



JOY-MAKERS AND GROWTH-CREATORS:

UNLOCKING THE POTENTIAL OF THE
UK FOOD AND DRINK SECTOR



SPRING 2026

EXECUTIVE SUMMARY

MONDELÉZ INTERNATIONAL'S IMPACT IN THE UK



£2.3+ BILLION

TOTAL GROSS ECONOMIC VALUE ADDED (GVA) TO THE UK IN 2025



3,800+
UK EMPLOYEES



6,000+
INDIRECT JOBS SUPPORTED THROUGH PROCUREMENT



£1.3+ BILLION
SPENT BY MONDELÉZ INTERNATIONAL ON UK SUPPLIERS IN 2025



£597 MILLION
DIRECT GVA FOR THE WEST MIDLANDS REGION

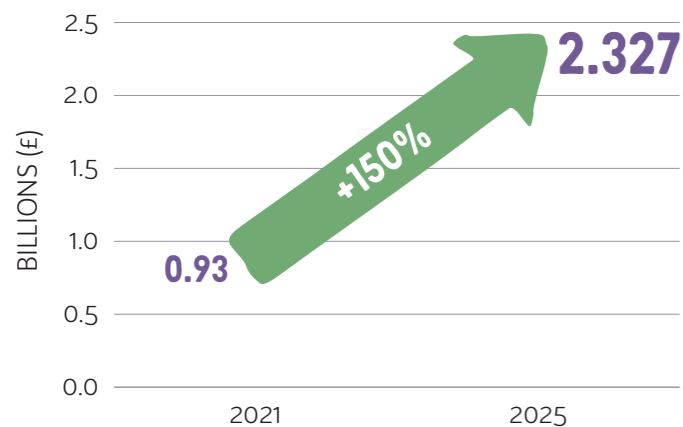


£135 MILLION
INVESTMENT IN THE UK 2022-25



£7.7+ MILLION
DONATED TO UK CHARITIES 2022-25

MDLZ TOTAL ANNUAL GVA TO THE UK



40%+ DIRECT GVA CREATED BY MONDELÉZ EQUIVALENT TO TURNOVER

VS 24% UK FOOD MANUFACTURING SECTOR AVERAGE

THE UK FOOD AND DRINK MANUFACTURING SECTOR

FOOD AND DRINK MANUFACTURING CONTRIBUTES **£42BN** TO THE UK ECONOMY

23.7% OF TOTAL UK MANUFACTURING TURNOVER

SUPPLY CHAIN WORTH **£172BN** TO THE UK ECONOMY

SUPPLY CHAIN EMPLOYS **4.2MN** WORKERS ACROSS THE UK

GVA GREW **47.4%** BETWEEN 2015 AND 2025

£25.6BN OF FOOD AND DRINK EXPORTS

UK FOOD AND DRINK MANUFACTURING MAKES UP **19.3%** OF TOTAL MANUFACTURING EMPLOYMENT AND **1.3%** OF TOTAL EMPLOYMENT

FOREWORD

Christian Woolfenden

Senior Vice President & Managing Director, Mondelez International UK & Ireland



Food and drink are fundamental to both daily life and economic growth in the UK. Beyond immense cultural importance, they underpin the country's largest advanced manufacturing sector, driving innovation, supporting a skilled and diverse workforce, and anchoring communities across every region of the country. From everyday routines to special celebrations, the sector is integral to how people live and how our economy functions.

At Mondelez International, we are proud to be deeply embedded in that story. For more than 200 years, our brands have been woven into the fabric of local communities and last year added over £2.3 billion gross value to the economy. In the last three years we have invested £135 million in our manufacturing base, helping us to deliver strong regional growth, most notably in the West Midlands, the home of Cadbury. The UK also serves as Mondelez International's primary global hub for research and development (R&D), with almost one in five of our UK employees engaged in food science and associated R&D activity, including health and well-being innovation. Between 2022 and 2025 we put in place more than 500 research and collaboration agreements, proudly partnering with many of the UK's foremost research universities as well as several internationally recognised, world-leading universities in other countries.

The food and drink sector is already delivering. It directly employs 500,000 people and contributes £42 billion to the economy, by driving innovation in automation, digitalisation and next-generation packaging.¹ And it is uniquely positioned to drive further growth, resilience and innovation across every region of the UK. However, this depends on a policy environment that supports long-term decisions. This means clarity and consistency across regulation. Where frameworks shift or lack alignment with industrial priorities, investment decisions can be delayed or redirected to other markets, the pace of innovation is reduced, and growth opportunities constrained.

We are at a pivotal moment: a chance for the UK to back an already strong sector and, under the right conditions, enable it to deliver far more for growth and jobs across communities nationwide. Mondelez International, and the wider food and drink manufacturing sector, stand ready to play their part in driving a more innovative, sustainable and prosperous economic future for the UK and our communities.



