MARS

Palm Positive Update – August 2026
Scope – H2 2025

TOP LINE PALM POSITIVE UPDATES[1]
Deforestation and Conversion-Free (**DCF**) Palm Oil[2]: **93.6%**
Palm Oil Traceable to Mill (**TTM**): **100%**
Palm Oil Traceable to Plantation (**TTP**): **98.5%**
Roundtable on Sustainable Palm Oil (**RSPO**)[3] – **100% RSPO Certified** • Physically Certified: **99.99%** • RSPO Book & Claim/Credits[4]: **0.01%**
Number of Tier 1 (**T1**) Palm Oil Suppliers: **20**
T1 Palm Oil Suppliers engaged on No Deforestation, No Peat, and No Exploitation (**NDPE**) and Consumer Goods Forum Forest Positive Coalition (**CGF FPC**) Asks and Commitment[5]: 100%
Number of Mars Funded Smallholder and Landscape Programs in progress: **3**
Number of Palm Smallholders Reached by Mars Funded Landscape Programs: **4,429**

[1] Includes palm oil and palm kernel oil, that Mars buys from its T1 palm oil suppliers during the reported measurement period. The reported results exclude palm oil derivatives, certain materials with trace amounts of palm oil, and palm oil ingredients used by certain business acquired by Mars, including legacy Kellanova, and by certain co-manufacturers and licensees of Mars branded products. Some palm oil used in certain markets is purchased under a "mass balance" supply chain. "Mass balance" volumes are traced to the mill, and we leverage our service providers Earthworm Foundation (EF) and Earthqualizer (EQ) to map, monitor and manage any deforestation alerts that are associated with plantations linked to these mills.

[2]. Mars applies a deforestation cut-off date of December 31, 2015, in alignment with the Consumer Goods Forum FPCoA methodology and industry best practice. https://www.mars.com/about/policies-and-practices/deforestation-policy

[3] For further details on "RSPO physically certified palm oil", please click on this hyperlink: Supply chains - Roundtable on Sustainable Palm Oil (RSPO).

[4] https://rspo.org/as-an-organisation/certification/supply-chains/Under the RSPO "Book & Claim/Credits" method, Mars buys RSPO Credits and RSPO Independent Smallholder Credits from RSPO certified palm growers, crushers and independent smallholders. By purchasing RSPO Credits and RSPO Independent Smallholder Credits, Mars is permitted by RSPO to claim credit for encouraging the production of a specified volume of RSPO certified palm oil. Mars does not receive an actual volume of RSPO certified palm oil in the percentage reported under the RSPO "Book & Claim/Credits" method. For further details RSPO "Book & Claim/Credits" method, please click on this hyperlink: Supply chains - Roundtable on Sustainable Palm Oil (RSPO).

[5] For further details on the "NDPE and CGF FPC Asks and Commitment", please click on these hyperlinks: Presentación de PowerPoint; 2021-Guidance-for-FP-Palm-Oil-OBM-Suppliers.pdf

The Journey So Far

In 2019, we proudly launched our Palm Positive Plan (the "**Plan**"), a transformative initiative with a bold aim: to achieve 100% deforestation and conversion-free palm oil by the end of 2020, while helping our T1 suppliers to advance human rights across their palm oil supply chains. In the absence of an industry-aligned methodology for Deforestation and Conversion-Free **(DCF)** claims at the time, Mars had developed an in-house approach to calculating this, leveraging traceability and satellite monitoring with our partners, Earthworm Foundation **(EF)** and Earthqualizer **(EQ).** In 2020, we announced that we had reached our goal of deforestation and conversion-free palm oil and, for the first time, in an act of transparency, published a list of our T1 palm oil suppliers and mills.

In 2025, in line with emerging best practices in the industry, we transitioned to a DCF methodology aligned with the Consumer Goods Forum **(CGF)** Forest Positive Alliance's Palm Oil DCF Methodology. Our 2025 DCF score, as assessed by EF in accordance with our updated DCF protocol, is **93.6%.** We continue to amplify our supplier engagement efforts, focusing 1:1 sessions with the suppliers who have the biggest gaps, to collaboratively drive improvements in our overall performance.

