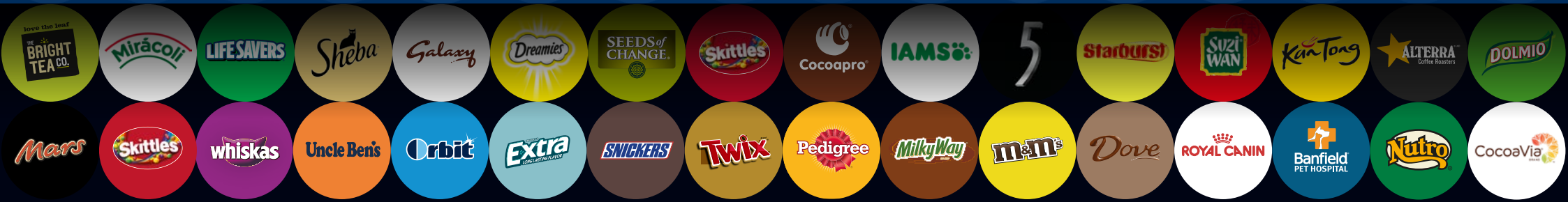




Principles in Action

Summary 2014

MARS





Welcome to our 2014 Principles in Action Summary. We are excited to show you how Mars Associates are putting The Five Principles of Quality, Responsibility, Mutuality, Efficiency and Freedom into action to make a difference to our business, society and the environment.

Visit our [website](#) to learn more about how we are improving health and wellbeing and advancing sustainability, and why Mars is such a great place to work.

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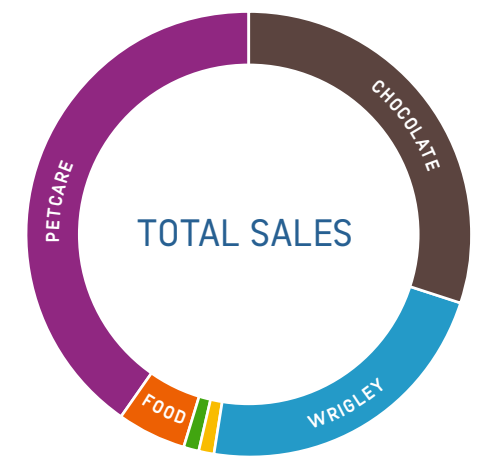


Mars in a moment



The company's objective is the manufacture and distribution of food products in such a manner as to promote a mutuality of services and benefits among all stakeholders.

— FORREST E. MARS, SR., 1947





Delivering growth we are proud of

—
Grant F. Reid,
Office of the President

As every Mars Associate will tell you, it's wonderful to make products that bring so many moments of joy to millions of people and pets around the world. I've been with Mars for 27 years. Over that time, I've seen our business grow dramatically, while keeping the same strong values - The Five Principles - at the heart of our culture.

I am part of a long line of stewards at Mars. More than 70 years ago, Forrest E. Mars, Sr. set out to build a business that created mutual, enduring benefits for all our stakeholders. It was an idea ahead of its time. Generations of Mars Associates have stayed true to this vision, even as we have grown to be one of the world's leading family businesses.

By delivering brands that consumers love, we have the opportunity to grow. In turn, we have the opportunity and responsibility to create mutual benefits for others. Associates can create meaningful and lasting careers; our suppliers are able to grow with us by being, and helping us be, more sustainable in our practices; and the communities where we operate benefit from the jobs and investments fueled by our growth.

At the same time, we are faced with immense challenges that we share with society, including climate change, water scarcity and deforestation. Many of the smallholder farmers who provide our raw materials are not earning a living wage. Women farmers continue to lack access to adequate finance, training and education. Health systems are increasingly struggling with obesity, and malnutrition and food contamination remain serious challenges to advancing health and wellbeing.

None of this is acceptable. We can, and will, do more.

We don't just want growth. We want growth that we are proud of. We know we have work to do to get there, but our successes along the way motivate us to improve. For example, we have a vision to eliminate greenhouse gas (GHG) emissions from our operations by 2040. Last year, we scored a big win on this with Mesquite Creek, our new wind farm in Lamesa,

Texas. This is the largest commitment to renewable energy ever made by a global food manufacturer, and it will provide wind energy equivalent to powering our entire US operations.

Even our brands are getting in on the action. Whether it is encouraging proper disposal of wrappers and gum or helping wild tigers through the work of WWF, we have an opportunity to engage with consumers through our brands.

We continue to wrestle with some daunting challenges. For example, some of our sites have struggled to improve energy efficiency and we don't expect to meet one of our targets on packaging. We are also seeking new ways to improve sustainable agriculture and food security for a growing world population.

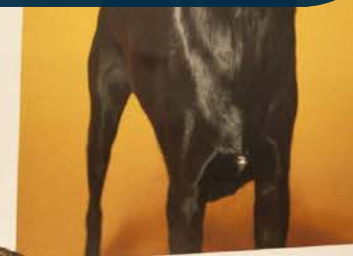
In this 2014 summary, we discuss our progress, what is working, and where more work is needed. We are continuing this work in 2015. Our recent partnership with Danone on the Livelihoods Fund for Family Farming will invest in projects to help us and others learn how to sustainably source materials from smallholder farmers. An exciting collaboration with the World Food Programme will combat undernutrition in Africa by improving food safety. We recently endorsed a recommendation by leading health authorities that people should limit their intake of added sugars to no more than 10% of total calories, and are supporting a US Government proposal to include an 'added sugars' declaration in the Nutrition Facts panel on all food packaging.

This is a business that has been grown and nurtured by generations of Mars family members and Associates. Today's team is just as dedicated to leaving a positive legacy for the next generation as those that came before us. I am confident that by working together with critical partners, including governments, NGOs, scientists, academics and our communities, we can not only be a better business, but a better citizen of the world. In doing that, we will create growth we are proud of.

Learn more about [our progress in 2015](#).



Our Approach to Business



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Our Approach to Business

No matter where we work, we are united and guided by The Five Principles: **Quality, Responsibility, Mutuality, Efficiency and Freedom.**

Every day, Mars Associates strive to operate according to The Five Principles to create mutual, win-win benefits for Mars and all our stakeholders.

HOW WE WORK

It's fun visiting a Mars office or factory. We make tasty chocolates, gum and confections at some of our sites and delicious drinks, food and petfood in others. In many offices, you'll even meet our pets.

Wherever you go, you will find The Five Principles proudly displayed on our walls, in our documents, and in the way we work. Quality, Responsibility, Mutuality, Efficiency and Freedom unite more than 75,000 of us. They are at the heart of our [business](#).

Our brands - over 115 of them - bring pleasure, nutrition and services to people and pets. Their growth creates opportunities for Mars Associates, our suppliers, and the communities where we live and work. But as we grow our brands, we must ask ourselves: how can we make our products in a way that makes the planet better, too? Our choices, big and small, add up to a healthier, happier world - and that's the kind of world we want to share.

While we must work in a competitive environment, the success of Mars should never be at the expense, economic or otherwise, of the people and communities with whom we work. Using our Mutuality principle, we've identified where we can shrink our environmental footprint and amplify the good we do. Our decisions are informed by science, and we aim to

create sustainable, lasting benefits. This long-term perspective has helped us develop a sustainability strategy that is focused on our material impacts: land use, greenhouse gas (GHG) emissions, water use, income and human rights.

Mars Associates collaborate with our partners and scientists to tackle the great challenges facing our society. We are determined to share our learning - whether it is the unravelling of crop genomes or working with leading universities on business management theories based around mutuality.

The Five Principles will help us achieve growth we can be proud of. A principled business can bring mutual benefits to all its stakeholders.

As we grow our business, we must ask ourselves: how can we make our products in a way that makes the planet better, too? Our choices, big and small, add up to a healthier, happier world - and that's the kind of world we want to share.





We all have a shared responsibility to be stewards of ethics and integrity at Mars. As our business continues to grow around the world, all of us, as Mars Associates, should have the tools necessary to sustain our values and safeguard our reputation.

— ASH MISHRA
Chief Compliance Officer,
Mars, Incorporated

Governance in a family-owned business

We face many of the same business challenges, opportunities and stakeholder expectations as our publicly owned peers. But we do have an advantage. As a family-owned business, we can focus less on quarterly earnings and more on making decisions that consider the short and the long term.

We are governed by a Board of Directors that includes members of the Mars family, who work together as custodians of The Five Principles. The Board is chaired by Victoria B. Mars. Day-to-day operations at Mars are led by Grant F. Reid, Office of the President, together with the Mars Leadership Team. The Board regularly meets with and advises the Office of the President and Mars Leadership Team. It also frequently consults external advisors on business and policy strategies and priorities. This includes the Mars Global Advisors, an advisory group of experts from academia, think tanks and business.

Operating in line with The Five Principles

Our business spans many countries and cultures. Sometimes, we need more guidance than the Five Principles provide to address business risks and legal complexities. To that end, our Ethics and Compliance program, led by our newly appointed Chief Compliance Officer, will publish the Mars Guide to Global Standards, Policies and Practices. This will show us how to act when presented with complex ethical and legal issues, and will summarize key global policies, procedures and practices.

The Guide will be available in multiple languages, and global policies will be easily accessible, for example via a mobile app for Associates. Where the risk of non-compliance is higher, online training on the Guide will be supplemented by face-to-face training. All Associates must comply with the Guide. We will also provide our business partners with relevant sections that set our expectations on ethics and compliance. The Guide will encourage Associates to report any concerns without fear of retaliation. Associates can also use the Mars Ombudsman program as an independent and confidential channel to report concerns around potential breaches.

Learn more about our Ombudsman program in [Working at Mars](#).

Public policy and advocacy

In our business, we regularly engage with governments, trade associations, regulatory bodies and other organizations to advocate for policies we believe are good for our industry, suppliers and consumers. The Mars Global Public Policy Group ensures that we use globally consistent positions, policies and standards across all aspects of public policy. On all external engagements, we follow the policies in the Mars Guide to Global Standards, Policies and Practices. Policies and position statements on issues of stakeholder interest are publicly available on [our website](#).

The Mars Leadership Team



In prioritizing public policy and advocacy, we consider our level of influence and the scale of potential impacts on people and the planet. In 2014, our engagements included:

- Participating in New York Climate Week as a founding member of [RE100](#), a campaign that asks companies to commit to 100% renewable energy.
- Helping write WWF and the World Resources Institute's [Renewable Energy Buyers' Principles](#) to improve businesses' ability to buy renewable energy. The

Principles and outreach led by WWF have strengthened dialogue with US utility companies.

- Signing up to the [Trillion Tonne Communiqué](#), a statement urging governments for policy action on reducing GHG emissions. This builds on our announcement last year to join Business for Innovative Climate and Energy Policy's [Climate Declaration](#).
- Addressing 300 delegates at the International Crops Research Institute for the Semi-Arid Tropics on the role of genomics

to ensure food and nutritional security, and speaking at the [Second International Conference on Nutrition](#) to highlight the link between food safety and global malnutrition.

- Participating in a [pilot project](#) initiated by the European Commission to establish product environmental footprint category rules in the petfood sector.

Mars Associates sit on the boards of various industry organizations and trade associations that are at the forefront of policy and

sustainability discussions. For example, our Chief Sustainability and Health & Wellbeing Officer is the Chairman of the Board of the World Cocoa Foundation, which represents 80% of the global cocoa market and promotes a sustainable cocoa economy. Members of our sustainability team sit on the boards of AIM-PROGRESS, Global Action Group of Forestry at the World Economic Forum, the Sustainable Agricultural Initiative Platform, The Sustainability Consortium, and the Sustainable Food Lab.

We strongly advocate for policies we believe are good for our industry, suppliers and consumers. Barry Parkin (front row, third from left), our Chief Sustainability and Health & Wellbeing Officer, is on the Board of the World Cocoa Foundation.



WHAT MUTUALITY MEANS TO ME



To me, mutuality is all about the people. I work with people from various backgrounds and we all have the same opportunities and shared benefits. It's this mutual treatment of all Associates that makes me proud to work at Mars.

— KEYANDRA LINEBARGER
Operations Shift Lead,
Mars Drinks



Sustainability and health & wellbeing are integral to delivering growth

—
Barry Parkin, Chief Sustainability and Health & Wellbeing Officer

We are a company founded on mutuality. We strive to deliver growth we are proud of by operating in a way that ensures a win-win for Associates, our suppliers, our farmers and the communities where we live and work. To achieve this, we are making sustainability and health & wellbeing a fundamental part of how we grow our business by driving programs that:

- Improve sustainability by using our resources wisely and responsibly. This will help us reduce costs and emissions, improve the productivity, affordability and quality of our critical crops, and ensure that farmers earn decent incomes.
- Improve the health of societies and individuals. We want to do this by making great-tasting products that are safe, nutritious and can be enjoyed as part of a balanced meal. Our consumers should feel confident about eating our products, and feeding them to their families and pets.

To be successful, our commitments must be built on strong, scientific principles and focused on long-term solutions. We are fully supported by the Mars family, the Board and the Mars Leadership Team, who are passionate about integrating sustainability and health & wellbeing into our core business objectives.

