

June 2022

Beef Sourcing & Deforestation Action Plan | 2021 Progress Update

As part of our [Sustainable in a Generation Plan](#), Mars set ambitious science-based Climate Action targets and has articulated a [Deforestation and Land Use Change Position](#), which specifies our commodity-specific action plans for beef, soy, pulp & paper, palm and cocoa. We are proud to be included in CDP's Forest A List in 2021, being recognized as one of the leading companies working towards a more sustainable future¹. We are also proud of our #3 ranking out companies in the Packaged Food Sector in the Forest 500 2021 annual report².

Below we summarize the progress in implementing our [Beef Sourcing & Deforestation Action Plan](#). By 2025, we aim to eliminate deforestation and conversion of natural ecosystems in Mars supply chains for our beef ingredients. This update reflects our beef sourcing data from 2021. Our commitment is aligned with the [Accountability Framework Initiative Regional Guidance](#) and the [Beef Roadmap](#) of the Consumer Goods Forum (CGF) [Forest Positive Coalition of Action](#).

To implement our commitment, we are:

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

Mapping, managing and monitoring our supply chains

We annually update the origin information of the beef we procure worldwide³. For countries identified at risk for deforestation⁴, our partner [Proforest](#) runs a geospatial risk analysis using the information provided by our suppliers, satellite imagery, and other data sources⁵. The risk analysis provides us with insights on how exposed our suppliers are to the conversion of natural ecosystems and other potential breaches to our commitments, which in turn allows us to take the appropriate measures to help address these risks.

In 2021, Mars sourced 273,562 metric tons of beef⁶. The following information demonstrates where we are in progressing towards meeting 100% of our commitment by 2025⁷

- Total beef purchases with known origin country: 98%
- Total beef at low risk for deforestation: 87%
- Total beef at risk for deforestation: 11%
- Traceability to the slaughterhouse-level in at-risk countries: Argentina: 59%; Brazil: 94%; Mexico: 83%.

Footer Notes

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

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

³ Origin defined as the slaughterhouse location and its supply shed. We request all our direct beef suppliers to share with us information from the upstream supplier, including the location and sourcing radius of slaughterhouses, which allows us to have visibility of their supply shed. The following radii were considered for the analysis: Brazil: 360km, Argentina: 510km, Mexico: 250km. We adopted these radii considering: information provided by suppliers, by local organizations working in the cattle sector and, for Brazil specifically, the [IMAZON \(2017\)](#) study.

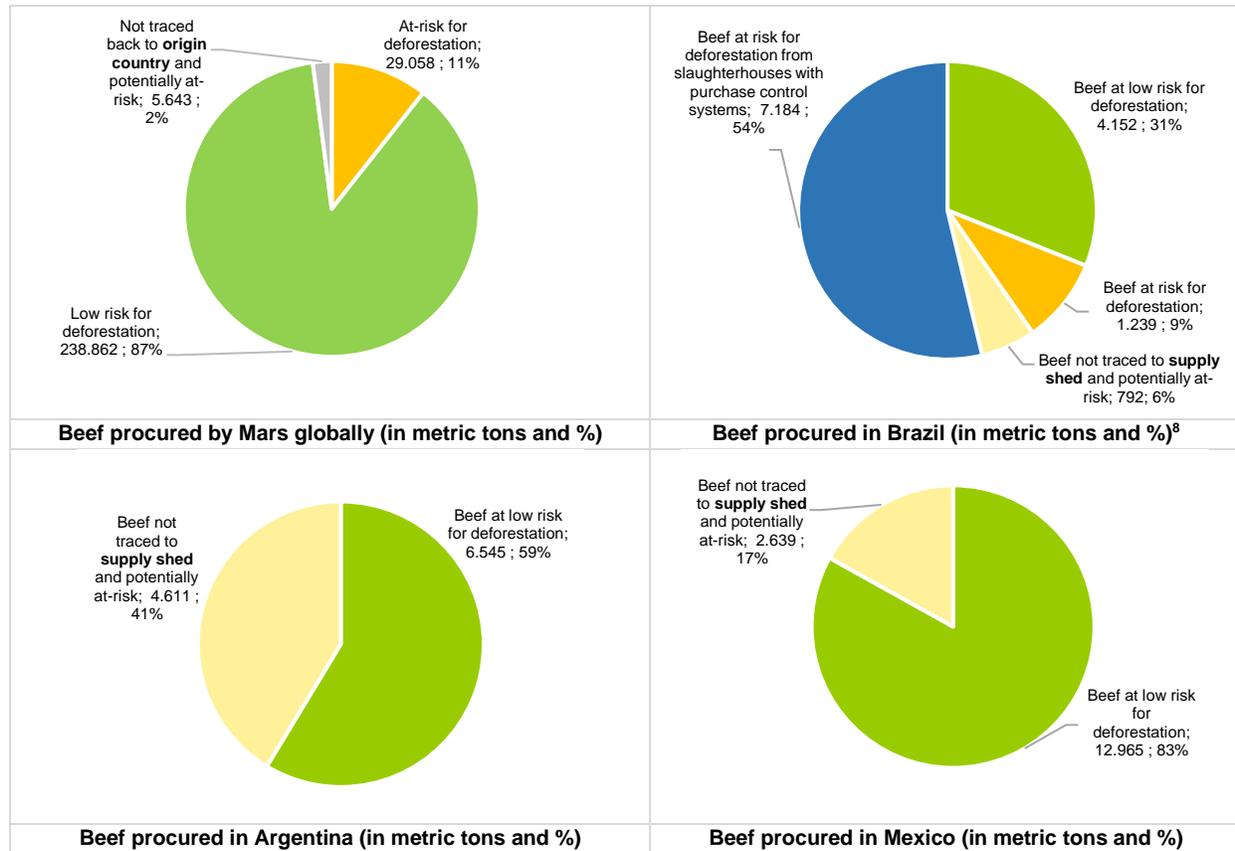
⁴ Based on our country-level risk assessment, the following countries from which we source beef are considered at-risk for deforestation: Australia, Argentina, Brazil and Mexico. Countries other than these from which Mars sources are considered low risk for deforestation associated with beef, considering [Maplecroft](#), [WRI \(2020\)](#) and [WWF \(2021\)](#). We are working on the mapping, managing and monitor approach in Australia, and we will disclose our progress there in the next progress update.

