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APPROACH AND KEY ACHIEVEMENTS

Mars buys less than 1% of the world's palm oil, yet our supply chain previously contained around 1,500 mills. That's too complex to meaningfully address the sector's root challenges. Meeting the Sustainable Development Goal (SDG)-based objectives of our [Sustainable in a Generation Plan](#) to reduce greenhouse gas (GHG) emissions and improve lives within our value chain required radical change.

Through Mars' [Palm Positive Plan](#) we have made sweeping transformations to deliver a deforestation-free palm oil supply chain in 2020 and advance respect for human rights. Mars has sourced 100% Roundtable on Sustainable Palm Oil (RSPO) Mass Balance palm oil since 2013 and partners with NGOs to verify progress, introduce jurisdictional approaches and, as appropriate, engage and reinstate or remove non-compliant suppliers.

ROADBLOCKS AND SOLUTIONS

Buying anonymous commodities through complex supply chains with a sole reliance on certification will not suffice to effectively address systemic sector challenges. What's more, lack of a shared theory of change by stakeholders has led to fragmented approaches, and programs originally designed to address deforestation lack sufficient capacity to effectively address human rights.

By radically simplifying our palm supply chain, partnering with a smaller cohort of suppliers and rigorously applying the three M's of *Mapping, Management and Monitoring* we can eliminate deforestation and build capabilities to help monitor, address and prevent human rights risks.

We're calling for action beyond our direct supply chain. On the ground, we're collaborating with stakeholders in fragile ecosystems to create a path for successful, sustainable smallholder farming and natural resource management.

In 2017, Mars engaged with our global human rights partner Verité and our supplier Wilmar to explore how businesses across the palm oil supply chain can better understand, address and prevent human rights risks. Our collaborative experience was published as a [case study](#) (2020) to help others advance

human rights across the sector.

POST-2020 ACTION PLANS

Mars believes that the world we want tomorrow starts with how we do business today. After years of work, in 2019 we launched a revised position on [Deforestation and Land Use Change](#) and announced the [Palm Positive Plan](#). In 2020, Mars delivered a deforestation-free palm oil supply chain. Progress continues under these ambitions:

Significantly simplifying our supply chain, reducing the number of mills from 1,500 to fewer than 100 by the end of 2021, and on the path to further halve that in 2022. We award contracts only to suppliers who meet our expectations for all their customers. Earth Equalizer's monitoring platform enables this by increasing group level transparency of suppliers' extended supply chains, so we can take evidence-based action on any non-compliances using our [decision tree](#), with non-compliances decreasing as our supply chain is simplified. Our published [list of suppliers and mills](#) is updated regularly.

Supporting smallholder farmers in high-stakes geographies through active membership in and funding of the [Earthworm Landscape Programme in Aceh](#) to help form community-based conservation plans, build smallholder capabilities and provide alternative livelihoods; and through co-creation of the [Coalition for Sustainable Livelihoods](#) with Conservation International and other organizations. This Coalition aims to join up fragmented approaches within landscapes and jurisdictions to achieve scale. We also participate in the IDH Verified Sourcing Area steering group.

Meaningful human rights engagement via our global partnership with Verité. Mars is supporting the creation of an open-source set of tools to aid companies to manage human rights issues in extended palm oil supply chains. This work, including a [case study](#), is the output of Verité's two-year collaboration to build the capabilities of our supplier, Wilmar, and will launch in 2020.

Sector advocacy, through membership of the North American Sustainable Palm Oil Network, support for [RSPO outreach in China](#), and involvement in the Consumer Goods Forum (CGF) Forest Positive Coalition of Action.