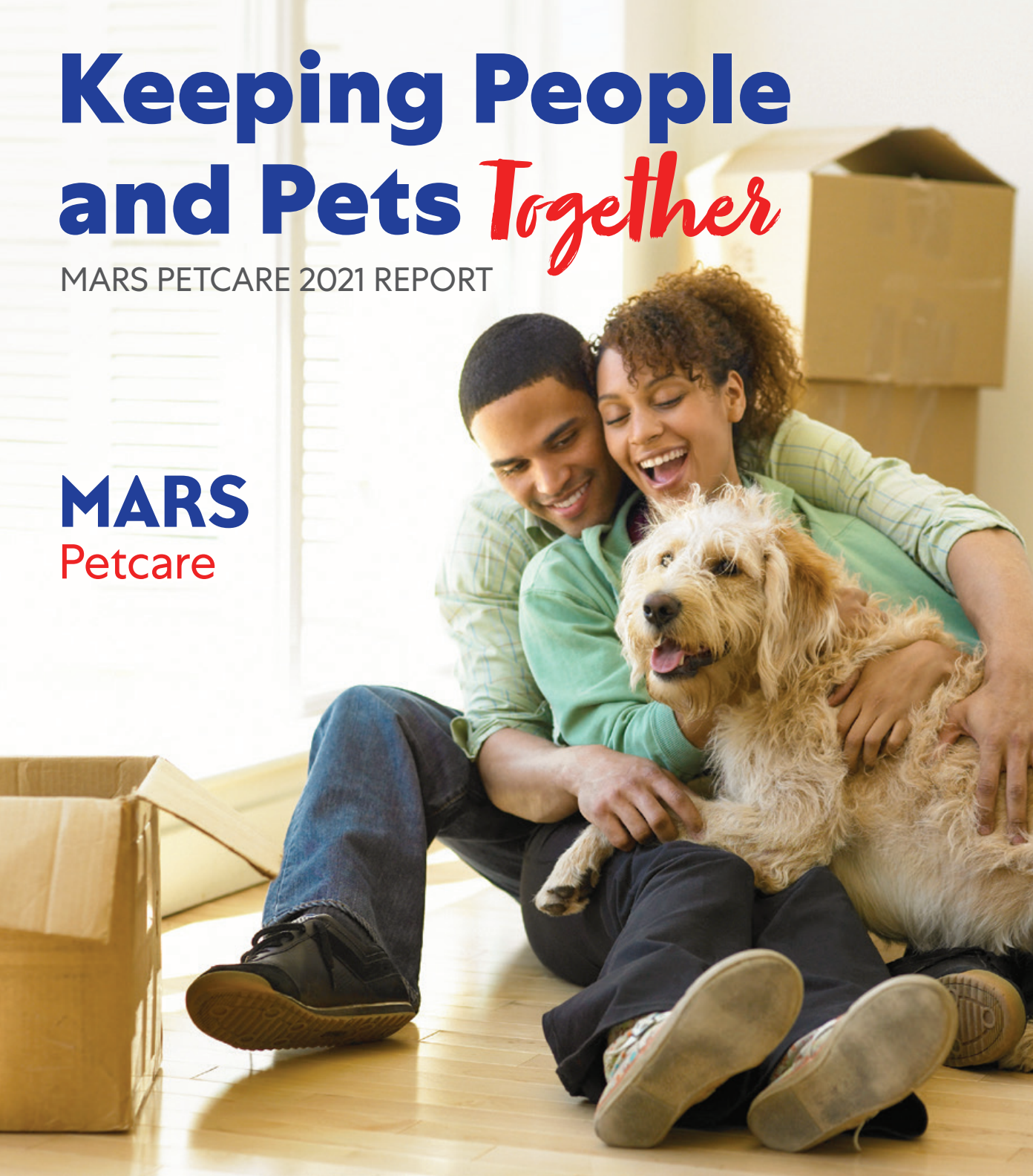


Keeping People and Pets *Together*

MARS PETCARE 2021 REPORT

MARS
Petcare





In the New Normal, People and Pets Belong *Together*

Since 2020, we've entered a "new normal" in our daily lives. We've transformed homes into offices, become dependent on deliveries for everyday needs, and spent more time with family members — both human and pet — than ever before.

