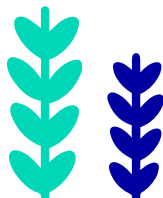
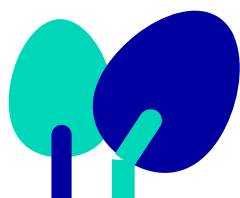


MARS

Tomorrow starts today

Soy Sourcing & Deforestation Action Plan 2024 Progress Update

July 2025



Mars' Journey Toward Forest-Positive Supply Chains



Forests are vital ecosystems – storing carbon, regulating rainfall, supporting biodiversity, and sustaining livelihoods for millions. Forests also provide the habitat for half of all known plant and animal species¹, and yet every year, around 10 million hectares are cleared², mostly for agricultural expansion, with devastating consequences for our climate and nature.

At Mars, we recognize that land use change is the second largest contributor to our value chain emissions. That's why we've set ambitious goals in our [Sustainable in a Generation Plan](#), including aiming to stop deforestation and conversion of natural ecosystems in Mars supply chains for our beef and direct soy ingredients in Latin America by 2025 – a region with high conversion hot spots.

To reach this goal, we're mapping, managing, and monitoring our supply chains – identifying and focusing on high-impact raw materials, especially soy and beef.

As an example, soy remains a leading driver of deforestation, particularly in Latin America. In response, 96% of our global direct soy volumes and 77% of our direct soy volumes from Latin America now come from regions deemed low-risk for deforestation and conversion. We're also helping shape industry best practices through the Consumer Goods Forum's [Forest Positive Coalition of Action](#).

Our leadership in this space was ranked #6 overall by [Forest 500](#) in their 2024 report, a U.K.-based nonprofit that assesses businesses on the strength and implementation of their commitments on deforestation, conversion of natural ecosystems and associated human rights.

We know time is critical. That's why we're working throughout our supply chain and collaborating across the industry to help protect forests and create a better, more sustainable world for people, pets and planet.

Paul Gardner

Chief Procurement Officer, Pet Nutrition
& Mars Incorporated Commercial Lead

Soy Sourcing & Deforestation Action Plan

As part of our [Sustainable in a Generation Plan](#), Mars set ambitious science-based Climate Action targets and has articulated a [Deforestation and Land Use Change Position](#), which specifies our commodity-specific action plans for soy, beef, pulp & paper, palm and cocoa. We are proud of our #6 ranking in the Forest 500 2024 annual report³. In this progress update, we summarize progress in implementing our [Soy Sourcing & Deforestation Action Plan](#).

By 2025, we aim to eliminate deforestation and conversion⁴ of natural ecosystems in Mars supply chains for our direct soy ingredients⁵ from Latin America. This update reflects our global direct soy sourcing data from 2024. Our commitment is aligned with the [Accountability Framework Initiative Regional Guidance](#) and the [Soy Roadmap](#) of the Consumer Goods Forum (CGF) [Forest Positive Coalition of Action](#).

To implement our commitment, we are:

- Mapping, managing, and monitoring our supply chains; and
- Working beyond our supply chains to accelerate sector-wide transformation.

Mapping, managing and monitoring our supply chains

We annually update the origin information of the direct soy⁶ we procure worldwide⁷. For countries identified at risk for deforestation and conversion⁸, our partner [Proforest](#) runs a geospatial risk analysis using information provided by our suppliers, satellite imagery, and other data sources⁹. The risk analysis provides us with insights on how exposed our suppliers are to conversion of natural ecosystems and other potential breaches to our commitments, which in turn allows action to be taken to address risks.



In 2024, Mars¹⁰ sourced globally...
172,722 metric tons of direct soy ingredients,
equivalent to 173,508 metric tons of soybeans¹¹.

Progress achieved to date:



To ensure meaningful and measurable impact...

We are committed to robust reporting and continuously improving our methodologies by aligning with industry standards and engaging third parties to strengthen our monitoring practices.

