Principles in Action
Summary 2013
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Welcome to our 2013 Principles in Action Summary, a review of our progress during the year toward our business objective: to create a mutuality of benefits for all stakeholders. This report provides examples of how we are putting our Five Principles of Quality, Responsibility, Mutuality, Efficiency and Freedom into action to make a difference to people and the planet through performance.

Visit the Mars website to learn more about our wider efforts to improve health and wellness, sustainability and why Mars is such a great place to work.

Our Principles in Action Summary has been externally assured by Corporate Citizenship in keeping with the Accountability Assurance Standard (AA1000AS-2008). Corporate Citizenship’s assurance statement details their review of our performance and reporting. Selected environmental data have been assured by Lloyd’s Register Quality Assurance, Inc. (LRQA). Both assurance statements are available on our website.

Reporting Scope and Data
Our Principles in Action Summary covers the global activities of Mars, Incorporated and its business segments: Petcare, Chocolate, Wrigley, Food, Drinks and Symbioscience. It describes our performance in the 2013 calendar year. Where appropriate, we include examples of activities and case studies from other years to provide a more complete picture of our work.

Our most recent performance data is for the 2013 calendar year in all cases. Financial values are United States dollars (US$) unless otherwise stated. Financial values are United States dollars (US$) unless otherwise stated.
MARS IN A MOMENT

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

- Forrest E. Mars, Sr. 1947

We strive to do this by putting our Five Principles into action every day to make a difference to people and the planet through our performance.
Almost every second of every day, someone buys a Mars product. That might surprise people. But, the fact is that we operate in 74 countries, have diverse consumer businesses in petcare, chocolate, gum and confections, food, and drinks, and make some of the best-loved brands in the world. Everyday consumers choose our brands because they trust they will get the very best quality and value.

But earning trust as a business requires more. Almost 70 years ago, Forrest E. Mars, Sr. clearly and simply set out his objective for Mars, Incorporated. His definition of success was manufacturing and distributing our food products in a way that created a mutuality of benefits among all of our stakeholders. He was a man ahead of his time.

Since then, it has been our challenge to live up to this ambition, by putting our Five Principles; Quality, Efficiency, Responsibility, Mutuality and Freedom into action in our interactions and operations - and in the process generating genuine, mutual benefits for people, pets and the planet.

Mutual and Enduring Benefits

Our consumers - both people and their pets - get both nutrition and pleasure from our products. Our Associates thrive in an uncommon work place built on a commitment to collaboration, development and responsibility. Our communities benefit from our investments in our operations, the jobs we create and the difference that Mars Associates make in their own home towns. The suppliers and farmers in our value chain derive benefit from our economic relationships and our partnerships to adopt more sustainable practices that improve quality of life, and safeguard valuable natural resources.

For example, in 2014, we opened a new Chocolate manufacturing plant in the U.S.. In doing so, we created more than 200 jobs. In the past three years we’ve created similar opportunities around the globe by opening six new sites for Wrigley, Petcare and Chocolate across China, Russia, and Saudi Arabia.

In addition, across our communities in 2013, Mars Associates gave nearly 70,000 volunteer hours through our Mars Volunteer Program, positively impacting nearly 28,000 people and over 5,000 pets around the globe.

Addressing our Challenges

Of course, Mars is also facing substantive challenges in our efforts to be a sustainable business. To that end, we focus our attention and long-term investment on those areas of challenge that Mars shares with society and where we can make a meaningful difference in driving positive change based on our resources and capabilities. As I’ve noted in previous years’ publications, these include: reducing the environmental footprint of our operations, ensuring sustainable sourcing of our ingredients and, looking at the role of our portfolio in addressing nutrition and obesity.

We believe that collaboration is key to finding solutions to the challenges Mars and society share. So, Mars programs are built on partnerships with Governments, NGOs, academic institutions and industry peers. We are, for example, working with partners to build a comprehensive sourcing strategy that will include impact-based targets, such as eradicating deforestation completely within our supply chain and improving long-term economic conditions for the farmers we rely on for many of our inputs.
Another key goal is eliminating 100 percent of our operational greenhouse gas emissions by 2040. I’m pleased to say we have taken a big step forward on that through investment in a new wind farm in Texas. This wind farm has the promise of generating electricity from renewable sources equivalent to all electricity needs of our U.S. operations, comprised of 70 sites, including 37 factories and 25,000 Associates. In doing so, it represents the biggest long-term commitment to renewable energy use of any food manufacturing business in the United States and we hope we will be joined by many others.

On the nutrition front, we continue to refine the profile of our products, ensuring they can be enjoyed as part of a balanced diet. This includes reformulating brands to reduce sodium and unhealthy fats, as well as expanding our offerings to include more healthy options. At the same time, we are working with governments and academic institutions on food security and improving health and wellness on a global scale.

We do not always achieve what we set out to do. We are disappointed to have missed 2013 targets in certification of coffee, and we are re-evaluating our packaging sustainability work streams. And, while we are close to bringing all our confectionery products down below 250 kcal per serving, we still have work to do there to fully meet that goal. We’re working hard to learn and improve from these missed opportunities.

In other areas, we can proudly declare real progress. In fact, we recently launched a Global Food Safety Center expected to open in Huairou, Beijing, China, mid-to-late 2015. The state-of-the-art food safety center will be the first of its kind for Mars and one of the first facilities dedicated to food safety research and training in the region and the industry.

Looking to the Future

Mars, Incorporated has taken some big steps over the past 10 years. Exciting new developments in 2014 will accelerate this progress. Our 75,000 Associates make our progress possible, as they work tirelessly to develop, refine and implement the strategies that are critical to ensuring our success as a sustainable business. Earlier this year, I announced my retirement, planned for the end of 2014. I am very proud of the progress we’ve made while I was President. I am also very confident that my successor, Grant F. Reid, will be fully committed to advancing our progress.

As our company grows, so will the social and environmental challenges it faces. We must continually use our inherent strengths – our Five Principles, our expertise in areas like science and food security, our passionate and committed Associates, our network of external partners and our freedom as a successful, private company – to live up to the mission and purpose set by Forrest E. Mars, Sr. so many decades ago and carried forward by the Mars Family and Mars Associates today.

We sincerely believe that a principled business can make the world a better place and deliver long-term performance. We appreciate your interest in understanding our business and our aspirations, and challenging and collaborating with us, so that we can be the business we want to be.
Our Stakeholders’ Views

In January 2014, we invited 11 external experts to give us their perspectives and guidance on deforestation during a three-day workshop. Participating Mars Associates included our Chief Agricultural Officer, Chief Sustainability Officer, our Vice President of Innovation, business segment representatives and members of our commodity procurement teams.

The session improved our understanding of the macroeconomic, social and demographic drivers of deforestation, as well as potential strategies for Mars to combat deforestation in our value chain. The lessons from the session also informed the development of our Deforestation Policy.

Deforestation is a highly complex issue that intersects with our material environmental and social impact areas. Its causes range from cutting down trees for products, such as timber and pulp and paper, to clearing forests for agriculture.

Forests serve as important reservoirs of carbon, and reducing primary forest cover results in increased greenhouse gas concentrations. Deforestation also affects local rainfall patterns, biodiversity, and people who depend on forests for their livelihoods. The challenge for Mars, and the broader food industry, is to eliminate deforestation within our supply chains, while tackling its underlying causes.

The workshop focused on helping Mars develop an understanding of region and commodity-specific issues relating to deforestation. We know from our own risk assessments, as well as the work of external organizations such as the Consumer Goods Forum (CGF), that the biggest threats to forests lie in the beef, palm oil, paper and pulp, and soy supply chains. Experts presented on these commodities as well as on the legal, economic and social factors influencing regional deforestation rates.

Next Steps

Mars published its company-wide Deforestation Policy in March 2014. The policy is guided by our Five Principles, and prioritizes the four raw materials that are aligned with the CGF’s priority raw materials (beef, palm oil, paper/pulp and soy), and where deforestation is a material issue. Our procurement teams are developing strategies for implementing the policy for these priority raw materials.

Our stakeholders urged us to focus on high-impact, pragmatic solutions, and to articulate our vision and goals clearly. Given Mars’ leadership in the cocoa supply chain, we were advised to build our approach to preventing deforestation by leveraging our strengths, i.e., using science-based strategies informed by practical experience. This external stakeholder input and the practical knowledge gained from this workshop will be critical to informing our future strategies in this area.

Stakeholders Attending our Deforestation Workshop

Jason Clay, Senior Vice President, World Wildlife Fund
Leslie Durschinger, Founder, Managing Director, Terra Global Capital
Jonathan Foley, Director, Institute on the Environment, University of Minnesota
James Griffiths, Managing Director, Natural Capital, World Business Council for Sustainable Development
Lars Laestadius, Senior Associate, World Resources Institute
Daniel Nepstad, Executive Director and President, Earth Innovation Institute
Janet Ranganathan, Vice President for Science and Research, World Resources Institute
Bastien Sachet, Director, The Forest Trust
Frances Seymour, Senior Fellow, Center for Global Development
Nigel Sizer, Director, Global Forest Initiative, World Resources Institute
Lloyd Timberlake, Writer, Environment and sustainable development
Our Five Principles of Quality, Responsibility, Mutuality, Efficiency and Freedom are the foundation of our culture and our approach to business. They unite us across geographies, languages, cultures and generations.
Our Approach to Business

Mars’ approach to business is guided by our Five Principles of Quality, Responsibility, Mutuality, Efficiency and Freedom. In 1947, Forrest E. Mars, Sr. expressed his goal to build a business that creates a “mutuality of benefits” for all stakeholders. Through our Principles, we are committed to his vision, and to growth that is responsible and mutually beneficial.

The first Mars candies were made in a kitchen in Tacoma, Washington in 1911. Since then, we have grown into a company working across 74 countries, delivering over 116 brands to our consumers. We are owned by the Mars family, and the Five Principles remain core to our culture and decision-making.

Our growth brings many benefits to our stakeholders. Our more than 75,000 Associates work for a collaborative and forward-thinking business that nurtures diversity and intellectual curiosity. Our commitment to creating mutual benefits generates economic opportunities for the communities where we operate, including the suppliers and farmers in our value chain. Our consumers benefit from our brands, from the nutritional value of our food products and the moments of joy derived from our chocolate to the oral care benefits of sugar-free gum and the high quality products and services that keep pets happy and healthy.

We know that to grow responsibly we have to expand our business without increasing our environmental footprint. In particular, Mars is concerned with reducing our greenhouse gas (GHG) emissions and the impacts of our land and water use. Our many challenges include improving the economic opportunities associated with our growth more universally and tackling the problems of malnutrition and obesity. Given our commitment to Mutuality, these concerns are important for Mars; our future success is integrally connected to our ability to make a positive impact on people and the planet.

As a private, family-owned company, Mars has the freedom to seek long-term solutions that are based on our Five Principles and are informed by collaborative partnerships and science.

