

MARS, INCORPORATED DEFORESTATION POLICY

MARCH 2014

Background

Forests serve as important reservoirs of carbon, and the clearance of primary forest cover causes serious increases in greenhouse gas emissions. Forests also provide a habitat for half of known plant and animal species, regulate local rainfall patterns and provide livelihoods for millions of people in rural communities.

However, forest cover is disappearing, and the rapid expansion of agricultural land to feed a growing population is a major cause. This is a particular problem in tropical areas, where much of the deforestation taking place is illegal, and areas of high conservation value and high carbon stocks are being lost.¹ In many cases, forest is being cleared for plantations without the consent of local communities or respect for their right to access the land.

Mars sources key raw materials such as beef, cocoa, coffee, palm oil, pulp and paper, sugar, soy and tea from tropical countries. As one of the world's leading food companies, we recognize the need to protect forests and biodiversity, minimize the carbon footprint of our supply chain and respect human rights.

Mars also supports efforts to increase yields of key crops such as [cocoa](#) through improved breeding and production techniques and through our pioneering work on agroforestry. This reduces the need to clear forest for agricultural expansion and reduces the pressure on remaining natural forests.

Our commitment

Mars is committed to taking action on deforestation in our supply chains. We will achieve this by only sourcing beef, palm oil, pulp and paper, and soy from producers and suppliers that demonstrate compliance with the following, within the timeframe specified in the policy applicable to the relevant raw material:

- Produce or purchase all raw materials from legal sources
- No deforestation of primary forest or areas of high conservation value
- No development in high carbon stock forest areas
- No development on peatlands regardless of depth
- No burning to clear land for new developments or to re-plant existing developments
- Mars, Incorporated Supplier Code of Conduct, which sets our expectations in the areas of child labor, forced labor, discrimination, compensation and benefits, working hours, freedom of association and right to collective bargaining, health and safety, the environment and ethical business practices
- Respect the right of all affected communities to give or withhold their free, prior and informed consent for plantation developments on land they own legally, communally or by custom
- Resolve land rights disputes through a balanced and transparent dispute resolution process
- Support farmers and plantation owners to comply with this policy.

¹ Please see our accompanying Q&A document for definitions of high conservation value and high carbon stocks.

Scope of policy and timeframe

Our initial focus is on four raw materials with the greatest impact on forests: beef, palm oil, pulp and paper, and soy. This policy applies to 100 percent of these raw materials sourced by Mars, Incorporated.

Our palm oil policy is available on our website, and we plan to issue policies for pulp and paper, beef and soy by year-end 2014. The policies will indicate the time frame applicable for each raw material.

The deforestation policy will apply to all our agricultural raw materials in the long term.

Governance of this policy

Responsibility for implementing this policy lies with the commercial teams responsible for sourcing our raw materials, with oversight from our Corporate Sustainability Team.

In addition, we will:

- Monitor our progress and evaluate the deforestation risk of other raw materials, to ensure we remain focused on the materials and regions most urgently requiring action.
- Report transparently on our progress at least annually through our Principles in Action Summary.
- Partner with industry, governments and civil society on broader efforts to protect forests and ensure mutual benefits for the workers and communities that rely on them for their livelihoods. In particular, we will work with the Consumer Goods Forum to progress on this issue.