

Particulars

About Your Organisation

1.1 Member Name

Mars, Incorporated

1.2 Membership number

4-0127-10-000-00

1.3 Membership sector

Consumer Goods Manufacturers

1.4 Membership category

Ordinary

1.5 Country

United States

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

2.1 Please select all description(s) that describe the palm oil-related activities of your company or organisation. Multiple selections are allowed, and not limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- I own and operate oil palm estate(s) and/or palm oil mill(s)
- I represent a palm oil Independent Smallholder farmer Group
- I own and operate independent palm oil mills
- I own and operate independent palm kernel crushing plants
- I trade or broker palm oil, palm kernel oil or related products
- I am a refiner of palm oil or palm kernel oil
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related ingredients
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products
- I manufacture consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors.
- I retail consumer (B2C) products containing palm oil, palm kernel oil or related products
- I operate food retail outlets that use palm oil, palm kernel oil or related products
- I support the sustainable development of the palm oil industry as a conservation and environmental NGO
- I support the sustainable development of the palm oil industry as a social and human development NGO

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
- Food Good Manufacturer - third-party brand
- Home & Personal Care Good Manufacturer - own brand
- Home & Personal Care Good Manufacturer - third-party brand
- Ingredient Manufacturers
- Biofuels
- Other

Other

-

2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership

Our Mars Wrigley, Mars Food and Mars Petcare business segments use small amounts of palm oil in the manufacture of confectionery and food products at 46 factories worldwide, all of which are certified to the RSPO Mass Balance chain of custody standard.

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Europe, North America, China, India, Malaysia, Indonesia, Africa, Latin America, Rest of the World

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles)

2.2 Total volume of uncertified and certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products

Description	Tonnes
Total volume of crude palm oil (tonnes)	0.0
Total volume of crude palm kernel oil (tonnes)	0.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	64416.0
Total	64416.0

2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	90.0
Palm kernel oil-based derivatives and fractions	10.0

2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions. In cases where sales distribution data is not available, members may use manufacturing regions as a proxy for regional usage of certified volumes.

Countries/Regions	Percentage
Europe	50.0
North America	36.0
Malaysia	0.0
Indonesia	0.0
China	9.0
India	1.0
Latin America	2.0
Africa	1.0
Rest of World	1.0

2.4 Volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products in the year:

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	0.0	0.0	0.0	0.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	0.0
Mass Balance (MB)	0.0	0.0	0.0	32208.0
Segregated (SG)	0.0	0.0	0.0	32208.0
Identity Preserved (IP)	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	64416.0

2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based

Description	Percentage
Certified Palm oil-based derivatives and fractions	90.0
Certified Palm kernel oil-based derivatives and fractions	10.0

2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's certified palm oil and palm oil products uptake is:

100.00%

2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.

Mars has sourced 100% RSPO-certified palm oil through mass balance supply chains since 2013, and began to introduce RSPO-segregated supply chains in 2019.

2.6 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question CG.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	50.0
North America	36.0
Malaysia	0.0
Indonesia	0.0
China	9.0
India	1.0
Latin America	2.0
Africa	1.0
Rest of World	1.0

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2010

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2010

3.2.1 If the previous target year has not been met, please explain why.

We met our target to source 100% RSPO-certified palm oil in 2013, two years ahead of our 2015 deadline.

3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2013

3.3.1 If the previous target year has not been met, please explain why.

We met our target to source 100% RSPO-certified palm oil in 2013, two years ahead of our 2015 deadline.

3.4 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2013

3.4.1 If the previous target year has not been met, please explain why.

We met our target to source 100% RSPO-certified palm oil in 2013, two years ahead of our 2015 deadline.

3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

The time-bound commitments above apply to all Mars operations globally.

4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

Our strategy is to focus on helping transform the palm oil supply chain in the areas we source from, as we believe this is where we can have the greatest impact. Our approach does not yet extend to consumer engagement on this issue.

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

Through Mars' Palm Positive Plan, launched in September 2019, we have made sweeping transformations to our palm supply chain to deliver deforestation-free palm oil and advance respect for human rights. In October 2020, we announced that this plan had delivered a deforestation-free palm-oil supply chain based on rigorous mapping, management and monitoring.

Through a radical simplification of Mars' supply chain, we are cutting the number of mills in our supply chain from 1,500 to fewer than 100 by 2021, and are on a path to halve that number again in 2022.

We use satellite mapping to monitor land-use with third-party validation through our partnership with Earth Equalizer, which means we can select the suppliers and mills we source from based on evidence.

One example is in the supply chain for our Asia-Pacific businesses, where we now sourcing from UniFuji, a partnership between United Plantations and Fuji Oil, which has reduced mill numbers from 780 to just one. This has been achieved through a 1:1:1 model where palm oil is grown on one plantation, then processed through one mill and one refinery before reaching our factories. Mars and UniFuji share a commitment to source in ways that are good for people and the environment. This is the model on which Mars is building its simplified supply chain, region by region.

We are collaborating on the ground with stakeholders in high-stakes geographies and fragile ecosystems to promote successful, sustainable smallholder farming. We are working to support smallholder farmers in frontier landscapes through active membership and funding of Earthworm Foundation's Landscape Programme in Aceh to help form community-based conservation plans, build smallholder capabilities and provide alternative livelihoods. In 2018, Mars co-created the Coalition for Sustainable Livelihoods with Conservation International and other organizations. This Coalition aims to join up fragmented approaches within landscapes and jurisdictions to achieve scale. Mars also participates in the IDH Verified Sourcing Area steering group.