As a private, family-owned company, Mars has the freedom to seek long-term solutions that are based on our Five Principles and are informed by collaborative partnerships and science. Our ambitious goals aim to minimize the environmental footprint of our operations, and we are working to improve the social and economic prosperity of farmers in our supply chain. We are innovating to enhance the nutritional content of our products. Mars is also leveraging the skills and expertise of our Associates to amplify our positive social impact beyond our value chain - for example, by investing in scientific research and sharing our findings publicly to drive sustainable practices within our industry.

Our performance is not perfect; we have missed our targets in some areas such as coffee certification. We are working hard to learn and improve from these missed opportunities so that we can make quick progress. Driven by our Principles and our commitment to partnership, we will continue to work with all our stakeholders to address the challenges we share with society.

Read more about Our Approach to Business on the Mars website.

Watch The Story of Mars animation online.
GOVERNANCE

Mars, Incorporated is governed by a Board of Directors who are members of the Mars family, and who receive advice from independent external Board Advisors.

Day-to-day operations at Mars are directed by a global management team, led by the Office of the President, Paul S. Michaels and Grant F. Reid. Our leadership structure is aligned along our six business segments (Petcare, Chocolate, Wrigley, Food, Drinks, and Symbioscience) in an effort to continue to grow and sustain improvement in company performance.

Learn more about our management team.

The Global Public Policy Group, led by our Vice President of Public Affairs, ensures that Mars has globally consistent positions, policies and standards across all aspects of public policy.

Learn more about Mars’ Governance.

Business Integrity and Compliance

Our business practices are rooted in our Five Principles, which define the essential culture of our corporation. Our Associates embed these Principles in every aspect of their work, and the Principles nurture a culture of ethics and integrity throughout our organization, regardless of which part of the world we do business.

Training programs, such as the “Essence of Mars” guide all our Associates on how to incorporate our Five Principles into everyday decision-making, whether they are new to the company or already have a successful career at Mars. We also require Associates to undergo issue-specific training to support compliance with the laws and regulations that govern our business operations worldwide. For example, our Improper Payments Policy (IPP) and Competition Law Compliance Program reaffirm our commitment to comply with anti-corruption and competition laws around the world. The IPP, which includes guidelines for government relations and a tailored third-party due diligence program, also establishes robust review procedures for corporate gifts and donations.

We expect all those who we do business with, such as our suppliers, to understand and comply with our policies. Our Supplier Code of Conduct was developed and implemented in 2011. It includes 10 workplace standards that meet or exceed International Labour Organization guidelines.

In 2013, this Code was updated to include and address emerging industry challenges such as migrant labor. The Code, and our Responsible Sourcing program, apply to all our direct and indirect suppliers. This includes small raw material producers, service providers, manufacturers as well as multinational corporations. All Mars suppliers are expected to align with, and are encouraged to exceed, the standards included in our Code. It also requires our suppliers to implement similar standards in their own supply chains. We only work with those suppliers that demonstrate a commitment to meet the standards included in our Code and operate in a manner that is compatible with our Five Principles.
In 2012, we introduced a program to increase supplier alignment with the Code. We also participate in the Leadership and Advisory Boards of AIM-PROGRESS, an industry forum to enable and promote responsible sourcing.

Learn more about our responsible sourcing program on Mars’ website.

**CASE STUDY**

**Responsible Sourcing**

In March 2014, Mars conducted the third annual independent benchmarking of its responsible sourcing program. The benchmarking, completed by Maplecroft, a risk analytics and advisory company, compares Mars’ performance with 24 peer companies. We evaluate areas such as supplier risk assessment and compliance management, stakeholder engagement, Associate and supplier training and capacity building, transparency, and disclosure. Beyond compliance, the benchmarking also focuses on initiatives relating to poverty and human development.

Mars has steadily improved its rank, from 8th in 2012, to 5th in 2013, and 4th in 2014. This has been achieved through demonstrated improvements in training Associates and suppliers, conducting supplier risk assessments, and more robust targets and data reporting. The launch of the Responsible Sourcing section on Mars’ global website has enhanced reporting and disclosure on areas of responsible sourcing performance. We will continue to work with our suppliers to responsibly source materials across our global supply chain.

Mars is working to improve the social and economic conditions of farming communities. Pictured: Tea harvesters in Kenya.

Governance for Sustainability at Mars

As a private family-owned company, the Mars family’s commitment to principled growth is the catalyst for integrating sustainable value creation into everyday business. For example, the Board’s focus on improving sustainability led Mars to link long-term incentive plans for eligible executives with the achievement of strategic objectives, such as Associate engagement and the reduction of GHG emissions.

Mars’ sustainability strategy and policies are implemented and governed by the Sustainability Leadership Team (SLT), which is chaired by the Chief Sustainability Officer (CSO), and includes senior representatives from all major functions and business segments. A Sustainability Working Group, also chaired by the CSO, supports the SLT and is comprised of corporate-level sustainability directors, plus representatives from each segment.
OUR APPROACH TO SUSTAINABILITY

At Mars, we are proud of our growth and the benefits it brings, but we are also concerned about the impacts and vulnerabilities associated with our business that contribute to global challenges, such as climate change, water scarcity, and deforestation. As a Principles-led company, we want to do our part to improve the social and economic conditions of farming communities, protect the environment, and tackle resource scarcity. The scale of our business gives us the necessary influence to make a positive difference in solving these challenges.

This is our approach to sustainability:

- We prioritize the greatest impacts across our value chain.
- We develop the most scientifically credible metrics to measure these impacts.
- We set long-term targets.
- We track our progress internally and publicly.

We set our targets based on what is needed to solve the overarching problem, rather than what can be achieved in the short-term.

Mars Recognized for its Sustainability Efforts

Mars was named Best Private Company by Ethical Corporation Responsible Business Awards 2013.

The Best Private Company category acknowledges privately-held companies that have excelled at embedding sustainable business practices across their operations. The award was in recognition of the progress we have made in reducing our energy use, water use and waste in our operations through the Sustainable in a Generation program, as well as our industry-leading work in improving cocoa sustainability.
DEFINING OUR IMPACTS

Social Impacts:
We have used stakeholder feedback and credible external tools and data sources, such as Oxfam’s model of planetary and social boundaries, to identify the material social impacts that meet an urgent societal need and are most impacted by our business. Our focus for 2014 is to develop associated strategies to address these impact areas in our supply chain.

Learn more about how we prioritize Mars’ social impacts.

Environmental Impacts:
The majority of our environmental impacts occur outside our direct operations. Planetary Boundaries is a highly-respected analysis that identifies nine environmental impacts and the point at which each one will cause catastrophic harm to human wellbeing. We used this concept and information about our value chain to identify three broad areas of impact most relevant to our business: land, water, and greenhouse gas (GHG) emissions. We work with various external partners to quantify these impacts throughout our value chain - the first step in measuring and reducing them.

Learn more about our continuing work to quantify our land use.

Learn more about how we quantify our water use.

The Planetary Boundaries Model

1. A set of nine planetary limits within which humanity can continue and thrive for future generations, developed by a group of 29 scientists from institutions around the world in 2009.
To find lasting and scalable ways to reduce emissions, we are working with partners, universities and the scientific community.
ADDRESSING OUR IMPACTS

The first step to managing our impacts is to focus on our operations (factories and offices), where we have direct control. Our ambitious Sustainable in a Generation program aims to eliminate GHG emissions from our operations by 2040.

Our strategies aim to help farmers reduce their environmental impacts, improve their livelihoods and ensure a secure supply for Mars.

We are also using our iconic brands to educate, encourage and partner with consumers to champion good causes and promote the purchase of products that are better for people and planet.

Learn more about Mars’ Operations.

We want to improve the environmental sustainability of our raw materials, boost farmers’ incomes, and create mutual benefits for their communities. In 2014, we will expand the number of priority raw materials for which we will set targets that focus on mitigating our impacts. Our Deforestation Policy is the first step to tackling these impacts in our supply chain and represents the early stages of our enhanced sustainable sourcing strategy.

Learn more about our sourcing strategy in Mars’ Supply Chain.

Empowering Women in the Cocoa Supply Chain

We are committed to empowering women in farming communities. Women provide nearly 45 percent of the labor on cocoa farms – investing in their training can lead to an improved quality of life for their families. Research shows that women often produce a better product; helping women farmers leads to greater cocoa productivity and quality, and a more secure supply chain.

In 2013, Mars Chocolate signed the United Nations Women’s Empowerment Principles as a demonstration of our commitment to empowering women in the cocoa sector. Our new gender assessment of women cocoa farmers in Cote d’Ivoire - available on our website - provides a roadmap for how we can enhance existing efforts to engage women through the Vision for Change program.


MARS AND SCIENCE

At Mars, our decisions are based on our Five Principles, and are informed by science. Evidence of our contribution to scientific leadership can be found in our pursuit of research programs, policy development, product developments and ways of doing business throughout our value chain. This work is performed by a team of scientists within every segment of Mars, and often in collaboration with leading scientists and institutions. The quality and objectivity of this work is enhanced by advice received from the Mars Science Advisory Council, comprised of leading external and internal scientists in fields relevant to the Mars business. Here are some recent examples of our scientific work:

- The Mars Advanced Research Institute (MARI) helped develop the African Orphan Crops Consortium (AODC), an effort by African governments, NGOs, companies and international agencies to boost nutrition, particularly among rural African children, by improving the crops grown in their gardens. In December 2013, the AODC, co-chaired by Mars, opened an institute in Nairobi to train African scientists and technicians in using genomics to breed better food crop varieties. In addition to providing scientific leadership and guidance for this unique collaboration, MARI is helping to secure the funding, equipment and infrastructure required to achieve the ambitious goals of the project.

- Aflatoxin is released by a fungus found in grain crops all over the world, but particularly in the humid tropics. Working with IBM, we have developed a model to understand the aflatoxin risks from various farms and ecosystems. Because we use grains in our products, this model has benefits for Mars, but it will also help other companies purchase safer grains.

- Mars sources rice for our range of UNCLE BENS® rice products. We are encouraging our contract rice growers to adopt the alternate wetting and drying (AWD) irrigation approach, based on our pioneering work with University of California, Davis, University of Arkansas and the USDA Agricultural Research Service, which found that AWD saves water and reduces methane emissions from rice fields. We are also exploring ways to use this method in Europe and the Mississippi Delta, where current water use for irrigation is unsustainable.

- Our scientists and collaborators published a comprehensive map of the genome of cacao (the tree that produces cocoa beans). We are using the cacao genome sequence, developed in 2010, in efforts to develop new varieties of disease-resistant and highly productive trees that can contribute to a more sustainable cocoa farming community. We are also investing in mapping the peanut genome, which will allow breeders to develop higher-quality yields.

