

Welcome to your CDP Forests Questionnaire 2021

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Mars has been proudly family owned for over 100 years. It's this independence that gives us the gift of freedom to think in generations, not quarters, so we can invest in the long-term future of our business, our people and the planet — all guided by our enduring Principles. We believe the world we want tomorrow starts with how we do business today. Our bold ambitions must be matched with actions today from our more than 130,000 Associates in 80 countries around the world. Some of our current initiatives are:

- Investing \$1 billion over the next several years to become [sustainable in a generation](#)
- Working to improve the [wellbeing for families](#) around the world
- Leveraging and sharing our research to create a [better world for pets](#)

We have a diverse global business comprised of four segments: Mars Petcare, Mars Wrigley, Mars Food, and Mars Edge. Our portfolio of brands offers quality and value to consumers around the world and includes PEDIGREE®, WHISKAS®, M&M'S®, SNICKERS®, MARS®, EXTRA®, ORBIT®, BEN'S ORIGINAL® and many more. Our business and the actions we take every day are founded on The Five Principles. They're at the heart of everything we do, no matter what — making sure we don't just talk about a better future, but work towards it every day. Through our Sustainable in a Generation Plan, we aim to grow our business in ways that are good for people, good for the planet and good for our business. The Plan sets new goals in three key areas: Healthy Planet, Thriving People and Nourishing Wellbeing. Within the Healthy Planet area, our Land Use Change goal seeks to hold flat land use within our agricultural supply chain, while our science-based Climate Action goal to *reduce GHG emissions across our value chain by 27% by 2025 and 67% by 2050 (from 2015 levels)* includes emissions from land use change and deforestation.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1, 2020	December 31, 2020

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization’s area of operation.

	Commodity disclosure	Stage of the value chain
Timber products	Disclosing	Manufacturing
Palm oil	Disclosing	Manufacturing
Cattle products	Disclosing	Manufacturing
Soy	Disclosing	Manufacturing
Other - Rubber	This commodity is not produced, sourced or used by our organization	
Other - Cocoa	Disclosing	Manufacturing
Other - Coffee	This commodity is not produced, sourced or used by our organization	

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
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Supply chain	Specific product line(s)	Our pulp and paper sourcing and deforestation policy and our CDP response for timber cover paper and board used for packaging only, representing approximately 80% of our usage. They do not include paper-based materials used in our offices or for sales and marketing purpose, or timber pallets used for product distribution.	Potential for forests-related risk but not evaluated	Our strategy for tackling deforestation related to paper-based materials is to focus first on our packaging, which represents approximately 80% of our usage and is where we can make the greatest impact. We intend to extend our strategy to include other paper and timber products (the remaining 20%) in the future, although we do not consider this the most significant part of our sourcing.
Supply chain	Specific product line(s)	Our beef sourcing and deforestation action plan and our CDP Forests response cover beef by-products that are sourced directly from slaughterhouses and collectors (around 99% of the beef we source). They do not cover beef-containing ingredients (less than 1% of the beef we source).	Potential for forests-related risk but not evaluated	Supply chains for beef-containing ingredients are highly complex and tracing back to the cattle origin is unfortunately not always possible today. We are working closely with our suppliers to optimize our supply chain and increase traceability for 100% of the volumes to the slaughterhouse-level, to allow us insights into the supply base and inform our next steps. We are prioritizing this work in Brazil, Argentina and Mexico and we are working with support from an NGO, Proforest, with local presence/partners in these countries. The exclusion represents less than 1% of the beef we source and so we do not consider it significant.
Supply chain	Specific product line(s)	Our soy sourcing and deforestation action plan and our CDP Forests response cover soy direct ingredients that are sourced to make petfood. They do not account for soy-containing ingredients used for other purposes (around 6% of the soy we source).	Potential for forests-related risk but not evaluated	Supply chains for soy-containing ingredients are highly complex and tracing back to the origin is unfortunately not always possible today. We are working closely with our suppliers to optimize our supply chain and increase traceability for 100% of the volumes to the crusher-level, to allow us insights into the supply base and inform our next steps. We are prioritizing this work in

				<p>Brazil and Argentina and we are working with support from an NGO, Proforest, with local presence/partners in these countries. The exclusion represents around 6% of the source we source and so we do not consider it significant.</p>
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F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Distributing/packaging

Form of commodity

Paper

Primary packaging

Secondary packaging

Tertiary packaging

Source

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Area of origin

Australia

Brazil

Canada

Chile

Finland

Poland

Russian Federation

Sweden

United States of America

% of procurement spend

1-5%

Comment

All of our business segments use pulp and paper-based packaging materials, accounting for more than half of the packaging our business uses. Our goal is to source

100% of pulp and paper-based packaging from certified, verified or recycled sources. The countries of harvest listed represented more than 90% of the virgin fiber we sourced in 2019. The proportion of total procurement spend is for all pulp and paper-based packaging materials, including both virgin and recycled fiber.

Mars recognizes the importance of forests and the role supply chains play to remove unsustainable pressures on the environment. In our 2015 Pulp & Paper-Based Materials Sourcing & Deforestation Policy, we committed to sourcing pulp and paper-based packaging that is free from deforestation and forest degradation. By the end of 2020, we achieved the following results:

- Traced 96% of our virgin pulp and paper-based packaging back to the country of harvest
- Sourced over 96% of our pulp-and-paper-based packaging from recycled or certified sources
- Engaged and invested in landscape-level solutions in targeted high-risk sourcing origins using our traceability insights

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

Palm oil derivatives

Palm kernel oil derivatives

Source

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Area of origin

Brazil

Cambodia

Colombia

Ecuador

Guatemala

Honduras

Indonesia

Malaysia

Mexico

Papua New Guinea

Thailand

% of procurement spend

<1%

Comment

The countries listed accounted for 100% of the palm oil we sourced in 2020. Over the past several years, Mars has been on a journey to map our palm oil supply chain.

Today, we've achieved 100% traceability to the plantation level, and since 2018, we have published our full mill lists to show our progress. The countries of origin listed are where the mills our suppliers source from are located. We had more than 1,500 mills supplying raw material, a number far too complex to manage, especially for a company that uses only 0.1% of the world's palm oil. Today, we have radically simplified our palm oil supply chain, reducing that number to less than 100 by the end of 2020, with further reductions in the number of mills by the end of 2022. This will be coupled with meaningful engagement on human rights, and on-the-ground and satellite verification processes to monitor deforestation.

Cattle products

Activity

Using as input into product manufacturing

Form of commodity

Tallow

By-products (e.g. glycerin, gelatin)

Source

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina

Australia

Brazil

Germany

Mexico

Russian Federation

United States of America

% of procurement spend

<1%

Comment

The countries listed accounted for more than 80% of the beef by-product in our supply chain in 2020. We annually update the origin information of the beef we procure worldwide.

We do not have any direct connection with cattle production or generally use beef intended for human consumption. Ninety-nine percent of the beef we use comprises by-products for our pet food business. These are by-products that people do not usually consume in the countries we source from. We use these by-products as pet food ingredients to provide protein, minerals, trace elements and vitamins that are essential nutrition for cats and dogs. Beef by-products represent less than 20% of the animal proteins used in our pet foods.

We have worked to improve traceability in our beef by-product supply chain by:

- Tracing 81% of our material beef products sourced from Brazil to slaughterhouse.
- Tracing 100% of our material beef products sourced from Argentina to slaughterhouse.
- Continuing 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 slaughterhouses in our supply chain to adopt best practices in direct cattle sourcing, which includes adopting the Monitoring Protocol for Cattle Suppliers in the Amazon, 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.

In 2019, we published an updated beef sourcing and deforestation action plan, with expanded scope covering new areas, biomes and vegetation where cattle ranching drives deforestation and converts natural ecosystems. We completed an initial risk assessment of our global beef supply chains and determined that the origin countries with the highest risk of beef-driven deforestation are in Latin America. 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. We published a 2020 progress update against our action plan in June 2021.

Soy

Activity

Using as input into product manufacturing

Form of commodity

Soy bean oil
 Soy bean meal
 Soy derivatives

Source

Contracted suppliers (processors)
 Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
 Brazil
 Canada
 China
 Hungary
 India
 Ukraine
 United States of America

% of procurement spend

<1%

Comment

The countries listed accounted for 85% of the soy products in our supply chain in 2020. We annually update the origin information of the direct soy we procure worldwide. For

countries that have been defined by Maplecroft analysis as at-risk for deforestation that are in our supply chain (Brazil and Argentina), our partner Proforest runs a geospatial risk analysis using information provided by our suppliers, satellite imagery, and official data sources.

We use soy products as a source of protein, carbohydrate and fatty acids in many of our pet food products. We have mapped the origins of the soy beans used to make these products. Soy products represent less than 5% of the total raw material volumes we buy and less than 1% by value.

We have worked to improve traceability in our soy supply chain by:

- Mapping 100% of our material soy products sourced from Brazil and Argentina to the processing site.
- Ensuring 100% of the annual soy volume purchased in Brazil is ProTerra certified or covered through direct RTRS credits.

In 2019, we completed an initial risk assessment of our global soy supply chain and determined that countries with the highest risk of soy-driven deforestation are in Latin America. In 2020, we published an updated soy action plan, with expanded scope that covers new areas, biomes and vegetation where soy production drives deforestation and converts natural ecosystems. By 2025, our aim is to eliminate deforestation and conversion of natural ecosystems in Mars supply chains for our soy ingredients in Latin America — a region with high conversion hotspots. We will publish a 2020 progress update against our action plan in July 2021.

Other - Cocoa

Activity

Using as input into product manufacturing

Form of commodity

Other, please specify

Cocoa beans; cocoa butter; cocoa liquor; cocoa powder

Source

Contracted suppliers (processors)

Contracted suppliers (manufacturers)

Country/Area of origin

Brazil

Cameroon

Colombia

Côte d'Ivoire

Dominican Republic

Ecuador

Ghana

Indonesia

Nigeria

Papua New Guinea
 Peru
 Philippines
 Viet Nam

% of procurement spend

6-10%

Comment

Cocoa is a critical ingredient for our Mars Wrigley business and its brands including MARS, M&S'S, SNICKERS and TWIX. We source mainly cocoa butter as well as cocoa beans, cocoa liquor, and smaller amounts of cocoa powder from 12 countries, with the majority coming from Côte d'Ivoire, Ghana and Indonesia. We are working with suppliers to improve supply chain traceability, with the aim of ensuring that 100% of the cocoa we source is traceable from the farm to the first point of purchase by 2025.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	71-80%	All our manufactured products have primary, secondary and/or tertiary packaging that is pulp and paper-based. Manufactured products account for roughly 76% of revenues, with the remaining revenue coming from the provision of veterinary services.
Palm oil	21-30%	This percentage is based on the proportion of our revenue derived from our Mars Wrigley business, which uses small amounts of palm oil in many of its products.
Cattle products	41-50%	This percentage is based on a proportion of the revenue derived from our Mars Petcare business, which uses beef by-product in many of its products and by Mars Wrigley that uses dairy product in many of its products.
Soy	21-30%	This percentage is based on a proportion of the revenue derived from our Mars Petcare and Mars Food businesses, which use soy in many of their products.
Other - Cocoa	31-40%	This percentage is based on the proportion of our revenue derived from chocolate products in our Mars Wrigley business, which uses cocoa in many of its products.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	Consumption data available, disclosing
Other - Cocoa	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber products

Data type

Consumption data

Volume

549,100

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

Forest risk commodity

Palm oil

Data type

Consumption data

Volume

64,416

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

Forest risk commodity

Cattle products

Data type

Consumption data

Volume

244,499

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

Forest risk commodity

Soy

Data type

Consumption data

Volume

124,800

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

Forest risk commodity

Other - Cocoa

Data type

Consumption data

Volume

400,000

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Mato Grosso do Sul

% of total production/consumption volume

2.13

Please explain

Beef by-product sourced from Brazil represents 5.33% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Brazil, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Pará

% of total production/consumption volume

1.47

Please explain

Beef by-product sourced from Brazil represents 5.33% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Brazil, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

São Paulo

% of total production/consumption volume

1.43

Please explain

Beef by-product sourced from Brazil represents 5.33% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Brazil, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Tocantins

% of total production/consumption volume

0.2

Please explain

Beef by-product sourced from Brazil represents 5.33% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Brazil, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Rio Grande do Sul

% of total production/consumption volume

0.11

Please explain

Beef by-product sourced from Brazil represents 5.33% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Brazil, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Buenos Aires

% of total production/consumption volume

3.34

Please explain

Beef by-product sourced from Argentina represents 5.77% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Argentina, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Santa Fe

% of total production/consumption volume

0.49

Please explain

Beef by-product sourced from Argentina represents 5.77% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Argentina, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our

supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Cordoba

% of total production/consumption volume

1.03

Please explain

Beef by-product sourced from Argentina represents 5.77% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Argentina, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

La Pampa

% of total production/consumption volume

0.63

Please explain

Beef by-product sourced from Argentina represents 5.77% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Argentina, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions

within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Argentina

State or equivalent jurisdictionSpecify state/equivalent jurisdiction
Chaco**% of total production/consumption volume**

0.3

Please explain

Beef by-product sourced from Argentina represents 5.77% of the total beef by-product in our supply chain. We work with Proforest to map our tier-1 and tier-2 beef by-product suppliers in Argentina, as our initial risk assessment of our global beef supply chains determined that this is one of the origin countries with the highest risk of beef-driven deforestation. We have published a list of our tier-1 suppliers and sourcing regions within Brazil and Argentina. The states listed are where supply chain mapping shows our tier-2 suppliers (slaughterhouses) are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the tier-2 suppliers in our supply chain that are located in this state, divided by our global beef by-product volumes.

Forest risk commodity

Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction**% of total production/consumption volume**

88.87

Please explain

Our Beef Sourcing and Deforestation Action Plan focuses on beef by-products sourced from Brazil, Argentina and Mexico, as the origins of highest risk. The figure reported here is the volume of beef sourced globally, minus volumes from Brazil and Argentina.

We will disclose volumes from Mexico in 2022. The percentage of consumption volume is calculated by subtracting the volumes sourced from tier-2 suppliers in Brazil and Argentina (as reported above) from our global beef by-product volumes.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Maranhão

% of total production/consumption volume

1.24

Please explain

We have published a list of our soy tier-1/ upstream suppliers and sourcing regions within Brazil, as our initial risk assessment of our global soy supply chain determined that this is one of the countries with the highest risk of soy-driven deforestation. We work with Proforest to map our tier-1 and tier-2 soy suppliers in Brazil. The percentage of consumption volume is calculated by adding the volumes sourced from all the upstream suppliers in our supply chain that are located in this state, divided by our global soy product volumes. Soy product sourced from Brazil accounted for 18.03% of soy product sourced globally in 2020.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Minas Gerais

% of total production/consumption volume

4.54

Please explain

We have published a list of our soy tier-1/ upstream suppliers and sourcing regions within Brazil, as our initial risk assessment of our global soy supply chain determined that this is one of the countries with the highest risk of soy-driven deforestation. We work with Proforest to map our tier-1 and tier-2 soy suppliers in Brazil. The percentage of consumption volume is calculated by adding the volumes sourced from all the upstream suppliers in our supply chain that are located in this state, divided by our

global soy product volumes. Soy product sourced from Brazil accounted for 18.03% of soy product sourced globally in 2020.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Mato Grosso

% of total production/consumption volume

8.17

Please explain

We have published a list of our soy tier-1/ upstream suppliers and sourcing regions within Brazil, as our initial risk assessment of our global soy supply chain determined that this is one of the countries with the highest risk of soy-driven deforestation. We work with Proforest to map our tier-1 and tier-2 soy suppliers in Brazil. The percentage of consumption volume is calculated by adding the volumes sourced from all the upstream suppliers in our supply chain that are located in this state, divided by our global soy product volumes. Soy product sourced from Brazil accounted for 18.03% of soy product sourced globally in 2020.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Goiás

% of total production/consumption volume

1.69

Please explain

We have published a list of our soy tier-1/ upstream suppliers and sourcing regions within Brazil, as our initial risk assessment of our global soy supply chain determined that this is one of the countries with the highest risk of soy-driven deforestation. We work with Proforest to map our tier-1 and tier-2 soy suppliers in Brazil. The percentage of consumption volume is calculated by adding the volumes sourced from all the upstream suppliers in our supply chain that are located in this state, divided by our

global soy product volumes. Soy product sourced from Brazil accounted for 18.03% of soy product sourced globally in 2020.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

São Paulo

% of total production/consumption volume

1.39

Please explain

We have published a list of our soy tier-1/ upstream suppliers and sourcing regions within Brazil, as our initial risk assessment of our global soy supply chain determined that this is one of the countries with the highest risk of soy-driven deforestation. We work with Proforest to map our tier-1 and tier-2 soy suppliers in Brazil. The percentage of consumption volume is calculated by adding the volumes sourced from all the upstream suppliers in our supply chain that are located in this state, divided by our global soy product volumes. Soy product sourced from Brazil accounted for 18.03% of soy product sourced globally in 2020.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Piauí

% of total production/consumption volume

0.87

Please explain

We have published a list of our soy tier-1/ upstream suppliers and sourcing regions within Brazil, as our initial risk assessment of our global soy supply chain determined that this is one of the countries with the highest risk of soy-driven deforestation. We work with Proforest to map our tier-1 and tier-2 soy suppliers in Brazil. The percentage of consumption volume is calculated by adding the volumes sourced from all the upstream suppliers in our supply chain that are located in this state, divided by our

global soy product volumes. Soy product sourced from Brazil accounted for 18.03% of soy product sourced globally in 2020.

Forest risk commodity

Soy

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Roraima

% of total production/consumption volume

0.13

Please explain

We have published a list of our soy tier-1/ upstream suppliers and sourcing regions within Brazil, as our initial risk assessment of our global soy supply chain determined that this is one of the countries with the highest risk of soy-driven deforestation. We work with Proforest to map our tier-1 and tier-2 soy suppliers in Brazil. The percentage of consumption volume is calculated by adding the volumes sourced from all the upstream suppliers in our supply chain that are located in this state, divided by our global soy product volumes. Soy product sourced from Brazil accounted for 18.03% of soy product sourced globally in 2020.

Forest risk commodity

Soy

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Buenos Aires

% of total production/consumption volume

3.88

Please explain

Soy sourced from Argentina represents 5.60% of the total soy in our supply chain. We work with Proforest to map our tier-1 and upstream suppliers in Argentina, as our initial risk assessment of our global soy supply chains determined that this is one of the origin countries with the highest risk of soy-driven deforestation. The provinces listed are where supply chain mapping shows our upstream suppliers are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the

upstream suppliers in our supply chain that are located in this province, divided by our global soy product volumes.

Forest risk commodity

Soy

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Santa Fé

% of total production/consumption volume

1.72

Please explain

Soy sourced from Argentina represents 5.60% of the total soy in our supply chain. We work with Proforest to map our tier-1 and upstream suppliers in Argentina, as our initial risk assessment of our global soy supply chains determined that this is one of the origin countries with the highest risk of soy-driven deforestation. The provinces listed are where supply chain mapping shows our upstream suppliers are based. The percentage of consumption volume is calculated by adding the volumes sourced from all the upstream suppliers in our supply chain that are located in this province, divided by our global soy product volumes.

Forest risk commodity

Soy

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

76.37

Please explain

Our Soy Sourcing and Deforestation Action Plan focuses on soy sourced from Brazil and Argentina, as the origins of highest risk. The figure reported here is the volume of soy sourced globally, minus volumes from Brazil and Argentina. The percentage of consumption volume is calculated by subtracting the volumes sourced from upstream suppliers in Brazil and Argentina (as reported above) from our global soy product volumes.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Minas Gerais

% of total production/consumption volume

0.5

Please explain

Our Pulp & Paper Sourcing and Deforestation Action Plan specifies that we will map the virgin fiber in our pulp and paper-based packaging at least to country of harvest, or to a specific region where risks are high. As Brazil is considered higher risk, we have traced our supplies to the state of origin above. The figure provided is the percentage of the total virgin fiber that we sourced in 2020 that came from this state, based on traceability data provided by our tier-1 suppliers.

87% of fiber from Brazil is currently FSC certified.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

São Paulo

% of total production/consumption volume

0.3

Please explain

Our Pulp & Paper Sourcing and Deforestation Action Plan specifies that we will map the virgin fiber in our pulp and paper-based packaging at least to country of harvest, or to a specific region where risks are high. As Brazil is considered higher risk, we have traced our supplies to the state of origin above. The figure provided is the percentage of the total virgin fiber that we sourced in 2020 that came from this state, based on traceability data provided by our tier-1 suppliers.

87% of fiber from Brazil is currently FSC certified.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Other

% of total production/consumption volume

0.3

Please explain

Our Pulp & Paper Sourcing and Deforestation Action Plan specifies that we will map the virgin fiber in our pulp and paper-based packaging at least to country of harvest, or to a specific region where risks are high. As Brazil is considered higher risk, we have traced our supplies to the state of origin above. The figure provided is the percentage of the total virgin fiber that we sourced in 2020 that came from this state, based on traceability data provided by our tier-1 suppliers.

87% of fiber from Brazil is currently FSC certified.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

34.4

Please explain

Our Pulp & Paper Sourcing and Deforestation Action Plan specifies that we will map the virgin fiber in our pulp and paper-based packaging at least to country of harvest, or to a specific region where risks are high. In 2020, we continued to achieve this level of traceability for 96% of our virgin pulp and paper-based packaging. At the end of 2020, Mars sourced 37% virgin fiber and 63% recycled fiber. The figure provided therefore represents the amount of virgin pulp and paper-based packaging that is traceable to country or region of harvest, minus the amounts for Brazil reported in the rows above. Looking forward, our aim is that virgin fiber will make up no more than 20% of our total needs.

Forest risk commodity

Timber products

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

% of total production/consumption volume

1.5

Please explain

Our Pulp & Paper Sourcing and Deforestation Action Plan specifies that we will map the virgin fiber in our pulp and paper-based packaging at least to country of harvest, or to a specific region where risks are high. In 2020, we continued to achieve this level of traceability for 96% of our virgin pulp and paper-based packaging. At the end of 2020, Mars sourced 37% virgin fiber and 63% recycled fiber. The figure provided therefore represents the amount of virgin pulp and paper-based packaging that is not traceable to country or region of harvest. Looking forward, our aim is that virgin fiber will make up no more than 20% of our total needs.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

63

Please explain

Our Pulp & Paper Sourcing and Deforestation Action Plan specifies that we will map the virgin fiber in our pulp and paper-based packaging at least to country of harvest, or to a specific region where risks are high. At the end of 2020, Mars sourced 37% virgin fiber and 63% recycled fiber. The figure provided therefore represents the amount of pulp and paper-based packaging from recycled sources. Looking forward, our aim is that virgin fiber will make up no more than 20% of our total needs.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Peninsula Malaysia

% of total production/consumption volume

46

Please explain

Through our revolutionary Palm Positive Plan (launched in September 2019), we have radically changed and restructured our supply chain to implement direct segregated sourcing (a forward contracted supply chain of positively vetted suppliers). After delivering a scheme of rigorous mapping, management and monitoring in conjunction with a radical simplification of Mar's supply chain, we are in a position to identify proportionate production volumes by mill (and therefore location).

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Sabah

% of total production/consumption volume

9

Please explain

Through our revolutionary Palm Positive Plan (launched in September 2019), we have radically changed and restructured our supply chain to implement direct segregated sourcing (a forward contracted supply chain of positively vetted suppliers). After delivering a scheme of rigorous mapping, management and monitoring in conjunction with a radical simplification of Mar's supply chain, we are in a position to identify proportionate production volumes by mill (and therefore location).

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Aceh

% of total production/consumption volume

3

Please explain

Through our revolutionary Palm Positive Plan (launched in September 2019), we have radically changed and restructured our supply chain to implement direct segregated sourcing (a forward contracted supply chain of positively vetted suppliers). After delivering a scheme of rigorous mapping, management and monitoring in conjunction with a radical simplification of Mar's supply chain, we are in a position to identify proportionate production volumes by mill (and therefore location).

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Kalimantan

% of total production/consumption volume

5

Please explain

Through our revolutionary Palm Positive Plan (launched in September 2019), we have radically changed and restructured our supply chain to implement direct segregated sourcing (a forward contracted supply chain of positively vetted suppliers). After delivering a scheme of rigorous mapping, management and monitoring in conjunction with a radical simplification of Mar's supply chain, we are in a position to identify proportionate production volumes by mill (and therefore location).

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction
Riau

% of total production/consumption volume

5

Please explain

Through our revolutionary Palm Positive Plan (launched in September 2019), we have radically changed and restructured our supply chain to implement direct segregated sourcing (a forward contracted supply chain of positively vetted suppliers). After delivering a scheme of rigorous mapping, management and monitoring in conjunction

with a radical simplification of Mar's supply chain, we are in a position to identify proportionate production volumes by mill (and therefore location).

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Sumatra

% of total production/consumption volume

9

Please explain

Through our revolutionary Palm Positive Plan (launched in September 2019), we have radically changed and restructured our supply chain to implement direct segregated sourcing (a forward contracted supply chain of positively vetted suppliers). After delivering a scheme of rigorous mapping, management and monitoring in conjunction with a radical simplification of Mar's supply chain, we are in a position to identify proportionate production volumes by mill (and therefore location).

Forest risk commodity

Palm oil

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Pará

% of total production/consumption volume

3

Please explain

Through our revolutionary Palm Positive Plan (launched in September 2019), we have radically changed and restructured our supply chain to implement direct segregated sourcing (a forward contracted supply chain of positively vetted suppliers). After delivering a scheme of rigorous mapping, management and monitoring in conjunction with a radical simplification of Mar's supply chain, we are in a position to identify proportionate production volumes by mill (and therefore location).

Forest risk commodity

Palm oil

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

20

Please explain

Other countries include: Guatemala, Honduras, Costa Rica, Colombia, Papua New Guinea

Through our revolutionary Palm Positive Plan (launched in September 2019), we have radically changed and restructured our supply chain to implement direct segregated sourcing (a forward contracted supply chain of positively vetted suppliers). After delivering a scheme of rigorous mapping, management and monitoring in conjunction with a radical simplification of Mar's supply chain, we are in a position to identify proportionate production volumes by mill (and therefore location).

Forest risk commodity

Other - Cocoa

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

% of total production/consumption volume

95

Please explain

Mars is one of the largest end-users of cocoa. We source close to 400,000 MT of cocoa annually from a number countries including Brazil, Cameroon, Cote d'Ivoire, Colombia, Dominican Republic, Ecuador, Ghana, Indonesia, Nigeria, Papua New Guinea, Peru, Philippines and Vietnam with the majority coming from Cote d'Ivoire, Ghana and Indonesia.

We publicly disclose who our suppliers are and where they are based:

<https://gateway.mars.com/m/462faad227ee3889/original/POLICY-Cocoa-Disclosure-All-Tier-1-updated.pdf>

<https://www.mars.com/news-and-stories/articles/cocoa-supply-chain-transparency>

We are working with our suppliers to determine a joint roadmap to get us to 100% Responsible Cocoa by 2025. Globally, at the end of 2019 our suppliers could trace 33% of our cocoa back to farm boundaries, up from 16% in 2017 and 23% in 2018. In addition, we can trace 51% of our cocoa to a farmer group, and 95% to a country of origin. Figures for 2020 will be made public later in the year as part of our annual Cocoa for Generations report.

Forest risk commodity

Other - Cocoa

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

% of total production/consumption volume

5

Please explain

Mars is one of the largest end-users of cocoa. We source close to 400,000 MT of cocoa annually from a number of countries including Brazil, Cameroon, Cote d'Ivoire, Colombia, Dominican Republic, Ecuador, Ghana, Indonesia, Nigeria, Papua New Guinea, Peru, Philippines and Vietnam with the majority coming from Cote d'Ivoire, Ghana and Indonesia.

We publicly disclose who our suppliers are and where they are based:

<https://gateway.mars.com/m/462faad227ee3889/original/POLICY-Cocoa-Disclosure-All-Tier-1-updated.pdf>

<https://www.mars.com/news-and-stories/articles/cocoa-supply-chain-transparency>

We are working with our suppliers to determine a joint roadmap to get us to 100% Responsible Cocoa by 2025. Globally, at the end of 2019 our suppliers could trace 33% of our cocoa back to farm boundaries, up from 16% in 2017 and 23% in 2018. In addition, we can trace 51% of our cocoa to a farmer group, and 95% to a country of origin. Figures for 2020 will be made public later in the year as part of our annual Cocoa for Generations report.

