

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?

- Oil Palm Growers
 - Palm Oil Processors and/or Traders
 - Consumer Goods Manufacturers
 - Retailers
 - Banks and Investors
 - Social or Development Organisations (Non Governmental Organisations)
 - Environmental or Nature Conservation Organisations (Non Governmental Organisations)
 - Affiliate Members
 - Supply Chain Associate
-

1.3 Membership number

4-0127-10-000-00

1.4 Membership category

Ordinary

1.5 Membership sector

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-Manufacturer
- Other:

Pet food manufacturer

Operations and Certification Progress

2.1.1 In the markets where you operate, in which do you manufacture goods with palm oil and oil palm products?

- Applies Globally
-

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

Yes

2.1.3 Does this system only cover your own-brand or all the brands you manufacture?

all-brand

2.1.4 In the markets where you operate, in which do you calculate how much palm oil and oil palm product there is, in the goods you manufacture?

- Applies Globally
-

2.2.1 Total volume of Crude and Refined Palm Oil used in the year (Tonnes)

55,226

2.2.2 Total volume of Crude and Refined Palm Kernel Oil used in the year (Tonnes)

11,604

2.2.3 Total volume of Palm Kernel Expeller used in the year (Tonnes)

--

2.2.4 Total volume of other palm-based Derivatives and Fractions used in the year (Tonnes)

11,479

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

78,309

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 & Claim	-	-	-	-
2.3.2 Mass Balance	55,226.00	11,604.00	-	11,479.00
2.3.3 Segregated	-	-	-	-
2.3.4 Identity Preserved	-	-	-	-
2.3.5 Total volume	55,226.00	11,604.00	-	11,479.00

2.4 Volume of RSPO certified sustainable palm oil and oil palm products sold to other 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 & Claim	-	-	-	-
2.4.2 Mass Balance	-	-	-	-
2.4.3 Segregated	-	-	-	-
2.4.4 Identity Preserved	-	-	-	-
2.4.5 Total volume	-	-	-	-

2.5 What is the percentage of RSPO certified sustainable palm oil and oil palm products in the total volume used by your company in the following regions:

2.5.1 Africa	100%
2.5.2 Australasia	100%
2.5.3 China	100%
2.5.4 Europe	100%
2.5.5 India	100%
2.5.6 North America	100%
2.5.7 South America	100%
2.5.8 Indonesia	100%
2.5.9 Malaysia	100%
2.5.10 Middle East	100%
2.5.11 Rest of Asia	100%

Time-Bound Plan**3.1 Date of first supply chain certification (planned or achieved)**

2010

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

2010

3.3 Date 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

3.4 Date 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

3.5 In which markets where you operate do these commitments cover?

Applies Globally

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

No

3.7 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 brands?

No

Trademark Related

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

No

Please explain why

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.

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**

The Mars palm oil policy details our ambition to source fully sustainable and traceable supplies that are free from deforestation and produced with respect for human rights. Our first steps toward this outcome was sourcing 100% of our palm oil via the Roundtable on Sustainable Palm Oil (RSPO) mass balance program since 2013.

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:
 - 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 collaborating with the Forest Trust (TFT), by 2016 year end we had traced 95% of our volumes. The majority (78%) came from Indonesia or Malaysia. In September 2016, we integrated sustainability criteria into our global bidding process for palm oil suppliers, using their responses to assess potential deforestation and human rights impacts in their supply chains. We are using the results to shift our business to suppliers aligned with our policy. Following this process, in 2017 more than 80% of our palm oil will come from the following suppliers: AAK, ADM, Cargill, Fuji, Olam, Olenex, Sime Darby, and Wilmar.

3. We have identified high-priority mills in our supply chain. Together with TFT, we encourage refineries to be accountable for transformation in the mills (and plantations and smallholder farms) supplying them. In 2017, we will continue to reinforce our efforts to fulfill the human rights component of our palm oil policy. This work includes our continued support for Wilmar as it implements TFT's Aggregator and Refinery Transformation (ART) program within the Pasir Gudang landscape in Peninsula Malaysia. By working with a small number of prioritized mills, ART is beginning to show that change is possible and is generating best practices to share with others in the region. Building on the lessons learned from ART, we plan to work with our suppliers, TFT and other partners to develop a human rights approach for palm oil that can be widely applied across the industry. This work includes piloting an initiative to improve labour practices at two mills, by providing coaching, guidance materials and other resources. To complement this work, Mars is supporting TFT to pilot an innovative framework for monitoring and verifying social and environmental compliance in Peninsula Malaysia. The pilot should enable TFT to refine and scale up the framework across the country.

