Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Mars has been proudly family owned for over 100 years. It's this independence that gives us the gift of freedom to think in generations, not quarters, so we can invest in the long-term future of our business, our people and the planet — all guided by our enduring Principles. We believe the world we want tomorrow starts with how we do business today. Our bold ambitions must be matched with actions today from our more than 130,000 Associates in 80 countries around the world. Some of our current initiatives are:

• Investing $1 billion over the next several years to become sustainable in a generation
• Working to improve the wellbeing for families around the world
• Leveraging and sharing our research to create a better world for pets

Every day we are one step closer to the world we want tomorrow, through our steadfast commitment to action today.

Our business and the actions we take every day are founded on The Five Principles. They're at the heart of everything we do, no matter what — making sure we don't just talk about a better future, but work towards it every day.

Through our Sustainable in a Generation Plan, we aim to grow our business in ways that are good for people, good for the planet and good for our business. The plan sets goals in three key areas: Healthy Planet, Thriving People and Nourishing Wellbeing. Within the Healthy Planet area, our science-based Climate Action goal is to reduce the total GHG emissions across our value chain by 27% by 2025 and 67% by 2050 (from 2015 levels), in order to play our part to keep the planet from warming beyond two degrees.

We have a diverse global business comprised of four segments: Mars Petcare, Mars Wrigley, Mars Food, and Mars Edge. Our portfolio of brands offers quality and value to consumers around the world and includes PEDIGREE®, WHISKAS®, M&M'S®, SNICKERS®, MARS®, EXTRA®, ORBIT®, BEN'S ORIGINAL® and many more.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2020	December 31, 2020	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Argentina
Australia
Austria
Belgium
Brazil
Canada
China
Czechia
Egypt
France
Germany
Hungary
India
Indonesia
Japan
Kenya
Lithuania
Mexico
Netherlands
New Zealand
Philippines
Poland
Republic of Korea
Russian Federation
Saudi Arabia
South Africa
Spain
Taiwan, Greater China
Thailand
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance
Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Evaluated but judged to be unimportant

Please explain

The vast majority of agriculture and forestry activities take place in our supply chain. Mars operates two small cocoa farms in Brazil and Ecuador, but these activities represent a tiny fraction of our agricultural emissions in comparison to our third-party supply chain and we do not consider them material.

C-AC0.6f/C-FB0.6f/C-PF0.6f

(C-AC0.6f/C-FB0.6f/C-PF0.6f) Why are emissions from distribution activities within your direct operations not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Outside the direct operations of my organization

Please explain

Because distribution activities are carried out by third-party suppliers, there are no related direct operational emissions to report as Scope 1 or Scope 2 emissions. However, we consider all emissions in our value chain to be relevant, and distribution emissions are evaluated and included in our Scope 3 calculations and value-chain-wide emissions reduction goal.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Cattle products

% of revenue dependent on this agricultural commodity

40-60%

Produced or sourced

Sourced

Please explain

Dairy products are significant to the majority of revenues from our Mars Wrigley business and beef by-products are significant to revenue from some pet foods. To determine the percentage, we calculated the revenues associated with all our branded chocolate and pet food products containing dairy and beef, as a proportion of total revenues in the last financial year.

Agricultural commodity

Other, please specify

Cocoa

% of revenue dependent on this agricultural commodity

20-40%

Produced or sourced

Sourced

Please explain

Cocoa is the essential ingredient of all of our chocolate products. To determine the percentage, we calculated the revenues associated with all our branded chocolate products as a proportion of total revenues in the last financial year.

Agricultural commodity

Sugar

% of revenue dependent on this agricultural commodity

20-40%

Produced or sourced

Sourced

Please explain

Sugar is significant for a large number of Mars Wrigley products. To determine the percentage, we calculated the revenues associated with all our branded chocolate and confectionery products as a proportion of total revenues in the last financial year.

Agricultural commodity

Rice

% of revenue dependent on this agricultural commodity

20-40%

Produced or sourced

Sourced

Please explain

Rice is an important ingredient for our Food business as well as for some of our pet food brands. To determine the percentage, we calculated the revenues associated with those products as a proportion of total revenues in the last financial year.

Agricultural commodity

Timber

% of revenue dependent on this agricultural commodity

More than 80%

Produced or sourced

Sourced

Please explain

Pulp and paper are present in the primary, secondary and/or tertiary packaging materials for all of our products and are therefore significant to the majority of our revenue. We calculated this percentage by considering the total revenue from products with paper and board packaging during the last financial year.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	In 2019, Mars launched a new mission statement: the world we want tomorrow starts with how we do business today. This mission statement is supported by our Compass, which outlines the shareholder objectives for Mars, Incorporated, laying out the Mars Family's expectations for what responsible business can and should do. As a principles and purpose-driven business, we're focused on making choices that help us achieve near-term results without compromising on the world we want tomorrow. Our Compass has four quadrants which the Board uses to guide our long-term strategy and measure our progress against medium-term and day-to-day decisions. They are: 1. Financial performance: Top-tier performance that gives us the freedom to create the world we want tomorrow. 2. Quality growth: Momentum and growth in our brands and categories, and the exploration of new opportunities, to help us grow for the next 100 years. 3. Positive societal impact: Our commitment to helping people, their pets and the planet thrive, which in part we're working to deliver through our Sustainable in a Generation Plan. The Plan includes our Climate Action strategy and science-based targets. 4. Trusted Partner: The response we see from stakeholders on how we are living up to our commitments and their expectations of Mars as a business.

	All aspects of the Compass, including our Climate Action strategy and targets, are the responsibility of the Board, led by the Board chair. For example, in 2020, the Board's Talent and Remuneration Committee developed and approved a three-year GHG-based target for 2020-2022. A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. In this set of targets, the Committee extended the scope of the GHG-based target to include Scope 3 emissions (including Land Use Change emissions) in addition to Scopes 1 and 2.
Director on board	The Remuneration & Talent Committee of the Board meets at least annually to review salaries and bonus awards. The committee comprises members of the Board, and reviews progress made toward our Climate Action targets to inform its decisions on whether to approve the award of senior leadership bonuses. In 2020 the Committee reviewed and awarded for the delivery of the 2014-2019 GHG Targets that are part of the long-term incentive program for senior leaders at Mars. The Committee developed and approved a three-year GHG-based target for 2020-2022. The Committee extended the scope of the GHG-based target to include Scope 3 emissions (including Land Use Change emissions) in addition to Scopes 1 and 2. The Committee also discussed development of the next round of GHG-based targets starting in 2021.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and	Our Climate Action strategy, targets and performance are core elements of the Mars Sustainable in a Generation (SiG) Plan: our plan for growing in ways that are good for people, good for the planet and good for our business. Performance against our SiG Plan strategies and goals, including our science-based, value-chain wide greenhouse gas reduction target, is tracked as a matter of course at all Mars Board meetings, along with other company-wide metrics and goals. The Chair of the Board has direct oversight of our performance, which is reviewed at each Board meeting. The Board approved our SiG goals and targets, and oversees the Mars Leadership Team's work to review and guide our strategy, plans, policies,

	performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	and budgets as necessary to ensure we remain on track to meet them. The Chief Procurement and Sustainability Officer presents our progress against our SiG Plan goals including for Climate Action to the Board at least annually. In 2019, Mars launched a new mission statement: the world we want tomorrow starts with how we do business today. This mission statement is supported by our Compass, which outlines the shareholder objectives for Mars, Incorporated, laying out the Mars Family's expectations for what responsible business can and should do. As a principles and purpose-driven business, we're focused on making choices that help us achieve near-term results without compromising on the world we want tomorrow. Our Compass has four quadrants which the Board uses to guide our long-term strategy and measure our progress against medium-term and day-to-day decisions. They are: 1. Financial performance: Top-tier performance that gives us the freedom to create the world we want tomorrow. 2. Quality growth: Momentum and growth in our brands and categories, and the exploration of new opportunities, to help us grow for the next 100 years. 3. Positive societal impact: Our commitment to helping people, their pets and the planet thrive, which in part we're working to deliver through our SiG Plan, including our Climate Action strategy and science-based targets. 4. Trusted Partner: The response we see from stakeholders on how we are living up to our commitments and their expectations of Mars as a business. All aspects of the Compass, including our Climate Action strategy and targets, are the responsibility of the Board, led by the Board chair. For example, in

		2020, the Board's Talent and Remuneration Committee developed and approved a three-year GHG-based target for 2020-2022. A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. In this set of targets, the Committee extended the scope of the GHG-based target to include Scope 3 emissions (including Land Use Change emissions) in addition to Scopes 1 and 2.
Scheduled – all meetings	Setting performance objectives Monitoring implementation and performance of objectives	The Remuneration and Talent Committee of the Board meets at least annually to review salaries. This committee comprises members of the Board and reviews progress made toward our Climate Action target to inform its decisions on whether to approve the award of senior leadership bonuses. A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives. In 2020, the Committee reviewed and awarded for the delivery of the 2014-2019 GHG Targets that are part of the long-term incentive program for senior leaders at Mars. The Committee developed and approved a three-year GHG-based target for 2020-2022. The Committee extended the scope of the GHG-based target to include Scope 3 emissions (including Land Use Change emissions) in addition to Scopes 1 and 2. The Committee also discussed development of the next round of GHG-based targets starting in 2021.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CEO, who chairs the Mars Leadership Team and sits on the Board, is responsible for delivering all targets within our quarterly Corporate Scorecard, including our value-chain wide GHG emissions reduction targets. The Mars Leadership Team reviews and guides our strategy, plans, policies, and budgets as necessary to ensure we remain on track to meet our targets. In addition to this quarterly reporting, the Chief Procurement and Sustainability Officer presents our progress against our SiG Plan goals including for Climate Action to the Board at least annually.

The targets in our Corporate Scorecard and SiG Plan are cascaded by the CEO and Mars Leadership Team to the leadership teams of each business segment for implementation. Business segment presidents are accountable for deploying related strategies within their businesses and for annual monitoring and reporting of their segment's sustainability performance via our corporate reporting system. Senior segment and functional decision makers convene on specific issues and develop detailed strategies for delivering the required impact improvements.

The CEO and Leadership Team delegate responsibility for our Climate Strategy to the Sustainability Steering Group (SSG), which meets monthly, is chaired by the CSO and comprises senior managers representing each main business segment (Mars Petcare, Mars Wrigley and Mars Food) and each main business function (Procurement, Public Affairs, Corporate Affairs, Marketing and Finance). The SSG is the engine that drives progress toward our goals for Healthy Planet and Thriving People. Its core mission is to develop and recommend sustainability strategy, policy and initiatives to our business segments, CEO and Leadership Team. This includes both refinements to existing policy and the development of new policy on emerging issues. The SSG also promotes cross-segment learning and engages external expertise as required. The SSG ensures the CEO and Leadership Team are fully briefed on potential courses of action and strategic issues, and that the implications of strategies, targets and potential courses of action are investigated and understood. The SSG also ensures that we measure and report impact data properly and using established methodologies. When such methodologies are lacking, the SSG looks to collaborate externally to create robust methodologies to calculate environmental and societal impacts.

One dimension of our approach to climate action is our investment in the Livelihoods Fund for Family Farming (L3F). A member of the Mars Board and the Chief Procurement and Sustainability Officer represent Mars at biannual L3F Board meetings. A global procurement VP and one of our Global Sustainability VPs represent Mars on the L3F investment committee, which meets at least four times a year. L3F supports projects that both reduce environmental impacts including greenhouse gas emissions and address social impacts affecting smallholder farmers in developing countries.

Mars won a 2019 Climate Leadership Award for organizational leadership, for our work to improve land use change calculation methods and more accurately assess emissions; our help to launch the Renewable Thermal Collaborative to scale up renewable heating solutions globally; and our participation in the launch of a new corporate leadership platform to diagnose business climate risk throughout the supply chain.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives. In 2020, bonuses were approved to the top 300 executives in the company based on performance against our Climate Action target over a five-year period.
Chief Financial Officer (CFO)	Monetary reward	Emissions reduction target	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives. In 2020, bonuses were approved to the top 300 executives in the company based on performance against our Climate Action target over a five-year period.
Chief Operating Officer (COO)	Monetary reward	Emissions reduction target	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives.

			In 2020, bonuses were approved to the top 300 executives in the company based on performance against our Climate Action target over a five-year period.
Chief Procurement Officer (CPO)	Monetary reward	Emissions reduction target	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives. In 2020, bonuses were approved to the top 300 executives in the company based on performance against our Climate Action target over a five-year period.
Chief Risk Officer (CRO)	Monetary reward	Emissions reduction target	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives. In 2020, bonuses were approved to the top 300 executives in the company based on performance against our Climate Action target over a five-year period.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives. In 2020, bonuses were approved to the top 300 executives in the company based on performance against our Climate Action target over a five-year period.
President	Monetary reward	Emissions reduction target	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives. In 2020, bonuses were approved to the top 300 executives in the company based on performance against our Climate Action target over a five-year period.

Executive officer	Monetary reward	Emissions reduction target	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives. In 2020, bonuses were approved to the top 300 executives in the company based on performance against our Climate Action target over a five-year period.
Business unit manager	Monetary reward	Emissions reduction target	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. The emissions reduction goal and the percentage of the bonus linked to this is the same for all executives. In 2020, bonuses were approved to the top 300 executives in the company based on performance against our Climate Action target over a five-year period.
All employees	Non-monetary reward	Behavior change related indicator	All Mars Associates are eligible to be recognized for exceptional work as part of our Make the Difference awards program. One awards category reflects activities that support the delivery of our Sustainable in a Generation Plan. Local, regional and global winners are selected in each category every year.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	
Medium-term	5	10	
Long-term	10	35	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

As part of our work to build the business case for our Sustainable in a Generation Plan, we used a proxy carbon price to assess the potential financial impact on our business of the climate risks we have identified, through either direct or indirect costs. We define a risk as having a substantial impact on the business using the following approach:

We used a five-level rating system to define a substantive impact to our business at the facility, distribution, or supply chain level. Within this rating system, a cost of:
- $2 billion or above is classed as severe,
- $1-2 billion as significant,
- $500 million - 1 billion as moderate,
- $100-500 million as low, and
- less than $100 million as minimal.

All risks above $100M are classified as substantive. Risks falling into the first 4 categories are at different levels of strategic importance.

We then used a similar five-point rating system to assess the likelihood of each risk occurring, from once or more per year (>50%) down to less than once every 25 years (<5%). Using the risk driver and likelihood, risks are categorized into different scenarios based on what is Most Likely, Mid Range, and Worst Case. In our analysis, identified risks are all below the $100m substantive impact threshold in the Most Likely scenario, although some exceed this threshold in Worst Case Scenarios.

Examples of the risks assessed include carbon pricing legislation, disrupted factory operation due to severe weather, lost sales due to severe weather disrupting commerce, and reduced availability of the agricultural raw materials we buy due to disruption in our extended supply chain. To give specific examples of these impacts and how they have or may affect our business in future:

- More than 10% of our scope 1 emissions are already covered by a carbon pricing system, with a minimal cost impact.

- In 2017, we lost sales valued at around $3 million as a result of customers being impacted by the hurricane season in North America, with a minimal cost impact.

- In 2016, we ran a pilot project to investigate the climate change resilience and adaptive capacity of rice growers in Spain over the next 10-20 years, based on different climate scenarios and their effect on rice quality and availability. We are now funding a project to increase the resilience of rice growing in southern Spain by testing and validating solutions for reducing water use and GHG emissions. The project aims to impact 11,000 rice growing hectares belonging to over 15 farming groups by 2025.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Our enterprise risk management system applies to our manufacturing operations in 32 countries in six continents, to tier-1 suppliers, and origins for key agricultural raw materials.

We define climate risks in line with the descriptions of transition risks and physical risks within the Task Force on Climate Related Financial Disclosure recommendations. At company level, The Corporate Risk Manager leads the assessment and management of physical risks to our operations and supply chains. Transitional risks including potential new regulatory risks are assessed and managed by the Global Sustainability Vice President and the Scientific and Regulatory Affairs team. Reputational risks are assessed and managed by global and local Corporate Affairs teams in partnership with corporate and local management teams. Each of these teams is responsible for decisions to mitigate, transfer, accept or control the identified climate-related risks and to capitalize on opportunities. Risks are assessed annually and monitored regular to ensure they are mitigated. Our Commercial Applied Research Team (CART) supports our decision-making in commodity and risk management. We draw on the team's 3-6 month weather forecasts and climate models to analyse how physical changes in climate will affect commodity prices. These short-term climate risks are assessed twice per growing season for each hemisphere.