How we are improving sustainability

Mars has a sizable environmental and social footprint. Using stakeholder input, we've identified five impacts - land use, GHG emissions, water use, income and human rights - that are relevant to our business. Our sustainability strategy focuses on tackling these impacts across three broad areas of our business:

- **Operations:** Our first step is to focus on our offices and factories, where we have direct control. For more than five years, we have worked to make our operations [Sustainable in a Generation](#) by aiming to eliminate fossil fuel use, and reducing our water use and waste.
- **Sourcing:** Mars relies heavily on agriculture. Our [sourcing program](#) focuses on improving the sustainability of our priority raw materials and packaging, boosting farmer income, and respecting the human rights of everyone in our value chain. We've identified the most significant impacts and will set targets across 23 of our most critical raw materials.
- **Brands:** Our [brands](#) create powerful, engaging campaigns to educate and partner with consumers to champion good causes. We choose causes that resonate with our consumers - and strive for campaigns that deliver long-term measurable benefits for the causes and for our brands.

To develop the strategies, policies and targets necessary to drive progress on sustainability, I chair a group of talented Associates from across the business - the Sustainability Leadership Team. The team meets four times a year, and includes business leaders with various areas of expertise, and a senior representative from each of our six segments. The programs we develop are then implemented by business functions to ensure that all parts of Mars are involved, engaged and proactive on sustainability.

Finding solutions to health and wellbeing challenges

Across the world, millions of people don't get enough nutrition, while others struggle with obesity. We are striving to do our part by improving our products and delivering more healthy foods, advancing nutritional research, promoting oral health and supporting programs that encourage active lifestyles and healthy diets.

But we can do more. Our nutrition strategy focuses on:

- **Information:** Providing information so consumers can make informed choices in support of a healthy lifestyle.
- **Renovation:** Modifying existing products to improve nutritional profiles with no perceptible changes to the products themselves.
- **Innovation:** Creating new products that provide consumers with a range of healthier options.

We are also working with peers, academics, governments and other organizations to improve nutrition and strengthen food security - our new food safety partnership with the [World Food Programme](#) is a good example.

As Chief Sustainability and Health & Wellbeing Officer, I drive our programs and strategies in this area.

I report into the Mars Leadership Team, which is accountable for our health and wellbeing programs and meets bi-annually with our Board to review our strategies here. As a strategic priority for Mars, health and wellbeing targets are included in our corporate goals and measures. For example, our objectives include developing our portfolio to better impact consumer health and wellbeing and leading in quality and food safety. The Mars Leadership Team reviews performance against these measures every quarter.

Leaving behind a positive legacy

Our good progress in some areas, such as our [Sustainable in a Generation](#) program, has been encouraging. We are currently ramping up our sustainable sourcing program and developing new ways to do our part to tackle public health challenges.

On sustainability and health & wellbeing, we have a long way to go before we can celebrate. But through the talent of Mars Associates and by using the Mutuality principle to test the strength of our actions, I am confident we will get there. We are taking steps in the right direction every day.

We have big ambitions for renewables - our new Mesquite Creek wind farm in Lamesa, Texas, will provide wind energy equivalent to powering our entire US operations.



WE MEASURE OUR IMPACTS AND SET LONG-TERM TARGETS

We used the concept of [Planetary Boundaries](#) and information about our value chain to identify the environmental impacts most relevant to our business: **land use**, **GHG emissions**, and **water use**. Stakeholder feedback and credible external tools and data sources, such as [Oxfam’s model](#) of planetary and social boundaries, have informed our material social impacts: **income** and **human rights**.

	We prioritize the greatest impacts across our value chain	We set long-term targets	We track our progress using scientifically credible metrics
<p>LAND</p>	The world needs to produce enough agricultural land to feed its growing population, but without cutting down forests. That’s why we want a deforestation-free supply chain.	Our Deforestation Policy targets our four raw materials with the greatest impact on forests: beef, palm oil, pulp and paper, and soy. By 2020, these supply chains will be deforestation-free.	84% of our palm oil can be traced back to the mill. Aiming to map beef, pulp and paper, and soy supply chains by 2016. Read more in Our Supply Chain .
<p>GHG</p>	Climate change affects the crops we need for our products, and the farmers who grow them. We support global GHG targets to limit temperature rise to 2°C.	We will eliminate GHG emissions from our direct operations by 2040.	Reduced GHG emissions from our operations by 5% since 2007. Developing metrics to measure GHG emissions across the supply chain. Read more in Our Operations and Our Supply Chain .
<p>WATER</p>	97% of our water use is for growing our crops, and over a third of our production plants are in high water stress areas. Responsible water use is critical to maintain our license to operate.	From 2007 to 2015, we will reduce water use in our factories and offices by 25%.	Reduced water use from our operations by 15% since 2007. Developing new targets for the most water-intensive sites and raw materials. Read more in Our Operations and Our Supply Chain .
<p>INCOME</p>	Over 2 billion people work in the agricultural sector. Better incomes generate mutual benefits - improved livelihoods for farmers and a secure supply of raw materials for Mars.	We aspire to have all the farmers in our supply chain earn an income that gives them a decent standard of living.	Researching farmer income in our supply chain to come up with the right targets and metrics. Read more in Our Supply Chain .
<p>HUMAN RIGHTS</p>	Our aim is to respect the human rights of everyone in our value chain and surrounding communities.	Our Human Rights Policy is our commitment to identifying, mitigating and preventing adverse impacts on human rights, and taking appropriate remedial action.	Developing metrics to measure progress in respecting human rights across the value chain. Read more in Our Supply Chain .

TACKLING COMMON CHALLENGES TOGETHER

Global problems must be tackled collectively. We work with a range of strategic partners to address our material impacts and explore our business opportunities. Here are some examples:

LAND

GHG

WATER

INCOME

HUMAN RIGHTS

University of Cambridge Institute for Sustainability Leadership (CISL)



Together with CISL and leading food, beverage and forestry companies, we are working to identify new business opportunities that can come from protecting the environment. [See more online](#)

The Sustainability Consortium



We are working with more than 100 manufacturers, retailers and other organizations to develop standardized science-based metrics for improved supply chain reporting of consumer products. Our Global Sustainability Director is the lead corporate director on the Consortium's board of directors. [See more online](#)

World Economic Forum (WEF)



We are a member of WEF's Global Action Group of Forestry, which is working to identify supply chain targets to reduce deforestation. The group is providing input into the 2015 United Nations Climate Change Conference in Paris, France. [See more online](#)

World Cocoa Foundation (WCF)



Mars Chocolate is working with the WCF on its "CocoaAction" commitments to increase productivity and support community development for 300,000 West African farmers by 2020. The extensive scale of this public-private partnership will help accelerate improvements in cocoa sustainability. [See more online](#)

Helping to tackle littering



Wrigley works with a range of partners to combat littering. For example, our six-year, \$6.8 million partnership with the [Foundation for Environmental Education](#) is helping educate over a million students to combat litter and waste. We are working with the International Chewing Gum Association on a responsible disposal logo encouraging consumers to "Think Twice" before throwing away their gum. [See more online](#)

Sustainable Rice Platform (SRP)



Mars Food is a member of SRP, a rice industry partnership to promote resource efficiency and sustainability on farms and throughout the rice value chain. We also work with a group of external experts, the Food Scientific Advisory Council (FSAC), on food nutrition and sustainability. [See more online](#)

Coffee Quality Institute (CQI)



Mars Drinks is a founding member of the CQI's Partnership for Gender Equity, which aims to better understand the impacts of gender inequality on coffee production and develop best practices to prevent it. [See more online](#)

Heart Health

An innovative public-private partnership between Mars Symbioscience and Brigham and Women's Hospital, Harvard Medical School, Fred Hutchinson Cancer Research Center and the National Institutes of Health is investigating the health benefits of cocoa flavanols (naturally occurring plant nutrients) in promoting heart health and healthy aging. [See more online](#)

SCIENCE IS ESSENTIAL TO WHAT WE DO

Our business decisions are shaped by listening to experts and our consumers, and informed by sound science. We want to help create a better future for people and pets, and science is key to what we do. The Mars Scientific Advisory Council (MSAC) is a group of internal and external experts that provides independent advice on the opportunities and barriers to progress in human and animal health (including obesity and diet-related chronic disease), nutrition research, and sustainability. Its work guides our current and future product lines. Examples of our science at work include:

Helping Africa grow nutritious crops

We run the African Plant Breeding Academy with UC Davis and other global partners. It is part of the Mars-funded African Orphan Crops Consortium, and is based in Kenya. Our first class of plant breeders - four women and 17 men - graduated from the Academy in 2014, and are helping African smallholder farmers breed and grow hardier and more nutritious varieties of Africa's oldest crops - helping reduce malnutrition in Africa.

Developing the next generation of scientists

The Lindau Nobel Laureate meetings in Germany are an annual gathering of some of the best minds in science, and we have participated since 2007. In 2014, we hosted panels for young economists and researchers on innovation and healthy aging research.



“My work with world class scientists is to deliver benefits to the pets around the globe”, says Niran Patel, laboratory scientist at our WALTHAM® Center for Pet Nutrition

Improving pet science

We use science to improve the quality and length of pets' lives - an aspiration we share with all pet owners. In 2014, we worked with WikiVet, an online veterinary encyclopedia, to improve reference materials on preventative healthcare for students and veterinarians. Our WALTHAM® Center for Pet Nutrition also collaborated with the European petfood industry to investigate safe consumption levels of Vitamin A for puppies.

Using genome science to improve agriculture

Following our work in cocoa genome sequencing, in 2014, Mars was part of an international consortium that mapped the genomes of the peanut's wild relatives. The results are online for any scientist to use to breed peanuts that are affordable, disease-free and satisfying to consumers. This will help farmers in more than 160 countries where peanuts are grown.

Partnering on oral healthcare

We support independent dental research through organizations such as the International Association for Dental Research, Top Institute for Food and Nutrition's Oral Health partnership, and the European Organisation for Caries Research. We work with a group of global experts, the Wrigley Science Advisory Council, who rigorously peer-review our science around gum and confections.

Making rice cultivation more sustainable

We are investing in our future by funding research to grow rice using less water and releasing fewer GHG emissions, while improving farmer income. In 2014, this alternate wetting and drying technique was corroborated by several scientific findings and research papers. We are piloting the approach in the Mississippi Delta in Arkansas with farmers growing for Mars. Later, we will share this knowledge with other rice growers, particularly in the dryer parts of Europe.

Using plant nutrients to improve age-related memory decline

We were part of a research team including Columbia University Medical Center and New York University that studied the effects of cocoa flavanols on cognitive health - one of the biggest health concerns facing an aging global population. The study, published in *Nature Neuroscience*, provided the first direct evidence that one component of age-related memory decline is caused by changes in a specific region of the brain, and that this can be positively impacted by cocoa flavanols.

COMMITTED TO QUALITY AND FOOD SAFETY

Quality, our first Principle, is the basis of our brand loyalty and consumer trust. Our consumers rely on us to ensure our products meet world-class quality and food safety standards.

Quality is everyone’s job at Mars, and we bring this to life through our company-wide quality strategy. Our integrated approach to quality extends from product design through to consumer experience including food safety, regulatory compliance and consumer-relevant product attributes. It’s aimed at building enduring trust and delight.

Our Quality Management Process framework helps us provide consistently high-quality products and services, and we aim to be in full compliance with all legal and regulatory requirements in the markets in which they are sold. In 2014, the EtQ User Conference recognized us with an Innovation Award for using information technology effectively to drive quality.

Addressing consumer concerns on food safety

Consumers are central to our approach on quality. Our Consumer Care centers register over 800,000 consumer contacts annually, and we carefully scrutinize any concerns

to improve our products and services. We hear, and share, our consumers’ focus on sourcing raw materials safely and preventing food contamination. Delivering food safety is a pre-competitive issue from which we all benefit - consumers, peers and our business.

We are building a Global Food Safety Center that will open in 2015. The center will expand global knowledge in critical areas of food safety management by capturing, generating and sharing knowledge. Where appropriate, it will contribute to strengthening government food safety systems. We have already started work through the Center, for example, with the Partnership for Aflatoxin Control in Africa and the Global Alliance for Improved Nutrition to manage mycotoxins in the food supply chain.

In 2014, we organized a workshop on mycotoxin food contamination. Participants included the University of Cambridge, Bill & Melinda Gates Foundation, Commonwealth Scientific and Industrial Research Organisation, US Department of Agriculture, US Agency for International Development and IBM. We are also bringing attention to food safety issues on other platforms, such as the Asia-Pacific Economic Cooperation Food Safety Meeting in China, the Second International Conference on Nutrition in Rome and with the UN Committee on Food Security.



WHAT MUTUALITY MEANS TO ME



You can’t talk about Mars unless you talk about people. When I started, my conversations with Mars leadership were all focused on supporting me: “How are you doing personally? What are your skills? How can we help you be a better Associate, and a better person outside of work?” It’s really an Associate-driven culture, and everyone has a voice and a chance to make an impact. To me, that’s mutuality.

— JAMES ‘JR’ SMITH
 Manufacturing Support Manager, Mars Petcare



These Petcare Associates are quality testing SHEBA® and WHISKAS® petfood. It’s by making consistently great quality products that we keep our customers and their pets happy.



Health and Wellbeing



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Health and Wellbeing

We make great-tasting products that people feel confident about eating and feeding to their families and pets. We want to ensure our products contribute to overall health and wellbeing. By working with partners to improve food security and safety, we can help people lead healthier lives.