By putting the Plan into action, we have also been able to execute mill simplification, resulting in a significant reduction in the number of mills associated with our supply chain. This approach enables us to work more closely with our T1 palm oil suppliers in the Mars palm oil supply chain who are committed to driving improvements in environmental protection and working conditions in their own operations, and in palm oil mills and on palm plantations within their own supply chains.

The Plan covers all palm oil and palm kernel oil purchased directly by Mars, and our commitments are aligned with the Palm Oil Roadmap of the CGF FPC and the Palm Oil Project of the CGF Human Rights Coalition.

2025 UPDATES

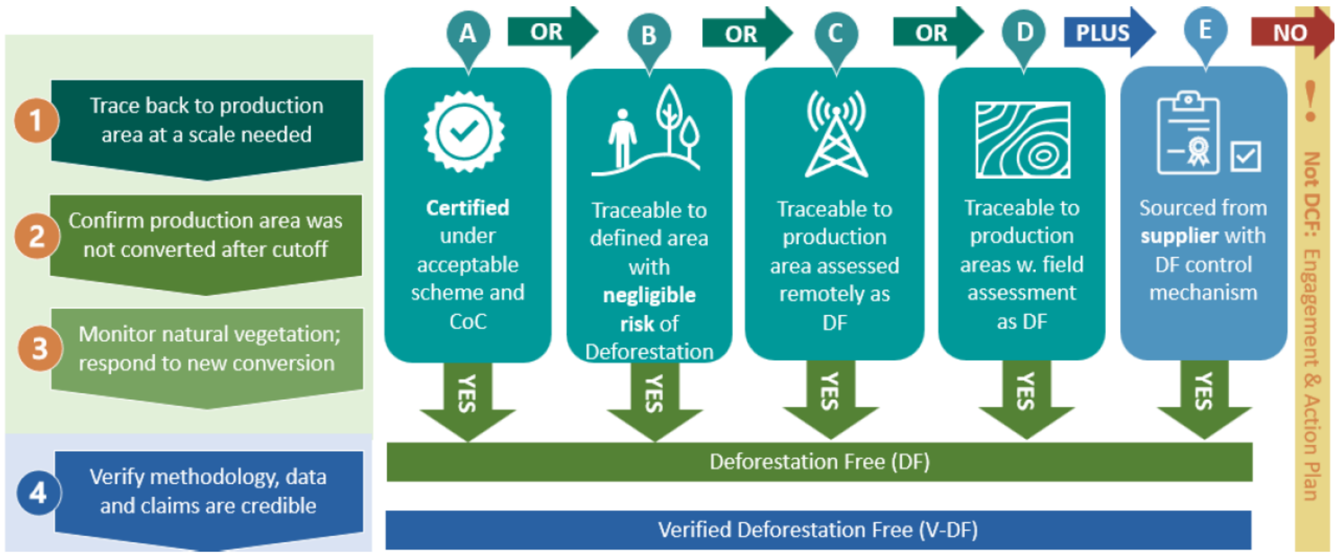
The Plan continues to support our ambition to make long-lasting change for the environment, workers, smallholder farmers and economies where palm oil is sourced.

TRANSITION TO AN UPDATED DCF METHODOLOGY

In 2025, in line with the evolving DCF standards in the industry, we completed the development of the Mars Palm Oil DCF Protocol, aligned with the CGF Forest Positive Alliance's Palm Oil DCF Methodology, in November 2025. This document was developed in collaboration with **Peterson Solutions,** with the following objectives:

- Clarify Mars' expectations across Map-Manage-Monitor (MMM) pathways against palm oil sourcing
- Clarify existing industry tools which can be leveraged to demonstrate compliance with Mars' requirements
- Describe Mars' internal processes and procedures to calculate publicly reported DCF claims

Palm oil volumes supplied to Mars must fall under one of the following pathways, as also outlined by the CGF FPC, to demonstrate compliance with our DCF requirements:



Source: Commodity Roadmaps – The Consumer Goods Forum

Pathway A: Certification - Volumes supplied under RSPO SG or RSPO IP claims are considered DCF.

