

# **MARS**

# PRINCIPLES IN ACTION

Summary 2015

## BY LIVING UP TO **OUR PRINCIPLES, WE DELIVER GROWTH** THAT WE CAN ALL **BE PROUD OF AS** MARS ASSOCIATES

Grant F. Reid. **Chief Executive Officer** & Office of the President



Mars has been a private business for more than four generations. At the heart of our business success is more than a century's commitment to winwin relationships with our stakeholders including consumers, customers, farmers, suppliers and Associates. We create opportunities in the course of making products and delivering services to benefit the whole family - from delicious, occasional treats, to wholesome meals, to food and healthcare that helps us make a better world for pets.

As our business grows, we remain committed to operating according to The Five Principles of Quality, Responsibility, Mutuality, Efficiency, and Freedom. These are not hollow words. They are principles that unite us and serve to guide our business decisions. By living up to our principles, we deliver growth that we can all be proud of as Mars Associates.

A good example of something we are proud of is our commitment to sustainability. In 2015 we achieved two remarkable goals: to generate "zero waste to landfill" from all Mars manufacturing sites globally, and to reduce greenhouse gas emissions from our operations by 25% (from a 2007 baseline). It's all part of our journey to de-carbonize our direct operations by 2040, and we are making great progress. In addition to substantial energy efficiency work at our factories, in 2015, our Mesquite Creek wind farm in Texas began generating the equivalent of 100% of the electricity needed to power Mars' US operations. We've since launched the Moy wind farm in Scotland, which will generate enough electricity to power all 12 Mars sites in the UK.

On another front, the global obesity epidemic continues to escalate. Millions of consumers are concerned about what they eat and how this impacts their health. We must make sure our brands remain relevant in the face of these challenges. For example, we fully endorse recommendations on transparent labeling and limiting daily intake of added sugars to no more than 10% of total calories. We're looking at where we can reformulate products to reduce salt, fat and sugar without compromising on taste. And we're helping consumers understand which of our products



In 2015, for the fifth year in a row, Mars made the top 25 World's Best Multinational Workplaces list by Great Place to Work®\* are great everyday options (such as whole grains) and which products should be limited to occasional treats or indulgences (confectionery and chocolate).

Unfortunately, obesity can and does co-exist with undernutrition and lack of food security – denying many people access to the safe nutrition they need. In 2015, we launched the Mars Global Food Safety Center. This facility isn't about our next great product development. Instead it will foster pre-competitive research and training to help raise global food safety standards. It will serve as a resource that can help the food industry provide safe and nutritious food for families all over the world. In addition to this investment in infrastructure and expertise, we're proud to partner with governments, NGOs and health organizations to help improve food safety and security.

I've been a Mars Associate for more than 28 years. My fellow Associates and I take immense pride in our company's culture, which reflects our values and a commitment to personal responsibility. I believe recognition of our workplace – including being named one of the World's Best Multinational Workplaces – is a direct result of that culture and the passion of Associates.

While we want to give ourselves a chance to celebrate progress, we're keenly aware that big challenges remain. We know many of the farmers who grow our raw materials, such as cocoa, mint, rice and tea, are not earning a sufficient income. Obesity and malnutrition remain global challenges. Climate change and a sustainable future for agriculture need to be urgently addressed.

But I'm optimistic. I'm confident that we are making a positive impact by using science-based information, working in partnerships and empowering Associates. I'm also certain that if we - business, government, nongovernmental organizations and society as a whole work together to face our common challenges, we can secure a great future for generations to come.

Thank you for your interest in our journey. We welcome your questions, your provocations and your partnership as we aim to deliver growth we are proud of.

# MARS IN A MOMENT

Mars, Incorporated is a private, family-owned business with nearly a century of history and some of the best-loved brands in the world. Headquartered in McLean, Virginia, US, we have more than \$33 billion in sales from six diverse business segments: Petcare, Chocolate, Wrigley, Food, Drinks and Symbioscience.<sup>1</sup>





MARS Principles in Action Summary 2015

## MORE ABOUT **MARS**

#### How we govern our business

Being a private, family-owned business gives us the freedom to invest in the long term, innovate and explore possibilities that might not have an immediate pay-off – but could have an impact for generations to come.

