

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
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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 Please include details of all operations using palm oil, majority owned and/or managed by the member and/or related entities****2.1.1 In which markets where you operate, do you manufacture goods with palm oil and oil palm products?**

- Applies Globally

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

- Applies Globally

2.2 Volumes of palm oil and oil palm products (Tonnes)**2.2.1 Total volume of Crude and Refined Palm Oil used in the year (Tonnes)**

58,165

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

16,058

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

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

7,611

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

81,834

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	58,165.00	16,058.00	-	7,611.00
2.3.4 Segregated	-	-	-	-
2.3.5 Identity Preserved	-	-	-	-
2.3.6 Total volume	58,165.00	16,058.00	-	7,611.00

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 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 What is the percentage of RSPO Certified Sustainable Palm Oil in the total palm oil 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 (incl.Russia)	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

3.2.1 Referring to 3.2, in which markets where you operate do these commitments cover?

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 Referring to 3.3 and 3.4, 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 palm oil and oil palm products in the goods you manufacture on behalf of other companies?

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**

Since 2013, we have sourced 100% of our palm oil through the RSPO mass balance program and traced the origins of our palm oil to the mills where it was processed. Our website contains a list of the mills in our supply chain for 2016 at <http://www.mars.com/docs/default-source/default-document-library/mars-suppliers---2016-full-mill-list.pdf?sfvrsn=2>

We continue to collaborate with suppliers on ways to transform palm oil production to a level that meets our policy requirements (which include 100% RSPO certification), a process we call our GOOD program. This program supports our commitment to reducing our environmental impacts in line with what science says is necessary, and to improving the lives of a million people in our value chain, as we strive to make our business Sustainable in a Generation.

Through ongoing traceability efforts (99% of our palm oil was traceable in 2017), we are working to gain clearer sight of where our volumes originate. Experience shows that we cannot drive change across all origins and must focus on selected refineries and supply sheds. We are working with our suppliers to minimize the number of refineries we source from, which will enable us to use our resources more effectively and bring about more rapid transformation.

To further embed sustainable practice in how we source, we have created a scorecard that rates palm oil suppliers' 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. We rolled out the scorecard in July 2017, and will incorporate the results into our annual supplier selection process.

Moving forward, we will track progress and co-create strategies with suppliers to drive collective improvement. We have communicated our intention to award business based on performance and in so doing are holding both our suppliers and ourselves accountable.

We maintain our support for TFT's work, both at landscape-level in Aceh to assess and address the likelihood and underlying causes of any deforestation encroaching on the Leuser ecosystem, and for the Aggregator Refinery Transformation (ART) program in Pasir Gudang, Malaysia. We also continue to support TFT's pilot Kumacaya framework for monitoring and verifying commitments to resolve social and environmental grievances.

Mars and key supplier Wilmar have agreed to work together on a detailed human rights roadmap, which Wilmar will implement through the existing ART program in Pasir Gudang, in partnership with Verité Southeast Asia. Our collective intent is to share our learnings across the industry, including through the Consumer Goods Forum and the RSPO Human Rights Working Group, so that together, we can identify solutions to common labor challenges and scale more quickly. We continue to play an active role in the RSPO Human Rights Working Group,

Over the next year we're prioritizing our work with our suppliers and industry collaborations for lasting change. Key actions will include:

1. Working with suppliers to develop more robust measures of verification and transformation for our sustainability scorecard – including key performance indicators for tracking progress against our commitments.
2. Working with Wilmar to finalize a practical human rights action plan as part of the existing ART program in Pasir Gudang.
3. Engaging coalition partners to align on the most effective ways to scale up work at a landscape level around the Leuser ecosystem.
4. Continuing our leadership in the Consumer Goods Forum globally, as well as support efforts to advance the Priority Industry Principles on Forced Labor in the palm oil sector.
5. As an active member of RSPO, strengthening and deepening the industry's approach to incorporating human rights standards.

Reasons for Non-Disclosure of Information

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

Other

- Others:

We have disclosed all the requested information.

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/about-us/policies-and-practices>

- 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 sustainable palm oil and oil palm products? What languages are these guidelines available in?**Comment:**

Mars increases demand for RSPO-certified palm oil by maintaining a policy of sourcing 100% mass balance palm oil throughout our planned business growth.

We also promote the RSPO's values by:

- Continuing to support Wilmar and TFT as they implement the Aggregator Refinery Transformation (ART) program in Peninsula Malaysia, by supporting training for refineries' third-party suppliers and co-creating a pilot human rights framework.
- Sharing what we learn from the above pilot across the industry, so that together, we can identify solutions to common labor challenges and scale more quickly.
- Continuing to play an active role in the RSPO Human Rights Working Group and Labor Task Force, including the revision of labor standards in the RSPO Principles and Criteria documents.
- Playing an active role in the Consumer Goods Forum working group on forced labor in palm oil.
- Participating at major industry events including the RSPO Roundtable event last June 2017 in London In early 2017, and a Q&A session at the RSPO / WWF-Malaysia Sustainable Business Forum in Kuala Lumpur where we shared our experience and plans.
- Supporting TFT to pilot the Kumacaya framework for monitoring and verification of policy compliance.

Related link:

http://www.mars.com/docs/default-source/Policies-and-Practices/marspalmupdate_march_2018.pdf?sfvrsn=4

GHG Footprint**8.1 Are you currently reporting any GHG footprint?**

Yes

Report file: [M-GHG-Emissions-Report.pdf](#)

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?

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, 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) and our suppliers, starting with a pilot project in Indonesia. 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 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. We are concerned about formal complaints that have been raised against RSPO members. As part of awarding 2018 palm oil business, we set clear criteria for our direct suppliers with regard to their own policies on third-party supplier sourcing. This includes a clear "do not source list" informed by active public grievances. Based on this information, we have instructed our global palm oil suppliers not to source from IndoFoods moving forward, and we will monitor this closely through our ongoing traceability work in partnership with TFT. There is an update on how we manage formal complaints against palm oil suppliers on our website at: <http://www.mars.com/docs/default-source/default-document-library/update-on-rspo-complaints.pdf?sfvrsn=2>

2 In addition to the actions already reported in this ACOP how has your organization supported the vision of RSPO to transform markets in other ways? (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 81,000-tonne annual usage. In some developing countries, we were among 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. As we can trace 99% 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. Mars was among the companies Greenpeace considered "prepared to hold themselves accountable" by publishing their supplier lists, in its highly publicized March 2018 'Moment of Truth' report on household brands and deforestation in the palm oil supply chain. An FT article based on the report noted that Mars was one of the companies emphasizing transparency and quoted Alastair Child, vice-president of global sustainability at Mars Wrigley Confectionery, as saying that Mars will use its influence to push for further changes.

3 File -Please attach or add links to any other information from your organisation on your policies and actions on palm oil (EG: sustainability reports, policies, other public information)

- No files were uploaded

Link: http://www.mars.com/docs/default-source/Policies-and-Practices/marspalmupdate_march_2018.pdf
