



# LRQA's Data Assurance Statement Relating to Mars Incorporated's selected environmental metrics reported in the 2016 Principles in Action Summary

This Assurance Statement has been prepared for Mars Incorporated (Mars) in accordance with our contract but is intended for the readers of this Report.

## Terms of engagement

Lloyd's Register Quality Assurance, Inc. (LRQA) was commissioned by Mars to provide independent assurance on five Mars selected environmental metrics reported in its Principles in Action Summary (PiA) for the calendar year 2016 to a moderate level of assurance using LRQA's verification approach.

Our assurance engagement covered Mars' operations worldwide and specifically evaluated the following requirements:

- Evaluating adherence to data reporting requirements in the Mars Data Manuals
- Reliability of the environmental metrics selected by Mars:
  - Energy (Fossil Fuels and Electric)
  - Renewable Energy
  - Water Use
  - Waste Water Discharged
  - Waste to Landfill

Our assurance engagement excluded data from Logistics, Warehouses and Co-Processors.

LRQA's responsibility is only to Mars. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Mars' responsibility is for collecting, aggregating, analysing and presenting all the data and information within the PiA and for maintaining effective internal controls over the systems from which the PiA is derived. Ultimately, the PiA has been approved by, and remains the responsibility of Mars.

## LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Mars has not:

- Met the requirements above
- Disclosed reliable performance data related to the five selected environmental metrics.

The opinion expressed is formed on the basis of a moderate level of assurance and at the materiality of the professional judgement of the Verifier.

**Note:** The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## LRQA's approach

LRQA's assurance engagement was carried out in accordance with LRQA's verification approach. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Reviewing Mars' data collection and management processes with a central (corporate) resource who was located in Cleveland, Tennessee
- Evaluating Mars' data assumptions, calculation methods and data checking processes
- Confirming effective implementation of the data collection processes by visiting ten selected sites representative of four of Mars' six Global Business Segments:
  - Mars Chocolate
  - Mars Food
  - Mars Petcare

- Wrigley

The sites visited were located in Canada, Austria, Mexico and China.

- Interviewing key personnel responsible for data collection, aggregation and data entry
- Interviewing the central data manager responsible for overall data collection, aggregation and checking
- Verifying a sample of the performance data back to its original source to check reliability of data entry into Mars reporting processes.

## Observations

Further observations and findings, made during the assurance engagement, are:

- Processes were in place to ensure that sites contributing to these five selected environmental metrics understood Mars corporate reporting obligations
- Clear evidence was present aligning site activities with the Sustainable in a Generation (SiG) goals: Sending zero waste to landfill was the norm and some sites visited were purchasing sustainable energy supporting the Mars 2040 goal of zero emissions
- Mars should continue working on LRQA's previous recommendations to:
  - Strengthen the internal communication processes for data collection, reporting and checking including awareness of the Mars Data Manuals and training for data reporters
  - Use direct transfer of environmental data from the source where possible to reduce the risk of manual data entry errors. Mars has begun developing and testing electronic data transfer processes
  - Develop calibration requirements for meters used to measure environmental data.
- Wastes generation and disposition associated with construction, remodelling and projects are often managed by contractors and include disposition to landfill. While this volume of waste is likely small in comparison with Mars operational waste, LRQA recommends that external Mars statements regarding zero waste to landfill are clear that the zero waste to landfill is applicable to manufacturing operation waste only.
- Mars should strengthen refrigerant use and water reporting processes and checks. Refrigerant use and water reporting including water use and waste water discharge were the most commonly misstated metric. Strengthening awareness of Data Manuals would support improved accuracy.

The above is an excerpt from the findings reported back to the management of Mars. They do not affect our opinion.

## LRQA's standards, competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is the certification body for Mars' 2<sup>nd</sup> Party Assessments for:

- Quality and Food Safety
- Safety and Environmental
- Social audits of Mars sites

and Mars' 3<sup>rd</sup> Party Assessments for:

- ISO 9001
- ISO 14001
- FSSC and ISO 22000
- WRI/WBCSD GHG Protocol.

These assessments are the only work undertaken by LRQA for Mars and as such do not compromise our independence or impartiality.

Signed

Dated: 19 June 2017

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