FOOD SAFETY GUIDELINES

We are partnering with the World Food Programme (WFP) to improve the provision of safe, locally-sourced food in Africa



INNOVATION INSTITUTE

Our Innovation Institute for Food and Health, in partnership with UC Davis, will advance discoveries in sustainable food, agriculture and health



WALKING THE TALK

BRINGING BACK THE "ORPHAN CROPS" OF AFRICA

Nearly half of Africa's population is involved in farming, yet malnutrition and chronic hunger remain widespread. "Orphan crops" - which are traditional to Africa, but largely ignored by science, and not traded internationally - could help.

We are taking a leading role in African Orphan Crops Consortium (AOCC) - a multi-stakeholder partnership aiming to turn orphan crops into hardy, climate-resilient and nutritious food sources. Plant Breeding Academies in Ghana and Kenya will develop up to 100 crops, which will be offered to smallholder farmers throughout Africa. An example is the baobab tree (pictured), whose fruit has four times the potassium of bananas and 10 times the antioxidants found in oranges.

The AOCC's Africa-based partners include the African Union (whose heads of state approved the Consortium), the New Partnership for Africa's Development, the Nairobi-based World Agroforestry Centre, the African Bean Consortium and the Crop Breeding Institute of Zimbabwe.



To make true progress, we need an inclusive approach that fuels innovation across disciplines and sectors, as Mars and UC Davis have done over the decades with uncommon collaborations that connect companies, academia, government agencies and non-governmental organizations.

— HOWARD-YANA SHAPIRO
 Chief Agricultural Officer at Mars, Incorporated and Senior Fellow, UC Davis

TACKLING HEALTH AND WELLBEING CHALLENGES

Everyone has a favorite Mars chocolate brand. We love chocolates too, but we make much more than just chocolate. Our products include some of the world’s favorite food, drinks, gum, confectioneries and petfood brands, and we have a large petcare business too. It is through this range of global products and brands that we benefit our consumers.

Our mission is to provide food that is tasty, safe and nutritious. Some of our products are occasional treats, while others can be enjoyed regularly as part of wholesome and nutritious meals. Our sugar-free gums help improve oral health when chewed after eating and drinking.

According to the World Health Organization (WHO), nearly 600 million adults worldwide suffer from obesity. The Global Nutrition Report estimates that malnutrition affects every second person in the world.

It’s not just about today. As populations grow, demand for food is expected to increase by 60% by 2050. In addition, climate change will impact all dimensions of food security, including availability, accessibility, nutritional quality and food safety.

We have a role to play in helping solve these serious challenges. By improving our products, offering consumers different portion sizes and easy-to-read nutritional information, encouraging scientific discovery, and supporting healthy diets and active lifestyles, we can make a difference.



Cocoa farmer, Purity Njagi, and Howard-Yana Shapiro, Mars’ Chief Agricultural Officer, cut the tape during the launch of the African Plant Breeding Academy in Nairobi, Kenya, which will help farmers grow more nutritious, resilient crops.



illumina®

The African Orphan Crops Consortium was awarded the Illumina Agricultural Greater Good Initiative grant to help identify measures that can increase crop yields to reduce poverty and hunger in the developing world.

EVOLVING OUR HEALTH AND WELLBEING STRATEGY

The diversity of our portfolio means there is no one single approach to improving our entire range of products. For product improvements, we consider not only the range of nutrients in a given product, but the product category, the eating occasion, how frequently it is consumed, and the role of the product in the overall diet.

For example, because our chocolates and confections are occasional treats, we work on reducing saturated fats, limiting calories to no more than 250 per portion, offering smaller serving sizes, and labeling to help consumers make informed decisions about how these treats fit into their diet. We are mindful that whatever we change, we must maintain the taste, quality, and satisfaction that consumers expect from our brands.

Our Food business includes products such as rice and pasta, which can be part of an everyday meal. This means we have a great opportunity to enhance fiber content or add more whole grains and vegetables to the diet. We are also improving health and wellbeing by encouraging families to cook together and eat more healthily.

And through Wrigley, we focus on improving the oral health of our consumers. The benefits of chewing sugar-free gum are recognized by the FDI World Dental Federation and supported by more than 20 dental health associations worldwide. In 2014, chewing sugar-free gum was included as an official scientific recommendation by the German Dental Association. Our recent modeling study in Germany assessed the economic and health benefit potentials of sugar-free gum. We found that German patients who increase their consumption of sugar-free chewing gum from 100 to approximately 200 pieces per year see improved dental health and reduced annual treatment costs for caries by over \$85 per person.

Helping people make informed choices

Making informed choices begins with the product label. We clearly label our products with required ingredient and nutritional information. To make this information even clearer for consumers, in 2008, we introduced front-of-pack energy labels and back-of-pack Guideline Daily Amounts (GDA) labeling on confectionery and food products worldwide. In 2014, we implemented GDA labeling globally on 99% of our chocolate, gum and confectionery and food products.

In some of our markets, we have gone even further, adopting labels developed by governments or NGOs. In the UK, Mars has implemented the government's voluntary front-of-pack labeling system that uses color coding to show how much fat, salt and sugar are in each product. Many of our rice and pasta products carry the Australian Government's Heart Foundation Tick symbol and the Whole Grains Council's 100% Whole Grain stamp. We also support new labeling approaches - for example, the US Food and Drug Administration's proposed "added sugars" label in the Nutrition Facts panel on all food packaging. We believe these approaches should be implemented in a way that helps consumers interpret the information correctly in the context of their daily diet.

We market our products responsibly and commit to accurately representing our products' taste, size, content nutrition and health benefits. Our [Mars Marketing Code](#) lays out our marketing commitments, including not marketing to children under 12, barring joint promotions with alcohol and tobacco brands, not condoning excessive consumption, and ensuring our communications encourage healthy, balanced diets and active lifestyles.

Our Food business includes products that can be part of an everyday meal. This means we have a great opportunity to enhance fiber content or add more whole grains and vegetables.



Wrigley is committed to improve oral health on a global scale. Here, a schoolteacher in Ghana, trained by Wrigley as part of the Chew for Change program, teaches primary school children how to keep their teeth healthy.



Many of our products, like UNCLE BEN'S® rice and RÁRIS® whole grains, are reformulated to include more fiber and whole grains. We always ensure that the quality and taste remain great, too.

Improving our products

We look for ways to strengthen the nutritional content of our products to help consumers achieve their nutrition and wellbeing goals, while ensuring they deliver the great taste that consumers expect. We're making progress toward our targets on:

- **Trans-fats:** We reformulated many of our confectionery products globally to reduce trans-fat. In addition, we have committed to remove partially hydrogenated oils, a source of trans-fats, from all our products by the end of 2017.
- **Sugar:** We support the position that energy (calorie) intake from sugars should be limited, in line with a number of organizations and public health authorities. This includes the recent recommendation by the WHO to limit the intake of free sugars to less than 10% of total daily energy (calorie) intake. Through product changes and clear, consistent labelling information, we are helping consumers achieve their goals of a healthy balanced diet.
- **Saturated fats:** Through reformulation and portion size changes, many of our popular brands, such as MARS®, TWIX®, SNICKERS®, MILKY WAY® and TOPIC® bars have reduced saturated fats.
- **Calories:** In 2014, 99.8% of Mars Chocolate or confectionery products were no more than 250 calories per portion. The next step is to increase the number of chocolate confectionery products that are 200 calories or less per pack. In the UK and Germany, our Drinks business introduced a reduced calorie

hot chocolate option for our KLIX® vending machines, with 52% fewer calories than the regular version.

- **Sodium:** Between 2007 and 2012, we reduced sodium in our food products by 25% globally. We have since strengthened this commitment. In the UK, we signed up to the Department of Health's 2017 pledge to reduce salt consumption to less than six grams a day. The soups we offer through Mars Drinks' KLIX® vending machine were also reformulated to reduce sodium.

To help improve diet quality, we are increasing vegetables, fiber and whole grains in our food products. We created UNCLE BEN'S® Rice and RÁRIS® whole grains with more fiber for consumers who find it difficult to get enough fiber in their diets. Similarly, our DOLMIO® range of pasta sauces now contain the equivalent of one serving of vegetables in every portion, helping consumers achieve one of their five-a-day. Through our reformulation work with the Heart Foundation of Australia, each person on average consumes an additional one kilogram of vegetables per year as part of the MASTERFOODS® brand. We have also developed GOODNESSKNOWS®, the first fruit-and-nut snack product in the US to deliver 100 mg of cocoa flavanols - naturally occurring plant nutrients shown to have health benefits - in each 150-calorie serving.

We know that over two billion people are estimated to be deficient in one or more micronutrients. Since 2007, Mars Food has provided our fortified ROYCO® soup to more than 300,000 low-income, undernourished people in South Africa every month. This product is fortified with minerals and

vitamins, making it nutritionally balanced and nourishing. In 2014, we served our 18.5 millionth cup of fortified soup.

We have led research on cocoa flavanols for over two decades, and know that these plant nutrients can play an important role in supporting health, even as we age. In 2014, our COCOAVIA® brand rolled out the latest generation of its dietary supplement, featuring 375 mg of cocoa flavanols per serving - 50% more cocoa flavanols than the previous formulation.

Partnering to improve nutrition and food security

Tackling global challenges requires collaborations that are diverse, ambitious and comprehensive. Our dedicated corporate innovation function engages with external experts on scientific research and helps with new product development. Together, we are driving innovation and discovery in nutrition, health and food safety, including:

- Establishing the Innovation Institute for Food and Health with University of California, Davis. It is the first hub of its kind to deliver big-impact, Silicon Valley-type breakthroughs from lab research to new product development in food, agriculture and health.
- Helping establish a new center at the Washington University School of Medicine in St. Louis, Missouri. The center will improve food security and global health by linking efforts to develop more nutritious foods with discoveries gleaned from the gut.

- Launching our new venture capital fund, Mars Grand Challenges Ventures, which is focused on investing in new businesses and technologies to tackle challenges in food security and sustainable agriculture.

The WHO estimates that foodborne and waterborne diarrheal diseases kill an estimated two million people annually, including many children. We agree with the UN agency's [statement](#) that food safety, nutrition and food security are "inextricably linked." Problems can come from a number of sources, including crop contamination, processing issues, and even adulteration in the global food supply chain.

We are partnering with the World Food Programme to improve the provision of safe, locally sourced food to those in need in Africa. In addition to sharing our food safety knowledge and expertise, we hope to learn from WFP's decades of experience as the world's largest humanitarian agency fighting hunger and work together to deliver lasting, positive change. And Mars and IBM Research have established a consortium that will use genetic data to better understand and improve food safety. Through this research, we are hoping to revolutionize food safety and provide a powerful tool to identify and tackle new threats.

Experts from the Mars Global Food Safety Center have also published studies related to food safety issues, such as managing mycotoxins, in leading scientific journals.



WHAT MUTUALITY MEANS TO ME



My job is a privilege - I work with the latest health and nutrition science to make sure our products contain the healthiest, tastiest ingredients and our customers can eat them as part of a balanced diet. Through the Mars Volunteer Program, when my team of Associates cooked for homeless people in Antwerp, Belgium, I was able to share this knowledge with people who need it most. Moments of happiness created from nutritious, affordable food - to me, that's mutuality.

— FANG LAN LIE
Global Senior Ingredient Scientist, Mars Food

Building healthy communities

We support programs that encourage healthy diets and active lifestyles. We develop some of these programs, while others are created by independent groups with relevant expertise. Some examples are below:

- In Europe, we work with European EPODE Network and EPODE for Health Equity. EPODE is the world's largest obesity prevention network, and we contribute to its research on how economics and culture influence habits such as consuming fruits and vegetables and watching television. This enables them to tailor programs to help entire communities.
- There is evidence that families that cook and eat together are healthier. Mars Food's Ben's Beginners campaigns includes a cooking competition for children and their parents, with a chance to win prizes for their schools. In the US, this includes \$10,000 of cooking equipment, and in other markets, winners are awarded kitchen makeovers or after-school programs. In 2014, we continued our partnership with the UK Department of Health's Change4Life campaign, which provided £250 million worth of vouchers for healthier food and activity.
- More than 87 million people in the Philippines suffer from tooth decay. Through a grant from the Wrigley Company Foundation, the Philippines Dental Association will have 100 new portable dental units for their oral care outreach program that treats nearly six million patients a year. The Foundation

We are working with our partners to drive innovation and discovery in nutrition, health and food safety.

also awarded Save the Children a \$3.6 million grant to teach more than 300,000 students and community members across six countries better oral health practices.

- In 2014, we helped conduct a nationwide oral health survey in Kenya, in partnership with the Ministry of Health, the University of Nairobi and WHO. The survey seeks to establish the burden, causes and quality of life issues related to oral diseases and oral health care. The results will help the Kenyan government develop policies to improve oral healthcare in the country as part of its development blueprint, Vision 2030.
- We know that owning pets can have health benefits for people. In 2014, we published the results of our study on the effect of pets on older adults in the *American Journal of Alzheimer's Disease & Other Dementias*. The study showed that a visiting dog enhanced or preserved the physical, behavioral and emotional function of residents in an assisted living facility. Another study highlighted the benefits of pets on children with autism. Parents and teachers reported improved social skills, increased interest in attending school, and a decrease in social withdrawal.

TARGETS AND PROGRESS



GDA LABELING

TARGET: Implement GDA nutritional labeling on most of our chocolate and confectionery globally by year-end 2013, and continue to roll out GDA labeling across our food portfolio by year-end 2014.

PROGRESS: Implemented GDA nutritional labeling on 99% of our chocolate, confectionery and food portfolios.



SODIUM

TARGET: Reduce sodium levels in Mars Food products globally by an average of 25% by 2015, from a 2007 baseline.

