

MARS

Tomorrow starts today

Beef Sourcing & Deforestation Action Plan 2024 Progress Update

July 2025



Mars' Journey Toward Forest-Positive Supply Chains



Forests are vital ecosystems – storing carbon, regulating rainfall, supporting biodiversity, and sustaining livelihoods for millions. Forests also provide the habitat for half of all known plant and animal species¹, and yet every year, around 10 million hectares are cleared², mostly for agricultural expansion, with devastating consequences for our climate and nature.

At Mars, we recognize that land use change is the second largest contributor to our value chain emissions. That's why we've set ambitious goals in our [Sustainable in a Generation Plan](#), including aiming to stop deforestation and conversion of natural ecosystems in Mars supply chains for our beef and direct soy ingredients in Latin America by 2025 – a region with high conversion hot spots.

To reach this goal, we're mapping, managing, and monitoring our supply chains – identifying and focusing on high-impact raw materials, especially soy and beef.

As an example, cattle ranching remains a leading driver of deforestation, particularly in Latin America. In response, 99% of our global beef volumes and 97% of our beef volumes from Latin America now come from regions deemed low-risk for deforestation and conversion, up to the direct cattle supplier. We're also helping shape industry best practices through the Consumer Goods Forum's [Forest Positive Coalition of Action](#).

Our leadership in this space was ranked #6 overall by [Forest 500](#) in their 2024 report, a U.K.-based nonprofit that assesses businesses on the strength and implementation of their commitments on deforestation, conversion of natural ecosystems and associated human rights.

We know time is critical. That's why we're working throughout our supply chain and collaborating across the industry to help protect forests and create a better, more sustainable world for people, pets and planet.

Paul Gardner

Chief Procurement Officer, Pet Nutrition
& Mars Incorporated Commercial Lead

Beef Sourcing & Deforestation Action Plan

As part of our [Sustainable in a Generation Plan](#), Mars set ambitious science-based Climate Action targets and has articulated a [Deforestation and Land Use Change Position](#), which specifies our commodity-specific action plans for beef, soy, pulp & paper, palm and cocoa. We are proud of our #6 ranking in the Forest 500 2024 annual report³. In this progress update, we summarize the progress in implementing our [Beef Sourcing & Deforestation Action Plan](#).

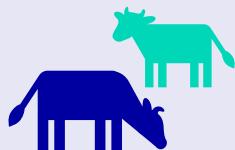
By 2025, we aim to eliminate deforestation and conversion⁴ of natural ecosystems in Mars supply chains up to the direct cattle supplier for our beef ingredients from Latin America. This update reflects our beef sourcing data from 2024. Our commitment is aligned with the [Accountability Framework Initiative Regional Guidance](#) and the [Beef Roadmap](#) of the Consumer Goods Forum (CGF) [Forest Positive Coalition of Action](#).

To implement our commitment, we are:

- Mapping, managing, and monitoring our supply chains; and
- Working beyond our supply chains to accelerate sector-wide transformation.

Mapping, managing and monitoring our supply chains

We annually update the origin information of the beef⁵ we procure worldwide⁶. For countries identified at risk for deforestation and conversion⁷, our partner [Proforest](#) runs a geospatial risk analysis using the information provided by our suppliers, satellite imagery, and other data sources⁸. The risk analysis provides us with insights on how exposed our suppliers are to the conversion of natural ecosystems and other potential breaches to our commitments, which in turn allows us to take the appropriate measures to help address these risks.



In 2024, Mars⁹ sourced globally...

226,550 metric tons of beef¹⁰ ingredients.