We assessed whether physical risks and opportunities could have a substantive financial or strategic impact on our organization when developing our value-chain-wide Sustainable in a Generation Plan. Our approach was to identify and prioritize the greatest impacts throughout our value chain, using scientifically credible metrics and working with recognized experts to assess climate risks in relation to other risks such as

water scarcity and land use. For example, after mapping our agricultural supply chain we partnered with Quantis and Maplecroft to quantify the impacts of sourcing raw materials from the origins identified. This work led us to prioritize efforts to eliminate deforestation from five raw materials: beef, cocoa, palm oil, pulp & paper, and soy.

The company-wide risk management processes described above are supported by detailed risk analyses for specific aspects of our value chain, as described in the additional rows.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

At asset level, we determine which risks and opportunities could have a substantive financial or strategic impact on the organization as part of our factory risk assessment process. This assessment considers physical climate risks including weather-related and geophysical risks.

In terms of opportunities, we assess the feasibility of renewable energy when selecting new factory sites, and of using renewable energy at existing sites.

We track emissions at facility level and monitor transition risks such as local regulatory developments to inform our decisions to mitigate, transfer, accept or control the identified climate-related risks and to capitalize on opportunities. Our Market Leadership Teams conduct annual risk reviews, which can include climate regulation that is relevant at the market level. The specific risks included vary from market to market, and could include carbon taxes, emissions trading schemes and climate disclosure regulations such as those enacted in Europe. These then feed up to the regional level risk assessment and ultimately are layered together at the global level.

In addition, we monitor changes in regulations such as carbon taxes and emissions trading schemes in Europe, China and elsewhere through our Technical Regulatory Baseline (TRB). The TRB is a rolling quarterly report that brings internal and external resource tracking together to monitor regulatory change in three stages: emerging/ pre-regulatory; live- where the regulation has passed and there is a window for compliance; active compliance/ enforcement. The TRB covers all regions and multiple regulatory

topics, including carbon taxes, food waste, packaging bans, etc. and feeds into our Enterprise Risk Management system.

As part of our Sustainable in a Generation Plan, our water stewardship program identifies and prioritizes action at sites in water-scarce areas predicted to become water-stressed due to climate change (physical risks). These priority sites are setting targets for staying within sustainable water usage levels for their watershed. In relevant cases, we work with insurance brokers to assess site flood risks. For instance, sites highly likely to flood have purchased temporary flood barriers.

All sites also complete the Mars Facility Water Stewardship Risk Assessment Questionnaire developed in partnership with the World Resources Institute (WRI). This assesses current and future water quality and availability issues, and the site's response. For example, the Questionnaire asks whether there are any anticipated changes in water governance or regulation that might threaten the site, now or in the future. We monitor the results globally to help identify potential increases in water tariffs or regulation that could increase our operational costs.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

We assess risks and opportunities relating to tier-1 suppliers that could have a substantive financial or strategic impact on the organization as part of our Responsible Supplier program. This program involves risk assessments for thousands of tier-1 suppliers. These assessments cover environmental risks and due diligence measures in addition to human rights. We use independent country, commodity, and product risk data provided by Verisk Maplecroft to score and assess the physical risks associated with what we buy and where we buy it. Risk assessment helps us determine, based on our requirements, the actions expected of specific suppliers, which could include self-assessments or independent audits. The results inform our decisions to mitigate, transfer, accept or control the identified climate-related risks and to capitalize on opportunities.

Our Supplier Code of Conduct requires suppliers to comply with all applicable environmental laws and regulations and to continuously strive to improve environmental

performance. As guidance, the Code encourages suppliers to minimize and monitor impacts on the environment where possible through a reduction in greenhouse gas emissions, energy efficiency initiatives, reduction and recycling of natural resources, including water and paper / packaging materials.

In 2019, we began assessing the sustainability performance of prioritized suppliers using the EcoVadis online platform. EcoVadis is a widely recognized supplier evaluation tool that enables us to unlock increased visibility and insights into supplier performance. Forty-three percent of suppliers engaged through the EcoVadis platform reported taking action to reduce their energy consumption and GHG emissions.

Value chain stage(s) covered

Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

We assess climate risks and opportunities in our extended agricultural supply chain as part of the Mars Strategic Sourcing Methodology (MSSM), our company-wide process for assessing, selecting, contracting and monitoring the performance of suppliers. This six-step process guides our buyers on all aspects of developing a sustainable sourcing strategy, including supply chain mapping, impact assessment, social and environmental risk analysis, strategy prioritization, KPI setting, and performance measurement. Our impact assessments and risk analyses combine supply chain data including raw material type, origins and tonnes purchased, with external impact data from the UN Food & Agriculture Organisation and Ecoinvent, among others. Our Commercial Applied Research Team (CART) supports our decision-making in commodity and risk management. We draw on the team's 3-6 month weather forecasts and climate models to analyse how physical changes in climate will affect commodity prices. These short-term climate risks are assessed twice per growing season for each hemisphere. For raw material sourcing locations most vulnerable to climate change, we are conducting more detailed analyses of future projections of climate change and the resilience of stakeholders to cope with these transitional risks over the next 10-20 years. This information informs our sourcing strategies and our decisions to mitigate, transfer, accept or control the identified climate-related risks and to capitalize on opportunities.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Regulatory risks and opportunities are considered relevant and assessed as standard for all types of risk. These are jointly assessed and managed by the Global Sustainability Vice President, and the Scientific and Regulatory Affairs team. Separately, our Market Leadership Teams conduct annual risk reviews, which can include climate regulation that is relevant at the market level. The specific risks included vary from market to market, and could include carbon taxes, emissions trading schemes and climate disclosure regulations such as those enacted in Europe. These then feed up to the regional level risk assessment and ultimately are layered together at the global level. Supplier compliance with all applicable environmental laws and regulations is assessed as part of our Responsible Sourcing program, which informs our assessment of climate risk in our supply chain.
Emerging regulation	Relevant, always included	Monitoring regulatory change is the foundation of regulatory risk assessment and risk management. We monitor changes in regulations such as carbon taxes and emissions trading schemes in Europe, China and elsewhere through our Technical Regulatory Baseline (TRB). The TRB is a rolling quarterly report that brings internal and external resource tracking together to monitor regulatory change in three stages: emerging/ pre-regulatory; live- where the regulation has passed and there is a window for compliance; active compliance/ enforcement. The TRB covers all regions and multiple regulatory topics, including carbon taxes, food waste, packaging bans, etc. and feeds into our Enterprise Risk Management system.
Technology	Relevant, always included	Emerging technologies are relevant for their potential to mitigate climate risk, as well as any business risks they might pose. We have a system to monitor emerging technologies, from both risk and feasibility standpoint. The data is gathered from multiple sources such as patent literature and competitive news. Machine learning helps to ensure that subject matter experts can quickly query and harvest our historical expertise, avoiding reinventing the wheel, but we also monitor the latest external developments. This process allows to evaluate the climate and sustainability impacts and risks of potential new technologies such as the GHG and Land tradeoffs of reducing plastic packaging by substituting with paper as part of our Packaging Sustainability strategy.
Legal	Relevant, always included	Mars complies with all applicable legislation, including environmental legislation, in all areas where we operate. We are further mitigating against legal risks posed by climate change, such as the potential to

		exceed carbon quotas, by implementing a science-based climate action strategy that goes beyond legal requirements. We developed our scientific GHG reduction targets based on peer review and detailed emissions data, with the aim of staying within our share of the global carbon budget.
Market	Relevant, always included	While market risks are relevant to Mars, raw material commodity markets are more likely to be affected by climate change than the markets for our products. Our Commercial Applied Research Team (CART) supports our decision-making in commodity and risk management. We draw on the team's 3-6 month weather forecasts and climate models to analyse how changes in climate will affect commodity prices. For raw material sourcing locations most vulnerable to climate change, we are conducting more detailed analyses of future projections of climate change and the resilience of stakeholders to cope with these changes over the next 10-20 years. Though the risk is smaller than for commodity markets, our operations in U.S. states that are vulnerable during hurricane season put in place measures to help customers avoid risk and Mars to avoid lost sales.
Reputation	Relevant, always included	Climate change presents both reputational risks and opportunities, which are assessed by our global and local Corporate Affairs teams in partnership with corporate and local management teams to determine their relevance. For example, consumers increasingly have a baseline expectation that super-premium brands, such as Royal Canin pet foods, will be sustainable. One example of how we seek to avoid climate-related reputational risks is by demonstrating leadership through our science-based climate action plan. Mars also sees opportunities to boost our reputation for leadership in renewable energy production, by promoting our investment in large-scale wind power generation in order to meet our goal of zero-carbon direct operations by 2040.
Acute physical	Relevant, always included	Physical risks are relevant because they have the potential to interrupt both direct operations and supplies of quality raw materials. The Corporate Risk Manager leads the identification of physical risks and opportunities for our factories and supply chains as part of our Enterprise Risk Management system. For example, as part of our value-chain-wide Sustainable in a Generation Plan, our water stewardship program identifies and prioritizes action at sites in water-scarce areas, including those predicted to suffer acute shortages due to climate change. These sites are completing water stewardship reviews based on steps 1-5 of the Alliance for Water Stewardship International Standard, to identify water opportunities and challenges inside and outside the site's boundary. For example, two of our UK sites have benefited from opportunities to

		reduce water impacts identified during these water stewardship reviews. In our global supply chains, watersheds under the most stress and where agricultural water use is greatest are located in Australia, India, Pakistan, Spain and the United States. For example, a significant supply shed for rice in Spain is experiencing baseline water stress according to WRI Aqueduct.
Chronic physical	Relevant, always included	Physical risks are relevant because they have the potential to interrupt both direct operations and supplies of quality raw materials. The Corporate Risk Manager leads the identification of physical risks and opportunities as part of our Enterprise Risk Management system. For example, we draw on 3-6 month weather forecasts and climate models to analyze how changes in climate may create chronic physical risks that affect commodity prices. For example, external studies have found that, in the United States where Mars sources large quantities of grains for use in our pet food products, farming of wheat and barley is moving further north. For raw material sourcing locations most vulnerable to climate change, such as sourcing origins for rice that have a high degree of water stress which may be exacerbated by temperature and precipitation changes, we are conducting more detailed analyses of future projections of climate change and the resilience of stakeholders to cope with these changes over the next 10-20 years. This information informs our sourcing strategies.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

Increased regulations and taxation seeking to limit fossil fuel energy use and GHG emissions have the potential to increase operating costs in our factories and distribution network. For example, some Mars sites in China participate in local carbon trading scheme pilots, and the EU ETS applied to three Mars manufacturing sites in 2020. Of the European sites, all sites needed to purchase additional credits during the year. There is potential for similar schemes to be introduced in other regions over time, affecting an increasing number of our factories in terms of finances and management time.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

8,000,000

Potential financial impact figure – maximum (currency)

16,000,000

Explanation of financial impact figure

We have assessed the potential financial implications of three different scenarios related to carbon pricing. The financial impact range provided is based on the scenario we consider to be the most likely, in which carbon taxes cover one-third of our energy-based emissions. In 2020, our Operations emissions were 1.14m Tonnes, so our assessment is based on carbon taxes being applied to roughly 400,000 Tonnes of CO2e. Using a hypothetical carbon price of $20/tonne (minimum figure) and $40/tonne (maximum figure), this generates a financial impact range of 8-16 million USD.

Cost of response to risk

20,000,000

Description of response and explanation of cost calculation

The estimated costs of implementing our Climate Action strategy and reducing our vulnerability to carbon pricing risk range between $20 - 42 million per year through 2025. The maximum is based on the proportion of our $1 billion investment in our

Sustainable in a Generation Plan allocated to Climate Action and averaged over four years. The minimum is based on current budgets for Climate Action within our four business segments, plus the operational costs of running our greenhouse gas reduction program.

Our goal is to decouple environmental impacts from production volumes. Our targets are to reduce scope 1 and 2 emissions by 40% by 2025 and 100% by 2040 as part of our Sustainable in a Generation Plan. Increasing operational and capital efficiency and investing in energy-efficient new technologies are helping reduce emissions as far as possible. Examples of operational efficiency include driving down energy use through Associate behavior change and smarter equipment use. We also invest in technology and processes that use less power, such as heat pump systems that recover waste heat, and in the development of new technology such as DryF, an EU Horizon 2020 project to develop high temperature heat pumps for recovering waste heat in pet food manufacture. Across our factory network we have invested in heat pumps, waste heat recovery, equipment efficiency and extended cooling capacity. At one European site, a study has been commenced to exchange the spare gas-fired steam boiler for an electric boiler, which would potentially remove the site from the scope of the EU ETS. This work applies to specific sites covered by the EU ETS and China ETS pilots.

We are eliminating the remaining emissions by investing in renewable energy. Our operations in 11 countries have already fully transitioned to renewable energy sources and 56% of our electricity use globally is renewable. We invest in three ways – by installing on-site renewable generation, through short-term power purchase agreements in Europe, and through long-term power purchase agreements in the USA and the UK. These agreements help finance renewable infrastructure development.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Increased direct costs

Company-specific description

Changes in precipitation and weather patterns pose a risk to the cost and availability of good quality agricultural raw materials. A warmer climate with reduced rainfall may lead to a shortage in some agricultural commodities and associated price shocks. The effects

of climate change may also affect where commodities can be produced, with potential costs from shifting sources and increased distribution requirements. For example, external studies have found that, in the United States where Mars sources large quantities of grains for use in our pet food products, farming of wheat and barley is moving further north. Similarly, a significant supply shed for rice in Spain is experiencing baseline water stress according to WRI Aqueduct.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

30,000,000

Potential financial impact figure – maximum (currency)

60,000,000

Explanation of financial impact figure

The financial implications of changing weather patterns shifting our raw materials supplies are in the tens of millions. Our analysis is based on fundamental supply and demand balance sheets, where the uncertainty of physical risks presents financial implications. There is a risk that climate change will reduce yields, quality and availability in the supply chains for some raw materials, leading to higher costs. The financial impact range provided is based on the scenario we consider most likely, where 5% of our $12 billion raw material spending experiences price pressure as a result of reduced yields or a need to shift sourcing to a different region. In the low range, we assume that costs would increase 5%, in the high range we assume prices increase 10%.

We are also considering scenarios where prices are reduced and the supply base is increased, due to favorable changes in weather patterns.

Cost of response to risk

9,000,000

Description of response and explanation of cost calculation

The estimated total cost of implementing our plans to reduce our vulnerability to supply chain disruption is $9 million per year. This is based on current levels of spending on supply chain sustainability across all key raw materials within our three main business

segments: Mars Wrigley, Mars Petcare, and Mars Food.

Through the Mars Strategic Sourcing Methodology, our procurement teams in each business segment are developing sustainable sourcing strategies for high-impact raw materials, to ensure we select and work with suppliers who are committed to reducing these impacts. Our sustainable sourcing programs help suppliers boost efficiency. For example, we encourage contract rice growers to adopt the alternate wetting and drying (AWD) irrigation approach, which saves water and reduces methane emissions, helping to both mitigate and adapt to climate change. In 2016, we ran a pilot project to investigate the climate change resilience and adaptive capacity of rice growers in Spain over the next 10-20 years, to inform our sourcing strategy. We are now funding a project to increase the resilience of rice growing in southern Spain by testing and validating solutions for reducing water use and GHG emissions. The project aims to impact over 11,000 rice growing hectares belonging to over 15 farming groups by 2025. Our Commercial Applied Research Team (CART) supports our decision-making in commodity and risk management. The team has expertise in seasonal weather and intimate knowledge of the IPC forecast process, helping Mars to assess the impact of seasonal weather on yields.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Severe weather has the potential to disrupt operations at, or immediate supply chains to, Mars factories at rates above historical averages. For example, in February 2019, our Mars Petcare factory in Wodonga, near Melbourne, Australia, was forced to cease operating temporarily due to rising power prices caused by an extreme heatwave.

Time horizon

Short-term

Likelihood

Very unlikely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

6,000,000

Potential financial impact figure – maximum (currency)

21,000,000

Explanation of financial impact figure

The minimum potential financial impact figure is based on a scenario where flooding or power outages interrupt manufacturing and prevent operations for three days at each of three of our factories. The maximum figure is based on the same scenario but at 10 of our factories. This assumes that the average factory produces $250M NSV per year.

Cost of response to risk

3,000,000

Description of response and explanation of cost calculation

The estimated costs of implementing our Climate Action strategy and reducing our vulnerability to acute physical risks range between $20 - 42 million per year through 2025. The maximum is based on the proportion of our $1 billion investment in our Sustainable in a Generation Plan allocated to Climate Action and averaged over four years. The minimum is based on current budgets for Climate Action within our four business segments, plus the operational costs of running our greenhouse gas reduction program.

