

June 22nd, 2021

Beef Sourcing & Deforestation Action Plan | 2020 Progress Update

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 beef, soy, pulp & paper, palm and cocoa. We are proud to be included in CDP's Forest A List in 2020, being recognized as one of the leading companies working towards a more sustainable future¹. We are also proud of #2 ranking out 350 companies in the Forest 500 2020 annual report².

Below we summarize progress in implementing our [Beef Sourcing & Deforestation Action Plan](#). By 2025, our aim is to eliminate deforestation and conversion of natural ecosystems in Mars supply chains for our beef ingredients in Latin America — a region with high conversion hotspots. This update reflects our beef sourcing data from 2020. Our commitment is aligned with the [Accountability Framework Initiative Regional Guidance](#).

To implement our commitment, we are:

- Mapping, managing and monitoring our supply chains
- 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 beef we procure worldwide³. For beef sources from Brazil, Argentina and México, our partner [Proforest](#) runs a geospatial risk analysis using information provided by our suppliers, satellite imagery, and other data sources⁴. We have already completed this analysis for Brazil and Argentina. México was added to the Mars Beef Action Plan in 2020, and supply chain mapping to the slaughterhouse-level was initiated in that year. Utilizing that information, our first geospatial risk analysis for Mexico will be run in 2021 by Proforest, and our progress will be disclosed in 2022. 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 us to take the appropriate measures to help address these risks.

In 2020, Mars⁵ sourced 244.499 metric tons of beef. The following information demonstrates where we are in progressing towards meeting 100% of our commitment by 2025.

- Total beef from Brazil and Argentina: 27.130 metric tons (11% out of total)
 - Beef from Brazil traceable to the slaughterhouse-level: 81%
 - Beef from Argentina traceable to the slaughterhouse-level: 100%

Footer Notes

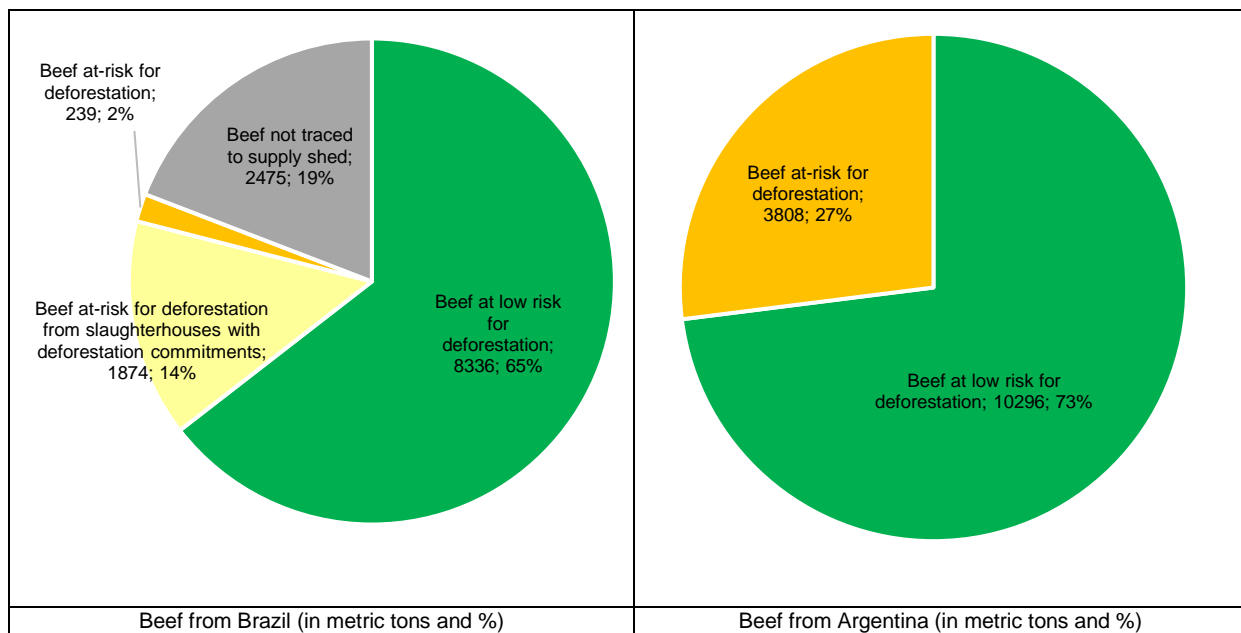
¹ See <https://www.cdp.net/en/companies/companies-scores>.

² See <https://forest500.org/rankings/companies>.