1. The Food and Drink Federation, Powering Communities, UK Food and Drink Manufacturing: Regional Report 2026

WHY FOOD AND DRINK MANUFACTURING MUST BE AT THE HEART OF A UK INDUSTRIAL STRATEGY



Food and drink manufacturing is already the UK's largest advanced manufacturing employer, supporting hundreds of thousands of jobs across every nation and region, from coastal towns and rural communities to major cities. Yet despite being one of the country's most important advanced manufacturing sectors, it is not recognised as such in the Industrial Strategy.

This absence matters. Not only is it larger than both the automotive and aerospace industries combined, it is food and drink manufacturing that keeps supermarket shelves stocked, underpins food security, and supports farmers, international competitiveness and trade, alongside packaging suppliers and thousands of small businesses. In Mondelez International's UK supply chain and procurement activities alone, we support over 1,000 individual UK businesses and over 6,000 jobs. We are proud of our impact, but for the food and drink manufacturing sector to thrive, it needs clarity, stability and a regulatory environment that provides certainty and incentives to invest. As a multi-national organisation operating in an increasing globally competitive environment, long-term business decisions are made with a consideration of local factors including support for capital expenditure, manufacturing and R&D tax credits, and regulatory burdens such as marketing and sales restrictions. At present in the UK, a combination of accelerating regulatory change, rising cumulative costs and uncertainty over long-term policy direction is making it harder for manufacturers to plan major capital programmes and investment strategies with confidence.

In recent years the sector has seen disruptions and policy shifts such as Brexit, COVID-19, repeated changes to capital expensing rules, evolving Extended Producer Responsibility (EPR) requirements and shifting health-related regulations, particularly with the full implementation of HFSS and LHF regulation in January 2026. Navigating these experiences has showed that when policy decisions are made without a full understanding of how food and drink companies operate, or when rules shift unpredictably,

it becomes more challenging to sequence investment, modernisation and reformulation at the pace the sector is actually capable of. While we continually strive to create new snacks which satisfy people's wellbeing preferences, shifting health regulations risk undermining this progress. Despite our ambitions, instability and regulations that don't reflect reformulation realities will make it harder to develop new products with improved nutritional profiles. This reduces the business case for investing in our R&D capabilities and poses a risk to our innovation pipeline.

However, across the UK, there are encouraging signs of momentum: renewed interest in manufacturing, pockets of regional growth, and growing recognition that innovation will shape the next phase of economic renewal. Food and drink manufacturing is already playing a central role in that progress, and our investment in recent years is testament to this. In total we've invested nearly £300 million over the past decade, with £135 million of that investment occurring since 2022, into our manufacturing operations in the UK to ensure we are competitive both now and in the future, with a focus on improving production efficiency and expanding our overall capacity.

The sector is also an engine of innovation: from successful product reformulation and healthier choices to automation and new packaging materials. We have played a key role in this transition already, investing approximately £40 million since 2020 in developing and marketing non-HFSS products, which required significant planning over the preceding years. We have launched over 25 new products in that time, with further products reaching shelves in 2026 and more in our development pipeline. Notable investments in successful new products have included our BelVita Soft Bakes and Brunch Bar Light reformulation to be non-HFSS compliant, a significant technical achievement which has helped deliver snacks with improved nutritional profiles to consumers.

Since industrial strategy returned to the centre of the Government's growth mission, the UK has a clear opportunity to set a confident, nationwide direction for food and drink manufacturing – a sector that already underpins resilience, innovation and community life. When Government talks about driving prosperity, we see what that means in practice through the places we have helped shape, most visibly in Bournville, where the Cadbury legacy demonstrates how sustained investment in food and drink manufacturing can anchor skills, opportunity and pride across generations.

With greater stability from Government, manufacturers can plan and invest with confidence. This means accelerating plant modernisation, advancing reformulation and packaging innovation, and strengthening the supply chains that support communities in every region. This is a moment to build on the UK's existing strengths, back sectors already delivering for the nation, and create the conditions for long-term decision-making and bold investment, in turn ensuring growth is felt both in economic performance and in people's everyday lives.

With the right conditions, food and drink manufacturing can accelerate this investment and deliver even greater economic and community benefits.

Across the UK, our food and drink manufacturing sites stand as anchors of prosperity – places where investment, skills and local pride come together to create long lasting value. Our presence supports communities where manufacturing is central to local identity and opportunity. These sites play a vital role in sustaining populations, providing good jobs, supporting charitable initiatives and underpinning the economic and social fabric of the towns and villages around them.

DELIVERING GROWTH ACROSS THE WEST MIDLANDS

Bournville has been our iconic site and the home of Cadbury since 1879. From one of the original 'garden' villages and an unwavering commitment to the wellbeing of our employees, Bournville continues to be central to Mondelez International's success in the UK and the world. In a single day, over 1,900 people come to work in Bournville, and the factory makes **1.2 million** Creme Eggs, over **1.5 million** sharing bars, and **12 million** Giant Buttons. In recent years we invested **£15 million** to build a new production line, and **£3.3 million** to open a world-leading Consumer Research Centre that ensures our chocolate and packaging always starts with what excites consumers. Bournville hosts one of Mondelez International's **largest R&D communities globally**, bringing together highly skilled teams that support product innovation and adaptations of our new chocolate products that appear on shelves sold in 150+ countries.