Our scenarios assume that each site disruption costs of approximately $1 million USD for process disruption and clean-up. Assuming 3 sites are impacted per year, this totals $3 million in response costs per year. An example of the actions we are taking to respond to acute physical risks including extreme weather events is our site in Melton Mowbray, UK, which was last flooded in 1998. In conjunction with the Environment Agency, we have monitoring procedures in place and operate river sluice gates to control the river level. Flood risk is taken into account when installing equipment such as electrical motors, which are installed above the height of potential flooding. In the event of a flood, we have emergency procedures in place to protect high-risk areas, including substations and the main office, using flood boards.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

We are capitalizing on opportunities to reduce costs by realizing improvements in energy efficiency through long term programs.

We have two principle programs to make our sites more energy efficient;

1. “SiG playbook implementation” is a program where the most proven, impactful organizational, Opex and capex activities to save energy are standardized and documented, with sites mandated to implement those activities. For example, our Mars Wrigley business has implemented a global program to monitor and improve utility systems efficiency, while our Steinbourg, Veghel and Viersen factories have installed heat pump systems that recover waste heat, reducing natural gas use and associated emissions.

2. “SiG by Design” has been fully deployed within the global/regional and site project engineering teams. This is a program that ensures that best practice approaches and equipment are utilized in the design of new buildings and production facilities, an example of SiG by Design is the application of LEED to new buildings (Gold level for offices, Silver for other buildings) such as our new sites in Chonburi Thailand and the Royal Canin factory being constructed in Lewisburg Ohio.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,000,000

Potential financial impact figure – maximum (currency)

5,000,000

Explanation of financial impact figure

The estimated financial savings are in the range of $1-$5 million depending on the size and phasing of the annual investment program and the SiG by design opportunities identified. Deployment of SiG playbook activities across the site network typically results in $1 million/year in energy savings, based on an estimated 50 TJ of total energy across the network saved by these programs. Deployment of SiG by Design can save up to 4$mio/year of energy costs.

Cost to realize opportunity

18,000,000

Strategy to realize opportunity and explanation of cost calculation

SiG Playbook Costs are estimated at $8 million per year on the basis of [50 TJ of total energy across the network saved by these programs] / [typical cost to deploy efficiency programs, of 6TJ / $1 million spent per 6TJ]. SiG By Design costs are estimated at $10mio per year on the basis on the premium charged beyond traditional Capital Expenditures to design with efficiency in mind.

Our goal is to decouple environmental impacts from production volumes. Our targets are to reduce scope 1 and 2 emissions by 40% by 2025 and 100% by 2040 as part of our Sustainable in a Generation Plan. Increasing operational and capital efficiency and investing in energy-efficient new technologies are helping reduce emissions as far as possible. Examples of operational efficiency include driving down energy use through Associate behavior change and smarter equipment use. We also invest in technology and processes that use less power, such as heat pump systems that recover waste heat, and in the development of new technology such as DryF, an EU Horizon 2020 project to develop high temperature heat pumps for recovering waste heat in pet food manufacture.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Resilience

Primary climate-related opportunity driver

Other, please specify

Longer-term supplier partnerships and access to supplies of sustainable raw materials

Primary potential financial impact

Reduced direct costs

Company-specific description

We study changing precipitation patterns in locations across our supply chain. In agricultural areas where precipitation is increasing, we expect this to increase the supplies of some agricultural products, and to potentially open up new sourcing regions for certain crops. We are also working with suppliers to build longer term partnerships for sustainable growth by collaborating to mitigate and adapt to climate change impacts and ensure supplies of sustainable raw materials. For example, in Pakistan we have partnered with our supplier on a holistic sustainability program around farmer livelihoods, water productivity and GHG emissions. Together, we have joined the WAPRO consortium, which offers a holistic push-pull-policy approach that encourages water stewardship – collective action towards the sustainable use of water. Diverse stakeholders – from farmers and local NGOs to corporations and governments – take joint responsibility for water. Farmers are the main consumers of water reserves and they are also among the poorest citizens. Poverty and lack of education prevents them from accessing water-saving knowledge and technology to supplement their know-how. Therefore, the program teaches farmers water saving methods and sustainable farming practices based on SRP (Sustainable Rice Platform), as well as providing them access to machinery, financial services or better and cheaper inputs. The program also promotes diversified crops that use water and other resources more efficiently than monoculture crops. The Alliance for Water Stewardship's (AWS) national coordinators in India and Pakistan have also been involved in the project with the AWS Standard providing a conceptual framework for project stakeholder engagement and the policy work. This, together with the overall push-pull-policy approach, is helping to make WAPRO a role model water stewardship project that was showcased on the program of Stockholm World Water Week in 2019.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

12,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We have already achieved benefits of at least $12 million from acting on opportunities to source from areas less affected by climate change. We analyze scenarios to estimate the impact of changes in average precipitation on our supply chain. This helps us to estimate where the greatest impacts will occur. Our analysis estimates that although a change in average temperature has the potential to double sourcing costs for some materials, on the margin there will be some opportunities as new regions become viable sourcing locations. For example, building a sustainable rice program in Pakistan has saved us $12 million to date. This figure is based on the savings we have made from developing a higher-quality, lower-priced source of rice, compared to previous sources.

Cost to realize opportunity

320,000

Strategy to realize opportunity and explanation of cost calculation

The estimated total cost of implementing our plans to capitalize on climate-related supply chain opportunities is $9 million per year. This is based on current levels of spending on supply chain sustainability across all key raw materials within our three main business segments: Mars Wrigley, Mars Petcare, and Mars Food.

Impact assessment is an integral part of developing our sustainable sourcing strategies using the Mars Strategic Sourcing Methodology (MSSM). We routinely scan crop-growth trends to anticipate shifts in geographic production patterns. While this more often highlights risks to existing production, it can also identify opportunities to source from alternative regions. To build resilience in existing sourcing locations, we are working with suppliers to build longer term partnerships for sustainable growth. This can lead to efficiency cost savings through, for example, lower input costs for fertilizer, water, and land. Our sustainable rice program in Pakistan has resulted in cost savings by reducing quality issues from 90% to 5%, while cutting water use and greenhouse gas emissions. We are expanding the program to India, Thailand and Cambodia.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
We are piloting ways to use our brands to engage customers and consumers on sustainability issues. This has the potential to create a win-win situation by raising awareness and changing behavior, while increasing sales. Examples include our M and Ms Fans of Wind campaign in the U.S.A., which raised awareness of the need for climate action and of our own ambitions for 100% renewable electricity.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
750,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure
We would need to spend a conservative estimate of $750,000 in order to garner the same level of media coverage generated by our Fans of Wind campaign (see below).

The success of the campaign in generating media impressions means we consider this a saving in marketing spend. We did not estimate revenues from the campaign.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

The cost of running the M and Ms Fans of Wind campaign was minimal. We are piloting ways to use our brands to engage customers and consumers on sustainability issues. For example, our M and Ms Fans of Wind campaign in the U.S.A. led to almost 100 million positive media impressions and over 3 million social media impressions for M&Ms, as well as praise and recognition from stakeholders on websites including LinkedIn and Mashable.

In September 2019, Mars announced its ambition to accelerate action to tackle climate change, with the launch of its new #PledgeForPlanet initiative. As part of the initiative, Mars is committing to further reduce greenhouse gas (GHG) emissions from its direct operations in line with the most ambitious aim of the Paris Agreement – to limit global temperature rise to 1.5 degrees Celsius. To this end, the initiative will see Mars accelerate climate action not only within the business, but also by mobilizing its Associates, suppliers and citizens everywhere to pledge to protect the planet and address the causes of climate change. Mars is calling on all its suppliers to participate through programming such as setting science-based targets, signing on to The Climate Group's RE100, and embracing a future with renewable energy at the center of plans for direct operations. Olam, a Mars supplier of cocoa and palm oil, has already signed on.

Actress and singer Victoria Justice helped to kick off #PledgeForPlanet by making her own pledge to the planet and signing a public mural commissioned by Mars. The mural, designed by renowned artist Steven Harrington, illustrates what the world could look like if we all took urgent climate action to keep the planet from warming beyond 1.5 degrees Celsius. It was on public display in the heart of New York City during Climate Week at Bryant Park before moving to M&M'S World Times Square.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

We are transitioning our manufacturing operations to renewable electricity to achieve our 2040 goal of zero greenhouse gas emissions from direct operations. This will eliminate the emissions remaining after efficiency measures have been implemented. Our operations in 11 countries have already fully transitioned to renewable electricity sources and around 56% of our electricity use globally is renewable.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,000,000

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

We are working to procure renewable electricity at the same cost as traditional electricity sources, and in many cases are making meaningful savings. Our renewable power purchasing agreements have created one-off savings of several million dollars in one country, and annual savings of $1-$2m in another country.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

We are working to procure renewable electricity at the same cost as traditional electricity sources, and in many cases are making meaningful savings. We do not invest capital in renewable energy projects themselves, but instead form long-term purchasing agreements with energy providers which can finance infrastructure expansion. We therefore consider there to be no cost to realize this opportunity.

We are eliminating the emissions remaining after efficiency measures have been implemented by investing in renewable energy. Our operations in 11 countries have already fully transitioned to renewable electricity sources and around 56% of our

electricity use globally is renewable. We invest in three ways – by installing on-site renewable generation, through short-term power purchase agreements in Europe, and through long-term power purchase agreements in the USA and the UK. These agreements help finance renewable infrastructure development.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, we do not hold AGMs	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
2DS	Working with the Science Based Target initiative, World Resources Institute (WRI) and other partners, we calculated our share of the global carbon budget from 2015-2050 at a cumulative 560 MtCO2e, based on our 2015 emissions of 26.2 MtCO2e. The carbon budget is based on what is required to limit the increase in global average temperature to well below 2°C above pre-industrial levels, a threshold outlined in the international Paris Agreement on climate change. To stay beneath this threshold, scientists estimate that no more than 1 trillion tonnes of carbon dioxide can be added to the atmosphere. Global emissions since 1870

	have already consumed more than half of that budget, leaving less than 500 billion tonnes to emit in the future. In a scenario where our annual emissions remain constant at 2015 levels, we will consume our share of the budget in less than 22 years. In a low-carbon transition where we achieve a 67% reduction by 2050, we will stay within our share of the global carbon budget. Based on this modelling, we have set targets to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. This is leading to major changes in the way we do business, and particularly in the way we source our raw materials, which accounts for ~75% of emissions in our value chain. For example, we have integrated sustainability criteria into our Mars Strategic Sourcing Methodology, including tools for impact assessment and strategic options for buyers to select from to develop an appropriate sustainable procurement strategy for a specific raw material. In another example, we have published a policy and two country-level action plans for tackling deforestation in our cocoa supply chain.
Other, please specify 4.5 degree scenario	In 2016, we ran a pilot project to investigate the climate change resilience and adaptive capacity of rice growers in Spain over the next 10-20 years, based on a scenario with 4.5 degrees of warming if 'business as usual' continues and no mitigation action is taken. We used those findings to inform our sourcing strategy and are now funding a project to increase the resilience of rice growing in southern Spain by testing and validating solutions for reducing water use and GHG emissions. The project aims to impact over 11,000 rice growing hectares belonging to over 15 farming groups by 2025. We also recognize the compelling findings of the IPCC 1.5 degree scenario report, and are working to integrate them into our Climate Action strategy.
Other, please specify IPCC: A2, A1B, and B1 scenarios	In the 2015-2020 target cycle Mars used the WRI Aqueduct tool to assess projected change in baseline water stress in geographies where we operate. The tool defines the projected change in baseline water stress for years 2025, 2050, and 2095, based on three different scenarios of climate change and socio-economic development created by the IPCC: the A2, A1B, and B1 scenarios. Using this tool, we identified watersheds that are experiencing stress or may experience stress in the future due to climate change. In the 2020-2025 target cycle we have decided to concentrate our efforts on immediate shared water challenges which are already impacting our sites and have set our priorities accordingly. In our supply chain, we use the Aqueduct assessments to prioritize watersheds under the most stress and where agricultural water use is greatest. These watersheds are located in Australia, India, Pakistan, Spain and the United States. Our ultimate goal is to eliminate water use in excess of sustainable

	levels. As we work toward our ultimate goal, our interim target is to cut unsustainable water use by half by 2025, in close collaboration with our suppliers and others across our extended value chain.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate-related risks and opportunities have influenced our products primarily in the way we source our ingredients and carry out our manufacturing and distribution operations, as described in the relevant rows. In 2019, our pet food brand Royal Canin began offering carbon-neutral parcel deliveries for retailers via delivery partner DPD. DPD covers its scope 1 and 2 emissions via offsets in Europe primarily, as well as in Brazil and Russia. DPD provides an annual third-party audited account showing the carbon offset associated with their business and quarterly customer GHG reports. The parcels' packaging also incorporate recycled materials and are fully recyclable. While packaging is a relatively small part of our GHG footprint, we believe there is no such thing as a sustainable product in unsustainable packaging. Our paper, metal, rigid plastic and glass packaging are frequently recycled, where infrastructure exists. They are part of the circular economy where they can be kept in a loop for reuse, recycling or composting. We use these materials in glass sauce jars, gum bottles, pet food cans and chocolate products. Flexible plastic packages, however, are recycled far less. We use this packaging in formats ranging from large dog food bags to ready-to-heat rice pouches to small packs of candy or gum. Most of these packs end up in incineration or landfill, but some are littered and others find their way into the ocean. To counter these problems, in 2019 we launched our 2025 sustainable packaging plans:

		- 100% of plastic packaging to be reusable, recyclable or compostable - 25% reduction in virgin plastic use - 10 reuse programs that test new business models - 30% average recycled content in plastic packaging - Recycling guidance for consumers in all major markets - Eliminate PVC (2020) Our plans aim to ensure a balance between reductions in the climate impact of our packaging, as well as impacts at end of life. Business decisions include: - Removing 40% of weight from gum bottles in China between 2015 and 2018. - Exploring innovative reuse models such as delivering “PerfectFit” pet food in durable packaging that is collected and refilled, and bulk sales options like M&M Colorworks in grocery stores. - Investing in chemical recycling processes that break down plastic to the original building blocks to make new plastic or other materials.
Supply chain and/or value chain	Yes	Our targets are to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. We based these targets on the 2 degree scenario, by calculating our share of the carbon budget required to keep average global temperatures well below 2 degrees higher than pre-industrial temperatures, and then calculating the reductions we need to make across our entire value chain to stay within that budget. Our targets are included among our corporate objectives due to the potential impacts of climate change on the security of our raw material supplies. Agriculture and land use change emissions make up the lion’s share – approximately 75% – of our estimated full value chain emissions of 26.2 million tonnes of carbon dioxide equivalent. Changes in precipitation patterns and extreme variability in weather patterns are a risk to the cost and availability of good quality agricultural raw materials. We estimate that 5% of our raw material spending could experience price shocks in the short-medium term. The effects of climate change may also affect where our raw materials can be produced. Our short-term strategy to 2025 involves reducing and avoiding deforestation and forest degradation related to the

		raw materials we source, as well as increasing carbon sequestration and reducing GHG emissions through improved agricultural practices. For example, we have updated our Responsible Cocoa specification with concrete steps we expect our suppliers to take to prevent deforestation in our cocoa supply chain. These steps include obtaining GPS polygon coordinates for all farms in our supply chain and conducting deforestation impact assessments in all countries our cocoa is sourced from. While our GHG reduction targets aim to reduce our emissions consistent with helping to prevent the worst climate change impacts, we recognize that climate change is already occurring. Adapting to and improving resilience against climate change is critical for the long-term sustainability of our business, and we continue to assess and respond to the impacts in our value chain. For example, we are funding a project to increase the resilience of rice growing in southern Spain by testing and validating solutions for reducing water use and GHG emissions. The project aims to impact 11,000 rice growing hectares belonging to over 15 farming groups by 2025.
Investment in R&D	Yes	Our investments in sustainability between 2016 and 2020 was more than $1 billion. These investments are roughly equal across the Healthy Planet, Thriving People and Nourishing Wellbeing pillars of our Sustainable in a Generation Plan. Our Healthy Planet investments are intended to meet our targets are to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. We based these targets on the 2 degree scenario, by calculating our share of the carbon budget required to keep average global temperatures well below 2 degrees higher than pre-industrial temperatures, and then calculating the reductions we need to make across our entire value chain to stay within that budget. Within the Healthy Planet strategy, a key area of investment is halting deforestation. We're making investments in traceability with cocoa; in agroforestry systems through the Livelihoods Fund for Family Farming; and in sourcing changes in palm oil, beef and soy. In 2019, we developed

		updated Deforestation Action Plans for beef and soy, which describe our commitments and actions to address deforestation in these supply chains. These include specific requirements for our soy supply chain and direct cattle suppliers for our beef ingredients in Latin America – a region with high conversion hot spots. We are also investing in R&D over the next 4-5 years and beyond to rethink and redesign our packaging to make it recyclable as part of our Circular Packaging Plan. Over the past year, we have coordinated a series of pilots around the world throughout our brand portfolio to test new packaging options to help achieve our goals. In the U.K., we made some M&M'S® pouches narrower, saving 56 tonnes of plastic a year and allowing more packs per box when shipping. In France, we simplified our M&M'S® pouch and now we use just one kind of plastic, making it recyclable. In the U.K., we began testing the first recyclable microwavable rice pouch. We're also piloting recycled plastic for primary packaging in some of our pet food brands in Europe.
Operations	Yes	Our targets are to reduce our total GHG emissions from our full value chain by 27% by 2025 and by 67% by 2050, from 2015 levels. We based these targets on the 2 degree scenario, by calculating our share of the carbon budget required to keep average global temperatures well below 2 degrees higher than pre-industrial temperatures, and then calculating the reductions we need to make across our entire value chain to stay within that budget. Energy use is a significant driver of emissions within our manufacturing operations, and we estimate that carbon taxes could apply to one-third of our energy-based emissions in the short-medium term. . Our short-term strategy toward 2025 involves increasing energy efficiency and expanding clean energy by investing in renewables. While we continue to pursue energy use reductions in our operations, switching to renewable and low-carbon sources is also important. Our strategy relies on both on- and off-site renewable energy projects. We use attribute tracking systems established by governments, grid operators or private contracts such as renewable energy certificates and other instruments to track the output of a generating asset against Mars' energy use. Mars is already using or purchasing renewable electricity to cover more than 50% of our total electricity footprint, including 100% at our sites in Australia, Austria, Belgium, the Czech Republic, France,