The Five Principles - Quality, Responsibility, Mutuality, Efficiency, and Freedom – anchor all that we do. Doing business this way has helped us create a strong culture, deliver consistent business success, and inspire Associates to take accountability as leaders at work and in their communities.

We are governed by a Board of Directors that includes members of the Mars family. They receive independent advice from four external Board Advisors. Grant F. Reid, Office of the President, leads Mars' diverse global management team, who are responsible for the strategy and day-to-day operations of our company. Learn more about how we govern our company here.

#### Working ethically

To be successful and live up to our expectations of ourselves, we must act ethically and responsibly at all times. Mars' internal Ethics and Compliance program is built on The Five Principles. It helps Associates understand what putting our principles into action looks like across the business. We all take pride in working for a company that puts ethics and principles first.

The program includes 'Ethics and Compliance at Mars: Our Guide to the Principles at Work' to help us navigate complex ethical and legal issues. The Guide is available in multiple languages on our website and mobile devices, and Associates receive regular training on relevant topics. This helps us stay ahead of the rapidly evolving regulatory landscape across all our markets, and continue to be an ethical company.

#### How we engage stakeholders

The challenges our company shares with society are too big for any one organization to tackle. But we are determined to be part of the solution. We seek out partners and stakeholders from inside and outside our business to help us develop the most promising solutions. For example, external experts advise our Board and management team on geopolitical and macroeconomic trends. We access the best possible science through our work with independent scientists in the Mars Science Advisory Council.

All our segments work with a range of partners to collectively tackle problems that affect our specific categories. In addition, senior business leaders serve on the boards of organizations such as the World Cocoa Foundation and The Sustainability Consortium. Our engagements with the Consumer Goods Forum, the Sustainable Agriculture Initiative Platform, the United Nations Global Compact, and other multi-stakeholder partnerships help shape our own business strategies while we engage with others on social and environmental challenges.\*

#### Public policy and advocacy

We work with governments, trade associations, regulatory bodies, unions and other organizations on issues that are important to our industry, society and company. Our priority is to focus on issues that have the greatest impact on our business, and where we have the most influence, including climate change, food safety and security, health and wellbeing, and sustainable agriculture. Our policy for participating in political processes provides guidance to all relevant Associates on how to engage in line with The Five Principles.



Associates are what makes Mars a Great Place to Work® in more than 20 countries.\* Our focus on Associate development, learning and leadership pays dividends for Associates and the business every day. We also have fun and engage in our communities through the Mars Ambassador Program and Mars Volunteer Program. Read more on page 6.

# **OUR 2015** TARGETS & PROGRESS

We are excited and energized by our progress against current targets, but the journey is far from over and a lot of work remains. In the face of a changing world, it's also important to regularly refresh our ambition. We continue to learn from our efforts, and from others, as we look to improve and expand our business' contribution to the planet.

Click beneath the targets to find out what's next for each area.

#### LIFE AT MARS >

Ongoing target: Increase the percentage of female managers we employ

40%



Ongoing target: Top 80th percentile of companies in the Gallup engagement survey (for teams)

74<sup>th</sup>

#### RESPONSIBLE MARKETING >

Ongoing target: No TV advertising to children<sup>2</sup>



Ongoing target: No advertising on Mars websites aimed at children under 13



Read more >

#### **HEALTH AND WELLBEING >**

2015 target: Reduce sodium in Mars Food products globally by 25%3

Achieved

Read more >

Ongoing target: Implement GDA labelling across chocolate, confectionery and food

>99% met in 2015

Ongoing target: All chocolate and confectionery below 250 kcal per portion

>99%

2015 target: Reduce

GHG emissions by 25%3

.....