Progress achieved to date:

99%

Global beef volumes at **low or negligible risk** for deforestation and conversion

97%

Beef volumes from **Latin America** at **low or negligible risk** for deforestation and conversion

100%

Global beef volumes with **known origin country**

26%

Global beef volumes traceable to **at-risk countries** (Argentina, Brazil, Mexico)¹²

97%

Argentina

93%

Brazil

85%

Mexico

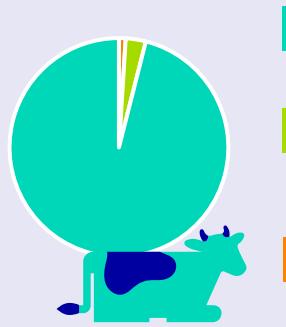
Traceability from our factory to the slaughterhouse-level in **at-risk countries**¹¹



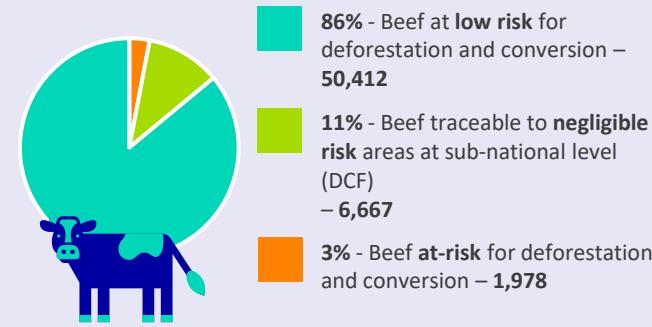
We continue to make progress toward our commitment

As part of the Mars Sustainable in a Generation Plan, we are proud of our progress toward our commitment in deforestation and conversion free (DCF) beef. Since we set our 2025 goal in 2019, changes in the DCF methodology and delays in developing DCF pathways for beef by-products, a key ingredient in many of our petfood products, make it unlikely that we will fully achieve this goal. We remain committed to driving continuous improvements to our beef sourcing and are actively working to establish a clear path toward DCF beef.

Total Global Beef Purchases (in % and metric tons)



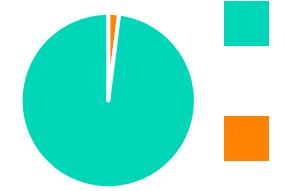
Total Latam Beef Purchases (in % and metric tons)



We have improved the fraction of beef from low-risk and DCF negligible risk regions from 87% in 2021 to 99% in 2024.

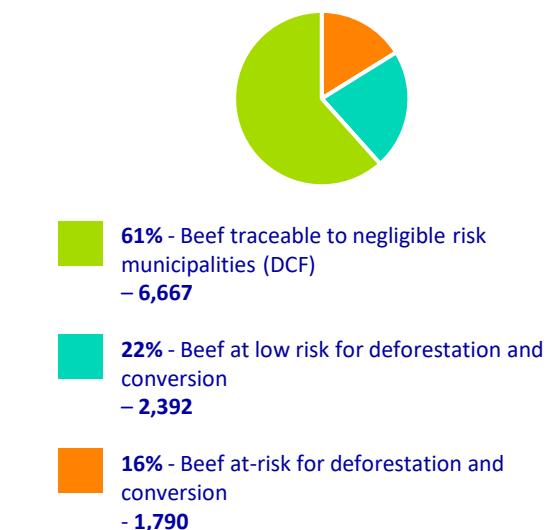
In Argentina...

Beef procured from Argentina (in % and metric tons)



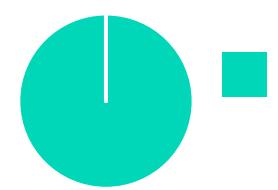
In Brazil...

Beef procured from Brazil (in % and metric tons)



In Mexico...

Beef procured from Mexico (in % and metric tons)



In all three countries...

We continued to ensure a consistently high level of traceability, as a result of further engaging with our suppliers and increasing transparency of our supply base. Since 2022, the volumes not traced to the slaughterhouse are being traced back to the Tier 2 suppliers (retailers, butchers, distributors, meatpackers, processors, and collectors) and their risk is also assessed.