		Hungary, Lithuania, Mexico, Poland, Spain and the United Kingdom. We are also working on low-carbon (e.g. certain biomass options) and zero-carbon (such as solar) thermal energy sources at project and structural levels, to make it easier for all companies to procure and source low-carbon thermal energy to replace natural gas.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures	Our investment in our Sustainable in a Generation Plan between 2016 and 2020 was more than $1 billion, with a high impact on direct and indirect costs and capital expenditures. These investments are roughly equal across the Healthy Planet, Thriving People and Nourishing Wellbeing pillars of our SiG Plan. Within the Healthy Planet strategy, a key area of investment is halting deforestation. We're investing in traceability for cocoa, with the aim of sourcing 100% cocoa that is traceable to at least the farmer group by 2025. We are investing in sourcing changes in palm oil, beef and soy to ensure deforestation-free supply chains by 2025, and in agroforestry systems through the Livelihoods Fund for Family Farming. Our sustainable sourcing strategies will mitigate against increases in the direct costs of sourcing our raw materials in the long term, through reduced risk, consolidated supply chains, longer-term supply contracts, and lower input costs for e.g. fertilizer and water. Our Palm Positive Plan has delivered a deforestation-free palm oil supply chain, in part by a radical simplification of the supply chain. Through simplification we have been able to select the suppliers and mills we desire in our supply chain and award longer-term contracts. With a shorter supply chain comprised of partners who are committed to driving improvements in the systems and conditions in which we source, we can increase accountability, influence and connectivity through deeper relationships with suppliers. In our direct operations, our sustainability investments are leading to direct and indirect annual cost savings through increased water, electricity and materials efficiency. Every capital approval process includes a sustainability assessment, which explores how the investment will contribute to Mars' sustainability ambitions. We facilitate approvals for capital expenditures that reduce water and energy consumption by setting the profitability threshold for such investments at a lower level than for other productivity measures, and by allowing a

		longer payback period. All of our engineers have been trained in our SiG By Design program to ensure that opportunities to improve sustainability are considered. One example is the new microbiological laboratory opened by Mars Wrigley Russia in Cherdakly, Ulyanovsk Region in December 2020. The lab was built in a strict compliance with green design principles, and received Gold LEED Certification. The lab's building is equipped with light sensors and heat is sourced from geothermal energy. We're working to keep our spending on renewable energy on a par with other sources of electricity, and consider this a cost of doing business. In fact, our long-term, country-level contracts for renewable energy procurement are making meaningful savings, with one site saving up to $2m annually.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based) +3 (upstream & downstream)

Base year

2015

Covered emissions in base year (metric tons CO2e)

28,038,299

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

27

Covered emissions in target year (metric tons CO2e) [auto-calculated]

20,467,958.27

Covered emissions in reporting year (metric tons CO2e)

25,972,428

% of target achieved [auto-calculated]

27.2890094869

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Our intention is to decouple GHG emissions from business growth across our full value chain, including emissions from our agricultural supply chain, which accounts for 75% of total emissions in our value chain. Our aim is to at least freeze emissions until 2020 and achieve a 27% reduction by 2025. This is an interim target toward the long-term commitment in Abs2, and is in line with recommendations to reduce global GHG emissions by 80% by 2050.

Target reference number

Abs 2

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based) +3 (upstream & downstream)

Base year

2015

Covered emissions in base year (metric tons CO2e)

28,038,299

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

67

Covered emissions in target year (metric tons CO2e) [auto-calculated]

9,252,638.67

Covered emissions in reporting year (metric tons CO2e)

25,828,341

% of target achieved [auto-calculated]

11.7640687694

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain (including target coverage)

This is our long-term target for decoupling GHG emissions from business growth across our full value chain, including emissions from our agricultural supply chain, which account for 75% of total emissions in our value chain. This is a science-based target that has been set in line with scientific recommendations for reducing global GHG emissions by 80% by 2050. However, it has not been approved by the Science-Based Targets Initiative due to the length of our timescale.

Target reference number

Abs 3

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2015

Covered emissions in base year (metric tons CO2e)

1,651,937

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

97

Target year

2025

Targeted reduction from base year (%)

40

Covered emissions in target year (metric tons CO2e) [auto-calculated]

991,162.2

Covered emissions in reporting year (metric tons CO2e)

1,140,408

% of target achieved [auto-calculated]

77.4135151643

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Our aim is to decouple GHG emissions from business growth and achieve absolute emissions reductions. This is an interim target toward the long-term commitment in Abs4 of eliminating scope 1 and 2 emissions from operations, in line with recommendations to reduce global GHG emissions by 80% by 2050. It builds on the 25% absolute reduction in scope 1 & 2 emissions our operations already achieved between 2007 and 2015.

The 3% currently out of scope is our estimate for scope 1 emissions from leased vehicles in our sales force, however, this is included within Abs1 and Abs2 above.

Target reference number

Abs 4

Year target was set

2017

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2015

Covered emissions in base year (metric tons CO2e)

1,651,937

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

97

Target year

2040

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

1,140,408

% of target achieved [auto-calculated]

30.9654060657

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Our long-term commitment is to eliminate scope 1 and 2 emissions from operations, in line with recommendations to reduce global greenhouse gas emissions by 80% by 2050. The 3% currently out of scope is our estimate for scope 1 emissions from leased vehicles in our sales force, however, this is included within Abs1 and Abs2 above.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production
Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2017

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)

Base year
2015

Figure or percentage in base year
33

Target year
2040

Figure or percentage in target year

100

Figure or percentage in reporting year

56

% of target achieved [auto-calculated]

34.328358209

Target status in reporting year

Underway

Is this target part of an emissions target?

Our renewable electricity goal contributes towards targets Abs3 and Abs4 to reduce GHG emissions from our direct operations by 40% by 2020 and to zero by 2040.

In turn, these targets contribute to our value-chain wide targets (Abs1 and Abs2) for reducing all GHG emissions associated with our business.

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

Mars is focused on reducing carbon emissions in its own operations and is gradually increasing renewable electricity supply to its sites worldwide with the goal that 100% of energy consumption will be fossil-fuel free by 2040. Mars has committed to 100% renewable electricity through its participation in the RE100 campaign.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2017

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Land use change

Other, please specify

Total land area associated with our value chain in hectares

Target denominator (intensity targets only)

Base year

2015

Figure or percentage in base year

2,716,506

Target year

2025

Figure or percentage in target year

2,716,506

Figure or percentage in reporting year

2,332,221

% of target achieved [auto-calculated]

Target status in reporting year

Underway

Is this target part of an emissions target?

Freezing our land footprint and reducing the expansion of agriculture into forests will contribute to our value-chain wide targets (Abs1 and Abs2) for reducing all GHG emissions associated with our business. Mars is accelerating our efforts to stop deforestation and conversion of natural ecosystems in Mars supply chains identified as most at risk for driving deforestation: beef, cocoa, palm oil, pulp and paper, and soy.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

This metric relates to land use change and deforestation in our agricultural supply chain - both contributors to climate change. To calculate our land area, Mars utilized a combination of our raw material sourcing data and global peer-reviewed data-sets, such as the World Food Life Cycle Assessment database and ecoinvent. From these data sources, we estimated our total land footprint to be around 2.7 million hectares in our 2015 base year.

Our goal is to hold flat the total land area associated with our value chain, even as we grow our business. We aim to do this by improving productivity and yields and addressing deforestation. The modest increase in our land area from our 2015 baseline reflects a growth in some raw materials that require high land use. We are working to develop strategies that will reduce the amount of land needed to grow our key ingredients, for example by working with farmers to boost yields and improve the resilience of crops including cocoa, rice, tomatoes and wheat.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	329	243,778
To be implemented*	322	95,594
Implementation commenced*	0	0
Implemented*	318	81,779
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

73,257

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

21-30 years

Comment

Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify

Factory projects to increase energy efficiency

Estimated annual CO2e savings (metric tonnes CO2e)

8,522

Scope(s)

Scope 1

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,219,628

Investment required (unit currency – as specified in C0.4)

5,034,308

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

calculated based on total energy intensity savings vs. prior year

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Marginal abatement cost curve	In developing our strategies to deliver our Sustainable in a Generation (SiG) GHG emissions reduction targets, our business segments prioritize projects based on marginal abatement costs.

Dedicated budget for energy efficiency	Each Mars business segment sets aside budget for projects to improve energy efficiency, through both capital and operational expenditure in our factories.
Employee engagement	Our commitment to more sustainable operations is embedded in our culture. Associates from our manufacturing, research and development and procurement functions in each Mars business segment consider it a priority to implement our Sustainable in a Generation (SiG) Plan and improve performance at our operations. Our SiG workshops identify potential improvements in energy use and increase Associate engagement in our SiG Plan.
Other Data management systems	Site-level performance data help us assess how effective our efficiency and technology measures are and determine the best future investments. This process has already led us to accelerate renewable energy activities in order to keep us on track to meet our energy and greenhouse gas reduction targets.
Internal incentives/recognition programs	A percentage of the bonus for our top 300 executives is based on performance against our three-year target for reducing GHG emissions. In addition, our global Make the Difference Awards take place every other year to celebrate Associates who bring innovative thinking, fresh perspectives and personal commitment to their work. The awards include a 'planet' category for associates who improve our environmental performance. They reward innovation, responsibility and exceptional effort and help us share best practices across the organization.
Dedicated budget for other emissions reduction activities	Over the past three years (since 2015), we have almost tripled our sustainability investments to just under $200m/year. Our investment between 2016 and 2020 was more than $1 billion. These investments are roughly equal across the Healthy Planet, Thriving People and Nourishing Wellbeing pillars of our Sustainable in a Generation Plan. Within the Healthy Planet strategy, a key area of investment is halting deforestation. We're making investments in traceability with cocoa; investing in sourcing changes in palm oil, beef and soy; and investing in agroforestry systems through the Livelihoods Fund for Family Farming.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Our Ben's Original brand offers a wide range of dry rice, microwave rice and microwaveable rice pots. Rice is the staple food for 3.5 billion people, and consumption continues to rise. However, rice cultivation is responsible for 5-10% of global methane emissions, and rice can also contribute to GHG emissions during the cooking phase.

Mars Food is committed to ensuring the production of more sustainable rice. We have reduced the climate impact of our BEN'S ORIGINAL'S branded rice products by working with farmers to ensure our rice comes from farmers working towards the Sustainable Rice Platform (SRP) standard, and by using innovative technology to reduce the cooking time on our BEN'S ORIGINAL® rice by half, resulting in an 18% reduction of GHG emissions during the cooking phase.

In 2020, 99% of our rice was sourced from farmers working towards the SRP standard. The good agricultural practices used as part of the standard help reduce methane emissions, and we expect to reduce CO2 equivalent emissions from farms supplying Mars Food in Spain and Italy by 40% by 2024.

Life-cycle analysis shows that, across our full portfolio, product use represents just 0.3% of our total value chain GHG emissions. As a result, our strategies for reducing GHG emissions do not focus on this area, but we seek to make voluntary improvements beyond regulatory requirements for the small number of products where the product use phase is more significant. For instance, we used innovative technology to reduce the cooking time on our BEN'S ORIGINAL® rice by half, resulting in an 18% reduction of GHG emissions during the cooking phase. The cooking time reduction from 20 to 10 minutes if applied across our total production and based on an electric range boiling 1.5L of water and the same US electricity average represents a savings of nearly 50,000 tonnes of CO2e.

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Life-cycle assessment

% revenue from low carbon product(s) in the reporting year

Comment

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1, 2015

Base year end
December 31, 2015

Base year emissions (metric tons CO2e)
732,830

Comment
Our base year is 2015, which we used to set our Sustainable in a Generation targets for value-chain wide emissions reductions.

Scope 2 (location-based)

Base year start
January 1, 2015

Base year end
December 31, 2015

Base year emissions (metric tons CO2e)
1,316,385

Comment
Our base year is 2015, which we used to set our Sustainable in a Generation targets for value-chain wide emissions reductions. This value increased vs. last year's reporting due to addition of Vet Health businesses.

Scope 2 (market-based)

Base year start
January 1, 2015

Base year end
December 31, 2015

Base year emissions (metric tons CO2e)
919,107

Comment

Our base year is 2015, which we used to set our Sustainable in a Generation targets for value-chain wide emissions reductions. This value increased vs. last year's reporting due to addition of Vet Health businesses.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

668,670

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

1,044,450

Scope 2, market-based (if applicable)

471,738

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Sales autos

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why this source is excluded

Emissions from sales autos have been calculated and are an immaterially small part of our S1 & 2 footprint (representing about 3%). They have been excluded from our direct operations reporting but for completeness are included in our full value chain footprint & target.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

20,937,190

Emissions calculation methodology

We calculated emissions using a combination of primary data, geographically-specific public life-cycle analysis data sets, and internal data on our material usage.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

28

Please explain

Impacts calculated using a combination of primary data and geographically-specific public lifecycle analysis datasets, coupled with internal material usage.

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

125,776

Emissions calculation methodology

We calculated these emissions using representative capital projects and secondary data sources for material emissions factors (e.g. steel, concrete).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Calculated using representative capital projects and secondary data sources for material emissions factors (e.g. steel, concrete).

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

143,824

Emissions calculation methodology

Transmission & distribution losses of fuel and electricity were calculated using 2018 IEA factors for electricity (no more recent factors, or factors for fuels, were available at the time of calculation).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

848,148

Emissions calculation methodology

Emissions from outbound logistics are calculated using distance, weight and fuel emissions factors. Emissions from inbound logistics are estimated as equivalent to outbound. (Emissions from outbound logistics are now captured under "Downstream transportation & distribution".) We are improving our data collection and emissions accounting for logistics, to provide more detail, and will update in future disclosures.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions from outbound logistics are calculated using distance, weight and fuel emissions factors. Emissions from inbound logistics are estimated as equivalent to outbound. (Emissions from outbound logistics are now captured under "Downstream transportation & distribution".)