#### SUSTAINABILITY: OPERATIONS >

GDA

100%

2015 target: Send zero waste to landfill from our direct operations

Achieved

Read more >

2015 target: Reduce fossil fuel use by 25%3



Work to be done >



Achieved

Read more >



Work to be done >

#### SUSTAINABILITY: SOURCING >

**2015** target: 100% palm oil from certified sources

Achieved

Read more >

Achieved T

**2015** target: 100% black

tea from certified sources4

Read more >

2015 target: 100% packaging recyclable or recoverable

89%

Work to be done >

2015 target: Increase packaging recycled content by 10%3

Achieved

Read more >

2015 target: Reduce packaging weight by 10%3

Work to be done >

Ongoing target: 100% coffee from certified sources4

Achieved

🗸 Read more >

**2020 target**: 100% rice from sustainable sources

from certified sources

2020 target: 100% cocoa

>40% from certified sources

**2020** target: 100% fish and seafood from sustainable sources



0%

# 2010-15 HIGHLIGHTS

We issued our first Principles in Action report in 2011. Since then, we've learned a lot and come a long way by launching new partnerships, rethinking how we consume energy and advancing our commitment to source raw materials sustainably. Here are some highlights:



2010

Launched our "Sustainable in a Generation" program to eliminate GHG emissions from our operations

Together with partners IBM and the US Department of Agriculture, we publicly released a preliminary version of the cacao genome\*

In action: allows scientists and plant breeders to better understand traits of cocoa and ultimately create healthier, stronger and morproductive crops that yield better incomes for farmers



Launched a partnership with the Marine Stewardship Council (MSC) to sustainably source fish and seafood for our petfood products\*

Partnered with the Mint Industry Research Council to support mint farmers in reducing the environmental impacts of mint oil production

Became the first company to commit to using Guideline Daily Amounts (GDA) labeling on all relevant chocolate and confectionery products worldwide

In Europe, our Wrigley business became a founding partner of the Platform for Better Oral Health

In action: aims to develop a common European approach for preventing tooth decay, improving education, and increasing access to oral care



Kicked off our "Vision for Change" program in Côte d'Ivoire to support cocoa farmers

In action: through training, high-quality planting materials and fertilizers farmers car triple their yields

Developed a scientific way of measuring cocoa flavanols, paving the way for our research into the health benefits of flavanols

Launched a strategic partnership between Mars Petcare and Monterey Bay Aquarium Seafood Watch to drive fish sustainability in North America\*



Launched doing good marketing initiatives in Sweden and Poland that inspired Wrigley's Smile Back™ Project - our ORBIT®/EXTRA® global initiative supporting children's oral health through improved access to oral care and education

Together with the African Orphan Crops Consortium, launched the African Plant Breeding Academy

In action: new and improved food crops will support the livelihoods of smallholder farmers and provide better nutrition for millions of people

Began a 28-month partnership with the UN's International Labour Organization to implement Child Labor Monitoring and Remediation Systems in 15 cocoa communities



Declared our Deforestation Policy, which commits to taking action on deforestation in our supply chains

In action: we're mapping our beef, palm oil, pulp and paper, and soy supply chains to ensure by 2020 they are deforestation-free

Made our global Human Rights Policy public, committing us to respecting and promoting human rights across our value chain

Won the 2014 Gallup Great Workplace Award for the sixth time, were named a Great Place to Work® in more than 20 countries,\* and appeared again on the Fortune 100 Best Companies to Work For list

Launched our WHISKAS® partnership with WWF's Tigers Alive Initiative, a global tiger conservation program\*



Worked with the Sustainable Rice Platform to develop the first ever global standard for sustainable rice

Launched the €120 million Livelihoods Fund for Family Farming with Danone

In action: the fund will improve sustainable sourcing and deliver large-scale social and economic impact to smallholder farmers and their communities.

Endorsed a recommendation by leading health authorities that people should limit their intake of added sugars to no more than 10% of total calories

Established a Health and Wellbeing strategy to guide Mars' approach to human food

Met our targets to reduce GHG emissions by 25%, and for factories to send zero waste to landfill by the end of 2015

Opened the Mars Global Food Safety Center

Began operating the Mesquite Creek wind farm

# LIFE AT **MARS**

Spot an opportunity. Collaborate. Act. Never stop learning. These are some of the concepts that drive life at Mars. They make us who we are and help us create a workplace culture that is fun and fulfilling.