While these changes haven't always been easy, one thing is certain: The bond between pet parents and their adored animals has never been stronger. In fact, 81% of pet parents say the increased time they spent with pets during the pandemic has made their four-legged friends feel even more like family.

Looking to the year ahead, people's relationship with their pets remains a top priority. Ninety percent want to keep spending

increased time with pets as the pandemic subsides. The risk of losing pets, for example because of housing challenges, remains a concern for many pet parents, who see the bond with their pet as key to their mental health and their pet's well-being.

Mars Petcare's 2021 report examines the strengthened relationships we've developed with our pets and what pet parents hope to see in the year ahead.

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It also highlights the first-ever Mars Petcare State of Pet Homelessness Index, including our U.S. results. The Index gathers credible, consistent data to understand the scale of pet homelessness around the world and insights about how to help.

Combined, the stories in this report offer a compelling look at the joys and challenges of pet ownership in 2021 and the many reasons to help keep people and pets together in 2022 and beyond.

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Welcoming Pets in More Places

Ninety percent of pet parents say spending more time with pets during the pandemic brought them joy. This means helping people and pets stay together is more important than ever.





63%

say they'd be
more comfortable
at social gatherings
with their pet

65%

say they're likely to
bring pets with them
on future travel



69%

would **bring pets**
to work, but only
41% are allowed



With over 90 million pet-owning households in the U.S. and 23 million adding a pet during the pandemic, more people than ever want to be able to enjoy activities in their community together with their pets.

Here's how pet parents' needs are changing and what communities and businesses can do to make pets welcome.

Welcome around Town

Many people can't wait to get back out as the world reopens. But with 84% of pet parents saying their emotional bond with their pets increased during the pandemic, they also don't want to be separated from their dogs and cats as they spend more time away from home.

From bringing pets along while running errands to hanging out with pets on restaurant patios, today's pet parents want to live a life where more businesses are pet friendly than ever before.

62%

of pet parents say having pets with them is important to their mental health in the post-pandemic world.

59% say they'd feel more comfortable enjoying outdoor restaurant patios if they can bring a pet.



Clearer Guidelines for Pet-Friendly Patios

Right now, there's no national policy for pets and outdoor dining. Some states allow any restaurant to permit pets on patios, while others have specific sanitation, signage or hygiene requirements.

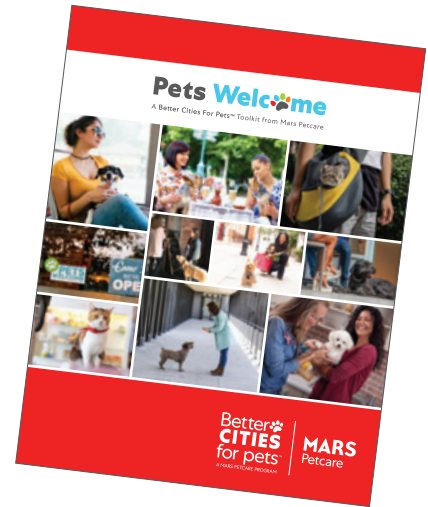
Mars Petcare is working to solve this with one standard policy in the FDA's Model Food Code, which guides food safety laws. With a consistent guideline, pet-friendly outdoor dining can be more easily adopted by states across the country. The amendment is now being reviewed by the FDA and we hope to see its approval in 2022.



