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Kraft Foods Starts New Year 150 Million Pounds Lighter

Sustainable Packaging Design, Sourcing and Partnerships Remove Weight Equivalent of More Than 150 Fully Loaded Jumbo Jets from Supply Chain

NORTHFIELD, IL (January 27, 2010) – A few years ago, Kraft Foods decided to lose a *lot* of weight. And today, it's starting the new year 150 million pounds (68 million kilograms) leaner – having eliminated enough material from its supply chain since 2005 to exceed the company's packaging reduction goal two years ahead of schedule!

"Our global team of employees is doing a phenomenal job creating opportunities to reduce packaging material while assuring convenience and safety," said Jean Spence, Executive Vice President, Research, Development & Quality. "We've invented a tool to help us design more efficiently. And we're finding smarter source materials, reducing our footprint and thinking differently about packaging end of life. We're sharing ideas, challenging and motivating one another, so this is truly a collaborative team effort.

Following are examples from Kraft Foods operations around the globe:

Shedding Weight with More Efficient Design:

The greatest opportunity to influence the environmental impact based on a package's size is early in the design phase. That's why Kraft Foods developed the Packaging Eco-Calculator™ a tool that helps developers create efficient and optimized packaging.

- In the U.S., the *Oscar Mayer Deli Creations* packaging was redesigned with 30 percent less paperboard which is expected to keep 1.2 million pounds (more than 500,000 kilograms) of packaging out of landfills per year. Consumers like the new package because it's smaller, convenient and takes up less shelf space, while the amount of product remains the same.
- In Europe, the removal of packaging layers for *Milka* chocolate bars resulted in 60 percent less weight and an elimination of 5.7 million pounds (2,600 metric tons) of packaging material per year. And Kraft Foods is spreading the design to markets in Latin America.
- In Australia, *Kraft* Salad Dressing bottles were redesigned to eliminate more than 100,000 pounds (45,000 kilograms) of plastic per year. The patented design differentiates the Kraft brand from competitors and allows more bottles to ship per truckload, effectively taking trucks off the road.

Choosing Smarter Packaging Ingredients

Design matters, but the type of material used also plays a role. That's why Kraft Foods is finding ways to increase the recycled content and recyclability of the packaging for its products.

- In the United Kingdom, Kraft Foods recently began selling *Kenco* coffee in refill bags to complement glass jars. The refill bags use 97 percent less packaging material by weight than a new jar and less energy in the packaging conversion process.
- In North America, Kraft Foods recently changed its *Maxwell House*, *Yuban* and *Nabob* coffee brands from steel cans to composite paperboard that weighs 30 percent less, uses 50 percent recycled content and is expected to eliminate 8.5 million pounds (3.9 million kilograms) of packaging.

Changing Behavior with Innovative Partnerships

Kraft Foods recycles nearly 90 percent of its global manufacturing waste. So it makes sense to help consumers boost their own recycling rates and deal with packaging that isn't recyclable, because less packaging in landfills means less environmental impact.

- In the United States, consumer recycling rates are only 33 percent, but in other parts of the world those numbers are closer to 70 percent. In 2008, to help increase recycling rates in the U.S., Kraft Foods began partnering with RecycleBank, a company that rewards consumers for recycling. The more recycling a consumer does, the more reward points they have to redeem – and the less waste that goes to landfill. Kraft Foods is proud to be part of RecycleBank's success that has helped people recycle more than 400,000 tons of material, saving the equivalent of 4.3 million trees and 280,000 gallons of oil.
- In 2008, Kraft Foods started partnering with TerraCycle, an innovative company that "upcycles" material that otherwise

would've gone to a landfill. TerraCycle reuses packaging to make new, useful products. Today, Kraft Foods is the largest sponsor of TerraCycle "brigades" – collection points – with more than 30,000 Kraft Foods-sponsored locations and nearly seven million people signed up to collect waste across the United States at these locations. The program has been so successful it has expanded internationally to the United Kingdom and Canada, and there's more in the works!

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About Kraft Foods

Kraft Foods (www.kraftfoodscompany.com) makes today delicious in 150 countries around the globe. Our 100,000 employees work tirelessly to make delicious foods consumers can feel good about. From American brand icons like *Kraft* cheeses, dinners and dressings, *Maxwell House* coffees and *Oscar Mayer* meats, to global powerhouse brands like *Oreo* and *LU* biscuits, *Philadelphia* cream cheeses, *Jacobs* and *Carte Noire* coffees, *Tang* powdered beverages and *Milka*, *Côte d'Or*, *Lacta* and *Toblerone* chocolates, our brands deliver millions of smiles every day. Kraft Foods (NYSE: KFT) is the world's second largest food company with 2008 revenues of \$42 billion. The company is a member of the Dow Jones Industrial Average, Standard & Poor's 500, the Dow Jones Sustainability Index and the Ethibel Sustainability Index. For more details on the company's sustainability focus and progress, please visit www.kraftfoodsbetterworld.com.