- In early 2013, we completed our participation in a pan-European research project known as FLAVIOLA. FLAVIOLA explores the cardiovascular health benefits of flavanols, a class of plant nutrients found in foods such as tea, grapes, and cocoa. The three-year program, funded by a grant from the European Commission, involved Mars as the only corporate member among several universities. The goal of this project was to use a comprehensive, evidence-based approach to the development of innovative food products that will improve health.

- Our scientists participated in the 2013 Lindau Nobel Laureate Meetings on chemistry, attended by 34 Nobel laureates and 625 top young researchers. Mars co-sponsored the meetings, organized special sessions, and funded the attendance of 15 young scientists, known as the Mars Fellows, so they could benefit from the meeting’s mission of ‘connect, educate, inspire’.

- In October 2013, the WALTHAM® Centre for Pet Nutrition and the BANFIELD® Pet Hospital co-hosted a three-day state-of-the-art nutritional sciences symposium, where nutritional scientists and veterinary specialists participated in scientific sessions that bridged current human and pet care issues, including aging, healthy weight management and macronutrient selection.

- In 2013, the Wrigley Science Institute was restructured to form the Wrigley Science Advisory Council (WSAC) to advance and share Wrigley’s scientific research by establishing advisory boards and peer reviews as needed. The WSAC operates in conjunction with the Mars Science Advisory Council, providing guidance on research and quality issues, as well as access to a vast external network that keeps the company abreast of advances, opportunities and challenges.
QUALITY AND
FOOD SAFETY

As the first of our Five Principles, Quality is the basis of the brand loyalty and consumer trust in Mars, and has underpinned our growth for generations. We manufacture most of our products ourselves, and work closely with suppliers to maintain our exceptionally high standards.

Our Quality Management Process (QMP) framework is a comprehensive program that ensures we consistently deliver high-quality and safe products. We recently extended the scope of our QMP, which includes all business units and manufacturing sites, to our corporate unit, and have begun to roll out the framework into all our global market units.

We develop robust specifications for our ingredients and packaging, and build long-lasting and collaborative relationships with a small number of trusted suppliers. Our Material Quality Management Standard guides our proactive and risk-based approach to supplier quality assurance, and we partner with suppliers to help them develop their quality capabilities. We regularly audit the manufacturers of the ingredients that we use in our factories, which helps us maintain high quality and food safety throughout the supply chain.

A number of notable food safety issues have impacted consumers around the world and we believe that industry has a crucial role to play in helping emerging and developing markets identify risks and solutions. We have collaborations with Global Alliance for Improved Nutrition and the World Bank, and we are looking to do more, especially in the area of mycotoxins. In 2015, we will open our new Mars Global Food Safety Center in Huairou, China. We have a long and well-established history of collaboration and partnership across the globe and consider the center an important investment in food safety research and capability building. Leveraging the skills and knowledge of a global network of universities and research institutions, this world-class facility will improve our ability to respond to new challenges in food safety and quality, and support learning across the globe.

We build long-lasting and collaborative relationships with a small number of trusted suppliers.

Standardizing Our Approach to Consumer Care

We depend on our consumers for our success, and we have to understand their needs. Consumer care plays a critical role in amplifying consumer feedback within the business, and we have begun an ambitious program to standardize our approach to consumer care globally. The “Voice of the Consumer” project will provide clear, universal standards for listening to and acting on consumer feedback so that we may continually improve our relationship with consumers and identify ways to better meet their needs.

Quality and Food Safety are of the highest priority at Mars. Experts around the globe, like this Wrigley Quality Assurance Technician in Yonghe, China, ensure our consumers get our very best.
WORKING WITH OTHERS

As a private company, we work closely with independent experts to seek their input on issues relevant to our business. For example, our senior management team is guided by an advisory-only group of external experts—Mars Global Advisors—on the impact of major public policy, geopolitical, and macroeconomic issues and trends on business strategies and priorities.

We are a founding member of the Business Platform for Nutrition Research (BPNR), a multi-stakeholder platform of 10 companies with the Global Alliance for Improved Nutrition. BPNR seeks to define, fund and disseminate new research to improve nutrition in the developing world. Mars leads the Platform's food safety work stream, and our internal food safety team works with external experts to help frame the key research areas that will help improve global food security.

We are a member of Bonsucro, a global multi-stakeholder initiative with over 175 manufacturers, retailers and farmer communities, whose vision is to reduce the environmental and social impacts of sugarcane production. Our aim is to work with Bonsucro to engage with and learn from the broader industry to improve certification and sustainability practices in the sugarcane sector.

Mars has also joined BICEP (Business for Innovative Climate & Energy Policy), an advocacy coalition of businesses committed to working with policy makers to tackle climate change. We are among the signatories of its Climate Declaration, which brings together U.S. business and citizens in a commitment to ensure the country leads the world in a coordinated effort to combat climate change.

Our business segments also work with external partners on issues specific to their segments and brands. Mars Food collaborates with an international group of external experts, the Food Scientific Advisory Council (FSAC), on food nutrition and sustainability. For example, the FSAC was one of our leading partners in research focused on alternative wetting and drying (AWD), a farming technique that saves water and reduces methane emissions from rice fields. Our collaboration with the FSAC also aims to increase resistant starch and other health benefits in rice and whole grains, both of which are known to add to their nutritional content.

Wrigley collaborates with the Platform for Better Oral Health in Europe to raise awareness on oral disease prevention. In 2013, the Platform, of which Wrigley is a co-founder and member, proposed 2020 targets that focus on improving data collection systems, prioritizing the creation of dedicated oral disease prevention policies in Europe, and reinforcing oral care awareness among children and teens.

In 2013, we published our statement of intent on deforestation, which commits us to taking action on deforestation, with a focus on the areas where we can deliver the greatest benefit. We are a member of the Consumer Goods Forum (CGF), a global industry network that brings together CEOs and senior corporate managers to collaborate on sustainability and consumer issues. CGF has committed to mobilizing its resources to achieve zero net deforestation by 2020. Our Chief Sustainability Officer is on the Forum’s Sustainability steering team, and in 2013, our Global Chief Customer Officer became the co-chair of the Operational Excellence steering team. In January 2014, Mars invited 11 expert stakeholders to a workshop on deforestation to help us develop a vision and strategy for our Deforestation Policy.

See page 7 for a summary of the workshop.

More examples of how we work with others can be found in this document and on the Mars website.

CASE STUDY

Improving Education Through Partnership

The Wrigley Company Foundation is working with India’s largest non-governmental education organization, Pratham, on an initiative to help improve education in top mint farming districts in the country.

The three-year, $1 million educational partnership aims to provide quality education and address learning gaps faced by 40,000 children in 1,000 villages. Pratham Books will also publish a series of “mint story cards,” which will follow the journey of mint from planting to end-product use, helping children to read while also providing a real and relevant story for them to follow.

“Education is one of the best ways to touch people’s lives,” said Michael Yeung, Wrigley Company Foundation board member and President, Wrigley Asia-Pacific, “and we are happy to create avenues for children in India to learn and grow through this Wrigley Company Foundation/Pratham partnership.”

The partnership will encourage parents to take an active part in their child’s education. The program was piloted in 2013 in 300 mint farming villages, and will scale up over the next two years. Wrigley uses mint to flavor 70 percent of its gum formulas, including some fruit-flavored products.
We make products that people enjoy eating, feel confident about feeding to their families and pets, and that contribute to overall health and wellbeing. As a global food company, we are committed to meeting the challenges of nutrition, food security and food safety through research and collaborative partnerships.
We are proud of our products – from healthy and nutritious food such as rice and sauces to indulgent pleasures such as chocolate. We strive to make products that not only taste great, but can also bring benefits to our consumers, whether through improved nutrition, improved oral health, or healthier pets.

**OUR APPROACH**

Our challenge is to provide affordable and tasty food that helps feed the world’s growing population, while at the same time addressing concerns about rising obesity levels. Our approach is based on helping people make the right choices, improving the nutritional value of our products, conducting scientific research into nutrition, and working to promote active, healthy lifestyles. We work with partners to tackle challenges that we share with the wider food industry, such as improving global food security, safety and quality.

**Helping People Choose**

Providing clear and meaningful information about the ingredients in our products helps people make informed choices for themselves, their families and their pets.

By adding more nutritional information front of pack and more ingredient statements than ever before, we are building and maintaining consumer trust by making it easier for them to obtain nutritional information about our products.

We were the first company to commit to using Guideline Daily Amounts (GDA) labeling on confectionery and food products worldwide. Nutritional information is prominently displayed on the front and back of our packaging.

**Improving Our Products**

According to the World Health Organization, over 1.4 billion adults worldwide are overweight, with over 500 million people classified as obese. Obesity is a risk factor for heart disease, stroke and type 2 diabetes.¹

We strive to give consumers a wide choice of products, allowing them to choose the foods that best fit into their own diet and lifestyle. We are continually improving the nutritional content of our products without compromising taste, convenience, quality or affordability. In recognition of the increasing consumer demand for enjoyable options that fit into a balanced diet, Mars, Incorporated has committed to no more than 250 calories per portion and reduced saturated fat in our confectionery brands.

For example, many of our popular brands, such as MARS®, TWIX®, SNICKERS®, MILKY WAY® and TOPIC® bars, have reduced saturated fats and meet our 250 calories per portion commitment in the UK, U.S., and other major markets.

Mars has worked to improve the nutritional value of its food portfolio globally through voluntary partnerships with government and non-governmental initiatives. In 2012, we achieved our commitment to reduce sodium levels by 25 percent, from a 2007 baseline. By December 2013, all Mars food products sold in the UK met the UK Department of Health’s sodium targets. In France, UNCLE BEN’S® was recognized by the French government for reformulating its express rice and sauces to meet reduced sodium commitments. In Australia, we reformulated a number of our products to meet the National Heart Foundation’s Tick of Approval standard. Similarly, in South Africa, our ROYCO® brand launched the country’s first low-fat sauce range, which has been endorsed by the Heart and Stroke Foundation of South Africa.

Nutrition

We use scientific research - both in-house and through external partnerships - to improve nutrition for people and pets, and to tackle food security issues. Improving food security and safety addresses a global challenge, and is crucial to protecting our reputation and the continued enjoyment of our products globally. Mars leverages the knowledge of international experts to inform and guide us on the research we support or conduct, including:

- **Food Security**: Mars is working with industry partners and the Global Alliance for Improved Nutrition to advance access to nutritional research for the developing world. We are collaborating with the University of Cambridge to discover new technologies that will progress our sustainability performance, boost our supplies of sustainable raw materials and enhance the nutritional profile of our products. We have taken a leading role in the African Orphan Crops Consortium, which aims to map the genomes of some of Africa’s most important food crops to boost yield, nutrition and resilience. We are also investing in a Global Food Safety Center in China, which will conduct research to gain early warning of new food safety threats and develop robust food safety and quality systems.

- **HEALTH IN GUM®**: CAFOSA, the world’s leading supplier of gum bases that is owned by Wrigley, has developed an innovative concept in the area of medicated chewing gum called HEALTH IN GUM®, a ready-to-use powdered mix of gum base and sweeteners that makes medicated chewing gum easier and more cost-effective for pharmaceutical companies to produce. For patients, medicated chewing gum can be a preferred alternative to oral drug delivery, such as swallowing pills.

- **Pet Health and Ownership**: We want to advance research on pet nutrition and the benefits of pet ownership. We do this primarily through the WALTHAM® Centre for Pet Nutrition (WALTHAM®), a leading scientific authority on pet nutrition and wellbeing for over 50 years. In 2013, we published 39 peer-reviewed papers, including five new studies examining the benefits of human-animal interaction. One of these studies revealed that more than a third of children believe their pets understand how they feel, demonstrating the pivotal role that animals play in the lives of young children. Another showed that structured interaction with dogs may help people with dementia.

We are continually improving the nutritional content of our products without compromising taste, convenience, quality or affordability.

Developing Partnerships

We work with governments, research institutions and NGOs at the local and national level to promote health and wellbeing in our communities.

In the U.S., we support the “Let’s Move!” campaign, launched by First Lady Michelle Obama in 2009, which encourages parents and children to make healthy choices. As a founding member of the Healthy Weight Commitment Foundation (HWCF), we are doing our part to reduce the calories in a range of our products. In 2014, HWCF announced that member companies had exceeded HWCF’s 2015 goal of reducing 1.5 trillion calories from the marketplace by removing over 6.4 trillion calories from their products.

In 2013, Mars Food continued its partnership with the UK Department of Health through its support of the latest Change4Life campaign - ‘Be Food Smart’ - with UNCLE BEN’S® Ready to Heat Rice. Be Food Smart helps consumers make healthier meal choices, and features television advertisements as well as a range of healthy recipes and money saving vouchers.

In Europe, we partner with EPODE, the world’s largest obesity prevention network, and support their efforts to combat childhood obesity. Through the Al Haraka Baraka program (“movement is a blessing”) in the Middle East, we are helping educate students on the importance of physical activity.

Wrigley has long conducted and supported research that shows that chewing sugar-free gum for 20 minutes after meals can help protect your teeth. These benefits are widely accepted and endorsed by dental professionals and included in the health policies of several national governments. In 2013, the French and German dental associations committed to include chewing sugar-free gum in their recommendation for better oral health. The German Association for Preventative Dentistry issued a notification to all dentists on this inclusion and announced its intention to develop a scientific guideline on this matter.
Many of our popular chocolate brands, such as MALTESERS®, have GDA labels, allowing consumers to quickly and easily know the calorie (or nutritional) content of their favourite brands.

PROGRESS IN 2013

To help consumers find the products that best fit into their lifestyles, we have continued to implement GDA labeling across our confectionery and food brands. At least 90 percent of our confectionery products are labeled in all the markets where we operate, with some markets already at 100 percent label implementation. In most major markets, we have also met our 250 calorie per portion target.

In 2013, nearly 85 percent of our products across our global food portfolio had GDA labels on them. In addition, Mars Food achieved the 25 percent average salt reduction three years ahead of the target date. We further strengthened our commitments by pledging to meet voluntary targets set locally by government agencies. For example, we adopted the UK Department of Health’s sodium targets, succeeded in meeting our commitments made in France on our rice and sauce portfolio, and have met the targets in the New York City Health Department’s National Salt Reduction Initiative. In addition, we now use local sodium targets in our product designs for new products.

For pet owners, understanding the ancestry of their mixed-breed dogs can help them make appropriate nutrition and diet choices, and provide a better training program for their dogs. Mars has been a leader in dog DNA sequencing technology. In 2013, we launched WISDOM PANEL® 2.0, the next generation in dog DNA testing, which now covers 100 percent of the formally recognized American Kennel Club breeds, and offers consumers over 100,000 DNA markers for the same or lower cost, up from 320 DNA markers previously.

TARGETS

GDA Labeling

We will 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:
We have implemented GDA nutritional labeling on at least 90% of our chocolate and confectionery portfolios. Within our food portfolio, 85% of our products carry a GDA label.

25% Reduction

We have already removed salt from a number of our products, having reduced sodium/salt levels in Mars Food products globally by an average of 25%, from a 2007 baseline. We achieved this through participation in government initiatives and agreeing to voluntary reduction commitments in different regions.

PROGRESS:
We currently measure our performance by tracking the percentage of Mars Food portfolio that meets regional targets or definitions of responsible sodium/salt levels.

250kcal Per Portion

We will not offer any Mars Chocolate products that exceed 250 calories per portion by the end of 2013.

PROGRESS:
Many of our popular bars, such as SNICKERS®, MARS®, and MILKY WAY®, have reduced their saturated fat content and meet our target to not exceed 250 calories per portion.
We are committed to sourcing raw materials in ways that reduce our environmental footprint, improve farmer prosperity, and ensure reliable and affordable supplies of raw materials to help our business grow. We are setting ambitious targets that will combat the challenges of climate change, deforestation and water quality and scarcity, while improving farmer livelihoods.
Our Supply Chain

Sourcing sustainable raw materials is a business imperative for Mars, Incorporated. Many of our raw materials come from regions with difficult environmental and socio-economic conditions. For example, farmers who grow cocoa – a vital raw material for Mars – face stagnant incomes, aging trees, poor soil conditions and unpredictable rainfall, all of which threaten their ability to grow the crop. This constrains our future growth opportunities and the prospects of farmers.

OUR APPROACH

We already have ambitious targets to source 100 percent of five key raw materials using more sustainable approaches, most often certified by independent programs such as Rainforest Alliance, Fairtrade, UTZ Certified, and the Roundtable on Sustainable Palm Oil (RSPO).

We carry out scientific research and farmer training programs to improve raw material sustainability. For example, our Sustainable Cocoa Initiative, which has committed to buying 100 percent certified cocoa by 2020, invests in breakthrough science on the cacao genome to improve farmer productivity and income. Across Africa and Indonesia, Mars Chocolate has built 20 Cocoa Development Centers (CDCs) in partnership with international donor agencies and governments, with 35 more planned for 2014.

In some areas, CDCs are linked with Cocoa Village Centers (CVCs), small independent businesses that are run by local entrepreneurs trained by a CDC. The CVCs sell approved planting material and teach, promote and implement rehabilitation techniques that can help smaller farmers.

Our strategies evolve based on their effectiveness in pilot projects. For example, in 2013, Mars Drinks worked with external partners to complete four innovative pilots within the coffee growing communities of Papua New Guinea, Peru, Sumatra and Tanzania. Through the pilots, farmers were trained in good agricultural practices, organic composting techniques, and understanding the benefits of certification schemes. The lessons from these pilots will help inform our coffee sourcing strategy.

Mars has committed to buying 100 percent certified cocoa by 2020.

Mars Chocolate is the only major global chocolate manufacturer to work with the three main certification organizations.

We carry out scientific research and farmer training programs to improve raw material sustainability.
TOWARD A SUSTAINABLE SUPPLY CHAIN

We are building on our existing strategy to develop a more comprehensive sustainable sourcing strategy.

We partnered with World Wildlife Fund (WWF) and Maplecroft and mapped our supply chain to evaluate our next set of priority raw materials, based on the size of their impact, our business priorities and Mars’ Principles. As the next step, we are assessing the most significant impacts for the raw materials we source, and we will set targets against these impact areas. The emphasis on impacts is characteristic of Mars’ unique approach to global challenges: derived from science, research and collaboration, and focused on tackling long-term challenges that face agricultural supply chains, rather than short-term goals.

For example, our priority within one of the key environmental impacts we have identified (land) is eliminating deforestation. We analyzed the data provided by external partners such as Maplecroft and evaluated the Consumer Goods Forum’s priority raw materials where deforestation is a material issue. Our stakeholder meeting in January sought external input on our focus areas. This process led to the launch of our Deforestation Policy in March 2014, prioritizing palm oil, beef, paper and pulp, and soy (see case study). We will continue to use this approach - evaluating our impacts, seeking stakeholder input and setting long-term targets - to help us build on our existing programs and policies as we develop a more comprehensive sourcing strategy.

“Mars understands that the long-term viability of their business depends on sustainable sourcing. WWF’s Supply Risk Analysis helped the company identify environmental risks and prioritize where they can have the greatest impact.”

Dave McLaughlin, Vice President of Agriculture, World Wildlife Fund

We aim to source 100 percent of our black tea from certified sources by 2015.

CASE STUDY

Our Deforestation Policy

As one of the world’s leading food companies, we recognize the need to demonstrate exemplary sourcing practices and commit to the protection of forests and biodiversity. As a priority for tackling our land use impacts, we are focusing on deforestation. We worked with internal and external stakeholders to help us develop a company-wide Deforestation Policy, published in 2014.

See page 7 for a summary of the workshop.

Our new Deforestation Policy commits us to sourcing raw materials with the greatest impact on forests (beef, palm oil, pulp and paper, and soy) from producers and suppliers who comply with the following: produce or purchase all raw materials from legal sources; no deforestation of primary forest or areas of high conservation value; no development in high carbon stock forest areas or on peatlands regardless of depth; no burning to clear land; respect the right of all affected communities to give or withhold their free, prior and informed consent for plantation developments on land they own legally, communally or by custom; resolve land rights disputes through a balanced and transparent dispute resolution process; comply with our Code of Conduct; and support farmers and plantation owners to comply with this policy.

Our Palm Oil Policy is available on our website, and we plan to issue policies for pulp and paper, beef and soy by the end of 2014. Mars will also monitor the deforestation risk of other raw materials, and partner with industry, governments and civil society on broader efforts to protect forests and ensure mutual benefits for the workers and communities that rely on them for their livelihoods.
PROGRESS IN 2013

In 2013, we made significant progress in developing our sustainable sourcing strategy. Our challenge in 2014 will be to define specific policies and goals.

We have also progressed on building sustainable supply chains for some of our key agricultural commodities, including:

**COCOA:**
We have increased our purchase of certified cocoa to 30 percent of total volumes, making us the world’s largest buyer of certified cocoa. In June 2013, the journal *Genome Biology* published the latest findings on our cocoa research, which identified key genetic markers that will help us develop more productive cocoa trees through traditional breeding. Mars also published a gender assessment on women cocoa farmers, and we are in the process of developing a comprehensive gender outreach plan, strengthening our commitment to women in the cocoa supply chain.

Read the entire assessment at cocoasustainability.com.

**RICE:**
We are working in partnership with the International Rice Research Institute and basmati rice farmers in Pakistan to optimize farming practices. The objective is to minimize the use of chemicals, optimize water use and improve farmer productivity. Through this engagement, farmers receive a premium price over “typically” grown basmati, ensuring a better product for Mars, better incomes for farmers and more efficient utilization of natural resources.

**TEA:**
Our aim is to source 100 percent of our black tea from certified sources by 2015. Currently 32 percent of our supply is certified, and we remain on track to reach our 2015 goal of 100 percent. Partnership is vital in sustainable sourcing. We seek to collaborate with others in our sector to amplify the mutual benefits we can create. We are a member of the Ethical Tea Partnership, a membership body for tea packers that aims to ensure tea is produced under positive social and environmental conditions, with the vision of creating a sustainable tea industry.

**COFFEE:**
Our aim was to source 100 percent of our coffee through certified sources by 2013. By the end of 2013, only 73 percent of our global market volume was certified. Through our work, we have learned about the challenges associated with sourcing certified coffee, including that lead times to procure these beans can be longer than anticipated and the importance of setting up effective internal processes to meet this timeline. We will incorporate these lessons to help us reach our future certification commitments, and we are confident of meeting our target by year end 2014.

**PACKAGING:**
Quality packaging is critical to preventing our products from spoiling, enabling efficient transport, and helping consumers identify our brands. We are working to tackle the environmental and social impacts associated with our packaging. Our short-term targets have focused on reducing material use and on increasing the recycled content and recyclability of our packaging. Our progress, however, has been slower than expected. In 2013, primarily driven by growth, our packaging weights increased by 4.1 percent from the baseline in 2007. We are currently undertaking a deeper review of our packaging strategy and targets to understand how we can accelerate our performance in this area.
**CASE STUDY**

**Improving Palm Oil Sustainability**

Most palm oil production is in Southeast Asia (primarily Indonesia and Malaysia), a region with the world’s third largest tropical forests. Much of this expansion has occurred at the expense of virgin tropical forests, which has resulted in increased GHG emissions and biodiversity loss.

Mars uses only 0.2 percent of global palm oil supplies, and we purchase 100 percent of our palm oil from RSPO-certified sources via the “mass balance” program. Building on this, we are working toward fully sustainable and traceable sources of palm oil that are free of deforestation, limit expansion on carbon-rich peatlands, and reject the violation of human and labor rights.

In 2013, we surveyed our suppliers to understand their commitment to certification standards (RSPO and other certification programs), and their plans to establish full supply chain traceability.

In early 2014, we developed a sourcing charter that requires all our suppliers to establish fully sustainable and traceable palm oil supply across all their operations by the end of 2015. We are also partnering with The Forest Trust (TFT) to help mills and plantations build traceability, and verify that their fresh-fruit bunch supply, including supply from smallholders, meets Mars’ sourcing charter. These measures will help ensure a genuinely sustainable pipeline where all material is sourced from companies whose mills only produce sustainable palm oil.

Learn more about our updated Palm Oil Policy.

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**MINT:**

We are identifying best practices to reduce environmental impacts of mint farming related to productivity, water usage, distillation efficiency and reduction of GHG emissions.

For example, Wrigley collaborated with the Mint Industry Research Council to educate North American farmers on the environmental and economic benefits of using natural gas over diesel fuel. Over the last four years, these farmers converted 18 percent of total mint production from diesel to propane or natural gas, resulting in a reduction of over 8,000 tonnes of carbon dioxide. In India, another key mint growing region, Wrigley is developing a sustainable agriculture plan. This assesses our environmental and social impacts, and sets strategies against these impacts to ensure we secure a vibrant Indian mint industry for the future.

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**FISH:**

The United Nations estimates that 87 percent of global fisheries are already fished at or beyond capacity. As a leading petcare company, we have committed to sourcing 100 percent sustainable fish by 2020. Our strategy is to reduce the total amount of fish used in our pet food, replace any vulnerable fish sources, and source from third-party recommended fisheries to assure the sustainability of our products.

In 2013, Mars Petcare continued to offer consumers an expanded range of sustainable pet food products. In the U.S., we have replaced over half of our fish supply with Monterey Bay Aquarium approved sources. In Europe, we have three Marine Stewardship Council (MSC) certified production sites and 40 MSC-certified products from SHEBA® and WHISKAS®. In Asia-Pacific, we have reduced our tuna usage (whole fish equivalent) by nearly 30 percent by making more efficient use of every fish and reducing waste.

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TARGETS:

We have ambitious targets to source 100 percent of five key raw materials using more sustainable approaches. For packaging, our short-term targets focus on reducing material use and on increasing the recycled content and recyclability.

- **2020 TARGET**
  - 100% of cocoa from certified sources - an industry first.
  - Learn more about the actions we are taking to achieve the 100% target.

- **2013 TARGET**
  - 100% of coffee beans from certified sources.
  - Learn more about the actions we are taking to achieve the 100% target.

- **2015 TARGET**
  - 100% of black tea from certified sources.
  - Learn more about the actions we are taking to achieve the 100% target.

- **2015 TARGET**
  - 100% of palm oil from certified sources.
  - Learn more about how we achieved the 100% certification target in 2013.

- **2015 TARGET**
  - Reduce packaging weights by 10% from a 2007 baseline.
  - In 2013, our packaging weight increased by 4.1% from the 2007 baseline.
  - Learn more about the actions we are taking to achieve the 10% target.

- **2015 TARGET**
  - Increase the level of recycled content in our packaging by 10%.
  - In 2013, our packaging contained 41.2% recycled content, a 20.2% increase from the 2007 baseline.
  - Target achieved in 2011.

- **2020 TARGET**
  - 100% of fish and seafood products from sustainable sources.
  - Learn more about the actions we are taking to achieve the 100% target.

- **2015 TARGET**
  - Design our packaging to be 100% recyclable or recoverable.
  - Learn more about how we achieved the 100% target in 2013.
SOURCING SEAFOOD SUSTAINABLY
Making a difference to people and to pets

KEY ISSUE

Seafood is a source of protein in our foods for pets. More importantly, it is a primary part of the diet for more than one billion people worldwide. Today, growth in human population and income is increasing demand, while resources are growing ever scarcer. Mars Petcare is committed to sustainable sourcing of fish used in all its pet food products.

How did we get here?

Non-sustainable practices
- Unintentional capture of non-target species
- Poor management
- Damage to ecosystems

Demand
- Population growth
- Increased consumption

Overfishing
- 87% of global fisheries are at or above capacity*

* Food and Agriculture Organization of the United Nations.

THE STRATEGY

2050
The year by when scientists believe global fish populations may collapse.

REDUCE
Reduce the total volume of fish we use by increasing the amount of protein sourced from each fish and being more efficient in the amount of fish used in each of our products.

REPLACE
Replace any fish species we use in our pet foods that are listed as vulnerable on the IUCN Red List with healthy, sustainable species or other types of proteins.

REASSURE
Reassure all that we are doing is right by achieving third-party certification or following third-party recommendation for our fish ingredients and sourcing fish from healthy stocks whose suppliers have signed our Fisheries Code of Conduct.

KEY SUSTAINABILITY METRICS

Percentage of wild caught seafood from sustainable sources by geographic region

<table>
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<th>Region</th>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>Overall 2013</th>
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</thead>
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<td>NORTH AMERICA</td>
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<td></td>
<td></td>
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<td>70% SUSTAINABLE</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>8% SUSTAINABLE</td>
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<tr>
<td>ASIA PACIFIC*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-30% WHOLE TUNA USAGE</td>
</tr>
</tbody>
</table>

*In Asia Pacific, we have successfully converted to a natural ratio of white and red meat for tuna, and we have reduced our tuna usage (whole fish equivalent) by 30%.

OUR COMMITMENT

100% sustainable fish and fish by-products by 2020.

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.
We are determined to grow our business without expanding our environmental footprint. Decoupling growth from environmental impacts is essential to ensuring our growth is a force for good. We are using our influence and our investments to support the development of sustainable projects that will have long term benefits for our operations and beyond.
Our Operations

Mars’ growth benefits communities in which we operate by creating new jobs and supporting local suppliers and small businesses. Through our community engagement and Associate volunteering, we make a positive difference to the lives of those who live and work near our facilities. Pursuing sustainability – and reducing the negative impacts of our operations – is a natural extension of our vision to create a mutuality of benefits for all those involved in our business.

We have the most control over the impacts of our factories and offices (which we call our “operations”). Working from robust scientific data, we have set ambitious goals to make our operations Sustainable in a Generation (SiG).

OUR APPROACH

Our goal is to reduce our environmental impacts, even as our production volumes increase. We aim to eliminate fossil fuel energy use and GHG emissions from our operations by 2040. We are working on similar long-term commitments for water and waste.

These ambitious goals, implemented through the SiG program, reflect our belief that decreasing carbon-based energy and water use are essential to mitigating the consequences of climate change and securing our sustainability as a business. Similarly, by driving a zero waste to landfill agenda, we are emphasizing waste’s potential as a valuable resource.

Because we outsource product transport, its impact on our GHG emissions and local air quality is not included in our SiG program and targets. We are, however, applying a similar approach to eliminating transport-related GHG emissions by 2040.

Learn more about how we are reducing emissions from product transport.

CASE STUDY

Mars will become the first major food business to generate electricity from renewable sources equivalent to all electricity used by its U.S. operations.

Mars, in partnership with Sumitomo Corporation, is building a new 200 megawatt wind farm - Mesquite Creek Wind - in Lamesa, Texas. The project’s annual generation will exceed 100 percent of the electricity needs of Mars’ U.S. operations.

This output - enough to power 61,000 U.S. households - is equivalent to 24 percent of Mars, Incorporated’s total factory and office carbon footprint and 12 percent of our global energy use. The project, which is scheduled to go live in the first quarter of 2015, is an important component of our strategy to meet our ambitious goal of eliminating fossil fuel use and GHG emissions from our operations by 2040. With this 20-year contract, Mars will be making the biggest long-term commitment to renewable energy use of any food manufacturing business in the United States.

The Mesquite Creek development will have enough capacity to support Mars’ projected growth in the U.S. market, so that we will be able to remain at 100 percent renewable energy, even as we continue to invest in new operations and installations. It is another example of how we are making long-term investments to tackle global challenges such as climate change.

Our goal is to reduce our environmental impacts, even as our production volumes increase.
To reduce our impacts, Mars is pursuing absolute reductions, even as production volumes increase. The SiG program influences the ways we design, build and manage our operations. We are exploring four main strategies to meet our targets:

**OPERATIONAL EFFICIENCY:**
Improving our operational efficiency is the most immediate and cost-effective way to reduce our GHG emissions. Across our business, we are driving down energy use, water use, and waste through changes in Associate behavior and smarter use of our existing equipment. We engage our Associates through local SiG workshops where they can share best practices and identify segment-specific improvements to help meet targets.

**CAPITAL EFFICIENCY:**
We are investing in technology and processes that use less power, leading to more efficient equipment and processes. For example, several of our sites have installed heat pump systems that allow us to recover waste heat and reduce the use of natural gas.

**NEW TECHNOLOGY:**
We are developing and deploying innovations to improve the efficiency of our operations. For example, we are now using advanced modeling techniques that have led to more efficient coating processes for confectionery products.

**RENEWABLE ENERGY:**
We are exploring the use of renewable energy when building new operations, and installing renewable energy sources at existing operations. For example, several Mars facilities in Brazil use hydropower from a supplier to meet their energy needs, and in the U.S., we are building a wind farm that will generate enough electricity to power all our U.S. operations.

Learn more about our renewable energy program in the case study on the previous page.
PROGRESS IN 2013

In 2013, relative to our 2007 baseline, fossil fuel energy use has been reduced by 6.5 percent, our GHG emissions by 5 percent, and our water use by 13.6 percent while production volumes have fallen 2.1 percent. Compared to 2012, production has increased 2.4 percent while our water use decreased 0.3 percent, GHG emissions decreased 0.3 percent and fossil fuel energy increased by just 0.9 percent.

We have been challenged by changes in the production mix to smaller pack sizes, more energy intensive products and geographical mix changes. In response, we have initiated an intervention in our efficiency program and accelerated our efforts on renewables, such as our wind farm project in Texas.

Our landfill volumes are now just 34 percent of what they were in 2007 and by the end of 2013, 55 sites were landfill free. This has eliminated nearly 100,000 tonnes of landfill waste annually.

Our business segments are forging ahead with reducing energy use, water use and waste at their individual sites, often overcoming local challenges:

**MARS CHOCOLATE:**

Over half of Mars Chocolate sites have achieved the zero waste to landfill target ahead of the 2015 deadline, often in the absence of local infrastructure support. For example, at our site in Stupino, Russia, Associates worked hard to bring about a cultural shift that encouraged reuse and recycling, ultimately achieving a 96 percent reuse and recycling rate and the zero waste to landfill target.

In Veghel, Netherlands, our factory has developed an innovative solution to “cooling” the heat generated during chocolate refining. The site has replaced the original energy-intensive cooling system with one that uses the outside air temperature to cool the process. The new system has resulted in annual savings equivalent to the energy consumption of 330 average Dutch households.

**MARS DRINKS:**

The redesign of Mars Drinks’ headquarters in West Chester, Pennsylvania, ensures that operational efficiency is at the core of the new design. For example, working with external partners, the site has integrated two compressor systems - one to maintain the freshness of coffee and the other to support packaging machines - into a more efficient singular design that responds to demand. The new system is expected to save 9.3 percent of the site’s total annual electricity consumption.

TARGETS

**WATER USE**

25% Reduction

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

**PROGRESS:**

Water use has reduced by 13.6% between 2007 and 2013.

**FOSSIL FUEL**

25% Reduction

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 6.5% and GHG emissions by 5% between 2007 and 2013.

**WASTE**

Zero Waste

Achieve zero waste to landfill by 2015

**PROGRESS:**

- Waste to landfill has reduced by 66.2% between 2007 and 2013
- 55 of our sites achieved zero waste to landfill in 2013

We are driving down energy use, water use and waste through changes in Associate behavior.
MARS PETCARE:

In 2013, our petcare facility in China implemented several energy saving projects, including a steam pipe upgrade that has resulted in energy savings of 25 percent annually.

In Victorville, California, Mars Petcare is developing a solar garden that will provide up to 40 percent of the site’s daily energy needs at peak use, and is projected to meet 16 percent of the site’s annual energy consumption. Some of our ROYAL CANIN® sites implemented selective waste sorting, optimized truck routing and sales rep visits, and also sourced from nearby factories, leading to a 3 percent reduction in carbon footprint per tonne sold.

MARS FOOD:

Mars Food has reduced waste to landfill by 71 percent since 2007. Mars Food’s factory in King’s Lynn, UK, achieved its zero to landfill target two years ahead of schedule. The site has long recycled materials such as cardboard, drums, and scrap metal, and has recently developed innovative solutions for food and mixed plastic waste. These include disposing of food waste in an anaerobic digestion plant and a composting plant that is eventually expected to generate energy.

WRIGLEY:

The Wrigley India team in Baddi installed a biomass boiler that is expected to reduce the site’s fossil fuel consumption by approximately 70 percent and associated direct onsite carbon dioxide emissions by approximately 60 percent in 2014. Additionally, Wrigley’s Toronto, Gainesville, Northwestern Flavors, Santiga and Chattanooga sites reached zero waste to landfill, bringing the total number of Wrigley sites to 13.

By using science as a guide to set climate and energy goals, Mars is setting a standard of leadership for others to follow. The company’s ambitious goals to eliminate emissions and fossil fuel use by 2040 from their direct operations and innovative approaches to achieving interim targets align with the scale of climate challenge and demonstrate that addressing climate change improves the bottom line. WWF commends Mars’ commitment to the future of its customers and a healthy planet.

Marty Spitzer,
Director US Climate and Renewable Energy Policy, World Wildlife Fund

CASE STUDY

Team Canada: Working Together to Reduce Waste

Reducing waste is not simply a process of recycle and reuse. It requires a strategic approach to manage waste from our operations - from using the right vendors to finding synergies between different manufacturing processes.

By sharing their individual practices and their knowledge of local recyclers, our business units in Canada - Food, Petcare, Chocolate, ROYAL CANIN®, Wrigley and the national office - were able to develop a waste management process that has achieved the zero waste to landfill goal for all of Mars Canada operations ahead of schedule. The program has prevented waste equivalent to filling two and half Olympic-sized swimming pools from being sent to a landfill. In addition, waste that was not recycled was converted into energy at a local facility - enough to fuel 19 households for an entire year.

This is one of many ways in which our Associates, working in partnership and using their individual creativity, are helping make a difference to people and the planet.
TOTAL ENERGY USE (terajoule)
Excludes 29TJ electricity sold to grid from cogen.

We can directly control energy use at our operations and are aiming to reduce our total energy use.

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>CHANGE from 2007 Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mars Chocolate*</td>
<td>6,665</td>
<td>6,597</td>
<td>▼ -1.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mars Drinks</td>
<td>67</td>
<td>54</td>
<td>▼ -20.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mars Food</td>
<td>1,022</td>
<td>1,114</td>
<td>▲ 9.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mars Petcare</td>
<td>11,640</td>
<td>10,715</td>
<td>▼ -7.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wrigley</td>
<td>2,932</td>
<td>2,644</td>
<td>▼ -9.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mars Symbioscience†</td>
<td>0</td>
<td>14</td>
<td>▲ 104.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>44</td>
<td>45</td>
<td>▲ 0.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>22,370</td>
<td>21,183</td>
<td>▼ -5.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Our Chocolate factory in Henderson, Nevada, restated its 2007 production.
- Data from our Symbioscience segment no longer includes data from the Mogendorf site, which was sold in 2013.
- “Other” includes cross segments such as sales offices, information services sites (Mars Global Services – data centers) and corporate HQ.

Note: A common, global (“harmonized”) set of energy content conversion factors has been applied across all years. This causes some variation from previously published results.

RENEWABLE ENERGY (terajoule)
Includes only renewable energy generated onsite and energy purchased directly from 100% renewable sources.

Working with partners to generate cleaner power is one of our strategies to reduce GHG emissions.

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>CHANGE from 2007 Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mars Chocolate*</td>
<td>0</td>
<td></td>
<td>144</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▲ 270.2%</td>
</tr>
<tr>
<td>Mars Drinks</td>
<td>0</td>
<td>0</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mars Food</td>
<td>0</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mars Petcare</td>
<td>93</td>
<td>190</td>
<td>▲ 104.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wrigley</td>
<td>41</td>
<td>12</td>
<td>▲ 179.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mars Symbioscience†</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>97</td>
<td>360</td>
<td>▲ 270.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Reduce direct fossil-fuel energy use and greenhouse gas emissions by 25% by 2015 from a 2007 baseline.

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>CHANGE from 2007 Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mars Chocolate*</td>
<td>6,665</td>
<td>6,454</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-3.2%</td>
</tr>
<tr>
<td>Mars Drinks</td>
<td>67</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-20.1%</td>
</tr>
<tr>
<td>Mars Food*</td>
<td>1,022</td>
<td>1,100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7.7%</td>
</tr>
<tr>
<td>Mars Petcare</td>
<td>11,547</td>
<td>10,525</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-8.9%</td>
</tr>
<tr>
<td>Wrigley</td>
<td>2,928</td>
<td>2,632</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-10.1%</td>
</tr>
<tr>
<td>Mars Symbioscience†</td>
<td>0</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.9%</td>
</tr>
<tr>
<td>Other*</td>
<td>44</td>
<td>45</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.9%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>22,228</td>
<td>20,779</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-6.5%</td>
</tr>
</tbody>
</table>

Note: We have corrected our Scope 2 emissions following the finding that 11 of our US factories, primarily in Mars Petcare, were previously in the wrong U.S. EPA subregions.

Data from our Symbioscience segment no longer includes data from the Mogendorf site, which was sold in 2013.

Greenhouse gas emissions and fossil fuel energy use have increased since 2007 at Mars Food. This is primarily because our Greenville site in Mississippi, US, used to generate energy from burning rice hulls, but now uses natural gas.

*Our Chocolate factory in Henderson, Nevada, restated its 2007 production.
†Data from our Symbioscience segment no longer includes data from the Mogendorf site, which was sold in 2013.
×Greenhouse gas emissions and fossil fuel energy use have increased since 2007 at Mars Food. This is primarily because our Greenville site in Mississippi, US, used to generate energy from burning rice hulls, but now uses natural gas.
≈“Other” includes cross segments such as sales offices, information services sites (Mars Global Services – data centers) and corporate HQ.
WATER (000m³)  

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

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>CHANGE from 2007 Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mars Chocolate*</td>
<td>4,134</td>
<td>3,906</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-5.5%</td>
</tr>
<tr>
<td>Mars Drinks</td>
<td>14.1</td>
<td>6.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-54.7%</td>
</tr>
<tr>
<td>Mars Food</td>
<td>1,362</td>
<td>1,254</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-7.9%</td>
</tr>
<tr>
<td>Mars Petcare</td>
<td>9,372</td>
<td>7,758</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-17.2%</td>
</tr>
<tr>
<td>Wrigley</td>
<td>1,563</td>
<td>1,291</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-17.4%</td>
</tr>
<tr>
<td>Mars Symbioscience†</td>
<td>0</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other*</td>
<td>13</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-14.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>16,458</td>
<td>14,227</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-13.6%</td>
</tr>
</tbody>
</table>

* “Other” includes cross segments such as sales offices, information services sites (Mars Global Services – data centers) and corporate HQ.

WASTE TO LANDFILL (kilotonne)  

Achieve zero waste to landfill by 2015.

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>CHANGE from 2007 Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mars Chocolate*</td>
<td>19</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-87.0%</td>
</tr>
<tr>
<td>Mars Drinks</td>
<td>0.6</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-99.7%</td>
</tr>
<tr>
<td>Mars Food</td>
<td>6.7</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-70.7%</td>
</tr>
<tr>
<td>Mars Petcare</td>
<td>89</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-55.1%</td>
</tr>
<tr>
<td>Wrigley</td>
<td>27</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-85.5%</td>
</tr>
<tr>
<td>Mars Symbioscience†</td>
<td>0</td>
<td>0.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>142</td>
<td>48</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-66.2%</td>
</tr>
</tbody>
</table>

* Our Chocolate factory in Henderson, Nevada, restated its 2007 production.
† Data from our Symbioscience segment no longer includes data from the Mogendorf site, which was sold in 2013.

Note: In 2013, we found that we had been misreporting water usage from 2010–2012 at a large manufacturing site. Restatement of those years has materially increased our reported water use.

PRODUCTION (kilotonne)  

CHANGE from 2007 Baseline

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>-2.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8,651</td>
<td>8,440</td>
<td>7,847</td>
<td>7,969</td>
<td>8,099</td>
<td>8,268</td>
<td>8,470</td>
<td></td>
</tr>
</tbody>
</table>
Our brands are the engines of Mars’ growth and we are proud of their global recognition and consumer appeal. Using advertising and awareness of our brands, we aim to engage consumers in social and environmental causes through sustainable innovation and cause marketing campaigns.
Mars is a business of globally-recognized, billion-dollar brands. We are proud of the many direct benefits our brands bring to people's everyday lives and how they contribute to our growth.

Our brands have grown using Mutuality as a guiding business principle. As we continue to grow, we know that we must use the scale and reach of our brands to affect real and lasting change. Our work in this area falls into three main categories: sustainable innovation; cause marketing; and responsible communication.

Sustainable Innovation

Social and environmental challenges in our value chain threaten the availability and affordability of essential raw materials that make our brands special. We are changing the way we manage our supply chain and operations (see Our Supply Chain and Our Operations) so that our brands can get the resources they need, while ensuring they remain profitable to make and affordable to buy.

For example, peanuts are essential for M&M’S®. But pests, disease and shortages of water and farm land threaten to reduce supply and push up the price. That is why we are leading our industry by helping peanut farmers meet these challenges.

We have progressed our work on buying 100 percent High-Oleic Acid Peanuts (HOAP) - the variety that stays freshest for longest - for our M&M’S® brand through a targeted engagement campaign with growers and shellers in North America. We are investing $1.45 million toward mapping the peanut genome, which will allow breeders to quickly develop even higher-yielding varieties. Improved productivity protects farmers’ livelihoods, and that means our brands have a more secure future.

Similarly, overfishing can jeopardize the availability of the fish we need for petcare brands such as WHISKAS®. To help maintain a secure and stable fishery stock, we are using more meat from each fish and reducing the total number of fish used. We aim to source all fish from sustainable sources by 2020. In 2013, we began buying Marine Stewardship Council certified fish in Europe for WHISKAS® products. Fish used in SHEBA® in North America is certified through the Monterey Bay Aquarium Seafood Watch program and features their ‘responsibly sourced’ logo.

By using packaging materials more efficiently, we lower production costs and reduce our environmental impacts. In 2013, Wrigley launched a new bottle to eliminate and replace the BIG-E-PAK® bottle and pop top bottle with a single, lighter format - reducing the amount of plastic in each bottle by 6.5 percent and 19 percent respectively. The new bottle is used for EXTRA®, ORBIT®, SKITTLES® and FREEDENT® brands in Europe.

We are committed to our brands being affordable to many people. To do this, we want to make sure that the raw materials we need continue to be available and affordable.

Bruce McColl,
Chief Marketing Officer,
Mars, Incorporated
Our range of innovative projects are finding ways to produce our iconic brands while using resources more efficiently. As we make progress, we anticipate that consumers will notice some of our sustainable innovations, particularly where ingredient choices differ. We are applying lessons from how other companies have changed consumer perceptions and expectations in relation to sustainable innovations, so that our consumers embrace the changes we make and continue to choose our brands.

Cause Marketing

We aim to use the power of our marketing communications to engage consumers in good causes.

While cause marketing is an established communications tool at Mars, we were not using it to maximum effect. Cause marketing can complement the sustainability work in our supply chain and operations and make a difference to people and planet, while improving our brand performance.

We challenged ourselves to generate global cause marketing campaigns for five of our brands. Four are now live (see case studies on pages 42 and 43). We did this by testing different approaches to creating brand value through cause marketing. The lessons learned have helped us identify the right business models and strategies to maximize the long-term social and environmental benefits of these campaigns, as well as their commercial success on a global scale.

We also develop cause marketing campaigns for local markets. In the UK in 2013, MALTESERS® supported the charity Comic Relief, which is known for its Red Nose Day fund raising campaign. MALTESERS® donated five pence from every special Red Nose Day pack, raising over £1 million for Comic Relief. In South Africa, the Shoprite Mobile Soup Kitchen, supported by ROYCO®, has served over 16 million cups of soup since the project began in 2007 to help alleviate hunger in disadvantaged communities. Our plan is to expand both flagship and local campaigns to more markets and create additional campaigns with some of our other brands.

"We want to make a big difference for the causes we support. Creating growth is critical to scaling success."

Bruce McColl,
Chief Marketing Officer,
Mars, Incorporated
Communicating Responsibly

Our communications activity is an important opportunity to engage consumers, and we take this responsibility seriously. Compliance with all mandatory and voluntary commitments, to the letter and spirit, are essential for Mars to maintain credibility and industry leadership.

In addition to complying with the specific regulatory and legal requirements of individual countries, we have developed the Mars Marketing Code (MMC), which sets clear guidelines for how we advertise and promote our products globally, particularly food, chocolate, confectionery and gum products. China and India were the final countries to implement the MMC in 2013.

We are committed to reach our goal of not advertising if more than a quarter of the audience is likely to be under 12 through our global internal network of ambassadors and our monitoring system. In 2013, Mars achieved 97.1 percent compliance with this MMC requirement, as assessed by the International Food and Beverage Alliance. We did not achieve full compliance because we advertised on programs that were watched by more children than anticipated. We have taken steps to ensure this does not happen again.

Our advertisements and promotions do not depict unaccompanied children under 12 eating snack foods, nor do we use children as spokespeople for our brands. We extend these principles to digital media, where we do not advertise on websites aimed at those under 13.

In Europe, we achieved 98.3 percent compliance with the EU Pledge - a voluntary initiative by leading food and beverage companies to change the way they advertise to children.

We continue to work collaboratively with governments, interest groups and peer companies to support industry-leading practices in this area.

We want to use our iconic brands to make a positive difference to people and planet.

“

We must communicate responsibly to maintain our credibility, and the trust that people have in our brands. Our participation in the EU Pledge and efforts to apply our Mars Marketing Code demonstrate our commitment in this area.

Matthias Berninger,
Vice President Public Affairs,
Mars, Incorporated
**CASE STUDY**

**Ben’s Beginners™**

Inspiring parents and their children to cook together helps families develop a healthier relationship with food and is an important step towards tackling childhood obesity. This is the spirit behind the Ben’s Beginners™ campaign.

Families are encouraged to submit videos showing them cooking a healthy meal together using UNCLE BEN’S® rice. A range of prizes incentivize engagement, and the winners are chosen through a public vote via social media.

In 2012, the inaugural communications campaign in the U.S. reached 20 million households with kids, and generated 800 videos of parents and children cooking together as families. And in 2013, we achieved our goal of getting 1 percent of families in the U.S. — around 236,000 households — cooking together. Three schools with the highest number of video submissions received the School Participation Award of $30,000 for a cafeteria makeover.

In 2013, Ben’s Beginners™ launched in Belgium, Canada and Ireland; nine other markets will roll out the campaign in 2014.

**CASE STUDY**

**PEDIGREE® Feeding Project**

In 2014, PEDIGREE®, which has donated more than 20 million pounds of food to pet shelters, launched its new See What Good Food Can Do™ documentary-style campaign at the ultimate storytelling venue - the 2014 Sundance Film Festival. This new campaign features real stories of dogs in shelters, their caregivers and the dogs’ new families - and brings to life the impact that PEDIGREE® food can have on the lives of shelter dogs.

To celebrate the stories of shelter dogs, PEDIGREE® has enlisted dog lovers to get involved with the campaign to help feed more shelter dogs. For every person who shares a story through social media using #DogTales, PEDIGREE® will donate a bowl of food to a shelter.

Building on the long-standing commitment to feeding dogs, the brand also launched the PEDIGREE® Feeding Project in 2012, which gives 12 shelters across the U.S. 100 percent of their core dog food needs at no cost. This helps shelters focus their resources on helping more dogs get adopted.

By February 2014, the program had provided 3,700,000 pounds of food for 31,500 pets, and the shelters had saved $397,000, enabling them to use funds for other essential activities.

Parent of Ben’s Beginners™ contestant, U.S.
Mars and WWF aim to double the number of wild tigers to 6,000 by 2022.

CASE STUDY

The WHISKAS® Tigers Alive Initiative

Because big cats need love and protection too, the WHISKAS® Tigers Alive Initiative - launched in 2013 by Mars Petcare UK - engages cat owners in a cause close to their hearts.

In partnership with the World Wildlife Fund (WWF), it provides funding and creates awareness about tiger conservation, with the goal of doubling the number of wild tigers to 6,000 by 2022.

Consumers can support the effort in three ways: by buying a special pack of WHISKAS®, which secures a day’s protection for a tiger; by making one-off donations directly to WWF; and by donating monthly to ‘adopt’ a tiger.

Funds raised in 2013 are being used to improve conditions for park rangers who carry out anti-poaching work and patrols in the Terai Arc region of Nepal, which is home to around 120 adult Bengal tigers.

In 2014, the initiative will be expanded to other markets. The global steering committee, comprised of Mars Petcare and WWF staff, meets regularly to review progress and agree plans for the future.

CASE STUDY

EXTRA® Chew for Change

“Your chewing gum is someone else’s toothbrush”

Provocative and attention-grabbing phrases like this, delivered in-store and online as part of the EXTRA® Chew for Change communications campaign, are helping Wrigley reach 16,000 children in Ghana, where oral health is often overlooked.

Since the program’s launch in September 2013, every purchase of EXTRA® gum in Sweden generates a donation to the program, which is delivered in partnership with SOS Children’s Villages. The initiative teaches children to brush their teeth for two minutes, twice a day, by providing hands-on oral care training, educational posters, toothbrushes, and toothpaste.

The program will run until June 2014; by February 2014, over 8,000 young people in Ghana had benefitted from the campaign’s messages. Wrigley Norway will launch Chew for Change in support of children in Ghana in 2014.

Using the ORBIT® brand, Wrigley Poland is improving the dental health of children in Poland, where 80 percent of children under 12 suffer from cavities. They plan to provide more than 6,000 children with free dental check-ups and over 50,000 children with educational courses in 2014.
We aspire to be a great place to work for all Associates around the world. Our distinctive culture is based on our Five Principles, which help us work together to grow our business and benefit communities.
Working at Mars

We have ambitious plans to grow our business and we need the best talent to succeed. That’s why we must maintain a workplace that is energetic, fun and fulfilling for all Associates – a great place to work.

