

Mars Food **2020**Purpose in Action Report

Delivering Better Food Today. A Better World Tomorrow



At Mars Food, everything we do is guided by our Purpose - Better Food Today. A Better World Tomorrow.

As a food company, we know the power of dinnertimes. It's more than just what is on our plates. We know that what we eat, where it comes from and who we share it with are important. Creating better food today for a better world tomorrow has never been more important than it is today as we face global challenges that affect every one of us.

We believe that a better world tomorrow is one where everyone has access to healthy meals, more people cook and sit down together to enjoy shared dinnertimes, and more food can be produced with less. As a company, we have made some strong steps towards realizing this future and that is why I am delighted to introduce our first annual Purpose in Action report. It's important that we share our commitments with you publicly – we need to hold ourselves to account and we want to invite partnerships and collaboration across the industry because we can't do it alone. This report will celebrate our successes and share our challenges so that we can find solutions together. Ultimately, we know that if we are guided by delivering our Purpose, we are doing the right things for our business, our Associates, our consumers, the planet and society.

As I reflect on the year, I want to first pause on the COVID-19 crisis. During such a period of deep uncertainty, ensuring access to good nutrition was essential. In my 33 years at Mars, I have never been prouder to be part of a team dedicated to ensuring we could deliver healthy food when it mattered most. Across the globe, our factories broke records so that we could continue to provide food for families around the world. Associates from all over the business have inspired me with their commitment and ability to find new and innovative solutions to allow us to continue to operate in unprecedented circumstances.

I am humbled by how our Associates worked with our local communities to provide food for those who need it most. Together, our Mars Food and Multisales business units have donated more than \$4 million in cash and product in-kind to COVID-19 crisis relief. That is the equivalent of 10 million meals. The efforts are part of our continuing community giving programmes and the \$20 million commitment made by Mars, Incorporated to support COVID-19 relief which have now surpassed \$26 million.

Beyond this, we have also celebrated some incredible progress against our Purpose commitments:

- As we ended the year, we closed our Health & Wellbeing ambition set out in 2016. We have exceeded our target to deliver one billion more healthy meals by 2021.
 84% of our meals will meet World Health Organization recommendations for calories, sodium, added sugar and fats as set out in our Mars Food Nutrition Criteria, and we have reduced salt and added sugar in our products in line with our targets removing over 1200 tonnes of salt from our products since 2015.
- We have been using our best loved brands to celebrate the benefits of shared dinnertimes. We are privileged to be on kitchen shelves and dinner plates around the world,

and have used this position to inspire people to cook and eat together. In response to COIVD-19, we used our voice to remind people of the importance of eating together even when we're far apart through our *Special Guests* communications.

• We have also made strong progress on our sustainability commitments. In 2020, over 99% of our rice has been sourced from farmers working towards the Sustainable Rice Platform Standard. This is not only good for the planet but is also helping to support farmers on the pathway to economic stability. Results from our rice farmers in India and Pakistan for example have shown an 8% increase in yield, 30% reduction in water use, and, on average, household income from rice has increased by around 30%.

As a business we have also taken action on inclusion and equity. In the world we want tomorrow, society is inclusive. We know to make the systemic change needed it will take a collective effort from all of us - individuals, communities and organizations of all sizes around the world. Across our Mars, Incorporated business we have committed to long-term strategies to promote Equity, Inclusion and Diversity for Associates.

Within Mars Food, we have taken steps to improve diversity across our marketing, advertising, sourcing and supplier communities. In September 2020, we announced that we would change the <u>UNCLE BEN'S® brand to BEN'S ORIGINAL™</u> with a new brand purpose to **create opportunities that offer everyone a seat at the table** - signaling the brand's ambition to create a more inclusive future while maintaining its commitment to producing the world's best rice.

These are just some of the highlights of the progress we have made in 2020. You can find our scorecard on the next page, followed by a summary of case studies from around our business which bring this to life.