Pathway B: Negligible Risk Origins - Mars currently endorses the methodology promoted by the CGF Forest Positive Coalition Deforestation Monitoring and Response Framework[6], and the Palm Oil Collaboration Group (POCG) Production and Protection Beyond Concessions (PPBC) Working Group's negligible risk layer.

Pathway C: Remote Assessment - In order to utilize satellite imaging to make DCF claims, suppliers should either provide TTP (Tactics, Techniques, and Procedures ?) information to Mars or our selected service provider.

Pathway D: On-site Assessment - This pathway utilizes on-site verification of suppliers' supply chain to verify their volumes. The aim of the verification can be two-fold – verify the traceability to plantation data provided by suppliers and assessed using remote sensing (pathway C); and/or verify on-site incoming grievance alerts. Please note that Pathway D can only be commissioned by Mars.

Pathway E: Supplier Control Mechanisms - In alignment with the work done at the POCG, Mars recognizes and accepts volumes reported as Delivering using verified IRF v6.0 profiles as a credible supplier control mechanism

We have selected EF as our DCF service provider for 2025, considering the robustness of their approach and alignment between EF's DCF Methodology and our Protocol. Further to our engagement, EF's updated DCF Methodology now also recognizes verified IRF v6.0 as an acceptable supplier control mechanism for DCF claims.

"Achieving deforestation- and conversion-free palm oil supply chains requires more than robust methodologies—it requires transparency, supplier engagement, and sustained action on the ground. Mars' adoption of the Deforestation and Conversion Free (DCF) framework outlined by the CGF Forest Positive Coalition framework provides an important step forward in aligning with stakeholder expectations that palm oil is produced free of deforestation. Powered by the robust monitoring and land use change insights Starling provides and the analysis

[6] For further details on the CGF Forest Positive Coalition Deforestation Monitoring and Response Framework, please click on this hyperlink: https://www.theconsumergoodsforum.com/app/uploads/2026/04/CGF-Forest-Positive-Palm-Oil-Monitoring-Response-Framework.pdf

*Earthworm Foundation performs, Mars has continued to strengthen their monitoring for deforestation, engaging suppliers to address deforestation risks and advance better outcomes for people and nature. We are pleased to support Mars on this journey***.” - Rob McWilliam, Director Supply Chains Solutions at Earthworm Foundation.**

With this transition to a more industry-aligned framework, we are also moving from mill radius monitoring for volumes without TTP to full TTP-based approach, as per EF's TTP requirements. Our DCF score for 2025 as assessed by EF is **93.6%.** The biggest gaps in our DCF score are a result of a change in methodology and a new requirement of traceability to plantation (beyond mill based radii approached) to assess DCF status. Recognizing this area for improvement, we have amplified engagement with suppliers with the largest potential gains to be made in traceability to plantation, striving to source fully traceable palm oil where possible. We are also working with EF to identify specific areas of the supply chain that require intervention for more efficient supplier engagement.

Mars' updated methodology ensures that our DCF approach is now a leading approach that anticipates evolving industry standards and assures the robustness of our claims.

SIMPLIFICATION & TRANSPARENCY

In our continued efforts to build and manage sustainable supply chains, we were able to purchase the vast majority of our palm oil and palm kernel oil in 2025 via our simplified mill list despite supply chain complexities. A small amount of deforestation and conversion-free palm oil, representing around 3% of our total procurement, was purchased from additional mills. These additional purchases also undergo mapping, management, and monitoring with independent third-party validation. Please see our H1 2025 T1 supplier and simplified mill list here.

COMPLEX DERIVATIVES

Derivatives are complex products produced by further fractionation and refining of palm oil or palm kernel oil. Due to the complexity of these products, the palm oil industry is still unable to fully map and trace them. Recognizing this challenge, Mars has been actively participating in the CGF FPC Palm Oil Working Group's Derivative Subgroup, engaging companies to identify gaps and co-authoring CGF's guidance for palm derivatives. The Recommended Guidance to Implement Forest Positive Actions in Palm Derivative Supply chains has been included as an Annex to the CGF Palm Oil Roadmap.

In the interest of transparency, we have included known derivatives volumes in our 2025 RSPO Annual Communication of Progress Report and covered this volume by RSPO credits to ensure our supply remains 100% RSPO-certified. Our goal is always to physically certify where possible, and we are actively working towards increasing the percentage of our derivative supply chain that meets this standard.

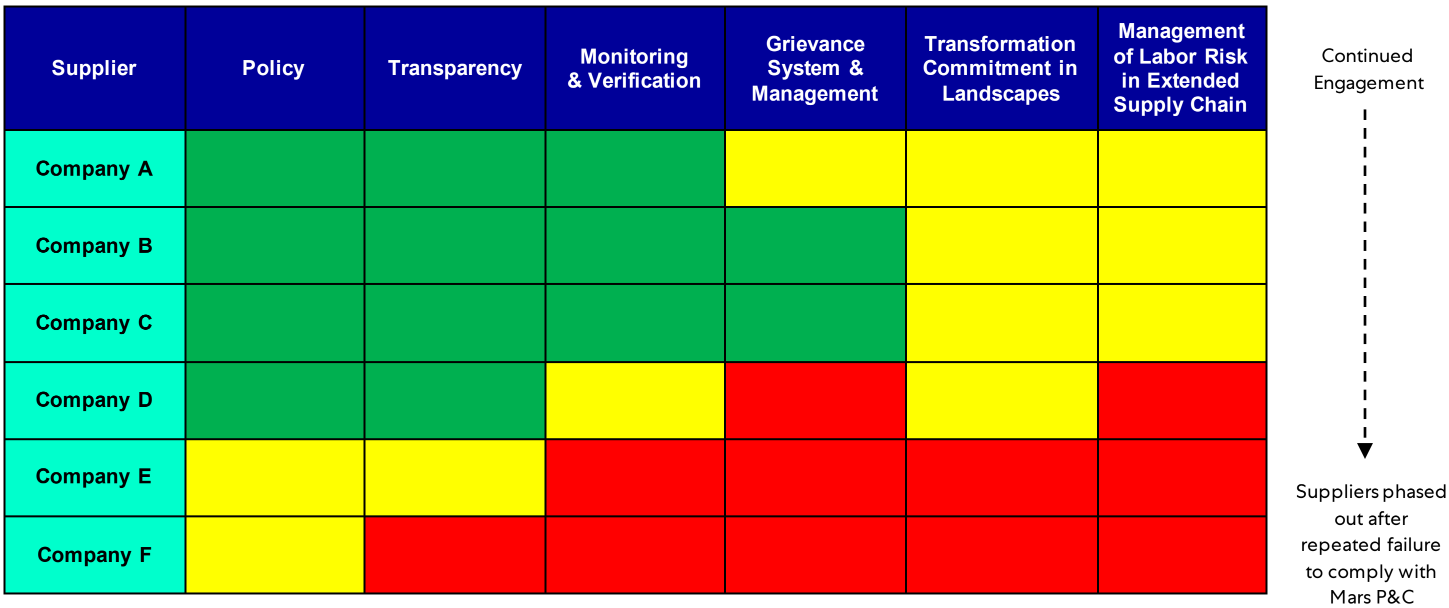
In collaboration with EF, CGF, and other industry groups, we are also working towards a common vision for increasing the traceability, monitoring, and DCF status of complex derivatives. Since 2024, we have been working with EF to conduct an annual palm derivatives traceability exercise to inform industry readiness and the next steps.

SUPPLIER PERFORMANCE MANAGEMENT

At Mars, we have established our own comprehensive P&C to set expectations and assess the performance of our suppliers. The P&C is built based on our internal sourcing guidelines and in alignment with the ambitious targets set by the CGF FPC.

