

Particulars

About Your Organisation

Organisation Name

Mars, Incorporated

Corporate Website Address

<http://www.mars.com>

Primary Activity or Product

- Manufacturer
-

Related Company(ies)

No

Membership

Membership Number	Membership Category	Membership Sector
4-0127-10-000-00	Ordinary	Consumer Goods Manufacturers

Consumer Goods Manufacturers**Operational Profile****1.1 Please state what your main activity(ies) is/are within manufacturing**

- End-product manufacturer
- Food Goods
- Own-brand
- Other:

Pet food manufacturer

Operations and Certification Progress**2.1 Do you have a system for calculating how much palm oil and palm oil products you use?**

Yes

2.2.1 Do you manufacture for:

Own Brand

2.2.2 Total volume of Refined Palm Oil or RBD Palm Oil used in the year:

59,138

2.2.3 Total volume of Palm Kernel Oil used in the year:

14,967

2.2.4 Total volume of other Palm Oil Derivatives and Fractions used in the year:

7,910

2.2.5 Total volume of all palm oil products you used in the year:

82,015

2.3 Palm oil volume used in the year in your own brands that is sourced through RSPO-certified physical supply chains:**In Your Own Brand**

No	Description	Refined palm oil/RBD palm oil (Tonnes)	Palm Kernel Oil (Tonnes)	Palm based derivatives or fractions (Tonnes)
1	Book & Claim	-	-	-
2	Mass Balance	59,078.00	14,967.00	7,910.00
3	Segregated	-	-	-
4	Identity Preserved	-	-	-
5	Total volume of palm oil handled that is RSPO-certified	59,078.00	14,967.00	7,910.00

2.4.1 Volume of Palm Kernel Expeller used/ handled:

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2.4.2 What type of products do you use CSPO for?

chocolate, confectionery, chewing gum, soups, sauces and pet foods.

2.5 What is the percentage of certified sustainable palm oil in the total palm oil your company sells in:

Europe 100%
 India 100%
 China 100%
 South East Asia 100%
 North America 100%

2.6 What is the percentage of certified sustainable palm kernel oil in the total palm kernel oil your company sells in:

Europe 100%
 India 100%
 China 100%
 South East Asia 100%
 North America 100%

Time-Bound Plan**3.1 Date expected to/or started to use any RSPO certified palm oil products - own brand**

2010

3.2 Date expected to be using 100% RSPO certified palm oil products from any supply chain option - own brand

2013

3.3 Date expected to be using 100% RSPO certified palm oil from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products

2013

3.4 Do your (own brand) commitments cover your company's companies' global use of palm oil?

y

3.5 Does your company use palm oil in products in goods you manufacture on behalf of other companies?

n

When do you expect to actively promote the use of certified sustainable palm oil in other manufacturers' brands that you sell?

3.6 Which countries that your organization operates in do the above commitments cover?

Argentina, Australia, Austria, Belarus, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Cote d'Ivoire, Croatia (Hrvatska), Czech Republic, Denmark, Dominican Republic, Egypt, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Guadeloupe, Hong Kong, Hungary, India, Indonesia, Israel, Italy, Japan, Kazakhstan, Kenya, Korea, Republic of, Kyrgyzstan, Latvia, Lebanon, Lesotho, Lithuania, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Norway, Peru, Philippines, Poland, Portugal, Puerto Rico, Reunion, Romania, Russian Federation, Saudi Arabia, Singapore, Slovakia (Slovak Republic), Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Province of China, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Vietnam

3.7 What are your interim milestones towards achieving RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies

Our original target, set in 2010, was to achieve 100% CSPO by year-end 2015.

We met this target two years early, by the end of 2013, by sourcing via mass balance.

3.8 Date of first supply chain certification (planned or achieved)

2013

Trademark Related

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

No

Please explain why

not applicable.

GHG Emissions

5.1 Are you currently assessing the GHG emissions from your operations?

Yes

5.2 Do you publicly report the GHG emissions of your operations?

Yes

Actions for Next Reporting Period

6.1 Outline actions that will be taken in the coming year to promote sustainable palm oil.

Mars is a member of the Roundtable on Sustainable Palm Oil (RSPO) and, as of year-end 2013, we purchase 100 percent of our palm oil from RSPO-certified sources via the “mass balance” program. We achieved this two years ahead of our original goal to source 100 percent of palm oil from certified sources by year-end 2015.