F1.5e

(F1.5e) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

Does the source of your organization's biofuel material come from smallholders?

Comment

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Cattle products

Impact driver type

Reputational and markets

Primary impact driver

Increased commodity prices

Primary impact

Constraint to growth

Description of impact

Our sourcing options are restricted by avoiding sourcing beef by-product from the high-risk deforestation areas identified in our risk assessments. This can make it more difficult to source beef by-product at the scale and price we need for our pet food brands. Given exposure to deforestation in specific regions, and lack full traceability system, and the possibility of suppliers unwilling to adopt the systems to meet our sourcing criteria, we're exploring redesigning the supply chain which can increase not only the product cost but also the transportation costs.

Scale of impact: we have not suffered any substantive additional raw material costs as a result of this impact, but estimate that implementing our Beef Sourcing and Deforestation action plan could increase costs by approximately \$750,000 annually.

Primary response

Tighter supplier performance standards

Total financial impact

750,000

Description of response

The financial impact provided is the estimated annual cost of implementing our Beef Sourcing and Deforestation Action Plan. Our long-term ambition is to build transparent and verified beef ingredient supply chains that gives us confidence we are preserving forests and natural ecosystems. We have published an updated Beef Sourcing and Deforestation Action Plan, and expect all direct beef ingredient suppliers to implement the requirements from this action plan across their supply chains. These suppliers should begin with implementing the action plan in the Mars supply chain, and ultimately move toward implementing it across all their suppliers. We will verify direct cattle and beef suppliers' and slaughterhouses' compliance with this action plan through third-party verification of their purchase control system.

Stakeholders involved: we communicate and collaborate with officials from government, industry and NGOs to remain informed on best practices and drive collective efforts to preserve forests. Specifically, we plan to support government efforts to implement and enforce forest and natural ecosystems protection policies.

Outcomes to date: in implementing our action plan, we have:

- Mapped 100% of our material beef products sourced from Brazil to slaughterhouse.
- Traced 99% of our material beef products sourced from other countries to slaughterhouse.
- Engaged our Brazilian beef suppliers to establish compliance with our policy requirements.

Forest risk commodity

Soy

Impact driver type

Reputational and markets

Primary impact driver

Availability of certified sustainable material

Primary impact

Constraint to growth

Description of impact

Mars has a commitment for 100% of soy sourced from Brazil and Argentina to be decoupled from deforestation, natural habitat conversion and respecting forest protection and labor legislation. We are exploring multiple fronts to meet our deforestation commitment on soy, which include buying certified raw materials physically segregated, mass balance and partnering with suppliers whose long-term ambitions align with Mars'. Given supplies of third-party certified soy products are limited, and are based on credits rather than the mass balance or segregated system, Mars sees an opportunity to work within our supply chain to increase demand for responsible soy and, in so doing, incentivize farmers to implement certification standards. Our preference when buying certified raw materials is to purchase via physical mass balance or segregated programs, as these ensure that enough new certified material is produced to cover our needs. However, sufficient volumes of mass balance soy are not currently available in Brazil and an alternative sourcing strategy was needed.

Scale of impact: while the total financial impact reported is not substantive, soy sourced from Brazil and Argentina account for 11% of soy products sourced globally, and so implementing an alternative sourcing strategy in the region represents a substantive operational change.

Primary response

Market expansion

Total financial impact

160,000

Description of response

In the absence of a segregated or mass balance program, our strategy is to drive increased demand for responsible soy by buying certified direct trade credits, to increase demand for responsible soy and the numbers of certified farmers in the region. The total financial impact of \$160,000 is the cost of buying RTRS credits for soy products sourced in Brazil in 2020. For volumes sourced from Brazil to Mars facilities in Europe, we purchased ProTerra physically certified segregated soy.

Outcomes to date: 100% of the annual soy volume purchased from Brazil is either ProTerra or covered through direct RTRS credits.

Forest risk commodity

Timber products

Impact driver type

Reputational and markets

Primary impact driver

Increased cost of certified sustainable material

Primary impact

Increased operating costs

Description of impact

Mars remains committed to stopping deforestation and forest degradation in the supply chains for our pulp and paper packaging materials. One of our company-specific goals is to ensure that the virgin pulp and paper we source from areas that our risk assessments have classified as a high-deforestation risk is certified by the Forest Stewardship Council (FSC). This comes at a cost resulting from certification premiums. This is a substantive impact that affects all four of our manufacturing businesses as an ongoing operating cost for the production of packaging materials for our confectionery, food and pet food brands.

Primary response

Increased use of sustainably sourced materials

Total financial impact

3,000,000

Description of response

The total financial impact figure is derived from the annual cost to our business of certification premiums. Our strategy for stopping deforestation and forest degradation in our pulp and paper supply chain while minimizing cost impacts to our business is to maintain a preference for recycled fiber where feasible and where we believe this is a more sustainable alternative to virgin fiber. Our aim is that virgin fiber will make up no more than 20% of our total needs, reducing the cost impact resulting from certification premiums.

Stakeholders involved: for the virgin fiber we source, Mars has a strong preference for FSC Forest Management and Chain of Custody certification. We will also accept products certified under national schemes approved by the Program for the Endorsement of Forest Certification, but only in countries that have robust legal enforcement.

Outcomes to date: at the end of 2020 Mars sourced 37% virgin fiber and 63% recycled fiber. In 2020, Mars went from 35% of virgin fiber certified to 88%. Of the certified Virgin fiber, 55% was FSC certified and 45% was PEFC certified. The percentage of virgin fiber from countries assessed as high risk that is certified is at over 90%. We expect these percentages to continue to increase in 2021 to at least 95%.

Forest risk commodity

Palm oil

Impact driver type

Reputational and markets

Primary impact driver

Uncertainty about product origin and/or legality

Primary impact

Increased operating costs

Description of impact

Over the past several years, Mars has been on a journey to map our palm oil supply chain. Today, we've achieved 100% traceability to plantation, and since 2018, we have published our full mill lists to show our progress. We had moved from more than 1,500 mills to less than 100 supplying raw material. Scale of impact: while the operational cost to our business has not been substantive, we have been investing to significantly simplify our palm oil supply chain, by the end of 2020 we reduced the number of mills to less than 100, with further reductions by the end of 2022. This will be coupled with meaningful engagement on human rights (a process we have now started with strategic suppliers in Malaysia and Brazil) and on-the-ground and satellite verification processes to monitor deforestation. These measures are increasing our operating costs in the short term, in order to mitigate longer-term reputational risks.

Primary response

Greater traceability of forest-risk commodities

Total financial impact

7,000,000

Description of response

The financial impact is the cost of the sustainability programs we contract for with the stakeholders, our suppliers. Through Mars' Palm Positive Plan, we have made sweeping transformations to our palm supply chain. In October 2020, we announced that this plan had delivered a deforestation-free palm-oil supply chain based on rigorous mapping, management and monitoring. Through a radical simplification of Mars' supply chain, we are cutting the number of mills in our supply chain from 1,500 to fewer than 100 by 2021, and are on a path to halve that number again in 2022. We use satellite mapping to monitor land-use with third-party validation through our partnership with Earth Equalizer. For example, in our Asia-Pacific businesses, where we are now sourcing from UniFuji, a partnership between United Plantations and Fuji Oil, which has reduced mill numbers from 780 to just one. This has been achieved through a 1:1:1 model where palm oil is grown on one plantation, then processed through one mill and one refinery before reaching our factories. We are now collaborating on the ground with stakeholders in high-stakes geographies and fragile ecosystems to promote successful, sustainable smallholder farming. We are working to support smallholder farmers in frontier landscapes through active membership and funding of Earthworm Foundation's

Landscape Program in Aceh to help form community-based conservation plans, build smallholder capabilities and provide alternative livelihoods.

Forest risk commodity

Other - Cocoa

Impact driver type

Reputational and markets

Primary impact driver

Negative media coverage

Primary impact

Brand damage

Description of impact

More than five million farmers in West Africa, Southeast Asia and the Americas grow cocoa, often in areas where deforestation is a problem. Most are smallholders working modest plots of land planted with aging, unproductive cocoa trees that generate little income. There is an urgent need to help farmers grow more cocoa on existing farmland, without encroaching on remaining forests.

Mars sources cocoa from a number of countries including Brazil, Cameroon, Côte d'Ivoire, Columbia, Dominican Republic, Ecuador, Ghana, Indonesia, Nigeria, Papua New Guinea, Peru, Philippines and Vietnam, with the majority coming from Côte d'Ivoire, Ghana and Indonesia.

The challenges the cocoa industry faces are complex and must be tackled collectively. We firmly support the frameworks for action introduced by the governments of Côte d'Ivoire and Ghana as part of the Cocoa and Forests Initiative.

Primary response

Greater due diligence

Total financial impact

Description of response

A cornerstone of our strategy is our Responsible Cocoa ambition which is to have 100% of our cocoa responsibly sourced and traceable by 2025 so we know where the cocoa we source comes from and the way it has been sourced promotes real, lasting positive change across three core areas that put cocoa farmers and their communities first: protect children, preserve forests, and improve farmer income. Our efforts in Responsible Cocoa include levelling the playing field through appropriate legislation, standards, and industry coalitions so that other companies will do the same. Most recently we have engaged in the current bilateral trade discussions between the EU and the governments of Ghana and Côte d'Ivoire on sustainable cocoa.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

FSC Global Forest Registry

Please explain

Internal company methods: We have invested significantly in greater traceability and transparency for our pulp and paper, palm oil, beef, soy and cocoa supply chains, to better identify and define deforestation and conversion risks. We use an internal geographic information system to overlay the raw material origins identified through supply chain mapping with areas at high risk of deforestation. We have integrated assessment of deforestation and other sustainability risks in our agricultural supply chain into the Mars Strategic Sourcing Methodology (MSSM). This six-step process guides our buyers on all aspects of assessing, selecting, contracting and monitoring the performance of suppliers. The MSSM process includes an annual review cycle. We chose this method to ensure deforestation and other sustainability risks are integrated into procurement decisions.

External consultants: We partner with Earthworm Foundation (Formerly TFT) to conduct impact assessments and risk analyses for pulp and paper-based materials. These

assessments compare country of harvest (COH) data obtained through supply chain mapping with the COH prioritized by Earthworm and in the pulp and paper packaging guidelines produced by the Consumer Goods Forum (CGF). Both Earthworm and the CGF refer to the Global Forest Registry as a tool for prioritizing COH. The Global Forest Registry is based on the Forest Stewardship Council's Controlled Wood program. Earthworm also uses data from Transparency International's Corruption Perception Index (CPI), and updates its risk analysis annually, after the CPI scores are released at the end January. The CGF also encourages companies to use this index when assessing the COH in their supply chains. The results inform our supplier scorecard, which rates suppliers on a range of indicators in areas including policy, transparency, traceability, and fiber origins. We chose this approach for its comprehensive coverage of different legal and sustainability risks, based on established tools and procedures.

Timescale: we have incorporated deforestation and land use change into our long-term targets to hold flat the land area associated with our value chain, and to reduce total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments therefore consider both current and long-term impacts.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

More than once a year

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Global Forest Watch Pro

Starling

Please explain

Internal company methods: We have invested significantly in greater traceability and transparency for our pulp and paper, palm oil, beef, soy and cocoa supply chains, to better identify and define deforestation and conversion risks. We use an internal geographic information system to overlay the raw material origins identified through supply chain mapping with areas at high risk of deforestation. We have integrated assessment of deforestation and other sustainability risks in our agricultural supply

chain into the Mars Strategic Sourcing Methodology (MSSM), which includes an annual review cycle. We chose this method because it is a simplified and effective way to ensure deforestation and other sustainability risks are integrated into procurement decisions.

We have reconfigured our supplier chain in 2020 after deep analysis and assessing our Tier 1 suppliers against the following criteria for our direct supply chain and their wider indirect supply chain – NDP Policy, Transparency, Monitoring and verification, Grievance management, landscape participation and Human rights policies and implementation. Our suppliers signed off on this and then we worked with them to reduce their mill number to less than 100 in 2020 – thorough vetting of their mills with Earth Equalizer.

EarthEqualizer continues to monitor our total supply chain at supplier group level on a monthly basis for deforestation or development on peat, and following up with our tier-1 suppliers to take appropriate action following verification of any findings.

We continue to partner with Earthworm Foundation on landscape scale initiatives supporting our suppliers indirect suppliers preventing deforestation and smallholders on alternative incomes decoupled from deforestation covering the Leuser Ecosystem in Aceh, Indonesia.

Timescale: we have incorporated deforestation impacts into our long-term targets to hold flat the land area associated with our value chain, and to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments therefore consider both current and long-term impacts.

Effectiveness & Example: In 2020 our internal company methods successfully achieved and exceeded our supply chain targets and we now have 100% visibility of our Palm Oil supply chain up to plantation level at all locations.

Cattle products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Other, please specify

Third party geospatial risk analysis from multiple sources, further detailed below.

Please explain

Internal company methods: We have invested significantly in greater traceability and transparency for our pulp and paper, palm oil, beef, soy and cocoa supply chains, to better identify and define deforestation and conversion risks. We use an internal geographic information system to overlay the raw material origins identified through supply chain mapping with areas at high risk of deforestation, which includes an annual review cycle. We chose this method to ensure deforestation and other sustainability risks are integrated into procurement decisions.

External consultants: In Brazil, Argentina and Mexico, we partner with experts from Proforest to conduct risk assessments of beef suppliers and assess compliance with the pertinent forest protection legislation (Brazil: Brazil Forest Code, Argentina: The Native Forest Law 26.331, Mexico: General Law of Ecological Balance and Environmental Protection. In 2020, Proforest used data from multiple sources to update our risk assessments, including, for Brazil: INPE, IBAMA, FUNAI and ICMBIO, for Argentina: INAI, IGN, Mapiomas and Hansen, for Mexico: SEMARNAT, Geocomunes, IFL and Hansen. This method was chosen because it is effective at achieving transparency in the supply chain. We engage with all direct suppliers in Brazil on action plans to address the risks identified. These suppliers are listed on our website:

[https://www.mars.com/sites/g/files/jydp316/files/2021-](https://www.mars.com/sites/g/files/jydp316/files/2021-06/Mars%20Sourcing%20Data_Beef%202020_Brazil%20and%20Argentina.pdf)

[06/Mars%20Sourcing%20Data_Beef%202020_Brazil%20and%20Argentina.pdf](https://www.mars.com/sites/g/files/jydp316/files/2021-06/Mars%20Sourcing%20Data_Beef%202020_Brazil%20and%20Argentina.pdf). In

Argentina we will begin engaging with suppliers in 2021, and in Mexico, in 2022.

We also engage with all tier-1 suppliers through the Next Generation Supplier program, our focused approach to support direct suppliers to uphold the Mars Supplier Code of Conduct. This sets clear expectations and assesses suppliers in the areas of child labor, forced labor, discrimination, compensation and benefits, working hours, freedom of association and right to collectively bargaining, health and safety, the environment and ethical business practices.

Timescale: we have incorporated deforestation impacts into our long-term targets to hold flat the land area associated with our value chain, and to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments therefore consider both current and long-term impacts.

Soy

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Other, please specify

Third party geospatial risk analysis from multiple sources, further detailed below.

Please explain

Internal company methods: We have invested significantly in greater traceability and transparency for our pulp and paper, palm oil, beef, soy and cocoa supply chains, to better identify and define deforestation and conversion risks. We use an internal geographic information system to overlay the raw material origins identified through supply chain mapping with areas at high risk of deforestation. We have integrated assessment of deforestation and other sustainability risks in our agricultural supply chain into the Mars Strategic Sourcing Methodology (MSSM), which includes an annual review cycle. We chose this method to ensure deforestation and other sustainability risks are integrated into procurement decisions.

Our initial risk assessment of our global soy supply chains determined that the origin countries with the highest risk of soy-driven deforestation are in Latin America. We source soy ingredients from Brazil and Argentina. We are implementing our Action Plan for all soy volumes from these countries, irrespective of the biome.

External consultants: In Brazil and Argentina, we partner with experts from Proforest to conduct risk assessments of soy suppliers and assess compliance with the pertinent forest protection legislation (Brazil: Brazil Forest Code, Argentina: The Native Forest Law 26.331). In 2020, Proforest used data from multiple sources to run these risk assessments, including, for Brazil: INPE, IBAMA, FUNAI and ICMBIO, for Argentina: INAI, IGN, Mapbiomas and Hansen. This method was chosen because it is effective at achieving transparency in the supply chain. We engage with all direct suppliers in Brazil, who are listed on our website. In Argentina we will begin engaging with suppliers in 2022.

We also engage with all tier-1 suppliers through the Next Generation Supplier program, our focused approach to support direct suppliers to uphold the Mars Supplier Code of Conduct.

Timescale: we have incorporated deforestation impacts into our long-term targets to hold flat the land area associated with our value chain, and to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments therefore consider both current and long-term impacts.

Other - Cocoa

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of other company-wide risk assessment system

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

National specific tools and databases

Please explain

Internal company methods: We have invested significantly in greater traceability and transparency for our pulp and paper, palm oil, beef, soy and cocoa supply chains, to better identify and define deforestation and conversion risks. We use an internal geographic information system to overlay the raw material origins identified through supply chain mapping with areas at high risk of deforestation. We have integrated assessment of deforestation and other sustainability risks in our agricultural supply chain into the Mars Strategic Sourcing Methodology (MSSM). This six-step process guides our buyers on all aspects of assessing, selecting, contracting and monitoring the performance of suppliers. The MSSM process includes an annual review cycle. We chose this method to ensure deforestation and other sustainability risks are integrated into procurement decisions.

Our annual process for allocating cocoa volumes to suppliers includes an assessment of each supplier's performance to date and future ability to meet our Responsible Cocoa specification.

In Côte d'Ivoire and Ghana, we are working with our suppliers to assess deforestation risk as part of our commitment to the Cocoa and Forests Initiative (CFI). In 2020 as part of the continued mapping effort to monitor deforestation the government of Côte d'Ivoire adopted the IMAGES satellite monitoring system. In 2020, we also worked with external consultants from Conservation International to complete detailed, country-level risk assessments in Indonesia, Brazil and Cameroon. We will complete a further risk assessment for Ecuador in 2021, and review our approach in the remaining countries from which we source cocoa.

National specific tools and databases: as part of our involvement in the CFI, we will work with our suppliers to assess deforestation risk using maps and forest databases provided by the governments of the countries involved.

Timescale: we aim to source 100% Responsible Cocoa from a deforestation-free supply chain by 2025. We have incorporated deforestation impacts into our long-term targets to hold flat the land area associated with our value chain, and to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments therefore consider both current and long-term impacts.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

Mars analyzes deforestation risk across our extended global supply chain, and we are working to stop deforestation and degradation in five Mars raw materials we have identified as having the greatest risks for driving deforestation: beef, cocoa, palm oil, pulp and paper, and soy. Our business relies on the availability of these raw materials as ingredients for our products. Our risk assessments consider how interrelated impacts such as deforestation, climate change, water and land use, will affect yields and therefore the availability and these commodities. We assess the availability of each commodity using our internal sustainability impact calculator, the internal risk assessment tools that form part of the Mars Strategic Sourcing Methodology, and with assistance from relevant expert third-parties including Conservation International, Earthworm Foundation and Proforest.

We have invested significantly in providing greater traceability and transparency on each of the five raw material supply chains mentioned above to better identify and define deforestation and conversion risks, and we have published lists of our suppliers and sourcing origins. In sourcing areas identified as high risk, we are carrying out more detailed, on-the-ground risk assessments in partnership with expert third parties, for example for beef and soy sourced from Argentina and for cocoa sourced from Brazil and Indonesia.

Internal decision making:

We are making strategic choices on how best to modify our supply chains, considering the risks and drivers of deforestation and conversion to help inform our sourcing decisions. For example, in palm oil, we are simplifying our supply chain to increase the effectiveness of monitoring and work only with suppliers that align with our requirements.

Our efforts to tackle deforestation form a major part of our work towards our long-term targets to hold flat the land area associated with our value chain, and to reduce our total

GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments inform our strategies for achieving these targets. The targets are included in our corporate scorecard, making deforestation risk assessment current and relevant at the highest level of the company.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

Our business relies on quality raw materials including pulp and paper for packaging, and cocoa, palm oil, beef and soy as ingredients for our products. Our risk assessments consider how interrelated impacts such as deforestation, climate change, water and land use, will affect the yields and quality of these commodities in the long term. We assess the long-term impacts on the quality of each commodity using our internal sustainability impact calculator, the risk assessment tools that form part of the Mars Strategic Sourcing Methodology, and with assistance from relevant expert third-parties including Conservation International, Earthworm Foundation, Proforest, and certification partners.

Internal decision making:

Our efforts to tackle deforestation form a major part of our work towards our long-term targets to hold flat the land area associated with our value chain, and to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments inform our strategies for achieving these targets. The targets are included in our corporate scorecard, making deforestation risk assessment current and relevant at all levels of the organization. This is particularly true for the sourcing teams responsible for our supplies, who factor these risk assessments into their decisions on how to source our raw materials and from where. For example, in palm oil, we are simplifying our supply chain to increase the effectiveness of monitoring and work only with suppliers that align with our requirements.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

Negative impacts on ecosystems and habitats may reduce the availability and quality of our raw materials in the future, have adverse effects on local communities where our raw materials are sourced, and attract negative attention that affects our reputation.

Process and tools used:

We assess the impacts of sourcing our raw materials using our internal sustainability impact calculator, the risk assessment tools that form part of the Mars Strategic Sourcing Methodology, and with assistance from relevant expert third-parties including Conservation International, Earthworm Foundation, Proforest, and certification partners. In addition, we have undertaken detailed analyses in close partnership with the World

Food Life Cycle Assessment Database (developed by Quantis), which helps quantify land use change impacts due to deforestation and land conversion. We also use tools including the Global Forest Watch monitoring system developed by World Resources Institute, which helps us understand the scale of the impact and prioritize strategic interventions. In palm oil, we are working with EarthEqualizer, monitoring our total supply chain at supplier group level on a monthly basis for deforestation or development on peat, and following up with our Tier-1 suppliers to take appropriate action following verification of any findings.

Internal decision making:

Our efforts to tackle deforestation form a major part of our work towards our long-term targets to hold flat the land area associated with our value chain, and to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments inform our strategies for achieving these targets. The targets are included in our corporate scorecard, making deforestation risk assessment current and relevant at all levels of the organization. This is particularly true for the sourcing teams responsible for our supplies, who factor these risk assessments into their decisions on how to source our raw materials and from where. For example, in palm oil, we are simplifying our supply chain to increase the effectiveness of monitoring and work only with suppliers that align with our requirements.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

Changes to regulation have the potential to affect our sourcing strategies. Our risk assessments for each forest risk commodity take into account potential risks posed by legislation such as the Brazil Forest Code, high environmental compliance standards in regions such as the European Union, and poor regulatory enforcement in some producer countries. We assess these risks using tools that form part of the Mars Strategic Sourcing Methodology, and with assistance from relevant expert third-parties including Conservation International, Earthworm Foundation, Proforest, and certification partners.

Internal decision making:

Our efforts to tackle deforestation form a major part of our work towards our long-term targets to hold flat the land area associated with our value chain, and to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments inform our strategies for achieving these targets. The targets are included in our corporate scorecard, making deforestation risk assessment current and relevant at all levels of the organization. This is particularly true for the sourcing teams responsible for our supplies, who factor these risk assessments into their decisions on how to source our raw materials and from where. For example, in palm oil, we are simplifying our supply chain to increase the effectiveness of monitoring and work only with suppliers that align with our requirements. In pulp and paper, we are

ensuring that virgin fiber that we source from areas assessed as high-deforestation risk are certified by Forest Stewardship Council.

Climate change

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

Interrelated impacts such as deforestation, climate change, water and land use, have the potential to affect crop yields and therefore the availability and quality of forest risk commodities. We assess the impacts of sourcing our raw materials using our internal sustainability impact calculator, the risk assessment tools that form part of the Mars Strategic Sourcing Methodology, and with assistance from relevant expert third-parties including Conservation International, Earthworm Foundation, Proforest, and certification partners. In addition, we have undertaken detailed analyses in close partnership with the World Food Life Cycle Assessment Database (developed by Quantis), which helps quantify GHG emissions resulting from deforestation and land use change. This work estimates, for example, that emissions from cocoa sourcing were around 6.7 million tonnes in 2020.

Internal decision making:

Our efforts to tackle deforestation form a major part of our work towards our long-term targets to reduce total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments inform our strategies for achieving these targets. The targets are included in our corporate scorecard, making deforestation risk assessment current and relevant at all levels of the organization. This is particularly true for the sourcing teams responsible for our supplies, who factor these risk assessments into their decisions on how to source our raw materials and from where. For example, in palm oil, we are simplifying our supply chain to increase the effectiveness of monitoring and work only with suppliers that align with our requirements.

Impact on water security

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

Interrelated impacts such as deforestation, climate change, water and land use, have the potential to affect crop yields and therefore the availability and quality of forest risk commodities. We assess the impacts of sourcing our raw materials using our internal sustainability impact calculator, the risk assessment tools that form part of the Mars Strategic Sourcing Methodology, and with assistance from relevant expert third-parties including Conservation International Earthworm Foundation, Proforest, and certification partners. In addition, we have undertaken detailed analyses in close partnership with the World Food Life Cycle Assessment Database (developed by Quantis), which helps

quantify impacts resulting from deforestation and land use change. In addition, Mars uses the WRI Aqueduct tool to assess projected change in baseline water stress in geographies we source from. Using this tool, we've identified watersheds in our supply chain that are experiencing stress or may experience stress in the future, including as a result of climate change, of which deforestation is a major cause.

Internal decision making:

Our efforts to tackle deforestation form a major part of our work towards our long-term targets to reduce total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. Our risk assessments inform our strategies for achieving these targets. The targets are included in our corporate scorecard, making deforestation risk assessment current and relevant at all levels of the organization. This is particularly true for the sourcing teams responsible for our supplies, who factor these risk assessments into their decisions on how to source our raw materials and from where. For example, in palm oil, we are simplifying our supply chain to increase the effectiveness of monitoring and work only with suppliers that align with our requirements.

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

Our risk assessments for each forest risk commodity take account of factors such as higher costs in Europe compared with some competing markets, due to compliance with stringent environmental regulations and higher consumer expectations for certified or sustainably-produced raw materials.

Internal decision making:

We assess the risk of tariffs or price increases impacting our raw material sourcing using the risk assessment tools that form part of the Mars Strategic Sourcing Methodology, and with assistance from relevant expert third-parties including Conservation International, Earthworm Foundation, Proforest, and certification partners. This is primarily relevant for the sourcing teams responsible for our supplies, who factor these risk assessments into their decisions on how to source our raw materials and from where.

Loss of markets

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

We take into account potential loss of markets by estimating the Total Cost of Ownership of our sourcing strategies, including both direct and indirect costs. Examples include calculating the indirect cost of potential lost business should a retail customer

specify a third-party certification that we can't meet, or resulting from reputational damage if issues are found in our supply chain.

Internal decision making:

We assess Total Cost of Ownership as part of the Mars Strategic Sourcing Methodology. This is primarily relevant for the sourcing teams responsible for our supplies, who factor these risk assessments into their decisions on how to source our raw materials and from where. For example, in palm we have reconfigured our supplier chain in 2020 after deep analysis and assessing our Tier 1 suppliers against the following criteria for our direct supply chain and their wider indirect supply chain – NDP Policy, Transparency, Monitoring and verification, Grievance management, landscape participation and Human rights policies and implementation. Our suppliers signed off on this and then we worked with them to reduce their mill number to less than 100 in 2020 – thorough vetting of their mills with Earth Equalizer.

Leakage markets

Relevance & inclusion

Relevant, always included

Please explain

Mars' long-term vision is to expand our influence beyond just the supply that we use, so that our suppliers prevent deforestation and land conversion throughout their full business. Ensuring a deforestation-free supply chain for a discrete corporate "buyer" is a positive step, but we aren't satisfied if our suppliers continue to contribute to deforestation elsewhere in their businesses. This necessitates the engagement of other stakeholders, including NGOs as well as national and local governments, civil society and others, to collaborate and ramp up action on key levers such as pro-forest policy and enforcement, consumer demand for forest-friendly products, and finance and market signals. Collective action by all relevant stakeholders is critical for achieving transformational change.