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

0

Emissions calculation methodology

Calculated using the EPA WARM tool.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Our direct manufacturing operations have diverted all waste from landfill since the end of 2015. Food waste from direct operations, the majority of our waste, are now sent to animal feed, composting, land application or in some cases, incineration with energy recovery. Calculation of impacts of those materials using the EPA WARM tool shows negative emissions from end of life treatment of wastes, which we conservatively are not including in our footprint. End of life impacts of non-food waste from direct operations

(cardboard, mixed plastics, occasional demolition waste) were also calculated using the WARM tool and also resulted in negative emissions, and thus were not included. End of life impacts of packaging waste are covered in “End of life treatment of sold Products”.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

6,105

Emissions calculation methodology

Calculated using data from travel providers including flight class/segment length data.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Calculated using data from travel providers including flight class/segment length data as well as 2019 DEFRA emission factors.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

154,624

Emissions calculation methodology

Estimated using actual headcount plus estimated distances and vehicle efficiencies. We conservatively did not update this value for 2020 which would result in showing temporary progress, due only to impacts of COVID.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Our business does not have any upstream leased assets.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2,318,902

Emissions calculation methodology

Calculated from published retail scope 1 and 2 footprint data and market share, plus Mars contracted outbound logistics. We are improving our data collection and emissions accounting for logistics, to provide more detail, and will update in future disclosures.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Mars products do not require any further processing before the use phase.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

66,003

Emissions calculation methodology

Calculated based on the time and energy required to cook BEN'S ORIGINAL'S rice products.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

187,184

Emissions calculation methodology

Calculated based on regional recycling/landfill/incineration rates for packaging materials. We are improving our data collection and emissions accounting for packaging and will update in future disclosures.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Our business does not have any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Our business does not lease or operate any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Our business does not make any significant external investments.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

All upstream emissions sources are accounted for in other categories.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

All downstream emissions sources are accounted for in other categories.

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Purchased goods and services

Emissions (metric tons CO2e)

19,280,345

Please explain

We calculated these emissions using a combination of primary data, geographically-specific public life-cycle analysis data sets, and internal data on our agricultural raw material usage, including paper and board.

Activity

Distribution

Scope 3 category

Downstream transportation and distribution

Emissions (metric tons CO2e)

2,318,902

Please explain

We calculated these emissions from published retail scope 1 and 2 footprint data and market share, plus data from Mars' contracted outbound logistics providers.

Activity

Consumption

Scope 3 category

End of life treatment of sold products

Emissions (metric tons CO2e)

187,184

Please explain

We calculated these emissions based on our packaging volumes and regional recycling/landfill/incineration rates for packaging materials.

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

Yes

C-AC6.8a/C-FB6.8a/C-PF6.8a

(C-AC6.8a/C-FB6.8a/C-PF6.8a) Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.

CO2 emissions from biofuel combustion (processing/manufacturing machinery)

Emissions (metric tons CO2)

11,845

Methodology

Region-specific emissions factors

Please explain

We calculated this data using the World Resource Institute (2015) GHG Protocol tool for stationary combustion V4.1. We entered emissions for all of our locations which are fueled by Biomass or Biogas.

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Cattle products

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

All beef slaughterhouse locations in our supply chain are tracked and World Food Life Cycle Database, Ecoinvent, Agribalyse or third-party verified, supplier-specific lifecycle assessment datasets are used to calculate our scope 3 emissions for beef and dairy cattle products.

Agricultural commodities

Rice

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

All rice origin locations in our supply chain are tracked and World Food Life Cycle Database, Ecoinvent, Agribalyse or third-party verified, supplier-specific lifecycle assessment datasets are used to calculate our scope 3 emissions.

Agricultural commodities

Sugar

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

All sugar origin locations in our supply chain are tracked and World Food Life Cycle Database, Ecoinvent, Agribalyse or third-party verified, supplier-specific lifecycle assessment datasets are used to calculate our scope 3 emissions.

Agricultural commodities

Timber

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

All pulp and paper origin regions in our supply chain are tracked and World Food Life Cycle Database, Ecoinvent, Agribalyse or third-party verified, supplier-specific lifecycle assessment datasets are used to calculate our scope 3 emissions.

Agricultural commodities

Other

Cocoa

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

All cocoa origin regions in our supply chain are tracked and World Food Life Cycle Database, Ecoinvent, Agribalyse or third-party verified, supplier-specific lifecycle assessment datasets are used to calculate our scope 3 emissions. We are also obtaining on-the-ground polygon maps of the smallholder farms in our supply chain,

which we plan to incorporate into our cocoa lifecycle assessment datasets in the near future.

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Cattle products

Reporting emissions by

Total

Emissions (metric tons CO2e)

3,840,618

Change from last reporting year

Lower

Please explain

All beef slaughterhouse locations in our supply chain are tracked and World Food Life Cycle Database, Ecoinvent, Agribalyse or third-party verified, supplier-specific lifecycle assessment datasets are used to calculate our scope 3 emissions for beef and dairy cattle products. We have strategies in place to reduce our emissions from dairy, to reduce purchases of cattle products and shift to lower footprint raw materials for our pet foods. resulting in a 7.5% decline from last year.

Rice

Reporting emissions by

Total

Emissions (metric tons CO2e)

891,428

Change from last reporting year

Higher

Please explain

All rice origin locations in our supply chain are tracked and World Food Life Cycle Database, Ecoinvent, Agribalyse or third-party verified, supplier-specific lifecycle assessment datasets are used to calculate our scope 3 emissions. We have strategies in place to improve farmers yields in our supply chain which are reducing unsustainable water withdrawals and GHG per tonne of rice sourced. These programs were offset by a 5% increase in our sourced rice volumes in 2020 from 2021.

Sugar

Reporting emissions by

Total

Emissions (metric tons CO2e)

590,177

Change from last reporting year

Lower

Please explain

All sugar origin locations in our supply chain are tracked and World Food Life Cycle Database, Ecoinvent, Agribalyse or third-party verified, supplier-specific lifecycle assessment datasets are used to calculate our scope 3 emissions. In 2020, our sugar purchases decreased resulting in a 7% decrease in GHG emissions.

Timber

Reporting emissions by

Total

Emissions (metric tons CO2e)

622,296

Change from last reporting year

Higher

Please explain

All pulp and paper origin regions in our supply chain are tracked and World Food Life Cycle Database, Ecoinvent, Agribalyse or third-party verified, supplier-specific lifecycle assessment datasets are used to calculate our scope 3 emissions. Earthworm, our traceability partner, helps us map our pulp and paper supply chain. This is a lagging indicator and represents part 2019 and part 2020 tCO2e. Our packaging GHG increased 6.4% since prior year due to increases in purchased volume.

Other

Reporting emissions by

Total

Emissions (metric tons CO2e)

6,737,360

Change from last reporting year

Lower

Please explain

Agricultural emissions are calculated using the World Food Life Cycle Database. Land use change emissions are calculated as either sLUC or dLUC, depending on whether the specific origin land (at the level of GPS point or polygon) is known. LUC calculations use linear discounting following Quantis' Accounting for Natural Climate Solutions Guidance. Statistical LUC employs a shared-responsibility allocation approach using MapSpam to identify crop growing locations. Both sLUC and dLUC calculations use

carbon flux data from Global Forest Watch (Harris et al, 2021). This methodology has been reviewed by a 3rd party. Under this methodology, emissions from cocoa sourcing were 6,737,360 tonnes in 2020. This was a 12.8% decrease on 2019 caused mostly by purchase declines.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000285

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1,140,408

Metric denominator

unit total revenue

Metric denominator: Unit total

40,000,000,000

Scope 2 figure used

Market-based

% change from previous year

14.6

Direction of change

Decreased

Reason for change

Our emissions intensity decreased in 2020 due to continued efficiency improvements and increased renewable electricity sourcing, coupled with increased revenue. In 2020, we achieved 100% renewable power coverage in Australia, in addition to the 11 countries already sourcing 100% renewable electricity.

Intensity figure

0.14

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1,140,408

Metric denominator

metric ton of product

Metric denominator: Unit total

8,271,409

Scope 2 figure used

Market-based

% change from previous year

8.1

Direction of change

Decreased

Reason for change

Our emissions intensity per metric ton of product decreased in 2020 due to continued efficiency improvements and increased renewable electricity sourcing. In 2020, we achieved 100% renewable power coverage in Australia, in addition to the 11 countries already sourcing 100% renewable electricity.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	656,246	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	12,424	IPCC Fifth Assessment Report (AR5 – 100 year)
Other, please specify Other refrigerants	8,000	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Africa and Middle East	10,609
CIS and Asia	131,208
Europe	177,005
Americas	349,848

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Mars Wrigley	243,075
Mars Food	41,357
Mars Petcare	370,782
Mars Edge	427
Offices & Retail	13,065

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions (metric tons CO2e)

668,670

Methodology

Default emissions factor

Please explain

These emissions are calculated from the volume or energy content of fuels used within our operational boundaries.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Africa and Middle East	38,271	37,619	62,133	4,030
CIS and Asia [1]	302,075	286,169	526,986	19,841
Europe	199,012	34,324	718,677	539,927
Americas	505,093	113,627	1,164,874	787,078

[1] Includes Australia

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Mars Wrigley	522,244	219,112
Mars Food	26,654	9,710
Mars Petcare	347,661	113,897
Mars Edge	1,803	0
Offices and Retail	146,087	129,019

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	15,847	Decreased	1.3	This decrease in emissions reflects new procurement of 100% renewable electricity at Mars sites in Australia beginning 2020-Q4. Our total Scope 1 and Scope 2 emissions in 2019 were 1,202,517 tCO2e, therefore we arrived at –1.3% through (- 15847/1,202,517) * 100= - 1.3%.
Other emissions reduction activities	8,522	Decreased	0.7	This decrease is due to efficiency initiatives (energy efficiency: processes) described in C4.3b. Our total Scope 1 and Scope 2 emissions in 2019 were 1,202,517 tCO2e, therefore we arrived at -0.7% through (-8522/1,202,517) * 100= - 0.7%.
Divestment				
Acquisitions				
Mergers				
Change in output	37,739	Decreased	3.1	This decrease in emissions reflects a decrease in energy consumption related to declines in output in the more energy intensive parts of our business. These sales declines were an effect of consumption patterns being changed by COVID-19. Our total Scope 1 and Scope 2 emissions in 2019 were 1,202,517 tCO2e, therefore we arrived at -3.1% through (- 37739/1,202,517) * 100= - 3.1%
Change in methodology				
Change in boundary				

Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	50,197	3,522,685	3,572,883
Consumption of purchased or acquired electricity		1,308,069	1,032,442	2,340,511
Consumption of purchased or acquired heat		2,963	0	2,963
Consumption of purchased or acquired steam		35,815	91,242	127,057
Consumption of self-generated non-fuel renewable energy		1,120		1,120
Total energy consumption		1,398,163	4,646,370	6,044,533

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
60,344

MWh fuel consumed for self-generation of heat
60,344

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
0.05683

Unit
metric tons CO2e per GJ

Emissions factor source
GHG Protocol's "Stationary Combustion tool", version 4.1, using Scope 1 fuel GWP Set = "2014 IPCC Fifth Assessment Report"

Comment

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
13,177

MWh fuel consumed for self-generation of heat
13,177

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor

0.07062

Unit

metric tons CO2e per GJ

Emissions factor source

GHG Protocol's "Stationary Combustion tool", version 4.1, using Scope 1 fuel GWP Set = "2014 IPCC Fifth Assessment Report"

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 4

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1,676

MWh fuel consumed for self-generation of heat

1,676

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.06944

Unit

metric tons CO2e per GJ

Emissions factor source

GHG Protocol's "Stationary Combustion tool", version 4.1, using Scope 1 fuel GWP Set = "2014 IPCC Fifth Assessment Report"

Comment

Fuels (excluding feedstocks)

Fuel Oil Number 5

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

14,640

MWh fuel consumed for self-generation of heat

14,640

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.07376

Unit

metric tons CO2e per GJ

Emissions factor source

GHG Protocol's "Stationary Combustion tool", version 4.1, using Scope 1 fuel GWP Set = "2014 IPCC Fifth Assessment Report"

Comment

Fuels (excluding feedstocks)

Petrol

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

25

MWh fuel consumed for self-generation of heat

25

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.06606

Unit

metric tons CO2e per GJ

Emissions factor source

GHG Protocol's "Stationary Combustion tool", version 4.1, using Scope 1 fuel GWP Set = "2014 IPCC Fifth Assessment Report"

Comment

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
3,432,824

MWh fuel consumed for self-generation of heat
3,143,041

MWh fuel consumed for self-cogeneration or self-trigeneration
289,783

Emission factor
0.05053

Unit
metric tons CO2e per GJ

Emissions factor source
GHG Protocol's "Stationary Combustion tool", version 4.1, using Scope 1 fuel GWP Set = "2014 IPCC Fifth Assessment Report"

Comment

Fuels (excluding feedstocks)
Biogas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
32,239

MWh fuel consumed for self-generation of heat
19,994

MWh fuel consumed for self-cogeneration or self-trigeneration
12,245

Emission factor
0.0546

Unit
metric tons CO2e per GJ

Emissions factor source

2006 IPCC guidelines for National Greenhouse Gas Inventories (accessed through the GHGP Biogenic emissions Excel tool)

Comment

Fuels (excluding feedstocks)

Wood Waste

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

17,958

MWh fuel consumed for self-generation of heat

17,958

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

0.112

Unit

metric tons CO2e per GJ

Emissions factor source

2006 IPCC guidelines for National Greenhouse Gas Inventories (accessed through the GHGP Biogenic emissions Excel tool)

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	69,232	69,232	3,543	3,543
Heat	0	0	0	0
Steam	68,313	68,313	1,376	1,376
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

726,633

Comment

All these RECs originate from a single 118-turbine wind farm in Texas, USA, that Mars partnered to develop. The US RECs are certified, stored and transferred to Mars

from the Electric Reliability Council of Texas, Inc. (ERCOT) systems. ERCOT is the independent organization certified under Public Utility Regulatory Act (PURA) § 39.151

by the Public Utility Commission of Texas (PUCT).

Sourcing method

Other, please specify

Portfolio Energy Credits (PECs)

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

1,150

Comment

Portfolio Energy Credits (PECs) are certified, stored and transferred to Mars from the Nevada Tracks Renewable Energy Credits (NVTREC). Credits are certified after the end of each year. Included within the statutes defining Nevada's Renewable Portfolio Standard is a provision (NRS 704.7821) that authorizes the creation of a system of PECs. This system allows renewable energy producers to earn and sell PECs to

electricity utilities that are required to meet Nevada's Renewable Portfolio Standard. This system of earning and selling portfolio credits, called the PEC Trading Program, is administered by the Public Utility Commission of Nevada (PUCN).

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Other, please specify

Mixed technology, majority wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Belgium

MWh consumed accounted for at a zero emission factor

388,256

Comment

This consumption is from our contracted renewable supply in Belgium, France, AUSTRIA, Lithuania, Spain, Poland, and the Czech Rep., with the majority of generation from wind power.

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

112,893

Comment

The renewable energy attributes of this project are managed by the UK Government, independent of Mars or the owners of the Moy Windfarm.

Sourcing method

Other, please specify

Off-grid energy consumption from an on-site installation or through a direct line to an off-site generator owned by another company

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

China

MWh consumed accounted for at a zero emission factor

494

Comment

This consumption is from on-site solar photovoltaic electricity at our location in China, backed by certificates or contracts specifying exclusivity.

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Mexico

MWh consumed accounted for at a zero emission factor

57,773

Comment

This consumption is from a self-supply scheme power purchase agreement with CFE in Mexico, supported by tracking instruments.

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

Low-carbon technology type

Other, please specify

Wind and Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Argentina

MWh consumed accounted for at a zero emission factor

6,522

Comment

Sourcing method

Other, please specify

Grid mix of renewable electricity

Low-carbon technology type

Geothermal

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Hungary

MWh consumed accounted for at a zero emission factor

2,963

Comment

This consumption is geothermal energy used at our factory in Hungary, with an emissions factor based on the Hungarian grid average.

Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

Low-carbon technology type

Solar

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Australia

MWh consumed accounted for at a zero emission factor

19,347

Comment

Kiamal solar farm, new as of 2020-Q4

Sourcing method

Other, please specify

Grid mix of renewable electricity

Low-carbon technology type

Geothermal

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Hungary

MWh consumed accounted for at a zero emission factor

2,963

Comment

This consumption is geothermal energy used at our factory in Hungary, with an emissions factor based on the Hungarian grid average.

Sourcing method

Heat/steam/cooling supply agreement

Low-carbon technology type

Other, please specify

Green Steam

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Hungary

MWh consumed accounted for at a zero emission factor

35,815

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Land use

Metric value

2,332,221

Metric numerator

Total hectares of land in our value chain

Metric denominator (intensity metric only)

Not applicable, this is not an intensity metric

% change from previous year

8.8

Direction of change

Decreased

Please explain

This metric relates to land use change and deforestation in our agricultural supply chain - both contributors to climate change. To calculate our land area, Mars utilized a combination of our raw material sourcing data and global peer-reviewed data-sets, such

as the World Food Life Cycle Assessment database and ecoinvent. From these data sources, we estimated our total land footprint to be around 2.7 million hectares in our 2015 base year. Our goal is to hold flat the total land area associated with our value chain, even as we grow our business. We aim to do this by improving productivity and yields and addressing deforestation. Mars is accelerating our efforts to stop deforestation and conversion of natural ecosystems in Mars supply chains identified as most at risk for driving deforestation: beef, cocoa, palm oil, pulp and paper, and soy.