PROGRESS: Between 2007 and 2012, we reduced sodium in our food products by 25% globally. Almost 70% of Mars Food products also meet regional target levels for sodium.



250 CALORIES PER PORTION

TARGET: Not offer any Mars Chocolate or confectionery products that exceed 250 calories per portion by the end of 2013.

PROGRESS: In 2014, 99.8% of Mars Chocolate and confectionery products met this target. Due to labeling rules in Canada, some products remain above 250 calories per portion. We are looking into options to address this gap.



Our Supply Chain

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Putting our strategies into action	25
Targets and progress	27

Our Supply Chain

Climate change impacts, land degradation and poor agricultural practices can harm harvests and farmer livelihoods, and make it difficult for us to source quality raw materials. We aim to source sustainably to ensure a long-term supply of raw materials, and to improve incomes and respect the human rights of farmers who supply us.



TRACEABLE PALM OIL

84% of our palm oil is now traceable to known mills



CERTIFIED SOURCES

100% of Mars Drinks' ALTERRA® Coffee Roasters coffees, 32% of our black tea, and 36% of our cocoa are from certified sources



SUSTAINABLE FISH

26% of our fish and seafood are from sustainable sources

See more about [targets and progress](#)

WALKING THE TALK

RAMPING IT UP FOR SUSTAINABLE PALM OIL

We've been sourcing certified palm oil since 2010. How could we go further to ensure full traceability and strengthen protection of forests and respect for human and labor rights?

We became a member of [The Forest Trust \(TFT\)](#), an NGO that helps companies build ethical and transparent supply chains. Mars and TFT work with smallholder farmers and other suppliers to ensure our palm oil source is responsible and deforestation-free. By year-end 2014, all our direct suppliers of palm oil provided written commitments to our [sourcing charter](#), and agreed to provide a Traceability Declaration Document detailing the mills and any bulk refineries they source from.

Due to the vast and complex nature of palm oil supply chains, it is important that we prioritize our actions. Working with TFT, we conducted a desk-based analysis of 250 Malaysian mills to identify areas most in need of transformation. The results will help us work with suppliers to develop field engagement plans for mills in these high-priority locations.

In 2015, we will continue to push for a fully traceable palm oil supply chain. We will also support our suppliers in conducting field assessments to understand - and improve - social and environmental practices in palm oil plantations and farms, for a truly transformed supply chain.

WORKING TOWARD SUSTAINABLE GROWTH

We're tackling the most significant environmental and social impacts in our supply chain to help us grow sustainably. Our business segments work in partnership with experts, farmers and community groups to address challenges together.

Developing our new sustainable sourcing strategy

Since 2007, we have focused our sustainability efforts on packaging and eight raw materials: black tea, cocoa, coffee, fish, mint, palm oil, peanuts and rice. In 2014, we added commitments on [beef](#), [paper and pulp](#), and [soy](#) as part of our [Deforestation Policy](#).

Our updated sourcing strategy will cover 23 raw materials (including those listed above), covering 60% of our sourcing volume. The strategy will tackle the five impacts most material to our supply chain and stakeholders:

Environmental

- Land use
- GHG emissions
- Water use

Social

- Income
- Human rights

We're using input from our external partnerships and our knowledge of geographical risks to identify the five impacts relevant for each of the 23 targeted raw materials. This will help us develop the most effective goals, policies and implementation plans to mitigate each impact.

For example, our plan to tackle deforestation is a good demonstration of our approach to tackle land use and GHG emissions. We have clear goals and implementation plans for the raw materials where deforestation causes the most concern: beef, palm oil, paper and pulp, and soy. By 2020, our commitments and impacts-based approach will enable us to make rapid progress on eliminating deforestation in the most sensitive areas of our supply chains.

Many risks in our supply chain are linked to environmental degradation and climate change, but potential social impacts are also concerning. We released our [Human Rights Policy](#) in 2014, and have also appointed a Human Rights Director. In accordance with the UN Guiding Principles on Business and Human Rights, we will implement a due diligence process to identify, mitigate and remediate adverse impacts on human rights in our supply chain.



Sustainable sourcing means not only producing high-quality raw materials with limited environmental impacts, but improving livelihoods, education, and equality in the communities they come from.

PUTTING OUR STRATEGIES INTO ACTION

Working with smallholder farmers

The Food and Agriculture Organization estimates that 84% of the 570 million farms worldwide are less than two hectares and are owned and run by families. These smallholdings, found mainly in low-income countries, support more than two billion people worldwide.

Many of our raw materials, including cocoa, coffee, and tea, are grown by smallholder farmers. Because of the small size of their holdings, they're particularly vulnerable to climate change impacts, water stress, soil degradation, and plant diseases. Poor training and lack of access to markets and technologies also result in lower yields and lower incomes. We work with experts and community groups to improve farmers' resilience and livelihoods, and also to help secure a sustainable and high quality supply of raw materials for the future.

We apply science to sourcing challenges. The Mars Center for Cocoa Science (MCCS) in Bahia, Brazil, leads our work on cocoa breeding, agroforestry systems, and land rehabilitation. Through MCCS, we're supporting various initiatives to sequence the genomes of key crops, including cocoa and peanuts. This information is shared with breeders, who can use it to identify traits of disease resistance, enhance yields, pursue efficiency in water and nutrient use, and improve climate change adaptability. This should lead to healthier, stronger and more productive plants that can improve farmers' yields and incomes.

We also work directly with farmers, and as part of our Vision for Change program, have so far built 16 Cocoa Development Centers (CDCs) and 52 Cocoa Village Centers (CVCs) in Côte d'Ivoire. CDCs educate farmers on managing their land and crops efficiently, and CVC operators provide farmers with good-quality plants, fertilizers and pesticides, and help with training and business management.

Together with Basmati rice farmers in Pakistan, we are working on a contract-farming sourcing program to introduce alternate wetting and drying, an irrigation technique that reduces water and GHG emissions and improves yields. We're also joining the Swiss development organization, Helvetas, in a project to improve water efficiency and productivity for rice growers. Nearly 1,000 Pakistani rice farmers will directly benefit from this initiative. Our local partners include international rice company Rice Partners Limited, and the nonprofit International Rice Research Institute.

Together with Danone, we launched [Livelihoods 3F](#), a mutual investment fund that will invest €120 million over 10 years on smallholder farmer projects in Africa, Asia and Latin America. The Fund has three objectives:

- **Economic:** Increase crop yields and farmers' incomes
- **Social:** Empower farmers, especially women, and improve the livelihoods of farming families
- **Environmental:** Promote responsible farming practices and technologies to improve climate change resilience.



By teaming up with partners, and working on the ground with farmers, we will improve productivity and working conditions in the supply chain, including on these tea plantations in Kenya.

Finding strength in partnerships

Working with many external organizations enables us to acquire skills and build valuable knowledge and relationships. These are vital - they help shape our approach for maximum effect, and connect us with the farmers and workers in our supply chain.

Some of our partnerships include:

Fairtrade and Mars Chocolate

In 2014, we announced a new commitment to source Fairtrade-certified cocoa for all MARS® bars in the UK and Ireland - an important step to achieving our 2020 goal of only sourcing 100% certified cocoa.

Through this program, we're seizing the opportunity provided by a new [Fairtrade Foundation](#) label for cocoa only. Cooperatives will be able to invest the premiums they earn from Fairtrade products into a productivity package, including training, fertilizers and high-yielding and disease-resistant crops, enhancing farmer yields and incomes.

SRP and Mars Food

Mars Food is a member of the [Sustainable Rice Platform](#) (SRP), an industry collaboration that will develop a globally applicable set of rice sustainability standards. The SRP is creating 11 socio-economic and environmental indicators, including water efficiency, GHG mitigation, child labor and women's empowerment. Together with rice growers, buyers, producers, processors, retailers, governments and NGOs, we're sharing best practices and partnering to improve standards across the rice industry.

Our local partners in SRP include the Department of Crop Production in South Vietnam, the Indonesian Center for Rice Research, and the Thailand Rice Department.

ASI and Wrigley

Wrigley engaged [Agribusiness Systems International](#) (ASI) to map our mint supply chain in India, which provides the mint oil for our gum products. ASI strengthens supply chain relationships by helping identify multiple investment opportunities and assisting farmer access to finance. Our partnership will develop programs on water management, soil health, and revenue generation for smallholder mint farmers - which will feed into our sustainable agricultural plan for mint sourced in India.



Working with Wrigley in India has allowed us go deeper into the mint value chain and help shape technical assistance programs that will empower smallholder mint farmers.

— ANA BILIK
President, ASI

ETP and Mars Drinks

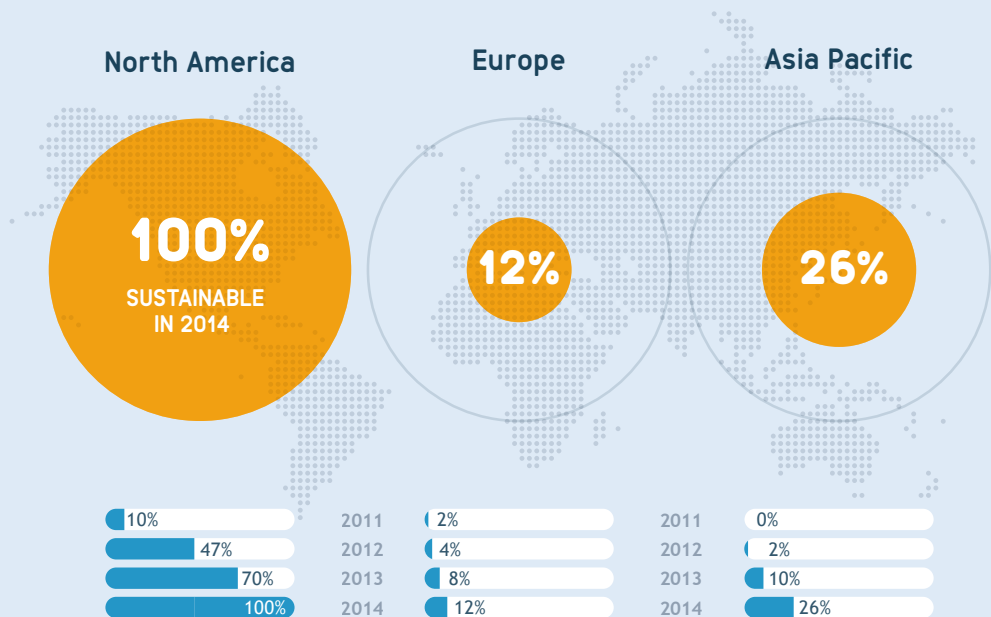
As a member of the [Ethical Tea Partnership](#) (ETP), we're working together to make the tea industry better for tea producers, workers and the environment. ETP represents more than 50 brands in over 100 countries. We also partner with ETP to support our direct sourcing program, which focuses on energy reduction and climate change mitigation for tea production in Kenya.

MSC and Mars Petcare

We're proud to feed over 400 million cats and dogs around the world. Fish is a key ingredient in many of our petfoods, but according to the Food and Agriculture Organization, 87% of fisheries are reaching the limits of their capacity. Since 2011, we've worked with the [Marine Stewardship Council](#) (MSC) to source fish sustainably. The MSC has a global reach with over 200 certified fisheries in more than 100 countries, covering nearly 100 species. Through this partnership, we have introduced MSC-certified fish in our SHEBA® and WHISKAS® lines in Europe. We've also removed endangered species such as Chilean sea bass and swordfish from our products.

RESPONSIBLE SEAFOOD SOURCING

Percentage of wild-caught seafood from sustainable sources by geographic region



2050

The year by when scientists believe global fish populations may collapse.

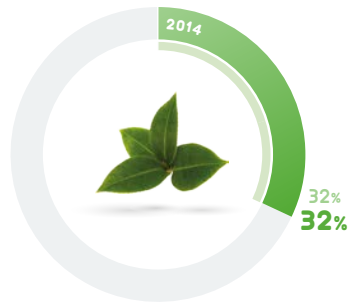
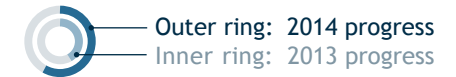
OUR PROMISE

We will only use fish from wild stocks that are not threatened or are responsibly farmed. We will replace all wild whole fish and fish fillets with fish by-products and responsibly farmed seafood products. We will develop and use alternatives to marine fish ingredients.

TARGETS AND PROGRESS

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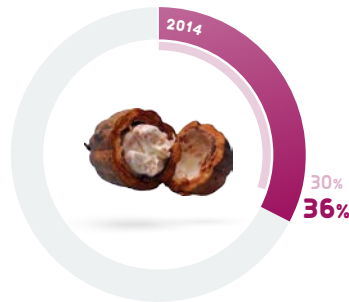
We've had some successes and a few setbacks on our sourcing commitments. We celebrate our successes, learn from our mistakes, and aim to develop better and more ambitious commitments.



BLACK TEA

100% from certified sources by 2015

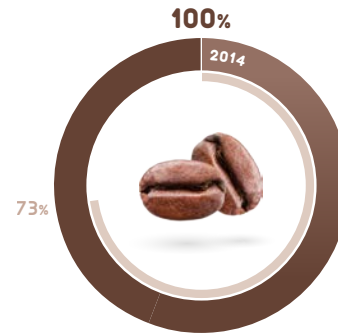
In 2014, 32% of the black tea in our Bright Tea Company range came from certified sources. Since then, we have made significant progress, and in March 2015, we met our 100% certification target. Certification brings significant mutual benefits to the tea industry's customers, growers, communities and the environment. This includes preventing soil degradation, promoting sustainable water management, and developing fair working conditions and wages.