Combined with our factory in Marlbrook and distribution centre in Minworth, our longstanding presence in the West Midlands means we employ over 2,000 employees and generated nearly **£600 million for the region in 2025**.

MONDELEZ INTERNATIONAL'S ECONOMIC CONTRIBUTION TO THE UK



WHY FOOD AND DRINK MANUFACTURING MUST BE AT THE HEART OF A UK INDUSTRIAL STRATEGY



Our investment stretches well beyond individual locations. Each Mondelēz International site is part of our wider ecosystem of farmers, logistics providers, packaging specialists, ingredient suppliers, engineers and SMEs across the UK, many of whom also supply into our international network. Our UK suppliers are made up of over 1,000 businesses and our downstream footprint is even greater, creating regional multipliers: corner shops that stock our products, high streets supported by stable employment, and supply chains that grow stronger as local businesses thrive.



“ My family and I have been in convenience retailing for over 40 years in the Pontefract area, where we are an independent retailer and love serving our local community.

Throughout this time, we have had a great working relationship with Cadbury and now Mondelēz International, including being regularly visited by enthusiastic representatives who work with us really collaboratively. Mondelēz products always deliver on quality and we know they have been developed with our shoppers in mind so we can believe and trust in them! Products are always supported with great media and exciting campaigns too. ”

Bobby Singh, Independent Retail Owner

BRITISH AND IRISH DAIRY, CREATING AN ICONIC TASTE FOR OVER 100 YEARS



The fresh milk in Cadbury Dairy Milk chocolate starts, and has always started, with UK and Irish farmers. In the UK, we partner with Selkley Vale, a farmer owned co-operative of around 60 dairy farms who contribute to our milk supply. Virtually every farm in the group is family run, many of whom are multi-generational businesses. We've been proudly sourcing from Selkley Vale farmers for many years, ensuring UK consumers taste the very best of British dairy in each bite of Cadbury Dairy Milk chocolate. And our relationship is not just about supply; we have provided grants to Selkley Vale to support members in the reduction of carbon emissions through renewable energy, regenerative agriculture and efficient livestock management techniques. Sustainability has become an increasingly important part of our work with Selkley Vale and, since 2019, the group has reduced its average carbon emissions factor by 10%.

“ Selkley Vale prides itself on high quality milk, accurate milk forecasting, and meeting its delivery requirements for Mondelēz International. We also run an active futures forum to support younger people in the rural community, adding to employment and economic growth. We feel that working with Mondelēz International, we are able to work together to respond to the challenges and the opportunities we face, both now and in the future. ”

Joe Carter, Dairy Farmer and Member of Selkley Vale



WE'RE PROUD THAT FRESH MILK FROM BRITISH AND IRISH FARMERS IS OUR FIRST INGREDIENT IN CADBURY DAIRY MILK – THERE'S BEEN A GLASS AND A HALF OF MILK IN EVERY BAR SINCE 1928, MEANING THE EQUIVALENT OF 426 MILLILITRES OF FRESH MILK IN EVERY 227G OF MILK CHOCOLATE.

For more than two centuries, our history in places like Bournville has shown how long-term investment can shape the future of a community. And today, investment continues across our footprint: from modernisation programmes and capability building to R&D activities and the development of new consumer research facilities.

In rural areas like Marlbrook, where dairy processing plays a critical role in the local economy, and in Chirk and Crediton, where our sites are among the largest local employers, this investment helps sustain regional prosperity and ensures opportunity is not limited to major cities or economic hotspots.

Food and drink manufacturing, and its associated supply chain, is one of the few sectors that spreads economic value widely across the UK. In an economy increasingly dominated by services, our sector provides meaningful regional balance by driving growth not in isolated pockets, but in communities up and down the country. Through our direct employment, procurement and supply chains, we have a truly national footprint which supports a huge variety of jobs, from farmers and factory engineers to marketeers, scientists and supply chain specialists. With continued investment from businesses like ours, matched by a stable environment that supports long term decision-making, food and drink manufacturing can continue to help deliver regionally rooted growth, stronger local economies and resilient supply chains nationwide.

