

MARS

# Global Protocol for Sustainability Claims

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## OVERVIEW

The purpose of the Mars, Incorporated Global Protocol for Sustainability Claims is to enable our brands to communicate sustainability proof points and ambitions to consumers via product, brand, and segment-level claims, driving growth that is consistent with the *Mars Sustainable in a Generation Plan* while effectively managing risk. Sustainability claims seek to tap into increasing consumer interest in and demand for transparency around the environmental and social impacts of products and the companies that produce them. These claims also help Mars drive the Mars Purpose through our brands when the claims we make are credible, substantiated, and consistent with the Five Principles.

This Protocol outlines the process for review of sustainability claims and the criteria that must be met to make a variety of claims across packaging, sourcing, and operations. **This Protocol applies only in the absence of local government regulation or guidance defining a claim; if a desired claim is defined by market regulation/guidance, that definition may be used. However, should local regulation outline criteria for a claim that are more permissible than the criteria outlined in this Protocol for the same claim, the relevant Corporate Sustainability team member should be informed of any market's intention to proceed under the locally defined criteria.** The Protocol applies to all on-pack and off-pack claims such as those made on label, in store, on our branded websites, in social media, in external sustainability progress reports, and in any other advertising, marketing, and general communications messaging.

Given that sustainability-related claims are not commonly defined by regulation and can carry significant legal risk in some markets, the potential risks of using these claims should be weighed in conjunction with the growth opportunity when deciding which claims to pursue. Claims that are considered higher risk will require Corporate review by the Food Law and Sustainability teams, as well as segment Sustainability Vice Presidents (VPs), in addition to market-level claims review, as outlined in this Protocol. Brands should expect that claims may need to use different wording in different markets based on the legal and regulatory analysis.

Any brand or market interested in making a sustainability claim must utilize this Protocol and process to ensure that claims are substantiated and reviewed by appropriate local functions, and in some cases, Corporate experts. In all cases, the criteria outlined for each claim must be followed to protect Mars from external (and legal) claims of 'greenwashing' and protect our reputation in this important area. Early engagement of segment SRA, Legal, and Sustainability will best enable brands to identify different options available for communicating our sustainability commitments and activities to customers, consumers, and other stakeholders. Your segment will cascade segment-specific RACIs outlining which functions should be engaged in claims review and at what stage of the review process.

Not all potential sustainability claims a brand is considering may be covered in this document. Where a claim of interest is not included, please reach out to the Corporate Food Law and Sustainability teams to explore what is possible. This Protocol is intended to complement the Mars Claims Approval Standard and on-pack and off-pack claims awareness training.<sup>1</sup>

<sup>1</sup> Reference Nexus document number STRD\_00528 Claims Approval. On-pack Claims Approval Mars U training code 38001 and the Off-Pack Claims Awareness Mars U training code 812155.

## Key Principles

- I. As with all claims, sustainability claims must be truthful, substantiated, and not misleading to the consumer.**
- II. Be mindful of market-level legal risk/compliance responsibilities:** Sustainability labeling and claims must comply with any government regulations or guidance of the country in which a product is to be marketed, if such regulations/guidance exist. In addition, in some markets consumer litigation risk should be considered, particularly in the US where Mars and other companies have been the target of litigation over sustainability-related claims. If a specific claim is defined by local regulation or guidance, claims must comply with such regulation or guidance, mindful of potentially different regulatory requirements in affiliate markets to which the product may be shipped. This Protocol's claims definitions are intended to be used only in the absence of applicable local government regulation or guidance.
- III. Any brand-specific logos must be carefully developed.** Logos and other images are a form of claims, and their messages must be substantiated as would a text claim. Communicating transparently about what a logo means will help minimize legal risks. Some markets may soon prohibit Mars-created sustainability icons, permitting only third-party certification program icons. Always check local government regulations/guidance.
- IV. We encourage the use of independently audited, internationally recognized certifications/logos,** such as Rainforest Alliance and How2Recycle, which can minimize legal risk and demonstrate credibility to consumers.
- V. Avoid comparative claims.** Brands should not make claims that compare Mars or a Mars brand with another company or competitor brand. Comparative claims comparing a current version of a Mars product with a former version, or another Mars product, is allowed with the appropriate brand-level and market approvals (including local segment Legal).
- VI. Claims stating a brand or segment ambition or commitment must be substantiated.** We must have a reasonable basis to believe that we will achieve the ambition by the date communicated, backed up by clear milestones, a plan to get there, transparent reporting on progress, and ideally, dedicated resources that enable us to accomplish the goal.
- VII. Brands are encouraged, but not required, to have consumer research to support the use of a specific claim and demonstrate that a claim has a clear and relevant meaning to consumers in the market where the claim will be used.** As with any claim, an analysis of a claim's value or relevance may vary market by market. Conducting this consumer analysis may help reduce any legal or regulatory risk(s) and increase confidence that consumers will interpret a claim the way it is intended.
- VIII. Brands should check with local SRA and Legal as to how long a "Now with..." or "New" claim can be used in market, as these types of claims are often time-bound, and regulations around these types of claims vary by market.** In the absence of local regulations and/or customary practices, six months should be used as the maximum duration these claims are in use.
- IX. Claims already in use should be reviewed under the criteria in this Protocol.** The legal and regulatory risks around sustainability claims are rapidly evolving and claims that were previously viewed as credible or compliant may now present greater risk. If a claim already in

use that would need to be reviewed by Corporate under this Protocol never received that review, those claims should be elevated for discussion as appropriate.

- X. Each market owns the decision of which sustainability claims to make in their market, after review and risk assessment through the established segment claims approval process (including escalation to the GM if needed) and following any Corporate consultation required by this Protocol.** Risk assessments from market-level or regional SRA, Legal, Sustainability and/or Corporate Affairs, as well as an analysis of the business opportunity a claim represents, can inform this decision. The GM is the ultimate decision-maker for high-risk claims, with the exception of carbon neutrality claims where the Corporate Climate Team is the decision-maker and must approve any carbon-neutral claim. Claims classified below as “don’t use” are not allowed in any market, to protect the credibility of Mars’ sustainability program.