Despite our progress, we have so much more to do. In the close of this report we will set out our new five-year commitments to drive stronger action to deliver **Better Food Today. A Better World Tomorrow.** This includes being the champion of shared meals, open access to better food; and driving our brands' purposes with consumers, customers and partners so that we can deliver 5.5 billion healthy meals by 2025.



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Fiona Dawson
Global President,
Mars Food, Multisales
and Global Customers

Purpose in Action Report

Better food today A better world tomorrow

2020 Scorecard

At Mars Food we are guided by our Purpose: Better Food Today. A Better World Tomorrow. This guides our three interconnected areas for purposeful growth: Healthier Food, Inspiring Shared Dinnertimes and Sustainability. This scorecard shows our progress toward our ambitious goals.

Healthier Food

Since we launched our Health & Wellbeing Ambition in 2016, we've been working to one clear ambitious goal - to have one billion more healthy meals shared on dinner tables around the world by 2021.



One Billion More Healthy Meals shared on Dinner Tables Around the World by 2021.

1bn meals



95% our products meet WHO nutrition guidelines for calories, added sugar, sodium, and fats by 2021 so they can be enjoyed any day as part of dinner.



20% sodium reduction on average across the globe by 2021.



50% of our rice and grains products include one serving of wholegrains or legumes by 2021.



100% of our tomato based sauces include one serving of fruits or vegetables per portion.



100% of our sites offer our Associates healthy canteen meals and nutrition education.



We continue to be a leader in transparency through front-of-pack nutrition labeling and onpack and online guidance to help consumers make more informed choices about the meals they can cook with our products and how they can fit into a balanced weekly diet.

Inspiring Shared Dinnertimes

We know that dinnertimes are better shared, so we are championing the benefits of cooking and eating together.



We celebrate the importance of shared dinnertimes to inspire people to cook and eat together. Today we are using our best loved brands to shout about the benefits of shared mealtimes in our activations, media campaigns and online.



We have helped children learn to cook Over the last eight years, our BEN'S BEGINNERS™ Program has helped over 30,000 children and families learn to cook



We are enabling our Associates to enjoy more shared meals at home. Today we have take-home "store cupboards" in our offices, and share weekly recipe inspiration with Associates

Sustainability

We are pioneering sustainable rice practices - making an industry first commitment to source 100% of our rice from farmers working towards the SRP* (Sustainable Rice Platform) standard by 2020.



100% of our rice supply comes from farmers working towards SRP* standard by 2020.



100% of our farmers on the path to sustainable income by 2020.



Reduce unsustainable water use by **50%** by 2025.

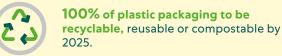
10%



2019

baseline

2025.



*The Sustainable Rice Platform (SRP) is a multi-stakeholder alliance with over 100 institutional members from public, private, research, civil society and the financial sector. SRP works with partners to transform the global rice sector by improving smallholder livelihoods, reducing the social, environmental and climate footprint of rice production; and by offering the global rice market an assured supply of sustainably produced rice.

Purpose in Action Report

Putting our Purpose into action in 2020

Healthier Food

We are incredibly proud to have exceeded our ambition to deliver one billion more healthy meals on dinner tables around the world by 2021. This brings the total number of healthy meals provided by Mars Food to more than four billion.

Mars Food Nutrition Criteria

The Mars Food Nutrition Criteria sets stretching, industry leading targets to reformulate and enhance our products to create healthier meals. Today, 84% of our portfolio (by sales volume) meets our criteria for calories, sodium, added sugar and saturated fat, which is an increase from 77.4% in 2019 and from 62% in 2015.

Reducing sodium

We have exceeded our target to reduce sodium, with 21.3% sodium reduction average across our portfolio (since 2016). This is a difference of 1218 tonnes of salt versus 2015.