Tools for Pet-Friendly Businesses

Through its **Better Cities For Pets™** program, Mars Petcare helps communities and organizations become more pet friendly. The program’s “Pets Welcome” toolkit continues to expand with resources to help organizations add pet-friendly policies and amenities. It includes:

- How to make pets welcome with pet amenities
- Best practices for pet relief areas
- Emergency planning for pets at businesses
- Handling customer concerns about pets
- Ways to celebrate pets who visit businesses
- Sample pet code of conduct



Leadership in Action



In **St. Petersburg, Florida**, the St. Pete PAWS program provides a model for local business engagement. An online map makes it easy for pet parents to find businesses that welcome pets. The Mayor’s Pet-Friendly Business Program brings recognition and resources like a “dog dining” permit. Learn more: bit.ly/StPetePaws.

Welcome on Trips

Pet owners are ready to start traveling again and nearly two thirds are planning to bring their pets. That number is even higher among Millennials (84%) and Gen Z (77%), who can't wait to bring pets along for future travel.

The desire to be with our pets spans every step of the travel experience. More than half of parents say its important that they can bring their pets on planes, find pet-friendly rental cars, enjoy accommodations that are pet friendly, and visit places that have pet-friendly activities.

60%

**of pet parents say they'd
feel more comfortable
traveling if they could bring
their pet along.**

**47% would cancel a vacation
that wasn't pet friendly
to avoid leaving their
best friend behind.**



Making Pets Welcome in Hotels across North America

In 2021, Mars Petcare teamed up with global hospitality leader Hilton to set a new standard for pet-friendly travel. Applying insights from our **Better Cities For Pets™** program, Homewood Suites by Hilton and Home2 Suites by Hilton are implementing pet-focused programming and benefits in the U.S. and Canada.

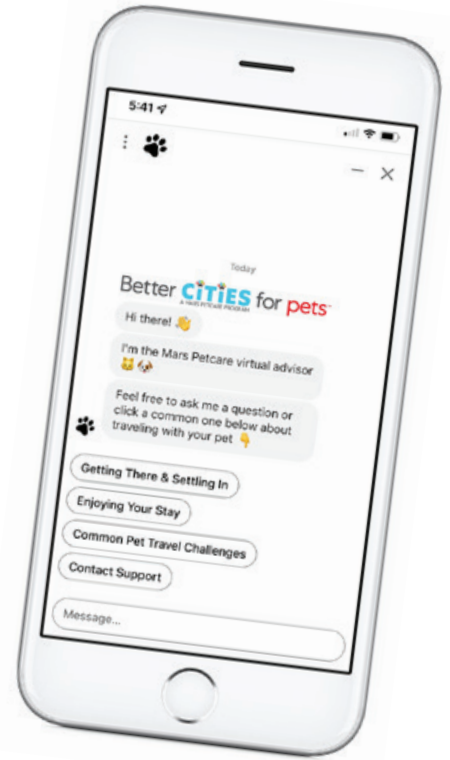
Through the partnership, Hilton guests at select Homewood Suites and Home2 Suites are also getting early access to a Mars Petcare digital service pilot program where they can receive expert tips to help pets adjust to their new environment.



MAKING AN IMPACT

Guests at select Hilton hotels have access to Mars Petcare experts for pet health and wellness and behavioral questions that may come up during their hotel stay. In addition, along with a live chat feature, self-serve topics provide support for pet parents such as:

- What to pack for your pets
- Keeping pets safe while traveling
- What to do if a pet gets lost
- Planning ahead for emergencies
- How to decide if a vet visit is needed



Leadership in Action

HOMewood
SUITES by Hilton™



By January 1, 2022, **Homewood Suites by Hilton** will join **Home2 Suites by Hilton** to become 100% pet friendly, with pet fees starting at \$50 per stay. This means more than 1,000 hotels and 110,000 rooms across North America where dogs and cats are welcome.

Helping Pet-Friendly Airports Take Flight

With over 60% of pet parents saying pets will join them on future vacations, it's not just about the destination. Getting there should be easier too.

Mars Petcare has developed standards to help airports welcome pets and service animals. Informed by insights from our **Better Cities For Pets™** program, the standards cover features like indoor and outdoor pet relief and play areas, signage that helps pet parents find amenities, training for staff related to pets and more.