## Claims Review Process

Discussion and evaluation of potential sustainability claims should occur early in the product development process (or at the very start of the development of a new marketing campaign) to ensure the product or packaging or marketing campaign is developed with relevant claims criteria in mind. The earlier in the process functions start this discussion, the sooner brands know what claims opportunities exist, what information we need to substantiate those claims, and whether we have the time to do so.

For lower-risk claims (colored green in the below charts), the claim lead must follow the segment claims review process and engage segment subject matter experts (for example, Sustainability, SRA, Legal, CA/PA, Packaging R&D) as required under the segment review process, to determine whether a claim is appropriate, using this Protocol and any local regulation or guidance that may exist as a guide. For higher-risk claims (colored orange in below charts), the claim lead must follow the established segment claims approval process with the additional step of the claim lead engaging representatives of the Corporate Sustainability and Corporate Food Law teams for review and consultation, keeping local governance functions in the loop.

Higher risk claims are those that have a greater risk of challenge from regulators, competitors, environmental groups, and/or consumer litigants, and/or those about which there is disagreement among these stakeholders as to the claim definition and criteria for substantiation. Corporate review is required for higher-risk claims, because sustainability claims are often not defined by regulation and as such, global and cross-segment consistency and credibility in how we approach these claims is important. The precise risk level of a specific claim under the Mars Claims Standard (e.g., high/medium/low) will be determined at the market level, considering market- and claim-specific risks.

The claim lead/requestor (e.g., typically the Marketing Associate) should prepare a thorough claims brief and be prepared to discuss the following questions with functional experts:

- **In what market(s) will the claim be used and for how long?**
- **Do these markets have government regulations or guidance regarding the sustainability claim you wish to make?**
- **What growth opportunity does the claim present?**

- **What data do we have to back up the claim? (Does it meet or exceed the criteria set forth in this guidance and local regulations?)**
- **Will the claim be used on or off-pack? If off-pack, what medium? Social, website, point of purchase, print?**
- **Are competitors making similar claims? Are these competitors big food companies like Mars?**
- **If the claim relates to raw material sourcing, is mass balancing used in the supply chain to substantiate the claim, or is the material fully traceable from source farmer to Mars?**

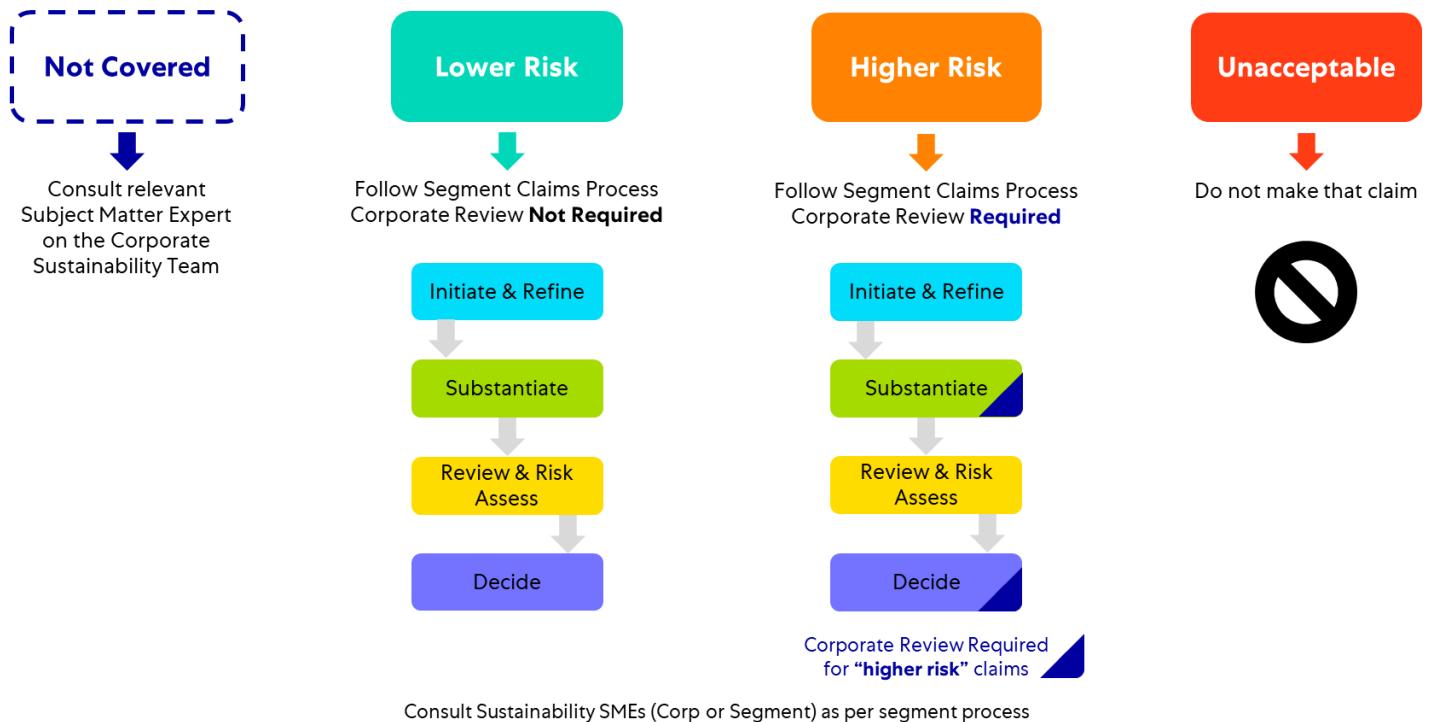
The answers to these questions will enable stakeholders to work together to determine what additional information may be needed to support the claim, or whether the claim needs to be modified. Each sustainability claim must be considered on a case-by-case basis, because whether a claim can be substantiated is dependent on the facts around a given product's packaging, production, and/or sourcing, and the market(s) for which it is intended.