Working beyond our supply chains to accelerate sector-wide transformation

Mars' commitment is focused on the direct cattle suppliers in our supply chain, that is, the ranchers who sell directly to the slaughterhouses. To complement this commitment and support indirect cattle suppliers¹⁴, we have joined forces with [IDH](#) to expand their [Sustainable Calves' Program in Brazil](#). This initiative aims to support small cattle ranchers in priority municipalities within our indirect beef supply chain in Mato Grosso, a priority state for our beef supply chain. Through the program, small ranchers receive training and technical assistance in areas such as environmental regularization, soil health, water, pasture management, animal welfare, as well as support to access markets for their products. The program also aims to reduce carbon emissions associated with beef production and increase cattle traceability, encouraging deforestation-free supply chains.

We are engaging across our industry and playing an active role in the [CGF Forest Positive Coalition of Action](#) Beef Working Group. We continue working collaboratively to update the [Beef Roadmap](#) to drive improvements at scale. The roadmap aligns a common path for companies to accelerate the implementation of beef sourcing commitments addressing key producing regions at-risk for deforestation and conversion, such as the Amazon and the Cerrado Biomes in Brazil. We are also a member of the [Brazilian Roundtable on Sustainable Livestock \(GTPS\)](#).

We have also engaged 100% of our T1 suppliers in at-risk countries¹⁵, and in particular 100% of our active T1 suppliers in Brazil (three suppliers) to share our commitments and to underscore the importance of supplier action to ensure that our sourcing requirements are met. We communicated to all of them the Forest Positive Approach¹⁶ as part of our collaborative work with the industry.

Lastly, we are supporting initiatives in Brazil that aim to achieve impact at the sector and biome-levels, including: the [Beef on Track¹⁷](#) program and the [Cerrado Protocol¹⁸](#) initiative. Mars is providing financial support and capacity building activities under these programs. These initiatives help level the playing field by harmonizing the sourcing requirements across supplier's entire supply base at the slaughterhouse-level.

Appendix

- ¹ See [Forests | WWF](#)
- ² See [FAO Global Forest Resources Assessment 2020](#)
- ³ **Forest 500 ranking:** See <https://forest500.org/rankings/companies>.
- ⁴ **Definition of conversion:** conversion refers to the loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function. Deforestation is one form of conversion (conversion of natural forests).
- ⁵ **Type of beef ingredient sourced:** our beef raw materials are by-products destined to the production of petfood, that is beef wet material, beef dry material, beef fat, beef blood plasma and beef gelatine.
- ⁶ **Origin of beef products:** the origin of our beef products is defined as the slaughterhouse location and its supply shed for at-risk countries (see footnote 7), and the origin country for all other countries. We request all our tier 1 beef suppliers from Brazil to provide the sourcing municipalities of their direct cattle suppliers. We request all our tier 1 beef suppliers from Argentina and Mexico to share with us the location and sourcing radius of slaughterhouses, which allows us to have an understanding of their supply shed. The following radii were considered for our risk assessment: Argentina: 510km, Mexico: 250km. We adopted these radii considering information provided by suppliers and by local organizations working in the cattle sector.
- ⁷ **At-risk countries:** based on our country-level risk assessment, the following countries from which we source beef are considered at-risk priority countries for deforestation and conversion: Argentina, Brazil, and Mexico. Countries other than these from which Mars sources are considered low risk for deforestation and conversion associated with beef, considering data from [Maplecroft](#), [WRI \(2020\)](#) and [WWF \(2021\)](#).
- ⁸ **Risk assessment methodology for at-risk countries:** we have made major investments to improve traceability and transparency in our beef supply chains. This helps us assess how land use affects ecosystems and guides our purchasing decisions to help avoid environmental harm. In Brazil, Argentina, and Mexico, external experts from Proforest run a two-part geospatial risk assessment: (1) a territorial analysis at the sub-national level (municipalities in Brazil/Mexico; departments in Argentina) that ranks overlap with protected areas, indigenous lands, legal non-compliance (Brazil), embargoed areas (Brazil), and post-cut-off date native-vegetation conversion; (2) a supply shed level analysis that overlays these jurisdictional scores on the sourcing areas of the slaughterhouses (per footnote 6), or T2 suppliers' location when the slaughterhouses locations are not available. Risk classes run from "very low" to "very high" and enables us to determine the level of risk for the volumes purchased from each supplier. Proforest uses data from multiple sources to update our risk assessments including official data sources relating to legally protected areas and to areas found to be breaching environmental legislation, whenever made available by the governments from Argentina, Brazil and Mexico. Sources used: for Brazil: [Mapbiomas](#), [Forestal Code Observatory](#), [IBAMA](#), [Incra](#) and [FUNAI](#). For Argentina: [Mapbiomas](#), [IGN](#) and [INAI](#). For Mexico: [Global Forest Watch](#), [CONABIO](#), [INPI](#), [CONANP](#) and [WDPA](#). In addition, suppliers are expected to meet our Supplier Code of Conduct, which includes standards on child and forced labour, discrimination, fair pay, working hours, freedom of association, health and safety, the environment, and ethical business practices. We manage tier 1 supplier human rights risk and improvements through our [Next Generation Supplier](#) program.
- ⁹ **Beef volumes in scope:** considers the total amount of direct purchases of beef ingredients in Mars Petcare, which accounts for the material portion (98%) of the total beef supply to Mars. Excludes some new mergers and acquisitions and co-manufacturing.
- ¹⁰ **Recording of beef volumes:** volumes of beef products are recorded and reported through our internal procurement & ERP systems.