Leadership in Action



Nashville International Airport (BNA) worked closely with Mars Petcare to apply the standards as part of their BNA Vision growth and expansion plan. BNA will now feature best-in-class pet relief areas, a dog park and friendly, visible signage.

Welcome at Work

The vast majority of pet parents who have been working from home during the pandemic say that spending time with their dogs and cats has been an important benefit. Looking ahead, 89% say it's important they can continue to spend time with pets during the workday, and that number is even higher for Millennials.

Pet parents are also worried about how their pets will do at home when they return to work — whether their dogs and cats will have separation anxiety or suffer from a lack of exercise. This means that pets now influence decisions people are making about their jobs.

79%

of pet parents are concerned about pets' health or well-being when they return to work.

64%

of Gen Z and

56%

of Millennials say they'd switch to a new job or reduce work hours to spend more time with pets.

Making Pet-Friendly Workplaces a Priority

At Mars Petcare, we're pet parents ourselves. We understand that life is better with our pets by our side. That's why Mars Petcare's **CESAR**[®] brand is launching a noble brand purpose: make the world a dog-friendly place, so that people and their pets can always be together. As more of America returns to the office in 2022, **CESAR**[®] is partnering with the **Better Cities For Pets**[™] program to make every office dog friendly.



Ending Pet Homelessness

Despite the many benefits pets bring to our lives, pet homelessness in the U.S. remains high. We need more progress to keep people and pets together.





The U.S. currently
has nearly

48 million

homeless pets

42%

of pet parents worried
about **being able**
to care for their pet
last year



62%

of shelters and rescues
say they have **more**
pets than they can
adopt out



Tens of millions of pets remain homeless in the U.S. Barriers to adoption — both real and perceived — limit the number of pets making their way into homes. Three in 10 shelters say they're struggling financially, while challenges for pet parents are causing many to give up pets.

Here's how the first-ever State of Pet Homelessness Index and our 2021 actions show that communities can help...

Introducing the First-Ever State of Pet Homelessness Index

The world we want tomorrow is one where all pets are wanted, cared for and welcome. Getting there requires understanding the scale of pet homelessness and the reasons why cats and dogs become or remain homeless.

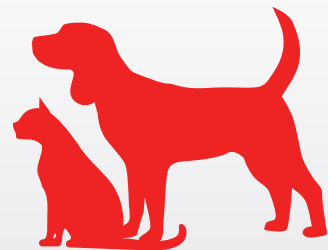


In 2021, Mars Petcare partnered with leading animal welfare experts and organizations, including Humane Society International and American Pets Alive!,

26%

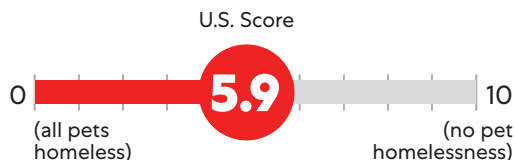
of cats and
dogs in the
United States
are homeless.

**This includes
41 million
stray cats and
1.3 million
stray dogs.**



to develop the first-ever State of Pet Homelessness Index. With data from over 200 global and local sources, boosted by quantitative research, the Index provides scores for nine global markets including the United States. Our total score of 6.4, on a scale where 10 means no pet homelessness, reflects scores for three main factors:

All Pets Wanted: Evaluating spay/neuter and responsible breeding practices, roaming and stray populations, disease prevention, and cultural attitudes toward pet ownership



All Pets Cared For: Evaluating rates of shelter adoption and pet ownership, assessing shelter pain points, and access to veterinary care



All Pets Welcome: Evaluating barriers to responsible pet ownership, as well as government support and policy



Mars Petcare has been helping drive progress across these areas for over a decade. PEDIGREE Foundation, our **PEDIGREE**® brand and other programs help raise awareness of the benefits of pet adoption and provide needed grant support for shelters and rescues across the country. In addition, our

Better Cities For Pets™ program helps communities become more pet friendly with amenities, education, and pro-pet policies and legislation.

Yet many challenges remain. Key concerns in the U.S. that were surfaced by the State of Pet Homelessness Index include perceived costs of pet ownership, misconceptions about the health of stray pet populations, barriers to pet-friendly housing and low awareness of fostering opportunities.

