

Particulars

About Your Organisation

1.1 Name of your organization

Mars, Incorporated

1.2 What is/are the primary activity(ies) or product(s) of your organization?

- Grower
 - Processor and/or Trader
 - Consumer Goods Manufacturer
 - Retailer and/or Wholesaler
 - Bank and/or Investor
 - Social and/or Development NGO
 - Environmental and/or Conservation NGO
 - Supply Chain Associate
 - Affiliate
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1.3 Membership number

4-0127-10-000-00

1.4 Membership category

Consumer Goods Manufacturers

1.5 Membership sector

Ordinary

Consumer Goods Manufacturer**1. Operational Profile**

1.1 Please state your main activity(ies) within the palm oil supply chain. Please select the option(s) that apply to you

- End-product manufacturer
 Food goods manufacturer
 Ingredient manufacturer
 Home & personal care goods manufacturer
 Own-brand manufacturer
 Manufacturing on behalf of other third-party brands
 Biofuels manufacturer
 Other

Other:

2. Palm Oil and Certified Sustainable Palm Oil Use

2.1 Please include details of all operations using palm oil, owned and/or managed by the member and/or all entities that belong to the group.

Mars uses small amounts of palm oil in the manufacture of confectionery and food products at 47 factories worldwide, all of which are certified to the RSPO Mass Balance chain of custody standard.

2.1.1 In which markets do you manufacture goods with palm oil and oil palm products?

Australia , Austria , Brazil , Canada , China , Czech Republic , Egypt , France , Germany , India , Kenya , Mexico , Netherlands , Philippines , Poland , Russia , Saudi Arabia , Spain , Taiwan , Thailand , United Arab Emirates , United Kingdom , United States

2.1.2 In the market(s)/country(ies) where you operate, do you calculate how much palm oil and oil palm product there is in the goods you manufacture?

Yes

2.2 Volumes of palm oil and oil palm products purchased

2.2.1 Total volume of crude and refined palm oil used in the year (tonnes)

60,570.00

2.2.2 Total volume of crude and refined palm kernel oil used in the year (tonnes)

15,943.00

2.2.3 Total volume of palm kernel expeller used in the year (tonnes)

0.00

2.2.4 Total volume of other palm-based derivatives and fractions used in the year (tonnes)

3,554.00

2.2.5 Total volume of all palm oil and oil palm products used in the year (tonnes)

80,067.00

2.3 Volume of palm oil and oil palm products used in the year in your own brand products that are RSPO-certified (in tonnes):

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.3.1 Book and Claim from Mill / Crusher	-	-	-	-
2.3.2 Book and Claim from Independent Smallholder	-	-	-	-
2.3.3 Mass Balance	100	100	-	100
2.3.4 Segregated	-	-	-	-
2.3.5 Identity Preserved	-	-	-	-
2.3.6 Total volume	100	100	-	100

2.4 Volume of RSPO-certified palm oil and oil palm products sold to 3rd party RSPO certified companies (in tonnes)

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.4.1 Book and Claim from Mill / Crusher	-	-	-	-
2.4.2 Book and Claim from Independent Smallholder	-	-	-	-
2.4.3 Mass Balance	-	-	-	-
2.4.4 Segregated	-	-	-	-
2.4.5 Identity Preserved	-	-	-	-
2.4.6 Total volume	-	-	-	-

2.5 According to the information you have provided in this questionnaire, your company has not reached 100% sustainable palm yet by using the four supply chain models (Book and Claim, MB, SG, IP). Do you have plans to immediately cover the gap by using RSPO Credits?

No

2.5.1 When do you plan to cover the gap by using RSPO Credits?

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2.5.2 Please explain why

Mars already sources 100% RSPO-certified mass balance palm oil in its own-brand products, as reported in question 2.3. Mars does not manufacture products for third parties which is why the fields in question 2.4 are left blank.

2.6 What is the percentage of RSPO Certified Sustainable Palm Oil in the total palm oil used by your company in the following regions:

2.6.1 Africa

100%

2.6.2 Oceania

100%

2.6.3 Europe

100%

2.6.4 North America

100%

2.6.5 Latin America

100%

2.6.6 Middle East

100%

2.6.7 China

100%

2.6.8 India

100%

2.6.9 Indonesia

%

2.6.10 Malaysia

%

2.6.11 Rest of Asia

100%

3. Time-Bound Plan

3.1 Year of first supply chain certification (planned or achieved)

2010

3.2 Year expected to/or started to use any RSPO-certified sustainable palm oil and oil palm products in your own brand products

2010

3.2.1 If target has not been met, please explain why.

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3.3 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from any supply chain option in your own brand products.

