INVENT. REINVENT. VENTURE.

Discovering and unleashing innovative ideas to lead the future of snacking

INVENT

Develop new brands

REINVENT

Reposition smaller brands with untapped potential

VENTURE

Invest with start-up

Mondelez invests in functional foods startup Uplift Food

THE HATCHERY

WHERE FOOD BUSINESSES GROW

MONDELEZ PARTNERS WITH FOOD BUSINESS INCUBATOR, THE HATCHERY CHICAGO

This will allow us to connect with the local food and beverage start-up community to accelerate and scale innovation

INNOVATION NEWS

Outside and Inside the world of Mondelez

THE OUTSIDE WORLD OF INNOVATION

Nestle will start selling confectionery products made that way in 2018 and will gradually reduce their sugar content. Photo: AFP

Nestle scientists find method to cut sugar in chocolate by 40%

Top five innovative new products from 2018

Posted By: News Desk on: December 25, 2018
In: Beverage, Confectionery, Dairy, Food, Functional, Health, Ingredients, Interesting Lists, Snacks, Soft drinks, Water

Foodbev

Tom Szaky • 1st
CEO at TerraCycle
1d

HeIn honor of World Water Day, which falls on March 22, Herbal Essences has teamed up with TerraCycle to find a solution to eliminate non-recyclable plastic waste and to bring awareness to plastic pollution. TerraCycle is a recycling company that has made it its specialty to reuse hard-to-recycle materials. The organization collects non-recyclable waste that is a product of pre-consumer and post-consumer debris, and partners with corporations to turn it into raw materials to be used in new products. https://lnkd.in/eWY2wTs

Herbal Essences' New Bottles Uses Plastic Recycled From Beaches

bustle.com

Nesquik launches All Natural cocoa powder in recyclable paper packaging

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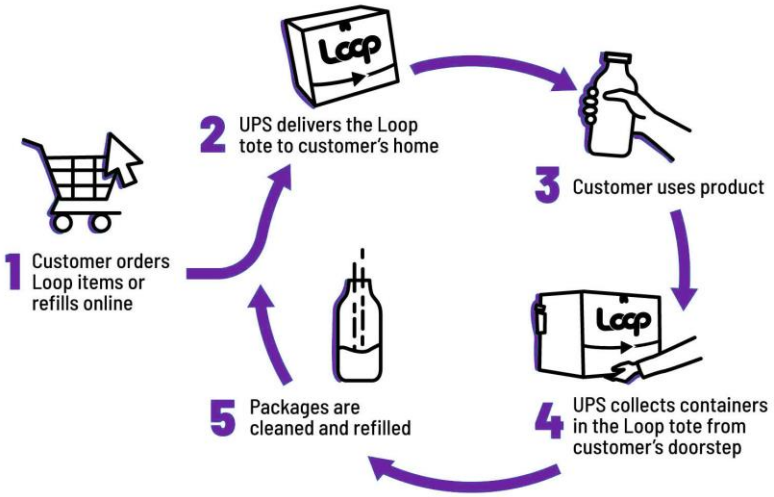
THE INSIDE WORLD OF INNOVATION

Mondelez invests in functional foods startup Uplift Food

20 MAR 2019 | SAVE | EMAIL | PRINT | PDF

Multinational snack foods giant Mondelez International has taken a minority investment in Uplift Food, a US-based early-stage start-up focusing on prebiotic functional foods. This is the first venture investment Mondelez is making as part of SnackFutures, the company's innovation and venture hub aimed at unlocking snacking growth opportunities around the world.