Most sustainability claims are accompanied by some level of risk, because in most markets these claims are not defined by law and can thus be open to interpretation and challenge. As such, the goal is not to achieve 'zero risk' in the use of these claims, but rather intentional and informed risk taking, mitigated to the extent possible by strong technical substantiation for any claims we make and clear, specific claims language. Sustainability claims have the potential to be important growth drivers. To that end, this Protocol is designed to enable segment teams to identify where claims opportunities exist, identify any potential watchouts early, and design our products and packaging accordingly.

A list of Corporate contacts regarding each issue is provided on the Sustainability Claims website. Your segment process may also require consultation with your segment sustainability team members. Please consult the Appendix for your segment to learn more about your segment's review process. Below is an overview of the sustainability claims process and a chart outlining the broad steps of sustainability claims review at Mars:

## Universal High-Level Process for Sustainability Claims

Before starting the claims review process, consult the Global Protocol for Sustainability Claims to determine the level of corporate review required. If the desired sustainability claim is not covered by the protocol, **reach out to the Corporate Sustainability Team first.**



Sustainability Claims Process <sup>1</sup>	STAGE	ACTION	RESPONSIBLE	CONSULTED
Sustainability Claims Process <sup>1</sup>	Initiate	Submit claims ideas into segment process for review.	Claim Requestor <sup>2</sup>	Consult claims protocol document and segment process before starting.
	Refine	Seek feedback to optimize wording for best possibility of approval / consumer relevance.	Claim Requestor <sup>2</sup>	
	Substantiate	Document evidence for the finalized claim and align on technical adequacy.	Technical Teams (e.g., R&D, Comm)	Corporate / Segment SMEs as needed to support substantiation
	Review & Risk Assess	Review documentation, market legality, and consult as needed to prepare for risk assessment.	See segment process for responsible lead.	
		Determine final risk level.	Segment SRA / Segment Legal	
	Decide	Determine whether to make the claim (lower/medium risk).	See segment process.	Corporate / Segment SME & Food Law (required for "higher risk" claims)
		Escalate claim if "higher risk".	Approver as defined by Region / BU <sup>3</sup>	

<sup>1</sup> The specific steps of your segment's claim process may vary from what is shown. Whether global/regional varies by segment/BU.

<sup>2</sup> Usually Brands & Marketing or CA teams for off-pack / comms claims

<sup>3</sup> Example: Market General Manager

The next sections of the guidance provide definitions and guardrails for claims in three broad categories: packaging, raw material sourcing, and manufacturing operations.

## I. PACKAGING CLAIMS

This section outlines the criteria that must be met to make a variety of sustainable packaging claims.

This Protocol categorizes claims based on whether those claims need to go through Corporate Sustainability and Corporate Food Law review before market approval. All claim categorizations and supporting documentation apply to on- and off-pack claims unless otherwise stated.

PACKAGING CLAIMS	
<b>Corporate Review Not Required</b>  Lower Risk Claims Review according to local approval process is needed.	Reduced Packaging/Less Plastic Free of _____ Plastic-free Recycled Content (traceable) Reusable/Refillable Certified Material Made with Paper / Paper-Based Recyclable (if using third-party Market Scheme)
<b>Corporate Review Required</b>  Higher Risk Claims Local approval process is needed.	Lower Carbon Packaging Recycled Content (Mass Balance) Recyclable (if self-defined claim) Designed for Recycling Renewable Bio-Based Compostable (with BPI certification) Uses Ocean Plastic / Ocean Bound Plastic Green / Eco-Friendly / Sustainable / Nature-Friendly
<b>Unacceptable / Do Not Use</b>	Oxo / Photo / Marine-Degradable Biodegradable

### CORPORATE REVIEW NOT REQUIRED

#### Reduced Packaging / Less Plastic

These claims are considered lower risk provided they are supported by appropriate substantiation. Claims should compare product to a previous version of the pack, or a new packaging format, so that it is clear what reference product is being used. We will need to engage with our suppliers to validate that packs use less material than comparison packs.

Marketers should clearly and prominently qualify source reduction claims to the extent necessary to avoid deception about the amount of the source reduction and the basis for any comparison. For example, if plastic in the exterior packaging of a product has been reduced 20% since the prior

version, but an interior plastic wrap has remained the same, claim should read “20% less plastic in exterior packaging compared to prior product package”.

A claim of reduced plastic use should be expressed in terms of percentage reduction and offer a point of comparison (such as the previous pack). Source reduction may be measured through a package weight per unit or per consumer.

#### **Claim examples include:**

- “Same product, now 25% less packaging”
- “Packaging now with 30% less plastic”

### **Free of / X% Free (i.e., BPA or contaminant)**

Brands can use claims that packaging is free of, or does not contain or use, a substance provided that:

- (1) the package does not contain or use substances that pose the same or similar environmental risks as the substance that is not present, and
- (2) the substance is not banned by local regulation.

Depending on the context and market, a free-of/ X%-free or does-not-contain claim may be appropriate even for a package that contains or uses a trace amount of a substance if:

- (1) the level of the specified substance is no more than that which would be found as an acknowledged trace contaminant or background level,
- (2) the substance’s presence does not cause material harm that consumers typically associate with that substance, and
- (3) the substance has not been added intentionally to the product.

### **Plastic-Free**

A “plastic-free” claim communicates that a package is free of, or does not contain or use, plastic. We should avoid unqualified “plastic-free” claims unless the package – excluding minor, incidental components such as adhesives and inks – is made entirely with non-plastic materials. Incidental components containing plastic should comprise no more than <.2% of the packaging, unless local regulation requires the amount to be zero. When possible, market certifications such as Flustix should be used to justify this claim.

Packaging suppliers should be able to provide information about whether paper-based packaging has any plastic-based coatings or adhesives remaining and how much is used, to help a brand gauge whether a “plastic-free” claim can be made. For the purposes of these claims, “plastic” is defined as a material consisting of a polymer to which additives or other substances may have been added, and which can function as a main structural component of final products, with the exception of natural polymers that have not been chemically modified.