Tackling pet homelessness helps both people and pets. It brings the benefits of the human-animal bond to more people and ensures every pet has the sustained care and nutrition they need to thrive. To find out more about the Index and how you can get involved, visit endpethomelessness.com



Recognizing Root Causes

As the State of Pet Homelessness Index showed, the cost of pet ownership can be a significant barrier for people to consider adopting a pet. Additional research by Mars Petcare in the U.S. during 2021 found that four in 10 pet parents have felt concerned about their ability to cover the cost of caring for their pets in the last year, especially those who added new pets during the pandemic.

They struggle with other pet-related challenges, too. The same U.S. research found that nearly a third of pet parents considered rehoming a pet during 2021. The reasons they cited included costs, but also difficulty finding pet-friendly



housing options, concerns about spending less time at home in the future, and a lack of available services like training and dog walkers.

Our 2021 survey of shelters and rescues in the U.S. reinforced these challenges. The organizations we spoke with reported that the top reasons people surrender pets include needing help to address pet behavior issues, not being able to afford pet medical care and challenges finding pet-friendly housing.

Changes coming out of the pandemic were also cited, though less frequently. Some shelters noted surrenders by people returning to work and by those who adopted during the pandemic and were not prepared for the responsibility.

Key causes of pet surrenders, according to shelters and rescues



70%

**need for help with
behavior issues**

70%

**inability to afford
veterinary care**

57%

**lack of pet-friendly
housing options**

Supporting Innovative Solutions

Given the challenges many pet parents are facing, this year Mars Petcare's **Better Cities For Pets™** program grants focused on helping communities keep people and pets together by addressing causes of pet homelessness. These grant recipients' initiatives aim to help their communities better support pets and people.

Oakland, California — establishing a training program to help **reduce behavior-related surrenders**.



Las Vegas, Nevada — expanding a program that **assists pet parents who are experiencing homelessness**.



Key West, Florida — creating a **pet safety net program** to help people find and keep pet-friendly rental homes.



Dallas, Texas — enhancing an under-utilized space at Dallas Animal Services to **serve more community pet parents**.



Sheboygan, Wisconsin — helping pets and pet parents **spend time together outdoors** with pet amenities.



Alexandria, Virginia — creating a summit to understand and start to **address barriers to pet-friendly housing**.



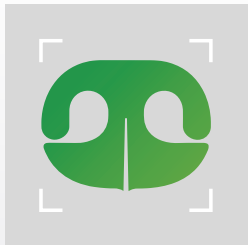
Providing Insights for Cities

As part of our research with shelters and rescues in 2021, Mars Petcare asked about the most helpful steps cities could take to reduce pet homelessness. Nearly all said low-cost spay/neuter is critical to reducing unwanted pets. In addition, they named:



- Partnerships between city and private animal welfare in the community (91%)
- Ensuring pets are part of city emergency planning (88%)
- Legislative support for trap-neuter-return (TNR) programs (87%)
- Pet-friendly housing legislation (86%)