MONDELĒZ INTERNATIONAL JOINS INNOVATIVE LOOP PLATFORM TO REDUCE PACKAGING WASTE WITH MILKA BISCUITS



Mondelēz commits to making all packaging recyclable by 2025

By Anthony Myers
09-Oct-2018 - Last updated on 09-Oct-2018 at 14:57 GMT

12

Mondelēz says 65 million kg of packaging material worldwide will be eliminated by 2020. Pic: Mondelēz International

Mondelēz launches range of cream-filled biscuits, and new protein bars

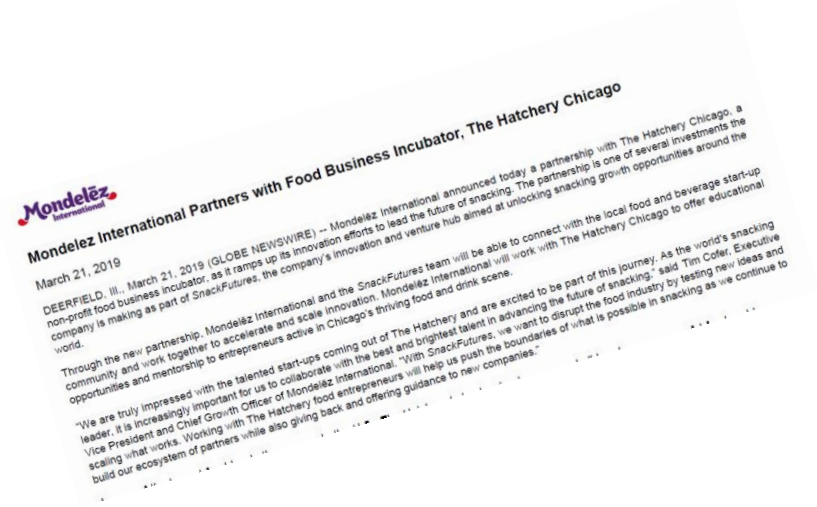
By Anthony Myers
08-Aug-2018 - Last updated on 08-Aug-2018 at 12:51 GMT

26

Mondelēz's new cream-filled biscuit range, Joyfills. Pic: Mondelēz International

MONDELEZ PARTNERS WITH FOOD BUSINESS INCUBATOR, THE HATCHERY CHICAGO

THE HATCHERY
WHERE FOOD BUSINESSES GROW



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Mondelez International Partners with Food Business Incubator, The Hatchery Chicago

March 21, 2019

DEERFIELD, Ill., March 21, 2019 (GLOBE NEWSWIRE) -- Mondelēz International announced today a partnership with The Hatchery Chicago, a non-profit food business incubator, as it ramps up its innovation efforts to lead the future of snacking. The partnership is one of several investments the company is making as part of SnackFutures, the company's innovation and venture hub aimed at unlocking snacking growth opportunities around the world.

Through the new partnership, Mondelēz International and the SnackFutures team will be able to connect with the local food and beverage start-up community and work together to accelerate and scale innovation. Mondelēz International will work with The Hatchery Chicago to offer educational opportunities and mentorship to entrepreneurs active in Chicago's thriving food and drink scene.

"We are truly impressed with the talented start-ups coming out of The Hatchery and are excited to be part of this journey. As the world's snacking leader, it is increasingly important for us to collaborate with the best and brightest talent in advancing the future of snacking," said Tim Cofer, Executive Vice President and Chief Growth Officer of Mondelēz International. "With SnackFutures, we want to disrupt the food industry by testing new ideas and scaling what works. Working with The Hatchery food entrepreneurs will help us push the boundaries of what is possible in snacking as we continue to build our ecosystem of partners while also giving back and offering guidance to new companies."

The Hatchery helps local entrepreneurs build and grow successful food and beverage businesses through three major areas of need:

- Access to production space
- Financing
- Resources through job training and placement programs

Through the new partnership, Mondelēz International will be able to connect with the local food and beverage start-up community and work together to accelerate and scale innovation

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THE STORY SO FAR..

Examples of Innovation in action

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INNOVATION SRM PROGRAM

Bring the Outside In

MDLZ INNOVATION AWARENESS

E.g., DSSmith Digital printing webinar
can we leverage this technology in your project?

Innovations news from our suppliers through your phone using Mondelez Innovation app!

Yes!

1 MDLZ NEEDS COLLECTION

Digital printing

E-commerce pack partner

Transparent packaging

Re-usable
Pack owned by Mdlz

2 SUPPLIER ENGAGEMENT

amcor

Constantia Flexibles

DS Smith

Smurfit Kappa

RPC

New vendors…

3 SUPPLIER POTENTIAL

Business Case

- ✓ Technology readiness
- ✓ Cost Index
- ✓ Delivery leadtime
- ✓ Negotiations:
  - ✓ IP
  - ✓ Exclusivity
  - ✓ Joint Development Agreement
  - ✓ Supplier resources (FTE's)
  - ✓ CAPEX (tooling + new lines)

Supplier selected and engaged

This is only an example of some Mdlz needs and suppliers

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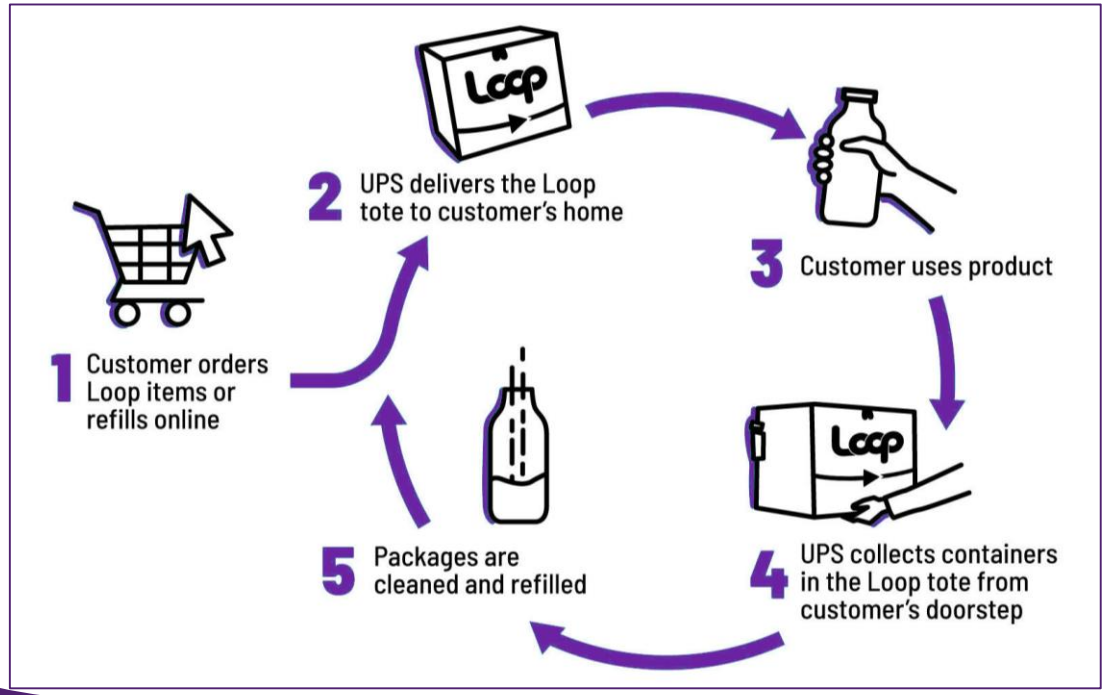
DSSMITH COLLABORATION TO CREATE MILKA E –COMMERCE PACKAGING

TERRACYCLE PARTNERSHIP PILOT CALLED LOOP

- The packaging disposal is not longer a consumer responsibility
- Mondelez embraces the circular economy concept



- We created a durable stainless container to manage 100+ cleaning cycles.
- Mondelez negotiated exclusivity on sweet biscuits for LOOP

Available in Carrefour France ecommerce in May 2019!

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PACKAGING

1) Global Go Local
2) From BIG brands to MY brands
3) Personalisation
4) Local Sourcing
5) Go Vegan
6) Social Mission
7) Clear Communication
8) Convenience
9) Natural Look
10)Sustainability

1 BEAUTIFUL PLANET

BUT WE ARE USING THE RESOURCES OF

1.7

SMALL ACTS,

WHEN MULTIPLIED BY
MILLIONS OF PEOPLE,

CAN TRANSFORM
THE WORLD

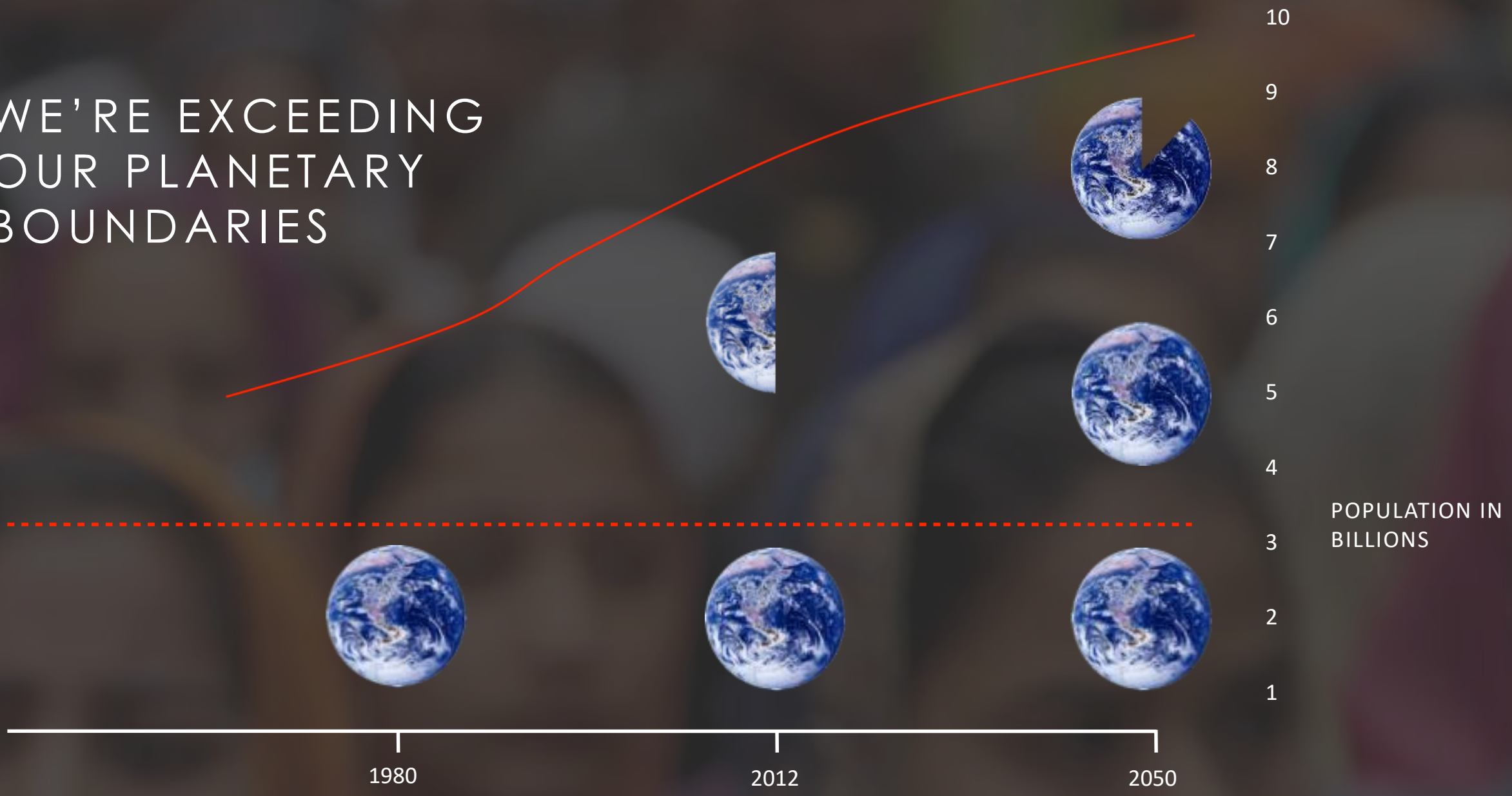
Go to footprintcalculator.org

Impact FOR GROWTH

How many earths are you consuming?

Impact FOR GROWTH

WE'RE EXCEEDING OUR PLANETARY BOUNDARIES



Drowning in Plastic

Plastic waste has been found (pink circles) in the ocean from the Arctic to the Antarctic and from the surface to the seafloor. Millions of tons enter the seas each year, much of it from places where it has been dumped carelessly on land and into rivers (light blue) and then swept out to sea (yellow). Ocean currents carry floating debris to the far corners of the world.

JASON TREAT, TED SICKLEY, AND RYAN T. WILLIAMS, NGM STAFF
SOURCES: ANDRÉS CÓZAR CABAÑAS, UNIVERSITY OF CÁDIZ; LAURENT LEBRETON, OCEAN CLEANUP FOUNDATION; RACHEL W. OBBARD, DARTMOUTH COLLEGE; ALAN J. JAMIESON, NEWCASTLE UNIVERSITY

ARCTIC OCEAN

ARCTIC CIRCLE

TROPIC OF CANCER

EQUATOR

TROPIC OF CAPRICORN

ANTARCTIC CIRCLE

ASIA

NORTH AMERICA

EUROPE

AFRICA

SOUTH AMERICA

AUSTRALIA

PACIFIC OCEAN

ATLANTIC OCEAN

INDIAN OCEAN

Amur

Yellow

Yangtze

Tamsui

Pearl

Pasig

Indus

Ganges

Irrawaddy

Mekong

Brantas

Hawaiian Is.

Magdalena

Orinoco

Amazon

Rhine

Niger

Henderson Island

Pacific Garbage Patches
Currents flowing in a clockwise gyre around the North Pacific collect debris in floating million-square-mile archipelagos. Most of the plastic is tiny grains.

Plastic in the Arctic
Microplastics drifting in from lower latitudes have accumulated in Arctic sea ice. But as the ice melts, the trapped plastics are released back into the water.

Plastic down deep
Scientists have found plastic in the stomachs of tiny sea creatures living in Pacific Ocean trenches nearly seven miles deep.

Rivers of trash
Rivers are main routes by which plastic trash reaches the ocean. Fifteen of the world's 20 worst polluting rivers are in Asia.

The long reach of plastic
Plastics accumulate on the beaches of remote islands in the South Pacific, such as Henderson Island, which is more than 3,000 miles from major population centers.

ON LAND

Mismanaged municipal plastic waste
Tons per year

- More than 10,000
- 1,000–10,000
- 100–999
- 10–99
- Fewer than 10

Mismanaged waste includes all plastic that is not recycled, incinerated, or landfilled.

IN RIVERS

Plastic from large river basins
Thousands of tons per year

- 1–14.9
- 15–30
- More than 30

The map shows the 39 river basins that collectively disgorge millions of tons of plastic a year into the ocean.

IN THE OCEAN

Observed plastic in the open ocean
Pounds per sq mi

- 0
- 0.01–0.24
- 0.25–0.49
- 0.5–0.9
- 1–5
- More than 5

Dark dots are where ships looked and found no plastic. Outside the dots and pink circles, no data exist.

Missing plastic

Researchers found just one percent of the plastic they expected floating at the sea surface—the rest was missing. One reason: Plastic breaks down into tiny pieces, which are less visible but may greatly affect marine life.

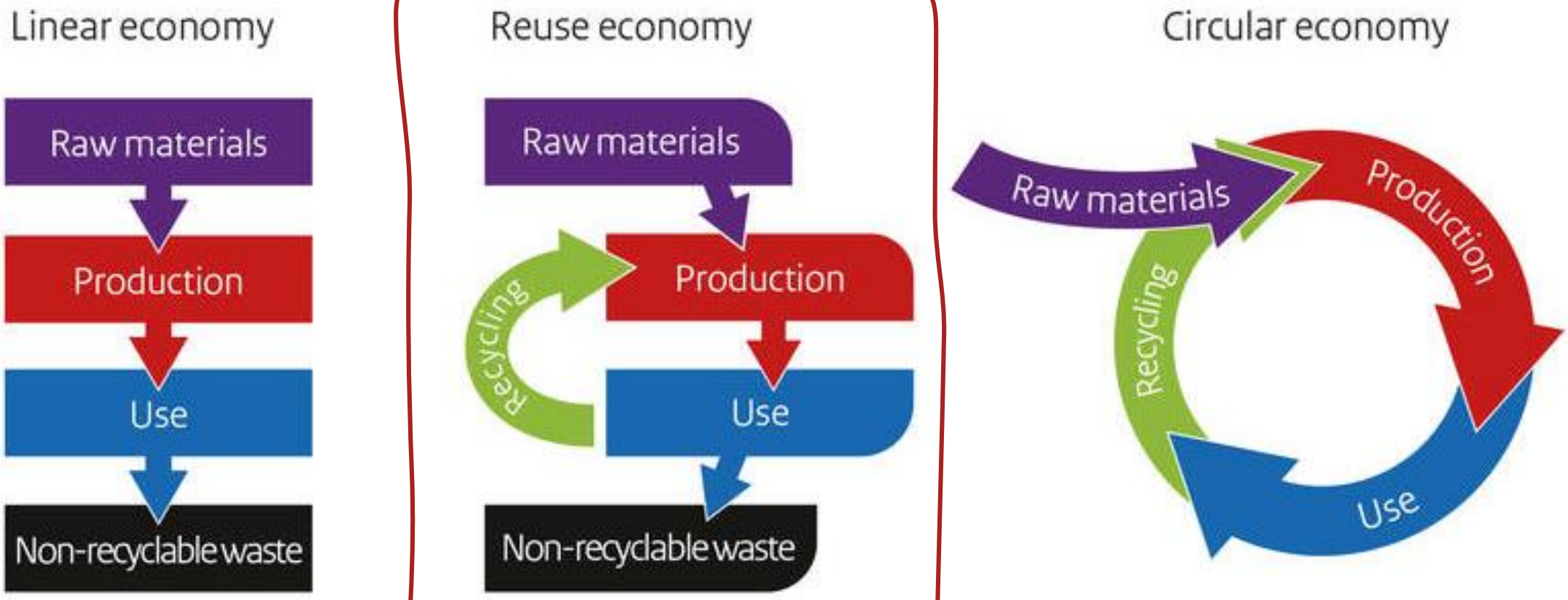
Fragmentation
Sunlight, waves, and bacteria break plastic into microplastics.

Predation
Microplastics are ingested by animals of all sizes, from plankton to whales.

Sinking
Plastic that's dense or weighed down by marine life sinks through the water.

Shore deposition
Plastic fragments are transported by currents and tides back to the shore.

From a linear to a circular economy



World TODAY

This is Commitment 2025

Technology, Materials & Design

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THIS IS SNACKING MADE RIGHT

MAKING SNACKS USING LESS ENERGY, WATER AND WASTE, WITH MORE SUSTAINABLY SOURCED, PRODUCED AND DELIVERED INGREDIENTS.

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WHAT CAN YOU DO ABOUT IT?

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THANK YOU

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Sources:

* OI Design Office (Slides 25-38)
** MDLZ INT Corp Site
***Proc Innov Mngr-Katherine Rigante(Slides 39-50)