#### **Claim examples include:**

- Plastic-free lid
- Plastic-free wrapper

## Recycled Content

### (Note that Corporate review is required in some cases)

Please see the addendum “Packaging Recycled Content and Recyclability” for claims examples and detailed guidance for making these claims.

“Recycled Content”<sup>2</sup> means the proportion, by mass, of recycled materials in a product or packaging. Only post-consumer recycled (PCR) materials shall be considered recycled content. “Post-consumer material” is material generated by households or by commercial, industrial, and institutional facilities in their role as end-users of the product which can no longer be used for its intended purpose. This includes returns of material from the distribution chain.

A “Recycled Content” claim must only be used where we can document, via supplier documentation, Chain of Custody documentation, and/or other means, that the content is composed of post-consumer material (as defined above).

#### PCR is traceable:

For items made partially of recycled material where we have full traceability of the recycled content stream and can guarantee an amount of recycled content in a particular package or item, the brand can claim “[brand] uses recycled plastic” if recycled content comprises more than 30% of the package. If recycled content is less than 30%, the brand must qualify the claim to be transparent about the percentage, weight, or amount of recycled content in the finished product or package (e.g., “uses 20% recycled plastic”). Brands will need to get documentation from suppliers detailing the type of recycled content and the percentage used in the packaging to substantiate these claims.

#### PCR is not traceable:

If the recycled content is sourced via mass balance, a percentage-based claim cannot be used, because the amount of recycled content in any particular package could vary widely. Instead, the brand can, subject to local risk assessment, make more general claims avoiding reference to the brand “using” recycled content, such as: “[brand] sources recycled content” or “[brand] is committed to sourcing recycled plastic”.

These requirements are summarized in the table below:

<sup>2</sup> ISO 14021: 2016

RECYCLED CONTENT CLAIMS			
Sourcing Strategy	Claim Examples	Minimum Substantiation Required	Corporate Review?
<b>PCR is traceable.</b> Numerical or non-numerical claims may be allowed, depending on % PCR content.	“Pack contains 10% post-consumer recycled content”  “Pack made with recycled plastic” (if content is >30%)	Assuming claim allowed in local market (more may be needed depending on market)  See Appendix 1 of Packaging Addendum:  Traceable PCR Content  Supplier Documentation and/or 3 <sup>rd</sup> Party Certification	<b>Not Required</b>
<b>PCR is not traceable.</b> Only non-numerical claims are allowed.	“[SHEBA brand] is committed to using recycled content in our packaging”  “[KIND brand] sources recycled plastic”	See Appendix 1 of Packaging Addendum:  Mass Balance COC (ISCC+ or other approved certifier)  Website Explanation	<b>Required</b>

## Reusable / Refillable

To make a claim of “reusable packaging”<sup>3</sup> packaging must be designed to accomplish or prove its ability to accomplish a minimum number of trips or rotations in a system for reuse. Reuse means that the package would be re-filled with the original product, rather than repurposed in the home environment. Reusable packaging is often seen as the preferred inner loop of the circular economy by refilling or reusing packaging formats for multiple cycles. In this context, what is needed to meet a “minimum” is not defined and requires the subjective judgment of internal experts.

All definitions restrict reuse to the original process for which the package was designed. For example, the use of a coffee canister to hold pencils would not be considered “reuse” by these standards. In this case, we could ask a consumer to “repurpose” the package.

To make a “refillable” claim, a marketer may either (1) provide a system for collection and refill of the package or (2) sell a product that consumers can purchase to refill the original package. Some retail customers may offer other types of refill options that could qualify a pack as “refillable”. Brands should confirm that the chosen refill collection system is accessible to a majority of consumers in the market in which it is to be used. Quality & Food Safety should also be consulted regarding the material used.

<sup>3</sup> Source: ISO 18603: 2103 – *Packaging and the Environment - Reuse*

### Claim examples include:

- “Refillable in store at [retailer]”
- “Refillable package: see [website] for locations”

### Certified Material

Mars supports the use of independently audited internationally recognized certification logos on pack that can provide some assurance in relation to environmental and ethical factors relevant to consumers. Current certification documents from the supplier are necessary to validate the claim. Certifications related to packaging can include:

- Sourcing of paper – Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), or The Programme for the Endorsement of Forest Certification (PEFC)
- Biobased certifications for biobased plastics
- BPI certification for compostable materials

### Made with Paper

We can make a “Made with Paper” packaging claim if the full volume of the pack contains paper as the integral material. If we remove the non-paper elements and the pack is still structurally sound, paper is the integral material. Adhesives are typically not considered integral materials.

To make a non-qualified “Made with Paper” claim, all other packaging materials such as coatings and adhesives must be of a de minimis amount (less than 1%). If the non-paper components are not of a de minimis amount, then the claim must be qualified with the percentage of paper in the packaging (e.g., “made with X% paper packaging”).

### Paper-Based Packaging

A “Paper-Based Packaging” claim can be made if paper comprises at least 70% of the packaging components by weight, to ensure credibility of the claim. If that criterion is met, an unqualified “paper-based packaging” claim can be made on any pack that meets the definition of “recyclable” below for the market in which the pack will be sold. If the pack does not meet the definition of “recyclable” for any market in which it will be sold, the “paper-based packaging” claim must be qualified with “check locally for recyclability”; use of an asterisk to connect the claim with the qualifying text is acceptable.

### Recyclable

Please see the addendum “Packaging Recycled Content and Recyclability” for more specific guidance on making these claims.