Leadership in Action



IAMS:
NOSEiD

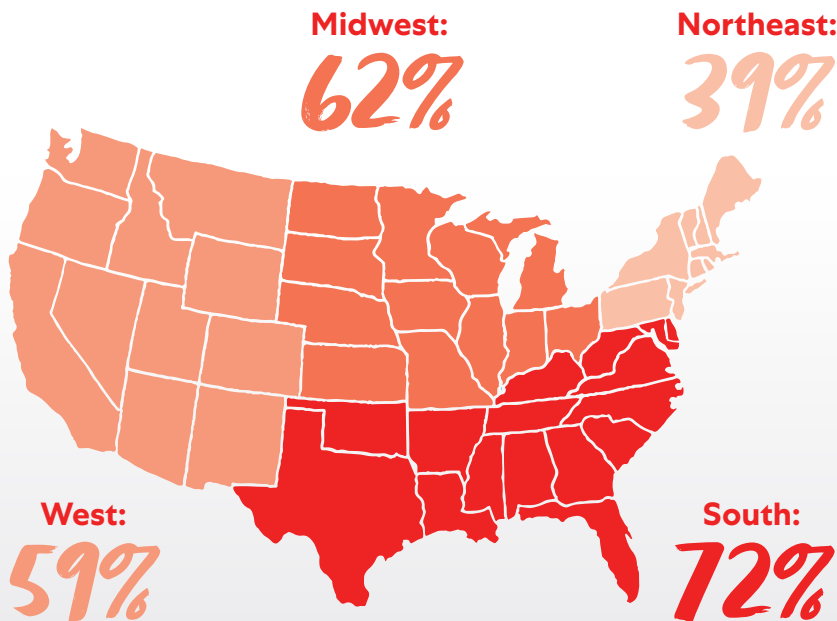
This year, Mars Petcare brand **IAMS**[®] brought innovation to the goal of **reducing lost pets**. The **NOSEiD**[™] app allows pet parents to register their dog with a scan of their unique nose print. If the dog goes missing, the app alerts other local users to help find and return the dog. Learn more: iamsnoseid.com.

Helping Pets Find Homes

While the State of Pet Homelessness Index showed pet adoption is more favored in the U.S. than in other countries, there continue to be challenges getting pets into loving homes. This is particularly true in the South where the supply of adoptable pets heavily outweighs the demand.

More than half of shelters said they expected their pet intakes to increase in 2021, yet 54% also expected adoptions to decrease, meaning even more pressure on the shelter system. Additionally, one in four pet fosters surveyed said they expect to foster less in the coming year as communities open up for more in-person work and leisure, giving them less time at home with pets.

In most regions, a high percentage of shelters say they have more pets than they can adopt out.





Moving Pets to Brighter Futures

Recognizing these challenges, Mars Petcare and PEDIGREE Foundation joined forces with Greater Good Charities in 2021 to launch the Good Flights “Flying to Forever Homes” initiative and airlift hundreds of shelter pets to new adoptive homes. Six transports are moving at-risk shelter pets, including harder-to-adopt large breed dogs and cats, to areas where they’re more likely to be adopted.

This is one of multiple transport-related investments for PEDIGREE Foundation, which sees transport as a top priority for helping increase dog adoption. Another funded program, the Hub Transport initiative of Humane Society of Tulsa, has already moved more than 2,200 pets in 2021.

Shining a Spotlight on Adoption

Each year, Mars Petcare hosts a pet adoption event in our hometown of Nashville, Tennessee. In 2021, we raised the bar with multi-city events and high-profile sports partnerships to drive national conversation about ending pet homelessness.

We partnered with NASCAR Cup Series Champion Kyle Busch in the spring and Titans quarterback Ryan Tannehill in the fall to spotlight pet adoption, while covering adoption fees with PEDIGREE Foundation during weekend events.

Also in 2021, our **PEDIGREE**® brand helped families adopt with its One True Loyalty program. We covered adoption fees for hundreds of dog parents nationwide who adopted during a four-month window.



Helping Shelters Help Pets

PEDIGREE Foundation also plays a critical role by assisting shelters and rescues in their important work to help pets find homes. Created by the **PEDIGREE®** brand in 2008, the Foundation has given more than 5,700 grants and over \$9 million to shelters and rescues across the United States to help increase dog adoption rates. The 2020 grants supported 167 shelters and helped an estimated 150,000 dogs.



About \$300,000 has already been awarded in 2021 to help shelters and rescues managing through natural disasters and COVID-19-related challenges. The 2021 annual grants will be awarded soon, with a continuing focus on transport, foster and behavior programs that have a significant impact on adoption rates.

Leadership in Action



With one in three shelters still struggling after a difficult 2020, Mars Petcare teamed up with **Walmart** and **Greater Good Charities** to donate 2.5 million pet meals to shelters. For every purchase of select **IAMS™**, **PEDIGREE®**, **NUTRO™** and **TEMPTATIONS™** products at Walmart, Mars Petcare donated a meal. With this program and others, Mars Petcare's pet food donations surpassed \$3 million in 2021.