#### OUR APPROACH

There are more than 80,000 of us working at Mars around the world. We celebrate our individuality, but we're brought together by The Five Principles and our pride in the "Associate" concept. We work with, not for, Mars. That's because we're more than employees; we're stakeholders in our business. Our goal is to create positive benefits for the company, our communities and the planet. That is what being a Martian is about.

Life at Mars is all about connecting people. ideas, and unlocking possibilities as we grow our business and ourselves - come and join the discussion here.

94,659

Associate hours volunteered through the Mars Ambassador Program and Mars Volunteer Program in 2015

478,193

hours of training through Mars University in 2015

# Top 10%

of companies that use the Gallup engagement survey, and in the 74th percentile when compared to a database of all teams



#### CASE STUDY ↓

#### HOW WE WORK AT MARS

#### Always learning

We firmly believe that the best learning happens on the job. We have the responsibility to shape our own future, supported always by our leaders. Access to top-quality resources, such as the Mars University, allows us to broaden our experience, skills and leadership competencies.

#### Giving back

No matter where we are, we take pride in making a difference in the communities where we live and work through the Mars Volunteer Program and Mars Ambassador Program.



#### Keeping an open dialogue

Our working style is friendly and encourages open and honest dialogue with each other at all times. Open offices mean that no doors stand in the way of connecting with each other – from the Office of the President to the factory floor.

And if there is ever something you feel you can't talk to your manager about, everyone has access to our independent, confidential ombudsman. In 2015, the program resolved more than 98% of the 1,813 gueries that came through.

#### Staying safe and healthy

Keeping our work environment safe and healthy is something we are passionate about. Using internal and external best practices, we have developed a comprehensive health and safety management system that helps us put this into practice across our entire business. Vigilance is vital, and regular audits help us maintain our robust safety standards.

Many of our sites offer programs to help us lead healthy and active lifestyles. For example, in 2015, 130 teams (910 Associates) took part in the 100 day Mars UK pedometer challenge, an activity organized as part of the UK's quarterly Winning with Wellness program to increase physical activity in the workplace.



Life and work at Wrigley for me - it's not just to come to work and go home at the end of the day. For me it means being part of a community of smart, engaged, enthusiastic, caring Associates. I really like the fact that the company's vision of sustainable development and respect for the environment is the same as my views and behavior in everyday life.

-JULIA KHLYSTUN



## BRINGING PETS TO WORK MAKES US - AND OUR PETS - HAPPIER

It's a fact: pets make our lives better. They help reduce stress and can increase productivity. They keep us smiling too. Knowing this, what else could Mars Petcare do but lead by example and be the pet-friendly employer of choice. That's why the majority of Mars Petcare offices are pet-friendly environments where you can bring your best friend to work with you.

#### CREATING WORKPLACE VITALITY™

We know that to reach our full potential, we must create work environments where people have a sense of empowerment and belonging. At Mars Drinks, we call this place - where collaboration, engagement, wellbeing and productivity meet -Workplace Vitality™. As part of our 100% dedication to the workplace, Mars Drinks is now sharing this concept with customers through research, insights and our drinks solutions. Visit our website to share your thoughts on the workplace.

# **IMPROVING HEALTH AND** WELLBEING

We love making great-tasting products for consumers around the world to enjoy. Across our range of products and services, we have one common goal: to ensure that what we make enhances the health or wellbeing of our consumers and their pets.

#### OUR APPROACH

How can a company that makes confectionery promote better health and wellbeing?

We're often asked this question. The fact is, Mars' portfolio includes not just chocolates and confectionery, but food, gum, drinks and petfood. The diversity of our portfolio means we play many different roles in people's lives.

