Particulars

Organisation Name	Mars, Incorporated
Corporate Website Address	http://www.mars.com
Primary Activity or Product	Manufacturer
Related Company(ies)	None
Country Operations	Australia, Argentina, Austria, Belarus, Belgium, Brazil, Bulgaria, Canada, Chile, China - People's Republic of, Colombia, Cote d'Ivoire, Croatia, Czech Republic, Denmark, Dominican Republic, Egypt, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Guadeloupe, Hong Kong, Hungary, India, Indonesia, Ireland, 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 Island, Romania, Russian Federation, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan - Republic of China, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, USA, Vietnam
Membership Number	4-0127-10-000-00
Membership Type	Ordinary Members
Membership Category	Consumer Goods Manufacturers
Primary Contacts	Sarah Schaefer Address: 6885 Elm Street McLean, Virginia United States 22101-3810
Person Reporting	Sarah Schaefer

Related Information

Other information on palm oil:

2012 Mars, Incorporated Principles in Action Summary: Click here to visit the URL

Mars, Incorporated People, Planet, Performance website: Click here to visit the URL

Mars, Incorporated statement of intent on deforestation: Click here to visit the URL

Reporting Period

01 July 2012 - 30 June 2013

Consumer Goods Manufacturers

Operational Profile

1. Main activities within manufacturing

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

Operations and Certification Progress

2. Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

Total volume of all palm oil products used in the year in your own brand products:

--

3.1. Total volume of Crude Palm Oil used in the year:

49358

3.2. Total volume of Palm Kernel Oil used in the year:

13812

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

14001

3.4. Total volume of all palm oil and palm oil derived products you used in the year:

77171

4. Volume of Crude Palm Oil used in the year in your own brand products that is RSPO-certified

4.1. Book & Claim

--

4.2. Mass Balance

33809

4.3. Segregrated

--

4.4. Identity Preserved

--

4.5. Total volume of Crude Palm Oil used that is RSPO-certified:

33809

5. Volume of Palm Kernel Oil used in the year in your own brand products that is RSPO-certified:

5.1. Book & Claim	
5.2. Mass Balance	
4469	
5.3. Segregrated	
5.4. Identity Preserved	
5.5. Total volume of Pa	Im Kernel Oil handled that is RSPO-certified:
4469	
6. Volume of all other p	
6. Volume of all other p products that is RSPO 	oalm-based derivatives and fractions used in the year in your own brand -certified:
6. Volume of all other p products that is RSPO	
6. Volume of all other p products that is RSPO 6.1. Book & Claim 	
6. Volume of all other p products that is RSPO 6.1. Book & Claim	
 6. Volume of all other p products that is RSPO 6.1. Book & Claim 6.2. Mass Balance 5279 	
 6. Volume of all other p products that is RSPO 6.1. Book & Claim 6.2. Mass Balance 5279 	
6. Volume of all other p products that is RSPO 6.1. Book & Claim 6.2. Mass Balance 5279 6.3. Segregrated 	-certified:
6. Volume of all other p products that is RSPO 6.1. Book & Claim 6.2. Mass Balance 5279 6.3. Segregrated 	-certified:
6. Volume of all other p products that is RSPO 6.1. Book & Claim 6.2. Mass Balance 5279 6.3. Segregrated 6.4. Identity Preserved 	-certified:

Chocolate, confectionery, chewing gum, soups and sauces. Our Petcare business in Thailand also uses palm kernel stearin in a small number of pet foods.

8. Do you ask your suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8?

No

Suppliers report that palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8

--

Time-Bound Plan

9. Date expected to/or started to use any RSPO certified oil palm products - own brand

2010

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

2013

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

2013

12. Do your (own brand) commitments cover your companies' global use of palm oil?

Yes

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

No

14. Date expected to actively communicate to promote the use of certified sustainable palm oil in other manufacturers' brands that you sell.

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

Australia, Argentina, Austria, Belarus, Belgium, Brazil, Bulgaria, Canada, Chile, China - People's Republic of, Colombia, Cote d'Ivoire, Croatia, Czech Republic, Denmark, Dominican Republic, Egypt, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Guadeloupe, Hong Kong, Hungary, India, Indonesia, Ireland, 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 Island, Romania, Russian Federation, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan - Republic of China, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, USA, Vietnam

16. 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 expect to meet this target two years early, by the end of 2013, by sourcing via mass balance.