COCOA

100% from certified sources by 2020

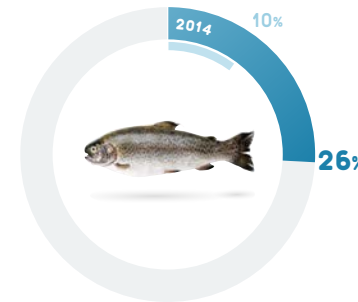
We've increased our purchase of certified cocoa to 36% of total volumes, moving closer to our target of 100% certified cocoa by 2020. In November 2014, our Vision for Change program received the EU-Africa Chamber of Commerce's [Sustainable Economy Award](#). We also joined CocoaAction, a campaign launched by the World Cocoa Foundation to improve the livelihoods of 300,000 cocoa farmers in Ghana and Côte d'Ivoire.



COFFEE

100% from certified sources by 2013

In 2014, we met our commitment to source 100% of Mars Drinks' ALTERRA® Coffee Roasters coffees from certified sources, including Rainforest Alliance and sustainable farming program UTZ Certified. Independent certification means better outcomes for the environment and decent working conditions for the people growing, harvesting and processing the raw coffee beans.



FISH AND SEAFOOD

100% from sustainable sources by 2020

Seafood is an important source of nutrients in our petfood. It's also a primary protein source for more than one billion people. We're on track to fulfil our target of only sourcing 100% sustainable fish by 2020, reaching 26% of our seafood in 2014. We use fish more efficiently in our products, replace vulnerable species with abundant ones, and purchase only from verified sources. This helps protect biodiversity, manage costs and improve supply security. By working with the MSC, the Monterey Bay Aquarium's Seafood Watch, and others, we'll ensure a long-term, sustainable, nutritious supply of food for our pets.



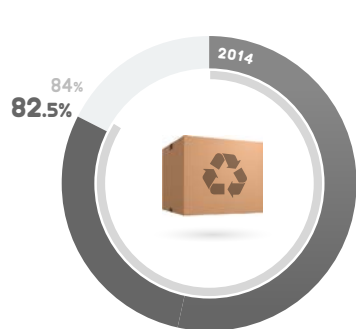
MINT

In 2014, a team of external experts, including leading academics, technical advisors from the Mars Science Advisory Council and other cross-segment specialists conducted a thorough assessment of the Wrigley mint program. They identified priority areas of work to ensure a sustainable supply of mint.

The Wrigley Company Foundation's three-year, \$1 million partnership with Indian education non-profit, Pratham, has reached more than 10,000 children in mint-farming districts in Uttar Pradesh, India. These communities provide many of the raw materials for Wrigley's products. By 2016, we aim to help more than 62,000 young people improve their reading and mathematics skills.

TARGETS AND PROGRESS

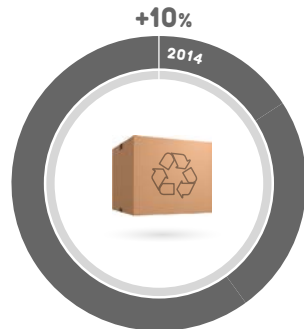
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RECYCLABLE PACKAGING

- Design our packaging to be 100% recyclable or recoverable by 2015

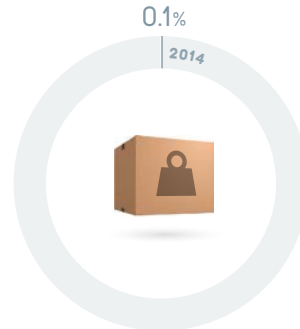
In 2014, 82.5% of our packaging was recyclable or recoverable, where infrastructure exists. Although this is a slight decrease on last year, we are making good progress in this challenging area, and we remain on track to meet our 2015 target.



PACKAGING MATERIALS

- Increase the level of recycled content in our packaging by 10% by 2015, from a 2007 baseline

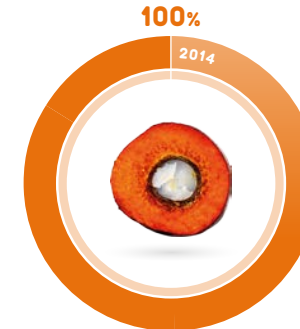
We've achieved our target to increase the recycled content of our packaging by 10%. This year, 36.7% of our packaging is from recycled content, compared to 41.2% last year - but still well above the 10% improvement we set ourselves, and we expect similar results in 2015.



PACKAGING WEIGHT

- Reduce packaging weight by 10% by 2015, from a 2007 baseline

Although not on track to achieve this goal, we have learned many important lessons on the way. We now realize that solely pursuing lighter materials is not always the best option: some packaging materials, while light, can be less sustainable across their life-cycle. We will continue to report on all our packaging targets until 2015, and are exploring the best ways to align them with the impacts-based sustainability framework.



PALM OIL

- 100% from certified sources by 2015

In 2013, we achieved our target of sourcing only material certified via the Roundtable on Sustainable Palm Oil's mass-balance program. We've now gone further, requiring all of our suppliers to demonstrate full traceability and only source palm grown and harvested in conditions free from deforestation. In 2014, 84% of the palm oil we sourced could be traced back to a known mill.



RICE

Currently we purchase less than 0.5% of the total volume of the global rice supply. While our leverage is small, we're working with the industry through the Sustainable Rice Platform to create a more responsible rice supply chain. We're collaborating with peers on the Sustainable Agriculture Initiative Platform's Sustainable Rice Project Group to build scale and maximize the positive impacts of sustainable rice growing practices.



In Cocoa Development Centers like this one, we're working directly with farmers - especially women - and sharing the latest knowledge on agricultural techniques and business skills.

WHAT MUTUALITY MEANS TO ME



Project Maua (see case study, right) empowers entrepreneurs in the slums and rural areas of Kenya by creating jobs to alleviate high unemployment. In return we grow our business by reaching more consumers. It brings to life my understanding of mutuality: social and economic benefits shared among our entrepreneurs, partners and business to create a sustainable business ecosystem.

— SUSAN NJOKI GITHAIGA
Project Researcher and Mars Catalyst Fellow, Wrigley

Empowering women for stronger communities

Helping women is an economic and social imperative. Women play an important role in family farms and improving their productivity makes good business sense. Research shows that women are more likely to spend additional income to help their families and communities on things such as food, healthcare, and education.

program and promotes training and leadership for women farmers.

We became a founding member of the [Coffee Quality Institute](#)'s Partnership for Gender Equality. This is a collaborative research initiative to understand gender inequality in the coffee sector.

In 2014, Grant F. Reid, Office of the President, and Victoria B. Mars, Chairman of the Board, led a discussion on the challenges faced by women farmers, which was chaired by UK Secretary of State for International Development, Justine Greening. Together with senior politicians, industry leaders and civil-sector innovators, they explored opportunities for global organizations like Mars to drive best-practice solutions.

Wrigley has launched Maua, an entrepreneur accelerator program that aims to bring economic and social benefits to people in our value chain in sub-Saharan Africa. Currently, Maua is helping women and other economically disadvantaged people in Kenya build small businesses selling Wrigley products. The program currently supports over 350 entrepreneurs, 30% of whom are women. It is a fantastic example of mutuality in practice - we're expanding the reach of our business, while improving the livelihoods of those in our supply chain.

To help female growers in Côte d'Ivoire improve their crop quality, yields and incomes, Mars Chocolate initiated the second phase of our [Gender Action Plan](#). For example, we're supporting 25 women's groups in cocoa communities to improve their household income and business practices. The Plan is part of our [Vision for Change](#)

Partnering with our suppliers on responsible sourcing

We work with thousands of suppliers globally, who help us source, create, package, and distribute our products. Mars' Responsible Sourcing (RS) program guides our ethics and compliance efforts in this area. It is founded on our Supplier Code of Conduct.

Our RS program helps us ensure that our suppliers are, or will be, compliant with our Code. We conduct risk assessments and credible third parties conduct audits to test for compliance, and provide training and capacity-building opportunities to help our suppliers implement our globally aligned standards. Our approach is to lead by example: we also commission RS audits at our own factories to measure them against the Code. All 116 Mars factories will be audited by third parties by 2016. Many are also certified to Intertek's Workplace Conditions Assessment, which covers labor rights, working conditions, and environmental management systems.

Engaging with suppliers through our RS program helps us work together to improve respect for human rights, support the communities in which we produce, procure or market our products and create mutual benefits for all involved.

In 2014, we coordinated risk assessments with nearly 3,600 direct suppliers and 4,200 indirect suppliers. More than 90% of our

direct, tier 1 suppliers are currently registered in our RS system, and we are exploring the steps needed to roll this out to 100%. The RS system also covers indirect suppliers in high-risk locations. Associates in key buying regions also conduct training sessions. For example, in 2014, RS Associates trained over 150 key suppliers in China and Thailand.

By integrating the Code into our supplier on-boarding process, we reinforce its importance from day one of every new business relationship. We work with our direct suppliers to help them constantly improve, and pay greater attention to those who are at high risk for Code violations. We are also working to ensure that their employees can confidentially report problems. Workers in Russia and China can report violations using an Ethics and Compliance hotline - 24 hours a day, seven days a week. We will offer the hotline in additional countries in 2015.

The challenges we face in the supply chain aren't unique. We participate in an industry forum of consumer goods manufacturers and suppliers, [AIM-PROGRESS](#), to promote RS practices and sustainable production systems. In August 2014, Mars joined five other companies and AIM-PROGRESS to host a RS Forum for over 300 suppliers in Gurgaon, India.

Learn more about RS at Mars on [our website](#).



The Supplier Code of Conduct outlines expectations for Mars suppliers to operate sustainably, treat their employees responsibly, and understand and practice our values.

Our progress on Responsible Sourcing targets

2015 TARGETS:

100% of procurement Associates trained and engaged in our Responsible Sourcing (RS) process.

85% of direct, tier 1 suppliers and 80% of high-risk indirect suppliers complete all RS requirements.

50% of Mars factories externally audited and recognized as high-performing.

PROGRESS:

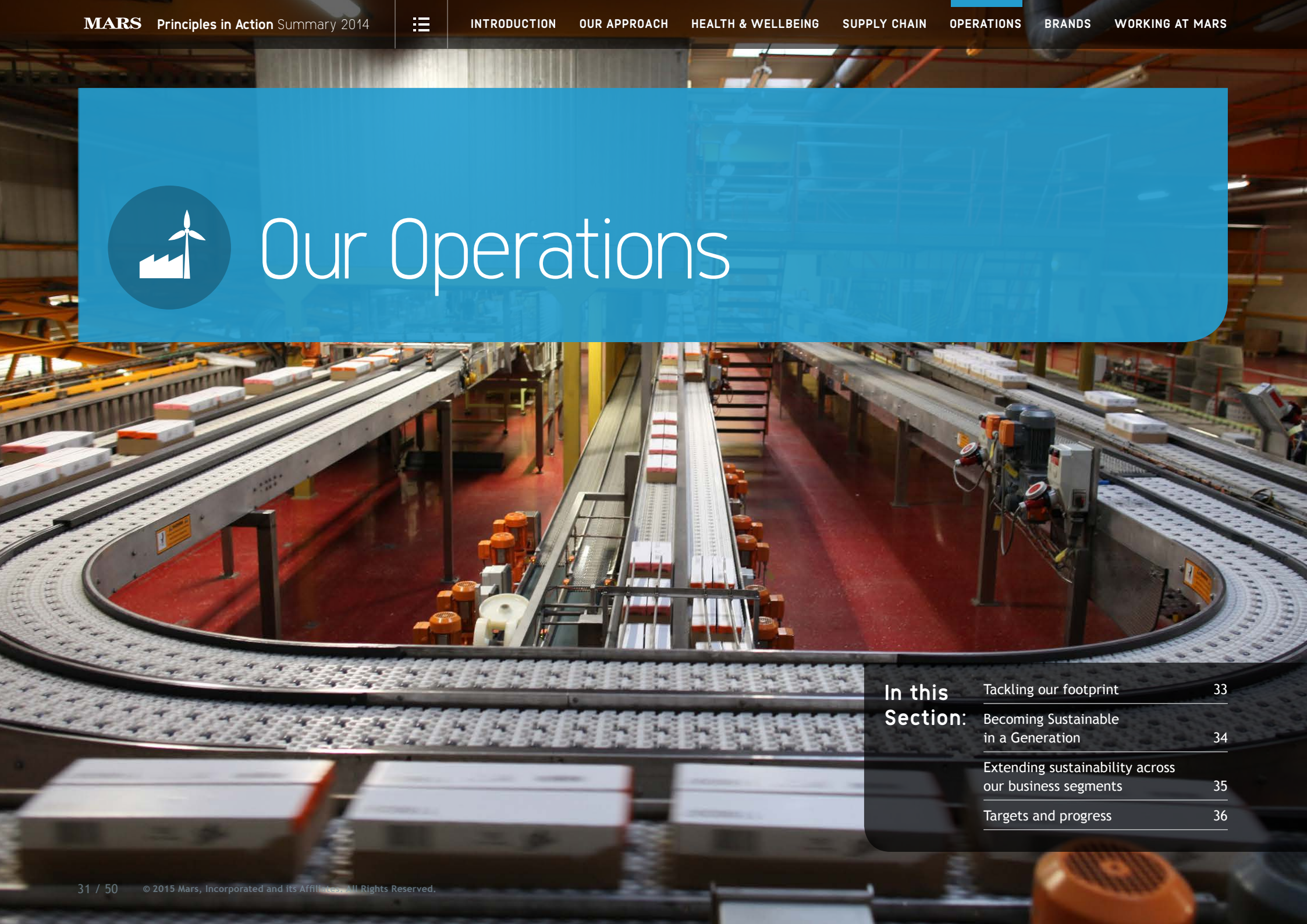
Over 1,000 Associates (including 99% of procurement Associates) completed online training that introduces RS, the Supplier Code of Conduct, and the role of procurement teams. 74% of all Sourcing Managers have completed additional, in-person training.