Our food brands enrich family meals with whole grains, vegetables and other nutrients. Our sugarfree gum helps improve oral health, while our worldrenowned chocolate and confectionery brands are delicious treats that can be enjoyed as part of a healthy diet. And finally, our pet products and services can be counted on to deliver great nutrition and veterinary care for our four-legged friends.

Across this diverse range of products, we use three principles to guide us on health and wellbeing: reformulate to remove the bad stuff (for example, trans fat) and, where possible, add good stuff (such as whole grains); be clear with labeling to help people make informed choices; and support healthy and active lifestyles.

What are your thoughts on health and wellbeing? Join the discussion here.



Supporting our consumers' health and wellbeing is one of our main priorities. We must find ways to limit calorie intake and curb overconsumption. Obesity is a significant public health challenge, and we will address it head-on together with our consumers, customers and governments.

#### - BARRY PARKIN

Chief Sustainability and Health & Wellbeing



Mars is

5th

in the Global Access to Nutrition Index **2016**, climbing 11 places from 2013



In July 2015, we launched the Mars Food Nutrition Criteria

to guide us in making our Food segment's products healthier

#### MARKETING RESPONSIBLY

It's important that the messages we give consumers are accurate, honest, and appropriate for all ages. The Mars Marketing Code details our commitments, including our pledge not to market to children under 12 years old. In 2015 we missed this target, and 4.3% of our advertising spots were seen by audiences with more than a quarter children. We're determined to tackle this - for example, by working more closely with TV companies and being stricter with our checks.

#### CASE STUDY ↓

#### **NURTURING TOMORROW'S** LEADERS IN PET NUTRITION

As one of the world's largest petcare companies (and as pet lovers ourselves), we know that delivering the right nutrition is critical for keeping pets healthy and happy.

For over 50 years, Mars Petcare's WALTHAM Center for Pet Nutrition has pioneered important breakthroughs in pet health and wellbeing. Now, we are partnering with WikiVet to improve knowledge on pet nutrition.\* WikiVet is used in more than 200 vet schools worldwide, and offers the veterinarian community a virtual curriculum of reference materials and learning resources.

WikiVet is currently used by more than 35,000 veterinary students, nurses, and vets. Our scientists have worked with WikiVet to create online resources covering the essentials of nutrition for health. The site helps caregivers understand how to make sure cats and dogs get the nutrients they need to thrive.

#### **CUTTING DOWN ON SUGAR**

Yes, it's true: Mars does have a sweet tooth. Our snacks and treats are meant to be enjoyed occasionally. We know consumers want to eat balanced diets. To support their goals, we're joining the world's leading health authorities in supporting the recommendation that people limit their daily intake of added sugars to less than 10% of their total energy intake. We're supporting a proposal to transparently label added sugars. And we're committing to limit added sugar in certain Mars Food products by 2018. Visit our website to share your views on sugar.

#### KIDS AND PARENTS **GET COOKING!**

Learning to love cooking is one of the best ways to maintain a healthy diet - studies show that families who cook and eat together are healthier and happier. And it's never too young to start!

Our Ben's Beginners™ program encourages kids to cook meals with their families. In 2015, we held the annual Cooking Contest in 12 countries. While our occasional treats are delicious, we're showing children that healthy

food can be tasty too. It's all part of Mars Food's dedication to help families create healthier lifestyles by cooking healthy meals at home.



# **ADVANCING FOOD SAFETY**

As a global food company, it's important we apply rigorous quality and food safety standards to everything we design. source and manufacture. Without food safety we can't achieve food security - a global challenge that will need open, collaborative solutions from the whole food industry.

#### **OUR APPROACH**

Quality is one of The Five Principles. We take pride in, and responsibility for, making products that delight our consumers, families and friends (furry and otherwise).

Our comprehensive Quality Management Process includes detailed quality and food safety controls at every stage. We make the vast majority of our products ourselves, but when we use external partners to make our products, we require them to meet our strict quality and food safety expectations set out in our External Manufacturing Quality Management standard. We always strive for perfection and our goal is zero product recalls, however very occasionally there may be a problem with a product. In these circumstances the safety and trust of our consumers always come first and we never hesitate to recall if required.

