

The freedom to operate sustainably

Responsibility at Mars for the environment and society

Lower CO₂ emissions in its factories, responsible use of raw materials, social commitment at its sites – the food producer Mars has raised sustainability to a measure of value for its business activities.

Mars produces and markets some of the most famous brands in the world, including Uncle Ben's rice, Snickers and Pedigree. The company is one of the world's leading producers in the field of confectionery and pet food. The experience gained in the almost 100 years of the company's history has shown that such success is based on the principle of 'Mutuality'. Mars renders a contribution to development in those 68 countries where its business sites are located. The enterprise is a reliable employer to its 70,000 associates around the world, 2,200 of whom are employed in Germany. The local communities where these people live also benefit. What is more, when cooperating with its numerous business partners, Mars contributes to the economical, ecological and socially sustainable creation of value. The basis for this is freedom. As a family enterprise, Mars avoids economic dependencies and traditionally deals with risks in a farsighted manner.

An eye on the environment

This farsightedness frees up capacities for the continuous optimisation of business processes. One example of this involves concepts for using resources efficiently and with due care and consideration.

An internal management system based on ISO 9000 ff and 14000 ff ensures compliance with and further development of the highest environmental, quality and safety standards. The environmental commitment of the German sites focuses primarily on the following three areas:

1. Energy

Mars has set targets to manufacture all of their products CO₂ neutral by 2040. Raising energy efficiency and changing to sources of renewable energy are important building blocks needed to achieve this goal.

Mars Germany uses energy efficiently and reduces its CO₂ emissions. For instance, the business in Viersen makes use of residual energy from its production processes. The most advanced technologies allow effective recirculation and utilisation in this respect. Furthermore, solar tubes direct daylight onto the workplaces of the employees. With these measures, some 750,000 kWh of energy has been saved each year to date. In Verden, optimisation of the boiler plant with an additional flue gas cooler will reduce gas consumption by six percent.

In the field of logistics, Mars was able to position itself as a leading force in 2008. Stimulated by the company, logistics experts from industry and trade developed joint approaches for the sustainable distribution of consumer goods in Germany. These include, for example, the increased bundling of transportation and joint use of vehicle fleets. The cooperation partners include both competitors and trading partners. The goal is to reduce CO₂ emissions by a total of 15 to 25 percent by the year 2012.

Above that, Mars is focusing on having an environmentally-friendly fleet of vehicles. Mars products are almost exclusively delivered to their destinations by vehicles certified in the pollutant categories Euro 4-5. The portion of Euro 5 vehicles is, for instance, currently at over 90%. This means Mars is the leader and remains far above the national average of only 45%.

2. Water

Mars Germany uses water economically. All production sites monitor both water consumption and the volume of wastewater generated. Furthermore, the company has initiated various projects to reduce consumption drastically at the individual sites. A

concrete example is having reduced the water consumption for pet food production in Minden by 50 percent and wastewater by 65 percent since 2003 thanks to ongoing optimisations. Use of city water at the Viersen site is down 73% from ten years ago.

3. Waste

Mars Germany saves paper. The focus in this respect is on the principles of recycling and reduction, ongoing analysis of the status quo and continuous process optimisation. Today, 65 percent of the paper Mars uses is from recycled paper, especially transport packaging. From 2010 onwards, this proportion is intended to reach 80 percent. And by the end of 2010, Mars will reduce the volume of its sales packaging by 10 percent versus 2007. One example of how this can be achieved is the continuous work aimed at reducing the weight of tin cans. In addition, a number of innovative solutions have been implemented for Uncle Ben's in recent years to reduce the total amount of packaging. For instance, a re-design of the Uncle Ben's dry rice packs and outer cases has resulted in a cardboard reduction of 230 tons per year, while 450 tons of glass is saved annually by reducing the weight of their jars.

Responsibility for associates and society

Being a family enterprise, Mars regards its role as an employer to include offering every associate a clear framework to give their best. Associate Development is an important element of our culture - and is guided by our company-wide principles of freedom and responsibility. Comprehensive programmes for apprenticeships and advanced training support the personal development of each individual. And every employee can make use of the global training platform 'Mars University'.