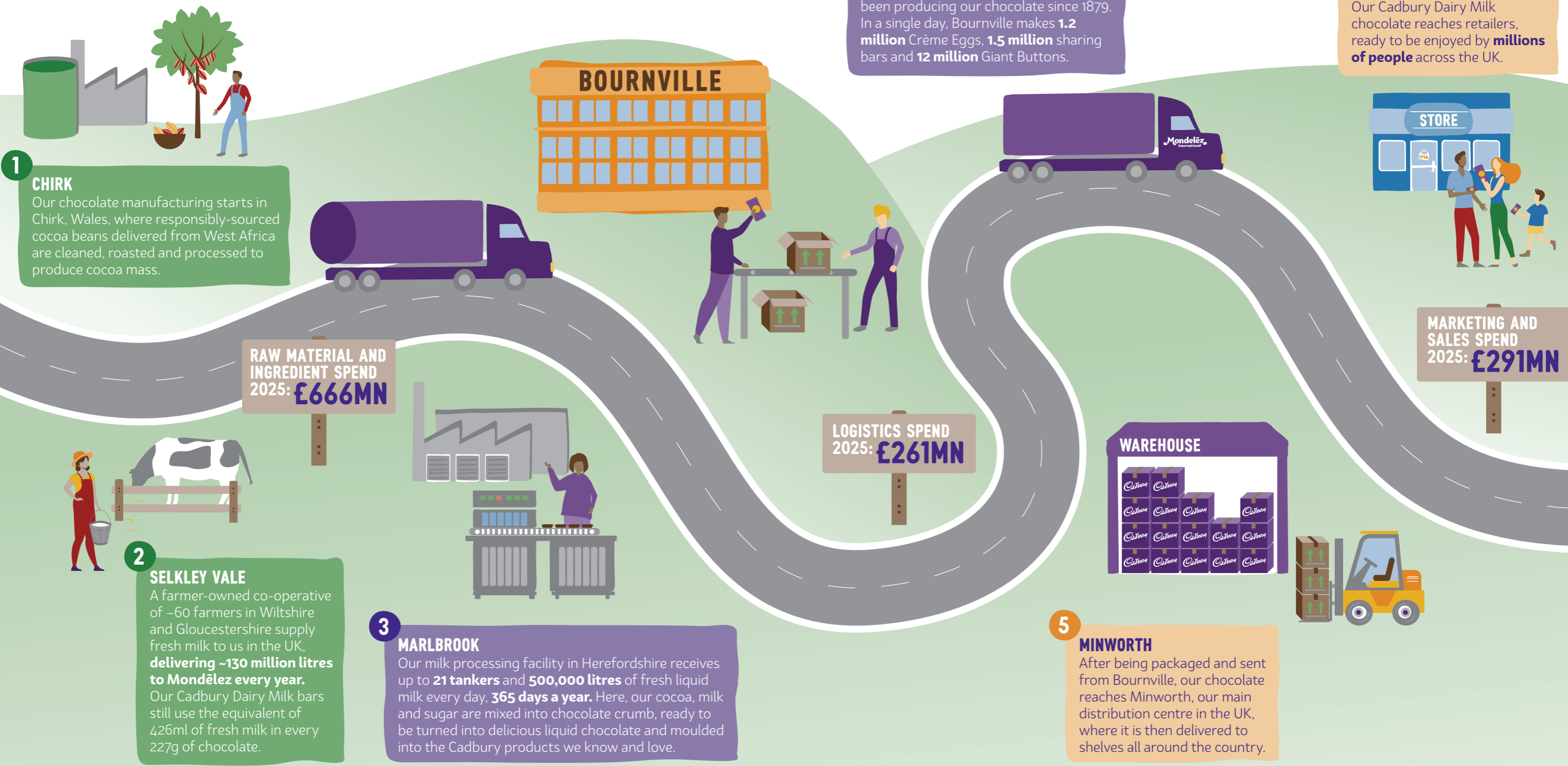


PUTTING CONSUMER TASTES FIRST

In 2025, we invested £3.3 million to open our Consumer Research Centre. The state-of-the-art centre enables world-class consumer science to inform our product development, by gaining insights into consumers' preferences and ensuring that our products meet their high expectations. The research centre employs scientists and sensory panellists, and our investment has meant we have continued our world leading expertise, built up over centuries, to stay ahead of, shape and respond to ever evolving consumer tastes and trends.