Our focus on food safety isn't just on our products. Food safety is one of the fundamentals of food security - when all people at all times have access to sufficient, safe and nutritious food. Focusing on food safety will help drive better access, better availability and more nutritious food – cutting food waste and saving lives in the process. That's why we're working with multiple partners to break new ground in this area. Visit our website to join the conversation on food safety.



Food security exists when all people, at all times, have physical. social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life.

- FAO WORLD FOOD **SUMMIT. 1996** 

#### **SEQUENCING THE FOOD SUPPLY CHAIN**

Today, food safety tests look for specific micro-organisms or bacteria in raw materials and products. But what if food safety scientists could instead track all of the organisms in a specific environment, and understand changes in their behavior to predict food safety risks? That's the goal of the IBM-Mars Consortium for Sequencing the Food Supply Chain.\* Launched in 2015, the consortium is creating one of the world's most ambitious big data projects, aiming to categorize and understand these micro-organisms and the factors that influence them.

#### LEADING COLLABORATIONS ON FOOD SECURITY

Mars is working with the Business Platform for Nutritious Research (BPNR), part of the Global Alliance for Improved Nutrition (GAIN), to identify key food safety research priorities for improving global food security. In 2013 we became one of the 10 founding members of the BPNR, and we have worked

> understand and address the link between food safety and food security.



MARS



first of its kind facility combines our expertise in food safety

with the work of over 60 Mars partnerships and research collaborations, including the World Food Programme and GAIN. Our research focuses on areas such as managing pathogens, analyzing big data, and communicating risks.

In addition to 25 full-time Mars Associates, the Center is supporting the work of external researchers and regulators. In April 2016, the center hosted over 100 participants from the food industry, academia, NGOs, government agencies, for Mars' first food safety science symposium. Together, we will pioneer research, raise global standards, reduce food waste and work to improve access and availability of safe and nutritious food.

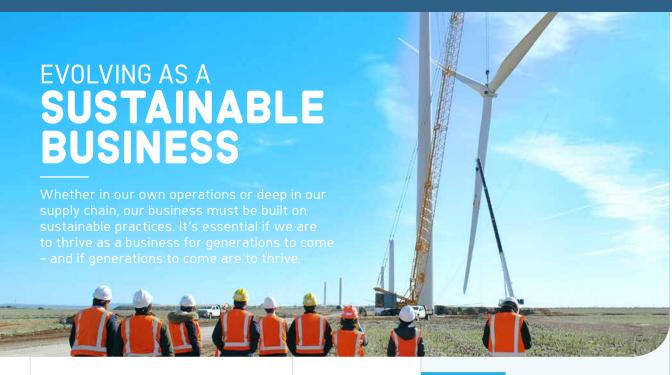


I'm really excited about Mars' Global Food Safety Center, our new hub for capturing, generating, and sharing knowledge to help raise standards on global food safety. Of course, we don't yet have all the answers and we're continuously learning. It's about sharing what we do know, and learning more together that's why collaborating with partners is so important.



- GUANGTAO ZHANG PHD

MARS Principles in Action Summary 2015



#### **OUR APPROACH**

The global threats we face - from climate change to resource scarcity - affect us all. Like you, we want to help foster a planet that is healthy and thriving. But first, we must evolve our business to be more sustainable. To do this, we are aiming to become Sustainable in a Generation by focusing on the five impacts most relevant to our business - land use, GHG emissions, water use, income and human rights.

To become Sustainable in a Generation, we are investing in renewable energy, improving conditions in our supply chains, and speaking out about climate change. And we're working to make sure that the people we rely on - from smallholder farmers to suppliers – benefit from the growth of our business. Because everyone deserves a sustainable future.

Come and share how sustainability affects you through our website.

## CDP

We are making a big effort to be more transparent across our husiness. We were excited to be recognized by the CDP. formerly Carbon Disclosure Project, for our work.\* The organization - which assesses companies on measuring, managing and disclosing GHG emissions to combat climate change awarded us a score of 98 out of 100 for disclosure, and C for performance.