Appendix

- ¹¹ **Traceability to slaughterhouse in at-risk countries:** we aim to achieve the highest level of traceability to the slaughterhouse level, recognizing that collectors and renderers are key suppliers of beef by-products in at-risk countries, and that sourcing from these suppliers poses traceability challenges. Therefore, we are working closely with collectors and renderers to enhance the traceability and transparency of the raw materials we procure from them.
- ¹² **DCF:** deforestation- and conversion-free
- ¹³ **Negligible Risk methodology for Brazil:** external experts from Proforest follow the CGF-FPC negligible risk methodology and conduct a geospatial risk assessment grounded in a territorial analysis that ranks Brazilian municipalities based on post-cut-off date native vegetation conversion. Jurisdictions (municipalities) with the lowest levels of past deforestation and/or conversion (D&C)—collectively representing less than 5% of Brazil's total D&C since Mars' cut-off date—are classified as negligible-risk areas. Beef volumes traceable to these subnational origins, where the risk of D&C is considered negligible, are considered as deforestation- and conversion-free (DCF) when additional safeguards are in place. A safeguard refers to sourcing from suppliers who operate purchase control systems that monitor D&C activity and ensure legal compliance in accordance with our [Beef Sourcing Policy](#).
- ¹⁴ **Indirect cattle suppliers:** indirect cattle suppliers are upstream farms or traders that raise or transfer cattle before they are sold to a direct supplier, without delivering animals directly to the slaughterhouse.
- ¹⁵ The list of our direct suppliers is available on <https://www.mars.com/about/policies-and-practices/beef-sourcing-policy> and is updated annually. We actively engage with our Tier 1 suppliers to communicate our commitments and expectations, which are monitored through satellite-based risk assessments. When non-compliance is identified, our focus is on reintegrating suppliers into the supply chain once they have successfully addressed the issues. The level of engagement is tailored to the severity of the non-compliance. Mars focuses on continuous improvement and prioritizes engaging and supporting suppliers in making the necessary changes to achieve compliance. Therefore, we only consider excluding suppliers as a last resort, when all other avenues for improvement have been exhausted.
- ¹⁶ See <https://www.theconsumergoodsforum.com/wp-content/uploads/2022/02/2021-CGF-FPC-Guidance-for-FP-Meatpackers-in-Brazil-EN.pdf> for more information about the requirements and actions proposed to meatpackers in Brazil.
- ¹⁷ Key partner is Imaflora.
- ¹⁸ Key partners are Proforest and Imaflora, who jointly developed and are testing the protocol, initially as part of the Good Growth Partnership's Responsible Demand Project, and the second and third phases thanks to financial support from Mars and McDonalds.