A “Recyclable” claim can be made if four “evidence points” are met:

RECYCLABLE CLAIMS		
Recyclability Elements	Evidence Points (4)	Substantiation Criteria
<b>INFRASTRUCTURE</b> Waste infrastructure is available in the local market.	Access to Collection	50% or higher of the country's population must have access to recycling, unless a different value is locally specified (e.g., 60% in US, 75% in UK)
	Recycling Capacity	Recycling centers must be well equipped to collect and recycle waste. No numerical threshold exists today, but this may evolve.
<b>DESIGN ELEMENTS</b> Design of pack fits local market requirements.	Compliance with D4C <sup>4</sup> Recycling Guidance	Does the design of the pack meet all relevant criteria of the Mars D4C Recycling Guidance (or other locally specified criteria where established)?
	Sorting and/or Recycling Test (plastic)  OR  Pulpability Test (paper)	Pack type is pre-assessed as sortable (air-table)  OR  Pack is demonstrated to be properly sorted via formal/informal waste collection activities via a Sorting Test with a reputable partner (e.g., Veolia). See D4C training guide.

### Use of Market Schemes: Corporate Review Not Required

**Certification of recyclability claims must be secured via market-level schemes if one is available for your market, and its labels and graphics used (except if the scheme is not compliant with local regulation or guidance).** These certifiers will likely evaluate the same criteria as above and may ask for additional substantiation or tests.

As of Q4 2022, available market schemes to denote recyclability include:

- How2Recycle (H2R) in US and Canada
- On Pack Recycling Label (OPRL) in UK
- Australasian Recycling Label (ARL) in Australia and New Zealand

<sup>4</sup> Design for Circularity (D4C) Guidelines is a document developed by the Corporate Sustainability team in collaboration with segments. It combines local requirements of recycling and sorting organizations and serves as a guide for packaging designers.

In addition, some markets (e.g., France) may have required on-pack labeling schemes that communicate to consumers in which bin a package should be disposed; however, these are not the same as schemes that communicate that a pack is indeed “recyclable”.

### **Use of Independent Claims: Corporate Review Usually Required (see Addendum)**

An independent (not certified) claim can be made on top of a market scheme label, or in locations where there is not an approved market scheme. See Addendum for examples of different independent claims that can be made. Creative wording variations may be acceptable, if properly substantiated and a trademark review is conducted by Mars Legal.

- **Fully Recyclable / 100% Recyclable** – Meets the four evidence points above, and the entire pack format is recyclable. “100% Recyclable” may carry more legal risk.
- **“Recyclable”/ “Please Recycle”** – Meets the four evidence points above. May apply to specific packaging components only, which must be specified.
- **“Check Locally”** – Meets the four evidence points above, except sorting and recycling infrastructure is not available everywhere in the country. However, there still must be a meaningful number of recycling facilities which accept the pack material and format (e.g., not just a handful in one part of the country).
- **“Recyclable: Store Drop Off”** – Meets the evidence points above (including design), except access to collection & recycling is not at scale, and the collection method is via store drop off rather than curbside or other method. Broad access to drop off infrastructure must be confirmed in the market.
- **Via TerraCycle/RedCycle** – Qualify adjacent to the claim that the pack is recyclable with TerraCycle/ RedCycle. These privately funded take-back programs are available as an interim solution, but our experience to date indicates that TerraCycle initiatives have low scale, high cost, and offer limited traceability and transparency after collection. Therefore, they are not recommended.
- **“Not Yet Recyclable”** – We can choose to communicate to the consumer that a pack is not recyclable (see “Designed for Recycling” (below) for another option).

Note that use of a mobius loop, three-arrows recycling icon, or similar graphic is considered a “recyclable” claim, and therefore requires the same substantiation. **The use of any icon must be reviewed by local SRA and/or Legal, per your segment claims and regional approval process and reviewed by your segment’s Marketing Properties team prior to use.**

## **CORPORATE REVIEW REQUIRED**

### **Lower Carbon Packaging**

These claims are considered lower risk provided they are supported by appropriate substantiation. Claims should compare product to a previous version of the pack, or a new packaging format, so that it is clear what reference product is being used. We will need to engage with our suppliers to validate that packs have a lower carbon footprint than comparison packs. This validation should be determined with a Life Cycle Analysis and incorporated into Mars’ inventory through creation of an

impact factor. Segment impact leads support this process, and the Corporate Sustainability Team can provide guidance on Life Cycle Analysis.

**Claim examples include:**

- “Packaging GHGs reduced by 20%”

## Recycled Content (Not Traceable)

See section above for guidance.

## Recyclability (Self-Defined Claims)

See section above for guidance.

## Designed for Recycling

This claim can be used when the pack material and format is technically recyclable, but recycling infrastructure in market does not yet accept the material or format (or only a handful of facilities do, making a “check locally” claim unavailable). In this case, we may want to communicate about these efforts, but we cannot make a consumer-directive “recyclable” claim until the infrastructure has reached enough scale such that the package type and format are actually recycled in practice. This claim informs consumers about packaging improvements Mars is making to ensure recyclability in the future once recycling infrastructure advances and will accept the pack.

**Claim examples include:**

- “This package is designed for recycling. See back panel to learn more.”  
“Designed for Recycling\*”  
*\*We have designed this pack as a single-material plastic so it can be recycled as recycling infrastructure advances. See [website] to learn more.*

Note that the specific language “Designed for Recycling” should be used.

To substantiate this type of claim, two “design elements” outlined in the chart in the above section for “recyclable” claims must be confirmed.

This claim can be used off-pack, in social media, press releases, and customer communications. This claim may also be used on pack, but ONLY if it is accompanied by back-of-pack text providing an explanation of the claim – most importantly, that the pack is not recyclable today (see Addendum for example). Any time this claim is used, we must explain our design changes and our efforts in scaling infrastructure to enable recycling of the packaging in the future, not today.

Whether this type of claim is allowed will vary by market, so it is essential that local Legal and SRA, where applicable, review this claim before it is used on pack. Please see the addendum “Packaging Recycled Content and Recyclability” for more specific guidance on making these claims and for claim examples.

## Renewable

“Renewable” refers to an attribute of the packaging material. To use a claim of “renewable packaging material”<sup>5</sup>, material must be composed of biomass from a living source that can be continually replenished. When claims of renewability are made for virgin materials, those materials should come from sources that are replenished at a rate equal to or greater than the rate of depletion.