75% of direct suppliers and 78% of high-risk indirect suppliers completed all RS requirements.

31% of Mars factories completed RS audits - with 97% of these recognized as high-performing by the third-party auditor.



Our Operations



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Our Operations

Our operations - the factories and offices where we make our products and run our businesses - are crucial to achieving sustainable growth. By striving for the highest environmental standards, the Mars family of leading brands can thrive, ensuring prosperity now, and for generations to come.



MESQUITE CREEK

The Mesquite Creek Wind Farm is helping reduce our operations' GHG emissions by 24% and fossil energy use by 12%



ZERO WASTE TO LANDFILL

86 of our manufacturing sites have achieved zero waste to landfill



WALKING THE TALK

SEIZING THE RENEWABLE ENERGY OPPORTUNITY

There needs to be policy action on climate change. As part of our advocacy, we took part in the 2014 NYC Climate Week, and committed to [RE100](#), a new campaign urging businesses to adopt 100% renewable energy. Mars signed up for Business for Innovative Climate and Energy Policy's (BICEP) Climate Declaration and the [Trillion Tonne Communiqué](#), both of which call for government action on climate change. We also joined leading companies to draft and sign WWF and the World Resources Institute's [Renewable Energy Buyers' Principles](#), which sets out to simplify the renewable energy market.

Most importantly, we've taken action to address the way we source energy and tackle GHG emissions. Our 20-year commitment to purchase power from Mesquite Creek Wind, a 118-turbine wind farm in the US, is one example of how we're changing things. The wind farm - a partnership with Sumitomo Corporation of Americas and BNB Renewable Energy - is now providing the equivalent of 12% of our global energy requirements or all our US power needs.



Our operations help us create mutual, sustainable growth, and we're changing behaviors and investing in new machines to reduce our impacts.

WHAT MUTUALITY MEANS TO ME



Mutuality to me is collaboration, reciprocity and true partnership; it is shared risk and benefit to ensure the highest quality product.

— VERNISHA GREENE
Quality Assurance Scientist,
Mars Symbioscience

TACKLING OUR FOOTPRINT

We applaud the ground-breaking 2014 [agreement](#) between China and the US to cap and reduce their GHG emissions by 2030, and look forward to further, bolder actions to tackle climate change.

We are doing our part to shrink the environmental footprint of our factories and offices. Our [Sustainable in a Generation](#) (SiG) initiative, launched in 2007, commits us to eliminating fossil fuel use and GHG emissions from our operations by 2040. We have similarly ambitious targets for waste and water usage.

SiG is smart business: improving energy efficiency and moving to renewable energy reduce operating costs and mean we aren't dependent on volatile energy prices, creating an enduring mutual benefit for Mars and the planet, and ensuring continued growth that we can be proud of.

By changing behaviors and investing in new machinery to use less energy, we decreased our overall GHG emissions by 5% and our fossil fuel use by 9% in 2014, from a 2007 baseline. We estimate that energy-saving measures have resulted in cost savings of approximately 10%, compared to 2007.

Our partnership with Sumitomo in Texas is already delivering significant results - the wind farm now generates energy equivalent to powering our entire US operations.

In 2014, we sent only one-fifth as much waste to landfill as we sent in 2007. Over two-thirds of our manufacturing sites are sending zero waste to landfill.

Our performance on water has also improved, moving from a reduction of 13.6% in 2013 to 15% in 2014, from 2007 levels. We're working hard to meet our 2015 target of a 25% reduction. We are improving processes and increasing the deployment of rainwater harvesting facilities for our offices and factories, for example, at our Pennsylvania Mars Drinks Campus, which has generated savings of 30%.

What we have learned from implementing our 2015 targets will help us set, and achieve, our future goals. For example, while some of our sites have become more energy efficient, others have struggled. To get all our sites on track, we created a playbook to communicate learnings from successful sites to encourage innovation. We also accelerated our work on renewables to meet our fossil fuel use target reduction of 25%. By end-2015, the energy we get from renewables will be almost 300 times what it was in 2007.

BECOMING SUSTAINABLE IN A GENERATION



We developed the Sustainable in a Generation program and targets based on scientific consensus coupled with business feasibility. The program uses four main strategies:

Operating more efficiently

This is the most direct and simple way to improve environmental impacts. By learning how to make smarter use of equipment, Associates can reduce GHG emissions, water use and waste, and improve energy efficiency. For example, over 70% of our Petcare facilities have organized workshops for Associates to brainstorm new energy-saving ideas and work together to find solutions. The results have been impressive. In many sites, new energy metering has increased awareness and changed behaviors, helping them to double their production capacity, without increasing energy and water use. Workshops will be rolled out to all Petcare sites in 2015.

Getting more from our capital assets

By upgrading equipment, we increase efficiency and cut emissions and waste. Our Mars Chocolate plant in Viersen, Germany, found a creative way to recover waste heat from the site cooling system using a heat pump. This conserves water and reduces steam consumption on the site. Lower steam use has allowed us to install smaller, more efficient boilers - saving not only energy but also capital costs.

Using new technology to improve sustainability

Innovation plays an important role in how we run the business and make products. Better packaging and food processing techniques, for example, help boost production, minimize waste and save resources. Many food processes involve multiple steps - from wetting and drying to heating and cooling - so we're exploring ways to streamline these cycles.

Increasing our use of renewable energy

We're embracing wind and solar energy, and working with other companies to improve market conditions for renewable energy use. We look for sources that cost the same as conventional energy, and then work with third parties to switch to renewable supplies. For example, Mars Chocolate in Haguenau, France, uses steam generated from a nearby waste energy facility to meet 90% of the site's heating needs and lower energy-related GHG emissions by 60%.

EXTENDING SUSTAINABILITY ACROSS OUR BUSINESS SEGMENTS

Our sustainability ambitions are brought to life across our diverse businesses. While each faces distinct challenges, our segments work together to make changes happen. Examples include:

Mars Petcare

In 2014, Mars Petcare sites reduced water use by 18% and waste to landfill by more than 70%, from 2007 levels. In China, the Beijing Water-Saving Enterprise recognized our Mars Petcare factory in Huairou for a number of water-conserving initiatives. The site reduced its water use by 16% by recycling water used for sterilization and cooling, installing shower upgrades, and harvesting rain water. In Australia, Mars Petcare received a Green Globe award from the New South Wales Government for efforts to achieve zero waste to landfill.

Mars Chocolate

Mars Chocolate has reduced its waste to landfill by 94% since 2007. By February 2015, all of Mars Chocolate's 10 manufacturing operations in North America were sending zero waste to landfill, joining several other regions, including Europe and Asia. All but one Chocolate site now send zero waste to landfill. To achieve this, we focused on creating efficient operations, adopting recycling programs for as many waste

streams as possible, and developing relationships with waste management companies who share our views.

Mars Drinks

Mars Drinks sends zero waste to landfill, and our fossil fuel use and water consumption have dropped by 23.3% and 61% respectively, since 2007. Our new headquarters in West Chester, Pennsylvania, received ISO 14001 environmental management certification in 2014, and will be entered for LEED Gold certification in 2015.

Covering over 195,000 square feet, the collaborative working space and factory boast innovative features such as rainwater harvesting and electrochromic glass - also known as smart glass - that automatically dims during daylight hours to reduce cooling costs. The building was fabricated using sustainable materials sourced within 200 miles of West Chester, and was designed to accommodate renewable energy solutions such as solar panels, for when prices become competitive in the local area.



Becoming Sustainable in a Generation calls for effort from all our segments. The new Mars Drinks campus in Pennsylvania, pictured here, is one example of our next-generation green buildings, along with our new Petcare Innovation Center in Tennessee, and Chocolate factory in Kansas.

MAKING US PROUD



We were awarded Best Private Company, for the second year in a row, at Ethical Corporation's Responsible Business Awards - largely due to our 'no deforestation' policy and plans to construct a 200MW wind farm in Texas.



Our sustainability ambitions are brought to life across our diverse businesses. Our factories around the world - including in Belgium, pictured - are innovating to reduce their environmental impacts in line with our Sustainable in a Generation targets.

Wrigley

In 2014, Wrigley reduced fossil fuel use by 12% and water consumption by 24% from 2007. We expect to meet our zero waste to landfill target in 2015, with only four out of our 22 sites yet to meet this objective. Wrigley has focused on reducing energy use through capital investment and operational efficiencies. In 2014, our St. Petersburg facility in Russia installed a flue gas heat recovery system, reducing natural gas energy consumption by approximately 6% per year.

Mars Food

Mars Food decreased waste to landfill by 79% from 2007 to 2014, even while production volumes increased. In the UK, we received approval to build a new LEED Gold standard office complex at Kings Lynn in Norfolk.

We made significant progress on our CDP climate reporting score, from 70C in 2013 to 95B in 2014. This demonstrates our commitment to be transparent about our carbon emissions and our strategies to reduce our carbon footprint.

TARGETS AND PROGRESS



WATER USE

TARGET: Reduce water use by 25% by 2015 from a 2007 baseline.

PROGRESS: Water use has decreased by 15% between 2007 and 2014.



FOSSIL FUELS

TARGET: Reduce direct fossil fuel energy use and GHG emissions by 25% by 2015 and by 100% by 2040 from a 2007 baseline.

PROGRESS: Fossil fuel based energy use reduced by 9% and GHG emissions by 5% between 2007 and 2014.



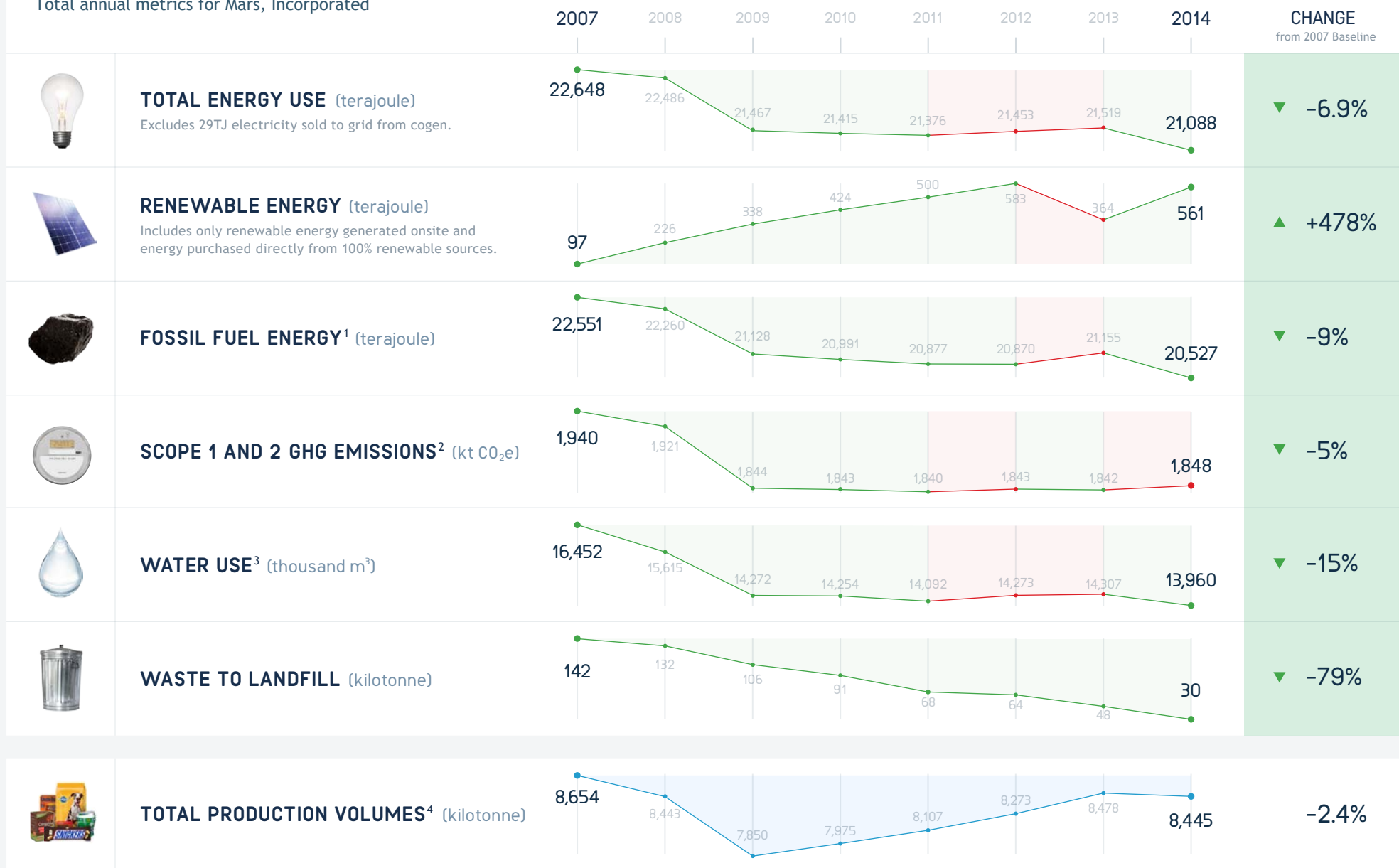
WASTE

TARGET: Achieve zero waste to landfill by 2015.