OUR APPROACH

Mars Associates prioritize collaboration and agreement over authority, and are empowered and encouraged to pursue learning and development opportunities. This work environment, combined with the Five Principles of Quality, Responsibility, Mutuality, Efficiency and Freedom, helps inspire and motivate more than 75,000 Mars Associates.

Our open plan offices have no doors, with the most senior managers, including our Presidents, sitting alongside other Associates. This supports effective communication, approachable leadership, and the development of a strong sense of community. Mars Associates gain responsibility by demonstrating capability and performance, not because of length of service, age, gender, ethnicity, sexuality, religion or physical ability. In exchange for performance, Mars compensates Associates with competitive rewards and benefits.

Our global Make the Difference Awards take place every other year to celebrate Associates who put our Five Principles into action and bring innovative thinking, fresh perspectives and personal commitment to improving our communities, environment, workplaces and business. Mars Associates say they feel engaged and motivated when their achievements are recognized and celebrated by senior managers and Mars family members.

Learning and development is central to our culture. Mars Associates are curious, independent thinkers who take ownership of driving their career plan and development, with support from their managers. Most learning takes place on the job, for example through challenging assignments and special projects. There is an expectation that an Associate’s role and responsibilities will change to continuously broaden their experience and expand their skills set. This is supplemented with coaching and mentoring by line managers. Associates in every Mars location can access a wide range of learning opportunities through the Mars University, from cross-functional skills development to award-winning leadership programs.

In addition to the Mars leadership programs and functional colleges, which offer functional and leadership skills development, each Mars business segment aims to have a learning academy by 2014. For example, in 2013, as part of a range of tailored learning opportunities, Mars Drinks Academy delivered a Sustainability Basics course to educate Associates on the sustainability developments in drinks products, such as coffee certification. These opportunities enable Associates to enhance their knowledge and skills and develop a passion for our brands.

Investing in the growth and development of our talented Mars Associates helps fuel our future growth and retain the best and brightest people. Because the Five Principles are so important to our culture, we introduce them to Associates through the ‘Essence of Mars’ course at the start of their careers.

Giving back to people and planet is important at Mars, and every Associate is encouraged to make a positive impact on the communities where they live and work. The Mars Volunteer Program (MVP) offers paid time off to make a difference (see case study on page 47), and the Mars Ambassador Program (MAP) enables Associates to support projects that improve their understanding of the communities that support our business.

Learning and development is essential to help Associates have pride in representing our brands and understanding what is critically important to Mars – running a principles-based business.

Samantha Veide, Global Drinks Education Manager
ASSOCIATE DEMOGRAPHICS

Associates by Region
- 39.9% Americas
- 19.3% Asia Pacific
- 40.8% Europe, Africa and Middle East

Associates by Segment
- 46.2% Petcare
- 4.2% Food
- 0.8% Drinks
- 23.1% Wrigley
- 22.3% Chocolate
- 0.1% Symbioscience
- 3.3% Corporate

KEY METRICS

<table>
<thead>
<tr>
<th>METRIC</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Associates completing Essence of Mars training within 12 months</td>
<td>55.3%</td>
<td>55%</td>
<td>51%</td>
</tr>
<tr>
<td>Associates contacting our Ombudsman for advice about work</td>
<td>1,603</td>
<td>1,464</td>
<td>1,048</td>
</tr>
<tr>
<td>Hours volunteered through MVP and MAP</td>
<td>75,138</td>
<td>52,880</td>
<td>&gt;41,500</td>
</tr>
<tr>
<td>Women in management positions</td>
<td>40%</td>
<td>38%</td>
<td>38%</td>
</tr>
</tbody>
</table>

In 2013, 99 Associates spent between one and six weeks taking part in the Mars Ambassadors Program (MAP).

Nearly 19,000 Associates around the world spent almost 70,000 hours volunteering, reaching around 28,000 people and over 5,000 pets through the Mars Volunteer Program (MVP).

We prioritize the health and safety of our Associates and facilities because this is crucial to managing risks effectively and maintaining our license to operate.

It is important to us that Mars Associates have channels to share their views and feedback, or highlight concerns. Annually, we conduct an Associate Engagement Survey, and the results are used by leaders across the business to create improvement plans that are implemented to maximize the connection, commitment and enthusiasm Associates have for their work.

We also have an Ombudsman program that provides Associates with a confidential mechanism to discuss issues or concerns. It provides every Associate with access to an independent source of advice, and makes recommendations to management based on key themes identified through the feedback.

Ensuring that Mars attracts and retains the very best global talent is core to our ability to deliver on our future ambitions. We also recognize the value in reducing turnover. We want to create an environment where strong performers can make a life-long career at Mars, while still feeling they are learning and growing with each new professional experience.

We want to give Associates the opportunity to have a long, rewarding career at Mars, so we invest seriously in growth and development. This pays dividends in the talent and abilities of our team and the retention of the best and the brightest.

Paul S. Michaels,
Office of the President
Mars, Incorporated
MVP 2013

The Mars Volunteer Program

Through the Mars Volunteer Program (MVP), Associates have the opportunity to put the Five Principles into action for up to two paid working days a year, volunteering in communities where they live and work.

In 2013, nearly 19,000 Associates around the world spent almost 70,000 hours volunteering, and reached around 28,000 people and over 5,000 pets through their activities.

More than 200 of the most senior Petcare Associates from around the world came together for a bi-annual Petcare meeting in Irvine, California, and refurbished a local pet shelter as part of their MVP activities. In total, they gave 400 hours of their time and helped 126 pets. Elsewhere in the U.S., Associates from the Chocolate sales site in Bentonville, Arkansas, helped refurbish a local women’s shelter, and Associates from the NUTRO® site in Franklin, Tennessee, partnered with Meals on Wheels to deliver more than 500 meals and 15,000 pounds of pet food to local people and pets in need.

Mars Drinks UK achieved a record annual 600 percent increase in time volunteered (over 1,140 hours) in 2013 through MVP, including 150 hours of Associates’ personal time.

Wrigley had more than 7,800 Associates participate in MVP at 67 sites – a 30 percent increase from 2012. In Poland, over 200 Associates helped to restore a local forest by cleaning litter and preparing the trees for winter, and a team in Nairobi planted 750 seedlings in support of a local school.

For the second year, the Mars Food Nordics team hosted the “Nordic Favorite Meal Championship,” collecting almost 9,000 meals for the homeless in Denmark, Sweden, Norway and Finland.

Through the hard work of more than 200 volunteers, we transformed this shelter. In just a few hours, we connected with one another, brought our vision to life, and improved the quality of life for these pets while they wait to be adopted.

Larry Allgaier,
President of Mars Petcare,
North America
CASE STUDY

A Great Place to Work, All Around the World

In November 2013, Mars was ranked 22nd in the first World’s Best Multinational Workplaces list by the Great Place to Work® Institute. We were also ranked 16th on the 25 Best Multinational Workplaces in Europe list.

Popular news website, Buzzfeed, listed Mars as third out of twenty companies with the coolest employee perks, highlighting access to free candy and bringing your pet to work.

In 2013, Mars was recognized by 19 Great Place to Work® lists including (with ranking as applicable): Argentina (6), Austria (4), Belgium (5), Brazil (24), Central America (5), Chile (8), Denmark (14), Finland (8), France (3), Greece (5), Ireland (1), Italy (3), Japan (25), Korea, Poland (7), Portugal (7), Spain (10), Switzerland (9) and the USA (95).

We are also featured on other national workplace lists including Australia (Aon Hewitt), Mexico (6th in Super Empresas), New Zealand (Kenexa Best Workplaces Award for the Medium-Large Workplace category), Thailand (Aon Hewitt), and the United Kingdom (58th in Times Top 100 Employers).

PROGRESS IN 2013

Mars continues to be considered a great place to work by external stakeholders, and the 2013 Associate Engagement Survey results show that 70 percent of Associates at Mars are fully engaged (connected, committed and enthusiastic about their work). We believe that every Associate deserves to have a great line manager, and the results of the survey confirmed that the role of the line manager and the local team level environment have a big influence on Associate engagement. To further assist our leaders in this area, we developed a toolkit featuring best practice for engaging, motivating and supporting Associates that has been circulated to all line managers.

The dedication and talent of our Associates was evident in the more than 26,000 Make the Difference nominations received in 2013 for projects that demonstrate commitment to living by our Five Principles in a variety of ways.

Around 150 Associates and segments, representing all Mars regions, were invited to attend the finalists’ celebration events at our McLean, Virginia, headquarters in the U.S., where they presented their projects to the Mars, Incorporated Leadership Team and members of the Mars family.

In 2013, 23,742 Associates received 388,620 hours of training through the Mars University, and 130,835 hours of leadership training was delivered through the Leadership@Mars and the Accelerated Leadership programs. Of the 18 global participants in our Women in Sales Leadership program, most have been promoted or have assumed expanded responsibilities in the past year.

We are currently identifying the next cohort, and because long-term development is so important, we are also working to ensure that this course integrates seamlessly with other learning opportunities, such as the Sales College program.

TARGETS

Female Managers

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 increased to 40% (from 38% in 2012), and women in executive positions increased to 28% (from 27% in 2012).

Top 80th Percentile

Score in the top 80th percentile of companies that use the Gallup survey of engagement and in the top 80th percentile for our efforts to implement the actions identified in the survey (ongoing target).

PROGRESS:
We scored in the 70th percentile in 2013.
CASE STUDY

Mars Ambassadors
Rehabilitate Marine Environment in Indonesia

Brightly colored tropical fish look good in living rooms, and some are even considered delicacies, but increased demand has had serious consequences for marine life around the world.

Destructive fishing techniques, used to meet increasing demands for commercial fishing, harm the protective reef environment and are also damaging for communities.

Associates from different segments and locations have been coming together in Indonesia as part of the Mars Ambassador Program (MAP) to learn about how Mars is helping affected fishing communities. Through partnerships with key community organizations, the local Mars Indonesian team supports the implementation of interventions to help meet demand sustainably, without the need for harmful fishing practices.

For example, seahorse and abalone farming production units were established to provide a legal, certified and sustainable way for families to increase their incomes. Our Ambassadors learned about, and helped install, specially designed systems to rehabilitate reefs.

The project has helped the community plan for the future and embed practices that will provide long term economic benefits for people, while protecting this unique marine environment. The project was part of a larger Mars program selected as a finalist for the Secretary of State’s 2013 Award for Corporate Excellence in the U.S.

Deise Grosso,
Mars Petcare, Brazil

The Essence of Mars training had the greatest impact on me during my onboarding process. It helped me to understand more about the Principles and how to do business the Mars way.

Associate,
Mars Petcare, Asia-Pacific
We are committed to continually improving the Principles in Action Summary and look forward to receiving feedback from our stakeholders.

For additional information, to view previous reports or to provide comments, go to mars.com or follow us at /Marsglobal.