Mars ranks among the 'Top Employers in Germany' (2006, 2007 and 2010) and has committed itself with the 'Fair Company' award to offer internships exclusively to students in order to contribute to them having a comprehensive apprenticeship. The interns handle their own projects at Mars and thus render a valuable contribution to the success of the company. In the context of our company principle of 'Mutuality', it goes

without saying that the interns receive intensive expert and personal support from experienced supervisors. Their remuneration is also above average.

The working atmosphere at Wrigley stands for creativeness, team spirit and having honest, credible management. For this, Wrigley received an award as one of the best employers in Germany in 2008 by the *Great Place to Work® Institute*.

A global enterprise is also a part of the local society at its respective sites. Mars undertakes to realise this role fully. In Viersen and Verden, the company supports food charity projects that distribute food to the socially disadvantaged. In this context, the support consists of both cash and material donations, as well as voluntary work by Mars associates in the community.

Mars produces food that potentially reaches every consumer in Germany. This includes many popular confectionery products. Therefore, Mars undertakes to promote responsible use of its own products. On the platform www.clever-naschen.de ('Eat Smart'), Mars informs parents on how they can motivate their children to pursue an active and balanced lifestyle. Risk groups are addressed in a targeted approach with a special information programme in Turkish in cooperation with the Turkish-German Health Foundation. As a member of the multi-company initiative, *Plattform Ernährung und Bewegung* or *peb* (platform nutrition and exercise), Mars is committed to promoting balanced nutrition and an active lifestyle. In the pet food segment, Mars has supported for more than 25 years numerous initiatives and associations that are actively devoted to the relationship between animals and humans and the responsible keeping of animals, be it in the form of dog visiting services by volunteers for senior citizens, or carrying out animal-assisted therapies for disabled children. For many years now, Pedigree and Whiskas have supported the work in the animal shelters of the German Humane Society for Animals, Deutscher Tierschutzbund, e.g. by means of food donations and nationwide programmes for finding animals new and loving homes.

Raw materials

Mars ensures that its raw material vendors comply with strict social and ethical guidelines. The standard is specified by the in-house Vendor Assurance Programme, which includes the auditing of all Mars suppliers and vendors.

In the pet food segment, Mars uses raw materials made exclusively of meat from animals that have been approved for consumption by humans, but is no longer used for human consumption on account of our current eating habits.

In terms of the sustainable use of fish as a raw material, Mars has reviewed its recipes for fish that are on the Red List of Endangered Animal Species of the International Union for Conservation of Nature and Natural Resources (IUCN). Consequently, a number of species, such as the Big Eye Tuna and Swordfish, are no longer processed.

Above that, Mars has committed to using only sustainably sourced fish by 2020, and taking into consideration the dwindling global fish stocks, has worked closely together with the World Wildlife Fund (WWF) to develop its fish sustainability commitment: Mars Petcare will only use fish from 100% sustainable wild catch and sustainable aquaculture sources. All wild catch used, whole fish as well as fish fillets, is so be replaced with sustainable fish by-products and sustainable aquaculture. In addition, only sustainable alternatives to marine fish ingredients are to be processed.

An important milestone in this sustainability journey will be Mars' introduction of Marine Stewardship Council (MSC) certified pet food in Europe by the end of 2010. Mars Petcare Europe will roll out MSC certification across a selection of fish varieties in the SHEBA® and WHISKAS® brand portfolios across Europe

Mars Drinks has also initiated a sustainability program. With 'Brighter Tomorrow at Origin', Mars Drinks has been directly engaged in the source countries of its coffee and tea since 2006, with the aim of increasing product quality and improving the working and living conditions of local farmers. Part of the money generated from selling products with the 'Brighter Tomorrow' seal is invested in social and economic projects in these growing

regions. Furthermore, Mars Drinks has launched KLIX® and FLAVIA® coffee products carrying the seal of the environmental organization Rainforest Alliance®. Coffee with the Rainforest Alliance Certified seal is only grown on plantations that are certified according to social, economic and ecological criteria using sustainable practices. As such, protection of sensitive ecosystems, preservation of the biodiversity, sustainable safeguarding of the habitat used by people, protecting animals and plants as well as the rights and well-being of the workers, their families and communities are at the forefront.

