

Particulars

About Your Organisation

1.1 Name of your organisation

Mars, Incorporated

1.2 What is/are the primary activity(ies) or product(s) of your organisation?

- Palm Oil Grower
- Processor and/or Trader
- Consumer Goods Manufacturer
- Retailer
- Bank and/or Investor
- Social and/or Development NGO
- Environmental and/or Conservation NGO
- Affiliate

1.3 Membership number

4-0127-10-000-00

1.4 Membership category

Consumer Goods Manufacturers

1.5 Membership sector

Ordinary

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 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil and palm oil products consumed, to enable the RSPO to accurately calculate uptake on a member, sector and total level. ACOP reports without reported volume data will be considered incomplete and will not be accepted.

2.1 Please list down all operations and subsidiaries using palm oil 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?

Applies globally

2.2.5 Total volume of all palm oil and palm oil products (palm-content only) used in your company's own-brand products and in products produced by your company for third-party brands in the year:

Description	Tonnes
Total volume of crude/refined palm oil (tonnes)	0.0
Total volume of crude/refined palm kernel oil (tonnes)	0.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of palm oil/palm kernel oil derivatives and fractions (tonnes)	75257.0
Total	75257.0

2.2.6 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2.4) 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	79.0
Palm kernel oil-based derivatives and fractions	21.0

2.3 Volume of RSPO-certified palm oil and palm oil products used in your company's own brand products and in products produced by your company for third-party brands in the year (tonnes):

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	51441.0
Segregated (SG)	0.0	0.0	0.0	23816.0
Identity Preserved (IP)	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	75257.0

2.3.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.3) 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 derivatives.

Description	Percentage
Certified Palm oil-based derivatives and fractions	79.0
Certified Palm kernel oil-based derivatives and fractions	21.0

2.4 According to the volume information you have provided in Question 2.2 and Question 2.3, your company's certified palm oil and palm oil products uptake is:

100.00%

2.4.1 If your company has not reached 100% usage of sustainable palm oil through the four supply chain models (RSPO Credits, MB, SG or IP), do you have any plans to cover the gap using RSPO Credits?

No

2.4.2 Please explain why you do not intend to cover the gap using RSPO Credits

We have already reached 100% usage of sustainable palm oil through mass balance (since 2013) and segregated supply chains (since 2019).

2.5 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	0.0
North America	0.0
Malaysia	0.0
Indonesia	0.0
China	0.0
India	0.0
Latin America	0.0
Africa	0.0
Rest of World	0.0

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 for CG.3.2 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 for CG.3.3 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 for CG.3.4 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)

Our 'Palm Positive Plan' aims to deliver 100% deforestation-free palm oil by the end of 2020 and advance respect for human rights across our suppliers' extended supply chains. The plan has three main pillars. Simplification and verification: We are significantly reducing Mars' palm oil supply chain with the goal of reducing the number of mills from over 1,500 to fewer than 100 by the end of 2020, with further reductions planned by the end of 2022. Through simplification we aim to select the suppliers and mills we desire in our supply chain. By sourcing RSPO segregated palm oil, Mars has reduced the number of mills supplying our European operations from 1,500 to 150 to date, and the mills supplying our Australian operations from approximately 600 to 11. We plan to couple this effort with meaningful engagement on human rights, and on-the-ground and satellite verification processes to monitor deforestation. Region by region, we aim to make progress by engaging in longer-term contracts with those suppliers who commit to and deliver supply chains that meet our expectations. Collaboration on the ground: We are working with stakeholders in high-stakes geographies and fragile ecosystems toward successful, sustainable smallholder farming. With Conservation International and other organizations, we helped facilitate the development of the Coalition for Sustainable Livelihoods to support smallholders and sound natural resource management in Aceh and North Sumatra. We are exploring funding streams to bring further scale to the Coalition's work. We also partner with Earthworm on the Areal Prioritas Transformasi (APT) program to help address the challenges of deforestation. Together, we're engaging local government, preventing deforestation inside concession, forming community-based conservation plans and providing alternative livelihood options. We are working with EarthEqualizer monitoring on a monthly basis our total supply chain at supplier group level for deforestation or development on peat, and following up with our Tier-1 suppliers to take appropriate action following verification of any findings. Advocating for action beyond our supply chain: Setting expectations within our direct supply chain is an important first step, but we aren't satisfied if our suppliers continue to contribute to deforestation elsewhere in their operations. We are calling on our palm suppliers to prevent deforestation throughout their entire supply chain as a condition of doing business with Mars. We can't expect them to flip a switch overnight, but we believe that if enough buyers begin to pressure their suppliers for action, we can reach a tipping point for sector-wide change. Mars is a member of the China Sustainable Palm Oil Alliance, through which we share our experience of sustainable palm oil sourcing and encourage the uptake of sustainable palm oil in destination markets.

6. Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil (RSPO) 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

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

Yes

6.1.1 Does the policy cover:

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

6.1.2 Has your company previously uploaded or linked its Labour & Labour Rights policy in previous ACOP reporting cycles?

Yes

Ethical Conduct & Human Rights

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

Yes

6.2.1 Does the policy cover:

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

6.2.2 Has your company previously uploaded or linked its Ethical Conduct & Human Rights policy in previous ACOP reporting cycles?

Yes

Land Use

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

Yes

6.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

6.3.2 Has your company previously uploaded or linked its Land Use policy in previous ACOP reporting cycles?

Yes

Occupational Health & Safety**6.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?**

No

Climate Change & Greenhouse Gas (GHG)**6.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**

Yes

6.5.1 Does the policy cover:

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

6.5.2 Has your company previously uploaded or linked its Climate Change & Greenhouse Gas policy or report in previous ACOP reporting cycles?

Yes

Complaints & Grievances**6.6 Does your company have a Complaints & Grievances Mechanism?**

Yes

6.6.1 Is your Complaints & Grievances mechanism in line with the RSPO's grievance mechanism? For details of the RSPO's grievance mechanism, please go to <https://askrspo.force.com/Complaint/s/>

Yes

Smallholders**6.7 Does your company support oil palm independent smallholder groups?**

Yes

6.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

6.7.2 How is your company supporting them?

Jurisdictional approaches are critical in driving change on the ground. Mars, working with Conservation International and other organizations, has helped facilitate the development of the Coalition for Sustainable Livelihoods to support smallholders and sound natural resource management in Aceh and North Sumatra, a movement putting sustainable livelihoods at its heart. Together, we are also exploring funding streams to bring further scale to the Coalition's work. We've partnered with Earthworm on the Areal Prioritas Transformasi (APT) program to address the challenges of deforestation. Together, we're engaging local government, preventing deforestation inside concession, forming community-based conservation plans and providing alternative livelihood options. Mars aims to bring pragmatism, clarity and responsibility to industry, government (both international, national and sub-national) and civil society on the action we collectively have to take. And, we aim to work toward independent verification that our efforts and those of our suppliers are driving genuine transformation on the ground to improve systems and conditions for people and the planet.

7. Challenges

7.1 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 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.

7.2 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

Engagement with business partners: We aim to significantly reduce Mars' palm oil supply chain with the goal of reducing the number of mills from over 1,500 to fewer than 100 by the end of 2020, with further reductions planned by the end of 2022. Through simplification we aim to be able to select the suppliers and mills we desire in our supply chain. By sourcing RSPO segregated palm oil, Mars has reduced the number of mills supplying our European operations from 1,500 to 150 to date, and the mills supplying our Australian operations from approximately 600 to 11. We aim to couple this effort with meaningful engagement on human rights, and on-the-ground and satellite verification processes to monitor deforestation. Region by region, we aim to make progress by engaging in longer-term contracts with those suppliers who commit to and deliver supply chains that meet our expectations. Stakeholder engagement: We are working with stakeholders in high-stakes geographies and fragile ecosystems toward successful, sustainable smallholder farming. With Conservation International and other organizations, we helped facilitate the development of the Coalition for Sustainable Livelihoods to support smallholders and sound natural resource management in Aceh and North Sumatra. We are exploring funding streams to bring further scale to the Coalition's work. We also partner with Earthworm on the Areal Prioritas Transformasi (APT) program to address the challenges of deforestation. Together, we're engaging local government, preventing deforestation inside concession, forming community-based conservation plans and providing alternative livelihood options. We are working with EarthEqualizer monitoring on a monthly basis our total supply chain at supplier group level for deforestation or development on peat, and following up with our Tier-1 suppliers to take appropriate action following verification of any findings. Mars is an active member of industry groups including the RSPO and its working groups and the Consumer Goods Forum. We work through these groups to drive industry alignment and progress in supply chain transformation. We also directly engage with key external stakeholders including NGOs such as Greenpeace and the Rainforest Action Network, as well as academics, opinion formers and customers, to promote sustainable palm oil. As a member of the China Sustainable Palm Oil Alliance, Mars took part in a panel discussion with RSPO, WWF and CCFA at the 2019 China Sustainable Palm Oil Supply Chain Forum, to share our experience of sustainable palm oil sourcing and encourage the uptake of sustainable palm oil in destination markets.

7.3 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> 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>