A claim must clearly state the mass percentage of material which is renewable versus those components that are not<sup>6</sup>. We should avoid unqualified “made with renewable” claims unless the product or package – excluding minor, incidental components – is made entirely with renewable materials. Examples of renewable materials include:

- Paper (when certified by the Sustainable Forestry Initiative)
- “Single Route” bio-based plastic such as PLA derived from renewable biomass
- Conventional oil-based plastic that can also be made from renewable biomass

## Bio-Based

“Bio-Based” refers to the source of the raw material used to manufacture the product, packaging, or materials. Specifically, it means that a material/product is wholly or partly derived from materials from biological origin (i.e., plants or other biomass), excluding those materials embedded in geological formations and/or fossilized.<sup>7</sup> Care should be taken to ensure that any bio-based materials used are responsibly sourced.<sup>8</sup> Claims should clearly state the weight percentage of material which is bio-based vs. the material content that is not. We should avoid unqualified “bio-based” claims unless the product or package, excluding minor or incidental components, is entirely made using certified bio-based materials. Din Certo, TÜV Austria, Biodegradable Plastics Institute (BPI), Australasian Bioplastics Association, and Bureau de Normalisation du Quebec are a few examples of organizations that provide certification for biobased content.

## Compostable Packaging

“Compostable packaging” and “biodegradable packaging” claims, or claims regarding other forms of degradation (e.g., oxo-degradable, photo-degradable), are evaluated differently and subject to different labeling requirements. Technically, these terms are not the same, despite being frequently confused. Currently claims related to compostability (either home or industrial) are the only type of package degradation claims allowed under this Protocol.

<sup>5</sup> Based on the New Plastics Economy Global Commitment definition

<sup>6</sup> Ameripen

<sup>7</sup> See USDA definition at [Biobased/Biopreferred Products](#) and [European Bioplastics](#)

<sup>8</sup> See [World Wildlife Fund Position on Biobased and Biodegradable Plastic](#).

Packaging or a packaging component is “compostable” if it is in compliance with relevant international compostability standards<sup>9</sup>, and if its successful post-consumer collection, sorting, and composting is proven to work in practice and at scale.<sup>10</sup>

To claim a final package is “compostable packaging”, we must have competent and reliable scientific evidence that the package as intended for commercial use will break down into or otherwise become part of usable compost in a safe and timely manner (in approximately the same time as the materials with which it is composted) in a composting facility or home compost pile/device. For example, segments in the US can use ASTM 6400 to validate and will need to submit these testing results and packaging design details for certification through a third-party organization recognized by the local region where the product using the package will be sold commercially, i.e., Biodegradable Products Institute (BPI) and TÜV Austria.

**“Compostable” claims must clearly indicate whether the package is home compostable or commercially/industrially compostable, consistent with local regulation or government guidance where applicable.** If the compostable claim is only for a portion of the total package, that claim must clearly state which portion of the package it refers to, and the portion of the package designated compostable must be clearly labeled to designate it as certified compostable material when separated from the remainder of the package. **Limited availability of municipal or institutional composting facilities must be clearly and prominently qualified** if they are not available to a “substantial majority” of consumers or communities where the item is sold.<sup>11</sup>

A compostable packaging claim presents increased legal and reputational risk if used on a pack that often ends up in landfill, an environment that is not conducive to sufficient degradation to support an “industrial compostable” or “home compostable” claim. These claims need to be certified claims that rely on scientific evidence as per local regulations or government guidance and require third-party evaluation and certification (i.e., BPI or TÜV Austria). Claims of compostability in markets that have been determined to lack the desired access to infrastructure or where it is expected that the product will be distributed in regions where infrastructure and regulations for what can be composted are as of yet unknown, should have a qualifier for consumers to check locally regarding fit for compostable waste streams. Brands should use market-level labeling schemes (e.g., How2Compost in the US) where they are available.

Evaluation of local waste management infrastructure data, which is tracked by the Corporate Sustainability Team, is also required to support these claims.

## Uses Ocean Plastic / Ocean Bound Plastic

Use of this claim must be accompanied by text explaining what is meant by “ocean bound plastic” to avoid consumer confusion, and because the claim has been used in different ways across industry.

<sup>9</sup> International standards that should be referenced include EN 13432 and ASTM D6400 in addition to the test references within each of these standards.

<sup>10</sup> Based on the New Plastics Economy Global Commitment definition.

<sup>11</sup> Federal Trade Commission Green Guides (2012)

The definition we have used on internal documents<sup>12</sup> for this claim refers to material recovered from the ocean or beaches, but it is also used to describe post-consumer recycled content from land-based sources in coastal areas of high-leakage countries.

NextWave, a consortium of companies looking to develop a supply chain of ocean-bound plastic, uses the following definition:

*Plastic that has not yet found its way into the ocean and is classified as “mismanaged waste”. Plastic that is not being collected and not likely to be collected and is found on the ground within 50 kilometers of a waterway or coastal area.*

## **Green / Eco-Friendly / Sustainable / Nature-Friendly**

An unqualified “green”, “eco-friendly”, “sustainable”, or “nature-friendly” claim is too vague to substantiate without potentially being misleading, and these claims are strongly discouraged (or prohibited) by regulators in some of our biggest markets. In some cases, these terms can be used if immediately adjacent to qualifying text explaining what about the package is “green” or “eco-friendly”. Consult local Legal and Corporate Food Law prior to considering these claims.

## **UNACCEPTABLE / DO NOT USE**

### **Oxo / Photo / Marine-Degradable**

Science does not support use of these claims at the current time.

### **Biodegradable**

Biodegradation is the process whereby microorganisms use enzymes to break down materials. Scientifically there is no defined timeframe in which biodegradation is required to take place. This leads to considerable consumer confusion and can lead to inappropriate consumer behavior in the disposal of packaging that is labeled “biodegradable”. For this reason, many governing bodies around the world are making it unlawful to claim packaging as “biodegradable”. It is therefore unacceptable under this Protocol to claim “biodegradable” on any package.