Biodiversity in Good Company

As a partner in the Business and Biodiversity Initiative from the German Federal Environment Ministry, Mars actively supports the preservation of biodiversity. By signing the corresponding Leadership Declaration, the company has entered into a voluntary commitment to strengthen its engagement through concrete activities promoting biodiversity. For Mars, biodiversity is a business imperative because many of the ingredients used are only able to thrive long-term in a biologically diverse environment. Therefore, Mars sees business actions and biodiversity as being very closely linked.

Cocoa sustainability

Just how multifaceted the commitment of Mars is becomes particularly evident when taking a close look at the example of sustainable cocoa cultivation. The cultivation of this raw material, which is extremely important for a confectionery producer, involves all aspects of a sustainable business operation - from the cultivation methods employed and the acquisition process in the developing countries, all the way to sustainable trade. Mars has committed to purchase only sustainably grown cocoa for our global needs by 2020. As the first global chocolate company to make such a commitment, we have launched a multi-year, multi-country collaboration with Rainforest Alliance and UTZ Certified. This international, non-profit organisation works to conserve biodiversity and sustainability by transforming land-use practices, business practices and consumer behaviour. Our goal is to build toward having Rainforest Alliance certification of 100,000 metric tonnes of cocoa, and to work with the UTZ to certify another 100,000 metric tonnes of cocoa for use

annually in 100% certified Mars products. Mars has an annual requirement of about 300,000 tons of cocoa. To achieve our overall goal by 2020, we will also be working with other certifying groups and agencies.

Within the iMPACT project (Mars Partnership for African Cocoa Communities of Tomorrow), Mars is cooperating with numerous organisations and companies to improve the living and working conditions of the cocoa farmers in the producing regions and the cultivation methods in terms of ecological aspects. Partners of iMPACT include Africare, the German Society for Technical Cooperation (Gesellschaft für Technische Zusammenarbeit - GTZ) and the Rainforest Alliance, among others. Furthermore, Mars supports the international commitment for sustainable cocoa cultivation within the scope of the International Cocoa Initiative and the World Cocoa Foundation. Find more at www.cocoasustainability.mars.com.

Social responsibility at Wrigley

Wrigley promotes young people

One of the key success factors for Wrigley - a business that has continued for over 115 years - has always been and remains the company's power of innovation. Wrigley wishes to impart this culture of innovative spirit to young people, while at the same time promoting their own sense of responsibility and motivating them to undertake personal commitment. In Germany, Wrigley has been a nationwide partner with the *Jugend denkt Zukunft* (Young People Think About the Future) initiative since 2005 and sole sponsor of the initiative since 2008. Today, this initiative is one of the leading initiatives between schools and the economy. The goal of *Jugend denkt Zukunft* is to foster creativeness, team spirit, the joy of discovery and interdisciplinary action among pupils in the ninth to twelfth grades from all types of schools. Young people are given the opportunity of developing their own innovative ideas within the scope of five-day innovation games. So far, more than 12,000 pupils have participated in the *Jugend denkt Zukunft* initiative. With this project, Wrigley actively commits itself to the role of 'Corporate Citizen' and supports the culture of innovation in Germany.

20 years in the service of dental prophylaxis

In 1989, Wrigley launched the scientific initiative known as the Wrigley Oral Healthcare Programme in Germany. The programme's objective is to promote caries prophylaxis in research and practice, and has been successfully implemented in numerous projects to date. The spectrum of measures ranges from the scientifically established 'Wrigley Prophylaxis Prize' that is awarded each year, all the way to teaching and learning programmes for dental students that are already being used by more than half of the dental faculties in Germany. Added to this are close cooperation and joint projects with statutory health funds and associations such as the *Deutsche Gesellschaft für Zahnerhaltung* (German Association for Dental Conservation).