Total Global Direct Soy Purchases in 2024 (in % and metric tons)

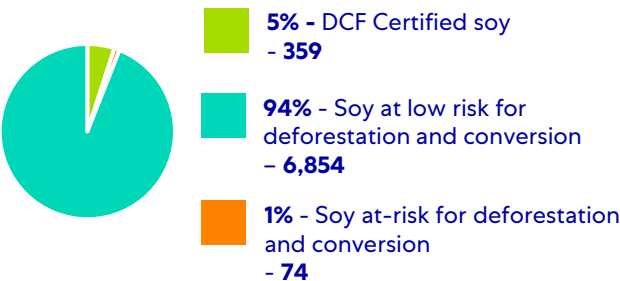


Total Direct Soy Purchases in Latam in 2024 (in % and metric tons)



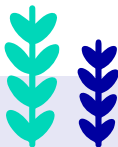
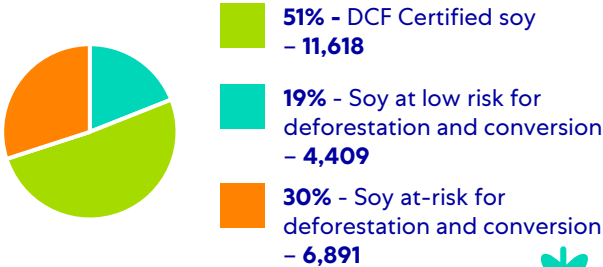
In Argentina...

Direct soy procured from Argentina in 2024 (in % and metric tons)



In Brazil...

Direct soy procured from Brazil in 2024 (in % and metric tons)



Indirect soy in our supply chain

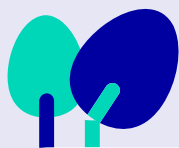
In addition to soy derivatives Mars procures directly to make pet food, soy is also relevant as a feed ingredient for animal farming by-products of which are used as ingredients for pet food. This soy is considered embedded soy in Mars' supply chain. We have examined our indirect soy and estimated it as 295,265 metric tons, in 2024¹⁵.

In 2022, in collaboration with Proforest, we developed a strategy to address indirect soy in Europe. This strategy built on best practice requirements from the Consumer Goods Forum (CGF) Forest Positive Coalition Soy Working Group and other sector-wide frameworks. In 2023, we enhanced our risk assessment to gain a deeper understanding of potential exposure to soy embedded in products linked to deforested or converted areas. As a result, we prioritized five new suppliers for targeted engagement.

Building on this progress, in 2024 we developed a comprehensive Supplier Assessment Tool tailored specifically for poultry suppliers, with a particular focus on slaughterhouses. This tool is designed to evaluate supplier readiness to achieve deforestation- and conversion-free operations. We also expanded our efforts beyond our direct supply chain, engaging in collective and collaborative initiatives within the embedded soy sector. These strategic actions have helped us identify key leverage points for tackling both internal and external supply chain challenges, working alongside industry platforms and peers.

In 2024...

- We continued the Next Generation Soil (Solo das Próximas Gerações) project in Mato Grosso, focusing on regenerative agriculture to support soy farmers linked to our supply chain to reduce the environmental impact in their production. This initiative is a collaboration with Amaggi, a leading soy supplier, and Produzindo Certo, an agro-sustainable consulting firm. The training has continued this year and involved three farms covering 10,000 ha and in full adherence with our no-deforestation, no-conversion policy.
- We engaged 100% of our upstream suppliers originating from Argentina and Brazil to share our commitments, as well as CGF's Forest Positive Approach¹⁶, and to underscore the importance of supplier action to ensure that our sourcing requirements are met. In Brazil, 100% of upstream suppliers potentially sourcing from the Brazilian Amazon are signatories of the Amazon Soy Moratorium,¹⁷ and 100% of all the direct soy not already addressed by physical certification is covered with Round Table on Responsible Soy regional credits¹⁸.