<sup>12</sup> Tech Comm Definitions and Terms (2019)

## II. SOURCING CLAIMS

This section outlines the criteria that must be met to make a variety of sourcing-related claims. There are potential claims at several stages of the value chain, some of which are higher risk than others, with a few that we cannot make until the science has evolved enough to support the claim. For many of these claim categories, the terms are not legally defined.

This Protocol categorizes claims according to whether they need to go through Corporate Food Law and Sustainability review. All claim categorizations and supporting documentation apply to on- and off-pack claims unless otherwise stated.

SOURCING CLAIMS	
<b>Corporate Review Not Required</b> Lower Risk Claims	Certified  Lower Carbon Footprint Carbon Neutral Reduced Water Usage Water Balanced Deforestation-Free Tree Planting Sustainably / Responsibly Sourced Climate-Smart / Regenerative Agriculture Increased Yields Upcycled Cruelty-Free / Animal Welfare Claims Improved / Increased Household Income Gender Empowerment Green / Eco-Friendly
<b>Corporate Review Required</b> Higher Risk Claims	Carbon Positive / Net Zero Water Positive / Water Neutral
<b>Unacceptable / Do Not Use</b>	

### CORPORATE REVIEW NOT REQUIRED

#### Certified

Mars supports the use of independently audited, internationally recognized third-party certification logos or on-pack text that can provide some assurance in relation to environmental and social impact factors relevant to consumers. Current certification documents from the supplier are necessary to validate these claims, as well as Chain of Custody documents. On and off-pack usage of the certification logo or name must comply with the certifier's terms of use, which may require advanced certifier approval. Certification related to ingredients can include, subject to each certifier's terms of use:

- Ecovadis
- Rainforest Alliance (now merged with legacy UTZ)
- Fairtrade
- RSPO (Roundtable on Sustainable Palm Oil)
- Sustainable Rice Platform
- Sustainable Agriculture Initiative (SAI) – FSA Platform
- RTRS (Roundtable for Sustainable Soy)
- Proterra Foundation
- Other soy certifications endorsed by the CGF Forest Positive Coalition
- MSC (Marine Stewardship Council)
- ASC (Aquaculture Stewardship Council)
- FSC (Forest Stewardship Council)

**Certifications not on this list should be discussed with the relevant segment material lead or member of the Corporate Sustainability Team.**

## CORPORATE REVIEW REQUIRED

### Lower Carbon Footprint

Lower carbon or GHG footprint claims refer to lower carbon dioxide equivalent (CO<sub>2</sub>e) greenhouse gas emissions associated with a product. Claims should compare a verified greenhouse gas emission analysis of a product or an ingredient to a pre-intervention (baseline) greenhouse gas emission analysis of the product or ingredient. **Ingredient footprint reduction claims may only be used when the entire product footprint has also decreased. In most cases, the footprint reduction should be measured across the entire lifecycle of the product, not for a subset of the product's emissions.**

An LCA or footprint analysis should be planned in consultation with the Mars Corporate Sustainability Team and executed by and/or formally reviewed by a credible third party. Local markets or retailers may dictate use of certain datasets or LCA methodologies, such as PEF in the EU. Please check whether there are any specific methodology requirements where the claim will be used, before consulting the Corporate team.

In most cases, the lower-emission product or ingredient will result from a direct intervention or agreement with a supplier. Therefore, brands should engage with Commercial, the Segment Impact Lead, and the Mars Corporate Sustainability Team to ensure that supplier data on the GHG emissions of the product or ingredient has been processed through Mars' governance of impact factor creation and is sufficient to substantiate the claim.

Brands should clearly and prominently qualify lower footprint claims to the extent necessary to avoid deception about the amount of the emission reduction and the basis for any comparison. A claim of reduced emissions use should be expressed in terms of percentage reduction and offer a point of comparison (e.g., Mars previous product, not a competitor product). Emission reduction should be measured in CO<sub>2</sub>e, which can be expressed as "carbon" or "GHG" in the claim language due to common usage.

**Claim examples include:**

- “Same product, now X% less GHG emissions”
- “Same product, now X% lower carbon footprint”

**Carbon Neutral (or other variations)**

“Carbon neutral” is a term used to describe the state of an entity (such as a company, service, product or event), where its baseline associated GHG emissions have been reduced and residual emissions have been offset by an equivalent amount of GHG reductions. Consult the Mars Carbon Neutral and Carbon Credits Addendum for more specific guidance.

It is highly encouraged and recommended that organizations focus on reducing their emissions as much as possible prior to relying on offsets. Reducing the GHG emissions would entail activities that directly reduce the sources of emissions from the stated baseline (for example, utilizing solar generated electricity for production rather than traditional fossil fuels).

“Offsetting” would entail investing in verified carbon removals or “credits” from an external project that are equal to the entity’s GHG emissions; for example, purchasing certified carbon credits from a broker in a voluntary carbon market platform.

In addition to carbon neutral, there are a number of related terms in the public space, such as:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Net Zero</li> <li>• Carbon Negative</li> <li>• Carbon Positive</li> </ul> | <ul style="list-style-type: none"> <li>• Net Positive</li> <li>• Climate Neutral</li> <li>• Climate Positive</li> </ul> |
|--|---|

These terms have similarities but are not synonymous. In addition, there aren’t consistent regulatory definitions of the above terms, except for Net Zero. Net Zero is defined by the Science Based Targets initiative and is reserved for referring to commitments of the parent company. Net Zero may not be used at a product level. Terms using the phrases “positive” and “negative” can be very confusing due to mixing and matching of quantitative meanings and value-based meanings. Thus, the primary claim in this space that may be considered by brands is “carbon neutral”.

**Substantiation Requirements for a Carbon Neutral Claim**

Substantiating a “carbon neutral” claim requires carbon neutral certification. For our carbon neutral certification, we have aligned ourselves with (and in some respects go beyond) the rigorous PAS 2060 standard and require third-party certification with SCS Global Services.