In 2020, the land area used in our supply chain fell.

Description

Other, please specify

Gap to sustainable value chain water use

Metric value

359.15

Metric numerator

Million cubic meters

Metric denominator (intensity metric only)

Year

% change from previous year

8.2

Direction of change

Increased

Please explain

This metric measures Mars' progress towards our water stewardship goal to ensure water use in our value chain is within annually renewable levels by watershed. This is relevant because climate change is likely to increase water scarcity in some areas where we operate and source from. We chose this target because it is context-based, and so focuses on playing our part in solving water availability issues in the watersheds we operate in or source from. Mars' 2020 water performance posted a 16% reduction versus 2015, largely driven by water efficiency improvements in Mint, and favorable sourcing location shifts in Rice, our two most water intensive ingredients. However, Mars has increased its unsustainable water use by 23.5 Mm3 vs. prior year, mainly due to unfavorable sourcing location shifts in Rice.

The total gap to sustainable water use levels in our value chain has reduced from 2018 to 2019, and by 27.7% since 2015, meaning that we have achieved 55.4% of our target to halve the gap by 2025. These reductions are the result of deploying strategies aimed at reducing unsustainable water use, including our manufacturing site water efficiency programs and our purchasing decisions for raw materials such as rice, maize, mint and sugar, which involve high water usage and are sourced from water-stressed areas. We

are developing water-use improvement targets for these raw materials in areas such as irrigation efficiency and evapotranspiration benchmarks. More information is available in our Water Stewardship Position Statement: https://www.mars.com/about/policies-and-practices/water-stewardship.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Mars CY2020 GHG and Environmental Data AS May 25 2021 Final.pdf

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

Mars CY2020 GHG and Environmental Data AS May 25 2021 Final.pdf

Page/ section reference
Entire document

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

Mars CY2020 GHG and Environmental Data AS May 25 2021 Final.pdf

Page/ section reference

Entire Document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Mars CY2020 GHG and Environmental Data AS May 25 2021 Final.pdf

Page/section reference

Entire Document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

44.2

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Other, please specify Scope 3 GHG emissions related to the purchase of dairy	ISO 14064-3:2006	This year LRQA verified the scope 3 GHG emissions in our supply chain associated with the sourcing of cocoa and dairy products as raw materials for our products. This data is included in our response to C-FB6.9.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Beijing pilot ETS
EU ETS
Shanghai pilot ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

Beijing pilot ETS

% of Scope 1 emissions covered by the ETS

0.2

% of Scope 2 emissions covered by the ETS

3.6

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

1,563

Verified Scope 2 emissions in metric tons CO2e

16,915

Details of ownership

Facilities we own and operate

Comment

Allowances for 2020 have not yet been defined. These will be allocated in Q3 2021.

EU ETS

% of Scope 1 emissions covered by the ETS

8.37

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

17,498

Allowances purchased

25,631

Verified Scope 1 emissions in metric tons CO2e

55,987

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

Shanghai pilot ETS

% of Scope 1 emissions covered by the ETS

1.4

% of Scope 2 emissions covered by the ETS

5.7

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

0

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

9,180

Verified Scope 2 emissions in metric tons CO2e

26,471

Details of ownership

Facilities we own and operate

Comment

Allowances for 2020 have not yet been defined. These will be allocated in Q3 2021.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

We ensure compliance with carbon pricing and tax systems through our Sustainable in a Generation Plan. Within this plan, our targets are to reduce scope 1 & 2 emissions by 40% by 2025 and 100% by 2040.

Increasing operational and capital efficiency and investing in energy-efficient new technologies are helping reduce emissions as far as possible. Examples of operational efficiency include driving down energy use through Associate behavior change and smarter equipment use. We also invest in technology and processes that use less power, such as heat pump systems that recover waste heat, and in the development of new technology such as DryF, an EU Horizon 2020 project to develop high temperature heat pumps for recovering waste heat in pet food manufacture. At specific sites covered by the EU ETS and China ETS pilots, we have invested in heat pumps, waste heat recovery, equipment efficiency and extended cooling capacity. At one European site, a study has been commenced to exchange the spare gas-fired steam boiler for an electric boiler, which would potentially remove the site from the scope of the EU ETS.

We are eliminating the remaining emissions by investing in renewable electricity. Our operations in 10 countries have already fully transitioned to renewable electricity sources. Around 56% of our electricity used globally is renewable. We invest in three ways – by installing on-site renewable generation, through short-term power purchase agreements in Europe, and

through long-term power purchase agreements in the USA and the UK. In some cases these agreements help finance renewable infrastructure development.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

6.25

% total procurement spend (direct and indirect)

65

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

At the heart of our Sustainable in a Generation plan is a determination to drive sustainable practices throughout our value chain. This starts with our tier-1 suppliers. Our Supplier Code of Conduct articulates our expectations, including for climate change, of all first-tier suppliers. The code states that Mars expects suppliers to share

information regarding their relevant supply chain policies and practices, conditions or risks, upon request. In 2019, we began assessing the sustainability performance of prioritized suppliers using the EcoVadis online platform. EcoVadis is a widely recognized supplier evaluation tool that enables us to unlock increased visibility and insights into supplier performance. Through it, we ask tier-1 raw material and select services suppliers whether they are taking action to reduce their energy consumption and GHG emissions, including by completing the CDP disclosures. Suppliers are asked to respond either annually or every three years, depending on their overall EcoVadis score.

Impact of engagement, including measures of success

In 2020, 45% of suppliers engaged through the EcoVadis platform reported taking action to reduce their energy consumption and GHG emissions, and 12% were reporting via CDP.

Comment

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Other, please specify

Engagement in sustainable agriculture programs

% of suppliers by number

2

% total procurement spend (direct and indirect)

19

% of supplier-related Scope 3 emissions as reported in C6.5

64

Rationale for the coverage of your engagement

Beyond our Supplier Code of Conduct and the EcoVadis platform, our primary focus is on 10 materials that account for 64% of our supplier-related Scope 3 emissions. We prioritize deeper engagement with suppliers of these priority raw materials through our sustainable agriculture programs. Suppliers of our 10 priority raw materials account for 2% of direct and indirect suppliers in total, and 8% of direct suppliers only. However, these suppliers account for 19% of our total procurement spend and 44% of direct spend only. Supplier engagement on sustainability is an integrated element of the Mars Strategic Sourcing Methodology (MSSM), our six-step process for guiding buyers in all aspects of procurement, including supplier evaluation, selection and management, which often involves working closely with suppliers and farmers to develop mutually beneficial & sustainable solutions.

For example, in Australia, Mars Petcare developed a program on wheat, together with

Gold Standard and the Sustainable Food Lab (SFL). The goal was help farmers measure and reduce net greenhouse gas emissions from wheat while improving soil health and yields and increasing resilience to weather shocks. The wheat program was re-branded in 2020 as the Cool Soil Initiative, a $2 million plus industry powered initiative that includes Mars, Kellogg, Allied Pinnacle, Manildra Group, Food Agility CRC, Charles Sturt University, SFL, and four Farming Systems Groups: Riverine Plains, Central West Farming Systems, Farmlink, and IREC. The program goal is to reach 700,000 farmed hectares, leading to 30kt of CO2e reduced and 145ktCO2 sequestered by 2023. Mars will continue to bring on new partners to scale the initiative to include 50% of the Australian grain industry by 2023.

Also, in 2020, Mars created a new coalition, the Supplier Leadership on Climate Transition (Supplier LoCT), to mobilize suppliers on climate action. The partnership aims to drive industry-wide movement by providing suppliers with the knowledge, resources, and tools to develop their own climate plans to reduce their impact on the planet. In its first year, the program will focus on helping suppliers understand the foundations of greenhouse gas (GHG) reductions in their own businesses, including core knowledge of how to calculate their own GHG footprints and to set their own science-based targets.

Impact of engagement, including measures of success

As part of MSSM, buyers work with suppliers to develop sustainable sourcing KPIs to include in tenders and contracts for supplying our raw materials. This process involves collecting data on key impacts including climate change and deforestation prevention from our suppliers, and the KPIs are used to monitor supplier performance over time. For example, 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. Each of our direct suppliers receives the results of their scorecard as part of our annual supplier selection and review process. Similarly, our cocoa buyers review supplier compliance with our Responsible Cocoa specification, and award volumes based in part on the results as part of our annual contracting process.

On our wheat program, Mars and SFL worked with Gold Standard to conduct a preliminary review to confirm that the program's quantification approach and data are aligned with Gold Standard's Value Chain Intervention Guidance. The goal was to design a program that can support farmer-driven outcomes that also ladder up to reductions in GHGs that benefit both Mars and planet. . As of 2020 the amount of land tracked under this project has increased since the baseline was established: 20,991 hectares were tracked in 2020, up from 9,056 hectares in 2017. This land base is representative of 59,947 total wheat hectares under production and 188,580 total farmed hectares.

The S-LoCT program was launched late in 2020. Mars is a founding partner of Supplier LoCT, with global businesses PepsiCo and McCormick also joining and enrolling suppliers to take part. This consortium approach will allow greater scale of suppliers reached as we continue the work in 2021.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

30

Please explain the rationale for selecting this group of customers and scope of engagement

Mars' CEO co-chairs the Consumer Goods Forum's Forest Positive Coalition of Action, with the CEO of Carrefour, one of our major customers. We engage with almost 30 major retail customers through this forum, representing 30% of our sales of manufactured product (excluding veterinary services) and 30% of emissions, allocated based on revenue. The Forest Positive Coalition of Action is working to: - Accelerate efforts to remove commodity-driven deforestation from our individual supply chains. - Set higher expectations for traders to act across their entire supply base. - Drive more transformational change in these key commodity landscapes. - Transparently report on progress to ensure accountability. More information on the Coalition's work is available at: https://www.theconsumergoodsforum.com/environmental-sustainability/forestpositive/ We also collaborate with customer programs to reduce emissions, such as Walmart's Project Gigaton, an initiative launched in 2017 to eliminate one gigaton of GHG emissions from Walmart's supply chain. Walmart is our largest customer, providing an opportunity to make a meaningful different by making a shared effort to reduce emissions from our considerable combined value chains.

Impact of engagement, including measures of success

Consumer Good Forum members represent combined sales of 3.5 trillion Euros, and the major customers we engage with through our work with the CGF represent approximately 30% of our downstream scope 3 GHG emissions, allocated based on revenue. Our involvement in the Forest Positive Coalition has both informed and been informed by our own work to update our position on Deforestation and Land Use Change: https://www.mars.com/about/policies-and-practices/deforestation-policy The customers we engage with through CGF will also seek to implement the Coalition's approach and commodity action plans in their agricultural supply chains. For example, in

2020 the CGF published the Soy Commodity Roadmap, a foundational guide for removing deforestation and conversion from Soy supply chains and an outline of Coalition commitments. Mars is recognized as a "Giga-guru" by Walmart's Project Gigaton, having met all the requirements of the program and reported carbon savings of 1.1 million tonnes CO2e in 2019, and 4 million tonnes since the program began (as calculated using the Project Gigaton methodology).

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Mars supports the SDGs and recognizes the need for engaging others to collectively play our part in addressing climate change. We prioritize stakeholder engagement on GHG emissions and climate change in our agricultural supply chain, as our largest source of S3 emissions. We have in place a number of raw material sustainable sourcing strategies where we work with partners and farmers beyond our tier-1 suppliers to reduce environmental impacts. These strategies usually also involve industry bodies, NGOs, third-party experts, and governments.

For example:

- Through our work co-chairing the Consumer Goods Forum Forest Positive Coalition of Action Beef Work Group, our partnership with Proforest and our membership in the Brazil Roundtable on Sustainable Beef and the SAI Beef Platform, we are engaged in industry efforts to reduce deforestation and other emissions related to livestock production.
- In 2020, we chaired the SAI Platform's Sustainable Dairy Partnership, a framework to improve dairy sustainability in business-to-business settings, with participation of buyers and dairy processors representing over 30% of global milk supply.
- We are funding a project to increase the resilience of rice growing in southern Spain by testing and validating solutions for reducing water use and GHG emissions. The project aims to impact 11,000 rice growing hectares belonging to over 15 farming groups by 2025.
- We are active in the WCF Cocoa and Forests Initiative and have published action plans for addressing deforestation from cocoa production in Cote d'Ivoire and Ghana, in collaboration with our suppliers. In 2020 this program in Côte d'Ivoire and Ghana reached 91,592 farmers (Good Agricultural Practises training initiatives), included 265,746 hectares within a deforestation risk assessment and distributed 913,513 multi-purpose trees for on-farm planting. In 2020 we also launched to the public interactive map showing the names, locations and total number of farmers in each farmer group from which we sourced cocoa in the 2018-2019 crop year as part of our Responsible Cocoa program.
- Through our partnership with the Earthworm Foundation (formerly The Forest Trust), Mars works with the Areal Prioritas Transformasi (APT) program to address the challenges of deforestation in palm oil caused by poverty. Together, we're engaging local government, preventing deforestation inside concession, forming community-based conservation plans and providing alternative livelihood options. In 2020 Earthworm hosted the first in a series of webinars about how farmer resilience can be achieved post-COVID. In it, speakers from partners including Mars and Earthworm Foundation discussed how environmental and social regeneration could be driven through a landscape approach, and shared examples of the impact this has had.
- In our pulp & paper supply chain, we also partner with the Earthworm Foundation (EF) and other EF members to address challenges in high priority fiber landscapes. One is around the Dvinsky forest in western Russia, where WWF has legally protected

300,000 hectares of intact forest. The project ensures that the forest continues to be protected in practice, while expanding protection via ecological zones and engaging with industry and communities to value sustainable forest management. The other project is in British Columbia, Canada. We work with local industry and indigenous group (Tsay Kay Dene) to protect HCV forests, restore caribou ranges and ensure FPIC is carried out going forward.

- Consumer Goods Forum (CGF) Forest Positive: Commodity-specific roadmaps published by the CGF aim to catalyze combined influence and resource to accelerate industry transformation. Likewise, the Landscapes working group aims to bring scale and credibility to direct landscape or jurisdictional interventions.

In addition, we participate in initiatives run by academic and industry partners in the value chain which aim to improve scientific understanding and catalyze collaboration around sustainable agriculture. For example:

- Throughout 2020, Mars contributed to the development of the Gold Standard Value Change Intervention Guidance, which will help companies design and implement projects to credibly reduce GHGs in agriculture that are aligned with the GHG Protocol and can be counted towards Science Based Targets.
- In 2020, Mars participated as a funding member of C-SEQU, a dairy and beef industry initiative to develop guidelines for the incorporation of carbon sequestration into LCAs.
- With Coca-Cola and BSR, Mars launched the Value Chain Risk to Resilience platform to enable businesses to diagnose climate risk throughout their supply chains. Tools and data generated from the platform will accelerate the adoption of climate-resilient actions.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Agroforestry

Description of management practice

Through the Livelihoods Fund for Family Farming (L3F) set up by Mars and Danone in 2015, we encourage investment in large-scale projects that enable farmers to produce

greater yields of higher quality using sustainable agricultural practices including agroforestry systems. Projects create additional benefits such as biodiversity preservation, water resources management, and carbon dioxide sequestration.

In addition, our cocoa suppliers have committed to ensuring farmers plant multi-purpose trees on their cocoa farms as part of their Cocoa and Forests Initiative action plans for Cote d'Ivoire and Ghana.

Your role in the implementation

Financial
Knowledge sharing
Procurement

Explanation of how you encourage implementation

L3F proposes a new approach to supply chains. Through the Fund, we invest in large-scale projects enabling farmers to produce greater yields of higher quality through sustainable agricultural practices including agroforestry systems. Projects strengthen the connection between groups of family farmers and business supply chains. Investors, including Mars, commit to purchasing the commodities originating from these projects over a 10-year period. Projects also create benefits for society as a whole through biodiversity preservation, water resources management, and CO2 sequestration. L3F receives results-based payments in order to guarantee tangible social, economic and environmental impacts. Mars currently invests in L3F projects in vanilla, coconut, shea, cocoa and palm, and is exploring a watershed project in Mexico.

Our cocoa suppliers have committed to the planting of a specified number of multi-purpose shade trees as part of their CFI action plans for Cote d'Ivoire and Ghana. As part of our annual contracting process for cocoa, Mars asked suppliers to provide an update on progress toward this and other CFI commitments.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)

Comment

Management practice reference number

MP2

Management practice

Biodiversity considerations

Description of management practice

Through the Livelihoods Fund for Family Farming (L3F) set up by Mars and Danone in 2015, we encourage investment in large-scale projects that enable farmers to produce

greater yields of higher quality using sustainable agricultural practices including agroforestry systems. Projects create additional benefits such as biodiversity preservation, water resources management, and carbon dioxide sequestration.