2013

3.3.1 If target has not been met, please explain why.

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3.4 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) in your own brand products.

2013

3.4.1 If target has not been met, please explain why.

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3.4.2 Which markets do these commitments cover?

Applies globally

3.5 Does your company use RSPO-certified sustainable palm oil and oil palm products in goods you manufacture on behalf of other companies?

No

3.6 Does your company have a Time-Bound Plan to only use RSPO-certified sustainable palm oil and oil palm products in the goods you manufacture on behalf of other companies?

No

3.7 When do you expect all products you manufacture to only contain RSPO-certified sustainable palm oil and oil palm products?

2013

4. Trademark Use

4.1 Do you use or plan to use the RSPO Trademark on your own brand products?

No

4.2 Please select the countries where you use or intend to apply the Trademark.

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4.2.1 Please state the year that you started using the RSPO Trademark or the year you plan to start using the RSPO Trademark.

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4.3 Please explain why

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Other:

Our strategy is to focus on helping transform the palm oil supply chain in the areas we source from. It does not yet extend to consumer engagement on this issue.

4.4 Have you uploaded information and images of products using the RSPO Trademark to the RSPO mobile app?**5. Actions for Next Reporting Period****5.1 Outline actions that you will take in the coming year to promote the use of RSPO-certified sustainable palm oil and oil palm products along the supply chain.**

Mars is driving a transformational and holistic approach on palm that we believe can deliver meaningful impact. It starts on the ground and at the source to accelerate change: set clear expectations that our suppliers be decoupled from deforestation and capable of continuous improvement on human rights; only source from those suppliers who share our values across their entire palm business and move away from those who don't; launch a fully traceable palm supply chain solution with United Plantations and Fuji Oil sourcing from 1 plantation, processed in 1 mill and 1 refinery, fully traceable to Mars; move to RSPO segregated palm oil for Europe (January) and Australia (mid-2019); partner with AidEnvironment and Earthworm to verify our supply chain using forest concession maps and satellite imagery respectively; engaging smallholders through a Livelihoods Project with a robust supplier; continue to collaborate with the broader industry through our leadership of the Coalition for Sustainable Livelihoods, intervening across a full jurisdictional area in the sensitive Leuser ecosystem of Sumatra, Indonesia.

6. Non-Disclosure of Information

6.1 Information in the sections above are mandatory declarations in your ACOP. For confidentiality purposes, members may choose not to display volume data in Section 2 publicly; however, RSPO reserves the right to utilise the member's data on an aggregate basis for sectoral and total analysis. Please check this box if the member chooses to have the data in Section 2 displayed publicly.

Yes - Display Publicly

7. Application of Principles & Criteria for all member sectors

7.1 Related to company's procurement or operations, do you have organisational policies that are in line with the RSPO P&C? Select all relevant options.

7.1.A Water, land, energy and carbon footprints

File: --

Link: Please see our impact position statements on Climate Action, Water Stewardship and Land Use:
<https://www.mars.com/about/policies-and-practices>**7.1.B Land use rights**

File: --

Link: Please see our Global Human Rights policy and Deforestation Prevention policy:
<https://www.mars.com/about/policies-and-practices>**7.1.C Ethical conduct and human rights**

File: --

Link: Please see our Supplier Code of Conduct, Global Human Rights Policy, and Anti-Corruption Principle:
<https://www.mars.com/about/policies-and-practices>**7.1.D Labour rights**

File: --

Link: Please see our Supplier Code of Conduct and Global Human Rights Policy:
<https://www.mars.com/about/policies-and-practices>**7.1.E Stakeholder engagement**

File: --

Link: Please see our Public Policy and Advocacy policy: <https://www.mars.com/about/policies-and-practices>**7.1.F None of the above. Please explain why.**

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7.2 What best practice guidelines or information has your organisation provided in the past year to facilitate the uptake of RSPO-certified sustainable palm oil and oil palm products? What languages are these guidelines available in?