THE JOURNEY OF THE UK'S ICONIC CADBURY DAIRY MILK CHOCOLATE



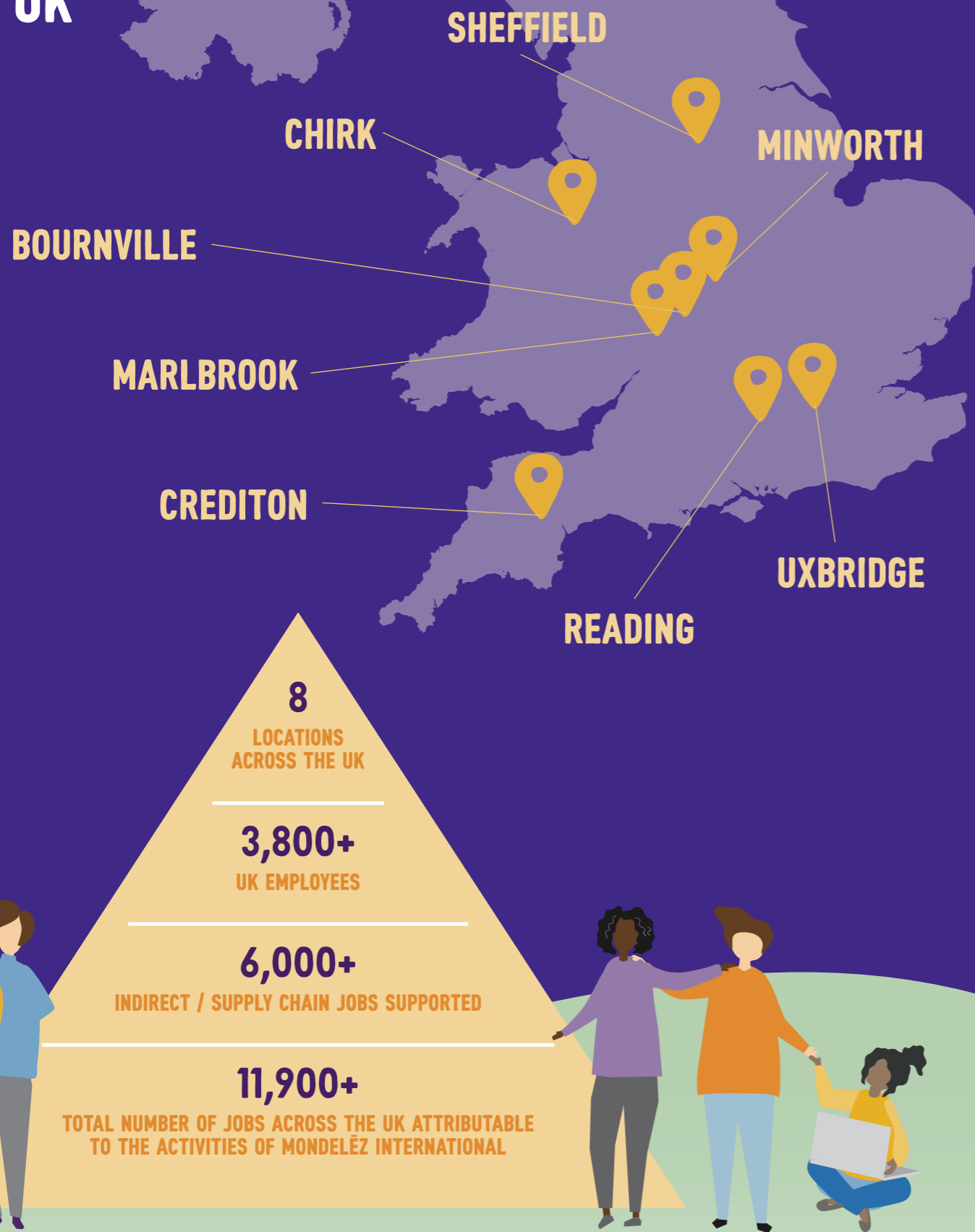
£135 MILLION
INVESTED IN THE UK
SINCE 2022

£24+ MILLION
INVESTED IN WORLD-LEADING R&D
FACILITIES IN THE UK SINCE 2022

1,000+ INDIVIDUAL
UK SUPPLIERS
TO MDLZ UK

350+ INDIVIDUAL
UK SUPPLIERS
TO GLOBAL MDLZ LOCATIONS

OUR FOOTPRINT ACROSS THE UK



WHY FOOD AND DRINK MANUFACTURING MATTERS TO SOCIETY

Food and drink manufacturing has long shaped the character and resilience of the places it operates in. The sector creates good, skilled jobs that offer stability and progression, which matter not only for individuals, but for the strength and health of communities. Research shows that manufacturing roles, including those within food and drink, tend to be better paid, more secure and more structured around long term skills development than many other parts of the economy.²

We see this impact clearly across our own UK footprint. In Bournville, Sheffield, Marlbrook and other parts of the country, our food and drink manufacturing sites have supported families for generations. People have built careers with us, passed down specialist skills and become part of a shared story that stretches across decades.

When a food and drink manufacturer invests for the long term, the benefits ripple outward, sustaining local shops and high streets, strengthening supply chains, creating opportunities for training providers, and supporting logistics networks and community organisations.

Our direct contribution to UK communities is also central to who we are, and since 2022 we have provided nearly £8 million to UK charities.

Long-term, guaranteed investment in communities across the UK is one of the central opportunities of modern economic policy. Food and drink manufacturing, with its deep regional roots and broad economic reach, can help do exactly that.

£22+ MILLION
FUNDING TO UK CHARITIES SINCE 2011

² Made UK, UK Manufacturing: The Fact 2024, July 2024 & Oxford Economics and The Manufacturing Technologies Association, The True Impact of British Manufacturing, April 2024



SPOTLIGHT ON: MARLBROOK THROUGH THE GENERATIONS

John Gurney, Production Team Leader, The Cadbury Marlbrook factory

I have proudly worked at The Cadbury Marlbrook factory for 39 years. Working at Marlbrook has become a real family tradition for us. My dad spent more than 30 years there as a maintenance man, my brother has also completed 25 years of service, and my two brothers-in-law were and are part of the Marlbrook family. We are all incredibly proud to work here and firmly believe that we produce the best quality chocolate crumb in the world. Being part of a team that takes such pride in its work is something very special and after all these years, it still feels like being part of a big family.



SPOTLIGHT ON: HEALTH FOR LIFE®

Over the last 15 years our Health for Life® partnership programme has helped Birmingham schools and local communities adopt healthier lifestyles through food growing, healthier eating, cooking and physical activity. The programme currently supports 240 schools and has reached over 266,000 adults and children since inception.