Your role in the implementation

Financial
Knowledge sharing
Procurement

Explanation of how you encourage implementation

L3F proposes a new approach to supply chains. Through the Fund, we invest in large-scale projects enabling farmers to produce greater yields of higher quality through sustainable agricultural practices including agroforestry systems. Projects strengthen the connection between groups of family farmers and business supply chains. Investors, including Mars, commit to purchasing the commodities originating from these projects over a 10-year period. Projects also create benefits for society as a whole through biodiversity preservation, water resources management, and CO2 sequestration. L3F receives results-based payments in order to guarantee tangible social, economic and environmental impacts.

Mars currently invests in L3F projects in vanilla, coconut, shea, cocoa and palm, and is exploring a watershed project in Mexico.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)

Comment

Management practice reference number

MP3

Management practice

Land use change

Description of management practice

Integrated landscape approaches are a critical complement to supply chain management to achieve a deforestation-free transformation, especially in the most critically threatened or highest conservation value landscapes. Mars is deeply engaged with initiatives such as the Consumer Goods Forum and Tropical Forest Alliance to catalyze collective action in support of landscape approaches. These initiatives involve collaboration among multiple stakeholders in the landscape and integration of ad hoc initiatives on the ground that are addressing deforestation or landscape restoration.

Your role in the implementation

Financial

Knowledge sharing
Procurement

Explanation of how you encourage implementation

While landscape approaches for addressing deforestation are still nascent, Mars is engaging in several promising pilot efforts. In cocoa, Mars is engaging with partners such as ProForest and Verra to pilot jurisdictional approaches in Ghana, Cameroon and other countries. In palm oil, Mars is partnering with Conservation International and other organizations on the Coalition for Sustainable Livelihoods to support smallholders and sound natural resource management in Aceh and North Sumatra, Indonesia. Mars partnered with Earthworm in Aceh, Indonesia to reduce deforestation and demonstrate balancing commodity production, conservation and good social and labor practices at scale. Mars is also working with Earthworm on stopping ecosystem degradation in pulp and paper production landscapes, including Northwest Russia and British Columbia. Mars also supports landscape-level initiatives, such as the Cerrado Manifesto, which engages companies to halt soy-driven deforestation and promote sustainable land management in the Cerrado grasslands in Brazil. Through these efforts, we're engaging local government, addressing deforestation, planning with communities, and supporting farmer livelihoods.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)

Comment

Management practice reference number

MP4

Management practice

Crop diversity

Description of management practice

Through the Livelihoods Fund for Family Farming (L3F) set up by Mars and Danone in 2015, we encourage investment in large-scale projects that enable farmers to produce greater yields of higher quality using sustainable agricultural practices including intercropping. Projects create additional benefits such as biodiversity preservation, water resources management, and carbon dioxide sequestration.

For example, our coconut project aims to provide farmers with training, affordable inputs, high-yield planting materials and extension services, to help them increase productivity and diversify their crops and income. Intercropping is a key part of the model. Farmers will plant smaller, perennial cash crops such as coffee and bananas between coconut trees, to provide a higher and more regular income. Depending on

location, they will also introduce annual food and cash crops such as roots and vegetables.

Your role in the implementation

Financial
Knowledge sharing
Procurement

Explanation of how you encourage implementation

L3F proposes a new approach to supply chains. Through the Fund, we invest in large-scale projects enabling farmers to produce greater yields of higher quality through sustainable agricultural practices including agroforestry systems. Projects strengthen the connection between groups of family farmers and business supply chains. Investors, including Mars, commit to purchasing the commodities originating from these projects over a 10-year period. Projects also create benefits for society as a whole through biodiversity preservation, water resources management, and CO2 sequestration. L3F receives results-based payments in order to guarantee tangible social, economic and environmental impacts.

Mars currently invests in L3F projects in vanilla, coconut, shea, cocoa and palm, and is exploring a watershed project in Mexico.

Climate change related benefit

Increasing resilience to climate change (adaptation)

Comment

Management practice reference number

MP5

Management practice

Diversifying farmer income

Description of management practice

Mars buys a range of raw materials from suppliers who in turn source these materials from an estimated 1,000,000 smallholder farmers worldwide. The majority of these smallholder farmers are from West Africa or Asia, with fewer from Central and South America. These farmers grow crops like cocoa, rice and mint. Each supply chain provides a unique context and different set of challenges.

At Mars, we believe everyone working within our extended supply chains should earn sufficient income to maintain a decent standard of living. Lifting smallholder farmers and farm workers out of poverty on its own will not ensure long-term supply security for critical raw materials. Our ultimate ambition is for people working in our supply chain to have sufficient income to provide a decent standard of living and to want to keep growing the crops we use.

Your role in the implementation

Financial
Knowledge sharing
Procurement

Explanation of how you encourage implementation

As an example of how we encourage implementation, our sustainable rice program works with more than 2,500 rice farmers in Pakistan and India and includes technical support for increasing yields and reducing input costs, including water efficiency methods that also reduce methane emissions. In Pakistan, pilots have shown a 30% increase in farming household income in addition to water use and GHG reductions since the project began. Mars committed to source 100% of our Food segment rice from farmers working towards the Sustainable Rice Platform (SRP) standard by 2020: we achieved 99% of this goal in 2020. We are one of the early adopters of the newly launched SRP assurance scheme, particularly in smallholder supply chains in Asia.

As another example, we have engaged more than 24,000 mint farmers in India through our AdvanceMint program. Over the next five years we're training more than 20,000 smallholder farmers in Uttar Pradesh in good agricultural practices. By 2025 we aim to improve productivity, reduce water consumption by 30% and improve smallholder farmer's incomes.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)

Comment

Management practice reference number

MP6

Management practice

Fertilizer management

Description of management practice

Wheat is an important ingredient in many of our pet food brands. In Australia, Mars Petcare is working with Gold Standard and the Sustainable Food Lab (SFL) to help farmers measure and reduce net greenhouse gas emissions from wheat while improving soil health and yields and increasing resilience to weather shocks.

Your role in the implementation

Financial
Knowledge sharing
Procurement

Explanation of how you encourage implementation

Mars designed a program in partnership with SFL to provide agronomic support to wheat farmers to improve farm productivity and soil health, and use to the Cool Farm Tool to measure reductions and sequestration of GHG emissions. We plan to recruit 200 farmers over approximately 700,000 hectares to adopt practices such as reducing fertilizer use, applying controlled traffic farming, and using cover crops and brown manures.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)
Reduced demand for fertilizers (adaptation)

Comment

Management practice reference number

MP7

Management practice

Rice management

Description of management practice

Our Ben's Original brand offers a wide range of dry rice, microwave rice and microwaveable rice pots. Rice is the staple food for 3.5 billion people, and consumption continues to rise. However, rice cultivation is responsible for 5-10% of global methane emissions.

Mars Food is committed to ensuring the production of more sustainable rice. We have reduced the climate impact of our BEN'S ORIGINAL branded rice products by working with farmers to ensure our rice comes from farmers working towards the Sustainable Rice Platform (SRP) standard, and by using innovative technology to reduce the cooking time on our BEN'S ORIGINAL® rice by half, resulting in an 18% reduction of GHG emissions during the cooking phase.

Your role in the implementation

Knowledge sharing
Procurement

Explanation of how you encourage implementation

Mars is a founding member of the SRP. Mars committed to source 100% of our Food segment rice from farmers working towards the Sustainable Rice Platform (SRP) standard by 2020: we achieved 99% of this goal in 2020. We are one of the early adopters of the newly launched SRP assurance scheme, particularly in smallholder supply chains in Asia.

Climate change related benefit

Emissions reductions (mitigation)

Increasing resilience to climate change (adaptation)

Comment

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Funding research organizations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Carbon tax	Support	As a member of BICEP, an advocacy coalition, we are committed to working with policy makers to pass energy and climate legislation, and enabling the transition to a low-carbon economy that will create new jobs and stimulate economic growth while stabilizing our planet's climate. For example, in 2020 Mars played a leadership position in BICEP serving on its steering committee and actively participated with BICEP on numerous policy meetings at the Federal and State levels. More specifically, Mars participated in over 14 Congressional meetings as part of BICEP's 2020 Virtual LEAD advocacy work to push Congress to consider developing carbon pricing mechanisms and support for the Paris Climate Agreement. At the state level, Mars worked with BICEP to ensure states maintain a robust climate/energy policy – including signing on to letters supporting RGGI in Virginia and Pennsylvania, and the Clean Economy Act in Virginia.	U.S. government policy for addressing climate change, including carbon pricing mechanisms.

		Mars is a founding member and sits on the Board of the Sustainable Food Policy Alliance (SFPA), launched in 2018 with Danone, Unilever and Nestle. The purpose of the Alliance is to advocate together on a variety of issues facing the food industry. A core pillar of SFPA's work is environmental advocacy – which includes advocating for action on climate change (carbon pricing), renewable energy and legislation to address plastic packaging/recycling. As a member of the SFPA we met with Democratic and Republican legislators to brief them on SFPA's U.S. climate policy principles and priorities, which include support of a price on carbon. More specifically to our principles call for establishing an ambitious carbon pricing system that sends a clear signal to the marketplace to reduce economy-wide GHG emissions aligned with the Paris Agreement goal to keep global temperature increase well below 2°C. An appropriate carbon pricing structure should be transparent in how prices are set, equitable in how revenue is appropriated to mitigate costs on the most vulnerable communities, and built to ensure our global competitiveness.	
Other, please specify Carbon neutrality	Support	Mars is a member of FoodDrinkEurope, the industry organization for Europe's food and drink industry. We are a member of the Board and play an active role in all committees and working groups pertaining to environment sustainability including where positions are developed pertaining to climate change. In that role, we have been influential in supporting the EU's ambition to become the first climate neutral continent by 2050, and to achieve the Paris Agreement objective to keep the global temperature increase below 2°C above 1990 levels. For example, in 2019 we contributed to the following report on the path towards sustainable food systems: https://www.fooddrinkeurope.eu/uploads/publications_documents/FoodDrinkEurope_-_The_path_towards_Sustainable_Food_Systems.pdf We also contributed to a related orientation paper published on 11 Dec 2019: https://www.fooddrinkeurope.eu/news/press-release/fooddrinkeuropes-orientation-paper-on-sustainable-food-systems/ FoodDrinkEurope recognises the food and drink industry will play an integral role in helping the EU reach carbon neutrality by	From the path to sustainable food systems: As an energy intensive sector in the EU, we aspire to contribute to reaching a target of zero-net emissions as an average across sectors in Europe by 2050 , in line with the Paris Climate agreement objective , in particular through science-based target setting. Building on past achievements , we will continue to reduce green-house

		2050, but also the need for changes across the entire farm-to-fork process. More specifics on Food Industry contribution to tackle climate change are available in this Nov 2019 paper called “Contribution of the food and drink industry to the transition towards a carbon neutral Europe by 2050” https://www.fooddrinkeurope.eu/uploads/publications_documents/FoodDrinkEurope_position_on_a_carbon_neutral_Europe_by_2050.pdf	gas (GHG) emissions in our operations wherever possible. To this end, the European food and drink industry will especially multiply efforts to reduce its energy consumption wherever possible, including through taking energy efficiency measures and increasing the use of renewable energy sources and natural refrigerants. Food and drink manufacturers will also adopt more ambitious energy management programmes and transport optimisation strategies to mitigate emissions from transport and logistics. To achieve greater results at a large scale, we will work together with our supply chain partners, including farmers and consumers.
Other, please specify Deforestation	Support	Mars responded directly to the EU Commission's online consultation on deforestation “Deforestation and forest degradation – stepping up EU action” in February 2019. We also initiated and created a coalition of NGOs and peer companies to call for EU legislation to mandate due diligence on human rights and environmental protection.	The position specifically calls for mandatory due diligence obligation to aim for: “Respect for high

prevention		https://www.voicenetwork.eu/2019/12/cocoa-companies-call-for-human-rights-and-environmental-due-diligence-requirements/ Mars engaged with Members of the European Parliament, advocating for the above mandatory due diligence obligations. The EU Commissioner for Justice confirmed that he will work toward a proposal for mandatory due diligence in 2021 and highlighted that this legislation would be cross-sectoral (applicable to all sectors from agriculture to textiles) and cross-issue (covering both human rights and environmental issues). This should include mandatory due diligence for deforestation. On 25 June 2020, Mars was part of a coalition delegation meeting three European Commissioners to persuade the EU Executive to create legislation for mandatory due diligence for human rights and deforestation. Furthermore, On 23 October 2020, during the vote on the European Parliament Burkardt report on deforestation, MEP Heidi Hautala referenced Mars as a company calling for mandatory due diligence legislation (see Youtube video, minutes 33:22 to 34:31: https://youtu.be/zwx_oqXS2iM?t=2002) On 9 December 2020, Mars was a signatory of a coalition policy paper calling for a smart mix of measures to halt deforestation, aimed at EU policy makers and coordinated by TFA (tropical forest alliance - https://www.tropicalforestalliance.org/en/news-and-events/news/collective-eu-position-paper) Upon release of news reports later confirmed from EU Commission sources that the planned EU Due Diligence legislation was delayed until the Fall 2021, Mars, together with 6 other Chocolate companies launched a public call to not lose momentum and to propose legislation asap (see: https://twitter.com/Mars_EUaffairs/status/1397926845077618705)	standards of environmental sustainability, particularly relating to the protection of forests, such as a prohibition on deforestation, the protection of high conservation value and high carbon stock forests, and requirements for new planting.”
Clean energy generation	Support	Mars is a founding member and sits on the Board of the Sustainable Food Policy Alliance, launched in 2018 with Danone, Unilever and Nestle. The purpose of the Alliance is to advocate together on a variety of issues facing the food industry. A core pillar of SFPA’s work is environmental advocacy – which includes advocating for action on climate change (carbon pricing), renewable energy and legislation to address plastic packaging/recycling. SFPA has built strong bona fides within Congress and throughout 2020 regularly provided input to policymakers before the introduction of legislation. Mars participated in all these consultations and led	The Alliance seeks to drive progress in public policies that shape what people eat and how it impacts their health, communities, and the planet. It advocates for innovative, science-based solutions to take action against

		advocacy work in support of legislation once introduced. As a member of The Sustainable Food Policy Alliance (SFPA) we met with Democratic and Republican legislators to brief them on SFPA's U.S. climate policy principles and priorities, which include support of accelerating policies to reduce carbon pollution and promote innovation at the federal and state levels to develop more sustainable energy sources. SFPA urged Congress to include clean energy infrastructure in relief legislation by signing on to a letter along with 30+ other corporations. The final package passed in December included $35 billion in new funding for renewable technology and energy efficiency. Our climate principles support including the land sector, via agriculture and forestry, as part of an incentives-based strategy to reduce emissions and sequester GHGs from the atmosphere to meet global and national targets. In 2020 Mars and SFPA took a lead role in working with key policy makers to understand how climate change is impacting agricultural production and helping to identify ways that farmers and ranchers can produce their product in more sustainable ways. Mars and SFPA have participated in several Congressional forums on the impact that climate change has had on U.S. agriculture. SFPA submitted comments on the U.S. Department of Agriculture's (USDA) Agriculture Innovation Agenda (AIA), reflecting our climate principles: https://foodpolicyalliance.org/news/the-sustainable-food-policy-alliance-weighs-in-on-the-u-s-department-of-agricultures-agriculture-innovation-agenda/ SFPA also commented in support of the House Select Committee on the Climate Crisis report: https://climatecrisis.house.gov/what-theyre-saying	the costly impacts of climate change, build more resilient communities, promote renewable energy, and further develop sustainable agriculture systems. Specific policies the Alliance is engaging on are: 1. The Growing Climate Solutions Act of 2020, which proposed using incentives, common metrics, and quantification tools to reduce emissions and transition to low-carbon alternatives while also providing an opportunity to create value for farmers, ranchers, and others who are implementing leading edge practices to cut greenhouse gas emissions. See https://foodpolicyalliance.org/news/growing-climate-solutions-act/ 2. Urging U.S. policymakers to ensure the Farm Bill and other farm policies reflect the

			pressing need to increase the scale of actions to address water quality and water conservation issues, focus on improving soil health, and expand the deployment of renewable energy, particularly wind and solar. The Farm Bill should leverage all available tools, including research and public-private partnerships such as the Regional Conservation Partnership Program (RCPP), to make smart investments in conservation and sustainability. 3. Exploring the economics of sustainability, including financial incentives to reduce emissions and transition to low-carbon alternatives, with a particular focus on ways to create value for farmers, ranchers, and others who are implementing leading edge practices to cut greenhouse gas emissions.

