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EMBARGOED FOR 10:30BST Monday July 10th 2017

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MARS LAUNCHES FARMER INCOME LAB TO TACKLE ISSUE OF SMALLHOLDER FARMER INCOME

- *Collaborative 'Farmer Income Lab' aimed at helping to improve income levels amongst smallholder farmers*
- *Oxfam announced as first member of the Farmer Income Lab's 'advisory panel'. The Lab will commission research, inspire discussion and work to create solutions to build supply chains where farmers thrive*
- *Mars' Chief Sustainability Officer Barry Parkin says the industry 'must do more' to tackle low income—wants Farmer Income Lab to help foster deeper collaboration across the industry*

MCLEAN, VA. July 10th, 2017 – Mars has today launched The Farmer Income Lab, a collaborative 'think-do tank' aimed at helping to increase farmers' incomes.

The Farmer Income Lab will invest in research and shape dialogue to produce practical insights which will be turned into action. The Livelihoods Fund for Family Farming, as well as Mars' programs in cocoa, mint and rice, will provide a way of testing the insights and implementing the new models for dramatically improving farmer incomes.

A focus on agriculture and agri-business is essential to eradicate poverty, the first of the UN's Sustainable Development Goals.

The insights and solutions will be shared with the industry to help drive wider change and impact across global supply chains. The initiative will be guided by an advisory panel of experts from academia, non-profit and intergovernmental organizations - with Oxfam as its first member.



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Mars' Chief Sustainability & Health and Wellbeing Officer, Barry Parkin, said: *"At Mars, our ambition is that those working across our extended supply chains should earn sufficient income to maintain a decent standard of living.*

"We will be working with a number of experts to help guide the Farmer Income Lab's work, and are delighted that Oxfam has agreed to serve as one of the Lab's advisers. We value their deep subject matter expertise across a wide range of poverty and development issues. Together, we will work to build supply chains where everyone wins."

Judy Beals, Private Sector Department Director at Oxfam, said: *"This is a courageous step for Mars to take. We believe this initiative holds a lot of promise, contributing to meaningful change for farmers living in poverty."*

Mr. Parkin said collaboration would be at the heart of the Farmer Income Lab, with future members of the advisory panel due to be announced in the coming months.

He added: *"We know the industry must do more to tackle these issues. The poverty challenge is too big for any one organization to solve alone. It needs all of us – businesses, NGOs and governments – to convene and collaborate, each playing our own unique role."*

The types of issues the Income Lab will consider include:

- What are the fundamental enabling factors required to increase farmer income? (for example farm size)
- What drives higher farmer adoption rates?
- What are the roles of the different actors in improving farmer income?
- What is the right long-term target for farmer income?

The launch of the Farmer Income Lab is part of Mars' ongoing work to source more sustainably produced raw materials, boost farmers' incomes and create mutual benefits for the communities that supply them. The Income Lab is part of a broader supply chain transformation underway at Mars to improve the business' impact on societies and the environment:

- Mars is conducting breakthrough research aimed at improving breeding, farming methods and protection against pests and disease for cocoa and other crops.
- Mars is embedding sustainable sourcing into procurement practices and has put in place public position statements and policies to guide its business on human rights, deforestation, income and other social and environmental impacts.



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- By 2016, Mars had mapped 70% of its priority raw material supply chains to origin, and engaged more than 700 suppliers through hundreds of meetings and over 50 trips to origin countries.
- Mars is currently working towards 2020 targets to obtain 100% of its cocoa from certified sources, 100% of fish and seafood from sustainable sources, and 100% of rice from Sustainable Rice Platform Farmers and has met 100% certified black tea and coffee. The company recognizes these efforts are important steps along the path to truly sustainable sourcing.
- Partnering with government for example, earlier this year, Mars signed a renewed Memorandum of Understanding and increased investment in the Republic of Côte d'Ivoire to \$280 million (toward 2025).
- Industry collaboration on sustainable supply chains is critical and Mars plays a leadership role in a number of these for example [CocoaAction](#), part of the World Cocoa Foundation and the [Sustainable Rice Platform](#).
- Mars has launched The [Livelihoods 3F](#) for Family Farming initiative with Danone – an investment fund that aims to invest €120 million over ten years to build sustainable agricultural supply chains with smallholder farmers in Africa, Asia and Latin America.

For more information on the Farmer Income Lab, please go to www.farmerincomelab.com

About Mars, Incorporated

Mars is a family-owned business with more than a century of history making diverse products and offering services for people and the pets people love. With almost \$35 billion in sales, the company is a global business that produces some of the world's best-loved brands: M&M's®, SNICKERS®, TWIX®, MILKY WAY®, DOVE®, PEDIGREE®, ROYAL CANIN®, WHISKAS®, EXTRA®, ORBIT®, 5™, SKITTLES®, UNCLE BEN'S®, MARS DRINKS and COCOAVIA®. Mars also provides veterinary health services that include BANFIELD® Pet Hospitals. Headquartered in McLean, VA,

Mars operates in more than 80 countries. The Mars Five Principles – Quality, Responsibility, Mutuality, Efficiency and Freedom – inspire its more than 85,000 Associates to create value for all its partners and deliver growth they are proud of every day.

MARS

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