A Better World For Pets™

We're working toward a world where the planet is healthy, and people and pets can thrive.





Launching the world's

largest

**coral reef restoration
program**

Sourcing **100%***
of fish for our North
American products from
sustainable sources

* based on Mars guidelines and certifications.



Working to be a
positive force for
people, pets and

planet



At Mars, we believe the world we want tomorrow starts with how we do business today.

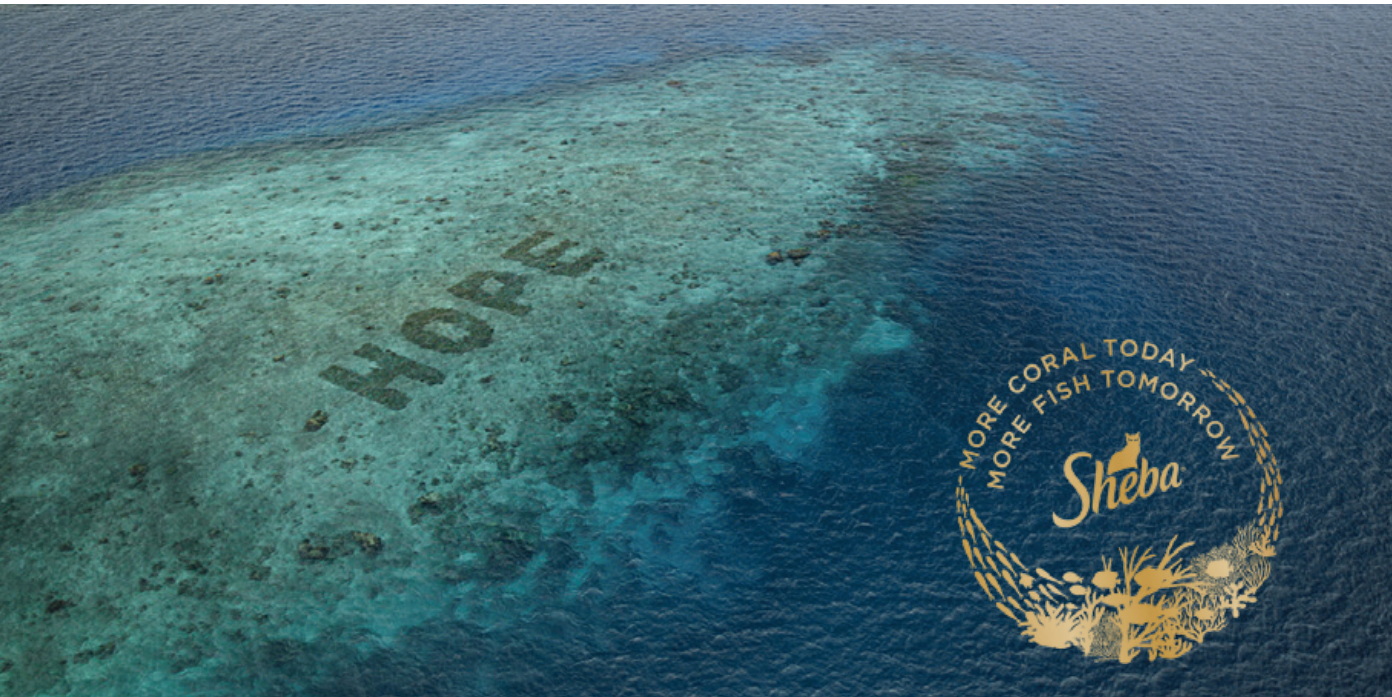
Guided by the Mars Sustainable in a Generation Plan, we're working to be a positive force for people, pets and the planet. This includes efforts to reduce our environmental footprint, support individuals' rights and livelihoods, and help people and their pets live healthier lives.

Learn more: mars.com/sustainability-plan.