“ Our long-term partnership with Mondelez International, bringing Health for Life to the community in Birmingham, has been both inspiring and rewarding. The programme aims to improve people’s health and wellbeing through developing food growing skills, being active outdoors and connecting with nature; these align perfectly with TCV’s goals. Developing green spaces in urban settings and involving groups and individuals, who often face barriers to inclusion, is a key feature of our work and we have been delighted to see the difference the programme makes to those who join in with the community activities. ”

Sally Grundy, Operations Leader, The Conservation Volunteers West Midlands



WHY FOOD AND DRINK MANUFACTURING MATTERS TO SOCIETY

SKILLS, PEOPLE AND THE FUTURE WORKFORCE

At the heart of our UK presence is a commitment to people and the skills that sustain food and drink manufacturing, and we are proud to be recognised by the Employers Institute as a top employer in the UK.

Across our sites, nearly 4,000 colleagues make up a workforce that reflects the full breadth of modern manufacturing, from technical engineering and digital roles to food science, packaging, logistics and operational capability.

For the sector to thrive, it needs a strong and reliable talent pipeline, particularly for roles that are increasingly hard to fill. That is why we continue to invest in lifelong learning, apprenticeships and capability building, combining structured training with on-the-job development to help colleagues grow into the skills demanded by advanced food and drink manufacturing. We proudly supported 98 apprentices training with Mondelez International in 2025, studying qualifications ranging from supply chain leadership and digital solutions to laboratory science and sustainable business, helping to develop a pipeline of employees across all ages who possess the specialist skills the sector increasingly relies on.



MONDELEZ INTERNATIONAL APPRENTICES: SKILLS FOR NOW AND THE FUTURE



Apprentices are vital to our world-leading R&D pipeline. Natasha Ahmed works as an Apprentice Chocolate R&D Technologist in our Pilot Plant, based in Bournville. Natasha runs trials that test early-stage ideas for some of the UK's, and the world's, favourite chocolate products. This involves working with a variety of experts across Mondelez, using specialist machinery, applying complex food science, testing new ingredients, and helping bring ideas to life long before they reach the shops.

“ I’ve had a passion for baking and food science since I was a teenager, and knew I wanted a career in the food industry, doing something particularly hands-on and technical.

I originally went down the traditional university route. While studying, I worked in artisanal bakeries, which I really enjoyed, but I realised I wanted to work at a large scale – somewhere that could supply products for the nation. Now, as a third year R&D apprentice, I love being involved in the whole process, from making chocolate from scratch with raw ingredients, right through to seeing it become a finished bar that ends up on shelves across the country. There’s something really satisfying about using technical skills and science to make something tangible that people enjoy. It gives you a real sense of purpose and value in what you’re doing. ”

Natasha Ahmed, Apprentice Scientist, Global R&D Chocolate Process, Technology & Productivity

SPOTLIGHT ON: RISING FROM ENGINEERING APPRENTICE TO LEADER



Jamie Baynham, Plant Lead, The Cadbury Marlbrook factory

My journey at Mondelez started as an apprentice in the Marlbrook Engineering team 18 years ago. From that apprenticeship, I rose from Project Engineer, to Engineering manager, and I now lead the Marlbrook site.

This multitude of roles has given me exposure to the best part of working for Mondelez International: the people. I’m currently responsible for 120 people at Marlbrook, who all work hard and support each other to ensure success for one another. I love developing the team to unlock Marlbrook’s potential, grow the site’s highly skilled workforce and continue to create the nation’s favourite chocolate.

For example, Mondelez International’s ProFSET Food Engineer Student Launchpad demonstrates how closer collaboration between industry and academia can strengthen the future of UK food and drink manufacturing. The programme connects engineering students and university staff directly with advanced food and drink manufacturing environments, raising the profile of the sector, building relevant skills, and helping to secure long term talent pipelines. At a time when the industry offers strong investment returns and growth potential, but faces challenges around technology adoption and talent attraction, initiatives like ProFSET show how linking engineering education to the UK’s largest manufacturing sector can boost productivity, support innovation, improve food security, and drive investment in science, technology and sustainability across regions of the UK.

Mondelez International’s long term presence in communities is mirrored in our workforce, with strong retention rates and many employees spending the majority – or even the entirety – of their careers with the company. Alongside them, our apprentices and early career colleagues – supported through 500 partnerships with over 25 leading education and training institutions in the UK, such as Aston University, and over 20 across the world – are developing the future capabilities needed in areas such as automation, engineering, sustainability and digital production.

This investment is not only about today’s operations; it is about ensuring that future engineers, technologists and makers can carry British food and drink manufacturing forward.

REIMAGINING FOOD ENGINEERING TECHNOLOGIES

In partnership with Aston University, we are developing filtration-based technologies that can fine-tune the flavours, nutrients and aromas of food. The collaboration brings together membrane science experts in the Aston Institute for Membrane Excellence (AIME) with our Bournville-based R&D team. The exciting technology has several potential uses, including removing unwanted compounds during production, such as those responsible for bitterness, meaning high-cocoa chocolate can be made without the need for additional sugar.