For example, Mars' CEO co-chairs the Consumer Goods Forum's Forest Positive Coalition of Action. In this engagement, we are further addressing leakage by influencing our peers increase their ambition and effectiveness in stopping deforestation. The Forest Positive Coalition of Action is working to: - Accelerate efforts to remove commodity-driven deforestation from our individual supply chains. - Set higher expectations for traders to act across their entire supply base. - Drive more transformational change in these key commodity landscapes. - Transparently report on progress to ensure accountability. More information on the Coalition's work is available at: <https://www.theconsumergoodsforum.com/environmental-sustainability/forestpositive/>

To monitor for emerging leakage markets in our prioritized deforestation-risk supply chains, we update country-level deforestation risk assessments for all sourcing countries at least every other year with assistance from relevant expert third-parties including Conservation International, Earthworm Foundation, Proforest, and certification partners.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

We take into account potential brand damage by estimating the Total Cost of Ownership of our sourcing strategies, including both direct and indirect costs. For example, where relevant we calculate the indirect cost of potential lost business resulting from reputational damage if issues are found in our supply chain.

Internal decision making:

We assess the Total Cost of Ownership as part of the Mars Strategic Sourcing Methodology. This is primarily relevant for the sourcing teams responsible for our supplies, who factor these risk assessments into their decisions on how to source our raw materials and from where. For example, Mars is reducing risk by implementing our Palm Positive Plan and making sweeping transformations towards a radical simplification of our supply chain. We are cutting the number of mills in our supply chain from 1,500 to fewer than 100 by 2021, and are on a path to halve that number again in 2022.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

Corruption in our supply chain has the potential to cause both supply interruptions and reputational damage. We assess the risk of corruption impacting our raw material sourcing using the risk assessment tools that form part of the Mars Strategic Sourcing Methodology, and with assistance from relevant expert third-parties including Conservation International, Earthworm Foundation, Proforest, and certification partners.

Internal decision making:

We partner with Earthworm to conduct impact assessments and risk analyses for pulp & paper-based materials. In these assessments, Earthworm uses data from Transparency International's Corruption Perception Index (CPI), and updates its risk analysis annually, after the CPI scores are released at the end January. This is primarily relevant for the sourcing teams responsible for our supplies, who factor these risk assessments into their decisions on how to source our raw materials and from where. For example, our sourcing strategy is to ensure that virgin pulp and paper that we source from areas assessed as high-deforestation risk, based in part on the CPI scores, must be certified by the Forest Stewardship Council.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

Process and tools used:

The Mars Sustainable in a Generation Plan is our plan for growing in ways that are good for people, good for the planet and good for our business. The Plan sets ambitious goals in three areas: Healthy Planet, Thriving People, and Nourishing Wellbeing.

Our Thriving People goal is to meaningfully improve the working lives of one million people in our value chain to enable them to thrive. We aim to achieve this by pursuing additional goals for increasing incomes, respecting human rights and unlocking opportunities for women.

Our raw material impact assessments consider which impacts are most relevant for a particular raw material, so that we can undertake more detailed risk assessments in the appropriate areas. We assess risks relating to social impacts in our supply chain using the risk assessment tools that form part of the Mars Strategic Sourcing Methodology, and with assistance from relevant expert third-parties including Verite and CARE.

Internal decision making:

We have worked with our strategic partner Verité to assess human rights risks in our palm oil supply chain, and to develop a protecting children action plan as we implement our Cocoa for Generations strategy. Cocoa for Generations includes commitments to improve child protection, smallholder farmer income and women's empowerment in our cocoa supply chain.

Our Sustainable in a Generation targets are included in our corporate scorecard, making assessment of social impacts in our supply chain current and relevant at all levels of the organization. This is particularly true for the sourcing teams responsible for our supplies, who factor these assessments into their decisions on how to source our raw materials and from where.

Other, please specify

Relevance & inclusion

Please explain

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

We factor customers into our risk assessments as part of the Mars Strategic Sourcing Methodology. This six-step process guides our buyers on all aspects of assessing, selecting, contracting and monitoring the performance of suppliers. Relevant activities within these six steps include creating a stakeholder map and establishing current and future demand for the raw material, which customer demand for our products feeds into. An anticipated increase in customer demand may create a risk of lack of availability of sustainable raw materials. We engage with customers on deforestation risk by completing customer information requests such as the CDP Supply Chain program and The Walmart Sustainability Index.

Employees

Relevance & inclusion

Relevant, always included

Please explain

We factor employees into our risk assessments as part of the Mars Strategic Sourcing Methodology. Through this six-step process, we complete an internal stakeholder engagement exercise to identify current and future risks and opportunities and understand prioritization from all relevant business functions, including sustainability risks and deforestation.

In addition, Mars regularly communicates with Associates on progress against our SiG Plan and deforestation issues, and engages all Associates to bring to life our corporate purpose: "The World We Want Tomorrow Starts With How We Do Business Today". Mars Employer Brand Index© scores indicate that Environmental and Sustainability topics are a key appeal of Mars to top talent.

Investors

Relevance & inclusion

Relevant, always included

Please explain

Sustainability risks including deforestation and climate change have a direct impact on our profitability and growth potential, and therefore on returns to the Mars family. Mars is a privately-owned company with no public shareholders. However, the Mars family is highly supportive of our Sustainable in a Generation Plan, as this contributes to the creation of mutual benefits for the business and all its stakeholders, in line with our Five Principles and our purpose: we believe the world we want tomorrow starts with how we do business today.

We engage with the Mars family on sustainability impacts and strategies including for deforestation through their membership of the Board. Board members review and feedback on sustainability risks, targets, policies, management procedures and investments, including for deforestation. Our commitment to helping people, their pets and the planet thrive, which in part we're working to deliver through our Sustainable in a Generation Plan, is part of the Board's Compass, a set of objectives that guide our long-

term strategy and measure our progress against medium term and day-to-day decisions.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

We include local communities, especially farming communities, in our risk assessments as their collaboration is critical to our efforts to stop deforestation and conversion of natural ecosystems in Mars supply chains identified as most at risk for driving deforestation: beef, cocoa, palm oil, pulp and paper, and soy.

We factor relevant communities into our risk assessments as part of the Mars Strategic Sourcing Methodology. This six-step process guides our buyers on all aspects of assessing, selecting, contracting and monitoring the performance of suppliers. Relevant activities within these six steps include creating a stakeholder map and conducting impact assessments, where appropriate, on human rights and income - the social impacts we prioritize within the Thriving People pillar of our Sustainable in a Generation Plan. Impact assessments are generally carried out on the ground in a particular sourcing community, with the assistance of an expert third party. For example, we work with our strategic partner Verité to assess human rights risks in our palm oil supply chain, and on our human rights action plan for cocoa. Our Cocoa for Generations strategy includes commitments to improve child protection, smallholder farmer income and women's empowerment in our cocoa supply chain.

Where our risk assessments show that there is a risk of local communities in our supply chains being impacted, our Deforestation and Land Use Change Position expects suppliers to:

- Support existing human rights commitments including respect for farmers' and communities' land rights, free prior and informed consent, and the rights of indigenous and forest-dependent people.
- Resolve land rights disputes through a balanced and transparent dispute resolution process.
- Support farmers and plantation owners to comply with Mars' deforestation-related requirements.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

Mars' long-term vision is to expand our influence beyond just the supply that we use, so that our suppliers prevent deforestation and land conversion throughout their full business. Ensuring a deforestation-free supply chain for a discrete corporate "buyer" is a positive step, but we aren't satisfied if our suppliers continue to contribute to deforestation elsewhere in their businesses. This necessitates the engagement of other

stakeholders, including NGOs as well as national and local governments, civil society and others, to collaborate and ramp up action on key levers such as pro-forest policy and enforcement, consumer demand for forest-friendly products, and finance and market signals. Collective action by all relevant stakeholders is critical for achieving transformational change. Our risk assessments need to take into account all relevant stakeholders' views, including NGOs.

We factor NGOs into our risk assessments as part of the Mars Strategic Sourcing Methodology. This six-step process guides our buyers on all aspects of assessing, selecting, contracting and monitoring the performance of suppliers. Relevant activities within these six steps include creating a stakeholder map. We engage with expert third-party stakeholders identified, including NGOs, to help us develop effective sourcing strategies for addressing deforestation risks in the way we purchase our raw materials.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

Integrated landscape approaches are a critical complement to supply chain management to achieve a deforestation-free transformation, especially in the most critically threatened or highest conservation value landscapes. Mars is deeply engaged with initiatives such as the Consumer Goods Forum and Tropical Forest Alliance to catalyze collective action in support of landscape approaches that bring together other forest risk commodity users and producers at a local level. These initiatives involve collaboration among multiple stakeholders in the landscape and integration of ad hoc initiatives on the ground that are addressing deforestation risk or landscape restoration.

While landscape approaches for addressing deforestation are still nascent, Mars is engaging in several promising pilot efforts. In cocoa, Mars is engaging with partners such as ProForest and Verra to pilot jurisdictional approaches in Ghana, Cameroon and other countries. In palm oil, Mars is partnering with Conservation International and other organizations on the Coalition for Sustainable Livelihoods to support smallholders and sound natural resource management in Aceh and North Sumatra, Indonesia. Mars partnered with Earthworm Foundation in Aceh, Indonesia to reduce deforestation and demonstrate balancing commodity production, conservation and good social and labor practices at scale. Mars is also working with Earthworm on stopping ecosystem degradation in pulp and paper production landscapes, including Northwest Russia and British Columbia. Mars also supports landscape-level initiatives, such as the Cerrado Manifesto, which engages companies to halt soy-driven deforestation and promote sustainable land management in the Cerrado grasslands in Brazil. Through these efforts, we're engaging local government, addressing deforestation, planning with communities, and supporting farmer livelihoods.

Regulators

Relevance & inclusion

Relevant, always included

Please explain

We factor regulators into our risk assessments as part of the Mars Strategic Sourcing Methodology (MSSM). This six-step process guides our buyers on all aspects of assessing, selecting, contracting and monitoring the performance of suppliers. One such aspect is an assessment of the external environment, including political and legal risks affecting the raw material in question. Relevant factors considered within this assessment include:

- Regulation and de-regulation trends
- Tax policy and trade & tariff controls
- Legislation in areas such as employment, competition and health and safety.
- Import/export laws
- Regulatory bodies and their processes
- Industry specific legislation
- Environmental regulations.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

We factor suppliers into our risk assessments as part of the Mars Strategic Sourcing Methodology (MSSM), to assess their policies and processes for mitigating the risk of deforestation occurring in their supply chains. This six-step process guides our buyers on all aspects of assessing, selecting, contracting and monitoring the performance of suppliers.

We have invested significantly in providing greater traceability and transparency on each of the five raw material supply chains to better identify and define deforestation and conversion risks, and we have published lists of our suppliers and sourcing origins, which we will update over time. We are working to specify our deforestation-free requirements to our suppliers, utilizing certifications where they align with our requirements and elaborating more detailed specifications and sharing best practices where needed. We have already outlined these requirements to our palm oil and cocoa suppliers and are developing specifications for other supply chains.

We have reconfigured our supplier chain in 2020 after deep analysis and assessing our Tier 1 suppliers against the following criteria for our direct supply chain and their wider indirect supply chain – NDP Policy, Transparency, Monitoring and verification, Grievance management, landscape participation and Human rights policies and implementation. Our suppliers signed off on this and then we worked with them to reduce their mill number to less than 100 in 2020 – thorough vetting of their mills with Earth Equalizer. Similarly, our scorecard for suppliers of pulp-and-paper-based packaging materials rates suppliers on a range of indicators in areas including policy, transparency, traceability, and fiber origins. Our annual process for allocating cocoa

volumes to suppliers includes a robust assessment of each supplier's ability to meet our Responsible Cocoa specification, which includes a section setting out our expectations of suppliers to Preserve Forests as part of our Cocoa for Generations strategy.

Other stakeholders, please specify

Relevance & inclusion

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Cocoa	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

We define a risk as having a substantive impact on our business if our risk assessments show that it threatens the long-term stability of our supply of one or more materials. For example, this could be the likelihood that the climate change contribution from land use change will affect raw material supplies in the future, or that poor soil health resulting from unsustainable land management practices will reduce quality and yields.

As part of our work to build the business case for our Sustainable in a Generation Plan, we used a proxy carbon price to assess the potential financial impact on our business of the climate risks we have identified, through either direct or indirect costs. We define a risk as having a substantial impact on the business using the following approach:

We used a five-level rating system to define a substantive impact to our business at the facility, distribution, or supply chain level. Within this rating system, a cost of:

- \$2 billion or above is classed as severe,
- \$1-2 billion as significant,
- \$500 million - 1 billion as moderate,

- \$100-500 million as low, and
- less than \$100 million as minimal.

All risks above \$100M are classified as substantive. Risks falling into the first 4 categories are at different levels of strategic importance.

We then used a similar five-point rating system to assess the likelihood of each risk occurring, from once or more per year (>50%) down to less than once every 25 years (<5%). Using the risk driver and likelihood, risks are categorized into different scenarios based on what is Most Likely, Mid Range, and Worst Case.

This approach led us to add cocoa as a priority raw material within our Deforestation and Land Use Change Position, in addition to the four raw materials identified as forest risk commodities by the Consumer Goods Forum, as our risk assessments show that cocoa accounts for almost a third of the land footprint of our supply chain.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Availability of certified sustainable material

Primary potential impact

Constraint to growth

Company-specific description

Mars is committed to sourcing 100% of pulp and paper-based packaging from certified, verified or recycled sources. In addition, virgin pulp and paper that we source from areas assessed as high-deforestation risk must be FSC-certified.

The availability of sustainable, deforestation-free raw materials that meet our requirements is a challenge. Our preference is for 100% FSC certified fiber -

implemented by purchasing FSC Mix certified packaging materials, the industry standard FSC claim. However, lack of availability in some regions we source pulp-and-paper-based packaging materials from means we will also accept product certified under national schemes approved by the Program for the Endorsement of Forest Certification (PEFC).

Limited availability of suitable certified sustainable materials for our packaging has the potential to limit our ability to grow our business while also meeting our Sustainable in a Generation Plan commitments for greenhouse gas emissions reductions and land use change.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

0

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

Though lack of FSC-certified product does pose the risk of potential constraints to sustainable growth, we believe we can manage this by employing the alternative strategies described under Description of response. As a result, we are confident of keeping the financial impact on our business very low (excluding the Cost of response).

Primary response to risk

Increased use of sustainably sourced materials

Description of response

In addition to specifying a preference for FSC-certified material, we are reducing deforestation impacts in our pulp and paper packaging supply chains in other ways. These include:

A preference for recycled paper pulp in our supply chain: to reduce our use of virgin fiber (and the need for FSC certification), we will maintain a preference for recycled fiber where feasible and where we believe is a more sustainable alternative to virgin fiber.

Verification: we also use reliable verification tools and approaches, such as Forest in Focus, that use independent indicators to verify that the fiber we use originates from responsibly managed forests at landscape level.

Landscape programs in high-risk origins: based on risk assessments carried out with the support of the Earthworm Foundation and our traceability back to at least country of harvest, we continue to engage suppliers in high-risk sourcing areas to support concrete and scalable programs on the ground. These programs will be led by credible expert organizations that tackle sustainable forestry issues in these high-risk geographical locations. For example, in 2019 Mars began partnering with the Earthworm Foundation, WWF and peers to balance industry, conservation and social interests in the Dvinsky Forest in Russia.

We are confident that the methods described above will be effective in maintaining our commitment to source 100% of pulp and paper-based packaging from certified, verified or recycled sources.

Cost of response

325,000

Explanation of cost of response

This is an approximate cost of traceability, technical support, industry memberships and collaborations need to implement our sourcing strategy. Maximizing recycled content to reduce the need for certification is cost neutral, as any cost savings from the use of recycled content are offset by the need to increase packaging weight to maintain performance.

Forest risk commodity

Palm oil

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Changes to national legislation

Primary potential impact

Increased compliance costs

Company-specific description

Mars' Climate Action target is to cut GHG emissions across our value chain 67% by 2050. We include GHG emissions from land use change as a key performance indicator

(KPI) to measure both our progress to reduce our carbon footprint and to address the causes of deforestation. We use a land use change accounting methodology developed with Quantis to assign an emissions value to the deforestation and conversion in our supply chain. This helps us better understand the magnitude of this impact compared with other GHG emissions sources and measure our efforts to address this source.

There is a risk that carbon taxes could be introduced on emissions in companies' wider value chains in the future, which could pose a substantial financial risk to our business if we were unsuccessful in addressing deforestation in our supply chain.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

278,000,000

Potential financial impact figure - maximum (currency)

556,000,000

Explanation of financial

Greenhouse gas emissions from deforestation associated with the raw materials in our agricultural supply chains represent an estimated 13.9 million tonnes (42%) of our total emissions from land use change. The majority of these emissions are associated with pulp & paper-based packaging materials, palm oil, beef, soy and cocoa. The potential financial impact figures above assume the introduction of a carbon tax on these emissions of between \$20 / tonne and \$40 / tonne, a proportion of which would be allocated to palm oil.

Primary response to risk

Tighter supplier performance standards

Description of response

Our Palm Positive Plan delivered 100% deforestation-free palm oil by the end of 2020 and advance respect for human rights across our suppliers' extended supply chains. We believe our approach will bring effective, long-lasting change for the environment, workers, smallholder farmers and economies where palm oil is sourced, through:

1. Simplification and verification: significantly reducing Mars' palm oil supply chain, we

have reduced the number of mills from over 1,500 to less than 100 by the end of 2020, and we are on the path to halve that number again in 2022. Mars has reduced mill numbers to less than 100 to date, partly by sourcing Roundtable on Sustainable Palm Oil segregated palm oil. Through simplification and rigorous vetting supported by EarthEqualizer we have selected the suppliers and mills we desire in our forward supply chain, increase accountability, and continue to employ satellite monitoring across all suppliers.

2. Collaboration on the ground: working with stakeholders in high-stakes geographies and fragile ecosystems toward successful, sustainable smallholder farming.

3. Acting beyond our direct supply chain: awarding longer-term contracts to suppliers who commit to transparent supply chains.

We believe that successful implementation of this plan will lead to Mars performing well in external benchmarks and scorecards related to palm oil sourcing, and effectively mitigate against related reputational risks.

Cost of response

6,000,000

Explanation of cost of response

\$6 million was the approximate cost of the premiums and overheads of sourcing 100% certified mass balance palm oil supplies for our global business in 2019.

Forest risk commodity

Cattle products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Negative media coverage

Primary potential impact

Brand damage

Company-specific description

Our business may face reputational risks and brand damage from campaigns which aim to raise awareness of deforestation by targeting brands using forest products. For example, in 2020 we corrected an error in Global Canopy's annual Forest 500 report. Mars was incorrectly included in the list of companies who had removed their commitments since 2018. Global Canopy has since acknowledged the mistake and updated the report.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

We have not yet calculated the potential financial impact of brand damage incurred from alleged deforestation in our beef supply chain.

Primary response to risk

Greater due diligence

Description of response

Our risk assessments have determined that the origin countries with the highest risk of beef-driven deforestation are in Latin America. We expect suppliers to ensure that all our beef ingredients comply with pertinent legislation, including but not limited to:

- All animals used to produce beef ingredients in Brazil must come from direct cattle suppliers that comply the Forest Code, are not in the Federal Environmental Agency list of embargoes, are not in the Ministry of Economy's Forced Labor Dirty List and are not overlaying with legally protected areas.
- All animals used to produce beef ingredients in Argentina must come from direct cattle suppliers that comply with The Native Forest Law 26.331 and Agricultural Employment Law 26.727.
- All animals used to produce beef ingredients in Mexico must come from direct cattle suppliers that comply with the General Law of Ecological Balance and Environmental Protection, the Agrarian Law and the Federal Labor Law.

We will verify compliance through third-party verification of supplier purchase control systems. We are optimizing our supply chain, reducing the number of companies we buy from, and providing support for suppliers to fully adopt satellite-based control systems and to have them verified by third parties.

We believe that successful implementation of this action plan will lead to Mars performing well in external benchmarks and scorecards related to deforestation, and effectively mitigate against related reputational risks.

Cost of response

750,000

Explanation of cost of response

The cost of response provided is the estimated annual cost of implementing our Beef Sourcing and Deforestation Action Plan, including the measures described under Description of response, above. It includes work with external consultants to update traceability information, assess supply chain risk, deploy best practices in cattle sourcing and verify compliance.

Forest risk commodity

Soy

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Availability of certified sustainable material

Primary potential impact

Supply chain disruption

Company-specific description

Mars has a commitment for 100% of soy sourced from Brazil to be ProTerra certified or covered through direct RTRS credits. Our preference when buying certified raw materials is to purchase via mass balance programs, as these ensure that enough new certified material is produced to cover our needs. However, supplies of third-party certified soy products are limited in Brazil, and are based on credits rather than the mass balance system. This means that even though Mars buys third-party certified soy credits to cover the soy we source in Brazil, there is a risk that the actual soy in our supply chain is associated with deforestation.

Limited availability of suitable certified sustainable soy products has the potential to limit our ability to grow our business while also meeting our Sustainable in a Generation Plan commitments for greenhouse gas emissions reductions and land use change.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

0

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

We have calculated the potential financial impact at zero as we believe the strategy described under Description of response adequately mitigates this risk.

Primary response to risk

Market expansion

Description of response

100% of the soy ingredients we source from Brazil are ProTerra certified or covered through direct RTRS credits.

Our updated Soy Sourcing and Deforestation Action Plan has expanded scope to new areas, biomes and vegetation where soy production drives deforestation and converts natural ecosystems. We completed an initial risk assessment of our global soy supply chain and determined that countries with the highest risk of soy-driven deforestation are in Latin America. By 2025, our aim is to stop deforestation and conversion of natural ecosystems in Mars supply chains for soy ingredients in Latin America.

We expect our direct soy suppliers in Latin America to ensure that all soy ingredients are from farms compliant with pertinent legislation, that soy from Brazil is only sourced from suppliers that are compliant with the Amazon Soy Moratorium with a deforestation cutoff date of July 2008 for Brazilian Amazon, or which maintain a cutoff date of June 2016 for other regions in Latin America, in line with RTRS. We will verify direct supplier compliance through third-party verification of the trader or crusher purchase control system.

To ensure compliance with the Amazon Soy Moratorium we request all upstream suppliers to share with us the Soy Working Group (Grupo de Trabalho da Soja) approval of their annual audit verifying compliance, which is signed by Greenpeace and ABIOVE.

We believe implementing this plan will adequately mitigate risks to sustainable growth.

Cost of response

160,000

Explanation of cost of response

The cost of response is the cost of buying RTRS credits for soy products sourced in Brazil in 2019.

Forest risk commodity

Other - Cocoa

Type of risk

Physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased ecosystem vulnerability

Primary potential impact

Supply chain disruption

Company-specific description

Changes in weather patterns as a result of climate change could make it harder to grow cocoa in some of the origins that we source from today.

Timeframe

>6 years

Magnitude of potential impact

Medium

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

We have not yet calculated the financial impact of the potential supply chain disruption that may result from climate impacts.

Primary response to risk

More ambitious forest-related commitments

Description of response

Mars’ long-term vision is to expand our influence beyond just the supply that we use, so that our suppliers prevent deforestation and land conversion throughout their full business. There is no time to lose. Ensuring a deforestation-free supply chain for a discrete corporate “buyer” is a positive step, but we aren’t satisfied if our suppliers continue to contribute to deforestation elsewhere in their businesses.

Companies need to draw on their influence to help reach a tipping point as soon as possible for industry-wide transformation towards deforestation-free supply chains. This transformation is a multistage journey, that begins with working with suppliers to ensure that what they supply to Mars is deforestation-free and leads to a supply pool in which a supplier’s total business is deforestation-free. Ultimately, when a groundswell of suppliers has achieved this goal, remaining suppliers feel increased pressure and a clearer pathway to prevent deforestation across their business, bringing the effort to scale until entire commodity supply chains are deforestation-free.

This theory of change necessitates that companies engage other stakeholders, such as national and local governments, civil society, and others, to collaborate and ramp up action on key levers such as pro-forest policy and enforcement, consumer demand for forest-friendly products, and finance and market signals. Collective action by all stakeholders is critical for achieving transformational change.

Cost of response

1,000,000,000

Explanation of cost of response

The total financial impact shown is our total investment over 10 years in our Cocoa for Generations strategy. It covers aspects such as smallholder farmer income and child protection as well as preserving forests.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	Yes
Other - Cocoa	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Resilience

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Improved supply chain engagement

Company-specific description & strategy to realize opportunity

We believe our sourcing approach is strengthening supplier relationships, and in so doing building a responsible, resilient supply chain for all pulp and paper-based packaging materials sourced by Mars, while fostering a sustainable forestry sector.

All of our business segments use pulp and paper-based packaging materials, accounting for more than half of our product packaging. Mars remains committed to stopping deforestation and forest degradation in our pulp and paper supply chain. We will maintain this through the following ongoing goals:

1. Tracing 100% of virgin pulp and paper-based packaging to at least country of harvest annually.
2. Sourcing 100% of pulp and paper-based packaging from certified, verified or recycled sources.
3. Ensuring virgin pulp and paper that we source from areas assessed as high-deforestation risk must be FSC certified.

Our Actions include:

1. Supply Chain Certification and Verification. We will assure compliance using certification to a credible, independent standard, with a strong preference for FSC Forest Management and Chain of Custody certification. Mars also will accept products certified under national schemes approved by the Program for the Endorsement of Forest Certification, but only in countries that have robust legal enforcement. We will also employ reliable verification tools and approaches, such as Forest in Focus, that use independent indicators to verify that the wood fiber we use originates from responsibly managed forests at the landscape level.

2. To reduce our use of virgin fiber, we will maintain a preference for recycled fiber

where feasible and where we believe this is a more sustainable alternative to virgin fiber.

3. Landscape Programs in High-Risk Origins. Based on risk assessments carried out with support from Earthworm Foundation and our traceability back to at least country of harvest, we continue to engage suppliers in high-risk sourcing areas to support concrete and scalable programs on the ground. These programs will be led by credible expert organizations that tackle sustainable forestry issues in these high-risk geographical locations. For example, in 2019 Mars began partnering with Earthworm, WWF and peers to balance industry, conservation and social interests in the Dvinsky Forest in Russia. We are also actively participating in CGF's Forest Positive Coalition Landscapes working group.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential impact

Low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

0

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We believe that by strengthening the resilience of our pulp and paper-based materials supply chain, we have an opportunity to avoid future cost increases related to deforestation risk, such as increased regulatory costs. This avoidance of cost increases may result in a neutral financial impact. This assumption is supported by an internal assessment which showed that our strategy to maximize recycled content will be cost-neutral.

Forest risk commodity

Palm oil

Type of opportunity

Resilience

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Improved supply chain engagement

Company-specific description & strategy to realize opportunity

We believe our Palm Positive Plan is strengthening supplier relationships, and in so doing increasing supply chain transparency and security of supply, while generating long-lasting change for the environment, workers, smallholder farmers and economies where palm oil is sourced.

Our ambition is to significantly simplify our palm oil supply chain. We have already reduced the number of mills from 1,500 to less than 100 by 2021, and we are on the path to halve that number again by the end of 2022. This is coupled with meaningful engagement on human rights, and on-the-ground and satellite verification processes to monitor deforestation. Region by region, we will progress by engaging in longer-term contracts with those suppliers who commit to and deliver supply chains that meet our expectations.

Through simplification, we will be able to select the suppliers and mills we desire in our supply chain. With a shorter supply chain comprised of partners who are committed to driving improvements in the systems and conditions in which we source, we can:

1. Increase accountability, influence and connectivity through deeper relationships with suppliers whom we can visit.
2. Employ satellite mapping to monitor land use across all of our suppliers.
3. Work directly with our tier-1 suppliers as they build their capabilities to monitor, address and prevent human rights risks in their supply chains.

An example of how collaboration can drive transformation is the simplified supply chain taking place in Asia-Pacific. Mars now sources from UniFuji - a partnership between United Plantations and Fuji Oil, which has reduced operations from 780 mills to just 1. It's achieved through a 1:1:1 model – which means that palm is grown on one plantation, processed through one mill and one refinery before reaching Mars. The partnership is based on a shared commitment to source in ways that are both good for people and the environment. Mars is now extending this approach to other regions.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Low

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

6,800,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We believe that improved supplier engagement presents an opportunity to avoid future cost increases related to deforestation risk, such as increased regulatory costs. This avoidance of cost increases may result in a neutral financial impact.

The potential financial impact reported is based on savings from consolidating our supply chain and building better relationships with fewer suppliers.