31.5% of our rice and grain products now include one serving of wholegrains and legumes per serving. We have launched new products, including New DOLMIO™ Plant Based Bolognese in the UK. Our Tasty Bite business has launched a number of new delicious products including Protein Bowls which are vegetarian legume & grain-based products. Each serving offers 12g of protein and is high in fiber. In Australia we've launched several new hidden veg products across MASTERFOODS™ squeezy sauces and DOLMIO™ Hidden Veg which has 5-6 servings of vegetables in every jar. All our tomato based sauces (DOLMIO™, MIRACOLI™ and SEEDS OF CHANGE™) contain at least the equivalent of 80g vegetables per serving.

Continuing to provide healthier food

Despite having met our global ambition, our work isn't finished. We are committed to continuing to make our products healthier, including further reductions to sodium in our products without compromising on the taste, quality or affordability, particularly in North America.

"In 2016 we set out a bold ambition to provide one billion more healthy meals. It hasn't been an easy journey but I am incredibly proud of what we've achieved. By looking beyond the individual ingredients and considering holistically how families cook and eat together, we have changed how we think about balanced diets. We have reformulated our portfolio in line with WHO guidelines - including the removal of added sugar, sodium and fats. Today, 84% of our portfolio meets the Mars Food Nutrition Criteria so that it can be enjoyed any day as part of dinner to help consumers lead healthy, balanced lives."



Walter De Man

Global Nutrition & S&RA Director. **Mars Food**

Putting our Purpose into action in 2020

"Thanks to the generous support of partners like Mars Food we've been able to provide food banks with a wide range of support with responding to this increase in people without enough money for essentials.

What's particularly exciting about our partnership with Mars Food is that they're not only helping with the immediate crisis, but also supporting us to work in the long-term towards a future where everyone has enough money for essentials... We can end the need for food banks. Together, we're taking a stand against hunger."



Emma Revie
Chief Executive,
Trussell Trust



Inspiring Shared Dinnertimes

Coming to the rescue with dinnertime inspiration

MASTERFOODS Dinner Time Hack Hotline helped Australians master their pantry during COVID-19 and created over 1,500 unique recipe suggestions.

Using our brand campaigns to encourage us to connect over a delicious meal

Finding ways to stay close and connected are more important than ever. Our <u>"Special Guests" advert</u> celebrated how cooking brings us closer, even when we're far apart.

MASTERFOODS™ encouraged home cooks to <u>"Go Rogue with Flavour"</u> with its new campaign.

Helped the next generation learn to cook

In Germany, our 2019 BEN'S BEGINNERS $^{\text{TM}}$ cooking school brought together 10 lucky winners of an in-store competition to attend an all-day family cooking event with TV celebrity presenter and chef Enie van de Meiklokjes.

And grow their own nutritious food

Over the last two years, The SEEDS OF CHANGE™ give-back program has given more than \$1.5 million to community and school programs that help people lead healthier lives by learning to grow their own food, impacting nearly 100,000 kids and families.

Providing a meal to families who need it most

Food bank use in the UK has risen 75% over the last 5 years, with COVID-19 driving another 89% year on year increase in 2020. To help tackle this, Mars Food UK is partnering with The Trussell Trust to stand against hunger.

Mars Multisales South Africa has donated over 270,000 cups of $ROYCO^{TM}$ soup each month through the $ROYCO^{TM}$ Soup Kitchen program.

Mars Food Australia has donated more than \$1m AUD of product to our two major partners, FoodBank and SecondBite, to help meet the 43% increase in demand for food relief in Australia.

Mars Food North America have provided more than 2.2 million healthy meals to our long-standing partner Feeding America and their 200 food banks, 60,000 food pantries and meal programs.

Putting our Purpose into action in 2020

Sustainability Sourcing sustainably

99% of our rice supply comes from farmers working towards SRP (Sustainable Rice Platform) standard and we are an early adopter of the Sustainable Rice Platform's new assurance scheme, the world's first voluntary sustainability standard for rice.