Our P&C is designed to help ensure the robust implementation of the NDPE policies while meeting specific CGF requirements for palm oil. To keep our suppliers accountable and on track, we created the Mars Palm Positive Supplier Scorecard, a performance assessment tool that helps us manage our supply base and monitor progress in achieving our Palm Positive goals. We conduct structured supplier scorecard discussions twice a year, in close collaboration with our Sourcing team. If a supplier doesn't meet the criteria outlined in the Scorecard, we engage with them to outline necessary improvements, providing specific timelines for gap closure. If a supplier repeatedly fails to meet our requirements, we take further actions up to and including removing them as a T1 supplier.

Example of the Mars Palm Positive Supplier Scorecard



In 2025, our supplier engagement efforts focused on identifying DCF gaps and potential solutions across our global market, going down to the levels of T1 suppliers, upstream refineries, mills and plantations.. We conducted in-depth engagement with our key suppliers, which resulted in transitioning to different sourcing origins where needed, reviewing supplier's own DCF frameworks, and contracting for volumes with higher TTP/IRF Delivering scores for future supply.

100% of our T1 suppliers have been engaged on the Mars Palm Positive P&C, as well as CGF FPC Asks and Commitment. Our approach is to award higher volumes to T1 suppliers scoring higher on the scorecard, while companies with lower scores are engaged further to foster improvement or, if needed, phased out of the Mars palm oil supply chain. Our contracting process in 2025 resulted in awarding multi-year business volume to suppliers based on their alignment to and performance against the P&C. In addition, we are actively engaged in CGF's ongoing efforts to improve best practice for assessment and reporting and will continue to align our P&C to any new supplier expectations.

SUPPLIER ENGAGEMENT & CAPACITY BUILDING

In 2017, Mars began partnering with Verité and our supplier, Wilmar, to explore how businesses within the palm oil supply chain can better understand, address, and prevent human rights risks, with a focus on forced labor. Building on this, we also funded the launch of a new, customized Toolkit for Palm Oil Producers on Labor Rights in partnership with Verité and DIWA, formerly Verité Southeast Asia in 2021.

In 2022, we deepened our collaboration with suppliers to support their efforts to advance respect for human rights. This work resulted in the repayment of approximately USD $5.6 million to roughly 3,000 migrant workers, and in the facilitation of zero-fee recruitment of hundreds of migrant workers in 2023. In 2024, we established comprehensive systems assessment and capacity building initiatives with three palm oil suppliers in Malaysia, in collaboration with DIWA. These programs are focused on understanding and remediation of worker-paid recruitment fees and implementing responsible recruitment practices. In 2025, this initiative resulted in the repayment of approximately USD $1 million to more than 1000 workers. Two of these suppliers concluded their participation in 2025, while our program is ongoing with one more supplier.

Our programs begin with a diagnostic evaluation and comprehensive onsite assessment by DIWA. Once this is completed, DIWA conducts a series of workshops and trainings with suppliers including systems improvement planning workshop, where a systems thinking approach is introduced to effectively manage their workforce ethically. During these trainings, DIWA facilitates the discussion of root causes of the risks/gaps identified during the onsite assessment and supports the suppliers in developing a corrective action and remediation program (to correct the past) and a systems improvement plan (to risk-proof the future). Suppliers are also trained by DIWA in embedding human rights and emerging legal requirements on social responsibility, internationally recognized standards and expectations on Human Rights Due Diligence (HRDD), root cause analysis, and principles of effective remediation. We actively shared our learnings from these programs to guide the development of the RSPO Guidance for the Repayment of Recruitment Fees and Related Costs. Please refer to the section below for more details on our advocacy work.

We continue to make progress on the issue of responsible recruitment, engaging and contracting key suppliers on plans to scale responsible recruitment practices as part of multi-year business partnership. More information on our human rights work and our efforts to address modern slavery can be found here.

We are proud of the journey that these suppliers have taken with us and the milestones reached to date.