Finally, we are acting beyond our direct supply chain by awarding longer-term contracts to suppliers who commit to transparent supply chains. Our ambition is to make long-lasting change for the environment, workers, smallholder farmers and economies where palm oil is sourced.

Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

1.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

1.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

Ethical Conduct & Human Rights

1.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

1.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

Land Use

1.3 Does your company have a publicly-available Policy covering Land Use?

Yes

1.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

Occupational Health & Safety

1.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?

No

Climate Change & Greenhouse Gas (GHG)

1.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?

Yes

1.5.1 Does the policy cover:

- Identification and assessment of GHG
- Monitored implementation plan to reduce or minimise GHG emissions

Complaints & Grievances

1.6 Does your company have a Complaints & Grievances Mechanism?

Yes

1.6.1 Is your Complaints & Grievance mechanism in line with the principles of the RSPO's grievance mechanism, which are the elements of fairness, transparency, and impartiality?

Yes

Smallholders

1.7 Does your company support oil palm independent smallholder groups?

Yes

1.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

1.7.2 How is your company supporting them?

Collaboration on the ground with trusted partners is critical to creating a path for successful, sustainable smallholder farming and natural resource management. Mars is working to support smallholder farmers in frontier landscapes through active membership and funding of Earthworm Foundation, Åôs Landscape Programme in Aceh to help form community-based conservation plans, build smallholder capabilities and provide alternative livelihoods. In 2018, Mars co-created the Coalition for Sustainable Livelihoods with Conservation International and other organizations. This Coalition aims to join up fragmented approaches within landscapes and jurisdictions to achieve scale. Mars also participates in the IDH Verified Sourcing Area steering group.

Sustainable Palm Oil Policy

1.8 Does your company have a publicly-available Policy covering the implementation of RSPO Shared Responsibility principles?

Yes _____

Waste Management

1.9 Does your company have a waste management plan?

Yes _____

Water Management

1.10 Does your company have a water management plan?

Yes _____

Energy Use

1.11 Does your company have an energy use plan covering fossil fuels and renewable energy?

Yes _____

RSPO Services and Support

1.12 Does your company provide services and support to the RSPO, eg. participation in RSPO Working Groups and Task Forces

Yes _____

Shared Responsibility Resourcing

1.13 Does your company have a plan to commit resources to ensure effective implementation of RSPO Shared Responsibility principles?

Yes _____

Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

Palm oil is one of the most high-yielding and land-efficient crops on the planet. When produced sustainably, palm oil can deliver value through the entire supply chain. However, some people argue that palm oil's link to deforestation means the only option is to 'get out of palm' and find alternatives. At Mars, we think there is another way. Turning our back on palm oil would mean leaving behind the economies, communities and people whose livelihoods depend on the crop – and possibly walking toward an alternative with much worse impacts. As a crop, palm oil requires relatively fewer resources like land, water and fertilizers to cultivate. It's also up to nine times more productive than alternatives within the same growing footprint. It's a crop that can be productive for up to 30 years, which makes it attractive and beneficial for farmers to invest in to support and secure their livelihoods.

1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

We have already described our efforts to simplify our supply chain so we can better map, manage and monitor our palm oil supplies, our collaborations on the ground to support smallholder farmers, and our longer-term contracts with suppliers committed to change.

Our simplified supply chain has enabled collaborative, long-term engagement on human rights between Mars and its suppliers. In 2017, Mars engaged with global human rights partner Verité and supplier Wilmar to explore how businesses across the palm oil supply chain can better understand, address and prevent human rights risks. The resulting case study of the collective findings was published in 2020. Through this collaboration, Mars is supporting the creation of an open-source set of resources to help companies manage human rights issues in extended palm oil supply chains.

Mars participated in several WWF events in China in 2020 to help promote the RSPO out side of RSPO venues. In addition, we joined a CDP-hosted Supply Chain Traceability and Transparency webinar in China as a panelist, to share practices on improving supply chain transparency and promote CSPO as foundation of traceability.

In addition, Mars works with the Consumer Goods Forum's Forest Positive Coalition to drive its theory of change on deforestation, focusing on driving systemic change through supply chain management and expanding influence beyond companies' own supplies. Mars co-chairs the CGF's Palm Oil Working Group, through which we seek to influence change among non-RSPO members as well as RSPO members.

Like the RSPO, Mars aims to hold palm suppliers to account at group level for good practice in palm-oil sourcing by awarding contracts to companies that implement good practices for all the palm they source, not just the palm oil they sell to Mars. Through the CGF Working Group, we encourage other companies to take this approach.

1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

Our Palm Positive Plan is available in full at: <https://www.mars.com/about/policies-and-practices/palm-oil-policy>

More information about our deforestation-free palm oil supply chain is available here: <https://www.mars.com/news-and-stories/press-releases/mars-palm-positive-plan>

We publish lists of our tier-1 suppliers and the mills supplying our different regional operations at: <https://www.mars.com/about/policies-and-practices/palm-oil-policy/palm-oil-mill-lists>

Verite's Palm Oil Producers' Toolkit, supported by Mars, is available at www.palmoiltoolkit.org _____