In Thailand, we partner with GIZ (the German development agency) to train farmers on the Sustainable Rice Platform. Last year, 100% of the audited farmers' were growing rice sustainably based on the standard.

In Spain through <u>Project Oryzonte</u>, we work with industry partners and agronomists to improve farming methods and reduce water use by an average of 13-23%. In 2020, we've expanded this program.

In India and Pakistan, our farm partnership programs between <u>WAPRO</u> and the NGO Helvetas has helped over 2500 rice farmers, leading to a household income increase of 30% on average (vs 2015).

In France, we are taking a sustainable approach with our EBLY™ brand. With the launch of organic cereal blends, CultivUp wheat (harvested less than 50 kilometers from the factory). This has been awareded the CRC® label (Controlled Reasoned Culture) which means 100% French cereals; sustainable crops, free of any post-harvest treatments; eco-friendly farming practices and fair compensation to farmers.

Taking steps to make our packaging more sustainable

Mars Food, in partnership with global packaging supplier Amcor, will bring the first food safe, recyclable mono mono-polypropylene plastic (PP) rice pouch to market in 2021. Breakthrough technology will allow the pouch packaging of Mars Food's household brands such as UNCLE BEN'S® (to be renamed BEN'S ORIGINAL™) and SEEDS OF CHANGE™ to be recyclable where infrastructure exists.

In France, we launched the very first ready to heat recyclable packaging program, with UNCLE BEN'S™ (to be renamed to BEN'S ORIGINAL™). Thanks to a partnership with TerraCycle, a recycling expert, French consumers can now bring their used pouches to a dedicated collection point.

In Australia we are working to remove PVC across our jars, herbs and spices and SQUEEZE-ON™ portion control packs by the end of 2021. Additionally, through our 2020 MASTERFOODS™ rebrand, we are more visibly communicating that our products are recyclable by including the Australasian Recycling Label (ARL) and REDcycle logo (who we have partnered with since 2019).

Mars Food South Africa won the Prestigious Packaging Award for removing 220 tons paper from the supply chain with new $ROYCO^{TM}$ packaging design.







"As a founding member of the Sustainable Rice Platform, Mars Food's leadership and commitment to transformative change beyond its own supply chain has played a formative role to our organizational growth and helped catalyze collaboration across the stakeholder spectrum."



Wyn Ellis

Executive Director,
Sustainable Rice Platform

Supporting our Communities through COVID-19

Mars Food is always working to create better food today for a better world tomorrow, and it has never been as important as during the COVID-19 pandemic. Mars Food and Multisales have donated over 10 million meals and \$4m* to support our communities through COVID-19





UK:

- Mars Food UK donated over 3 million meals to charities across the UK, including His Food. Fareshare and the Trussell Trust to support those
- Mars Food UK proudly joined Marcus Rashford's Child Food Poverty Task Force, working together with other industry, retail and government members to #endchildfoodpoverty.



Russia:

Mars Food Russia donated over 2m RUB of product to support Russian communities.







France:

Mars France donated 250 tons of inkind donation which was delivered to hospitals and charity partners throughout France. In addition, the team also donated 27,000 pieces of protective equipment to healthcare heroes and €150,000 to the French Hospitals Foundation.



Germany:

Mars Food Germany walked 400,000 steps during their "Steps for Meals" initiative, resulting in 35,000 meal donations to Die Arche – an organization supporting impoverished children.



North America:

- We partnered with Feeding America in the U.S., donating more than \$2 million of our BEN'S ORIGINAL™ and SEEDS OF CHANGE™ brand products in-kind.
- We also launched an Associate Match Funding program to three local partners: Caledon Community Services in Bolton, Ontario, Canada, Culinary Care in Chicago and Hearty Helpings Food Pantry in Greenville, Mississippi to deliver \$50.000+.
- Our Greenville factory in Mississippi donated 5,000 surgical masks to their local hospital, and 1,200 masks to the City of Greenville distributed as part of a back to school donation.