Creating HOPE for Our Oceans

Half a billion people rely on coral reef ecosystems for food, income and coastal protections — not to mention all the pets who love seafood. Yet experts predict that if nothing is done, 90% of the world's reefs will be gone by 2043.

That's why our **SHEBA**® brand committed to restore more than 185,000 square meters of coral reefs by 2029. In May, we shared early results on Hope Reef off Indonesia, which show how marine ecosystems can be regenerated and restored. Since the project started 2 years ago, coral cover has increased from 5% to 55%. When viewed from above, the restored coral spells out the word HOPE.



Who We Are

The 85,000 Associates across 50+ countries in Mars Petcare are dedicated to one purpose:
A Better World For Pets™.



Meet Mars Petcare

Mars Petcare is part of Mars, Incorporated, a family-owned business with more than a century of history making diverse products and offering services for people and the pets people love.

This report reflects the work of Mars Pet Nutrition North America, whose portfolio includes brands like **PEDIGREE®**, **NUTRO™**, **GREENIES™**, **SHEBA®**, **CESAR®** and **IAMS™**. Everything we do is informed by the Waltham Petcare Science Institute, which has advanced research in the nutrition and health of pets for over 50 years.

The Better Cities For Pets™ Program

Mars Petcare's **Better Cities For Pets™** program has long been a way for the business to act on its purpose and help address issues that keep people and pets apart. The program was created in partnership with experts in city planning and animal welfare, and government stakeholders.

It includes resources, policy templates and advocacy, grants for cities, and a city certification program to encourage and celebrate best practices. Cities can tackle improvements using the materials at [BetterCitiesForPets.com](https://www.BetterCitiesForPets.com).



Taking Action for Pets and Pet Parents

These are the cities certified in Mars Petcare's **Better Cities For Pets™** program through October 2021. We encourage more cities to join us in 2022, using tools like our model ordinances for pet-friendly housing and “Pets Welcome” toolkit to help make pets welcome and keep people and pets together. Learn more and get certified at [BetterCitiesForPets.com/certification](https://www.bettercitiesforpets.com/certification).

Aiken, SC
Alexandria, VA
Arlington, TX
Bartlett, TN
Bentonville, AR
Bloomington, IN
Bound Brook, NJ
Brentwood, TN
Calumet City, IL
Cleveland, OH
Dallas, TX
Dania Beach, FL
Dearborn, MI
Downey, CA
Dublin, CA
Edinburg, TX
Everett, WA
Findlay, OH
Fort Smith, AR
Fort Wayne, IN
Franklin, TN
Gainesville, FL

Gresham, OR
Hallandale Beach, FL
Henderson, NV
Hollywood, FL
Houston, TX
Huntington, WV
Jackson, WY
Key West, FL
Laguna Niguel, CA
Lake Stevens, WA
Las Vegas, NV
Lavonia, GA
Madison, AL
Meaford, ONT
Memphis, TN
Miami, FL
Miami Beach, FL
Miami Lakes, FL
Mission, TX
Mt. Pleasant, SC
Nashville, TN
North Charleston, SC

Oakland, CA
Orion Township, MI
Oxford, MS
Phoenix, AZ
Plano, TX
Port St. Lucie, FL
Portage, MI
Reno, NV
Rochester, MI
Royalton, MN

Santa Clarita, CA
South Sioux City, NE
Southport, NC
St. Charles, MO
St. Petersburg, FL
Sunrise, FL
Sutherlin, OR
Topeka, KS
Tucson, AZ
Washington, D.C.
Waterford, CA
Wylie, TX





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BetterCitiesForPets.com



MarsPetcareUS

Unless otherwise noted, data in this report comes from KRC Research online surveys of 1,003 U.S. pet parents from July 28 to August 8, 2021 and with 273 representatives of U.S. shelter and rescue organizations from August 9 to August 25, 2021. Research for the Mars Petcare State of Pet Homelessness Index, November 2021, was conducted from March 2020 to October 2021. See further details at www.endpethomelessness.com.