“ By bringing together the world’s largest chocolate R&D centre in Bournville with nearby Aston University experts, we will explore technological advances that benefit both our products and consumers, and the local community in the West Midlands. Together, we look forward to developing ways to create exciting new flavours that cater to a range of different tastes. ”

Leesha Edwards, R&D senior process engineer

“ This partnership is the first to apply Aston University’s advances in membrane science to pioneer commercially viable techniques in food manufacturing. ”

Professor Alan Goddard, AIME training and industry lead, Aston university



A BLUEPRINT FOR THE SECTOR'S FUTURE

INNOVATION, PRODUCTIVITY AND GLOBAL COMPETITIVENESS



Modern food and drink manufacturing succeeds when it blends heritage with innovation, and innovation sits at the heart of how we grow.

The UK is home to Mondelez International's largest R&D workforce anywhere in the world, and this capability is central to how we innovate and continue to deliver for consumers.

OUR PEOPLE: GLOBALLY LEADING R&D IN THE UK&I

700+

R&D scientists and engineers based in the UK&I

60%

of our UK&I R&D workforce is female

Across our UK sites, we combine generations of craftsmanship with modern technology to keep our operations competitive. Since 2022 we have invested over £24 million in research and development in the UK, giving us the capability to not only create new products, improve recipes and explore new ingredients, but also to develop cutting-edge technologies, advanced packaging solutions and ingredient science that support healthier choices, enhance product quality and reduce environmental impact. These efforts include working to achieve net zero across our full value chain by 2050, adopting more sustainable manufacturing practices across our operations.

Breakthroughs are continually driven by teams in Bournville and our global research hub in Reading, where innovation is shaping the products, technologies and manufacturing methods of the future.

We are also modernising the way we manufacture and reach consumers with our food and drink products, harnessing new digital tools and more automated, technology enabled production methods to enhance quality, efficiency and consistency. In the UK, approximately 36% of consumers are

already using AI to 'discover and/or decide' on products to purchase.³ This is set to grow, and as a result, we are already testing and scaling projects which position our brands to reach consumers and meet their preferences as they increasingly use agentic AI to inform purchasing decisions.

PIONEERING GLOBAL FOOD AND LIFE SCIENCE; ROOTED IN THE UK



Reading Scientific Services Ltd (RSSL), a wholly owned subsidiary of Mondelez International, is one of the UK's largest Independent Contract Research Organisations (CRO) and showcases the best of British scientific expertise across food science, chemistry, microbiology and material sciences.

Using cutting-edge analytical technologies, the facility has genuinely world-leading capabilities that contribute to the UK's food and drink manufacturing sector. RSSL plays a central role in supporting food manufacturers in their innovation and reformulation journey, bringing together deep R&D understanding with food safety, quality and regulatory expertise to de-risk development and accelerate time to market. This includes utilising new ingredients to boost nutrition, while ensuring products are safe, consistent and meet consumer needs.

The world-leading R&D facility works with over 3,000 clients in more than 70 countries, including the top 20 global Life Science, Food & Consumer Goods companies, on a wide variety of cutting-edge initiatives that put the consumer at the heart of new developments and innovations. For example, their Novel Foods Regulatory Expert Network (NFX UK) positions the UK as a leader in future food innovation, and the reformulation of the UK's best loved products that takes place at RSSL is driving forward public health objectives.

3. McKinsey and Company, Europe's agentic commerce moment: Decision influence is here; execution is coming, 2026

Similarly important is innovating to make food packaging in the UK more sustainable. Not only must packaging be made from materials with greater sustainability credentials (notably using less virgin plastic) but where packaging goes after consumption – collection, sorting and recycling – is also key to the UK's environmental progress towards a more circular economy for packaging. We have made progress on the former – introducing iconic Cadbury sharing bars made from 80% certified recycled plastic, Mini Eggs bags made from 65% certified recycled plastic and piloting Cadbury Heroes tubs in paper rather than plastic – and we continue to focus on helping improve downstream systems to address packaging waste through our founding role in the UK's Flexible Plastic Fund.⁴ Continued cross-industry collaboration will be crucial to bringing innovative packaging to consumers and moving the UK toward a true circular economy.

PACKAGING CIRCULARITY IN PRACTICE



Working to advance a more circular economy demands infrastructure development, investment, an enabling policy and regulatory environment and co-operation between multiple stakeholders. Partnering with our industry peers, and led by Ecosurety, the Flexible Plastic Fund is proving to be a collaborative effort that is creating an economically viable ecosystem for the collection, sorting, and recycling of flexible plastic within the UK. Our involvement extends further through our contribution to the £2.9 million Flex Collect project.

As the largest pilot of its kind for household collection and recycling of flexible plastic packaging in the UK, this project has demonstrated the practicalities of widespread collection. The valuable outputs from Flex Collect, including proven operational models and enhanced understanding of consumer participation, are actively informing the development of robust national collection infrastructure and directly contributing to the shaping of future UK government packaging policies, showcasing effective industry and government collaboration.

