

Sustainability at Mars

Defining sustainability

In 1987, the UN World Commission on Environment and Development offered what has become the most widely accepted definition of sustainability, describing it as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” By linking corporations’ efficient use of resources with human and environmental health, this definition provided the basis for explaining sustainability as the intersection of three key systems: social, economic, and environment.

As the scope and scale of global environmental challenges has come into clearer focus, Mars recognizes that our long-term economic growth will be interlinked with our ability to determine how we address sustainability in the context of our businesses, product ranges and impact on the planet. We believe that our commitment to sustainability builds on our long-standing ethical commitment to the individual and the larger community, expressed and captured via The Five Principles and in particular our Mutuality principle. It is our fundamental belief that the only lasting success is a shared success. This means mutual success across the social, economic and environmental spectrum.

Rather than simply trying to minimize the effects of unsustainable activities, we envision growing our businesses in a manner that is mutually beneficial to the social, environmental and economic arenas that we touch and impact. Treated as a source of innovation and an emerging business opportunity, sustainability will enable Mars to gain competitive advantage, increase revenue, add long-term value, whilst also making the world a better place by making a difference.

The triple bottom line – and beyond

In the mid-1990s consultant John Elkington coined the notion of “triple bottom line” accounting, hoping to define how a company can extend its decision-making criteria beyond profit alone. This idea expands traditional reporting frameworks and seeks to quantify corporate environmental and social performance alongside traditional measures of financial success. The triple bottom line has been – and remains – a useful tool for identifying problems and integrating sustainability into a company’s agenda.

But even as this idea of the triple bottom line has gained wider acceptance and is starting to replace traditional economic metrics, integrating it often tends merely to balance economic

value and environmental liabilities. For example, if a product's environmental impact has been reduced by a more efficient use of materials, its performance likely meets the triple bottom line. If the material itself is unsafe, though, as is often the case, then efficient manufacturing practices are merely reducing environmentally destructive activity. This approach is only "less bad," and by no means "more good."

Sustainability (and mutuality) for us at Mars means that we will seek to achieve positive effects for the mutual benefit of our company and all involved with our businesses across the social, economic and environmental spectrum. Our goal, aspirational indeed, is to manage and grow our businesses asking ourselves, "How can we grow prosperity, celebrate our community, and enhance the health of the planet?"

Sustainability and The Five Principles

We believe The Five Principles set us apart from other companies. The essential values that they embody define our company's philosophy and approach to how we operate. Sustainability flows naturally and directly from our Principles and will continue to shape how we think and act.

Quality

The Quality Principle states, "The consumer is our boss, quality is our work and value for money is our goal." Beyond the traditional aspects that still matter greatly, such as price and value for money, consumers around the world are expanding their definition of quality to include sustainability. Mars will ensure our own growth and success, as always, by emphasizing quality as the basis of lasting relationships with our customers and consumers. Providing our products in a manner that meets this new broader definition of quality will help such products fulfill our and their aspirations while seeking to enable commerce, society and nature to grow and thrive together.

Responsibility

At Mars, we seek to make responsibility a personal endeavor, holding ourselves accountable for our individual and collective actions. Viewed in the context of sustainability, this means upholding social, economic and environmental standards not only on behalf of our

shareholders, but for the larger community to which we belong and the planet at large.

Mutuality

We seek to achieve a mutual benefit of all parties involved with our business. Sharing success is our goal in all that we do. In sustainability terms, we recognize that the independence we enjoy as a privately held business is based on our interdependence and successful partnerships are the foundation of sustainability. Seeking to act upon this recognition of interdependence, our goal is to consider at every point the social, environmental and economic impact of our business decisions from the local to the global level.

Efficiency

Efficiency is a fundamentally indispensable part of implementing sustainable strategies like Lean manufacturing, but it is insufficient by itself for achieving sustainability. Business consultant Peter Drucker has said that being efficient—doing things right—is the crucial role of the manager. It's the leader's job to be effective, to "do the right things." Mars' long-term success depends on both. When we leverage highly efficient processes in the service of effective practices, we can create commercially profitable, socially beneficial and ecologically intelligent products and services that form the basis of robust, sustainable long-term growth.

Freedom

Profitability enables Mars to preserve our freedom to operate. Our company's unique qualities and ways of doing business afford us the opportunity to approach sustainability as both a significant business opportunity and a common goal. Sustainability can help drive self-sustaining cycles of innovation and profitability.

In summary, we believe that The Five Principles and our approach to sustainability in the context of our businesses will drive innovation and enhance our competitive advantage, long-term growth and the value of our brands. By enabling us to embrace both change and prosperity, sustainability at Mars provides a lasting bond with our traditions and a bridge to our future success.