Italy:

Mars Multisales Italy have donated 335,000 meals to Progetto Arca Foundation.



Donated 65,000 meals to 15 NGOs & Civic Organisations.





India:

Tasty Bite™ business donated INR 6 million through the Tasty Bite™ Foundation to CII. OxFam and Prime Minister Relief Fund, as well as distributing 30,000+ meal kits to frontline workers and 6000+ food packs to migrant workers.

South Africa:

Mars Multisales South Africa donated over R3.5 million in-kind to charities including Gift of the Givers Foundation. Food Forwarders South Africa, Animal Anti Cruelty League.



Australia:

Mars Food Australia have donated over \$1 million AUD worth of product to major partners FoodBank and SecondBite and continue to make regular donations.







Purpose in Action Report



Inclusion and Diversity

In the world we want tomorrow society is inclusive. It's a world in which we're united by the visible and invisible differences that make us all unique. It's a diverse world in which everyone has an equal opportunity to reach their full potential, feeling heard and valued, and making an impact.

Accelerating our commitment to Inclusion and Diversity

Across our Mars, Incorporated business we have committed to <u>long-term strategies</u> to <u>promote Equity, Inclusion and Diversity for Associates</u> across our global business, making sure each Mars Associate knows they belong.

We're taking a stand to foster a more equitable Mars for the long-term that is united by our differences, one that ensures that all voices are truly valued and accounted for—at every level. Our commitment to an inclusive society goes beyond our business, including our suppliers and partners, as well as how we portray our brands in marketing.

While Inclusion & Diversity (I&D) has long been a business priority, we know we have significant work to do, and we are accelerating our commitment to inclusion and diversity in our workplaces and communities.

We have set ambitious goals around:

- Inclusion
- Gender Balance
- Workforce Representation

These goals are important priorities for Mars. We want to continue sustained year-over-year progress. We are tracking our performance and will regularly review it with our Board, Mars Leadership Team and Segment Leadership Teams. We will also provide annual updates on progress.



We listened. We learned. We're changing.

In September 2020, we announced that we would change the <u>UNCLE BEN'S® brand</u> to <u>BEN'S ORIGINAL™</u>, signaling the brand's ambition to create a more inclusive future while maintaining its commitment to producing the world's best rice.

We have listened to thousands of consumers, our own Associates and other stakeholders from around the world. We understand the inequities that were associated with the name and face of the UNCLE BEN'S® brand and took action to change.

We are not just changing our name, but also taking action to enhance inclusion and equity—and that comes with a new brand purpose to **create opportunities that offer everyone a seat at the table.**

BEN'S ORIGINAL™ community outreach programs will ensure underserved communities have access to the nutritious meals we all deserve, as well as help culinary entrepreneurs of all colors get educational opportunities so their ideas and voices can be appreciated by all.

The first phase of the BEN'S ORIGINAL™ SEAT AT THE TABLE FUND™ will launch in the U.S., where the brand partnered with National Urban League to create a scholarship to support Black students interested in food industry careers. The scholarship will support recipients towards the completion of either a food science or culinary arts certificate, Associate or Bachelor's degree, managed and administered by the UNCF (United Negro College Fund).

In addition, in Greenville, Mississippi – where BEN'S ORIGINAL™ has been produced in the U.S. for more than 40 years – Mars Food will invest in the local community to address issues that have plagued this region of the U.S. for generations. This programme will focus on enhancing educational opportunities for more than 7,500 area students, as well as furthering access to fresh foods.

BEN'S ORIGINAL™ packaging will begin reaching store shelves across the world in 2021.



Our Dinnertime Manifesto:

2025 Purpose Commitments

We are committed to taking further action to deliver our Purpose Better Food Today. A Better World Tomorrow.

We believe that Dinnertime Matters and that's why we are setting our new ambition to deliver 5.5 billion healthy meals and taking action to show the societal value of shared dinnertimes by 2025. We aim to inspire more families around the world to enjoy a positive dinnertime.