Forest risk commodity

Cattle products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased availability of products with reduced environmental impact (other than certified products)

Company-specific description & strategy to realize opportunity

Collaboration is essential in order to initiate change or support governments in Latin America to implement and enforce forest and natural ecosystems protection policies. Companies are unable to meet regulatory requirements without appropriate government legislation and enforcement.

As we continue to work to increase visibility of the slaughterhouses our suppliers source from, we have an opportunity to work with them to improve impacts such as deforestation and greenhouse gas emissions.

We are engaging across our industry and playing an active role in the Consumer Goods Forum (CGF) Forest Positive Coalition of Action. Mars is the co-chair of the Beef Working Group, and Mars CEO Grant Reid is the co-sponsor of the Coalition. We are working 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.

Mars is also a member of the Brazilian Roundtable on Sustainable Livestock, a multi-stakeholder organization that promotes the sustainable development of the cattle value chain through continuous improvement, ethics and transparency, best agricultural practices and legal compliance. Mars is a signatory of the Statement of Support of the Cerrado Manifesto, which recognizes the need to prevent further conversion of the Cerrado Biome in Brazil. We work with these groups to advance our ambition, working with peers and suppliers to develop transparent principles and practices, and collaborative projects to promote sustainable beef production and reduce deforestation. By helping to introduce better farming practices we can decouple beef production from deforestation, while improving related impacts such as greenhouse gas emissions, water use and soil quality.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

0

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We believe that increasing the availability of beef with a reduced deforestation impact offers the potential to avoid future carbon taxes. However, as these taxes are not in place in our supply chain now, we currently estimate the potential financial impact as zero.

Forest risk commodity

Soy

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased availability of products with reduced environmental impact (other than certified products)

Company-specific description & strategy to realize opportunity

We are exploring multiple fronts to meet our deforestation commitment on soy, which include buying certified raw materials (physically segregated/mass balance) and partnering with suppliers whose long-term ambitions align with Mars'. Given supplies of third-party certified soy products are limited in Brazil, where deforestation risks are highest, Mars sees an opportunity to work within our supply chain to increase demand for responsible soy and, in so doing, incentivize farmers to implement certification standards.

Mars has helped increase the availability of reduced impact soy products by:

- Mapping 100% of our material soy products sourced from Brazil and Argentina to the processing site.
- Ensuring 100% of the annual soy volume purchased in Brazil is ProTerra certified or covered through direct RTRS credits.

By 2025, our aim is to stop deforestation and conversion of natural ecosystems in Mars supply chains for our soy ingredients in Latin America — a region with high conversion hotspots. To achieve our ambition, we expect our direct soy suppliers in Latin America to meet the following requirements:

1. Ensure that all soy ingredients are from soy farms compliant with pertinent legislation, including but not limited to:
 - Soy from Brazil must be produced on farms that comply with the Forest Code, are not named on the Brazilian Institute of Environment and Renewable Resources list of embargoes, are not on the Ministry of Economy's Forced Labor Dirty List and are not overlapping within legally protected areas (including Conservation Units and Indigenous Territories).
 - Soy products from Argentina must be produced on farms that comply with The Native Forest Law 26.331 and Agricultural Employment Law 26.727.
2. Ensure that Soy from Brazil is only sourced from suppliers that are compliant with the Amazon Soy Moratorium with a deforestation cutoff date of July 2008 for Brazilian Amazon.
3. Maintain a deforestation cutoff date of June 2016 for other regions in Latin America, in line with RTRS. This includes forests (including high carbon stock forests), and other types of natural ecosystem (including savannahs and other areas of high conservation value) which can be monitored.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Low

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

0

Potential financial impact figure – maximum (currency)

160,000

Explanation of financial impact figure

There is potential for Mars to make modest savings on the soy we source, if the efforts described above help increase the availability of responsibly produced soy products. This saving would likely be some proportion of the \$160,000 cost of credits for soy sourced from Brazil in 2020.

Forest risk commodity

Other - Cocoa

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased availability of products with reduced environmental impact (other than certified products)

Company-specific description & strategy to realize opportunity

We aim to increase the cocoa sector's capacity for responsible production through our efforts to tackle deforestation in our cocoa supply chain, and our Cocoa for Generations strategy for strengthening the supply chain more broadly. For example, our Responsible Cocoa specification builds on existing Rainforest Alliance, former UTZ (now merged with Rainforest Alliance) and Fairtrade certification standard requirements.

Our aim is to achieve a deforestation-free supply chain for cocoa we source by 2025. Where credible, landscape-level frameworks such as CFI exist and are backed by other critical actors, we may take additional steps to support enhanced agroforestry, reforestation or forest restoration, or to prevent conversion in other habitats.

Mars is a signatory to the World Cocoa Foundation's Cocoa & Forests Initiative (CFI) commitments to halt deforestation and forest degradation in the global cocoa supply chain, with an initial focus on Côte d'Ivoire and Ghana, where more than 65% of cocoa is grown. In full alignment with the frameworks for action introduced by the governments of Côte d'Ivoire and Ghana as part of the CFI, we have developed initial company action

plans for the two countries, and are working in partnership with our suppliers to implement these action plans.

Following Côte d'Ivoire and Ghana, our priority countries for 2021 are Indonesia and Brazil. This year, we will complete forest risk assessments in these countries and develop country action plans. For Ecuador and Cameroon, we will complete further risk assessments in 2021 and will publish action plans in 2022. We are also reviewing our approach in other countries from which we source cocoa.

Our annual process for allocating cocoa volumes to suppliers includes an assessment of each supplier's performance to date and future ability to meet our Responsible Cocoa specification.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The estimated potential savings of improving capacity in the cocoa supply chain are confidential.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Board Chair	<p>In 2019, Mars launched a new mission statement: the world we want tomorrow starts with how we do business today. This mission statement is supported by our Compass, which has four quadrants the Board uses to guide long-term strategy and measure progress. One of these quadrants is Positive Societal Impact: Our commitment to helping people, their pets and the planet thrive, which in part we're working to deliver through our Sustainable in a Generation Plan, including our Climate Action strategy and approach to Deforestation and Land Use Change.</p> <p>All such aspects of the Compass are the responsibility of the Board, led by the Board chair. In 2020, the Board's Talent and Remuneration Committee developed and approved a three-year GHG-based target for 2020-2022. A percentage of the bonus for our top 300 executives is based on performance against this target, which includes Scope 3 emissions (including Land Use Change emissions linked to deforestation) in addition to Scope 1 and 2.</p>

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding strategy	<p>Our Climate Action strategy and targets are core elements of the Mars Sustainable in a Generation (SiG) Plan: our plan for growing in ways that are good for people, for the planet and for our business. This includes deforestation strategies for raw materials such as cocoa, which will be critical for reducing our value chain GHG emissions. Performance against our targets, including our science-based, value-chain wide GHG reduction target, is tracked by the Mars Board along with other company-wide targets. The Board Chair has direct oversight of our performance, which is reviewed at each Board meeting.</p> <p>In 2019, Mars launched a new mission statement: the world we want tomorrow starts with how we do</p>

		<p>Reviewing innovation / R&D priorities</p> <p>Setting performance objectives</p>	<p>business today. This mission statement is supported by our Compass, which has four quadrants the Board uses to guide long-term strategy and measure progress against medium-term and day-to-day decisions. One of these quadrants is Positive Societal Impact: Our commitment to helping people, their pets and the planet thrive, which in part we're working to deliver through our SiG Plan.</p> <p>All aspects of the Compass are the responsibility of the Board, led by the Board chair. In 2020, the Committee developed and approved a three-year GHG-based target for 2020-2022. The Committee extended the scope of the GHG-based target to include Scope 3 emissions (including Land Use Change emissions) in addition to Scopes 1 and 2.</p>
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F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Both assessing and managing forests-related risks and opportunities	Quarterly	<p>Rationale: as the Climate Action, Deforestation and Land Use Change targets in our Sustainable in a Generation Plan are included in our Corporate Scorecard, they are the responsibility of the Mars Leadership Team, led by the CEO, and reported to the Board at each quarterly Board meeting.</p> <p>Implementation is cascaded to the leadership teams of each business segment. Segment General Managers are accountable for deploying related strategies, such as for deforestation prevention for specific raw materials, within their business. Segment Sustainability Directors liaise with Segment Leadership Teams and Regional Leadership Teams to develop detailed strategies for deliver the</p>

		<p>required impact improvements.</p> <p>The Leadership Team delegates responsibility for delivering our Climate Strategy to the Sustainability Steering Group (SSG), which meets quarterly, is chaired by the CSO and comprises senior managers representing each main business segment (Mars Petcare, Mars Wrigley and Mars Food) and each main business function (Procurement, Manufacturing, and Public Affairs). The SSG is the center of our sustainability thought leadership and is where priorities, principles, policies, positions are developed, often in collaboration with external stakeholders and experts. The SSG ensures the Leadership Team is fully briefed on potential courses of action and strategic issues, and that the implications of strategies, targets and potential courses of action are investigated and understood.</p>
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F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	In 2020, Scope 3 emissions including Land Use Change emissions are now included in 3 year GHG-based targets for the top 300 senior leaders in Mars. Land Use Change emissions comprise 32% of Mars GHG emissions and are our single largest opportunity to reduce our footprint, so this decision represents an additional significant incentive for business leaders to halt deforestation in our extended supply chains and to ensure that sustainability considerations are embedded in decision-making throughout the business.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Chief Procurement Officer (CPO) Chief Sustainability Officer (CSO)	Achievement of commitments and targets	A percentage of the bonus for our top 300 executives is based on performance against a three-year GHG-based target, which includes Scope 3 emissions (including Land Use Change emissions linked to deforestation) in addition to Scope 1 and 2. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives.
Non-monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Financial Officer (CFO) Chief Operating Officer (COO) Chief Procurement Officer (CPO) Chief Sustainability Officer (CSO)	Achievement of commitments and targets	Our Sustainable in a Generation (SiG) Plan goals, including our Climate Action, Deforestation and Land Use Change targets, are included on our Corporate Scorecard and are a factor in assessing the overall performance of our manufacturing and procurement functions, upon which the performance of our Leadership Team is assessed.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)

 SIGP-Scorecard-2020_071221_2.pdf

 As a family-owned private company, we do not publish a mainstream financial report. Instead, for transparency we publish our progress on sustainability in an annual Sustainable in a

Generation Plan Scorecard, which covers Healthy Planet, Thriving People, and Nourishing Wellbeing.

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to remediation, restoration and/or compensation of past harms Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and engagement Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems Description of business dependency on forests Recognition of potential business impact on	We first introduced our Deforestation Prevention Policy in 2014, and built on this in our Deforestation & Land Use Change Position Statement, which reaffirms our ambition to stop deforestation and conversion of natural ecosystems in Mars supply chains identified as most at risk for driving deforestation: beef, cocoa, palm oil, pulp and paper, and soy. Our position focuses on these five raw materials as they make up more than 50 percent of the land use area and more than 87 percent of the land use change greenhouse gas (GHG) emissions associated with our value chain. We are working to achieve our ambition by only sourcing these raw materials from suppliers that demonstrate compliance with Mars' deforestation-free principles, within the timeframe and details specified in separate action plans for each raw material. Our deforestation-free principles include: <ul style="list-style-type: none"> • No deforestation or conversion of primary forest or natural ecosystems of high conservation value (HCV), • No development in high carbon stock (HCS) areas, • No development on peatlands, • No clearance of land by burning to prepare it for production, • Work within credible, landscape-level frameworks where these exist. The position also sets out our theory of change and our long-term vision to expand our influence beyond just the supply that we use, so that our suppliers prevent deforestation and land conversion throughout their full business. It also demonstrates how the position informs internal decision-making, by describing the actions we are taking to prevent deforestation, such as: <ul style="list-style-type: none"> • Investing in supply chain traceability and

		<p>forests and other natural habitats</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound milestones and targets</p> <p>Description of forests-related standards for procurement</p>	<p>transparency,</p> <ul style="list-style-type: none"> • Specifying our deforestation-free requirements to suppliers, • Modifying our supply chains to reduce deforestation risk or improve monitoring, • Putting in place robust processes to verify supplier compliance, • Establishing processes for rectifying instances of deforestation in our supply chains • Supporting the development of landscape-level approaches, where appropriate. <p>As an example, our Palm sourcing team developed an aggressive strategy to meet our deforestation commitments. Through a radical simplification of Mars' supply chain, we have cut the number of mills in our supply chain from 1,500 to fewer than 100, and are on a path to halve that number again in 2022.</p>
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F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	<p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder</p>	<p>Why this content is included:</p> <p>Our updated commodity-specific action plans provide more details of how we are implementing our Deforestation and Land Use Change Position, for each raw material. Each action plan includes material-specific commitments and time frames based on internal risk and impact assessments and engagement with third-party experts.</p> <p>Our Pulp & Paper Sourcing action plan states that Mars remains committed to stop deforestation and forest degradation in our pulp and paper supply chain and includes the following ongoing goals:</p> <ul style="list-style-type: none"> - Tracing 100% of virgin pulp and paper-based packaging to at least country of

			<p>awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related standards for procurement</p>	<p>harvest annually.</p> <ul style="list-style-type: none"> - Sourcing 100% of pulp and paper-based packaging from certified, verified or recycled sources. - Ensuring virgin pulp and paper that we source from areas assessed as high-deforestation risk must be certified by Forest Stewardship Council. <p>These goals are designed to ensure a sustainable supply chain for all pulp and paper-based packaging materials sourced by Mars, Incorporated. They have been integrated into commercial specifications and contracts to ensure full compliance today and in the future.</p> <p>Our action plan and goals inform internal decision-making such as engaging suppliers in sourcing areas assessed as high risk, and maintaining a preference for recycled fiber where feasible to reduce our use of virgin fiber.</p> <p>Integrated landscape approaches are a critical complement to supply chain management to achieve a deforestation-free transformation, especially in the most critically threatened or highest conservation value landscapes. Mars is working with the Earthworm Foundation on stopping ecosystem degradation in pulp and paper production landscapes, including Northwest Russia and British Columbia.</p> <p>Our raw material-specific action plans are designed to complement our Deforestation and Land Use Change Position, which covers our comprehensive and overarching approach. Individual action plans include content specific to individual raw materials, and so some items already covered by our higher level position may be excluded.</p>
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				<p>We will review our action plan annually, and it is available at: https://www.mars.com/about/policies-and-practices/pulp-paper-based-materials</p>
Palm oil	Yes	Company-wide	<p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p>	<p>Why this content is included:</p> <p>Our updated commodity-specific action plans provide more details of how we are implementing our Deforestation and Land Use Change Position, for each raw material. Each action plan includes material-specific commitments and time frames based on internal risk and impact assessments and engagement with third-party experts.</p> <p>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.</p> <p>Our action plan and goals inform internal decision-making such as our decision to significantly simplify our palm oil supply chain, reducing the number of mills to less than 100 by the end of 2020, with further reductions by the end of 2022. Through simplification we will be able to select the suppliers and mills we desire in our supply chain. With a shorter supply chain comprised of partners who are committed to driving improvements in the systems and conditions in which we source, we can:</p> <ul style="list-style-type: none"> - Increase accountability, influence and connectivity through deeper relationships with suppliers whom we can visit. - Employ satellite mapping to monitor land use across all of our suppliers. - Work directly with our tier 1 suppliers as they build their capabilities to monitor, address and prevent human rights risks in their supply chains. <p>Our raw material-specific action plans are designed to complement our Deforestation</p>

			<p>List of timebound commitments and targets</p> <p>Description of forests-related standards for procurement</p>	<p>and Land Use Change Position, which covers our comprehensive and overarching approach. Individual action plans include content specific to individual raw materials, and so some items already covered by our higher level position may be excluded.</p> <p>We will review our action plan annually, and it is available at: https://www.mars.com/about/policies-and-practices/palm-oil-policy</p>
Cattle products	Yes	Selected facilities, businesses or geographies only	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p>	<p>Why this content is included:</p> <p>Our updated commodity-specific action plans provide more details of how we are implementing our Deforestation and Land Use Change Position, for each raw material. Each action plan includes material-specific commitments and time frames based on internal risk and impact assessments and engagement with third-party experts.</p> <p>Our Beef Sourcing and Deforestation action plan states that, by 2025, our aim is to stop deforestation and conversion of natural ecosystems in Mars supply chains, up to the direct cattle supplier for our beef ingredients in Latin America – a region with high conversion hot spots. This business decision was taken following an initial risk assessment of our global beef supply chains, which determined that the origin countries with the highest risk of beef-driven deforestation are in Latin America.</p> <p>In Latin America, we source beef ingredients from Brazil, Argentina and Mexico. In Brazil, we are implementing this Action Plan by building on our previous work to stop deforestation associated with our beef supply chain in the Amazon Biome. In Argentina we developed a deforestation risk assessment in 2020. In Mexico we will do so in 2021.</p>

			<p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related standards for procurement</p>	<p>The development of this action plan drove our business decision to refresh our direct supplier and slaughterhouse information annually and disclose our direct suppliers of beef ingredients, including the total volume procured and its origins. And, as our supply chain transparency improves over time, we will share further information accordingly.</p> <p>Our raw material-specific action plans are designed to complement our Deforestation and Land Use Change Position, which covers our comprehensive and overarching approach. Individual action plans include content specific to individual raw materials, and so some items already covered by our higher level position may be excluded.</p> <p>We will review and update our action plan whenever there are significant changes to our supply chain or in the external context. We will report our progress and refresh our supplier list annually. Our action plan and supplier lists are available at: https://www.mars.com/about/policies-and-practices/beef-sourcing-policy</p>
Soy	Yes	Selected facilities, businesses or geographies only	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p>	<p>Why this content is included:</p> <p>Our updated commodity-specific action plans provide more details of how we are implementing our Deforestation and Land Use Change Position, for each raw material. Each action plan includes material-specific commitments and time frames based on internal risk and impact assessments and engagement with third-party experts.</p> <p>Our Soy Sourcing and Deforestation action plan states that, by 2025, our aim is to stop deforestation and conversion of natural ecosystems in Mars supply chains for our soy ingredients in Latin America — a region with high conversion hotspots.</p>

			<p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related standards for procurement</p>	<p>This business decision was taken following an initial risk assessment of our global soy supply chain, which determined that countries with the highest risk of soy-driven deforestation are in Latin America.</p> <p>Our ambition is to build transparent and verified soy supply chains that give us confidence we are preserving forests and natural ecosystems. This led us to take the business decision to work to improve transparency in our supply chains by expecting our direct suppliers to drive full traceability, with an initial focus on conversion hotspot areas.</p> <p>We expect all direct soy ingredient suppliers to implement the requirements from our action plan across their supply chains to ensure the soybean farms they source from are compliant. These suppliers should begin with implementing the action plan in the Mars supply chain, and ultimately move toward implementing it across all their suppliers.</p> <p>Our raw material-specific action plans are designed to complement our Deforestation and Land Use Change Position, which covers our comprehensive and overarching approach. Individual action plans include content specific to individual raw materials, and so some items already covered by our higher level position may be excluded.</p> <p>We will review and update our action plan whenever there are significant changes to our supply chain or in the external context. We will report our progress and refresh our supplier list annually. Our action plan and supplier lists are available at: https://www.mars.com/about/policies-and-practices/soy-policy</p>
Other - Cocoa	Yes	Company-wide	Commitment to eliminate	Why this content is included: Our updated commodity-specific action

		<p>conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain</p>	<p>plans provide more details of how we are implementing our Deforestation and Land Use Change Position, for each raw material. Each action plan includes material-specific commitments and time frames based on internal risk and impact assessments and engagement with third-party experts. Our Cocoa and Forests action plan is part of our Mars-wide ambition to hold flat our land use and reduce greenhouse gas emissions from our value chain by 67% by 2050, from 2015 levels.</p> <p>Our aim is to achieve a deforestation-free supply chain by 2025. Our action plan and goals will inform additional business decisions and commitments. For example, where credible, landscape-level frameworks such as the Cocoa and Forests Initiative exist and are backed by other critical actors, we may take additional steps to support enhanced agroforestry, reforestation or forest restoration, or to prevent conversion in other habitats.</p> <p>Our raw material-specific action plans are designed to complement our Deforestation and Land Use Change Position, which covers our comprehensive and overarching approach. Individual action plans include content specific to individual raw materials, and so some items already covered by our higher level position may be excluded.</p> <p>We will work closely with governments and first-tier cocoa suppliers to implement our action plans, while providing clear guidelines and support. Where we believe no further progress is possible, we reserve the right to take the business decision to step away from supplier relationships suppliers who do not meet our Responsible Cocoa specification in the</p>
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			<p>covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related standards for procurement</p>	<p>required time frame. We recognize that stepping away may harm smallholder farmers in a supplier's value chain and will aim to minimize impact where possible. Where necessary, we will seek support from expert partners as we work towards our ambition.</p> <p>As we implement our approach, Mars will review our approach at least every two years. The review will hold us and our suppliers to account, share lessons learned, and ensure our approach remain appropriate and effective.</p> <p>We will report our progress and refresh our supplier list annually. Our action plan and supplier lists are available at: https://www.mars.com/about/policies-and-practices/cocoa-and-forests-policy</p>
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F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Tropical Forest Alliance 2020

We Mean Business

Cerrado Manifesto

Soy Moratorium

Other, please specify

Consumer Goods Forum Forest Positive Coalition, OP2B, RSPO

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- No new development on peat regardless of depth
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Resolution of complaints and conflicts through an open, transparent and consultative process
- No sourcing of illegally produced and/or traded forest risk commodities
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

1993-1997

Commitment target date

2020

Please explain

Our commodity-specific action plans provide more details of how we are implementing our global Deforestation and Land Use Change position, for that particular raw material. Our Deforestation and Land Use Change position includes the following commitments that apply to all five forest commodities:

Mars expects suppliers to meet the following guidelines to stop deforestation from a specified cut-off date:

- Everything supplied to Mars is from legal sources
- No deforestation or conversion of primary forest or natural ecosystems of high conservation value (HCV)
- No development in high carbon stock (HCS) areas
- No development on peatlands
- No clearance of land by burning to prepare it for production
- Work within credible, landscape-level frameworks where these exist
- Provide supply chain transparency

Mars also expects suppliers to:

- Support existing human rights commitments including respect for farmers' and communities' land rights, free prior and informed consent, and the rights of indigenous

and forest-dependent people

- Resolve land rights disputes through a balanced and transparent dispute resolution process
- Support farmers and plantation owners to comply with Mars' deforestation-related requirements
- Where relevant, support enhanced agroforestry, reforestation or restoration of natural ecosystems

Our action plans include material-specific commitments and time frames. Our Pulp and Paper Action Plan includes the following ongoing goals:

- Tracing 100% of virgin pulp and paper-based packaging to at least country of harvest annually.
- Sourcing 100% of pulp and paper-based packaging from certified, verified or recycled sources.
- Ensuring virgin pulp and paper that we source from areas assessed as high-deforestation risk must be certified by Forest Stewardship Council.

These requirements have been integrated into commercial specifications and contracts to ensure full compliance today and in the future.

Case study: based on risk assessments carried out with the support of the Earthworm Foundation, we engage suppliers in high-risk sourcing areas to support concrete and scalable programs to prevent conversion of natural ecosystems on the ground. These programs are led by credible expert organizations that tackle sustainable forestry issues in high-risk geographical locations. For example, our Landscape project in British Columbia, Canada, in collaboration with the Earthworm Foundation and peers, has FPIC with an indigenous group (Tsay Keh Dene) at the heart of its theory of change. We work to strengthen their capabilities around land-use planning and HCV assessments – all the while facilitating dialogue with our suppliers and industry.

Forest risk commodity

Palm oil

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- No new development on peat regardless of depth
- Restoration and compensation to address past deforestation and conversion
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Facilitate the inclusion of smallholders into the supply chain
- No sourcing of illegally produced and/or traded forest risk commodities

Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2015

Commitment target date

2020

Please explain

Our commodity-specific action plans provide more details of how we are implementing our global Deforestation and Land Use Change position, for that particular raw material. Our Deforestation and Land Use Change position includes the following commitments that apply to all five forest commodities:

Mars expects suppliers to meet the following guidelines to stop deforestation from a specified cut-off date:

- Everything supplied to Mars is from legal sources
- No deforestation or conversion of primary forest or natural ecosystems of high conservation value (HCV)
- No development in high carbon stock (HCS) areas
- No development on peatlands
- No clearance of land by burning to prepare it for production
- Work within credible, landscape-level frameworks where these exist
- Provide supply chain transparency

Mars also expects suppliers to:

- Support existing human rights commitments including respect for farmers' and communities' land rights, free prior and informed consent, and the rights of indigenous and forest-dependent people
- Resolve land rights disputes through a balanced and transparent dispute resolution process
- Support farmers and plantation owners to comply with Mars' deforestation-related requirements
- Where relevant, support enhanced agroforestry, reforestation or restoration of natural ecosystems

Our action plans include material-specific commitments and time frames. 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.

Case study: as part of our efforts to prevent conversion of natural ecosystems, in 2019

Mars engaged in a collaboration to drive transformation through a simplified supply chain. Simplification has enabled us to select the suppliers and mills we desire in our supply chain, increase accountability and influence, and employ satellite mapping to monitor land use.

Mars now sources from UniFuji, which is reducing its operations from 780 mills to just 1. This is being achieved through a 1:1:1 model – which means that palm oil is grown on one plantation, and processed through one mill and one refinery before reaching Mars. The partnership is based on a shared commitment to source in ways that are both good for people and the environment. Mars is now extending this approach to other regions.

Mars partners with Earthworm on a number of projects relating to our above commitments including FPIC & restoration. 2020 saw the continuation of the project in Aceh Tamiang. The goal of this project is to reduce deforestation and demonstrate to the world the feasibility of balancing commodity production, conservation and good social and labor practices at scale. Through an intensive series of workshops and training, we have worked to socialize the concept of NDPE (No Deforestation, Peat, Exploitation), guide companies through a self-assessment process of their own operations using simple yet powerful tracking tools, and build their capacity to close gaps in order to protect forests and respect both workers and communities. We also helped priority landscape actors to identify, map, manage, and monitor High Conservation Value and High Carbon Stock forest areas. As part of this process, we work with nearby border villages to identify social issues connected to remaining forest areas and to secure free, prior, and informed consent for HCV/HCS assessment-related activities.

Forest risk commodity

Cattle products

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Resolution of complaints and conflicts through an open, transparent and consultative process
- No sourcing of illegally produced and/or traded forest risk commodities
- No sourcing of forest risk commodities from unknown/controversial sources
- Recognition of legal and customary land tenure rights
- Other, please specify
 - Maintain a deforestation cutoff date of October 2009 for the Brazilian Amazon and December 2017 for other biomes. This includes forests, other natural ecosystems (including savannahs and other areas of high conservation value).

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2017

Commitment target date

2021-25

Please explain

Our deforestation commitments apply to 100% of beef by-product sourced globally, while our action plan focuses on areas assessed as high risk. In 2019, we carried out work to update our action plan and expand its scope to new areas, biomes and vegetation where cattle ranching drives deforestation and converts natural ecosystems. An initial risk assessment of our global beef supply chains determined that the origin countries with the highest risk of beef-driven deforestation are in Latin America. For that reason, by 2025, our aim is to stop deforestation and conversion of natural ecosystems in Mars supply chains, up to the direct cattle supplier for our beef ingredients in Latin America – a region with high conversion hot spots.

In Latin America, we source beef ingredients from Brazil, Argentina and Mexico. In Brazil, we are building on our previous work to stop deforestation associated with our beef supply chain in the Amazon Biome. For example, Mars is a signatory of the Statement of Support of the Cerrado Manifesto, which recognizes the need to prevent further conversion of the Cerrado Biome in Brazil. For Argentina we developed a deforestation risk assessment in 2020 and will develop one for Mexico in 2021. With regard to FPIC, our geospatial risk analysis considers if there are overlays with indigenous territories, and we request slaughterhouses in our supply chain to perform the same analysis to ensure they are not sourcing from such territories.

Our long-term ambition is to build transparent and verified beef ingredient supply chains that gives us confidence we are preserving forests and natural ecosystems. We expect all direct beef ingredient suppliers to implement the requirements in our action plan across their supply chains to ensure that direct cattle suppliers in their supply chains are compliant. These suppliers should begin with implementing the action plan in the Mars supply chain, and ultimately move toward implementing it across all their suppliers.