LANDSCAPE APPROACHES & SMALLHOLDERS

At Mars, we recognize that to create a world in which everyone thrives, we should take a holistic approach to our sourcing decisions. We believe in making a genuine impact, as reflected in our investments in programs that help drive positive changes at the landscape level and ensure smallholder inclusion in the future of sustainable palm oil supply chains. Through the Plan, we have supported our T1 suppliers in developing programs focused on engagement with their suppliers further down the supply chain. This is a recognition of the strategic role indirect suppliers play for our T1 suppliers, and their ability to deliver forest positive solutions for our suppliers' extended supply chain. To that end, we have funded and joined several initiatives to deliver these solutions:

Aceh Sustainable Palm Oil Working Group in Aceh, Indonesia

Launched on August 13th, 2025, the Aceh Sustainable Palm Oil Working Group is a voluntary, non-commercial, and pre-competitive working group that aims to support the Aceh Province's Sustainable Palm Oil Roadmap (2023–2045), as mandated in the Governor of Aceh Regulation No. 9 of 2024. The initiative strives to achieve this through individual and joint efforts by companies, creating optimal conditions for the production of inclusive and deforestation-free palm oil.

The Working Group currently consists of Apical, Mars, Mondelez, Musim Mas, Nestlé, PepsiCo, Permata Group, PT SMART Tbk, and Unilever. The Working Group is convened and facilitated by IDH.

Mars, together with other members of the Working Group, have agreed to support the Roadmap goals and contribute to an action plan without sharing any commercially sensitive information. With this approach, members retain full autonomy over our respective procurement and sourcing decisions while supporting voluntary sustainability efforts.

Since the launch in August 2025, members of the Working Group took the first step to consolidate data on the initiatives currently done by respective companies in Aceh by submitting a self-reported activity mapping form. This exercise served as the basis for a joint activity mapping process, allowing the Working Group to have a high-level overview of members' existing programs in the region and identify areas of alignment with the Roadmap's goals. The mapping exercise is intended to inform the development of a joint action plan in 2026.

Livelihoods Fund for Family Farmers, North Sumatra, Indonesia

In May 2021, Mars, in collaboration with L3F, announced the funding of another 10-year project as part of its continued commitment to help 2,500 smallholder palm oil farmers achieve sustainable livelihoods in North Sumatra, Indonesia. The ultimate ambition of the program is to transform the way smallholders produce palm oil through a regenerative and inclusive approach, going beyond recognized sustainability standards.

This program is brought together with Danone and L'Oréal, with Musim Mas and SNV as the entrusted project implementers. The L3F palm project helps regenerate 4,000 hectare of palm farms in degrading farmland areas, while restoring an additional 3,500 hectares of local biodiversity.

When the program began, most participating smallholders were experiencing a decline in yields, and the majority were not applying fertilizers due to the high price and loss of subsidy from the Indonesian government. To address this issue, the L3F program developed an innovative model that produces high quality organic fertilizers at an industrial scale. In 2024, the first project cooperative was established to continue delivering these fertilizers to project participants at a discounted rate (40% below market rate). The composting facility set up by the project is currently supplying high quality organic fertilizers to approximately 1,260 smallholders, with around 850 farmers making repeat purchases.

Since project launch in 2021, we have seen promising progress and uptake by the smallholders in the area. As of end of 2025:

- 2,032 farmers have been successfully enrolled with 1,244 receiving certification and earning RSPO premiums.
- These farmers cover 2,628 hectares (ha) of land that have been transitioned to regenerative agriculture practices.
- 104 ha of smallholder palm farms have adopted mix agroforestry management systems.
- An average of 80% of prescribed project practices are being adopted including cover cropping, mulching, organic fertilization and integrated pest and disease management.
- Landscape conservation efforts have expanded to cover a total forestland area of approximately 8,000 ha under community-based conservation effort.

In addition, the project has established demonstration plots for income-generating activities to bridge the gap for farmers entering the three-year replanting phase. These activities include cattle fattening and catfish cultivation, particularly for farmers with less than two hectares of land.

To further strengthen our support, Mars has also purchased 3,112 Independent Smallholder (ISH) CPO credits from this program to fulfil some of our 2025 RSPO credit needs.