⁵ Official data sources relating to legally protected areas and to areas found to be breaching environmental legislation, whenever made available by the governments from Argentina, Brazil, Mexico and Australia. Other data sources include [Mappiomas](#) and [Global Forest Watch](#).

⁶ Considers the total amount of beef purchases from Mars Petcare, which accounts for 99.9% of beef supply to Mars.

⁷ Traceability is a pre-requisite for the full implementation of our commitments. Our target is to achieve 100% traceability to the slaughterhouse-level in countries at-risk for deforestation. Our interim targets for traceability & for full implementation of the commitment are to achieve 100% in Brazil by the end of 2022, 100% in Argentina by 2023 and 100% in México by 2024.

Below we further detail our progress in implementing our commitments.



We have improved the fraction of beef from low-risk regions from 86% in 2020 to 87% in 2021. In Brazil, from 2020 to 2021, traceability improved from 81% to 94%, and volumes either from low-risk areas or addressed by suppliers' purchase control systems increased from 79% to 85%. This is a result of further supplier engagement and redesign of the supply chain. We are optimizing our supply base, prioritizing suppliers' whose sustainability commitments align better with Mars'. In Mexico we improved traceability and low risk volumes from 59% in 2020 to 83% in 2021, as a result of further engaging with our suppliers and increasing transparency of our supply base.

In Brazil, we have also engaged 100% of our T1 suppliers to share our commitments and to underscore the importance of supplier action to ensure that our sourcing requirements are met. We communicated for all of them the Forest Positive Approach⁹ as part of our collaborative work with the industry. Our work goes beyond our direct suppliers. We offer support to slaughterhouses¹⁰ in our supply chain to adopt best practices in direct cattle sourcing and to start addressing indirect cattle suppliers.

Footer Notes

⁸ Many slaughterhouses in Brazil 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](#). The geomonitoring systems in place and results from third party audits confirm the risks are addressed to meet Mars Beef Sourcing & Deforestation Action Plan.

⁹ See <https://www.theconsumergoodsforum.com/wp-content/uploads/2022/02/2021-CGF-FPC-Guidance-for-FP-Meatpackers-in-Brazil-EN.pdf> for more information about the requirements and actions proposed to meatpackers in Brazil.

¹⁰ Slaughterhouses are mostly Tier 2 suppliers for Mars.

We established a partnership with [Imaflora](#) and we offered to 100% of our suppliers in Brazil the [Beef on Track](#) capacity building workshops¹¹ to adopt the [Monitoring Protocol for Cattle Suppliers in the Amazon](#). We also established a partnership with [The National Wildlife Federation](#) and offered our suppliers [Visipec](#) as an add-on system to help them monitor their indirect cattle suppliers. Several slaughterhouses in our supply chain are participating in the Visipec roadmap¹².

Working beyond our supply chains to accelerate sector-wide transformation

We are engaging across our industry and playing an active role in the [CGF Forest Positive Coalition of Action](#) Beef Work Group. Mars is the co-chair of the Beef Work Group, and Mars CEO Grant Reid played a key role as the co-sponsor of the Coalition, which further demonstrates our commitment to a forest-positive future. We worked collaboratively to develop the [Beef Roadmap](#) to drive improvements at scale. The roadmap aligns a common path for companies to accelerate the implementation of beef sourcing commitments addressing key producing regions at-risk for deforestation, such as the Amazon and the Cerrado Biomes in Brazil. We are also a member of the [Brazilian Roundtable on Sustainable Livestock \(GTPS\)](#).

Lastly, we are supporting initiatives that aim to achieve impact at the landscape and biome-levels, including: the [Beef on Track](#)¹³ program and the [Cerrado Protocol](#)¹⁴ initiative. Mars is providing financial support and capacity building activities under these programs. These initiatives help level the playing field by harmonizing the sourcing criteria for deforestation and conversion-free cattle, in line with the Coalition's theory of change for deploying these requirements across supplier's entire supply base at the slaughterhouse-level.

Footer Notes

¹¹ Workshop sessions (face-to-face) in the states of Pará, Rondônia and Mato Grosso & online capacity building activities.

¹² In the states in Brazil where Visipec is available: Pará, Tocantins, Mato Grosso. Tool coverage depends on State-level data availability.

¹³ Key partner is Imaflora.

¹⁴ Key partners are Proforest and Imaflora, who jointly developed and are testing the protocol as part of the Good Growth Partnership's Responsible Demand Project, thanks to financial support from the Global Environment Facility (GEF) through World Wildlife Fund (WWF) and other supporters.