We are standing up for sitting down.

A positive dinnertime considers how the food was made, the impact on the planet, and how it can have lasting benefits for our wellbeing. Eating dinner together is associated with a wide range of benefits – from helping us to connect, to improving our mental health, building healthy habits and supporting development.

Our 2025 Manifesto will focus on three key priority areas to drive action:

Be the champion of shared meals:

 Drive awareness and action behind the societal health value of dinnertime, partnering with stakeholders and customers, so that more people enjoy the benefits that come from sharing a meal with the people who matter most to us.

Open access to better food:

 We are committed to ensuring that nutrition is never compromised by convenience and our new Health & Wellbeing commitments hold us to account.

- Our brand campaigns will celebrate cooking & eating together and provide inspiration for healthy meals and recipes.
- We'll add nutritional value for consumers through innovative nutrition, adding more vegetables and fiber.
- Build strategic partnerships tackling hunger and access to healthy food, giving more people the benefit of a shared meal.
- Take action on plastic and farmer livelihoods because delivering food that is good for us shouldn't come at the expense of the planet.

Drive our brands' purpose with consumers, customers and partners

- Use the power and scale of our best loved dinnertime brands to go beyond great tasting food to taking action that effects change.
- All of our brands will make a meaningful and measurable difference by committing to more inclusive, sustainable and responsible business practices.





Our Mars Food 2025 Purpose Commitments

To help us to achieve these goals we are setting out our new Mars Food 2025 Purpose commitments, including:

Be the champion of shared meals:



We will drive awareness and take action to highlight and promote the health and societal value of shared meals.



We will create a digital platform to provide access to shared mealtime inspiration (recipes & conversation) for consumers in all of our Mars Food markets.



We will launch a campaign to support our Associates in being able to **enjoy dinner at home with their families** – whether that's leaving the office on time or switching off at home.



80% of our Mars Volunteering Program activities will be **dedicated to enabling** more meaningful meals.

Open access to better food:



4 billion servings of vegetables, a 30% increase of fiber servings in our products, and a 5% reduction of sodium in our portfolio by 2025.



25 million meals provided to those in need of a healthy meal by 2025 (5 million a year) through strategic partnerships.



100% of plastic packaging to be recyclable, reusable or compostable by 2025.*



Eliminate unsustainable water use in our value chain, starting with a 50% reduction by 2025.*



100% of rice farmers in our supply chain at risk of poverty reached by programs designed to enable them to thrive by 2025.

Drive our brand's purpose with consumers, customers and partners



Our **Ben's Original™** brand will create opportunities that offer everyone a seat at the table through our community outreach programs, our **Seat at the Table™** scholarship fund and our celebration of diverse cuisines & cultures.



Our **Seeds of Change™** brand will plant nutritious seeds for every Seeds of Change™ product purchased, so that our communities can enjoy healthy, nutritious food.



Our MasterFoods™ brand will help Australians get together around the table more, living the brand's mantra: Make Dinnertime Matter™.



Our **Tasty Bite™ Foundation** will donate 2% of profits to accelerate sustainable and inclusive rural development by empowering farmers in India.



Our **Dolmio**[™] brand will help more families enjoy drama-free dinnertimes together by providing healthy and tasty products which are quick to prepare.

*Mars Incorporated Sustainable in a Generation target.



Want to learn more?

Mars Food is a segment of family-owned Mars, Incorporated and headquartered in London UK. We have an ambition to create the world's fastest growing dinner company by providing consumers with meals that are healthy, easy, affordable and, of course, delicious. Our portfolio of best-loved dinnertime brands includes BEN'S ORIGINAL™, MASTERFOODS™, SEEDS OF CHANGE™, TASTY BITE™ and DOLMIO™.

We have over **1,500 Associates** united by delivering our Purpose: **Better Food Today. A Better World Tomorrow.**

Our 13 brands are produced across the world and are available in more than 30 countries.

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