EF Areas for Priority Transformation (APT) Program, Aceh, Indonesia

The Leuser Ecosystem is a 2.6 million-hectare area of tropical forest located in the Indonesian province of Aceh. Since 2016, palm oil growers, buyers, and end consumers have worked with the local government to help protect this sensitive ecosystem and establish the jurisdiction as a sustainable sourcing region. This jurisdictional approach was made possible through leadership from the district governments and support from on-the-ground implementation partners such as EF, with whom Mars has partnered.

In February 2021, Mars joined brands and other stakeholders in the palm oil sector to support an EF-facilitated field program. This collaboration led to the launch of the Aceh Landscape Program, an ambitious initiative aimed at protecting the Leuser Ecosystem and advancing sustainable development across Aceh.

This collective action has made significant progress since its inception. As of end of 2025:

- Three district governments have formally adopted the Sustainable Palm Oil Regional Action Plans (**RAD KSB**).
- 33 villages have received assistance in drafting and enacting protection on 87,668 ha through formal regulation.
- Eight companies, in formal collaborations with EF, continue implementing protection and restoration of High Conservation Value (HCV) and High Carbon Stock (HCS) areas.
- 2,397 farmers have received Good Agricultural Practices (GAP) training.
- Eight communities improved their land tenurial status.
- 2,315 workers were supported in receiving improvements in their working conditions, including improvements in employment status, better policies on wages and working hours, and measures to mitigate women’s and child labor risks.
- 40,330 seedlings have been planted as a part of a tree planting initiative aimed at restoring land and livelihoods in the Pasir Belo community in Aceh.

The threat of deforestation looms beyond concessions, and there are often gaps between the local and provincial government priorities of economic development and conservation. Mars continues to support the need for greater collaboration and coordination amongst other landscape stakeholders and district and provincial entities. As an Associate Funder, Mars’ initiatives go beyond collective action by supporting supply chains in this landscape.

INDUSTRY COLLABORATION

Mars is committed to sharing our learnings along the way through regular public updates and engagement in industry forums. In 2022, we took on a leadership role with the **CGF Palm Oil Working Group** to support new Guidance on the Repayment of Worker-paid Recruitment Fees and Related Costs, which was informed by our experience working with suppliers to support them to remediate worker-paid fees.

We also continue to strive for strong industry leadership on human rights and ethical recruitment. As one of two Consumer Goods Manufacturer representatives on the **RSPO Standards Review Task Force**, we vocally advocated for the strengthening of human rights and forced labor-related aspects of the RSPO P&C during its revision process. This was informed by our experience working with suppliers to remediate worker-paid fees in our own supply chain.

In November 2024, RSPO members voted to adopt the 2024 RSPO P&C during the 21st RSPO General Assembly (**GA21**). The adoption marks a big win in our advocacy for fee-free palm oil supply chains, as the revised RSPO P&C requires companies to conduct HRDD assessments, as well as repay active workers (as of, and from, the adoption date of the RSPO P&C 2024) who have paid recruitment fees or related costs.

In 2025, we continued our advocacy on this topic by actively sharing our learnings and contributing to the development of the RSPO Guidance for the Repayment of Recruitment Fees and Related Costs through the RSPO Labor Subgroup. This initiative aims to develop stepwise guidance and provide practical tools in supporting the repayment of recruitment fees and related costs. The RSPO Human Rights Working Group (**HRWG**), through its Labor Subgroup, will develop the guidance with facilitation from the RSPO Secretariat.

Mars is also a member of the **Palm Oil Collaboration Group (POCG)**, a voluntary collaboration of companies in the palm sector that is working to accelerate effective implementation of No Deforestation, No Peat Expansion, No Exploitation (NDPE) commitments. We are also active participants in the **POCG Implementation Reporting Framework (IRF) Working Group** that has developed the updated NDPE IRF 6.0 reporting template. Today, the NDPE IRF template is a recognized, free tool that communicates progress towards compliance with companies' NDPE commitments.