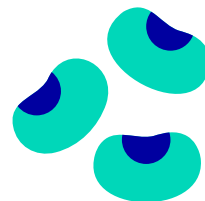


Working beyond our supply chains to accelerate sector-wide transformation

We engage across our industry (peer companies and suppliers) and continue playing an active role in the [CGF Forest Positive Coalition of Action](#). We worked collaboratively with the Soy Working Group members to continue developing the [Soy Roadmap](#), aligning on a common path for companies to accelerate the implementation of soy sourcing commitments and addressing key producing regions at-risk for deforestation and conversion.

Through the participation in [ACT](#) Commodities' regional approach, we support farmers in specific regions in Brazil: Mato Grosso, Rondônia and Pará. Via this approach we purchase Round Table on Responsible Soy (RTRS) regional credits generated by farmers who are incentivized to adopt more sustainable farming practices and to increase the number of certified soybean farms. These credits aim to cover 100% of our direct soy volumes from Brazil which are not already physically certified or traceable to farm, and they help support the production of responsibly produced soy in key regions.

Appendix



- ¹ See [Forests | WWF](#)
- ² See [FAO Global Forest Resources Assessment 2020](#)
- ³ **Forest 500 ranking:** See <https://forest500.org/rankings/companies>.
- ⁴ **Definition of conversion:** conversion refers to the loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function. Deforestation is one form of conversion (conversion of natural forests).
- ⁵ **Direct soy:** refers to soybeans or soy products that are used and consumed in their original form, rather than being processed indirectly through animal feed or other products.
- ⁶ **Type of direct soy ingredient sourced:** the direct soy products we source are destined to the production of petfood, that is soybean oil, soybean meal, soybean concentrate, soybean isolate, soybean lecithin, soybean protein, soybean sauce
- ⁷ **Origin of direct soy products:** the origin of our direct soy products is defined as the silo or crusher and its supply shed for at-risk countries (see footnote 8) and origin country for all other countries. We request all our tier 1 direct soy suppliers sourcing in at-risk countries to share with us information from the upstream supplier, including the location and sourcing radius of the soybean first aggregators, which allows us to have an understanding of their supply shed. The following radii were considered for the analysis: Brazil: 240km, Argentina: 400km. We adopted the radius considering: information provided by suppliers and by local organizations working in the soy sector.
- ⁸ **At-risk countries:** based on our country-level risk assessment, the following countries from which we source direct soy are considered at-risk for deforestation and conversion: Argentina and Brazil. Countries other than these from which Mars sources are considered low risk for deforestation and conversion associated with soy, considering data from [Maplecroft](#), [WRI \(2020\)](#) and [WWF \(2021\)](#).
- ⁹ **Risk assessment methodology for at-risk countries:** we have made major investments to improve traceability and transparency in our direct soy supply chains. This helps us assess how land use affects ecosystems and guides our purchasing decisions to help avoid environmental harm. In Argentina and Brazil, external experts from Proforest run a two-part geospatial risk assessment: (1) a territorial analysis at the sub-national level (municipalities in Brazil; departments in Argentina) that ranks overlap with protected areas, indigenous lands, legal non-compliance (Brazil), embargoed areas (Brazil), and post-cut-off date native-vegetation conversion; (2) a supply shed level analysis that overlays these jurisdictional scores on the sourcing areas of the soybean first aggregators (per footnote 7). Risk classes run from “very low” to “very high” and enables us to determine the level of risk for the volumes purchased from each supplier. Proforest uses data from multiple sources to update our risk assessments including official data sources relating to legally protected areas and to areas found to be breaching environmental legislation, whenever made available by the governments from Argentina and Brazil. Sources used: for Brazil: [Mapbiomas](#), [Forestal Code Observatory](#), [IBAMA](#), [Incra](#) and [FUNAI](#). For Argentina: [Mapbiomas](#), [IGN](#) and [INA](#). In addition, suppliers are expected to meet our Supplier Code of Conduct, which includes standards on child and forced labour, discrimination, fair pay, working hours, freedom of association, health and safety, the environment, and ethical business practices. We manage tier 1 supplier human rights risk and improvements through our [Next Generation Supplier](#) program.
- ¹⁰ **Direct soy volumes in scope:** considers the total amount of direct purchases of soy products in Mars Petcare, which accounts for the material portion (93%) of the total direct soy supply to Mars. Some purchased soy is certified using segregated or mass balance supply chain models (see footnote 14). Excludes some new mergers and acquisitions and co-manufacturing.