PROGRESS: Waste to landfill has reduced by 79% between 2007 and 2014. 86 of our sites achieved zero waste to landfill in 2014.

SUSTAINABLE IN A GENERATION PROGRESS

Total annual metrics for Mars, Incorporated





Our Brands



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M Our Brands

Our brands support our growth, project our values, and help us connect with our consumers worldwide. Through our commitment to responsible communications and sustainable innovation and our support for important causes, we're using our brands as a force for good.



MARS MARKETING CODE 3.0

We released the third edition of the Mars Marketing Code to strengthen our commitments to our consumers



CAUSE MARKETING

We used our cause marketing business model to connect our brands and our consumers with five global causes



WALKING THE TALK

CARING FOR CATS, BIG AND SMALL

Wild tiger populations have plummeted by over 95% in the last century. Fewer than 3,200 are alive today - less than the number of captive tigers in the US.

As cat lovers, this matters to us, and to our consumers. WHISKAS® has partnered with the WWF's Tigers Alive Initiative to double the number of tigers in the wild by 2020 by combating poaching and through fundraising. The initiative has generated over \$1.5 million toward projects that target 12 of the world's most hostile environments for tigers.

This partnership encourages consumers to show their love for cats, big and small, by making donations and by purchasing special WHISKAS® products. It is a great example of our approach to strategically use our marketing to engage consumers on global causes that grow our brands and have a real, measurable impact for the causes we support.

[Read more](#) about the amazing volunteers, workers and community groups behind the WWF tiger campaign.

DELIVERING BRANDS WITH STRONG VALUES

Mars owns hundreds of brands that bring happiness to millions of people and pets around the world. As we grow, we want to use the scale and reach of our brands to bring lasting change.

We're improving the sustainability of our business, right down to the way we package our products. Some of these improvements relate directly to our brands, and address specific concerns of our consumers. For example, LIFE SAVERS® mints no longer have an additional paper label on the roll packs sold in North America - reducing the brand's paper use by a quarter. We've also invested time and thought into how the plastic materials used in our disposable KLIX® cups contribute to our overall carbon footprint. By adjusting the way we make the cups, we have reduced their carbon footprint by 6%, and our FLAVIA® and KLIX® drinks machines now consume nearly 22% less energy than in 2010, putting us on track to meet our 25% reduction goal in 2015. Using sustainable innovations, we plan to deliver our well-loved brands, while bringing cost and energy savings to our business and inspiring industry change.



We sincerely believe that business has an important role in bettering the world today and for future generations.

– STEPHEN BADGER
Mars Board Member

Although we can't completely control how our products are used, we can help drive consumer preference for more sustainable alternatives, and promote engagement in good causes through our marketing communications and brand partnerships. SHEBA® remains the only mainstream cat food brand in the US to offer responsibly-sourced fish meals through its work with the Monterey Bay Aquarium's Seafood Watch® program.

Underscoring our actions is our unwavering commitment to responsible consumer communications. We strengthened it in 2014 with the third edition of the [Mars Marketing Code](#) (MMC) and our rigorous compliance process.

COMMUNICATING RESPONSIBLY

It's a fact - children love chocolate. But they may often be blissfully unaware of how much of it they should or shouldn't eat, and may not fully understand how marketing works.

This is why we don't target advertising to children under 12, and don't feature children under 12 eating snack foods or advertise on websites aimed at those under 13. We never use children as spokespeople for our brands and ban the use of celebrities and licensed characters aimed at children.

No matter where and how we communicate, it is important that we comply with the law and our voluntary commitments. Our updated global MMC lays out our marketing commitments for all Mars food, chocolate, confection and gum products. We refresh the MMC every three years to ensure we continue to lead where it matters most.

The MMC features new, industry-leading commitments that extend globally across all media channels and consumers. They include providing nutritional information on the front of product packs, limiting new

chocolate and confectionery portions to less than 250 calories, and prohibiting joint promotions with alcohol and tobacco brands.

Our global network of Responsible Marketing ambassadors support MMC deployment, training and governance at regional levels. We annually require all marketers, sales Associates and external agency partners to pass the MMC "Driver's License" (an online test) before marketing our brands.

We participate in over 50 voluntary industry pledges on responsible marketing. For example, we have signed up to the EU Pledge and the International Food & Beverage Alliance's (IFBA) Global Policy - which aim to change the way food and beverage companies advertise to children. In 2014, our branded websites achieved 100% compliance with the EU Pledge for the third consecutive year. We were 97.4% compliant against our goal of not advertising on television if more than a quarter of the audience is likely to be under 12.

In 2014, our online and print advertising activities were 100% compliant with the IFBA Global Policy. We also achieved

94.2% compliance for our TV advertising in China (Beijing), Colombia, India, Malaysia, South Africa, Turkey and the UAE. Where we have not complied, we take corrective action to ensure it does not happen again. In line with the IFBA's renewed commitment on product formulation and innovation, Mars also published a statement detailing its relevant goals and progress, available on the [IFBA website](#).

The Mars Marketing Code is our way of checking we always communicate responsibly. It's updated every three years, and we make sure all relevant Associates are trained on how to apply it.

LEVERAGING OUR BRANDS FOR GOOD

We know that the power of our brands can be used to create mutual benefits, but creating engaging campaigns that benefit our business and our charitable partners can be a challenge. We are proud to have made significant progress. We have moved from only short-lived campaigns that made small contributions to good causes to include long-term, global activity that enhances our brands and benefits society.

After years of trial - and some error - our new cause marketing business model outlines a successful and scalable method for investments and partnerships. The secret? Starting with what makes each of our brands special. We match these qualities to causes that resonate with our brand ethos. We then bring our marketing or advertisements to life through emotionally engaging content to deliver mutual, sustainable growth - for us, and our partners.

The WHISKAS® and WWF partnership to support the Tigers Alive Initiative ([see case study](#)) is one such example. WHISKAS® is all about helping cats, and WWF's program was a natural fit, not least because our sustainable sourcing policies on palm oil and seafood align closely with WWF's values.

In 2014, we met our target to support five global causes with campaigns that resonate with our brands, Associates, our retailers and our consumers. These campaigns help improve our brands' sales and benefit our wider communities.



WHAT MUTUALITY MEANS TO ME



Mutuality means thinking "win-win-win" throughout every relationship process. Asking yourself, "Why not?" is a good start in terms of attitude and commitment.

— MIKE TOLKOWSKY
Director of Global Sales,
Mars Chocolate

TARGETS AND PROGRESS



CAUSE MARKETING

TARGET: Have cause marketing campaigns in place for five of our global brands by the end of 2015.

PROGRESS: Launched five campaigns: Ben's Beginners™, EXTRA® Chew for Change, WHISKAS® Tigers Alive, PEDIGREE® Adoption Drive™, and GALAXY® (RED).



25% ENERGY REDUCTION

TARGET: Reduce average FLAVIA® and KLIX® drinks machine base energy consumption by 25% by 2015 from a 2010 baseline.

PROGRESS: Machine base energy consumption has reduced by nearly 22%.



NO ADVERTISING TO CHILDREN

TARGET: Not to advertise our products on television if more than 25% of the audience are children under the age of 12.

PROGRESS: Achieved 97.4% compliance in 2014, as assessed by the EU Pledge.

TARGET: Not to advertise on websites aimed at those under 13.

PROGRESS: Achieved 100% compliance in 2014.



CASE STUDY

CHEWING FOR CHANGE!

Wrigley is committed to making a real contribution to the oral health of the world. Now consumers in Sweden and Norway can improve their oral health and help children in Ghana through the EXTRA® Chew for Change campaign. Through donations made possible by purchases of EXTRA® gum, Chew for Change funds oral health programs and the running costs of SOS Children's Villages, an NGO that provides safe havens for orphaned and abandoned children.

Since the program's launch in 2013, over 36,000 children have been taught about the importance of brushing (two minutes, twice a day!) through hands-on training, and provided with toothbrushes and toothpaste. It's a great way to boost our sales and our contributions. Inspired by this success, an Oral Care doing good marketing initiative will be launched globally. Called the "Smile Back Project", this will help millions of children around the world smile confidently back at the day.



CASE STUDY

GIVING SHELTER DOGS A BETTER FUTURE

Millions of dogs in the US don't have a home or family, depending on shelters for food, warmth and the hope of adoption.

Actions driven through our PEDIGREE® brand are improving the living conditions and health of these dogs through volunteering and food donations. To raise awareness and encourage support, the PEDIGREE® See What Good Food Can Do™ campaign brought to life the challenges shelter dogs face - and the positive impact PEDIGREE® can have in helping them find a new, permanent home.

In 2014, we donated more than three million pounds of petfood through the PEDIGREE® Shelter Feeding Project and the Mars Petcare Food Donation program, in partnership with Rescue Bank, a US petfood distribution organization. We encourage Associates and our communities to volunteer in the PEDIGREE® Shelter Renovation Project, in partnership with GreaterGood, an NGO. We're incredibly proud that this project has transformed at least one shelter in every state in the continental US - helping dogs and their dedicated caregivers.



CASE STUDY

COOKING UP FOOD AND FUN

Put on your aprons!

Research shows that cooking together helps families build healthier relationships with food and each other. It is also an important step to tackling childhood obesity and declining rates of cooking at home.

Families can now tune into [Ben's Beginners™](#), our online family cooking channel in the UK. Along with delicious cooking classes, the channel features self-submitted videos that show how families like to prepare and enjoy UNCLE BEN'S® rice. Launched in the US in 2013, the campaign is now making a difference in over 10 countries including the UK, France, and Germany. Ben's Beginners™ videos have had millions of views worldwide. That means thousands of families are now coming together to cook, eat well, and have fun.



Working at Mars



A team of over 200 Wrigley Associates in Poland helped to restore a local forest by cleaning litter and preparing the trees for winter.

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Working at Mars

If we want to grow our company, and be proud of our success, we've got to take care of our own people, develop their talent and provide a great place to work. Every day we work hard to make sure that Mars is safe, healthy, happy and successful for all of us.



480,000 HOURS TRAINING

We delivered more than 480,000 hours of training through the Mars University



VOLUNTEERING HOURS

Associates contributed more than 85,000 hours to the Mars Volunteer Program, and 5,000 hours to the Mars Ambassador Program



WALKING THE TALK

FROM TIGERS TO CORAL REEFS

Cindy Jiang, a Mars Petcare Associate, will never forget the tigers she saw in Nepal as part of the Mars Ambassador Program (MAP) in 2014. Cindy used her financial planning skills to support the WHISKAS® and WWF Tigers Alive Initiative, which works to protect the world's few remaining wild tigers. The experience made her more proud of working at Mars.

Also through MAP, Mars Associates from around the world have been rehabilitating coral reefs damaged by destructive fishing practices in Pulau Badi, Indonesia. We even received on site help from US Senators John McCain and Sheldon Whitehouse, and the US Ambassador to Indonesia, Robert Blake, to work alongside us last August. More fish are returning, which is good for the planet and for the community whose economy depends on fishing.

The MAP program provides opportunities for Associates to work with key partners, while developing their skills and supporting our sustainability initiatives around the world. It's a great way for us to work better, learn more, and make a difference in our communities.

STRIVING TO CREATE A GREAT WORKPLACE

We're proud of the 'Associate concept' - our belief in a shared, mutual relationship between all Mars Associates. Our aim is to create mutual benefits for the company, each other, and the planet. As Associates, we work *with*, not *for*, the company because we are more than employees. We are stakeholders in our business, and take responsibility for our results. And in return, we are trusted and respected as individuals who will create growth that is sustainable and mutual.

Keeping all Associates engaged, healthy and safe

We are rewarded through competitive pay and benefits for great performance - not for length of service, age, gender, ethnicity, sexuality, religion or physical ability. Our collaborative way of working isn't hindered by hierarchy - everyone at Mars sits side by side in our open plan offices, including our senior leaders. This reflects our egalitarian culture and improves how we work together as teams.

The Mars culture is one of open and honest dialogue between line managers and their teams. To understand how more than 75,000 Associates around the world feel about Mars and our work, we conduct an annual [Associate Engagement Survey](#). In 2014, the results show that 72% of Associates feel connected, committed and enthusiastic about their work, compared with 70% in 2013. Leaders across the company use the results to improve how we work, and together with their teams, generate impact plans that create a focus on engagement all year round. We have already made big progress, with continual increases year-on-year. Since 2012, we have risen from the 67th to 72nd percentile of Gallup's engagement survey.

WHAT MUTUALITY MEANS TO ME



Through a Mars Volunteer Program event at a local dog shelter, my family adopted Louise, a 12-year old bichon. She comes to work with me every day - it makes her happy and me as well, and she spreads joy in the office with her funny ways! Mutuality to me means being able to do what I love, while giving Louise a happy life and bringing a smile to Associates' faces too.

— KATHY HEUNGENS
Corporate Affairs Director,
Mars Multisales



Associates from all our segments including Petcare, pictured here, are getting involved in the Mars Volunteer Program, which gives them a paid day off to give back to the community.