“ We have really appreciated the energy and enthusiasm of the team at Mondelez International. Throughout the initiative, they have championed the recycling of flexible plastics in the UK, resulting in the introduction of widespread municipal collections from 2027. Without their focus and funding, we wouldn't have been able to make such a huge change to recycling systems in the UK. ”

Robbie Staniforth, Chief Policy & Impact Officer, Ecosurety



4. According to the Mass Balance approach

5. The Food and Drink Federation, Trade Snapshot 2025

These advances help us boost productivity and maintain our competitiveness in a rapidly evolving global food industry. And because our UK sites supply food and drink markets around the world, every improvement we make – whether in production speed, product precision, sustainability performance or supply chain reliability – strengthens the role Britain plays in Mondelez International's global network. Over 350 UK businesses supply to our global locations outside of the UK, and the chocolate we produce in the UK and then export is estimated to be 10% of the UK's total chocolate exports to the rest of the world.⁵

A stable and predictable policy environment is fundamental to sustaining R&D and innovation in food and drink manufacturing. Persistent regulatory volatility – overlapping policy initiatives, frequent short notice changes to scope or timelines, and limited clarity at the point of implementation – directly undermines the confidence needed to commit to long term research programmes. For businesses planning R&D investment over decades, this uncertainty actively impacts where global research budgets are allocated, which technologies are developed, and where future innovation ecosystems are anchored.

Regulatory frameworks designed with long term outcomes in mind are critical to unlocking innovation. When policies affecting food and drink manufacturing are evidence based, proportionate and aligned with the realities of R&D cycles, they can support public health objectives while also enabling sustained investment in new products, advanced manufacturing processes, packaging innovation and ingredient science. Treating food and drink manufacturing not only as a health policy lever, but as a strategic R&D asset, creates the conditions for regulation to actively support innovation rather than deter it.

In a globally competitive landscape for research investment, stability is the foundation on which innovation, resilience and regional growth are built.



A BLUEPRINT FOR THE SECTOR'S FUTURE

WHAT IS NEEDED FROM THE GOVERNMENT TO UNLOCK GROWTH

The UK has a clear opportunity to unlock the full economic potential of food and drink manufacturing, provided Government and industry continue to work together to create the right conditions for investment, innovation and jobs. To deliver at pace and scale, the sector now should be backed as a priority for Government through a modern industrial strategy, built on clear foundations that support long term investment and competitiveness.

First, the UK needs stable, long term signals that support multi year investment. Food and drink manufacturing operates on long cycles, with major decisions on modernisation, reformulation, sustainability and advanced technology requiring clarity on regulation, incentives and timelines. Predictable frameworks, including capital allowances that endure, proportionate regulatory pathways and consistent implementation, would unlock faster investment and increase the UK's competitiveness as a destination for global manufacturing.

Second, the sector needs a regulatory environment that recognises both its economic contribution and its public health responsibilities. Food and drink manufacturers are committed to reformulation, responsible marketing and healthier product development, but the current landscape often misses the business complexities of reformulation and how government can best support companies in doing so. A balanced approach that considers growth, innovation, productivity and sustainability alongside public health goals would enable the sector to deliver more for the UK economy and for communities nationwide.

Third, the UK needs a skills system aligned with the real capabilities modern food and drink manufacturing requires. Engineering, digital manufacturing, automation, packaging science and sustainability skills are becoming increasingly vital. Strengthening technical education routes, expanding high quality apprenticeships and accelerating mid-career upskilling will help build the workforce needed to keep the industry competitive and future ready. Mondelez International is making these investments already, and a coordinated approach with Government and training providers would amplify that impact.



Finally, industrial partnerships should support innovation that strengthens the UK's position in global supply chains. With the UK hosting Mondelez International's largest R&D workforce worldwide, there is a unique opportunity to expand collaboration across academia, research institutions and industry. Encouraging R&D investment and backing innovation in sustainability, packaging, ingredient science and digital technology would help secure the UK's standing as a leader in advanced food and drink manufacturing.

Manufacturing jobs remain one of the strongest foundations for economic strength and social resilience in the UK. They create stability, support opportunity and anchor prosperity in the places where it is most needed. Mondelez International already demonstrates what this looks like in practice – delivering growth, investing in people and skills, and contributing to the communities that have shaped our story for generations.

But with a modern industrial strategy built on stability, partnership and long term ambition, the sector can deliver even more. The right framework would unlock additional investment, accelerate innovation and strengthen the UK's position in a globally competitive landscape.

WE ARE NOT ASKING TO BE PART OF THE GROWTH CONVERSATION – WE ARE ALREADY PART OF THE SOLUTION.

WITH A CLEARER, MORE STRATEGIC ENVIRONMENT, WE CAN GO FURTHER AND HELP ENSURE UK FOOD AND DRINK MANUFACTURING BECOMES A CENTRAL DRIVER OF NATIONAL RENEWAL IN THE YEARS AHEAD.