Appendix

- ¹¹ **Conversion from soy products volumes to soybean volumes:** the methodology for estimating our direct soy footprint considers the soy product volumes we purchase from our suppliers to which we apply the conversion factors from the [RTRS Footprint Calculator](#) using economic allocation.
- ¹² In total, 96% of our global soy sourcing is considered at low-risk for deforestation and conversion, or deforestation- and conversion-free certified (DCF certified), either because it has been verified as certified as such in Brazil and Argentina, or because it is sourced from a low-risk country.
- ¹³ **Traceability to first aggregators in at-risk countries:** we collaborate closely with our Tier 1 suppliers to map the processing mills in our soybean supply chain, including crushers and their sourcing radii. Each year, our buyers request that suppliers submit detailed, prior-year sourcing data. The data covers the country and municipality of origin, coordinates of each processing facility, volumes purchased, and the radius within which soybeans are collected. Although we are several steps removed from the farms themselves, this approach enables us to assess the sourcing areas—or “supply sheds”—of these facilities, helping us identify and manage risks. By the end of 2024, we had achieved traceability to the first aggregator (crusher or silo) for 68% of our soy sourced from Brazil and 94% from Argentina.
- ¹⁴ **Acceptable DCF soy certification schemes are:** RTRS, Proterra, Amaggi Origins, or Cargill 3S (when Chain of Custody is Segregated or site-level Mass Balance). All certified soy volumes are traceable to at least the country of origin and traceability is verified through the chain of custody of the given certification. **Note on mass balance:** in certain markets, Mars may purchase and use soy ingredients in its products which a supplier has purchased, processed, shipped or stored the ingredients, or the raw material used to make ingredients (e.g., soybean), on a “mass balance” basis. Suppliers who purchase, process, ship or store ingredients, or the raw materials used to make ingredients, on a “mass balance” basis frequently mix conventional, deforestation and conversion free and other types of ingredients or their raw materials at one or more steps in their supply chain. As a result, Mars cannot identify whether a specific product has been made from conventional, deforestation free or another type of ingredient or raw material or a mixture of two or more types of an ingredient or raw material.
- ¹⁵ **Embedded soy calculation volumes:** the methodology for estimating indirect (i.e., embedded) soy considers the soy quantities embedded in the animal products we buy directly for our pet food products. These quantities are calculated using Life Cycle Assessment (LCA) datasets based on the [World Food LCA Database](#), and follow an economic allocation approach, in line with allocation procedures under the [European Commission Product Environmental Footprint \(PEF\)](#) and [the GHG Protocol](#).
- ¹⁶ See the latest version of the [Guidance on the Forest Positive Soy Roadmap](#)
- ¹⁷ The upstream suppliers potentially sourcing from the Brazilian Amazon are Amaggi, Bunge, Cargill, CJ Selecta. The list of direct suppliers is available on <https://www.mars.com/about/policies-and-practices/soy-policy> and is updated annually. We actively engage with our Tier 1 suppliers to communicate our commitments and expectations. We currently verify compliance with our Soy Sourcing and Deforestation Action Plan through a combination of third-party certification, satellite-based risk approach developed by our partner Proforest, and via third party assurance of compliance with the Amazon Soy Moratorium. When non-compliance is identified, our focus is on reintegrating suppliers into the supply chain once they have successfully addressed the issues. The level of engagement is tailored to the severity of the non-compliance. Mars focuses on continuous improvement and prioritizes engaging and supporting suppliers in making the necessary changes to achieve compliance. Therefore, we only consider excluding suppliers as a last resort, when all other avenues for improvement have been exhausted.
- ¹⁸ **Total RTRS regional credits purchased:** 8,886 tons of soybean equivalent and allocated them to 2024 volumes. More information on this approach is available here: <https://responsiblesoy.org/material-rtrs?lang=en>