Actions for Next Reporting Period

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

We recognize additional measures are needed to help accelerate towards a fully responsible palm industry. Working with the wider food industry, we aim to increase pressure on palm oil producers to improve their practices so that their operations improve rural livelihoods and are free of deforestation, further expansion on carbon-rich peatlands, human and labor rights violations and illegal sources.

We also aim to increase pressure on traders to raise their standards, eliminate palm oil producers associated with deforestation, further expansion on carbon-rich peatlands, human and labor rights violations and illegal sources and achieve full traceability of supplies.

In addition, we are mapping the impact on deforestation and social impacts of palm oil and other raw materials in our supply chain, which will enable us to build a deeper understanding of the issue, inform the development and implementation of responsible sourcing polices and decide on further actions to take.

Mars, Incorporated is committed to working towards 100% traceable sources of palm oil that are free of deforestation, expansion on carbon-rich peatlands, the violation of human and labor rights.

18. Do you publicly report the GHG emissions of your operations?

Yes

Public report of GHG emissions on operations

M-GHG-Emissions-Report.pdf

For administration purpose, attachment files are renamed automatically

Reasons for Non-Disclosure of Information

19. If you have not disclosed any of the above information, please indicate the reasons why

Other

- Other reason:

We have not answered question 14 as we do not sell any other manufacturers' brands.

Trademark Related

20. Do you use or plan to use the RSPO trademark on any of your products?

Yes

If yes, when will you start?

--

21. Do you undertake or support any other projects related to sustainable palm oil that have not been captured in this report?

No

Application of Principles & Criteria for all members sectors

22. Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C?

- Ethical conduct and human rights
- Labour rights

- Water, land, energy and carbon footprints policy

- Land use rights policy
 - ---

- Ethical conduct and human rights policy

<u>M-Policies-to-PNC-ethicalconducthr.pdf</u> For administration purpose, attachment files are renamed automatically

- Labour rights policy

<u>M-Policies-to-PNC-laborrights.pdf</u> For administration purpose, attachment files are renamed automatically

- Stakeholder engagement policy

--

23. What steps will your organization take to minimize its resource footprints?

We base our environmental strategies on the concept of Planetary Boundaries, a highly-respected scientific analysis based on a review of existing research which identifies nine environmental impacts and the point at which each one will cause catastrophic harm to human wellbeing. We have combined this data with information about our value chain, and agricultural supply chains in particular, to identify greenhouse gas emissions, water impact and the impacts of land use as the three areas most relevant to our business. These areas encompass the majority of impacts in the Planetary Boundaries model.

The methodologies and available data sets for calculating or estimating these impacts are at different stages of development – they are well established for greenhouse gas emissions, while there is no agreed method for assessing the impacts of land use. We aim to help develop the methods and data sets required, and are making progress using

what data is available in the meantime. Read more about our work on Greenhouse Gas Emissions, Water and Land Use at

Click here to visit the URL

We are taking further steps by investing in innovative scientific research and other programs that seek to improve farming and production methods, as this will help suppliers to increase both the quality and the volume of their output while minimizing resource use. As a result, Mars will secure safe, reliable, sustainable supplies of

high-quality raw materials, and suppliers will boost their incomes through increased yields and quality. Please read more about our approach to sustainable sourcing here: <u>Click here to visit the URL</u>

24. What steps will your organization take to realize ethical conduct using business-applicable regulations and industry practices?

Working with the wider food industry, we aim to increase pressure on palm oil producers to improve their practices so that their operations improve rural livelihoods and are free of deforestation, further expansion on carbon-rich peatlands, human and labor rights violations and illegal sources. We also aim to increase pressure on traders to raise their sourcing standards in similar ways as well as ensure full traceability of supplies. 25. Has your company supported any community programmes on its own or through partnerships? How do you benchmark the impacts of these programmes?

No

26. Are you sourcing 100% physical CSPO?

No

26.1. Please details your organization's plan to cover sourced palm oil and palm kernel oil, which is not yet segregated or identity preserved, through Mass Balance. If you have not committed to sourcing 100% of palm products under the Mass Balance supply chain system until the goal of 100% segregated or identity preserved CSPO can be achieved, please explain why.

Our original target, set in 2010, was to achieve 100% CSPO by year-end 2015. We expect to meet this target two years early, by the end of 2013, by sourcing via mass balance.

Challenges

1. Significant economic, social or environmental obstacles

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?

Cost Effective:	
Yes	
Robust:	
Yes	
Simpler to Comply to:	
Yes	

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.