The mass balance model requires processors to purchase palm oil from certified sources, but allows them to mix it with conventional palm oil during transportation, processing and packaging. This reduces the cost and complexity of handling separate supply chains and fosters greater uptake of certification.

This means that while enough certified palm oil enters the supply chain to cover our needs, some of the palm oil we actually receive today will come from unknown and non-certified sources.

Mars is committed to developing a fully sustainable and traceable palm oil supply chain.

We will continue to source 100% RSPO mass-balance certified palm oil, but we are now strengthening our commitment as follows to ensure this palm oil is genuinely sustainable:

1. Our ambition is to go beyond the RSPO criteria to only source palm oil from companies whose operations meet the following sourcing charter, within the timeframe described below:
 - Only from legal sources
 - No development in areas of high conservation value*
 - No development in high carbon stock forest areas*
 - No development on peat lands regardless of depth
 - No burning to clear land for new developments or to re-plant existing developments
 - Compliance with the Mars, Incorporated Supplier Code of Conduct. This sets our expectations in the areas of child labor, forced labor, discrimination, compensation and benefits, working hours, freedom of association and right to collective bargaining, health and safety, the environment and ethical business practices.
 - Respect the right of all affected communities to give or withhold their free, prior and informed consent for plantation developments on land they own legally, communally or by custom
 - Support farmers and plantation owners to comply with this policy.
2. We are developing a fully traceable pipeline back to known mills by year-end 2014. We are working with the Forest Trust (TFT) to ensure these mills can verify that their fresh-fruit bunch supply, including supply from smallholders, meets our sourcing charter. We require all suppliers to comply with our charter by year-end 2015, or to have plans in place by year-end 2015 to ensure compliance.
3. We will only work with palm oil suppliers that share our values and our commitment to transforming the palm oil supply chain, and we will require that by the end of 2014 they confirm their commitment to comply with the above sourcing charter.

These measures will help ensure a genuinely sustainable pipeline where all material is sourced from companies whose mills only produce sustainable palm oil.

In addition, we believe that this will help accelerate change by encouraging our suppliers to source all their palm oil from companies whose plantations and farms are responsibly run.

Our annual Principles in Action Summary will report on our progress and we will provide updates as appropriate on our website.

Mars will partner with industry, governments and civil society on broader efforts to protect forests and ensure mutual benefits for the workers and communities that rely on them for their livelihoods. In particular, we will work with the Consumer Goods Forum to speed progress on preventing deforestation.

This palm oil policy applies to 100 percent of palm oil, palm kernel oil and their fractions directly sourced by Mars, Incorporated.

In our regular progress update in 2015 March, we stated that we continue to engage with our suppliers to ensure they can comply with our charter, or have firm plans in place to do so, by year-end 2015. We aim to achieve a fully traceable palm oil supply chain by our next update, in September 2015. We will continue to receive traceability information from our suppliers twice yearly to capture any new mills added to our supply chain. Our focus for the remainder of 2015 is to support our suppliers to perform field assessments at a number of mills, to gain greater traceability to the plantations and farms they source from. You can read more about this update from this link: <http://sharedservices.mars.com/assets/Palm%20oil%20update%20Mar%202015.pdf>

Reasons for Non-Disclosure of Information**7.1 If you have not disclosed any of the above information, please indicate the reasons why**

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- Others:

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Application of Principles & Criteria for all members sectors

8.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:

- Water, land, energy and carbon footprints
[M-Policies-to-PNC-waterland.pdf](#)
- Ethical conduct and human rights
[M-Policies-to-PNC-ethicalconducthr.pdf](#)
- Labour rights
[M-Policies-to-PNC-laborrights.pdf](#)