To achieve our ambition by 2025, we expect our direct beef suppliers in Latin America to:

- Ensure all beef ingredients comply with pertinent legislation.
- Maintain a deforestation cutoff date of October 2009 for the Brazilian Amazon and December 2017 for other biomes. This includes forests (including HCS forests), and other types of natural ecosystems (including savannah and other HCV areas).
- Demonstrate respect for rights of affected communities to give or withhold FPIC for cattle ranching on land they own legally, communally or by custom.

- Demonstrate that disputes over land rights are resolved through a balanced and transparent dispute resolution process.

Forest risk commodity

Soy

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Resolution of complaints and conflicts through an open, transparent and consultative process
- No sourcing of illegally produced and/or traded forest risk commodities
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources
- Recognition of legal and customary land tenure rights
- Other, please specify
 - Ensure that Soy from Brazil is only sourced from suppliers that are compliant with the Amazon Soy Moratorium with a deforestation cutoff date of July 2008 for Brazilian Amazon (cutoff date for other areas is 2016).

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2016

Commitment target date

2021-25

Please explain

Our deforestation commitments apply to 100% of soy products sourced globally, while our action plan focuses on areas assessed as high risk. In 2019, we carried out work to update our action plan and expand the scope to new areas, biomes and vegetation where soy production drives deforestation and converts natural ecosystems. An initial risk assessment of our global soy supply chain determined that countries with the highest risk of soy-driven deforestation are in Latin America. For that reason, by 2025, our aim is to stop deforestation and conversion of natural ecosystems in Mars supply chains for our soy ingredients in Latin America — a region with high conversion hotspots. In Latin America, we source soy from Brazil and Argentina. In Brazil, we are building on our previous work to stop deforestation associated with our soy supply chain

in the Amazon Biome. Mars is a signatory of the Statement of Support of the Cerrado Manifesto, that recognizes the need to prevent further conversion of the Cerrado Biome in Brazil. For Argentina we developed a deforestation risk assessment in 2020. Our ambition is to build transparent and verified soy supply chains that give us confidence we are preserving forests and natural ecosystems. With regard to FPIC, our geospatial risk analysis considers if there are overlays with indigenous territories, and we request slaughterhouses in our supply chain to perform the same analysis to ensure they are not sourcing from such territories.

We expect all direct soy suppliers to implement the requirements from our action plan across their supply chains to ensure the farms they source from are compliant. These suppliers should begin with implementing the action plan in the Mars supply chain, and ultimately move toward implementing it across all their suppliers.

To achieve our ambition, we expect direct soy suppliers in Latin America to meet the following requirements:

- Ensure all soy ingredients are from farms comply with pertinent legislation.
- Soy from Brazil is only sourced from suppliers that comply with the Amazon Soy Moratorium with a cutoff date of July 2008 for Brazilian Amazon.
- Maintain a deforestation cutoff date of June 2016 for other regions in Latin America, in line with RTRS. This includes forests (including HCS forests), and other types of natural ecosystem (including savannah and other HCV areas).

Demonstrate respect for rights of affected communities to give or withhold FPIC for planting soy on land they own legally, communally or by custom.

Demonstrate that disputes over land rights are resolved through a balanced and transparent resolution process.

Forest risk commodity

Other - Cocoa

Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
- Promotion of gender equality and women's empowerment
- Facilitate the inclusion of smallholders into the supply chain
- No sourcing of illegally produced and/or traded forest risk commodities
- Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2008

Commitment target date

2021-25

Please explain

Our commodity-specific action plans provide more details of how we are implementing our global Deforestation and Land Use Change position, for that particular raw material. Our Deforestation and Land Use Change position includes the following commitments that apply to all five forest commodities:

Mars expects suppliers to meet the following guidelines to stop deforestation from a specified cut-off date:

- Everything supplied to Mars is from legal sources
- No deforestation or conversion of primary forest or natural ecosystems of high conservation value (HCV)
- No development in high carbon stock (HCS) areas
- No development on peatlands
- No clearance of land by burning to prepare it for production
- Work within credible, landscape-level frameworks where these exist
- Provide supply chain transparency

Mars also expects suppliers to:

- Support existing human rights commitments including respect for farmers' and communities' land rights, free prior and informed consent, and the rights of indigenous and forest-dependent people
- Resolve land rights disputes through a balanced and transparent dispute resolution process
- Support farmers and plantation owners to comply with Mars' deforestation-related requirements
- Where relevant, support enhanced agroforestry, reforestation or restoration of natural ecosystems

Our action plans include material-specific commitments and time frames. Through our Cocoa and Forests action plan, we aim to achieve a deforestation-free supply chain by 2025. Where credible, landscape-level frameworks such as the Cocoa and Forests Initiative exist and are backed by other critical actors, we may take additional steps to support enhanced agroforestry, reforestation or forest restoration, or to prevent conversion in other habitats. Our Cocoa for Generations strategy includes commitments to empower women and protect children in cocoa farming communities.

Case study: as part of our efforts to prevent conversion of natural ecosystems, in 2015 we began requiring suppliers to use polygon mapping to trace farm boundaries. Since then we have been working with suppliers and field partners to build capacity and get

accurate polygons, which we began to receive for our 2019 sourcing. This process continued into 2020 and it still underway. Polygon mapping provides a more accurate picture of a farm’s location because it shows the boundaries of the entire farm, not just one global positioning system (GPS) location point. This mapping allows us to check and monitor where the farms are, coupled with purchase control mechanisms and traceability, this allows us to know not only where the cocoa farm is but also how this is linked to purchases, and allows us to calculate direct land use change emissions on those locations. In 2020 we disclosed our tier 2 cocoa suppliers in an interactive map, this was announced in our Cocoa for Generations Report issued in October.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	21-30	<p>Deforestation impacts are incorporated into our Sustainable in a Generation (SiG) Plan - our plan to grow in ways that are good for people, good for the planet, and good for our business.</p> <p>The SiG Plan includes value-chain wide targets to hold flat our land use and reduce greenhouse gas emissions from our value chain by 67% by 2050, from 2015 levels. Deforestation is a key element of both, as our agricultural supply chain accounts for the vast majority of both our land use and our GHG emissions.</p> <p>In 2019, Mars launched a new mission statement: the world we want tomorrow starts with how we do business today. This mission statement is supported by our Compass, which has four quadrants the Board uses to guide long-term strategy and measure progress against medium-term and day-to-day decisions. One of these quadrants is Positive Societal Impact: Our commitment to helping people, their pets and the planet thrive, which in part we’re working to deliver through our Sustainable in a Generation Plan. This places deforestation impacts at the heart of our long-term business objectives.</p> <p>Case study: we are investing \$1 billion over 10 years</p>

			<p>in our Cocoa for Generations strategy, to create a pathway to thriving farming communities. A significant amount of this investment is in the Preserve Forests pillar of our strategy, to ensure all the cocoa we source will be traceable and deforestation-free by 2025. For example, we are requiring our suppliers to use polygon mapping to trace farm boundaries. Polygon mapping provides a more accurate picture of the farm’s location because it shows the boundaries of the entire farm, rather than just one global positioning system (GPS) location point. This approach supports the protection of forests while further refining yield estimates and coaching farmers on profitable investments.</p>
<p>Strategy for long-term objectives</p>	<p>Yes, forests-related issues are integrated</p>	<p>21-30</p>	<p>We first introduced our Deforestation Prevention Policy in 2014, and have built on this in our new Deforestation & Land Use Change Position Statement, which aims to accelerate our efforts to stop deforestation. The new position reaffirms our ambition to stop deforestation and conversion of natural ecosystems in Mars supply chains identified as most at risk for driving deforestation: beef, cocoa, palm oil, pulp and paper, and soy. Our position focuses on these five raw materials as they make up more than 50 percent of Mars’ land use area and more than 87 percent of Mars’ land use change greenhouse gas (GHG) emissions. The position applies to Mars’ entire supply chain of each of these raw materials.</p> <p>We are implementing place strategies and action plans to achieve our ambition by only sourcing these raw materials from suppliers that demonstrate compliance with Mars’ deforestation-free principles, within the timeframe and details specified in separate action plans for each raw material. Our deforestation-free principles include:</p> <ul style="list-style-type: none"> • No deforestation or conversion of primary forest or natural ecosystems of high conservation value (HCV), • No development in high carbon stock (HCS) areas, • No development on peatlands, • No clearance of land by burning to prepare it for production, • Work within credible, landscape-level frameworks where these exist. <p>The position also sets out our theory of change and our long-term vision to expand our influence beyond just the</p>

			<p>supply that we use, so that our suppliers prevent deforestation and land conversion throughout their full business.</p> <p>It also demonstrates how the position informs internal decision-making, by describing the actions we are taking to prevent deforestation, such as:</p> <ul style="list-style-type: none"> • Investing in supply chain traceability and transparency, • Specifying our deforestation-free requirements to suppliers, • Modifying our supply chains to reduce deforestation risk or improve monitoring, • Putting in place robust processes to verify supplier compliance, • Establishing processes for rectifying instances of deforestation in our supply chains • Supporting the development of landscape-level approaches, where appropriate. <p>We are also considering jurisdictional approaches for implementing good supply chain management principles within a specific geography.</p>
<p>Financial planning</p>	<p>Yes, forests-related issues are integrated</p>	<p>>30</p>	<p>At Mars, we firmly believe what has made us successful is thinking about more than just the bottom line. A business model that focuses exclusively on financial performance is not sustainable or desirable. That is why financial performance and positive societal impact are both elements of the Mars Compass, which guides our long-term strategy and measures our progress against medium term and day-to-day decisions. This approach ensures our financial planning helps us achieve near-term results without compromising on the world we want tomorrow, so we can remain a successful business for the next 100 years.</p> <p>Since 2015, we've progressively increased our sustainability investments to today's run rate of well over \$200M/year. Our investment between 2016 and 2020 exceeded \$1 billion. The investments are roughly equal across our Healthy Planet, Thriving People and Nourishing Wellbeing pillars. Within our Healthy Planet strategy, a key area of investment is halting deforestation. We're making investments in traceability with cocoa; investing in sourcing changes in palm, beef and soy; and investing in agroforestry systems through the Livelihoods Fund for Family Farming.</p>

		<p>The business case for this investment is based on four long-term benefits:</p> <ul style="list-style-type: none"> - Cost savings, e.g. from longer-term supply contracts and lower supplier inputs in agriculture. - Risk reduction through e.g. avoiding business interruption and increased supply costs. - Increased recruitment and retention of top talent based on our reputation for sustainability. - Sustainable business growth through improved customer engagement and trust. <p>Case study: we are investing \$1 billion over 10 years in our Cocoa for Generations strategy, to create a pathway to thriving farming communities. A significant amount of this investment is in the Preserve Forests pillar of our strategy, to ensure all the cocoa we source will be traceable and deforestation-free by 2025. For example, we are requiring our suppliers to use polygon mapping to trace farm boundaries. Polygon mapping provides a more accurate picture of the farm's location because it shows the boundaries of the entire farm, rather than just one global positioning system (GPS) location point. This approach supports the protection of forests while further refining yield estimates and coaching farmers on profitable investments.</p>
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F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Traceability

Description of target

We will trace 100% of virgin pulp and paper-based packaging to at least country of harvest annually, or to specific regions of certain sourcing countries, if the deforestation risk is assessed as high. We set this goal because traceability is fundamental to achieving our goal to stop deforestation and forest degradation in our pulp and paper supply chain. Traceability enables us to define the countries of harvest our suppliers have in their value chain, and assess the deforestation risk those countries pose. Since 2016, we have used traceability data to take an evidence-based approach to inform our strategic choices, such as ensuring virgin pulp and paper that we source from areas assessed as high-deforestation risk must be certified by Forest Stewardship Council. We will update our traceability annually to maintain visibility of the countries of harvest of our virgin fiber and make business decisions about suppliers who do not maintain traceability.

Linked commitment

Zero net/gross deforestation

Traceability point

State or equivalent

Third-party certification scheme

Start year

2014

Target year

2020

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

96

Please explain

Mars continues to trace over 95% (96% in 2020) of our virgin pulp and paper-based packaging back to at least the country of harvest, or to specific regions of certain

sourcing countries, annually since 2016. We work with our suppliers to annually update the traceability of our virgin fiber to at least country of harvest.

In 2021, we're are switching to an online platform for data collection and analysis (Sourcemap).

Based on risk assessments carried out using our traceability data, with the support of the Earthworm Foundation, we will continue to engage our suppliers in high-risk sourcing areas to support concrete and scalable deforestation prevention programs on the ground. We will work with stakeholders from local governments, civil society organizations and communities whose livelihoods depend on the forest landscape. For example, Earthworm's risk assessments have identified high or severe forest risks in specific regions of certain sourcing countries, such as the Dvinsky Forest in Russia. Mars is partnering with FSC, the Earthworm Foundation, WWF and peer companies to balance industry, conservation and social interests in the Dvinsky Forest.

Target reference number

Target 2

Forest risk commodity

Timber products

Type of target

Assess and/or verify compliance

Description of target

Our target was to source 100% of pulp and paper-based packaging from certified, verified or recycled sources by the end of 2020. Mars is committed to stop deforestation and forest degradation in our pulp and paper supply chain. We will worked toward this commitment through the above stated target, in combination with our traceability target and our target to ensure virgin pulp and paper that we source from areas assessed as high-deforestation risk must be certified by Forest Stewardship Council (FSC).

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Start year

2016

Target year

2020

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

96

Please explain

By the end of 2020, we had sourced over 96% of our pulp-and-paper-based packaging from recycled or certified sources. We've also now embedded our Sustainable Sourcing Requirements into our commercial agreements, whilst we continuously simplify our supply chain, which puts us on track to get ever closer to 100% compliance as early as end of 2021.

Target reference number

Target 3

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

We ensure virgin pulp and paper that we source from areas assessed as high deforestation risk must be certified by Forest Stewardship Council. Mars is committed to stop deforestation and forest degradation in our pulp and paper supply chain. We continue to improve on this commitment through the above stated target, in combination with our compliance target and our traceability target.

Out of our total volume, only 4% still needs to be either certified or sourced as recycled fiber.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

FSC Forest Management certification
FSC Chain of Custody
FSC Controlled Wood

PEFC Sustainable Forest Management certification
 PEFC Chain of Custody
 PEFC Project Chain of Custody
 SFI Forest Management standard
 SFI Chain of Custody

Start year

2014

Target year

2020

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

88

Please explain

Mars ensures that virgin pulp and paper that we source from areas assessed as high-deforestation risk must be certified by Forest Stewardship Council. Mars has a strong preference for FSC Forest Management and Chain of Custody certification. Mars also will accept products certified under national schemes approved by the Program for the Endorsement of Forest Certification, but only in countries that are not a high deforestation risk and have robust legal enforcement. In 2020, Mars went from 35% of virgin fiber certified to 88%. The percentage of virgin fiber from countries assessed as high risk that is certified is at over 90%. We expect these percentages to continue to increase in 2021.

Target reference number

Target 4

Forest risk commodity

Palm oil

Type of target

Engagement with indirect suppliers

Description of target

Our ambition has been, region by region, to significantly simplify our palm oil supply chain, reducing the number of mills (indirect suppliers) to less than 100 by the end of 2020, with further reductions by the end of 2022. Through simplification we will be able to and have been able to select the suppliers and mills we desire in our supply chain,

and make more rapid progress toward our goal of 100% deforestation-free palm oil. With a shorter supply chain comprised of partners who are committed to driving improvements in the systems and conditions in which we source, we can:

- Increase accountability, influence and connectivity through deeper relationships with suppliers whom we can visit.
- Employ satellite mapping to monitor land use across all of our suppliers.
- Work directly with our tier 1 suppliers as they build their capabilities to monitor, address and prevent human rights risks in their supply chains.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Start year

2018

Target year

2020

Quantitative metric

Target (number)

87

Target (%)

% of target achieved

100

Please explain

Through Mars' Palm Positive Plan, launched in September 2019, we have made sweeping transformations to our palm supply chain to deliver deforestation-free palm oil and advance respect for human rights. In October 2020, we announced that this plan had delivered a deforestation-free palm-oil supply chain based on rigorous mapping, management and monitoring. Through a radical simplification of Mars' supply chain, we have cut the number of mills in our supply chain from 1,500 to fewer than 100, and are on a path to halve that number again in 2022. We use satellite mapping to monitor land-use with third-party validation of all 87 mills through our partnership with Earthqualizer, which means we can select the suppliers and mills we source from based on evidence.

Target reference number

Target 5

Forest risk commodity

Palm oil

Type of target

Third-party certification

Description of target

We will source 100% Roundtable on Sustainable Palm Oil certified palm oil. Mars has sourced 100% RSPO-certified mass balance palm oil since 2013. We achieved this two years ahead of our original goal to source 100% of our palm oil from certified sources by year-end 2015.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

RSPO Segregated
RSPO Mass Balance

Start year

2010

Target year

2015

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

100

Please explain

Mars is a member of the Roundtable on Sustainable Palm Oil (RSPO), a non-profit membership organization that promotes the growth and use of sustainable palm oil. Since 2013, we have purchased 100% of our palm oil from RSPO-certified sources through the mass balance program.

In 2019, Mars began sourcing palm oil for our European and Australian businesses that is RSPO-segregated, meaning certified palm oil is kept separate throughout the entire

supply chain. This has effectively reduced the number of mills we source from for the regions from approximately 1,500 to less than 100.

In 2020, 50% of our global palm oil suppliers were RSPO mass balance certified, and 50% were RSPO certified segregated.

Target reference number

Target 6

Forest risk commodity

Palm oil

Type of target

Traceability

Description of target

100% traceability of our palm oil supply chain. Over the past several years, Mars has been on a journey to map our palm oil supply chain. Today, we've achieved 100% traceability to the plantation level (beyond our original target of 100% traceability to mill), and since 2018, we have published our full mill lists to show our progress.

Linked commitment

Zero net/gross deforestation

Traceability point

Plantation

Third-party certification scheme

Start year

2014

Target year

2020

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

100

Please explain

Through Mars' Palm Positive Plan, launched in September 2019, we have made sweeping transformations to our palm supply chain to deliver deforestation-free palm oil and advance respect for human rights. In October 2020, we announced that this plan had delivered a deforestation-free palm-oil supply chain based on rigorous mapping, management and monitoring. Through a radical simplification of Mars' supply chain, we have cut the number of mills in our supply chain from 1,500 to fewer than 100, and are on a path to halve that number again in 2022. We now have full traceability to plantation level, which exceeds our initial target of traceability to mill.

Target reference number

Target 7

Forest risk commodity

Cattle products

Type of target

Assess and/or verify compliance

Description of target

We annually update the origin information of the beef we procure worldwide. For beef sources from Brazil, Argentina and Mexico, our partner Proforest runs a geospatial risk analysis using information provided by our suppliers, satellite imagery, and other data sources. 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. Slaughterhouses in high risk areas are expected to employ a satellite-based purchase control system to ensure that, despite being exposed to deforestation, the farms they buy from comply with our sourcing criteria. These systems are to be verified by independent third parties to be proven successful (e.g. DNV, SGS, Grand Thornton, KPMG or another independent organization with experience and credibility in this space).

Linked commitment

No conversion of natural ecosystems

Traceability point**Third-party certification scheme****Start year**

2020

Target year

2025

Quantitative metric**Target (number)****Target (%)**

100

% of target achieved

67

Please explain

Our risk assessment of our global beef supply chains shows that the origin countries with the highest risk of beef-driven deforestation are in Latin America. For this reason, our commitments for beef sourcing focus on this region. Our Beef Sourcing & Deforestation Action Plan addresses beef from Brazil, Argentina and Mexico. To date, we have already completed the geospatial risk analysis for Brazil and Argentina. Mexico 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. Out of the total beef procured from Brazil and Argentina, 67% comes from low risk areas for deforestation. We are engaging with slaughterhouses in Brazil and, to date, 14% of the total volume we buy in Brazil (out of the total at risk fraction of 35%) comes from slaughterhouses who have made commitments around beef sourcing and deforestation, including the Beef Public Commitment or the Terms of Adjustment of Conduct with the Public Prosecutor's Office. Out of the Out of the eleven slaughterhouses identified as at-risk, ten already have signed up one of commitments mentioned, according to data presented at <https://www.beefontrack.org/transparency>. Out of the ten, we have already received the third party audit report of six of them.

Target reference number

Target 8

Forest risk commodity

Cattle products

Type of target

Traceability

Description of target

Our target is to reach 100% of traceability to the slaughterhouse-level in Brazil, as an enabler to meet our deforestation & sourcing action plan.

Linked commitment

No conversion of natural ecosystems

Traceability point

Slaughterhouse

Third-party certification scheme

Start year

2017

Target year

2025

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

81

Please explain

The implementation of our commitment relies on the analysis of the slaughterhouse supply shed and the satellite-based purchase control system at the slaughterhouse level. Therefore, it is key for us to achieve 100% of traceability to the slaughterhouse-level in order to fully implement our commitment. Mars is usually not buying directly from slaughterhouse, but rather from collectors and processors who buy from slaughterhouses and from intermediaries other than slaughterhouses. Therefore, in some cases, the slaughterhouse is Mars tier 3 or tier 4 supplier.

Target reference number

Target 9

Forest risk commodity

Cattle products

Type of target

Traceability

Description of target

Our target is to reach 100% of traceability to the slaughterhouse-level in Argentina, as an enabler to meet our deforestation & sourcing action plan.

Linked commitment

No conversion of natural ecosystems

Traceability point

Slaughterhouse

Third-party certification scheme

Start year

2021

Target year

2025

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

100

Please explain

The implementation of our commitment relies on the analysis of the slaughterhouse supply shed and the satellite-based purchase control system at the slaughterhouse level. Therefore, it is key for us to achieve 100% of traceability to the slaughterhouse-level in order to fully implement our commitment. Mars is usually not buying directly from slaughterhouse, but rather from collectors and processors who buy from slaughterhouses and from intermediaries other than slaughterhouses. Therefore, in some cases, the slaughterhouse is Mars tier 3 or tier 4 supplier.

Target reference number

Target 10

Forest risk commodity

Soy

Type of target

Assess and/or verify compliance

Description of target

Verification of compliance with the Amazon soy moratorium

Linked commitment

No conversion of natural ecosystems

Traceability point

Third-party certification scheme

Start year

2017

Target year

2025

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

37.5

Please explain

We request from our upstream suppliers the declaration signed by Greenpeace and ABIOVE stating that fully comply with the Amazon Soy Moratorium sourcing criteria, which is one of the requirements in Mars Soy Sourcing & Deforestation Action Plan.

Target reference number

Target 11

Forest risk commodity

Soy

Type of target

Other, please specify

Be a signatory of the Amazon Soy Moratorium

Description of target

Become a signatory of the Amazon Soy Moratorium

Linked commitment

No conversion of natural ecosystems

Traceability point

Third-party certification scheme

Start year

2021

Target year

2025

Quantitative metric

Percentage

Target (number)

Target (%)

100

% of target achieved

100

Please explain

We request all our suppliers sourcing from the Brazilian Amazon Biome to be signatories of the Amazon Soy Moratorium, which allows us to ensure that soy we buy from the is not contributing to deforestation in the Amazon. We confirm full compliance with this requirement by requesting from them an independent declaration (from Greenpeace and ABIOVE) of full compliance considering and third part audit.

Target reference number

Target 12

Forest risk commodity

Soy

Type of target

Traceability

Description of target

Traceability to the crusher/silo-level in Brazil

Linked commitment

No conversion of natural ecosystems

Traceability point

Crushing facility

Third-party certification scheme

Start year

2017

Target year

2025

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

100

Please explain

The implementation of our commitment relies on the analysis of the crushers and silos supply sheds. Therefore, it is key for us to achieve 100% of traceability to that level. We wish to have visibility to first aggregator sourcing soybeans from the farmers, which allows us to run a geospatial analysis of the territory in which the farms supplying them are.

Target reference number

Target 13

Forest risk commodity

Soy

Type of target

Third-party certification

Description of target

As part of our previous soy sourcing & deforestation commitments, all soy purchased from Brazil is to be either physically certified or covered with certification credits

Linked commitment

No conversion of natural ecosystems

Traceability point

Third-party certification scheme

RTRS Credits

ProTerra certification

Start year

2017

Target year

2025

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

100

Please explain

As part of the implementation process of our sourcing commitment we are buying either Proterra physically certified soy or RTRS direct credits, to cover 100% of soy originated from Brazil. We are buying direct credits from farmers associated to FAPCEN, therefore supporting local producers to adopt good farming practices, to improve livelihood and to increase the number of soybean certified farms. Part of our strategy is to help increase the availability of physically certified soy farms in specific regions of interest, to then move to either physically certified or third part verified compliant physical material.

Target reference number

Target 14

Forest risk commodity

Other - Cocoa

Type of target

Traceability

Description of target

Our aim is to achieve a deforestation-free supply chain by 2025. Knowing each farm's location and boundary, and which farmer organization the farmer sells their cocoa to, helps us to identify where our cocoa comes from. This is essential to delivering on our ambition of a deforestation-free supply chain for cocoa we source. As part of our Responsible Cocoa program, we expect our suppliers to go above and beyond providing a typical, single Global Positioning System (GPS) point on a map. GPS polygons allow tracing of the entire boundary of each farm to verify the cocoa bought is grown within those boundaries and not in any nearby protected forests.

Linked commitment

No conversion of natural ecosystems

Traceability point

Farm

Third-party certification scheme

Start year

2018

Target year

2025

Quantitative metric

Target (number)

Target (%)

100

% of target achieved

33

Please explain

We are requiring our suppliers to use polygon mapping to trace farm boundaries. Polygon mapping provides a more accurate picture of the farm’s location because it shows the boundaries of the entire farm, rather than just one global positioning system (GPS) location point. This approach supports the protection of forests while further refining yield estimates and coaching farmers on profitable investments. We will support the development of national traceability frameworks to enable this process where relevant.

Globally, at the end of 2019 our suppliers could trace 33% of our cocoa back to farm boundaries, up from 16% in 2017 and 23% in 2018. In addition, we can trace 51% of our cocoa to a farmer group.