³ Origin defined as the slaughterhouse location and its supply shed. We request all our direct beef suppliers to share with us the following information from the upstream supplier: the location and sourcing radius of slaughterhouses, which allow us to have visibility of their supply shed. In Brazil, given information provided by suppliers and in line with results from the [IMAZON \(2017\)](#) study, we adopted a 360 km radius of analysis. In Argentina we adopted a 510 km radius of analysis after consulting with civil society organizations working in the beef and deforestation agenda in the country.

⁴ Official data sources relating to legally protected areas and to areas found to be breaching environmental legislation, whenever made available by the Argentina, the Brazil and the Mexico federal governments. Other data sources include [Mapbiomas](#) and [Global Forest Watch](#).

⁵ Considers the total amount of beef purchases from Mars Petcare, which accounts for the material portion of beef supply to Mars.



Many slaughterhouses from at-risk areas in Brazil have already made commitments around beef sourcing & deforestation, including the *Beef Public Commitment* or the *Terms of Adjustment of Conduct with the Public Prosecutor's Office*⁶. These commitments align in part or in total with Mars' Beef Sourcing & Deforestation Action Plan. Volumes from these suppliers remain classified as at-risk until we have confirmed the alignment with our commitment and their successful implementation via a third-party verification, to be actioned in 2021.

Managing our beef supply chain

In 2021, we continue to engage with our direct suppliers to share our commitments and to underscore the importance of supplier action to ensure that our sourcing requirements are met. In addition, we are going beyond the direct supplier and we will support slaughterhouses⁷ in our supply chain to adopt best practices in direct cattle sourcing, which includes adopting the *Monitoring Protocol for Cattle Suppliers in the Amazon*⁸, to be implemented with support from companies with geospatial analysis capability. This will allow them to uphold our commitments to the direct cattle supplier level.

We have in 2021 established a partnership with the retailer Grupo Pão de Açúcar (GPA), to jointly engage with slaughterhouses and deploy the cattle sourcing best practices in high risk areas for deforestation. We remain open to establish partnerships that will help accelerate the implementation of our commitments and deliver positive impacts on-the-ground.

Footer Notes

⁶ Eleven slaughterhouses were identified as at-risk for deforestation considering a geospatial risk analysis in Brazil. This analysis considers slaughterhouses' direct supply shed and deforestation data according to [PRODES](#). The Beef Public Commitment and the Terms of Adjustment of Conduct with the Public Prosecutor's Office are agreements in which slaughterhouses commit to analyzing all direct cattle purchases and only source from ranchers who meet specific criteria – for more details, please see [Beef on Track – Commitments](#). Out of the eleven slaughterhouses identified as at-risk, ten already have signed up one of commitments mentioned, according to data presented at [Beef on Track – Transparency](#).

⁷ Slaughterhouses are mostly tier 2 suppliers for Mars.

⁸ See <https://www.beefontrack.org/categoria/monitoring-protocol/>.

Indirect cattle suppliers in our supply chain

We are staying informed of developments in the sector regarding strategies, potential agreements and viable traceability solutions to address indirect cattle suppliers, aiming to implement them when feasible. In 2021 we will work collaboratively with the [CGF Forest Positive Coalition of Action](#) Beef Working Group to explore potential solutions to address indirect cattle suppliers.

Working beyond our supply chains to accelerate sector-wide transformation

We are engaging across our industry and playing an active role in the CGF Forest Positive Coalition of Action Beef Working Group. Mars is the co-chair of the Beef Working Group, and Mars CEO Grant Reid is the co-sponsor of the Coalition, which further demonstrates our commitment to a forest positive future. We will work collaboratively with the Working Group members to develop a Beef Roadmap to drive improvements at scale. The Roadmap will align a common path for companies to accelerate the implementation of beef sourcing commitments addressing key producing regions at-risk for deforestation.

We are a member of the Brazilian Roundtable on Sustainable Livestock (GTPS), and we have been actively participating in a set of technical working groups. On top of that, we have supported the development of the Beef Toolkit⁹, a Global Environment Facility-funded program designed to help companies in the responsible sourcing of beef. We have provided technical input to the development of the Toolkit material, helping shed light on resources that companies across multiple supply chain stages can build on to implement their responsible sourcing beef strategies.

Footer Notes

⁹ See <https://www.beef toolkit.net/>. The Beef Toolkit has been developed by Proforest as part of the Good Growth Partnership's Responsible Demand Project, with financial support from the Global Environment Facility (GEF) through World Wildlife Fund (WWF).