			4. Advocating on behalf of smart, comprehensive energy and environmental policies at the state, national, and international levels, including the Paris Climate Agreement, the Clean Power Plan or other commitments that result in change necessary to reduce greenhouse gas emissions in line with what evidence-based science says is necessary.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Ceres

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Ceres BICEP initiative advocates for innovative climate and clean energy policies. Its members are proponents of renewable energy, greener transportation and stricter pollution controls on power plants.

How have you influenced, or are you attempting to influence their position?

Mars has signed BICEP's Climate Declaration, which calls upon U.S. federal policymakers to seize the economic opportunity of addressing climate change. Through BICEP, Mars advocates for policies that will enable cleaner, more efficient energy use and generate solutions for the threats of climate change.

Trade association

The Sustainable Food Policy Alliance

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Alliance seeks to drive progress in public policies that shape what people eat and how it impacts their health, communities, and the planet. It advocates for innovative, science-based solutions to take action against the costly impacts of climate change, build more resilient communities, promote renewable energy, and further develop sustainable agriculture systems.

Specific policies the Alliance is engaging on are:

1. The Growing Climate Solutions Act of 2020, which proposed using incentives, common metrics, and quantification tools to reduce emissions and transition to low-carbon alternatives while also providing an opportunity to create value for farmers, ranchers, and others who are implementing leading edge practices to cut greenhouse gas emissions.

2. Urging U.S. policymakers to ensure the Farm Bill and other farm policies reflect the pressing need to increase the scale of actions to address water quality and water conservation issues, focus on improving soil health, and expand the deployment of renewable energy, particularly wind and solar. The Farm Bill should leverage all available tools, including research and public-private partnerships such as the Regional Conservation Partnership Program (RCPP), to make smart investments in conservation and sustainability.

3. Exploring the economics of sustainability, including financial incentives to reduce emissions and transition to low-carbon alternatives, with a particular focus on ways to create value for farmers, ranchers, and others who are implementing leading edge practices to cut greenhouse gas emissions.

4. Advocating on behalf of smart, comprehensive energy and environmental policies at the state, national, and international levels, including the Paris Climate Agreement, the Clean Power Plan or other commitments that result in change necessary to reduce greenhouse gas emissions in line with what evidence-based science says is necessary.

How have you influenced, or are you attempting to influence their position?

Mars is a founding member of the Sustainable Food Policy Alliance, launched in 2018 with Danone, Unilever and Nestle. We are represented on its Leadership Council and Governing Board.

Trade association

Consumer Goods Forum (CGF)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CGF is a global industry network that brings together CEOs and senior corporate managers to collaborate on sustainability and consumer issues. CGF's position is that "Climate change is a major strategic threat, one which could affect our customers and their habitats, our businesses and the wider economy and society".

How have you influenced, or are you attempting to influence their position?

Mars' CEO co-chairs the Consumer Goods Forum's Forest Positive Coalition of Action, with the CEO of Carrefour, one of our major customers. We engage with almost 30 major retail customers through this forum, representing 30% of our sales of manufactured product (excluding veterinary services).

The Forest Positive Coalition of Action is working to:
- Accelerate efforts to remove commodity-driven deforestation from our individual supply chains.
- Set higher expectations for traders to act across their entire supply base.
- Drive more transformational change in these key commodity landscapes.
- Transparently report on progress to ensure accountability.

Our involvement in the Forest Positive Coalition has both informed and been informed by our own work to update our position on Deforestation and Land Use Change: https://www.mars.com/about/policies-and-practices/deforestation-policy

The customers we engage with through CGF will also seek to implement the Coalition's approach and commodity action plans in their agricultural supply chains.

More information on the Coalition's work is available at: https://www.theconsumergoodsforum.com/environmental-sustainability/forest-positive/

Trade association

WWF Renewable Energy Buyers Alliance

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Supports renewable energy. Aim of the group is to make it easier for corporates to buy renewable energy by sharing expertise and publishing principles.

How have you influenced, or are you attempting to influence their position?

Co-authors and initial signatories to the principles.

Trade association

RE100

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Convened by The Climate Group and in partnership with CDP, RE100 raises awareness of the benefits for going '100% renewable'. The initiative celebrates the success of companies on their journey to being 100% renewable and collaborates with others to determine the best approaches for achieving the final goal.

How have you influenced, or are you attempting to influence their position?

Mars is a founding member of the RE100 commitment.

Trade association

Rocky Mountain Institute Business Renewables Center

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Business Renewables Center is a member-based organization founded by Rocky Mountain Institute. The BRC works with major corporations, developers and service providers to streamline and accelerate corporate procurement of large-scale wind and solar energy.

How have you influenced, or are you attempting to influence their position?

Mars joined the Business Renewables Center in May 2016 to use our experience to help other companies successfully purchase renewable energy, and to gain market insights that the BRC network provides.

Trade association

FoodDrinkEurope (FDE) – Environment & Sustainability Committee and working groups reporting to this committee (e.g. Circular Economy expert group, Climate Ad Hoc group, Sustainable Food Systems Expert Group etc)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The FoodDrinkEurope (FDE) Association represents the commercial, technical, economic, legal and scientific interests of the food and drink manufacturing industry in the European Union. The Environment and Sustainability Committee oversees all working groups pertaining to these topics. Mars is an active member both in the committee and the working groups.

The latest position paper published by the organisation in Dec. 2020 pertaining to climate change (https://www.fooddrinkeurope.eu/resource/climate-change-position-paper/) recognises that climate change is one of the greatest threats to the planet today (including through rise in global temperatures with devastating impacts on people, biodiversity, the environment and our food production). FoodDrinkEurope voiced its commitment to help the European Union become the first climate neutral continent by 2050, and to achieve the Paris Agreement objective to keep the global temperature increase below 2°C above 1990 levels. FoodDrinkEurope recognises the food and drink industry will play an integral role in helping the EU reach carbon neutrality by 2050, but also the need for changes across the entire farm-to-fork process.

FoodDrinkEurope works closely with other actors across the food chain, especially farmers, retailers and consumers, and across public and private sectors in order to collectively drive sustainability in the way we grow and consume our food. According to FoodDrinkEurope research, Food and drink manufacturers are already integrating climate change measures into their business strategies and working to minimize the environmental impacts of their products. Between 2008 and 2017, FoodDrinkEurope members reduced emissions by 12%, while increasing production value by 5% in the same period.

FoodDrinkEurope supports an EU Climate Law that not only achieves climate neutrality, but also provides certainty for business to thrive, provide jobs and ensure the EU's global competitiveness.

How have you influenced, or are you attempting to influence their position?

Mars plays an active role in all committees and working groups pertaining to environment sustainability including where positions are developed pertaining to climate change. Furthermore we are members of the FoodDrinkEurope Board and exert our influence to help guide the strategic positioning of the organization.

Trade association

Business Council for Sustainable Energy

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The BCSE International Policy Committee advocates for renewable energy at international climate fora, including UN COP climate change conferences.

How have you influenced, or are you attempting to influence their position?

Mars is a paying member of the BCSE International Policy Committee and supports its advocacy for renewable energy.

Trade association

The Sustainable Packaging Coalition

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Sustainable Packaging Coalition is a membership-based collaborative that believes in the power of industry to make packaging more sustainable. It defines packaging as sustainable when it:

- Is beneficial, safe, and healthy for individuals and communities throughout its life cycle
- Meets market criteria for both performance and cost
- Is sourced, manufactured, transported, and recycled using renewable energy
- Optimizes the use of renewable or recycled source materials
- Is manufactured using clean production technologies and best practices
- Is made from materials that are healthy throughout the life cycle
- Is physically designed to optimize materials and energy
- Is effectively recovered and utilized in biological and/or industrial closed loop cycles

How have you influenced, or are you attempting to influence their position?

Mars associates participate in the coalition's activities. Mars is supporting the development of a tool to assess deforestation risk in the pulp and paper supply chain in the SE United States.

Trade association

The Renewable Thermal Collaborative

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Renewable Thermal Collaborative (RTC) serves as the leading coalition for organizations that are committed to scaling up renewable heating and cooling at their facilities and dramatically cutting carbon emissions. RTC members recognize the growing demand and necessity for renewable heating and cooling and the urgent need to meet this demand in a manner that delivers sustainable, cost-competitive options at scale.

How have you influenced, or are you attempting to influence their position?

Thermal energy is the largest energy use globally, accounting for nearly 50 percent of total consumption. Since Mars believes renewable heat sources are not growing fast enough and more viable and cost-effective bioenergy is needed, Mars helped to launch the Renewable Thermal Collaborative and provided seed funding to scale up renewable heating solutions globally. Mars won an Organizational Leadership award at the 2019 Climate Leadership Awards, in part based on our role in launching the Renewable Thermal Collaborative.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Mars participates in all policy engagement and research that we support, enabling us to ensure these activities remain consistent with our climate change strategy. As paying members of the organizations we support, we can influence their positions, policies and research objectives. We work with many trade associations around the world, and hold leadership positions in some of them. On some issues, our views are different from these organizations. On the rare occasions we cannot reach a compromise, we are willing to advocate independently or adopt internal policies to govern our activities.

The Mars Associates who work on climate action policy initiatives are involved with multiple organizations, ensuring our positions are consistently communicated across all activities.

The selection of the organizations and policy initiatives we support is managed by our internal Sustainability Working Group and overseen by our Sustainability Leadership Team. This is intended to ensure that we work only with those organizations whose positions and policies are consistent and supportive of our own approach.

In all external engagements, we follow the policies in the Mars Guide to Global Standards, Policies and Practices, which help us to act with integrity, honesty and in line with The Five Principles. We make sure all relevant Associates understand and abide by these policies. Further, we ensure a common approach to our climate engagement activities across business divisions and geographies by developing global policies and positions to guide our engagement across markets.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

SIGP-Scorecard-2020_071221_2.pdf

Page/Section reference

Page 1 of our scorecard show progress against our science-based GHG emissions reduction target. The scorecard is supported by more detailed information about our climate action strategy on our website: https://www.mars.com/sustainability-plan/healthy-planet/climate-action . As a family-owned private company, we do not publish a mainstream financial report. Instead, for transparency we publish our progress on sustainability in an annual Sustainable in a Generation Plan Scorecard.

Content elements

Strategy
Emissions figures
Emission targets
Other metrics

Comment

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C-AC13.2a/C-FB13.2a/C-PF13.2a

(C-AC13.2a/C-FB13.2a/C-PF13.2a) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Management practice reference number

MP3

Overall effect

Positive

Which of the following has been impacted?

Biodiversity
Soil
Water
Yield
Other, please specify
Smallholder farmer income

Description of impacts

Production of crops — including palm oil that Mars sources — supports thousands of smallholder farmers and helps drive the regional economies in North Sumatra and Aceh, in Indonesia. These smallholders and nearby communities are often dependent on healthy forests and natural resources that provide fresh water, reduce risks of floods and landslides, and buffer against the impacts of climate change. There are numerous government, private sector and civil society initiatives aiming to advance economic, social and environmental sustainability, but many of these efforts are not aligned to achieve the desired scale or impacts.

Have any response to these impacts been implemented?

Yes

Description of the response(s)

The Coalition for Sustainable Livelihoods aims to improve smallholder productivity and sustainable development in Aceh and North Sumatra. With members including Conservation International, IDH Sustainable Trade Initiative, The Livelihoods Fund, Earthworm, the United Nations Development Program and other multinational food companies, the Coalition aims to develop a landscape approach that builds sustainable livelihoods and improves natural resource management. By aligning public and private sector efforts, the Coalition aims to help advance government programs and policies while contributing to supply chain sustainability. By aligning public and private sector efforts, Mars and other members of the Coalition for Sustainable Livelihoods aim to help advance government programs and policies while contributing to supply chain sustainability.

Management practice reference number

MP5

Overall effect

Positive

Which of the following has been impacted?

Water
Yield
Other, please specify

Smallholder farmer income

Description of impacts

Rice and mint are both critical raw materials for our business. Our BEN'S ORIGINAL brand offers a wide range of dry rice, microwave rice and microwaveable rice pots. Mint is a key ingredient for Mars Wrigley gum and confectionery brands including EXTRA.

In addition to GHG reductions, our sustainable sourcing programs for these raw materials have identified water consumption and smallholder farmer incomes as priority impacts to address in certain sourcing regions, including India and Pakistan (rice) and India (mint).

Have any response to these impacts been implemented?

Yes

Description of the response(s)

Mars Food is committed to ensuring the production of more sustainable rice. We have reduced the climate impact of our BEN'S ORIGINAL branded rice products by working with farmers to ensure our rice comes from farmers working towards the Sustainable Rice Platform (SRP) standard. Mars is a founding member of the SRP. Mars committed to source 100% of our Food segment rice from farmers working towards the Sustainable Rice Platform (SRP) standard by 2020: we achieved 99% of this goal in 2020. We are one of the early adopters of the newly launched SRP assurance scheme, particularly in smallholder supply chains in Asia. In Pakistan, pilots have shown a 30% increase in farming household income and a 30% reduction in water use since the project began.

As another example, we have engaged more than 24,000 mint farmers in India through our AdvanceMint program. Over the next five years we're training more than 20,000 smallholder farmers in Uttar Pradesh in good agricultural practices. By 2025 we aim to improve productivity, reduce water consumption by 30% and improve smallholder farmer's incomes.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Vice President, Supply, Research and Development and Procurement	Chief Operating Officer (COO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	40,000,000,000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

No

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Ahold Delhaize

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

7,366

Uncertainty (±%)

10

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

Coop Danmark A/S

Scope of emissions

Scope 1

Allocation level

Allocation level detail

Emissions in metric tonnes of CO2e

1,058

Uncertainty (±%)

10

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

CVS Health

Scope of emissions

Scope 1

Allocation level

Allocation level detail

Emissions in metric tonnes of CO2e

2,932

Uncertainty (±%)

10

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

J Sainsbury Plc

Scope of emissions

Scope 1

Allocation level

Allocation level detail

Emissions in metric tonnes of CO2e

3,738

Uncertainty (±%)

10

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Yes

Allocation method

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

Kellogg Company

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

669

Uncertainty (±%)

20

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Yes

Allocation method

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer. In the case of Kellogg's we made an estimate of sales value, as this was not available at the corporate level.

Requesting member

Kesko Corporation

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

210

Uncertainty (±%)

10

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

S Group

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

716

Uncertainty (±%)

10

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

Target Corporation

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

10,704

Uncertainty (±%)

10

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

2,170

Uncertainty (±%)

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

74,027

Uncertainty (±%)

10

Major sources of emissions

Fuel use at our factories and offices - our overall scope 1 emissions have been third-party verified - the allocation to individual customers has not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of energy use data at sites - this is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

Ahold Delhaize

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

4,210

Uncertainty (±%)

10

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.)

Requesting member

Coop Danmark A/S

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

605

Uncertainty (±%)

10

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.)

Requesting member

CVS Health

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

1,676

Uncertainty (±%)

10

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.)

Requesting member

J Sainsbury Plc

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

2,136

Uncertainty (±%)

10

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.)

Requesting member

Kellogg Company

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

382

Uncertainty (±%)

20

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.) In the case of Kellogg's we made an estimate of sales value, as this was not available at the corporate level.

Requesting member

Kesko Corporation

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

120

Uncertainty (±%)

10

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.)

Requesting member

S Group

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

409

Uncertainty (±%)

10

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.)

Requesting member

Target Corporation

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

6,118

Uncertainty (±%)

10

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.)

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

1,241

Uncertainty (±%)

10

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

Emissions in metric tonnes of CO2e

42,312

Uncertainty (±%)

10

Major sources of emissions

These emissions primarily represent electricity use at our factories and offices. We used our market- based scope 2 inventory for this allocation.
Our overall scope 2 emissions have been third-party verified, the allocation to individual customers not.

Verified

Yes

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Direct collection of purchased energy use data at sites, multiplied (where possible) by a supplier specific emissions factor which is in compliance with Market based accounting under the Scope 2 Protocol, and collected by a 3rd party. (This is a global allocation based on Mars' 2020 emissions and our business volume with the customer.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Other, please specify Lack of supply chain knowledge linking our production sites to each customer	Supply chain knowledge of the route from each Mars site to each final customer is not consolidated at a corporate level, thus is very difficult to obtain from within our company. If customers provided an estimate of the tonnage (or sales value) bought from each Mars business unit, by region, this would allow a more robust calculation.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

We are developing our capabilities on product level foot-printing. This will start to build a foundation for linking product level data to end customer, through our supply chain teams.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms