

OPENING STATEMENT ON BEHALF OF MONDELEZ GLOBAL LLC
BY PAMELA DISTEFANO DIRECTOR OF LABOR, FEBRUARY 17, 2016

Good morning ladies and gentlemen. As I said in our introductions yesterday, my name is Pam DiStefano, Director of Labor Relations and I represent the Company as Chief Spokesperson in these negotiations.

One of the things I did when preparing for these negotiations was to review what was said and done in past negotiations. I was struck by the fact that there was a common theme: From the Company “we have to change” and from the Union “No! We don’t want change, we like things the way they are.” And frankly, that has contributed to the need for significant and immediate change now.

And so at the risk of having you think that this is just going to be like other negotiations, I want to say from the outset, again, that we come here seeking change. We must adapt to the constantly evolving world in which we operate. We must learn, adapt & improve in order to be successful as a business. The ultimate success of our organization depends on it. I ask you to keep this in mind as we go through these negotiations, and understand why the need for change is now.

Many years of minimal progress has driven this need for immediate action. We are not just talking about small changes. We are talking about fairly big changes by the standards that our employees represented by these local bargaining units are accustomed to seeing. We are talking about “step change.” That means taking several steps at a time rather than baby steps.

Why do we need change? The world around us is changing at a rate never seen before – consumer preferences are constantly shifting, as is the way consumers learn about & purchase our products. And the way products are made is changing and evolving as well, with new technology requiring more highly trained workers to produce them. The world around us has changed dramatically and continues to change – and we are not exempt from the realities surrounding us.

It is also important for us to highlight to you that we are Mondelēz International. We are not Kraft Foods and we are not Nabisco, Inc. Mondelēz International is committed to meeting the demands of our customers and consumers today and into the future. We are taking a disciplined approach to cost savings. We are streamlining & standardizing our organization and processes to become a more focused business that can cost-effectively adapt to the changing external environment. The savings generated in turn fund investments to enable our business to grow.

Our VP of Biscuit Olivier Bouret will make a presentation to you about our Company. I want to repeat what he is going to say, every one of our 100,000 employees is part of a global company that produces products in 146 plants around the world and sells and distributes them in 170. Our product mix includes not just those that our employees (and your members) make and distribute in the US. We

compete in many product categories globally – cookies, crackers, candy and gum. We intend to be best in class in all of them.

Why do we need to change? Because we have made a commitment to our employees, customers, leaders and yes, our shareholders - which include many of our union-represented employees and many of you by the way, to make and deliver the best quality products that consumers are looking for at the best margins – made as economically, efficiently and safely as possible. In the end, competitive excellence is the only form of job security there is for today, and for tomorrow.

The difference between Mondelez' and its predecessors – our commitment to change and growth - is demonstrated in the investments that we have made around the world in “Lines of the Future.” We continue to invest in our “Power Brands” which are those that achieve over \$1B in revenue like Oreos, Chips Ahoy!, Ritz and belVita. We continue to invest in innovation platforms, technologies and infrastructure to drive strong growth over the long-term. Since 2012, we've invested \$1.5 billion in new or existing manufacturing sites to better meet our growth needs. We have installed over 40 “Lines of the Future” around the world, including in Fair Lawn, Richmond, Naperville, and Salinas. Future investment will be dictated by cost, efficiency, and productivity – driven by flexibility in production scheduling and workforce capabilities. These are the critical “step change” issues we must address in these negotiations.

What specific kinds of change are we talking about? We are talking about a few primary areas of change – change in the way we work and change in the way we provide benefits to our employees. We must be more efficient in our ways of working. Our employees must become more multi-skilled and versatile. If MDLZ is going to put massive investments into our US sites as we have in Fair Lawn and Richmond recently, we will need the ability to run those assets at maximum efficiency and effectiveness.

We expect to hear from you about job security - and your view being that the company should not do anything that might result in job losses. It is not realistic to expect that any company will make massive investments in equipment and technology without any effect on people. Since the Industrial Revolution, machines have replaced labor intensive work. Whether a robot make cars or packages cookies, no one can seriously argue that we should keep doing things manually after a process has been automated. What we can, have and will continue to do about job reductions is to treat our employees fairly and provide transitional support to cushion the impact on employees affected by job loss.

Real job security is about constantly learning and growing in your job, developing new capabilities, like IL6S, and working in different ways, like HPWS. Yet in the two sites in which the company has placed massive investments in the future – the unions' approach has been to urge employees not to cooperate with these programs. Though we want to work with you and gain your support for these strategic initiatives, these ways of working are key to our success and have been implemented many years ago by other companies and competitors. They are not going away.

Job security will come with keeping up with technology, being able to run the new equipment that the company invests in to make our bakeries best in class. Depending on the growth of our business there may or may not be fewer people doing those jobs. That is the reality. But those who have these jobs will have to be more highly skilled, and their skills will be transferable. They will be well compensated by this company and the market will need their skills to be successful. Upskilling is a tangible thing that we can and will offer to our employees to enhance their job security.

Another form of security comes in having good benefits and knowing that when you retire, the retirement security you have worked for, the lifestyle you had expected to enjoy - would be there for you. I'm sure you are all well aware that our employees' union-industry pension - the B&C Fund - is in critical and declining status and in danger of becoming insolvent. You know what is happening with other union industry pension plans like the Teamsters and the Iron Workers pensions that have asked the government to allow them to cut benefits to their retirees.

So we are going to be proposing a change in the way our employees are taken care of in retirement. And even as we know that you may think or say that everything is fine with the B&C Fund, we don't think that is the case. And we believe we can offer our employees a plan that provides them with more retirement security than the B&C Fund.

We believe our employees should be secure in the knowledge that the hundreds of millions of dollars that this and its predecessor companies have poured into the B&C Pension Fund for the hours our employees have worked should have been able to provide them with a secure retirement for as long as they live. But we know that is not true. In a few years the B&C Pension Fund could be going to the government asking to cut benefits to retirees just like the Teamsters and the Iron Workers - in a last ditch effort to save declining plans from becoming bankrupt. And that all the government can guarantee if that were to happen today is a small percentage of what they earned and expected to receive.

You are also going to see proposals on health care. We believe that it is fair and reasonable to expect employees to take responsibility for the health care services they use and to share in some of the cost like many other union-represented employees in the US. And you will see proposals on ways of running our operations more efficiently and effectively. We owe it to our employees to offer them, through you as their representatives, the opportunity to change, to grow, to evolve and to compete in this global economy. Refusing to consider change will not get the company, the union, or our employees where they want and need to be, with good jobs, good wages, good benefits and the kind of job security into the future that comes with growing and evolving to succeed rather than staying stuck in the past. And you will see in the end that what we are proposing keeps our employees in that class of workers who are very well compensated for their contributions versus their peers in US food manufacturing.

We have heard it said by some union spokespersons that “our members have worked hard for this company for generations - the company owes them.” Every employee has been very well compensated for every hour, day and year that they have worked for this and previous companies. Let’s not forget that it is the pay & benefits provided by our company and its predecessors which has enabled our employees to enjoy the lifestyles they have today.

You may believe that they are owed more - perhaps guaranteed employment into the future for themselves and the next generation? We believe our employees are owed the opportunity to learn and grow and change with this company. They deserve to be safe on the job. They deserve to be treated honestly and fairly. We believe that by giving them the opportunity to change we are offering them the only kind of job security possible in this day and age.

So, to sum it up, the security that we will be offering to our employees in these negotiations is:

- the security of knowing that if they want to compete in the new global economy by learning and growing, they can;
- The security of knowing if they want to develop multiple transferable skills, they can;
- The security of knowing that they will be safe on the job and will share in the responsibility for their safety;
- The security of knowing that if they want to contribute and help this company succeed, there will be opportunities;
- The security of knowing that when they retire, they can have an income stream that is not burdened by the debts of other employees or other companies.

That is what we will be offering our employees.

We’ve all heard, and maybe even used the phrase: “That’s the way we have always done it.” In fact we heard it here yesterday. In order to compete in the 21st century global economy, we have to be better than “the way we’ve always done it.” We have to learn and grow, innovate, and evolve. Change must start here, and now. We intend to have robust discussions and bargain in good faith with you to arrive at a total package that is fair and competitive, and one that we believe you and our employees will agree positions them and the Company for success into the future.

Thank you.