8.2 What steps will/has your organization taken to support these policies?

1. Supplier Code of Conduct: We expect all those who we do business with, such as our suppliers, to understand and comply with our policies. Our Supplier Code of Conduct (http://www.sharedservices.mars.com/assets/Mars_S%20C%20of%20C%202014_English_May%2030.pdf) was developed and implemented in 2011. It includes 10 workplace standards that meet or exceed International Labour Organization guidelines. In 2013, this Code was updated to include and address emerging industry challenges such as migrant labor. The Code, and our Responsible Sourcing program, apply to all our direct and indirect suppliers. This includes small raw material producers, service providers, manufacturers as well as multinational corporations. All Mars suppliers are expected to align with, and are encouraged to exceed, the standards included in our Code. It also requires our suppliers to implement similar standards in their own supply chains. We only work with those suppliers that demonstrate a commitment to meet the standards included in our Code and operate in a manner that is compatible with our Five Principles. In 2012, we introduced a program to increase supplier alignment with the Code. We also participate in the Leadership and Advisory Boards of AIM-PROGRESS, an industry forum to enable and promote responsible sourcing.
2. Palm Oil Policy: In 2014, Mars Incorporated released its new palm oil policy (<http://www.mars.com/global/about-mars/mars-pia/our-supply-chain/palm-oil.aspx>). In early 2014, we developed a sourcing charter that requires all our suppliers to establish a fully sustainable and traceable palm oil supply across all their operations by the end of 2015. We are also partnering with The Forest Trust (TFT) to help mills and plantations build traceability, and verify that their fresh-fruit bunch supply, including supply from smallholders, meets Mars' sourcing charter. These measures will help ensure a genuinely sustainable pipeline where all material is sourced from companies whose mills only produce sustainable palm oil.
3. Deforestation Policy: Our new Deforestation Policy (<http://sharedservices.mars.com/assets/184225299.pdf>) commits us to sourcing raw materials with the greatest impact on forests (beef, palm oil, pulp and paper, and soy) from producers and suppliers who comply with the following: produce or purchase all raw materials from legal sources; no deforestation of primary forest or areas of high conservation value; no development in high carbon stock forest areas or on peatlands regardless of depth; no burning to clear land; respect the right of all affected communities to give or withhold their free, prior and informed consent for plantation developments on land they own legally, communally or by custom; resolve land rights disputes through a balanced and transparent dispute resolution process; comply with our Code of Conduct; and support farmers and plantation owners to comply with this policy

Commitments to CSPO uptake

As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions: Do you have plans to?

Yes

Please specify

As per 2014 internal audit program results all the gaps have been addressed with corrective actions. All volumes are MB certified

9.1 Do you have plans to immediately cover the gap using Book & Claim?

No

Please explain why

As per 2014 internal audit program results all the gaps have been addressed with corrective actions. All volumes are MB certified

Concession Map

Do you agree to share your concession maps with the RSPO?

No

Please explain why

Our original target was 2015 and we achieved 100% RSPO certified by year-end 2013.

Challenges

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?

We believe that the availability of CSPO has been hampered by the cost and complexity for producers of fully segregating CSPO from conventional palm oil supplies. Low availability has led to poor demand, creating a vicious circle. However, allowing producers to mix CSPO with conventional palm oil during transportation, processing and packaging via mass balance is increasing the availability of CSPO, speeding progress toward a sustainable supply and stimulating demand.

We are deeply concerned about continued allegations of forced and child labor in the Indonesian and Malaysian palm oil industries. We remain 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.

2 How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

Yes

Robust:

Yes

Simpler to Comply to:

Yes

3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

We have been involved in direct engagement with key external stakeholders including NGOs such as Greenpeace and the Rainforest Action Network, as well as academics, opinion formers and customers

4 Other information on palm oil (sustainability reports, policies, other public information)

<http://www.mars.com/global/about-mars/mars-pia/our-supply-chain/palm-oil.aspx>

Mars, Incorporated commitment on palm oil:

<http://www.mars.com/global/about-mars/mars-pia/our-supply-chain/palm-oil.aspx>

Mars, Incorporated deforestation policy:

<http://sharedservices.mars.com/assets/184225299.pdf>

Mars, Incorporated Q&A on deforestation:

<http://sharedservices.mars.com/assets/840392322.pdf>