Figures for 2020 will be made public later in the year as part of our annual Cocoa for Generations Report.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

Do you have system(Description of traceability system	Exclusions
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	s) in place?		
Timber products	Yes	Our Pulp & Paper Sourcing and Deforestation Action Plan specifies that we will map the virgin fiber in our pulp and paper-based packaging at least to country of harvest, or to a specific region where risks are high. Since 2016 we have developed and refined an Excel traceability process that engaged both Tier 1 and Tier 2 suppliers to gain strategically important data points, including the origin of virgin fiber. Now we are working to move this process into Sourcemap – an online tool. At the end of 2020, Mars sourced 37% virgin fiber and 63% recycled fiber. Of the virgin fiber, 96% was traceable to country or region of harvest. Looking forward, our aim is that virgin fiber will make up no more than 20% of our total needs.	Not applicable
Palm oil	Yes	Through Mars' Palm Positive Plan, launched in September 2019, we have made sweeping transformations to our palm supply chain to deliver deforestation-free palm oil and advance respect for human rights. In October 2020, we announced that this plan had delivered a deforestation-free palm-oil supply chain based on rigorous mapping, management and monitoring. Through a radical simplification of Mars' supply chain, we have cut the number of mills in our supply chain from 1,500 to fewer than 100, and are on a path to halve that number again in 2022. We engage in forward contracting with our suppliers and so we now have full traceability to plantation level.	Not applicable
Cattle products	Yes	We work directly with our tier-1 suppliers to trace our beef by-product supplies to the processing site (slaughterhouse) that supplies them. Each year, our buyers request our direct suppliers to provide prior-year data on all their suppliers up to the slaughterhouse-level including country of origin, municipality, coordinates of the facility (latitude and longitude); volumes purchased from each slaughterhouse; and the slaughterhouse cattle direct sourcing radius. This data is consolidated, analyzed and recorded for further use. Even though we are far removed from the cattle-raising stage of the supply chain, this allows us to analyze the slaughterhouses' direct supply shed which informs further action. We have also estimated an indirect cattle sourcing radius, which is added to the direct sourcing radius to further expand the analysis of each slaughterhouse in our supply chain. At the end of 2020, we had traced 100% of our material beef products sourced from Argentina to slaughterhouse and 81% of our material beef products sourced from Brazil to slaughterhouse. We use the data provided by our suppliers to refresh our traceability data annually in our internal geographic information system, which cross-references the origins in our supply chains with areas of high sustainability impact, including deforestation risk. We are continuing to work with our direct beef suppliers and slaughterhouses toward improving the transparency across the full supply chain, including	Not applicable

		<p>indirect cattle suppliers, with whom there is not currently a tested solution or approach. We aim to verify direct cattle and beef suppliers' and slaughterhouses' compliance with our action plan, including traceability, through third-party verification of their purchase control system. We have published a list of our direct suppliers and slaughterhouses in Brazil and Argentina, and will update this information annually, including the total volume procured and its origins. As our supply chain transparency improves over time, we will share further information accordingly.</p> <p>https://www.mars.com/sites/g/files/jydp316/files/2021-06/Mars%20Sourcing%20Data_Beef%202020_Brazil%20and%20Argentina.pdf</p>	
Soy	Yes	<p>We work directly with our tier-1 suppliers to identify the processing mills (crusher plus radius of bean collection) in our supply chain. Each year, our buyers request that our direct suppliers provide prior-year data on all their suppliers up to the soybean processing facility (the soybean crusher); country of origin, municipality, coordinates of the facility (latitude and longitude); volumes purchased from each processing facility; and their soybean direct sourcing radius. This data is consolidated, analyzed and recorded for further use. Even though we are far removed from the soybean farms, this allows us to analyze the processing facilities' supply shed which informs further action. At the end of 2020, we had traced 100% of our material soy products sourced from Brazil and Argentina to the processing site. We use the data provided by our suppliers to refresh our traceability data annually in our internal geographic information system, which cross-references the origins in our supply chains with areas of high sustainability impact, including deforestation risk. In addition, Mars is deeply engaged with initiatives such as the Consumer Goods Forum Forest Positive Coalition of Action, the Cerrado Manifesto Statement of Support and the Roundtable on Responsible Soy. Through these efforts, we're engaging local government, addressing deforestation, and supporting farmer livelihoods. We are working to improve transparency in our supply chains by expecting our direct suppliers to drive full transparency and traceability, with an initial focus on conversion hotspot areas. We will verify all direct suppliers' compliance through third-party verification of the trader or crusher purchase control system. We are also investigating the existence and potential integration of fully segregated soy supply chains in Brazil and Argentina, to aid both traceability and compliance. We have published a list of our direct supplier and sourcing region information for Brazil, and will refresh this annually, including the total volume procured and its origins. And, as our supply chain transparency improves over time, we plan to share further information accordingly.</p> <p>https://www.mars.com/sites/g/files/jydp316/files/2021-02/Mars%20Sourcing%20Data_Soy_2019.pdf</p>	Not applicable

Other - Cocoa	Yes	<p>Our goal is that all the cocoa we source will be traceable and deforestation-free. Traceability is a cornerstone to delivering our goal. Working through our suppliers, we aim for all cocoa we source to be traceable to the farm level by 2025. Knowing the farm location, its boundary and the farmer organization to which farmers sell their cocoa, allows us to identify where the cocoa comes from, that child labor monitoring and remediation systems are in place where needed, that the farm is outside protected forest, and that the farmer organization has systems in place for premium transparency. We are requiring our suppliers to use polygon mapping to trace farm boundaries. Polygon mapping provides a more accurate picture of the farm's location because it shows the boundaries of the entire farm, rather than just one global positioning system (GPS) location point. This approach supports the protection of forests while further refining yield estimates and coaching farmers on profitable investments. We will support the development of national traceability frameworks to enable this process where relevant. We use data provided by our suppliers to refresh our traceability data annually in our internal geographic information system, which cross-references the origins in our supply chains with areas of high sustainability impact, including deforestation risk. Globally, at the end of 2019 our suppliers could trace 33% of our cocoa back to farm boundaries, up from 16% in 2017 and 23% in 2018. In addition, we can trace 51% of our cocoa to a farmer group, and 95% to a country of origin. Figures for 2020 will be made public later in the year as part of our annual report.</p>	Not applicable
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F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	State or equivalent	1.1
Timber products	Country	97.4
Timber products	Not traceable	1.5
Palm oil	Plantation	100
Cattle products	Slaughterhouse	20
Cattle products	State or equivalent	1
Cattle products	Country	79
Soy	Crushing facility	85
Soy	Country	15
Other - Cocoa	Farm	33

Other - Cocoa	Country	62
Other - Cocoa	Not traceable	5

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	32.3
Palm oil	Yes	100
Cattle products	No, we have not adopted any third-party certification schemes for this commodity	
Soy	Yes	21.24
Other - Cocoa	Yes	57

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Forest Management certification

Chain-of-custody model used

% of total production/consumption volume certified

12.4

Form of commodity

Paper

Primary packaging

Secondary packaging

Tertiary packaging

Volume of production/ consumption certified

67,000

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Mars buys paper-based packaging with a FSC Mixed certification claim, of which 70% is certified to the Forest Management certification and 30% has the Controlled Wood certification. In 2020, Mars sourced an average of 37% virgin fiber. In 2020, Mars went from 35% of virgin fiber certified to 88%. Of that virgin fiber, 39.5% was sourced with a PEFC claim, while 48.3% was sourced with an FSC Mix certification claim - meaning that 33.8% of virgin fiber had Forest Management certification and 14.5% had Controlled Wood certification. The percentage of virgin fiber from countries assessed as high risk that is certified is at over 90%. We expect these percentages to continue to increase in 2021.

Forest risk commodity

Timber products

Third-party certification scheme

FSC Controlled Wood

Chain-of-custody model used

% of total production/consumption volume certified

5.3

Form of commodity

Paper

Primary packaging

Secondary packaging

Tertiary packaging

Volume of production/ consumption certified

28,745

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Mars buys paper-based packaging with a FSC Mixed certification claim, of which 70% is certified to the Forest Management certification and 30% has the Controlled Wood certification. In 2020, Mars sourced an average of 37% virgin fiber. In 2020, Mars went from 35% of virgin fiber certified to 88%. Of that virgin fiber, 39.5% was sourced with a PEFC claim, while 48.3% was sourced with an FSC Mix certification claim - meaning

that 33.8% of virgin fiber had Forest Management certification and 14.5% had Controlled Wood certification. The percentage of virgin fiber from countries assessed as high risk that is certified is at over 90%. We expect these percentages to continue to increase in 2021.

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Chain-of-custody model used

% of total production/consumption volume certified

8

Form of commodity

Paper

Primary packaging

Secondary packaging

Tertiary packaging

Volume of production/ consumption certified

78,395

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

In 2020, Mars sourced an average of 37% virgin fiber. In 2020, Mars went from 35% of virgin fiber certified to 88%. Of that virgin fiber, 39.5% was sourced with a PEFC claim, while 48.3% was sourced with an FSC Mix certification claim. The percentage of virgin fiber from countries assessed as high risk that is certified is at over 90%. We expect these percentages to continue to increase in 2021.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Segregated

Chain-of-custody model used

% of total production/consumption volume certified

50

Form of commodity

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

32,208

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Mars is a member of the Roundtable on Sustainable Palm Oil (RSPO), a non-profit membership organization that promotes the growth and use of sustainable palm oil. Since 2013, we have purchased 100% of our palm oil from RSPO-certified sources through the mass balance program. In 2019, Mars began sourcing palm oil for our European and Australian businesses that is RSPO-segregated, meaning certified palm oil is kept separate throughout the entire supply chain. This has effectively reduced the number of mills we source from for the regions from approximately 1,500 to less than 100. In 2020, 50% of our global palm oil suppliers were RSPO mass balance certified, and 50% were RSPO certified segregated. 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. In 2020 Mars participated in several WWF events in China in 2020 and took part in promotions of RSPO outside of RSPO venues, to share our experience of sustainable palm oil sourcing and encourage the uptake of sustainable palm oil in destination markets.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used**% of total production/consumption volume certified**

50

Form of commodity

Palm oil derivatives
Palm kernel oil derivatives

Volume of production/ consumption certified

32,208

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Mars is a member of the Roundtable on Sustainable Palm Oil (RSPO), a non-profit membership organization that promotes the growth and use of sustainable palm oil. Since 2013, we have purchased 100% of our palm oil from RSPO-certified sources through the mass balance program. In 2019, Mars began sourcing palm oil for our European and Australian businesses that is RSPO-segregated, meaning certified palm oil is kept separate throughout the entire supply chain. This has effectively reduced the number of mills we source from for the regions from approximately 1,500 to less than 100. In 2020, 50% of our global palm oil suppliers were RSPO mass balance certified, and 50% were RSPO certified segregated. 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. In 2020 Mars participated in several WWF events in China in 2020 and took part in promotions of RSPO outside of RSPO venues, to share our experience of sustainable palm oil sourcing and encourage the uptake of sustainable palm oil in destination markets.

Forest risk commodity

Soy

Third-party certification scheme

ProTerra certification

Chain-of-custody model used

Segregation

% of total production/consumption volume certified

2.24

Form of commodity

Soy bean oil
Soy bean meal
Soy derivatives

Volume of production/ consumption certified

2,800

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

In 2020 we maintained our commitment for 100% of the annual soy volume purchased in Brazil to be ProTerra certified or covered through direct RTRS credits. Mars is a member of the Consumer Goods Forum Forest Positive Coalition of Action Soy Work Group and supports its Sustainable Soy Sourcing Guidelines. Mars is also a member of the Roundtable on Responsible Soy, a civil society organization that promotes responsible soy-production, processing and trading, and a signatory of the Statement of Support of the Cerrado Manifesto, that recognizes the need to prevent further conversion of the Cerrado Biome in Brazil. In 2020 we worked with these groups to further advance our ambition.

Forest risk commodity

Soy

Third-party certification scheme

RTRS Credits

Chain-of-custody model used

% of total production/consumption volume certified

19

Form of commodity

Soy bean oil
Soy bean meal
Soy derivatives

Volume of production/ consumption certified

23,749

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

In 2020 we maintained our commitment for 100% of the annual soy volume purchased in Brazil to be ProTerra certified or covered through direct RTRS credits. We purchased

48,500 credits which was the soybean equivalent of the soy-based ingredients we sourced from Brazil in 2020. Mars is a member of the Consumer Goods Forum Forest Positive Coalition of Action Soy Work Group; Mars CEO co-sponsors the entire Coalition, and we support its Sustainable Soy Sourcing Guidelines. Mars is also a member of the Roundtable on Responsible Soy, a civil society organization that promotes responsible soy-production, processing and trading, and a signatory of the Statement of Support of the Cerrado Manifesto, that recognizes the need to prevent further conversion of the Cerrado Biome in Brazil. In 2020 we worked with these groups to further advance our ambition.

Forest risk commodity

Other - Cocoa

Third-party certification scheme

Other, please specify

RA Sustainable Agriculture Network (SAN) Standard

Chain-of-custody model used

Mass balance

% of total production/consumption volume certified

57

Form of commodity

Other, please specify

cocoa beans, cocoa butter, cocoa powder, cocoa liquor

Volume of production/ consumption certified

228,000

Metric for volume

Metric tons

Is this certified by more than one scheme?

Yes

Please explain

More than 50% of the cocoa we sourced in 2020 was certified by Rainforest Alliance or Fairtrade. We aim to obtain our cocoa from sources that are independently verified to conform to our initial Responsible Cocoa specification, and for these to be traceable by 2025. Our specification builds on existing certification requirements from Fairtrade and Rainforest Alliance, and requires additional elements including specific locations for all farms, child labor monitoring and remediation systems in at risk areas, and an overhaul of premiums so that farmers receive a higher share. We continue to capture feedback on our Responsible Cocoa Specification from suppliers, implementation partners, certification programs and other cocoa stakeholders with the intent to incorporate new learnings in future iterations.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments
Soy	Yes, we have a system in place for our no conversion and/or deforestation commitments
Other - Cocoa	Yes, we have a system in place for our no conversion and/or deforestation commitments

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Supply chain

Description of control systems

Our Pulp and Paper Action Plan includes the following ongoing goals:

- Tracing 100% of virgin pulp and paper-based packaging to at least country of harvest annually.
- Aiming to source 100% of pulp and paper-based packaging from certified, verified or recycled sources.
- Ensuring virgin pulp and paper sourced from areas assessed as high-deforestation risk is FSC certified.

Mars uses reliable verification tools such as Forests in Focus to verify that the wood fiber we use originates from responsibly managed forests. Supplier sustainable sourcing requirements have been integrated into commercial specifications and contracts. In 2021 we will increase efficiency of data collection and analysis via an online tool - Sourcemap.

Monitoring and verification approach

Geospatial monitoring tool
Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

91-99%

Response to supplier non-compliance

Suspend & engage
Exclude

Procedures to address and resolve non-compliance with suppliers

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We are engaging our supply chain to align on sourcing guidelines. Our work is guided by five technical criteria:

- Identify and define deforestation and conversion risks
- Specify our deforestation-free requirements to suppliers through certification that align with our requirements or more detailed specifications
- Modify our supply chains
- Verify supplier compliance
- Engage, suspend or remove suppliers that do not come back into compliance.

We are establishing processes for rectifying instances of deforestation in our supply chains by engaging, suspending or removing suppliers that do not come back into compliance after we notify them that they aren't meeting Mars' deforestation-free requirements. For the virgin fiber we source, we use traceability data to take an evidence-based approach to our strategic choices and business decisions about supply chain partners who do not maintain traceability.

Forest risk commodity

Palm oil

Operational coverage

Supply chain

Description of control systems

We are working with the Earth Equalizer Foundation to conduct satellite monitoring on a monthly basis of 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.

We have engaged in longer-term contracts with suppliers who commit to and deliver supply chains that meet our expectations. With a shorter supply chain comprised of

partners committed to driving improvements in the systems and conditions in which we source, we have been able to:

- Increase accountability, influence and connectivity by carrying out supplier visits.
- Employ satellite mapping to monitor land use across all suppliers.
- Work directly with our tier 1 suppliers as they build their capabilities to monitor, address and prevent human rights risks in their supply chains.

Monitoring and verification approach

Geospatial monitoring tool
Second-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Suspend & engage
Exclude

Procedures to address and resolve non-compliance with suppliers

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We have established processes for rectifying instances of deforestation in our supply chains by engaging, suspending or removing suppliers that do not come back into compliance after we notify them that they aren't meeting Mars' deforestation-free requirements. For palm oil, we follow up with our tier-1 suppliers to take appropriate action following verification of any findings. If instances of non-compliance are reported within our palm oil supply chain, we have created a decision management process to follow for resolution (see attached). If our investigation validates a reported supplier non-compliance, we will remove the supplier from our supply chain and work with them to develop a corrective action plan. We will review corrective actions to ensure they meet re-entry before re-engaging the supplier.

Forest risk commodity

Cattle Products

Operational coverage

Supply chain
Selected facilities, businesses or geographies only

Description of control systems

We annually update the origin information of the beef we procure worldwide. Our Beef Sourcing & Deforestation Action plan applies to beef sourced in Latin America, as our risk assessments have determined that these are the origin countries with highest risk of

beef-related deforestation. For these countries, our partner Proforest runs a geospatial risk analysis, at the slaughterhouse-level, using information provided by our suppliers, satellite imagery, and other sources. This provides us with insights on how exposed our suppliers are to conversion of natural ecosystems and other potential breaches to our commitments, which allows us to take the appropriate measures. For suppliers at-risk, we have a process of engagement (with tier 1 and 2 suppliers) to share our commitments and expectations, which are to be met via a satellite-based purchase control system. We confirm compliance via third party audit reports, which allows us to evidence compliance with our sourcing requirements.

Monitoring and verification approach

Geospatial monitoring tool

Second-party verification

Third-party verification

% of total volume in compliance

10-20%

% of total suppliers in compliance

10-20%

Response to supplier non-compliance

Retain & engage

Exclude

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We have assessed 81% of the volume we buy from Brazil and 100% of the volume we buy from Argentina, considering the visibility we have to the slaughterhouse-level in these countries. In Brazil 65% of the volume came from low risk areas for deforestation and conversion, as defined by Proforest. Out of the remaining 35%: 8% came from slaughterhouses with satellite-based purchase control systems which were audited by a third party and comply with our requirements, 6% came from slaughterhouse who have made commitments around deforestation & beef sourcing but that have not yet been verified by a third party, 2% is at-risk and 19% is not yet traceable to the slaughterhouse-level. In Argentina, 73% of the volume came from low risk areas for deforestation and 27% came from at-risk areas. We have delisted suppliers in Brazil who have not been responsive to us on the sustainability agenda, as a last resort, however our efforts have been and will remain being to engage and support suppliers in this agenda.

Mexico was added to the Mars Beef Action Plan in 2020. Our first geospatial risk analysis for Mexico will be run in 2021 by Proforest, and our progress will be disclosed in 2022.

Beyond Latin America, all countries from which Mars sources are considered low risk for beef-related deforestation. In total, 80% of our global beef sourcing is considered low-risk, either because it has been verified as such in Brazil and Argentina, or because it is sourced from a low-risk country.

Forest risk commodity

Soy

Operational coverage

Supply chain

Selected facilities, businesses or geographies only

Description of control systems

We currently verify compliance with our Soy Sourcing and Deforestation Action Plan in Brazil and Argentina through third-party certification, via a satellite-based risk approach developed by our partner Proforest, and via third party assurance of compliance with the Amazon Soy Moratorium. On top of that, our plans are to verify compliance with our Soy Sourcing and Deforestation Action Plan through third-party verification of the trader or crusher purchase control system in the Cerrado. Verification frequency might be determined by suppliers' risks to policy breaches.

Our action plan applies to soy sourced in Latin America, specifically Brazil and Argentina, as our risk assessments have determined that these are the origin countries with the highest risk of soy-driven deforestation. Mars does not source direct soy from Paraguay or Bolivia. We will refresh in 2021 our country-level risk assessment using more recent external sources.

Monitoring and verification approach

Geospatial monitoring tool

Second-party verification

Third-party verification

% of total volume in compliance

21-30%

% of total suppliers in compliance

21-30%

Response to supplier non-compliance

Retain & engage

Exclude

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Providing information on appropriate actions that can be taken to address non-compliance

Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We currently verify compliance with our Soy Sourcing and Deforestation Action Plan in Brazil and Argentina through third-party certification, via a satellite-based risk approach developed by our partner Proforest, and via third party assurance of compliance with the Amazon Soy Moratorium. On top of that, our plans are to verify compliance with our Soy Sourcing and Deforestation Action Plan through third-party verification of the trader or crusher purchase control system in the Cerrado. Verification frequency might be determined by suppliers' risks to policy breaches.

Soy is considered at-risk for deforestation if from an at-risk country the supply shed is unknown or if the supply shed is known and deemed at-risk after a geospatial risk analysis developed by Proforest. Based on our previous country-level risk assessment, the following countries from which we source soy are considered at-risk for deforestation: Brazil, Argentina and China. Countries other than these from which Mars sources are considered low-risk for deforestation associated to soy. In total, 85% of our global soy sourcing is considered low-risk, either because it has been verified as such in Brazil and Argentina, or because it is sourced from a low-risk country.

Forest risk commodity

Other - Cocoa

Operational coverage

Supply chain

Description of control systems

Our annual process for allocating cocoa volumes to suppliers includes an assessment of each supplier's sustainability performance to date and future ability to meet our Responsible Cocoa specification - that builds on Rainforest Alliance requirements. In addition, we require all tier-1 suppliers to provide annual self-assessment information against our Responsible Cocoa requirements in the previous year (lagging indicators) to identify progress made and opportunities for continuous improvement.

Monitoring and verification approach

First-party verification

% of total volume in compliance

% of total suppliers in compliance

Response to supplier non-compliance

- Retain & engage
- Suspend & engage
- Exclude

Procedures to address and resolve non-compliance with suppliers

Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

We will work closely with first-tier cocoa suppliers to implement our action plan, while providing clear guidelines and support. Where we believe no further progress is possible, we reserve the right to step away from supplier relationships suppliers who do not meet our Responsible Cocoa specifications in the required time frame. We recognize that stepping away may harm smallholder farmers in a supplier’s value chain and will aim to minimize impact where possible.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations
Timber products	Yes, from suppliers
Palm oil	Yes, from suppliers
Cattle products	Yes, from suppliers
Soy	Yes, from suppliers
Other - Cocoa	Yes, from suppliers

F6.6a

(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

We are ensuring legal compliance by sourcing 100% of pulp and paper-based packaging from certified, verified or recycled sources. Last year we achieved 96% and in 2021 we are anticipating to achieve 98%. In addition, we are ensuring virgin pulp and paper that we source from areas assessed as high-deforestation risk must be certified by Forest Stewardship Council.

Given the global nature of our supply chain, we will assure compliance using:

1. Certification to a credible, independent standard that demonstrates compliance with our Sustainable Sourcing Principles:

- Mars has a strong preference for FSC Forest Management and Chain of Custody certification.
- Mars also will accept products certified under national schemes approved by the Program for the Endorsement of Forest Certification, but only in countries that have robust legal enforcement.

2. Reliable verification tools and approaches, such as Forest in Focus, that use independent indicators to verify that the wood fiber we use originates from responsibly managed forests at the landscape level.

We believe this combined, risk-based approach will ensure that our procedures are sufficient to ensure legal compliance within our supply chain.

Through our Next Generation Supplier program, we continue to align all of our suppliers with our social, environmental and ethical expectations through our Supplier Code of Conduct, including legal compliance. We assess the sustainability performance and social compliance audit results of prioritized suppliers using the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights. We support the suppliers of our top 10 raw materials, including the five forest commodities, and other strategic suppliers, as they advance their performance through a new, longer-term collaboration model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors.

Country/Area of origin

Australia
Brazil
India
Indonesia
Thailand
Viet Nam

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

We expect all suppliers to abide by timber regulations including EUTR, Lacey Act, etc.

Palm oil

Procedure to ensure legal compliance

Through Mars' Palm Positive Plan, launched in September 2019, we have made sweeping transformations to our palm supply chain to deliver deforestation-free palm oil and advance respect for human rights. In October 2020, we announced that this plan had delivered a deforestation-free palm-oil supply chain based on rigorous mapping, management and monitoring. Through a radical simplification of Mars' supply chain, we have cut the number of mills in our supply chain from 1,500 to fewer than 100, and are on a path to halve that number again in 2022.

Through simplification we have been able to select the suppliers and mills we desire in our supply chain. We have also undertaken forward contracting so we have traceability to plantation level. With a shorter supply chain comprised of partners who are committed to driving improvements in the systems and conditions in which we source, we have been able to can:

- Increase accountability, influence and connectivity through deeper relationships with suppliers whom we can visit.
- Employ satellite mapping to monitor land use across all of our suppliers.
- Work directly with our tier 1 suppliers as they build their capabilities to monitor, address and prevent human rights risks in their supply chains.

We believe this combined, risk-based approach will ensure that our procedures are sufficient to ensure legal compliance within our supply chain.

Through our Next Generation Supplier program, we continue to align all of our suppliers with our social, environmental and ethical expectations through our Supplier Code of Conduct, including legal compliance. We assess the sustainability performance and social compliance audit results of prioritized suppliers using the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights. We support the suppliers of our top 10 raw materials, including the five forest commodities, and other strategic suppliers, as they advance their performance through a new, longer-term collaboration model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors.

Country/Area of origin

- Brazil
- Cambodia
- Colombia
- Ecuador
- Guatemala
- Honduras
- Indonesia
- Malaysia
- Mexico
- Papua New Guinea
- Thailand

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

Cattle products

Procedure to ensure legal compliance

By 2025, our aim is to stop deforestation and conversion of natural ecosystems in Mars supply chains, up to the direct cattle supplier for beef ingredients in Latin America. The direct cattle supplier is the final ranch that directly supplies the slaughterhouses from which we source, while other ranches further upstream in the supply chain are indirect cattle suppliers. This goal applies to the material portion of the beef supply for Mars, which includes the beef ingredients we source for pet food.

We expect all direct beef ingredient suppliers to implement the requirements in our action plan across their supply chains to ensure that direct cattle suppliers in their supply chains are compliant. These suppliers should begin with implementing the action plan in the Mars supply chain, and ultimately move toward implementing it across all their suppliers.

In Latin America, we source beef ingredients from Brazil, Argentina and Mexico. In Brazil, we are implementing our action plan by building on our previous work to stop deforestation associated with our beef supply chain in the Amazon Biome. In Argentina we will begin a deforestation risk assessment in 2020 and in Mexico in 2021.

To achieve our ambition by 2025, we expect our direct beef suppliers in Latin America to ensure all beef ingredients comply with pertinent legislation, including but not limited to:

- All animals used to produce beef ingredients in Brazil must come from direct cattle suppliers that comply the Forest Code, are not in the Federal Environmental Agency list of embargoes, are not in the Ministry of Economy's Forced Labor Dirty List and are not overlaying with legally protected areas (Conservation Units and Indigenous Territories).
- All animals used to produce beef ingredients in Argentina must come from direct cattle suppliers that comply with The Native Forest Law 26.331 and Agricultural Employment Law 26.727.
- All animals used to produce beef ingredients in Mexico must come from direct cattle suppliers that comply with the General Law of Ecological Balance and Environmental Protection, the Agrarian Law and the Federal Labor Law.

Mars will verify direct cattle and beef suppliers' and slaughterhouses' compliance with our action plan through third-party verification of their purchase control system. Frequency of verification may be determined by suppliers' risk of policy breaches.

Country/Area of origin

Argentina
Brazil
Mexico

Law and/or mandatory standard(s)

Forest Law - Argentina
Brazilian Forest Code
Other, please specify

Farms in Brazil must not be in the Federal Environmental Agency list of embargoes. Animals used to produce beef in Mexico must come from direct cattle suppliers that comply with the General Law of Ecological Balance and Environmental Protection.

Comment

Through our Next Generation Supplier program, we continue to align all of our suppliers with our social, environmental and ethical expectations through our Supplier Code of Conduct, including legal compliance. We assess the sustainability performance and social compliance audit results of prioritized suppliers using the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights. We support the suppliers of our top 10 raw materials, including the five forest commodities, and other strategic suppliers, as they advance their performance through a new, longer-term collaboration model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors. Beyond the direct suppliers, we leverage our engagement with the slaughterhouse (mostly our tier 2 supplier) to underscore the need to ensure compliance with, inter alia, the laws mentioned below. We assess compliance via risk-based approach (developed with our partner Proforest) and the purchase control systems of our suppliers who buy directly from the farmers. All animals used to produce beef ingredients in Brazil must come from direct cattle suppliers that comply the Forest Code, are not in the Federal Environmental Agency list of embargoes, are not in the Ministry of Economy's Forced Labor Dirty List and are not overlaying with legally protected areas (Conservation Units and Indigenous Territories).

All animals used to produce beef ingredients in Argentina must come from direct cattle suppliers that comply with The Native Forest Law 26.331 and Agricultural Employment Law 26.727.

All animals used to produce beef ingredients in Mexico must come from direct cattle suppliers that comply with the General Law of Ecological Balance and Environmental Protection, the Agrarian Law and the Federal Labor Law.

Soy

Procedure to ensure legal compliance

By 2025, our aim is to stop deforestation and conversion of natural ecosystems in Mars supply chains for our soy ingredients in Latin America. This goal applies to the material portion of soy supply to Mars, which includes soy ingredients we source for pet food.

We expect all direct soy ingredient suppliers to implement the requirements in our action plan across their supply chains to ensure the soybean farms they source from are compliant. These suppliers should begin with implementing the action plan in the Mars supply chain, and ultimately move toward implementing it across all their suppliers.

In Latin America we source soy ingredients from Brazil and Argentina. In Brazil, we are implementing our action plan by building on our previous work to stop deforestation associated with our soy supply chain in the Amazon Biome. In Argentina we will begin a deforestation risk assessment in 2020.

To achieve our ambition by 2025, we expect our direct soy suppliers in Latin America to ensure that all soy ingredients are from soy farms compliant with pertinent legislation,

including but not limited to:

- Soy from Brazil must be produced on farms that comply with the Forest Code, are not named on the Brazilian Institute of Environment and Renewable Resources list of embargoes, are not on the Ministry of Economy's Forced Labor Dirty List and are not overlapping within legally protected areas (including Conservation Units and Indigenous Territories).

- Soy products from Argentina must be produced on farms that comply with The Native Forest Law 26.331 and Agricultural Employment Law 26.727.

- Soy from Brazil is only sourced from suppliers that are compliant with the Amazon Soy Moratorium with a deforestation cutoff date of July 2008 for Brazilian Amazon.

Mars will verify all direct suppliers' compliance with our action plan through third-party verification of the trader or crusher purchase control system. Verification frequency might be determined by suppliers' risks to policy breaches.

Country/Area of origin

Argentina

Brazil

Law and/or mandatory standard(s)

Forest Law - Argentina

Brazilian Forest Code

Other, please specify

Soy from Brazil must come from farms that are not named on the Brazilian Institute of Environment and Renewable Resources list of embargoes and be sourced from suppliers that comply with the Amazon Soy Moratorium with a cutoff date of July 2008.

Comment

Through our Next Generation Supplier program, we continue to align all of our suppliers with our social, environmental and ethical expectations through our Supplier Code of Conduct, including legal compliance. We assess the sustainability performance and social compliance audit results of prioritized suppliers using the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights. We support the suppliers of our top 10 raw materials, including the five forest commodities, and other strategic suppliers, as they advance their performance through a new, longer-term collaboration model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors. Beyond the direct suppliers, we leverage our engagement with upstream soy suppliers (in some cases our tier 2 supplier) to underscore the need to ensure compliance with, inter alia, the laws mentioned below. We assess with support from an external partner and via the purchase control systems of our suppliers who buy directly from the farmers. All soy ingredients are from soy farms compliant with pertinent legislation, including but not limited to: Soy from Brazil must be produced on farms that comply with the Forest Code, are not named on the Brazilian Institute of Environment

and Renewable Resources list of embargoes, are not on the Ministry of Economy's Forced Labor Dirty List and are not overlapping within legally protected areas (including Conservation Units and Indigenous Territories); Soy products from Argentina must be produced on farms that comply with The Native Forest Law 26.331 and Agricultural Employment Law 26.727.

Other - Cocoa

Procedure to ensure legal compliance

Our Responsible Cocoa specification requires that, in all countries, suppliers can demonstrate that all cocoa supplied to Mars is from legal sources. Our annual process for allocating cocoa volumes to suppliers includes an assessment of each supplier's performance to date and future ability to meet our Responsible Cocoa specification. In addition, we require all tier-1 suppliers to provide annual self-assessment information against our Responsible Cocoa requirements in the previous year (lagging indicators) to identify progress made and opportunities for continuous improvement.

In key origins, our internal Supplier Development team takes a forward-management approach to working with suppliers to ensure they have the capacity and capabilities to meet the requirements of our Responsible Cocoa specification, including that all cocoa is from legal sources. The team carries out quarterly field visits and an annual assessment at supplier and farmer group level.

Through our Next Generation Supplier program, we continue to align all of our suppliers with our social, environmental and ethical expectations through our Supplier Code of Conduct, including legal compliance. We assess the sustainability performance and social compliance audit results of prioritized suppliers using the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights. We support the suppliers of our top 10 raw materials, including the five forest commodities, and other strategic suppliers, as they advance their performance through a new, longer-term collaboration model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors.

Country/Area of origin

Brazil
 Cameroon
 Colombia
 Côte d'Ivoire
 Ecuador
 Indonesia
 Nigeria
 Papua New Guinea
 Peru
 Philippines
 Viet Nam

Law and/or mandatory standard(s)

General assessment of legal compliance

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Not applicable				<p>This is not relevant to our paper supply chain. It is highly uncommon for the pulp & paper industry to be connected to smallholders as defined by CDP. Outside of the USA, Mars sources virgin fiber that is harvested from large natural forest concessions, managed forests and wood plantations (i.e. Brazil). In the USA, we do source fiber from many small family-owned forests. However, these small private forests' timber is almost never their primary source of revenue and the owners do not highly depend on family labor, so they are not smallholders and we do not consider them to require direct engagement to build capacity and best practices outside of our certification standards. We do support the development, both in</p>

					funding and in kind, of the Forests in Focus tool, designed to better engage these small private landowners.
Palm oil	Yes, working with smallholders	Supply chain mapping Capacity building	Investing in pilot projects Prioritizing support for smallholders in high-risk deforestation regions	2,000	<p>Mars has been helping suppliers build their capabilities to govern and protect against social and environmental risk, conducting satellite mapping to continue monitoring land use and collaborating with stakeholders in high-stakes geographies and fragile ecosystems to create a path for successful, sustainable smallholder farming and sound natural resource management. We aim to demonstrate that it is possible to transform local areas at scale, creating and cultivating protected areas of success.</p> <p>Jurisdictional approaches are critical in driving change on the ground. Mars, in partnership with Conservation International and other organizations, has facilitated development of the Coalition for Sustainable Livelihoods to support smallholders and sound natural resource management in Aceh and North Sumatra, a movement</p>

				<p>putting sustainable livelihoods at its heart. Together, we are also exploring funding streams to bring further scale to the Coalition’s work.</p> <p>We’ve partnered with Earthworm on the Areal Prioritas Transformasi (APT) program to address the challenges of deforestation caused by poverty. Together, we’re engaging local government, preventing deforestation inside concession, forming community-based conservation plans and providing alternative livelihood options for more than 2,000 smallholder farmers.</p> <p>In 2020 we also worked with Livelihoods Fund for Family Farming (L3F) on an unprecedented 10-year project to help 2,500 smallholder palm oil farmers and aims to build a transparent and deforestation-free supply chain thanks to locally adapted agroforestry models, regenerative agriculture and biodiversity enhancement.</p> <p>Mars aims to bring pragmatism, clarity and responsibility to industry,</p>
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					<p>government (both international, national and sub-national) and civil society on the action we collectively have to take. And, we will 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.</p>
Cattle products	Not applicable				<p>As our supply chain comprises beef by-product, we only have traceability to the slaughterhouses in our Latin American supply chain. However, as cattle are frequently fattened on large-scale ranches, we believe there are unlikely to be many smallholders in our beef by-product supply chain directly selling to slaughterhouses. Mars is making a difference by focusing on higher-risk small-medium-sized enterprises at tiers two and three of our supply chain. We have mapped and assessed these suppliers, and our focus now is to support tier-1 suppliers to engage with them to develop and implement action plans, as we integrate sustainability criteria as</p>

					<p>a standard element of our Beef action plan. In addition, we are engaging with suppliers to develop a project on the ground to build capacity and ensure compliance with the Brazil Forest Code and other sustainability requirements. The project aims to create a pool of compliant suppliers within a region who together can produce enough sustainable beef to meet our requirements.</p>
Soy	Not applicable				<p>The soy crushers in our supply chain source the soy they use from large-scale plantations, and we believe there are unlikely to be many smallholders in our soy supply chain.</p>
Other - Cocoa	Yes, working with smallholders	<p>Supply chain mapping Capacity building Financial and commercial incentives</p>	<p>Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits Offering on-site technical assistance and extension services Providing agricultural inputs</p>	155,255	<p>Approximately 2.5 million data points are collected and analyzed each year to assess sustainability performance.</p> <p>Throughout 2020 via the Responsible Cocoa Today pillar of our Cocoa for Generations strategy, smallholder farmers received training on agricultural practices. 155,255 farmers received training in 2019. Figures for 2020 will be made public later in the year as part of our annual</p>

			<p>Disseminating technical materials</p> <p>Organizing capacity building events</p> <p>Investing in pilot projects</p> <p>Supporting smallholders to clarify and secure land tenure</p> <p>Prioritizing support for smallholders in high-risk deforestation regions</p> <p>Other, please specify</p> <p style="padding-left: 40px;">Paying higher prices linked to best agricultural practices, Financial incentives for certified products</p>		<p>Cocoa for Generations Report.</p> <p>Through the Sustainable Cocoa Tomorrow pillar of our Cocoa for Generations strategy, we will work with additional farming families to deploy the initiatives we believe are most likely to accelerate the modernization of smallholder farming at scale. This includes focusing on ways to increase cocoa productivity, diversify household incomes, and empower women and communities.</p> <p>In collaboration with the Grameen Foundation, The Rainforest Alliance, Satelligence and Waterwatch Projects, Mars and Touton were the first companies to embrace the initial version of FarmGrow, an android-based decision-making tool for farmers that combines agronomy and economics to help them improve their productivity and the sustainability of their farms in the long-term. The initiative builds on the Farm Development Plan (FDP) that provides an individualized agri-business planning and monitoring tool for cocoa</p>
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					farmers. Individual farmer coaching helps to consistently maintain farms and increase yields and income from existing cocoa lands and to avoid expansion into forest. Using FarmGrow, our suppliers' field teams can provide customized coaching on farming practices, help farmers prioritize investments, access inputs and planting materials at the right time, and monitor adoption to guide cocoa farmers to improve yields.
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F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Offering on-site training and technical assistance	100%	Since launching our original Pulp and Paper Sourcing and Deforestation Policy in December 2014, we have worked with our direct suppliers to trace our virgin pulp and paper-based packaging back to the country of harvest, and to source our paper-based packaging as recycled or certified. We partner with the Earthworm Foundation to engage our tier-1 suppliers in

			<p>Organizing capacity building events</p> <p>Long-term contracts linked to forest related commitments</p>	<p>mapping our supply chain and assessing the risks involved. This is an annual process that has involved workshops with key suppliers to explain our strategy and better understand their own efforts to date. Our supplier scorecard assesses suppliers on a range of indicators including policy, transparency, traceability, and fiber origins.</p> <p>Thanks to the collaboration of our suppliers, we have reached our objective at least 95% of our paper-based packaging as recycled or certified virgin fiber by the end of 2020.</p> <p>Through our Next Generation Supplier program, we continue to align all of our suppliers with our social, environmental and ethical expectations through our Supplier Code of Conduct, including legal compliance. We assess the sustainability performance and social compliance audit results of prioritized suppliers using the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights. We support the suppliers of our top 10 raw materials, including the five forest commodities, and other strategic suppliers, as they advance their performance through a new, longer-term collaboration model focused on driving systemic change</p>
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					and engagement of workers. This model leverages the expertise of external advisors.
Palm oil	Yes, working with direct suppliers	Supply chain mapping Capacity building Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Offering on-site training and technical assistance Disseminating technical materials Investing in pilot projects Long-term contracts linked to forest related commitments	100%	<p>Embedding sustainable practice in how we source is a crucial part of meeting our commitments and driving long-term change. We set clear expectations that our suppliers be decoupled from deforestation and capable of continuous improvement on human rights.</p> <p>To support this, we have invested in sustainable farming research and development in Indonesia and the Philippines on a five-year research-in-development project. Sustainable Farming in Tropical Asian Landscapes (SFITAL), to explore environmentally sustainable ways to link small-scale producers to global supply chains. The collaboration, which commenced on 1 July 2020, is supported financially and on the ground by IFAD, Mars and ICRAF through an investment of approximately US\$ 4 million.</p> <p>Through our Next Generation Supplier program, we continue to align all of our suppliers with our social, environmental and ethical expectations through our Supplier Code of Conduct, including legal compliance. We assess the sustainability performance and social compliance audit results of prioritized suppliers using</p>

					<p>the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights. We support the suppliers of our top 10 raw materials, including the five forest commodities, and other strategic suppliers, as they advance their performance through a new, longer-term collaboration model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors.</p>
Cattle products	Yes, working with direct suppliers	<p>Supply chain mapping</p> <p>Capacity building</p> <p>Financial and commercial incentives</p>	<p>Supplier questionnaires on environmental and social indicators</p> <p>Developing or distributing supply chain mapping tool</p> <p>Supplier audits</p> <p>Offering on-site training and technical assistance</p> <p>Disseminating technical materials</p> <p>Organizing capacity building events</p>	100%	<p>Mars engages with Latin American beef suppliers to establish compliance with our policy requirements, and with legislation such as the Brazil Forest Code. We will refresh our direct supplier and slaughterhouse information annually and disclose our direct suppliers of beef ingredients, including the total volume procured and its origins. We are verifying direct cattle and beef suppliers' and slaughterhouses' compliance with our action plan through third-party verification of their purchase control system. Frequency of verification may be determined by suppliers' risk of policy breaches. Mars is continuing to work with our direct beef suppliers and slaughterhouses toward improving transparency across the full supply chain, including indirect cattle suppliers, with whom there is not currently a tested solution or approach.</p>

					<p>We will stay informed of developments in the sector regarding strategies, potential agreements, and viable traceability solutions to address indirect cattle suppliers, aiming to implement them when deemed feasible.</p> <p>Through our Next Generation Supplier program, we continue to align all of our suppliers with our social, environmental and ethical expectations through our Supplier Code of Conduct, including legal compliance. We assess the sustainability performance and social compliance audit results of prioritized suppliers using the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights. We support the suppliers of our top 10 raw materials, including the five forest commodities, and other strategic suppliers, as they advance their performance through a new, longer-term collaboration model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors.</p>
Soy	Yes, working with direct suppliers	Supply chain mapping Financial and commercial incentives	Supplier questionnaires on environmental and social indicators Supplier audits Financial incentives for	100%	Mars engages with Latin American soy suppliers to establish compliance with our policy requirements, and with legislation such as the Brazil Forest Code. We expect all direct soy ingredient suppliers to implement the requirements from in our action plan across

			certified products		<p>their supply chains to ensure the soybean farms they source from are compliant. These suppliers should begin with implementing the action plan in the Mars supply chain, and ultimately move toward implementing it across all their suppliers. Mars is working first to stop deforestation in our supply chain, then engage suppliers to implement these practices throughout their business, for all the ingredients they buy and sell.</p> <p>Through our Next Generation Supplier program, we continue to align all of our suppliers with our social, environmental and ethical expectations through our Supplier Code of Conduct, including legal compliance. We assess the sustainability performance and social compliance audit results of prioritized suppliers using the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights. We support the suppliers of our top 10 raw materials, including the five forest commodities, and other strategic suppliers, as they advance their performance through a new, longer-term collaboration model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors.</p>
Other - Cocoa	Yes, working with	Supply chain mapping	Supplier questionnaires		Our annual process for allocating cocoa volumes to

	direct suppliers	Capacity building Financial and commercial incentives	on environmental and social indicators Supplier audits Offering on-site training and technical assistance Purchase guarantee linked to best agricultural practices		<p>suppliers includes an assessment of each supplier's performance to date and future ability to meet our Responsible Cocoa specification. In addition, we require all tier-1 suppliers to provide annual self-assessment information against our Responsible Cocoa requirements in the previous year (lagging indicators) to identify progress made and opportunities for continuous improvement.</p> <p>The process to manage supply chain towards compliance is as follows:</p> <p>1 – Confirm strategy and define specifications and scope</p> <p>2 – Responsible Cocoa Conversion Plan (RCCP)</p> <p>3 – Monitor & verify results</p> <p>4- Manage Supplier performance</p> <p>5 – Integrate Learnings</p>
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F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

Are you working beyond	Type of engagement approach with	Indirect supplier engagement approach	Please explain

	first tier ?	indirect suppliers		
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	Developing or distributing supply chain mapping tools Investing in pilot projects	<p>For the virgin fiber in the pulp and paper we source, we have built a fully traceable supply chain at least back to the country of forest origin, or to a specific area where risks are high or vary within a country. We partner with tier-1 suppliers and the Earthworm Foundation to map our supply chain and assess the risks involved. In some cases, it has been necessary to engage work beyond tier-1 where suppliers are vertically integrated and own the plantations and mills their converters source from.</p> <p>Based on our risk assessments, we continue to engage suppliers at and beyond tier-1 who operate in high-risk sourcing areas to support concrete and scalable landscape-level. These programs are led by credible expert organizations that tackle sustainable forestry issues in high-risk geographical locations. For example, in 2020 Mars continued our partnership with the Earthworm Foundation, WWF and peers to balance industry, conservation and social interests in the Dvinsky Forest in Russia.</p>
Palm oil	Yes, working beyond first tier	Supply chain mapping Capacity building	On-site meetings with indirect suppliers Offering on-site training and technical assistance Investing in pilot projects	<p>We have significantly simplified our palm oil supply chain, reducing the number of mills to less than 100 by the end of 2020, with further reductions by the end of 2022. This has been coupled with meaningful engagement on human rights, and on-the-ground and satellite verification processes to monitor deforestation.</p> <p>Through simplification we will be able to select the suppliers and mills (beyond tier-1) we desire in our supply chain. With a shorter supply chain comprised of partners who are committed to driving improvements in the systems and conditions in which we source, we can:</p> <ul style="list-style-type: none"> - Increase accountability, influence and connectivity through deeper relationships with suppliers whom we can visit. - Employ satellite mapping to monitor land use across all of our suppliers. - Work directly with our tier 1 suppliers as they build their capabilities to monitor, address and prevent human rights risks in their supply chains (beyond tier-1). <p>This year we have participated in a number of programs beyond our first tier suppliers including:</p> <p>On-site training at plantations facilitated in a COVID-safe manner.</p> <p>Livelihoods Fund for Family Farming (L3F)</p>

				<p>Sustainable Farming in Tropical Asian Landscapes (SFITAL)</p> <p>A pilot program with Golden Agri-Resources and Koltiva which targets 4,000 smallholders in Aceh to help them become more responsible producers.</p>
Cattle products	Yes, working beyond first tier	Supply chain mapping Capacity building	<p>Developing or distributing supply chain mapping tools</p> <p>Supplier questionnaires on environmental and social indicators</p> <p>On-site meetings with indirect suppliers</p> <p>Supplier audits</p> <p>Offering on-site training and technical assistance</p> <p>Disseminating technical</p>	<p>Mars is working to make a difference by engaging with higher-risk small-medium-sized enterprises at tier two of our supply chain. We have mapped and assessed these suppliers, and we have been working with our tier 1 suppliers to jointly engage with slaughterhouses and help them to develop and implement action plans, adopt deforestation as a sourcing criteria, implement it via satellite-based purchase control systems and have them verified by third parties. We are working them as we integrate sustainability criteria as a standard element of our Beef Sourcing Strategy.</p> <p>In 2020, given the risk analysis of our supply base, we visited with our expert partner ProForest one high-risk tier-1 supplier and 5 slaughterhouses in our Brazilian supply chain. The purpose of the visits was to reinforce our requirements and review suppliers' cattle-buying criteria and tools to operationalize them.</p> <p>In addition, we are engaging with suppliers to go beyond compliance with our sourcing criteria and exploring projects to re-integrate cattle ranchers blocked by the satellite-based purchase control system.</p>

			material s Participating in workshops Investing in pilot projects	
Soy	Yes, working beyond first tier	Supply chain mapping Capacity building Other	Supplier questionnaires on environmental and social indicators On-site meetings with indirect suppliers Supplier audits Disseminating technical materials Other, please specify Landscape-level initiatives, including enga	<p>Mars believes that integrated landscape approaches are a critical complement to supply chain management in achieving a deforestation-free supply chain.</p> <p>Part of our strategy is to buy direct trade credits specifically from the State of Maranhão and Piauí, to increase demand for responsible soy and the numbers of certified farmers in the region. Working in partnership with ACT Commodities through its Soy4Brands strategy, Mars invests in social and environmental capacity building projects with peer companies buying from the same region.</p> <p>Mars is also engaging on one-to-one conversations with our upstream suppliers (tier 2 suppliers in some cases), to underscore the importance of our sourcing commitment, our interest to make business with companies whose ambitions align with ours, and whose deforestation & sourcing commitments apply to their entire business and not only what they supply to Mars. We also underscore the need to not only be signatory of the Amazon Soy Moratorium, but also to be able to share an independent statement of the full compliance with the moratorium requirements.</p> <p>Mars is also part of the Consumer Goods Forum Forest Positive Coalition of Action soy Work Group, a coalition co-sponsored by Mars CEO, and as part of our work there we have been engaging with a number of soy traders, bilaterally and as a group, to present the "Coalition Ask" and get their feedback as important input for the group's strategy. also supports landscape-level initiatives, such as the Statement of Support of the Cerrado Manifesto, which engages companies to halt soy-driven deforestation and promote sustainable land management in the Cerrado in Brazil.</p> <p>Mars also supports landscape-level initiatives, such as the Statement of Support of the Cerrado Manifesto, which engages companies to halt soy-driven deforestation and promote sustainable land management in the Cerrado grasslands in Brazil. Through these efforts, we're</p>

			gement with local government	engaging local government, addressing deforestation and supporting farmer livelihoods.
Oth er - Coc oa	Yes, wor king bey ond first tier	Supply chain mappi ng Capaci ty buildi ng	Supplie r questio nnaires on environ mental and social indicato rs On-site meeting s with indirect supplier s Supplie r audits Offering on-site training and technic al assista nce Investin g in pilot projects	<p>Mars is engaging in several promising pilot landscape approaches. These are a critical complement to supply chain management to achieve a deforestation-free transformation, especially in the most critically threatened or highest conservation value landscapes.</p> <p>Mars has been involved with SFITAL a program which aims to explore how agricultural systems can be managed sustainably in entire landscapes in a way that respects the environment and enables the producers to thrive. The collaboration, which commenced on 1 July 2020, is supported financially and on the ground by IFAD, Mars and ICRAF through an investment of approximately US\$ 4 million. (https://www.ifad.org/en/web/latest/-/news/ifad-mars-and-icraf-invest-in-sustainable-farming-research-and-development-in-indonesia-and-the-philippines)</p> <p>Mars has also been involved with The Asunafo-Asutifi Landscape, one of the major agro-commodity production landscapes in Ghana that is noted for cocoa production and accounts for about 10% of the national cocoa output. Of the total landscape area of 328,512ha, 62% is under agricultural production of which cocoa is a major component. Forest is a significant feature in the landscape, accounting for 32% of the land area.</p> <p>The overall goal of the Asunafo-Asutifi landscape program is to establish a Landscape Governance Structure in collaboration with key landscape stakeholders and a consortium of private sector companies to implement a Landscape Management and Investment Plan to eliminate deforestation risk; adopt and implement climate-smart cocoa production standards; deliver cocoa agroforestry models including tree/carbon stock enhancement in the Asunafo-Asutifi landscape; deliver improvement in landscape-wide smallholder livelihoods; and address key landscape environmental and social challenges, using appropriate tools and approaches in the cocoa sector and through multi-stakeholder collaboration. (https://www.proforest.net/fileadmin/uploads/proforest/Documents/Publications/Asunafo_Asutifi_case_study_Dec_2020.pdf)</p>

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact

Tropical Forest Alliance 2020 (TFA)

Other, please specify

The Forest Positive Coalition of Action; the Sustainable Packaging Coalition Forest Products Working Group; The Sustainability Consortium

Jurisdictional approaches

Please explain

Mars is a member of the Sustainable Packaging Coalition and co-chairs its Forest Products Working Group to explore areas such as the value of forest certification. Our President & CEO co-chairs The Forest Positive Coalition of Action of the Consumer Goods Forum (CGF). In 2019, our involvement in the Forest Positive Coalition has both informed and been informed by our own work to update our position on Deforestation and Land Use Change: <https://www.mars.com/about/policies-and-practices/deforestation-policy>

We support industry, governmental and societal efforts such as the 2020 Tropical Forest Alliance and UN Global Compact to protect forests and ensure mutual benefits for the workers and communities that rely on them for their livelihoods. We fund and support Earthworm Foundation Landscapes Projects together with a coalition of peers.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in jurisdictional approaches

Initiatives

Jurisdictional approaches

Produce, Conserve and Include (PCI)

Please explain

Integrated landscape approaches are a critical complement to supply chain management to achieve a deforestation-free transformation, especially in the most critically threatened or highest conservation value landscapes. Mars is deeply engaged with initiatives such as the Consumer Goods Forum and Tropical Forest Alliance to catalyze collective action in support of landscape approaches. These initiatives involve collaboration among multiple stakeholders in the landscape and integration of ad hoc initiatives on the ground that are addressing deforestation or landscape restoration. Mars is working with the Earthworm Foundation on stopping ecosystem degradation in pulp and paper production landscapes, including Northwest Russia and British Columbia.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact

Tropical Forest Alliance 2020 (TFA)

Roundtable on Sustainable Palm Oil (RSPO)

Chinese Sustainable Palm Oil Alliance (CSPOA)

Other, please specify

Palm Oil Collaboration Group / CGF Forest Positive Coalition

Jurisdictional approaches

Please explain

Mars is an active member of industry groups including the Roundtable on Sustainable Palm Oil and its working groups. 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.

In 2020 Mars participated in several WWF events in China in 2020 and took part in promotions of RSPO outside of RSPO venues, to share our experience of sustainable palm oil sourcing and encourage the uptake of sustainable palm oil in destination markets.

We support other industry, governmental and societal efforts such as the 2020 Tropical

Forest Alliance and UN Global Compact to protect forests and ensure mutual benefits for the workers and communities that rely on them for their livelihoods.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in jurisdictional approaches

Initiatives

Jurisdictional approaches

Verified Sourcing Areas

Other, please specify

CSL- coalition of sustainable livelihoods

Please explain

Integrated landscape approaches are a critical complement to supply chain management to achieve a deforestation-free transformation, especially in the most critically threatened or highest conservation value landscapes. Mars is deeply engaged with initiatives such as the Consumer Goods Forum and Tropical Forest Alliance to catalyze collective action in support of landscape approaches. These initiatives involve collaboration among multiple stakeholders in the landscape and integration of ad hoc initiatives on the ground that are addressing deforestation or landscape restoration.

In palm oil, Mars is partnering with Conservation International and other organizations on the Coalition for Sustainable Livelihoods to support smallholders and sound natural resource management in Aceh and North Sumatra, Indonesia. Mars partnered with Earthworm in Aceh, Indonesia to reduce deforestation and demonstrate balancing commodity production, conservation and good social and labor practices at scale.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Brazilian Roundtable on Sustainable Livestock (GTPS)

Sustainable Agriculture Initiative (SAI)

Other, please specify

The Forest Positive Coalition of Action, the Sustainability Consortium

Jurisdictional approaches

Please explain

We are members of the Consumer Good Forum Forest Positive Coalition of Action Beef Work Group. Our President & CEO co-chairs the coalition. Our Beef Sourcing & Deforestation implementation lead co-chairs the Beef Work Group. We are also member of the Brazil Roundtable on Sustainable Livestock (GTPS). Through these initiatives, we are working with industry peers and key suppliers to develop transparent principles and practices, and collaborative projects to promote sustainable beef production and reduce deforestation. By adopting an integrated approach that encourages suppliers to adopt deforestation & sourcing criteria across their entire operations and that supports landscape-level interventions, we are working to promote a forest-positive cattle production system.

Our President & CEO co-chairs The Forest Positive Coalition of Action of the Consumer Goods Forum (CGF). In 2019, our involvement in the Forest Positive Coalition has both informed and been informed by our own work to update our position on Deforestation and Land Use Change: <https://www.mars.com/about/policies-and-practices/deforestation-policy>

Forest risk commodity

Soy

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Roundtable on Sustainable Soy (RTRS)

Other, please specify

The Forest Positive Coalition of Action; the Cerrado Manifesto; the Sustainability Consortium

Jurisdictional approaches

Please explain

Integrated landscape approaches are a critical complement to supply chain management to achieve a deforestation-free transformation, especially in the most critically threatened or highest conservation value landscapes. Mars is deeply engaged with initiatives such as the Consumer Goods Forum Forest Positive Coalition of Action, the Cerrado Manifesto Statement of Support and the Roundtable on Responsible Soy.

Through these efforts, we're engaging local government, addressing deforestation and supporting farmer livelihoods.

Our President & CEO co-chairs The Forest Positive Coalition of Action of the Consumer Goods Forum (CGF). In 2019, our involvement in the Forest Positive Coalition has both informed and been informed by our own work to update our position on Deforestation and Land Use Change: <https://www.mars.com/about/policies-and-practices/deforestation-policy>

We support other industry, governmental and societal efforts such as the 2020 Tropical Forest Alliance and UN Global Compact to protect forests and ensure mutual benefits for the workers and communities that rely on them for their livelihoods.

We support the work of Fundação de Apoio à Pesquisa do Corredor de Exportação Norte (FAPCEN) via the purchase of direct credits generated by farmers associated to FAPCEN. Via this work, there is further support for local producers to adopt good farming practices, to improve livelihood and to increase the number of soybean certified farms against RTRS.

Forest risk commodity

Other - Cocoa

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact

Tropical Forest Alliance 2020 (TFA)

Other, please specify

The World Cocoa Foundation Cocoa and Forests Initiative; The Forest Positive Coalition of Action; the Sustainability Consortium

Jurisdictional approaches

Please explain

In partnership with the Côte d'Ivoire and Ghanaian governments plus 35 of the world's leading buyers of cocoa and chocolate companies, we have pledged to end deforestation and forest degradation in the global cocoa supply chain through the Cocoa and Forests Initiative. The joint action plan, the first of its kind in the cocoa industry, was signed in November 2017. In March 2019, we released our approach, published suppliers, origins and traceability to date. We've continued in 2020 to implement our action plans for Côte d'Ivoire and Ghana under the Cocoa and Forest Initiative.

