

## **Cocoa Sustainability**

### **Certifying our Commitment to Sustainability**

For nearly 30 years Mars has been diligently pursuing a cocoa sustainability strategy. The company's goal is to secure responsible cocoa production and the future supply of the crop. Our aim is for cocoa to thrive in harmony with the environment and to the benefit of the communities involved throughout the cocoa supply chain.

In April 2009, Mars made the commitment to source only sustainably grown cocoa to cover our global needs by 2020. As the first global chocolate company to make such a commitment, we have entered a multi-year, multi-country collaboration with the "Rainforest Alliance" and the Dutch organization "UTZ CERTIFIED". These international, not-for-profit organizations work to conserve biodiversity and support a holistic sustainability concept by advocating ecological land-use, socially responsible business practices and value driven consumer behavior. Our goal is to build towards Rainforest Alliance Certified™ certification of 100,000 metric tons of cocoa, and to work with UTZ CERTIFIED to certify another 100,000 metric tons of cocoa annually to be able to offer a comprehensive range of certified Mars products. As this is just a portion of our needs, we will also be working with other certifiers to achieve our overall goal by 2020.

The first visible success by Mars will be seen by consumers in the summer of 2011. With Balisto, we will be launching the very first chocolate bar brand in Germany that has been "UTZ CERTIFIED". By doing this, Mars guarantees that only sustainably grown cocoa is purchased for the production of Balisto.

This commitment will make a positive difference across the entire supply chain - from the cocoa farmer to the chocolate consumer. We have a shared vision - a more sustainable cocoa industry where farmers will benefit and nature is conserved. Since the early 1990s, the Rainforest Alliance has helped more than 30,000 family farms and cooperatives in 22 tropical countries achieve a high standard of sustainable agriculture - in partnership with Mars, and these figures are set to grow significantly.



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Mars, as a family-owned company, is pro-actively demonstrating engagement in communities involved in our business. We are investing considerable resources in both human capital and financial support to ensure the long-term sustainability of the entire cocoa supply chain.

For their long-standing engagement, Mars was presented last year with the Award for Corporate Excellence (ACE) by the U.S. Secretary of State, Hillary Clinton. With this award, the U.S. Government has recognized the achievements of our company in the areas of sustainability and economic developments in the cocoa growing regions of the Republic of Ghana. Established in 1999, this award is presented to companies who have performed exemplary service that improve international relationships of the USA through active commitments to social responsibility.

### **Engagement against Child Labor**

The supply chain of cocoa is very complex. Over 90% of all cocoa comes from some three million small family farmers who depend on cocoa production for their livelihoods. Our support is designed to ensure future supplies of cocoa and involve ourselves responsibly so that communities growing cocoa can prosper and the environment where cocoa is grown remains sustainable.

Since 2001, Mars has played a leadership role in the global cocoa and chocolate industry's efforts to counteract the issue of child abuse on the cocoa farms of West Africa. Mars is working with the national governments of Cote d'Ivoire and Ghana (the world's largest cocoa growing countries), labor experts and community-based organizations on establishing a certification process to protect against the worst forms of child labor. This certification process began in July 2008, and after the initial steps, covers 50% of the cocoa growing regions of Côte d'Ivoire and Ghana. This long-term collaboration with political institutions in the cocoa growing countries is at all times aimed at improving the social, ecological and economical conditions locally.

### **Cooperation with other Organizations**

We have recognized that we can initiate profound transformation processes even better when bundling our competencies in partnerships with others. To support this approach, the International Cocoa Initiative (ICI), an independent voice dedicated to eradicating child abuse and forced labor in cocoa production worldwide, was established in 2002. As a registered charity, the ICI's Board of Directors represents a wide range of stakeholders - human rights and child labor organizations, trades unions, local groups in the cocoa growing countries, and the cocoa and chocolate industry. As a member of the International Cocoa Initiative's (ICI) Board of Directors and the membership in UTZ Certified, Mars is committed to eradicate child labor and abduction. The ICI is making considerable progress towards improving labor conditions in the cocoa growing regions of Ghana and Cote d'Ivoire.

Unlocking the cocoa genome sequence is another example of a successful cooperation. Together with the U.S. Department of Agriculture and IBM, we announced the preliminary cocoa genome on 15 September 2010. The data, which was delivered three years earlier than planned, is available to the public with permanent access via the Cacao Genome Database at [www.cacaogenomedb.org](http://www.cacaogenomedb.org). With the cocoa genome sequence, our public-private partnership has significantly contributed to the sustainable global cocoa genome. In doing so, Mars emphasizes that the company does not intend to genetically modify the cocoa plant. For our family business, this is in fact all about helping the 6.5 million farmers worldwide who depend on the cocoa plant for their existence, and that they can cultivate robust and high-yield cocoa trees by working together with scientists, and thus improve their livelihoods.

We are also working to improve the living conditions of cocoa farmers and their families through our participation in the Sustainable Tree Crops Program (STCP), a public-private partnership between the cocoa and chocolate industry and government supporters. This program, which operates in West Africa, has successfully promoted farmers' organizations and co-operatives that lead to improvements designed to help farmers achieve better prices for their cocoa.

In addition, Mars is a member of the World Cocoa Foundation (WCF), a global organization of cocoa and chocolate companies, processors, traders and others who are dedicated to improving the conditions of cocoa farmers and the communities where they live. WCF programs raise farmer incomes, encourage responsible, sustainable cocoa farming and help strengthen cocoa farming

communities. Members provide financial contributions as well as technical expertise and guidance to partners in West Africa and other program locations.

### **Support of Social Initiatives**

Mars is supporting social initiatives committed to improving the working conditions of farmers and ensuring their children get a school education. This revolves around the Farmer Field Schools Program, an educational platform in West & Central Africa, East Asia and Latin America. The program teaches smallholders and their families about preventive health and safety precautions in production, and they are made aware of how significant school education is for the future of their children. The Farmer Field Schools have already reached several hundred thousand smallholders, thereby helping them increase their average income by 30 to 40 percent.

With the initiative 'Mars Partnership for African Cocoa Communities of Tomorrow', known as iMPACT, Mars is pursuing the goal of pioneering a joint collaboration to implement an integrated, sustainable and scalable community development program, reflecting community identified social, economic and environmental needs. USD 4.5 million alone was made available for this three-year project running from 2007 to 2009. It is aimed at rural communities in Ghana and Côte d'Ivoire in the heart of the West African cocoa belt who are reliant on cocoa as a means of income and rural livelihood.

Our international partners in iMPACT are: Africare, Gesellschaft für Technische Zusammenarbeit (GTZ, the German development agency), the International Cocoa Initiative, the International Foundation for Education and Self-Help (IFESH), the Rainforest Alliance, and the Sustainable Tree Crops Program. In this initial phase, the partnership aims to demonstrate that an integrated approach that includes agriculture, environment, education and health can lead to distinct changes in both the income and social welfare of rural communities.

These steps to address cocoa growing conditions in West Africa are the continuation of a long-term commitment that Mars began in 1998 to improve the well being of millions of small farmers who grow cocoa.

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