MAKING US PROUD

global action platform
food+health+prosperity

We were recognized for our efforts to seek mutual benefits for our stakeholders with the Global Shared Value Award, the first of its kind, from the Global Action Platform, a collaborative center that works to improve sustainability.

Open, candid dialogue with line managers and management is always encouraged. But, in the event one of us feels like we need a confidential ear to discuss concerns about our work and get advice, we use our Ombudsman program, which reports directly to the Office of the President. Created and developed by Victoria B. Mars, Chairman of the Board, in 1997, the Ombudsman is informal, confidential, independent and neutral. It aims to improve our working environment by listening to Associates, providing information, as well as coaching, facilitation and mediation services. It helps us feel more like a small business, even as we continue to grow globally. In 2014, 1,693 Associates contacted the Ombudsman advisors, which was similar to the 1,603 Associates that contacted them in 2013. Their feedback, via the Ombudsman report, was passed on to the Mars Leadership Team and the Mars family, who use this data to gauge how effective we are at creating an engaging workplace. The Ombudsman's Annual Report, which is available to all Associates, also highlights the key feedback received from Associates throughout the year.

We respect and protect the privacy of all Associates through our Global Data Privacy Program and training on how to handle each other's personal data.

To keep each other safe and healthy, and minimize risk to our business, we're working hard to become an incident-free workplace. We reinforce safety as a responsibility shared by all Associates, regardless of our role, and we deploy safety management systems designed to set high standards for all our sites around the world. Senior business leaders sit on the Mars Safety Council, which works

with the Global Safety Leadership Team to track progress toward our safety objectives.

TRAINING, DEVELOPING AND RECRUITING THE BEST

Right from the start of our careers, we're introduced to The Five Principles through our Essence of Mars training. After that, we're expected to shape our future by taking on new assignments, developing our functional and leadership skills through training offered by Mars University, and building a rich and varied career by moving between functions, segments and geographies. Associates are constantly challenged to learn by broadening our experience and skills.

In 2014, 64.4% of us completed the Essence of Mars training within six months of joining the company, a 16% increase from 2013. The Mars University delivered more than 480,000 hours of training to 30,000 Associates worldwide.

Every Mars segment delivers a global curriculum on the segment's business, brands and their sustainability efforts through internal academies. Building on the success of Petcare and Drinks Academies, the Mars Food Academy launched in 2014.

Wrigley Go Green teams around the world hosted learning events at 47 sites to educate Associates about the importance of sustainability. The Wrigley Company Foundation multiplied their efforts by matching each event with a \$1,000 donation, for a total of \$47,000, to the Foundation for Environmental Education (FEE), an NGO that promotes sustainable development and positive environmental



Victoria B. Mars delivered the keynote speech at the 2014 Great Place to Work conference. [Watch the video.](#)



CONTINUING TO BE A GREAT PLACE TO WORK

We aren't in this to win awards. But we must admit: we love it when Associates share how much they enjoy working at Mars.

This positive feedback contributed to Mars being named a Great Place to Work® in more than 20 countries. We've been recognized (for the fourth year in a row) as one of the Top 25 World's Best Multinational Workplaces, by the Great Place to Work® Institute and as one of the top 15 US manufacturing and production employers through the [Great Place to Work® Great Rated!](#)™ employee survey. We also won the 2014 Gallup Great Workplace Award for the sixth time, and were ranked 76th in the 2014 Fortune 100 Best Companies to Work For® list.



Associates are what make Mars, Mars. They are our family.

— VICTORIA B. MARS
Chairman of the Board,
Mars, Incorporated



A BETTER WORLD FOR PETS™

We love pets. Have we said that before?

And it's visible in everything we do at Mars Petcare. Especially in our offices where Associates can bring their pets to work, as part of our pet friendly work environment, which contributes to the 'Positive Experience of Having a Pet'.

At Mars Petcare, we know pets make people's lives better. Research shows that pets can reduce stress levels and, in some cases, improve productivity. Around 50% of our sites allow pets onsite, and of those that don't, 35% are planning to do so in 2015.

In their first year, new Petcare recruits learn about our products, brands and business in our Better World for Pets workshop, delivered through our global Petcare Academy, which trains Associates to keep pets at the heart of everything we do.



change through education. The program ultimately reached 11,775 students.

We invest in our facilities to make them better work environments to help our teams excel. That's why we have invested in state-of-the-art facilities in Pennsylvania and Mississippi in the US, Pune in India and King Abdullah Economic City in Saudi Arabia. As well as providing new jobs and contributing to local economies, they will help us build our research, development and innovation capabilities.

We also work to inspire and educate young people, and nurture potential future Associates. Mars UK hosted workshops for 70 unemployed people across four sites, as part of Feeding Britain's Future, an industry initiative that helps participants improve their resumes and interview skills and get ready for the world of work.

Because we want more women to pursue engineering and manufacturing careers, Mars Chocolate UK has been working with the Food and Drink Federation and youth skills initiative, MyKindaCrowd, to host opportunities for female students aged 16-18 to visit our sites. To give them first-hand experience of what it's like to work at Mars, Associates who work in engineering and quality asked students to use their science, technology, engineering and mathematics skills to solve real-life challenges from our factories.

TARGETS AND PROGRESS



FEMALE MANAGERS

TARGET: Increase the percentage of Mars managers who are women and the percentage of women at more senior levels (ongoing target).

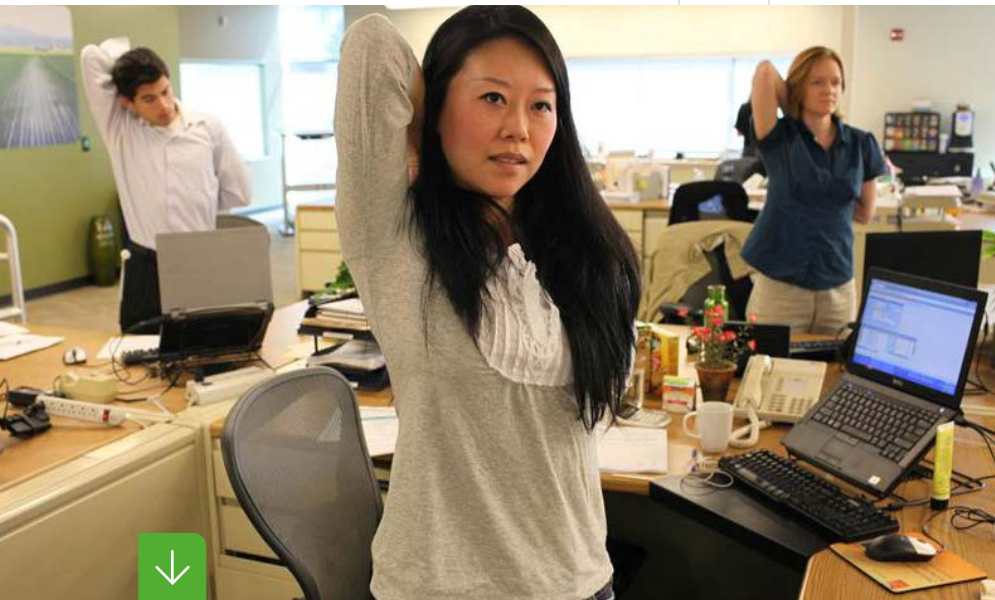
PROGRESS: The proportion of women in management was 40% in 2014, and 28% of senior leaders were women.



ASSOCIATE ENGAGEMENT

TARGET: Score in the top 80th percentile of companies that use the Gallup engagement survey; in other words, we want Associates to feel more engaged than employees in 80% of the other companies that Gallup rates.

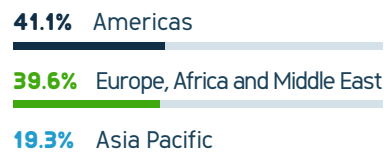
PROGRESS: Scored in the 72nd percentile in 2014.



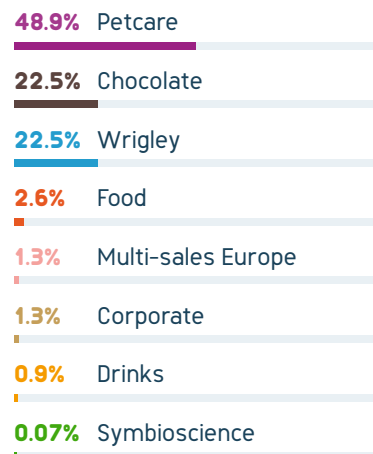
Keeping fit is important, even in the office. We offer a variety of fun, effective health programs for Associates, wherever they are in the world.

ASSOCIATES AROUND THE WORLD

By Region



By Segment



Helping Associates lead healthier lives

For our business to be successful, we need people who are motivated, productive, happy, and healthy. We're committed to achieve this by helping Associates improve their nutrition, diet and activity - and we're seeing great results.

One such program is HealthTracks, which helps our US Associates assess, understand and manage their health risks. We found many cases of high blood pressure and launched a three-year effort to encourage Associates to stop smoking, focus on good diet and nutrition, and visit the doctor more often. These efforts help to improve productivity and reduce absence days. For example, the duration of absences across Mars were 20 days shorter than the US national average.

Health results have also been improving. Our annual health and wellbeing scorecard - validated by third-party experts - shows that the Associates who took the HealthTracks assessment and participated in Mars wellbeing programs have improved their health metrics in most categories. Blood pressure awareness was up by 38%, and since 2011, participants' average blood pressure improved by 10%. More than 80% of them are now sticking to their medication programs, compared with around 60% before.

Being healthy is about having fun, too. The Go Mars Challenge encourages Associates to get healthy by competing in teams to improve their diet, nutrition and physical activity levels.

We want to constantly improve the tools we provide to help Associates achieve better health. We've been using WorkHealthy America, a tool from workplace health NGO, Prevention Partners, to assess our US workplaces since 2012. In 2014, 56 sites across all Mars segments received feedback on how to improve workplace wellbeing, and many were recognized for great performance.

The next step is to develop a global Associate health and wellbeing strategy. In May 2014, we contracted Prevention Partners to develop a global, web-based application to assess, implement and maintain healthy worksite environments and policies. The pilot phase looks at 13 Mars Chocolate sites, including in India and the UK, and will help inform our global strategy on Associate health and wellbeing.

Volunteering in our communities

MARS VOLUNTEER PROGRAM

Not all learning and development happens at work. In 2014, nearly 21,500 Associates around the world got paid time off to spend over 85,000 hours volunteering locally through the Mars Volunteer Program (MVP). They gained unique experiences they'll remember for life, while testing their skills and positively impacting around 85,000 people and 28,000 pets. Here are some of the many great programs:

- Around the world, Mars Petcare Associates participated in MVP by renovating shelters, educating children on the importance of responsible dog ownership, providing health checks for pets and hosting adoption drives to find loving homes for shelter animals. More than 1,000 Associates from our BANFIELD® Pet Hospital took part in MVP - a 229% increase on 2013.
- Mars Chocolate Associates in Steinbourg, France, gave back to their community through inspiring activities: renovating the bedrooms of children facing social challenges; gardening for a retirement home; loading a truck with 12 tonnes of second-hand clothes for those in need in Ukraine; and supporting a community group that helps the homeless.
- Over 23,000 people were impacted by the generosity of the global Wrigley team. Associates in the US assembled over 16,000 oral care kits for children in need; in Kenya, we helped establish dental clinics to reach those without access to oral care; and a dynamic team in Germany provided oral health education to Special Olympic

athletes through the German Special Smiles program, where the Wrigley Company Foundation is a lead supporter.

- Mars Symbioscience Associates volunteered at local food and animal rescue centers, as well as a homeless shelter for families in crisis. Associates also donated 2,300 pounds of food, clothing and other basic necessities to a homeless shelter.

MARS AMBASSADOR PROGRAM

Nearly 90 Associates spent 5,496 hours working on 25 assignments in communities around the world, including:

- Mars Food Associates in the UK partnered with Urban Food Routes to train four small food enterprises in London. The program teaches improved conflict resolution, customer service, finance, marketing, and sales. Associates also helped to organize a recruitment event to help young unemployed people find jobs with local entrepreneurs.
- Nine Mars Drinks Associates worked with Living Earth, a local NGO, and The Ethical Tea Partnership, to support the Makomboki Tea Factory in Kigumo Village, Kenya. They explored alternative energy options to help reduce the factory's carbon footprint and combat deforestation. By introducing a biofuel briquetting scheme, the factory will save an estimated \$350,000 a year, part of which will be used to support a community social fund for local initiatives.



Working at Mars means being part of a global community. Through volunteering in the Mars Volunteer Program, Associates bring mutual benefits to our local communities.

Mars Volunteer Program: engagement and impact

238
sites around the world

85,000
people impacted

21,422
volunteers

28,000
pets impacted

85,418
hours volunteered

We want to hear from you

Your feedback is very important to us. For any questions or comments about our Principles in Action Summary, please contact us at www.mars.com/contact-us.

For additional information, to view previous reports or to provide comments, visit www.mars.com or follow us at [Twitter/Marsglobal](https://twitter.com/Marsglobal).

www.mars.com



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 [assurance statement](#) 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 2014 calendar year. Examples from other years have also been included to give a more complete picture of our work.

Environmental data for our factories is based on actual figures, while data for most offices is estimated. 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.

NOTES

The WWF trademark is registered in the United States and owned by the WWF - World Wide Fund for Nature.

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