Our President & CEO co-chairs The Forest Positive Coalition of Action of the Consumer Goods Forum (CGF). In 2020, our involvement in the Forest Positive Coalition has both informed and been informed by our own work to update our position on Deforestation and Land Use Change: <https://www.mars.com/about/policies-and-practices/deforestation-policy>

We support other industry, governmental and societal efforts such as the 2020 Tropical Forest Alliance and UN Global Compact to protect forests and ensure mutual benefits for the workers and communities that rely on them for their livelihoods.

Forest risk commodity

Other - Cocoa

Do you participate in activities/initiatives?

Yes

Activities

Involved in jurisdictional approaches

Initiatives

Jurisdictional approaches

Other, please specify

The World Cocoa Foundation Cocoa and Forests Initiative; The Forest Positive Coalition of Action; the Sustainability Consortium, Proforest Ghana's Asunafo-Asutifi Landscape program

Please explain

Integrated landscape approaches are a critical complement to supply chain management to achieve a deforestation-free transformation, especially in the most critically threatened or highest conservation value landscapes. Mars is deeply engaged with initiatives such as the Consumer Goods Forum and Tropical Forest Alliance to catalyze collective action in support of landscape approaches. These initiatives involve collaboration among multiple stakeholders in the landscape and integration of ad hoc initiatives on the ground that are addressing deforestation or landscape restoration.

While landscape approaches for addressing deforestation are still nascent, Mars is engaging in several promising pilot efforts. In cocoa, Mars is engaging with partners such as ProForest and Verra to pilot jurisdictional approaches in Ghana, Cameroon and other countries.

In 2020 Mars was involved in Ghana's Asunafo-Asutifi Landscape program.

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.11a

(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Agroforestry

Primary motivation

Voluntary

Description of project

We are establishing processes for rectifying instances of deforestation in our supply chains by engaging, suspending or removing suppliers that do not come back into compliance after we notify them that they aren't meeting Mars' deforestation-free requirements. We are also considering what role reforestation or restoration might play in contributing to deforestation solutions.

In cocoa, our aim is to achieve a deforestation-free global supply chain by 2025. Where credible, landscape-level frameworks such as the Cocoa and Forests Initiative (CFI) exist and are backed by other critical actors, we may take additional steps to support enhanced agroforestry, reforestation or forest restoration, or to prevent conversion in other habitats.

In alignment with the CFI frameworks and national implementation plans for Côte d'Ivoire and Ghana, we have developed action plans for the two countries. Our action plans set forth our activities and investments between now and 2022 within the three CFI pillars of Forest Protection and Restoration, Sustainable Production and Farmers' Livelihoods, and Community Engagement and Social Inclusion.

One of our CFI targets is to support the distribution and planting of more than 2 million multi-purpose trees for on-farm restoration via agroforestry (more than 1,743,262 million trees in Côte d'Ivoire and 262,087 trees in Ghana).

Start year

2019

Target year

2022

Project area to date (Hectares)

747,317

Project area in the target year (Hectares)

1,743,262

Country/Area

Côte d'Ivoire

Latitude

5.790489

Longitude

-6.631186

Monitoring frequency

Annually

Measured outcomes to date

Other, please specify

Distribution of multipurpose trees

Please explain

Progress up to 2020 for Côte d'Ivoire has seen a 43% performance against 2022 target for multi-purpose trees distributed for on-farm planting and a 76% progress against 2022 target for Hectares cocoa agroforestry in development

In 2020, we had mapped 110,912 plots and 94,448 farms we source in Côte d'Ivoire and Ghana and are working with suppliers with the aim of mapping 100% of farms sourced from. In addition, around 265,746 hectares in our cocoa supply chain were included in a deforestation risk assessment – an area roughly the size of Luxembourg.

Some 19,172 farmers in our supply chain now apply agroforestry techniques. Our programs distributed 913,513 multi-purpose trees bringing the total to 1.4 million since 2018. These trees provide shade for cocoa and additional income from the crops they produce. We have improved our understanding of farmers' motivations for planting trees, which helps programs succeed. In one area of Côte d'Ivoire, our collaboration with PUR Projet has up to 96% of trees surviving after three months. In Ghana, we are participating in Proforest's Asunafo & Asutifi Program to implement a landscape management, convened by WCF.

This project spans various areas within Côte d'Ivoire. The Latitude and Longitude given pertain to only one of the areas where this project is being implemented.

Project reference

Project 2

Project type

Agroforestry

Primary motivation

Voluntary

Description of project

We are establishing processes for rectifying instances of deforestation in our supply chains by engaging, suspending or removing suppliers that do not come back into compliance after we notify them that they aren't meeting Mars' deforestation-free requirements. We are also considering what role reforestation or restoration might play in contributing to deforestation solutions.

In cocoa, our aim is to achieve a deforestation-free global supply chain by 2025. Where credible, landscape-level frameworks such as the Cocoa and Forests Initiative (CFI) exist and are backed by other critical actors, we may take additional steps to support enhanced agroforestry, reforestation or forest restoration, or to prevent conversion in other habitats.

In alignment with the CFI frameworks and national implementation plans for Côte d'Ivoire and Ghana, we have developed action plans for the two countries. Our action plans set forth our activities and investments between now and 2022 within the three CFI pillars of Forest Protection and Restoration, Sustainable Production and Farmers' Livelihoods, and Community Engagement and Social Inclusion.

One of our CFI targets is to support the distribution and planting of more than 2 million multi-purpose trees for on-farm restoration via agroforestry (more than 1,743,262 million trees in Côte d'Ivoire and 262,087 trees in Ghana).

Start year

2019

Target year

2022

Project area to date (Hectares)

643,983

Project area in the target year (Hectares)

262,087

Country/Area

Ghana

Latitude

7.115523

Longitude

-2.549994

Monitoring frequency

Annually

Measured outcomes to date

Other, please specify

Distribution of multipurpose trees

Please explain

Progress up to 2020 for Ghana has seen a 246% performance against 2022 target for multi-purpose trees distributed for on-farm planting and a 333% progress against 2022 target for Hectares cocoa agroforestry in development

In 2020, we had mapped 110,912 plots and 94,448 farms we source in Côte d'Ivoire and Ghana and are working with suppliers with the aim of mapping 100% of farms sourced from. In addition, around 265,746 hectares in our cocoa supply chain were included in a deforestation risk assessment – an area roughly the size of Luxembourg.

Some 19,172 farmers in our supply chain now apply agroforestry techniques. Our programs distributed 913,513 multi-purpose trees bringing the total to 1.4 million since 2018. These trees provide shade for cocoa and additional income from the crops they produce. We have improved our understanding of farmers' motivations for planting trees, which helps programs succeed. In one area of Côte d'Ivoire, our collaboration with PUR Projet has up to 96% of trees surviving after three months. In Ghana, we are participating in Proforest's Asunafo & Asutifi Program to implement a landscape management, convened by WCF.

This project spans various areas within Ghana. The Latitude and Longitude given pertain to only one of the areas where this project is being implemented.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, but we are actively considering verifying in the next two years

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited supply chain engagement

Comment

Mars recognizes the continuing challenge associated with supply chain-driven deforestation and the slow progress over the last several years. Recent corporate action to reduce deforestation in supply chains through increasing traceability and certification is a critical step in the effort, but these actions alone are not sufficient to achieve the end goal of eliminating supply chain-driven deforestation. Companies must engage suppliers and other stakeholders to deploy sufficient monitoring and verification of their supply chains to ensure that deforestation is not occurring and put in place plans for addressing and rectifying situations where deforestation occurs. Ultimately, to adequately stop deforestation, companies, governments and civil society need to work together to address underlying deforestation drivers and ramp up action through a number of levers including supply and demand signals, market and policy mechanisms, and increasing productivity on existing agricultural land.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited supply chain engagement

Comment

Mars recognizes the continuing challenge associated with supply chain-driven deforestation and the slow progress over the last several years. Recent corporate action to reduce deforestation in supply chains through increasing traceability and certification is a critical step in the effort, but these actions alone are not sufficient to achieve the end goal of eliminating supply chain-driven deforestation.

Mars has previously identified the complexity of supply chain and poor visibility of secondary and tertiary suppliers as a key barrier to supply chain engagement and has actively been working to mitigate this issue through radical simplification of our supply chain.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Other, please specify

Lack of certification standards

Comment

There is no certified beef available and there are a number of challenges to addressing deforestation in beef sourcing, including: lack of traceability throughout the beef raising cycle, lack of alignment in sourcing requirements that will provide suppliers with a common request, low number of slaughterhouses adopting satellite-based purchase control systems, low number of suppliers commissioning third party audits of these systems periodically and making the audit reports available, among others, which increase the risk of unsustainably produced beef entering our supply chain. We are members of the Consumer Goods Forum Forest Positive Coalition of Action Beef Work Group and the Brazil Roundtable on Sustainable Livestock (GTPS). Through these initiatives, we are working with industry peers and key suppliers to develop transparent principles and practices, and collaborative projects to promote sustainable beef production and reduce deforestation. By helping to introduce better farming practices we can decouple beef production from deforestation, while improving related impacts such as greenhouse gas emissions, water use and soil quality.

Forest risk commodity

Soy

Coverage

Supply chain

Primary barrier/challenge type

Supply chain complexity

Comment

Our Soy Sourcing and Deforestation action plan currently covers soy ingredients we buy directly from suppliers, which in itself poses a challenge given the lack of segregated supply chains and the way the soy complex was set in producing countries to increase efficiency, in which traceability ends up being lost and bean mixed in large silos. On top of the challenges faced to address direct soy, we are also working on the footprint of soy used as feed in farming the animals reared to provide the meat ingredients we source (indirect soy). This brings another layer of complexity, given the need for supply chain visibility beyond not only our direct supplier of meat ingredients, but also their suppliers of animals to be slaughtered, and their suppliers of feed who in turn used soy as an ingredient to make the feed.

Forest risk commodity

Other - Cocoa

Coverage

Supply chain

Primary barrier/challenge type

Other, please specify

Differing definitions of “deforestation-free”

Comment

Mars Cocoa is working towards a deforestation-free supply chain by 2025. Our commitment includes (1) a clear definition of forest (aligned with AFI), (2) deforestation-free (aligned with AFI), (3) a cut-off date (aligned with Rainforest Alliance), (4) traceability definition (aligned with RA and Cocoa Forest Initiative) and (5) public supply chain transparency. One of the major challenges we face is the claims other companies make in regards to deforestation-free. When companies have their own definition it is difficult to differentiate what it means in regards to implementation. This is a challenge because non-Sustainability practitioners don't understand the nuances of the 5 elements listed above and they may believe cost-efficient alternatives deliver on the same commitments. They don't. Second major challenge we face is the lack of alternative cash crops in rural areas. Cocoa farmers struggle with their income, but at the same time there are not many other alternatives that can be profitable for rural areas that lack adequate infrastructure.

F8.2

(F8.2) Describe the main measures that would improve your organization’s ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater stakeholder engagement and collaboration

Comment

Mars’ long-term vision is to expand our influence beyond just the supply that we use, so that our suppliers prevent deforestation and land conversion throughout their full business. There is no time to lose. Ensuring a deforestation-free supply chain for a discrete corporate “buyer” is a positive step, but we aren’t satisfied if our suppliers continue to contribute to deforestation elsewhere in their businesses. Companies need to draw on their influence to help reach a tipping point as soon as possible for industry-wide transformation towards deforestation-free supply chains. This transformation is a multistage journey, that begins with working with suppliers to ensure that what they

supply to Mars is deforestation-free and leads to a supply pool in which a supplier's total business is deforestation-free. Ultimately, when a groundswell of suppliers has achieved this goal, remaining suppliers feel increased pressure and a clearer pathway to prevent deforestation across their business, bringing the effort to scale until entire commodity supply chains are deforestation-free. This theory of change necessitates that companies engage other stakeholders, such as national and local governments, civil society, and others, to collaborate and ramp up action on key levers such as pro-forest policy and enforcement, consumer demand for forest-friendly products, and finance and market signals. Collective action by all relevant stakeholders is critical for achieving transformational change. We specify the details and time frames for suppliers of different raw materials to demonstrate compliance with Mars' deforestation-free principles in raw material action plans, including for pulp and paper packaging materials.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Greater stakeholder engagement and collaboration

Comment

Through a radical simplification of Mars' supply chain, we have cut the number of mills in our supply chain from 1,500 to fewer than 100, and are on a path to halve that number again in 2022. By simplifying our palm supply chain, partnering with a smaller cohort of suppliers and rigorously applying the three M's of Mapping, Management and Monitoring we can eliminate deforestation and advance respect for human rights.

Our simplified supply chain has enabled collaborative, long-term engagement on human rights between Mars and its suppliers. In 2017, Mars engaged with global human rights partner Verité and supplier Wilmar to explore how businesses across the palm oil supply chain can better understand, address and prevent human rights risks. The resulting case study of the collective findings was published in 2020. Through this collaboration, Mars is supporting the creation of an open-source set of resources to help companies manage human rights issues in extended palm oil supply chains.

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Greater stakeholder engagement and collaboration

Comment

Mars' long-term vision is to expand our influence beyond just the supply that we use, so that our suppliers prevent deforestation and land conversion throughout their full business. There is no time to lose. Ensuring a deforestation-free supply chain for a discrete corporate "buyer" is a positive step, but we aren't satisfied if our suppliers continue to contribute to deforestation elsewhere in their businesses. Companies need to draw on their influence to help reach a tipping point as soon as possible for industry-wide transformation towards deforestation-free supply chains. This transformation is a multistage journey, that begins with working with suppliers to ensure that what they supply to Mars is deforestation-free and leads to a supply pool in which a supplier's total business is deforestation-free. Ultimately, when a groundswell of suppliers has achieved this goal, remaining suppliers feel increased pressure and a clearer pathway to prevent deforestation across their business, bringing the effort to scale until entire commodity supply chains are deforestation-free. This theory of change necessitates that companies engage other stakeholders, such as national and local governments, civil society, and others, to collaborate and ramp up action on key levers such as pro-forest policy and enforcement, consumer demand for forest-friendly products, and finance and market signals. Collective action by all relevant stakeholders is critical for achieving transformational change. We specify the details and time frames for suppliers of different raw materials to demonstrate compliance with Mars' deforestation-free principles in raw material action plans, including for beef. Our experience with palm oil has taught us about the importance of having teams and expert local partners at origin, who can engage effectively on the ground with suppliers, processors and refiners at tier-2 level and beyond. We are building on this experience by working with local partner Proforest on the ground in our Brazilian beef supply chain. In addition, greater shared knowledge across the industry would make it easier to gain alignment on a sustainability road map.

Forest risk commodity

Soy

Coverage

Supply chain

Main measure

Greater stakeholder engagement and collaboration

Comment

Mars' long-term vision is to expand our influence beyond just the supply that we use, so that our suppliers prevent deforestation and land conversion throughout their full business. There is no time to lose. Ensuring a deforestation-free supply chain for a discrete corporate "buyer" is a positive step, but we aren't satisfied if our suppliers continue to contribute to deforestation elsewhere in their businesses. Companies need to draw on their influence to help reach a tipping point as soon as possible for industry-wide transformation towards deforestation-free supply chains. This transformation is a multistage journey, that begins with working with suppliers to ensure that what they

supply to Mars is deforestation-free and leads to a supply pool in which a supplier's total business is deforestation-free. Ultimately, when a groundswell of suppliers has achieved this goal, remaining suppliers feel increased pressure and a clearer pathway to prevent deforestation across their business, bringing the effort to scale until entire commodity supply chains are deforestation-free. This theory of change necessitates that companies engage other stakeholders, such as national and local governments, civil society, and others, to collaborate and ramp up action on key levers such as pro-forest policy and enforcement, consumer demand for forest-friendly products, and finance and market signals. Collective action by all relevant stakeholders is critical for achieving transformational change. We specify the details and time frames for suppliers of different raw materials to demonstrate compliance with Mars' deforestation-free principles in raw material action plans, including for soy.

Forest risk commodity

Other - Cocoa

Coverage

Supply chain

Main measure

Investment in monitoring tools and traceability systems

Comment

Knowing each farm's location and boundary, and which farmer organization the farmer sells their cocoa to, helps us to identify where our cocoa comes from. This is essential to delivering on our ambition of a deforestation-free supply chain for cocoa we source. As part of our Responsible Cocoa program, we expect our suppliers to go above and beyond providing a typical, single Global Positioning System (GPS) point on a map. GPS polygons allow tracing of the entire boundary of each farm to verify the cocoa bought is grown within those boundaries and not in any nearby protected forests.

In 2018, as part of our Responsible Cocoa pillar, we set the goal for our cocoa to be traceable from the farm to the first point of purchase. In March 2019, we published our approach to achieve a deforestation-free supply chain by 2025 and shared it publicly. This included sharing information on our Mars Cocoa Supply Chain, such as identifying our tier 1 suppliers, our sourcing origins and traceability status. Our tier 1 suppliers are our direct suppliers who sell cocoa products to Mars. This information is vital for us to implement a deforestation monitoring system that combines data, on-the-ground verification and satellite monitoring. We are requiring our suppliers to use polygon mapping to trace farm boundaries. Polygon mapping provides a more accurate picture of the farm's location because it shows the boundaries of the entire farm, rather than just one global positioning system (GPS) location point. This approach supports the protection of forests while further refining yield estimates and coaching farmers on profitable investments. Of the approximately 400,000 metric tons of bean equivalent cocoa we source annually, the majority comes from Côte d'Ivoire, Ghana and Indonesia. Globally, our suppliers can now trace 33% of that back to the boundaries of

approximately 100,000 farms using GPS polygon mapping – up from 16% in 2017. We have come a long way and made important progress, but we expect all our suppliers in all origins to reach 100% by 2025 for all cocoa we source as Responsible Cocoa.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Global Vice President of Supply, Research and Development, Procurement	Chief Operating Officer (COO)

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	40,000,000,000

SF0.2

(SF0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

No

SF1.1

(SF1.1) In F6.3 you were asked “Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption”. Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

Partially

SF1.1a

(SF1.1a) For each of your requesting CDP supply chain members, indicate the percentage of certified volume sold per disclosed commodity(ies).

Requesting member

J Sainsbury Plc

Forest risk commodity

Palm oil

Form of commodity

Palm oil derivatives

Third-party certification scheme

RSPO Segregated

Total volume of commodity sold to member

Metric

What % of the volume reported in column 5 is certified?

100%

Comment

Mars sources 100% RSPO segregated palm oil for its operations in Europe. We do not sell palm oil directly to customers, but small amounts are present in many of our products.

Requesting member

Walmart, Inc.

Forest risk commodity

Palm oil

Form of commodity

Palm oil derivatives

Third-party certification scheme

RSPO Mass Balance

Total volume of commodity sold to member

Metric

What % of the volume reported in column 5 is certified?

100%

Comment

Mars sources 100% RSPO mass balance palm oil for its operations in North America.

Requesting member

J Sainsbury Plc

Forest risk commodity

Timber products

Form of commodity

Paper

Primary packaging

Secondary packaging

Tertiary packaging

Third-party certification scheme

Other, please specify

FSC Forest Management certification, FSC Controlled Wood , PEFC (any type)

Total volume of commodity sold to member

Metric

What % of the volume reported in column 5 is certified?

31-40%

Comment

This % represents the total % of procured timber products by Mars and this response is based on the assumption that timber provided to the requesting member is consistent with this. Of the virgin fiber procured by Mars, 88% is certified, with over 90% of virgin fiber originating from high-risk countries being certified FSC.

Requesting member

Walmart, Inc.

Forest risk commodity

Timber products

Form of commodity

Paper

Primary packaging

Secondary packaging

Tertiary packaging

Third-party certification scheme

Other, please specify

FSC Forest Management certification, FSC Controlled Wood , PEFC (any type)

Total volume of commodity sold to member

Metric

What % of the volume reported in column 5 is certified?

31-40%

Comment

This % represents the total % of procured timber products by Mars and this response is based on the assumption that timber provided to the requesting member is consistent with this. Of the virgin fiber procured by Mars, 88% is certified, with over 90% of virgin fiber originating from high-risk countries being certified FSC.

Requesting member

J Sainsbury Plc

Forest risk commodity

Other - Cocoa

Form of commodity

Other, please specify

Cocoa beans, cocoa butter, cocoa powder, cocoa liquor

Third-party certification scheme

Other, please specify

Rainforest Alliance; Fairtrade

Total volume of commodity sold to member

Metric

What % of the volume reported in column 5 is certified?

51-60%

Comment

This % represents the total % of sourced cocoa by Mars and this response is based on the assumption that the cocoa provided to the requesting member is consistent with this.

Requesting member

Walmart, Inc.

Forest risk commodity

Other - Cocoa

Form of commodity

Other, please specify

Cocoa beans, cocoa butter, cocoa powder, cocoa liquor

Third-party certification scheme

Other, please specify

Rainforest Alliance; Fairtrade

Total volume of commodity sold to member

Metric

What % of the volume reported in column 5 is certified?

51-60%

Comment

This % represents the total % of sourced cocoa by Mars and this response is based on the assumption that the cocoa provided to the requesting member is consistent with this.

SF1.1b

(SF1.1b) Why can you not indicate the percentage of certified volume sold to each of your requesting CDP supply chain members? Describe any future plans for adopting and communicating levels of certification to requesting members.

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

Requesting member

J Sainsbury Plc

Commodity related to the project

Cattle products

Category of project

Other category, please specify

Partnership to engage slaughterhouses

Type of project

Other, please specify

Implementation of new techniques/technologies to ensure sustainable production

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

We can engage slaughterhouses jointly with other beef buyers buying from the same slaughterhouses at-risk for deforestation to underscore the need of a beef sourcing & deforestation criteria, and to help deploy the technology that will allow meatpackers to implement a sourcing criteria not only in line with Mars' sourcing commitment but also in line with the best practices in the sector and with the harmonized MONITORING PROTOCOL FOR CATTLE SUPPLIERS IN THE AMAZON (https://www.beefontrack.org/public/media/arquivos/1599054238-monitoring_protocol_cattle_suppliers_amazon.pdf). We are willing to share costs of implementing and verifying the satellite-based monitoring system that will allow the slaughterhouse prevent purchases non compliant not only with a deforestation-criteria, but also with legal non-compliance as detailed in the monitoring protocol. We are also willing to go beyond compliance, and support a program to help ranchers blocked by the purchase control systems get reintegrated into that slaughterhouse supply chain, by implementing a plan that will allow full compliance with the sourcing criteria.

Projected outcome

Larger supply base of slaughterhouses adopting a deforestation-free sourcing criteria for all their purchases; which in turn allows Mars and other potential beef buyers to meet the sourcing & deforestation commitment and maintain business with a broader number of suppliers. This also reduces the leakage in the beef market, given that more slaughterhouses will be adopting the same purchase criteria, and therefore options for blocked ranchers to sell for slaughterhouses without similar sourcing criteria will be reduced.

Requesting member

Walmart, Inc.

Commodity related to the project

Cattle products

Category of project

Other category, please specify

Partnership to engage slaughterhouses

Type of project

Other, please specify

Implementation of new techniques/technologies to ensure sustainable production

Estimated timeframe for realization of benefits to customer

1-3 years

Details of project

We can engage slaughterhouses jointly with other beef buyers buying from the same slaughterhouses at-risk for deforestation to underscore the need of a beef sourcing & deforestation criteria, and to help deploy the technology that will allow meatpackers to implement a sourcing criteria not only in line with Mars' sourcing commitment but also in line with the best practices in the sector and with the harmonized MONITORING PROTOCOL FOR CATTLE SUPPLIERS IN THE AMAZON (https://www.beefontrack.org/public/media/arquivos/1599054238-monitoring_protocol_cattle_suppliers_amazon.pdf). We are willing to share costs of implementing and verifying the satellite-based monitoring system that will allow the slaughterhouse prevent purchases non compliant not only with a deforestation-criteria, but also with legal non-compliance as detailed in the monitoring protocol. We are also willing to go beyond compliance, and support a program to help ranchers blocked by the purchase control systems get reintegrated into that slaughterhouse supply chain, by implementing a plan that will allow full compliance with the sourcing criteria.

Projected outcome

Larger supply base of slaughterhouses adopting a deforestation-free sourcing criteria for all their purchases; which in turn allows Mars and other potential beef buyers to meet the sourcing & deforestation commitment and maintain business with a broader number of suppliers. This also reduces the leakage in the beef market, given that more slaughterhouses will be adopting the same purchase criteria, and therefore options for blocked ranchers to sell for slaughterhouses without similar sourcing criteria will be reduced.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Timber products

Estimate GHG emissions and removals from land use and land use change

Yes, willing to share details with requesting CDP SC members

Please explain

Mars' Sustainable in a Generation plan goals to cut GHG emissions across our value chain 67% by 2050 and hold the land use in our supply chain flat reinforce our Deforestation Position. As part of Mars' Climate Action target, we include land use change GHG emissions as a key performance indicator (KPI) to measure both our

progress to reduce our carbon footprint and to address the causes of deforestation. We use a land use change accounting methodology developed with Quantis to assign an emissions value to the deforestation and conversion in our supply chain. This helps us better understand the magnitude of this impact compared with other GHG emissions sources and measure our efforts to address this source.

Palm oil

Estimate GHG emissions and removals from land use and land use change

Yes, willing to share details with requesting CDP SC members

Please explain

Mars' Sustainable in a Generation plan goals to cut GHG emissions across our value chain 67% by 2050 and hold the land use in our supply chain flat reinforce our Deforestation Position. As part of Mars' Climate Action target, we include land use change GHG emissions as a key performance indicator (KPI) to measure both our progress to reduce our carbon footprint and to address the causes of deforestation. We use a land use change accounting methodology developed with Quantis to assign an emissions value to the deforestation and conversion in our supply chain. This helps us better understand the magnitude of this impact compared with other GHG emissions sources and measure our efforts to address this source.

Cattle products

Estimate GHG emissions and removals from land use and land use change

Yes, willing to share details with requesting CDP SC members

Please explain

Mars' Sustainable in a Generation plan goals to cut GHG emissions across our value chain 67% by 2050 and hold the land use in our supply chain flat reinforce our Deforestation Position. As part of Mars' Climate Action target, we include land use change GHG emissions as a key performance indicator (KPI) to measure both our progress to reduce our carbon footprint and to address the causes of deforestation. We use a land use change accounting methodology developed with Quantis to assign an emissions value to the deforestation and conversion in our supply chain. This helps us better understand the magnitude of this impact compared with other GHG emissions sources and measure our efforts to address this source.

Soy

Estimate GHG emissions and removals from land use and land use change

Yes, willing to share details with requesting CDP SC members

Please explain

Mars' Sustainable in a Generation plan goals to cut GHG emissions across our value chain 67% by 2050 and hold the land use in our supply chain flat reinforce our Deforestation Position. As part of Mars' Climate Action target, we include land use change GHG emissions as a key performance indicator (KPI) to measure both our progress to reduce our carbon footprint and to address the causes of deforestation. We

use a land use change accounting methodology developed with Quantis to assign an emissions value to the deforestation and conversion in our supply chain. This helps us better understand the magnitude of this impact compared with other GHG emissions sources and measure our efforts to address this source.

Other - Cocoa

Estimate GHG emissions and removals from land use and land use change

Yes, willing to share details with requesting CDP SC members

Please explain

Mars’ Sustainable in a Generation plan goals to cut GHG emissions across our value chain 67% by 2050 and hold the land use in our supply chain flat reinforce our Deforestation Position. As part of Mars’ Climate Action target, we include land use change GHG emissions as a key performance indicator (KPI) to measure both our progress to reduce our carbon footprint and to address the causes of deforestation. We use a land use change accounting methodology developed with Quantis to assign an emissions value to the deforestation and conversion in our supply chain. This helps us better understand the magnitude of this impact compared with other GHG emissions sources and measure our efforts to address this source. Specifically on cocoa, land use change emissions are calculated as either sLUC or dLUC, depending on whether the specific origin land (at the level of GPS point or polygon) is known. LUC calculations use linear discounting following Quantis’ Accounting for Natural Climate Solutions Guidance. Statistical LUC employs a shared-responsibility allocation approach using MapSpam to identify crop growing locations. Both sLUC and dLUC calculations use carbon flux data from Global Forest Watch (Harris et al, 2021). This methodology has been reviewed by a 3rd party. When the GHG Protocol update becomes finalized, we will roll out a consistent calculation across all relevant materials.

SF3.1a

(SF3.1a) For your disclosed commodity(ies), provide details on the actions implemented in your direct operations and/or supply chain that have resulted in a reduction of GHG emissions and/or enhancement in removals.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now



Please confirm below

I have read and accept the applicable Terms