

MARS

Principles in Action Summary 2013

Assurance statement and commentary

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Assurance statement

Mars has commissioned Corporate Citizenship to provide external assurance and a commentary on its *Principles in Action Summary 2013*.

The scope of our assurance

The assurance provides the reader with an independent, external assessment of the Summary and, in particular, with how it corresponds with the AA1000 standard. It is intended for the general reader and more specialist audiences who have a professional interest in the way in which Mars puts its principles into action.

Mars has chosen to use the AA1000 assurance standard AA1000AS (2008). Our assurance is a Type 2 assurance as defined by the standard, in that it evaluates the nature and extent of adherence to the AA1000AS principles of inclusivity, materiality and responsiveness and assures the performance of the organisation as reported. Our assurance used disclosed information as its starting point and then investigated the underlying systems, processes and sustainability performance information to arrive at its conclusions.

In addition, it has verified the reliability of the sustainability performance information included in the Summary. We have judged the information and performance data contained within the Summary against the GRI Principles for Defining Report Quality. The level of assurance is moderate, which means that, based upon the procedures conducted, nothing has come to our attention that causes us to believe that the data is not in accordance with the GRI Principles.

Mars is entirely and solely responsible for the contents of the summary, Corporate Citizenship for its assurance.

A detailed note of our assurance methodology appears at the end of this statement.

Opinion and conclusions

In our opinion the Mars *Our Principles in Action Summary 2012* reflects the principles of AA1000 (2008): inclusivity, materiality and responsiveness. We comment upon each below.

Commentary

Context

The subject of this assurance is Mars' fourth *Principles in Action Summary*. Its purpose is to set out how Mars realises its Five Principles: Quality, Responsibility, Mutuality, Efficiency and Freedom. We note that these principles derive from Forrest E Mars Sr.'s 1947 commitment to promoting: "a mutuality of services and benefits" among the company's stakeholders.

Inclusivity: *Does the organisation accept a responsibility to those on whom it has an impact? Does it involve stakeholders in developing a strategic approach to corporate responsibility and sustainability?*

The development of Mars' deforestation policy exemplifies inclusivity in developing a strategic approach to a material issue. The Summary describes engagement with external experts through a Deforestation Workshop. We note that this was not solely engagement with the sustainability function. Key internal stakeholders including the Chief Agricultural Officer, the Vice President of Innovation, business segment representatives and members of relevant commodity procurement teams were also involved.

In our opinion the Summary shows Mars accepts that it has responsibility to those on whom it has an impact.

Materiality: *What are the issues that really matter to the organisation's sustainability performance ("material issues")? How does the organisation identify these issues?*

We note that Mars has developed its definition of how it identifies the issues that really matter. The description of Mars' approach to sustainability now leads off with the statement: "We prioritize the greatest impacts across our value chain". This reinforces the stakeholder-centric nature of Mars processes.

The subject matter covered in pages 13-18 is sufficient to enable the reader to make their own judgements about Mars' materiality processes.

Overall we find that the Summary does set out its both what the most material issues are and the processes by which they are defined.

Responsiveness: *Does the organisation respond to stakeholder issues that affect performance through its actions and communications?*

The coverage of empowering women within the cocoa supply chain provides a clear example of the Mars approach to working with stakeholders on issues that affect its performance. We note that it complements the work done on Cocoa Development Centers, (which are themselves partnerships with international donor agencies and governments).

Mars' devotion to science means that the scientific community is an active stakeholder in much of Mars' work from supply chain through to nutrition. This provides a distinctive contribution to Mars' putting its principles into action.

Our opinion is that Mars has in place the processes necessary for responding to stakeholder concerns.

Responding to previous assessor comments

The standard directs the assessor to assess how far comments made in the previous year's assurance statement have been followed up on.

We made four comments.

We noted that the stakeholder consultation held by Mars in 2012 advised that environmental and socio-economic impacts should be treated together not separately. We advised that Mars should set out why it considers its approach to be justified by results. We pointed out that Mars needed to strengthen its non-environmental measures.

The Summary contains much evidence that this advice is being acted on. For instance, the section *Addressing our impacts* includes the following text that displays a response to all three comments:

"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."

Finally, we advised that Mars should give greater insight into how it makes judgements on the basis of mutuality of benefits. This is necessarily an objective for the long-term. We look forward to reading about 2014 progress on this matter in the next *Principles in Action Summary*.

Corporate Citizenship

London

9 June 2014

Methodological notes

The assurance work was commissioned in January 2014 and was completed on 9 June 2014. Detailed records were kept of meetings, assurance visits and correspondence relating to the inclusivity, materiality and responsiveness of the report, as well as to technical matters relating to the accuracy and presentation of data. A team of, led by an Associate Director, undertook the assurance and commentary process. A director acted as adviser to the group. The team has a variety of professional and technical competencies and experience. For further information please refer to our website www.corporate-citizenship.com.

Our external assurance and commentary process for Mars' *Principles in Action Summary 2013* has involved, but not been limited to, the following elements:

- Understanding Mars, its own and broader cultural contexts; its approach to and understanding of its responsibility and sustainability; how it identifies issues material to its operations;
- Examination, testing and commenting upon drafts of the text;
- An analysis of the summary against the detailed definitions given by AA1000 of inclusivity, materiality and responsiveness;
- An analysis of the content and quality of the summary against the Global Reporting Initiative's *Principles for Defining Report Content* and *Principles for Defining Report Quality*;
- A benchmark study of Mars, its peers and competitors to evaluate what the model of each was for economic growth and how that economic growth benefits wider society;
- Engagement with subject owners regarding the representation in the text of associate engagement, gender diversity, malnutrition and raw materials sourcing;
- A consideration of the impact of Mars' associates' skills developments, approach to emerging markets, governance systems, health and safety, human rights, innovation, management of risk, Mars' philanthropy and the public affairs challenges facing Mars;
- Checking on a number of statements made within the text;
- Noting the results of the LRQA environmental data sets assurance.

Our work did not extend to a complete audit of the report's contents. We have not been responsible for the preparation of the summary nor in devising the internal management and reporting systems that yielded the data contained therein.

The opinions expressed in this external assurance statement and commentary are intended to extend understanding of Mars' non-financial performance and should not be used or relied upon to form any judgments, or take any decisions, of a financial nature.

Corporate Citizenship is a leading assessor of corporate responsibility reports and an AA1000 Licensed Assurance Provider.

We have worked with Mars since December 2009 and this is the fourth year in which we have provided external assurance. During 2013, with the exception of work on materiality and DJSI, our work with Mars focused exclusively on assurance.