#### CASE STUDY ↓

#### **OUR NEW WIND FARM IN TEXAS**

We're moving towards cleaner, greener, more efficient technologies to power our operations. The Mesquite Creek wind farm in Lamesa, Texas, is our first large-scale project designed to do this. Its 118 wind turbines generate energy equivalent to 100% of Mars' electricity needs in the US - that's enough to produce 13 billion SNICKERS® bars a year! The wind farm is creating mutual benefits for local communities, too - watch this video and let us know what you think!

In March 2016, we were delighted to be recognized by the US Environmental Protection Agency (EPA) for our leadership on climate change. According to the EPA, Mars is the sixth largest green power user in the US. And this is only the beginning - we recently announced a new wind farm project that will provide the elecricity for our UK operations.

76,000

American homes could be powered by our Mesquite Creek wind farm

Our ROYAL CANIN® site in South Africa is the first facility ever to be audited to EcoCert's Ecological Areas Local Biodiversity standard - setting the benchmark for global industrial biodiversity





When setting our GHG targets for our direct operations, we didn't simply rely on what's feasible, which was probably a 20-30% reduction. We started with the science. And that helped us come up with a target to become carbon neutral by 2040 - or, Sustainable in a Generation. We found that a long-term target drove new strategies, new ideas and innovation, making what seemed unachievable, possible.



- KEVIN RABINOVITCH

#### TALKING CLIMATE CHANGE

Climate change will affect all of us. As a food and agriculture company, Mars, our suppliers and growers are particularly vulnerable. In 2015, we took part in Climate Week events, urged governments to set climate policies, and forged new business collaborations at COP21 in Paris. We want to be bold in our ambitions, because we know how important this is. And we are encouraging others to collaborate with us so that, together, we can respond to this imminent challenge and secure our collective future.

#### ZERO WASTE TO LANDFILL

100% of our factories now send zero waste to landfill from our direct operations. That means as of December 31, 2015, all of our production sites are now completely landfill-free<sup>5</sup>. pollution. Waste can be a valuable resource that can be reused or recycled to make new products or used as an energy source.

To build a detailed picture of our supply chains, and truly understand the challenges that our suppliers and smallholder farmers face, we spend a lot of time in our origin countries. We can only win if we win together.



Global Sustainability Director, Mars Incorporated

#### How will Mars source its raw materials sustainably?

Like everything at Mars, our first step is to look at the evidence and science. Then we can make plans and set targets to drive benefits for everyone in our value chain. We focus on raw materials with the biggest social and environmental concerns. We've identified 23 "priority" raw materials, and have been working to understand which of the five sustainability impacts – land, GHG emissions, water, income and human rights - apply to these raw materials and their supply chains. Once we've mapped these, we can then set targets to improve them.

#### How does this "mapping" actually work?

It's a big task! In 2014, we set up dedicated sustainable sourcing teams to lead this work within our segments. They work closely with our sourcing managers and suppliers to dig down into the supply chain and map it back to origin.

Sourcing managers need to be part of this journey to ensure they consider sustainability in commercial decisions. Our sustainable sourcing teams work with them very closely, and train them to carry out supply chain mapping. So far we've trained 150 sourcing managers in 12 countries.

To build a complete picture, teams travel to origin countries and spend time with suppliers and farmers. In 2015, we visited suppliers and farmers who grow the mint, palm oil, peanuts, rice, soy, sugar and tomatoes used in our products, to name a few.

#### How does this fit with your existing work with suppliers?

We already collaborate with our suppliers in many ways. Through our Responsible Sourcing Program, we work with our direct suppliers as they seek to respect rights in their workplaces, in alignment with our Supplier Code of Conduct. We engage with suppliers on sourcing beef, palm oil, paper and board, and soy in compliance with our Deforestation Policy. And we also partner with them on other raw materials, for example in the cocoa, coffee, fish, mint, and tea supply chains.