Mars increases demand for RSPO-certified palm oil by maintaining a policy of sourcing 100% mass balance palm oil throughout our planned business growth. Additionally, in 2019 we are moving to RSPO segregated palm oil for Europe and Australia. Our supplier sustainability scorecard rates palm oil suppliers, and efforts across six sustainability criteria: policies, transparency, traceability, transformation programs, verification processes and grievance mechanisms. To focus on actions rather than words, the scorecard applies greater weighting to the last three areas.

8. Greenhouse Gas (GHG) Footprint**8.1 Are you currently reporting any GHG footprint?**

Yes

8.1.1 Please upload your publicly available GHG report

File: --

8.1.1.1 OR please insert the URL to the GHG section of your corporate website.Link: <https://gateway.mars.com/m/45f64dd4411a8c82/original/Mars-Sustainability-Report-English.pdf>**8.2 Please explain and justify why you are not calculating your GHG footprint. Please include any future plans you may have to calculate your GHG footprint.**

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8.3 What methodology are you using to calculate your GHG footprint?

The GHG Protocol Corporate Accounting and Reporting Standard

9. Support for Oil Palm Smallholders**9.1 Are you currently supporting any oil palm Independent Smallholder groups?**

Yes

9.2 How are you supporting them?

We are supporting the Coalition for Sustainable Livelihoods to improve smallholder productivity and sustainable development in Aceh and North Sumatra, in Indonesia. With members including Conservation International, IDH Sustainable Trade Initiative, The Livelihoods Fund, The Forest Trust, the United Nations Development Program and other multinational food companies, the Coalition aims to develop a landscape approach that builds sustainable livelihoods and improves natural resource management. By aligning public and private sector efforts, the Coalition aims to help advance government programs and policies while contributing to supply chain sustainability. As part of this coalition, we are exploring a smallholder project in North Sumatra with the Livelihoods Fund for Family Farming.

9.2.1 Do you have any future plans to support oil palm Independent Smallholders?

9.2.2 When do you plan to start your support for oil palm Independent Smallholders?

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10. Challenges**10.1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?**

- Awareness of RSPO in the market
 - Difficulties in the certification process
 - Certification of smallholders
 - Competition with non-RSPO members
 - High costs in achieving or adhering to certification
 - Human rights issues
 - Insufficient demand for RSPO-certified palm oil
 - Low usage of palm oil
 - Reputation of palm oil in the market
 - Reputation of RSPO in the market
 - Supply issues
 - Traceability issues
 - Others
-

Other:

Smallholder certification: Suppliers in developing countries (e.g. China, India, Egypt) still face challenges in sourcing CSPO, and achieving RSPO certification is still challenging for independent smallholders. These challenges include logistics, cost and return on investment (as in some cases CSPO is still sold as conventional oil). As stated in our policy, we are committed to helping farmers adopt better practices so we can include them in our supply chain. We are exploring innovative solutions with the Livelihood Fund for Family Farming (L3F), Coalition for Sustainable Livelihoods and our suppliers, starting with a pilot project in Indonesia.

In China, the second largest importer of palm oil, Mars is a founding member of China Sustainable Palm Oil Alliance. Launched in July 2018, the Alliance was convened with support from RSPO, World Wildlife Fund (WWF), China Chamber of Commerce of Foodstuffs and Native Produce (CFNA). As part of the alliance, Mars and other members made commitments to promote the adoption of sustainable palm oil in the Chinese markets. Particularly for China, efforts to support credible initiatives to drive the industry forward are important to help make sustainable palm oil the preferred choice.

Human rights issues: We remain deeply concerned about continued allegations of labor rights issues in origin countries. We are committed to working with the wider food industry to increase pressure on palm oil producers and traders to ensure their operations improve rural livelihoods and are free from human and labor rights violations. Mars is a member of the RSPO Human Rights Working Group and Labor Task Force and plays an active role in the Consumer Goods Forum working group on forced labor in palm oil. With Wilmar, we have co-created a pilot human rights program and are working together on a detailed roadmap for implementation, in partnership with Verité Southeast Asia.

10.2 In addition to the actions already reported in this ACOP, how has your organisation supported the vision of RSPO to transform the market for sustainable palm oil in other ways?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues eg trade workshops industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- Others

Other:

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.

10.3 Please attach or add links to any other information from your organisation on your palm oil policies and activities (e.g.: sustainability reports, policies, other public information)

Update on Palm Oil Sourcing:

<https://gateway.mars.com/m/1618041a49612509/original/POLICY-Mars-Palm-Update-December-2018-.pdf>