4. Our collaboration with others in the industry continues. Mars has joined the RSPO Human Rights Working Group and its Labor Task Force, whose work includes revising labor standards in the RSPO Principles and Criteria documents, and developing plans to strengthen labor practices among RSPO members. Mars continues to co-chair the Consumer Goods Forum's forced labor taskforce, which now includes a palm oil working group in which we are active. In early 2017, our palm oil procurement director took part in a Q&A session at the RSPO / WWF-Malaysia Sustainable Business Forum in Kuala Lumpur where she shared our experience and plans.

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

Reasons for Non-Disclosure of Information**6.1 If you have not disclosed any of the above information, please indicate the reasons why**

--

- Others:

--

Application of Principles & Criteria for all members sectors

7.1 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
 - Uploaded file: --
 - Related link: <http://www.mars.com/global/sustainability/operations/water-impact>
- Land Use Rights
 - Uploaded file: --
 - Related link: <http://www.mars.com/global/about-us/policies-and-practices/deforestation-prevention-policy>
- Ethical conduct and human rights
 - Uploaded file: --
 - Related link: <http://www.mars.com/global/about-us/policies-and-practices/human-rights-policy>
- Labour rights
 - Uploaded file: --
 - Related link: <http://www.mars.com/global/about-us/policies-and-practices/supplier-code-of-conduct>
- Stakeholder engagement
 - Uploaded file: --
 - Related link: <http://www.mars.com/global/about-us/policies-and-practices/supplier-code-of-conduct>
- None of the above

7.2 What best practice guidelines or information has your organization provided in the past year to facilitate the uptake of RSPO certified 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.

We also promote the RSPO's values by:

- Continuing to support Wilmar and TFT as they implement the Aggregator Refinery Transformation (ART) program
- Joining the RSPO Human Rights Working Group and Labor Task Force, whose work includes revising labor standards in the RSPO Principles and Criteria among RSPO members
- Playing an active role in the Consumer Goods Forum working group on forced labor in palm oil
- Participating at major industry events including the 14th RSPO roundtable in Bangkok
- Supporting TFT to pilot an innovative framework for monitoring and verification of policy compliance.

Uploaded files: --

GHG Emissions

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

Yes

Related link: <https://www.cdp.net/sites/2016/82/11382/Climate%20Change%202016/Pages/DisclosureView.aspx>

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

Yes

Related link:

<http://www.mars.com/docs/default-source/doing-our-part/principles-in-action/2015-summary/marspiasummary2015updated.pdf?sfvrsn=4>

Support for Smallholders

9.1 Are you currently supporting any independent smallholder groups?

Yes

As stated in our palm policy, we want to support farmers to improve their practices to comply with our policy, so that we can include them in our supply chain. In 2015, Mars and Danone launched the Livelihood Fund for Family Farmers, where we are developing a pilot project to support palm oil smallholders in Indonesia. The project will use innovative landscape approach to help palm oil farmers increase productivity, protect natural resources, and improve their livelihoods through increased incomes and resilience.

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. Suppliers in developing countries (e.g. China, India, Egypt, etc.) still face challenges in sourcing CSPO, 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) and our suppliers, starting with our first pilot project in Indonesia in 2017. We remain deeply concerned about continued allegations of labor rights issues in origin countries. 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. As previously stated, Mars has joined 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 TFT, we are piloting an initiative to improve labor practices at two mills, by providing coaching, guidance materials and other resources.

2 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 are committed to sourcing 100% RSPO mass balance palm oil, to cover our 78,000 tonne annual usage. In some developing countries, we are one of the first customers to demand physical CSPO. In China and India, the leading palm oil consumers, we have shared our vision on sustainable palm oil, encouraged suppliers to become RSPO members and to apply the RSPO P&C in their supply chain operations. Our suppliers in China and India have become the first to supply physical CSPO in local markets. Mass balance means that while enough certified palm oil enters the supply chain to cover our needs, some of the palm oil we actually receive today comes from non-certified sources. Now that we can trace 95% of our palm oil volumes to the mill, we can prioritize non-certified mills requiring further action and work with our suppliers to develop time-bound action plans for improvement. This work is beginning to drive transformation on the ground. We 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.

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

- No files were uploaded

Link: <http://www.mars.com/global/about-us/policies-and-practices/palm-oil-policy>
