

## Company Profile

Headquarters: McLean, USA  
Major products: Petcare, chocolate, food  
Further information: [www.mars.com/global/home.htm](http://www.mars.com/global/home.htm)

Mars, Incorporated is a private, family-owned company founded in 1911 and employing more than 65,000 associates at over 230 sites, including 135 factories, in 68 countries worldwide. Headquartered in McLean, Virginia, U.S.A., Mars, Incorporated is one of the world's largest food companies, generating global revenues of more than \$28 billion annually and operating in six business segments: Chocolate, Petcare, Wrigley Gum and Confections, Food, Drinks, and Symbioscience.

## Challenges and How Mars Takes Responsibility

For Mars, biodiversity is a business imperative because ingredients such as cocoa used are only able to thrive long-term in a biologically diverse environment. Food and agricultural production methods have to take into account biodiversity. In the case of cocoa, Mars has responded to the loss of biodiversity and habitats by supporting initiatives that focus on the environmental, economic and social aspects of cocoa cultivation to secure responsible cocoa production and the future supply of the crop. The loss of ecosystems, species and genes threatens the sustainability of future business activities – Mars acknowledges this intrinsic connection and recognizes the importance of biodiversity and ecosystem services for its future operations.

## Best Practice: The Case of Cocoa

### Fields of Action

- Sites and facilities
- Supply chains, commodities and materials
- Product
- Production and manufacturing processes
- Transport and logistics
- Personnel

### The Issue

Global warming may dominate headlines today – ecosystem degradation will do so tomorrow. Left unchecked, this degradation jeopardizes not just the world's biodiversity, but also its businesses. There are both economic and ethical reasons for including the topic of biodiversity into business operations. The global cocoa sector may suffer a future shortfall because of increasing economic and environmental pressures on cocoa farms around the world. Yet, the long-term business of Mars depends on a sustainable supply of high quality cocoa. While cocoa provides the key ingredient that sustains the chocolate industry, it provides also a living for over 6.5 million smallholder families and their communities and a significant source of revenue for a small number of tropical countries.

Only cocoa plants that grow in a species-rich environment are really productive – plants thrive better when tall palm trees cast shadow on them. What's more, plant biodiversity keeps the soil healthy and fertile. While a rich bio-diverse environment has a positive impact on cocoa farming, bio-diversity itself in the cocoa farming regions can be affected through numerous aspects, for example the expansion of cocoa plantations into highly bio-diverse adjacent regions and the use of non sustainable farming practices.





## The Response

A combination of certification, research and technology transfer is the best tool to reach as many farmers as possible around the world and provide them with the material support, organization and market access that will enable them to be successful.

### How Advanced Farming Methods Assist in the Protection of Biodiversity

Aging cocoa trees grown from inferior planting material combined with exhausted soils have caused a steady decline in the amount of cocoa many farmers are able to produce, and untreated pests and diseases, a lack of good agricultural practices and poor access to agricultural inputs like fertilizers have worsened the situation. If farming systems can be designed that are more resilient, the economic advantages of more sophisticated farming operations might be an incentive to change existing farming practices. Principles that might guide those farms feature both biological and genetic diversity and operate on biological synergies.

### Biodiversity – Involving Local Populations

Most cocoa farmers are unable to make significant investments in their businesses in order to break this cycle of decline. In 2003, Mars launched a programme in Indonesia which has enabled cocoa farmers to more than double their yields and incomes. A steady increase of incomes decreases the pressure to farm on juvenile, often highly bio-diverse adjacent lands. This has been done by encouraging them to adopt 'good agricultural practices' – taking into account biodiversity considerations such as agroforestry approaches, and the use of high-yielding varieties. Crucial to the success of the project have been the institutional arrangements trialled and tested by Mars and the local farmers, first in Sulawesi, later in other parts of Indonesia. Farmers learn about new production techniques through demonstrations at the Mars Cocoa Development Centres, which in turn support a network of Village Cocoa Clinics. Such has been the success of the project in Indonesia that Mars decided to adopt a similar approach in Côte d'Ivoire, the world's largest cocoa producer, in collaboration with the World Agroforestry Centre. The Mars Vision for Change programme was launched in 2010. Mars believes that this unique public-private partnership will raise yields and quality, significantly improve the welfare of rural families and ensure that negative impacts on the biodiversity of adjacent lands be limited.

### Investment in Agricultural Research – Technology Transfer

The transformative research Mars conducts assists farmers to increase their income through more productive agricultural practices and higher quality, more disease-resistant plants and thus decreasing the pressure on utilising lands, which has so far not been used for farming. Because Mars understands that it cannot succeed alone, collaboration between farmers, manufacturers, governments and NGOs is being supported. Mars collaborates with numerous organizations in the screening, breeding and selection of pest- and disease-resistant varieties. At the Mars Centre for Cocoa Science in Brazil, Mars focuses on creating best post-harvest practices, improving the quality and performance of cocoa plants and developing new methods to control pests and diseases. In 2010, Mars, IBM and the US Department of Agriculture completed a two-year effort to sequence the cocoa genome. This research will lead to more accurate breeding and allow farmers to plant better-quality trees that produce more cocoa and are more resistant to pests and disease. The genome was made public through the Public Intellectual Property Resource for Agriculture (PIPRA) and thus the gene sequence cannot be patented.

## The Results

Mars has already joined the international 'Biodiversity in Good Company' Initiative in 2008 and has contributed to the CBD COP 10 in Nagoya in 2010. Furthermore, Mars was the first major chocolate manufacturer to pledge to buy 100% certified sustainable cocoa by 2020, the current certification partners are Rainforest Alliance, UTZ Certified "Good Inside," and Fairtrade International.

Mars has launched some of the first consumer products which took biodiversity considerations into account, such as the Rainforest alliance certified Galaxy bars in the UK and the Utz Ballisto campaign in 2011, being among the major first consumer companies relating the issue of biodiversity directly to the consumers.