The mapping work is the next phase in our journey. It's about using a more consistent approach across all raw materials and within our extended supply chains to advance respect for human rights, enhance the livelihoods of farmers and workers and improve environmental conditions. Our suppliers are critical partners to helping us achieve this.

100,000

cocoa farmers reached directly and indirectly through training, certification programs, working with suppliers, and local partnerships

35%

of our fish and seafood is now sustainably sourced

Cocoa is a good business if you can take care of it in a good way. With good agricultural practices, coaching, and the Mars productivity package, I can make all my cocoa trees have good pods. Cocoa helps me and my family live better.

> - HAJJAH ROS a cocoa farmer from the village of Cendana Hijau near Wotu, South Sulawesi, Indonesia Join the discussion about women's empowerment here



#### PROMOTING HUMAN RIGHTS

We are committed to respecting and promoting human rights across our value chain. Our Human Rights Policy lays out Mars' approach to identifying, mitigating and remedying human rights issues, in line with the UN Guiding Principles on Business and Human Rights. We're now in the process of putting the Policy into action across the business, in collaboration with our partners.

#### **PIONEERING RICE** SUSTAINABILITY

Every day, rice provides nutrition to nearly half the world's population. But rice farming uses large volumes of water and releases GHG emissions. Mars is working with farmers to share best practices for water, seed and fertilizer management. Mars worked with the Sustainable Rice Platform to develop the first ever global standard for sustainable rice. We'll use it to sustainably source 100% of our rice by 2020.

#### **BUILDING TRACEABILITY** IN PALM OIL

Back in 2013, we achieved our target to only source RSPO-certified palm oil. But we won't get complacent we're always looking for ways to push ourselves to be better. Our next step is to map our palm oil supply chain to understand exactly where it comes from, and what our social and environmental impacts are. By the end of 2015, 86% of the palm oil we used was traceable back to the mill. We'll now work with suppliers to drive sustainability and improve standards in the supply chain.

# JOIN THE CONVERSATION!

Everything we do at Mars, we do with our stakeholders – you – in mind. Whether you're a potential colleague, existing Associate, consumer, customer, government representative, non-governmental organization or an academic – we'd love to hear your thoughts on this year's Principles in Action Summary!

To get involved, follow the links below.











www.mars.com

## **MARS**

Principles in Action Summary 2015

#### NOTES (\*

Great Place to Work is a registered trademark of Great Place To Work Institute, In

The World Cocoa Foundation is a registered trademark of The World Cocoa Foundation, In-

he Sustainability Consortium is a registered trademark of the Arizona Board of Regents, for and on behalf of the Arizona State Universit

The Consumer Goods Forum is a registered trademark of The Consumer Goods Forum

IBM is a registered trademark of the International Business Machines Corporation

Marine Stewardship Council is a registered trademark of the Marine Stewardship Counc

Seafood Watch is a registered trademark of the Monterey Bay Aquarium Foundation

WWF and Tigers Alive Initiative are registered trademarks of the World Wide Fund for Nature, also known as the World Wildlife Fund WikiVet is a registered trademark of the Royal Veterinary College

Carbon Disclosure Project is a registered trademark of the Carbon Disclosure Project

#### REPORTING SCOPE AND DATA

Lloyd's Register Quality Assurance, Inc. (LRQA) have assured our reporting and data. This gives stakeholders confidence that what we say is accurate, and helps us improve our strategies and performance. Read the <u>assurance statement</u> and data assurance on our website.

This report covers the global activities of our company, Mars, Incorporated, and its business segments: Petcare, Chocolate, Wrigley, Food, Drinks, and Symbioscience. It describes our performance in the 2015 calendar year, and includes some examples from other years, as appropriate.

In most instances, environmental data for our factories is based on actual figures. Our estimated data represent no more than 5% of all data in this report.

All volumes are in metric tonnes (1,000 kg) unless otherwise stated – referred to as tonnes throughout.

Financial values are United States dollars (US\$), unless otherwise stated.