The key elements of the PAS 2060 are:

- Quantification: Determine entity and verify the carbon footprint. This includes the full lifecycle (scope 1, 2 and 3) associated with the entity.
- Reduction: Create and implement carbon management plan to reduce emissions. Deliver year on year reductions.
- Offset: Purchasing removal credits that are high quality and verified, such as through Verified Carbon Standard or Gold Standard. Credits will be procured by the Mars Carbon team.

- Upon completion of the certification: The Qualifying Explanatory Statement (QES) needs to be posted publicly to support the claim.

Brands that wish to pursue carbon neutral certification must undergo an additional approval process prior to an internal or external communication of the commitment, which is described in this [policy](#). Coordinate with the Mars Corporate Sustainability Team to request to pursue “carbon neutral” as described in the addendum.

Brands should note that carbon neutral claims entail significant costs due to the costs associated with carbon credit purchases. Brands should also understand that a carbon neutral claim should be considered a permanent commitment that will have to be maintained every year without exception, and significant expenditures on carbon credits will be required, as well as additional measurement and validation costs.

### **Key Guidance for Claims Phrasing**

- Be specific about the entity/scope of the certification.
- Always disclose that both emission reductions and carbon credits are used.
- Use phrases like carbon neutral under/to the PAS 2060 standard; it can be referred to as the PAS 2060, PAS2060:2014 or its official title “PAS 2060:2014 Specification for the Demonstration of Carbon Neutrality”.
- Certified or Verified by SCS Global Services (we can’t shorten their name).
- Provide link to the publicly available QES.
- In the first year of carbon neutral, don't say "achieved" carbon neutral. Just say it is “certified carbon neutral”.

Additional brand-specific/product-specific guidance and restrictions on the claim language can be provided to brands seriously exploring a commitment to carbon neutrality.

### **Mars's Net Zero Commitment and Carbon Neutral**

Mars has committed to achieving Net Zero GHG emissions by 2050 across the entire value chain, which is our Corporate commitment. This includes all scope 3 emissions, such as those created by suppliers and customers, aligning with the most ambitious aim of the Paris Agreement to limit global temperature rises to 1.5 °C.

The ‘carbon neutral’ commitment that brands can make will support Mars, Incorporated’s overall 2050 Net Zero commitment. The Net Zero emissions at the Corporate level will focus on deep emissions reductions plans with eventual use of carbon removal credits. This commitment includes our existing science-based targets to achieve a 27% reduction in full value chain emissions by 2025, and Net Zero emissions in our direct operations by 2040.

Mars brands may NOT adopt the Corporate Net Zero commitment as a brand claim, as the extent to which brands will contribute to this commitment will vary widely. For further detailed information of the carbon neutral and carbon credit policy, please review [here](#).

## Reduced Water Usage (sourcing)

Brands should clearly and prominently qualify source reduction claims to the extent necessary to avoid deception about the amount of the source reduction and the basis for any comparison. Great care needs to be taken when making water claims, for instance when reduction of water use per ton occurs through a program that includes yield improvement, it is possible absolute water use actually increases at the farm as more rigorous crop growth creates increased evapotranspiration and in turn a higher absolute requirement for irrigation water. Therefore, in those cases, “Mars has reduced its water usage” is appropriate because our usage per ton of material purchased has fallen, but **not** “water savings” or “reduced farm or plantation water use” because absolute usage at farm level may have increased.

The claim should relate to work we have done to improve water usage in the product supply chain, and ideally relate to water usage reductions in water stressed areas. Mars’ external narrative is that we work on water in places that are water stressed; as such, one factor in whether a water usage reduction claim can and should be made is whether water is abundant in the sourcing area for the raw material that is the subject of the claim.

While any irrigated material could be associated with a water reduction claim, claims will be most credible when starting water use is relatively high and the material is being sourced from a water stressed location. Materials in this category include rice, mint, almonds, and tomatoes, and the proportion of the sugar, wheat, and corn that Mars purchases that is both irrigated and sourced from stressed locations.

A claim of reduced water usage should be expressed in terms of percentage or amount of water reduced to provide adequate information to the consumer and offer a point of comparison such as our previous product/ingredient, not a competitor product/ingredient. Water reduction claims can also be expressed as an equivalency statement.

Any segment interested in making a segment-wide or global brand (as opposed to specific product) water reduction claim should consult the Corporate Climate Team for guidance.

### **Claim examples include:**

- “This product is produced with X% less water”
- “Same great product, now produced with X% less water”
- “We have helped [raw material] farmers in water-stressed areas reduce water use by 1 liter per pack”
- “No [raw material] is sourced from water-stressed areas\*”
- “Our [raw material] is produced with rainwater (versus irrigation)”

\*Mars uses the World Resource Institute’s Aqueduct Global Water Atlas to define water stress with watersheds with a baseline water stress greater than 0.4 considered to be stressed and with baseline water stress defined as the average ratio of water usage to sustainably available water.

## Water Balanced (sourcing)

*See Water Balanced (Factory) for definition.*

“Water Balanced” claims are most applicable to our high priority water stewardship sites, where programs have been put in place to balance water use.

Because of the high volume of water used in agriculture, substantiating this claim is likely to involve very significant costs. Consult the Mars Corporate Sustainability Team to discuss.

## Deforestation Free

Any brand wishing to make a deforestation-free claim should contact the Corporate Sustainability Team to discuss. The risk level of these claims will vary by raw material.

Deforestation-free claims for a full product can only be made by positive evidence of no deforestation throughout the lifecycle of all ingredients in the product. This is exceptionally difficult and is not realistic to consider as a claim at this time.

“Deforestation-free ingredient” claims or “supporting deforestation-free” ingredient claims could be considered for high-deforestation risk raw materials (cocoa, palm, beef, soy, and pulp & paper) with implemented Next Generation Origin plans covering all volumes of that ingredient in the product. Consult the Mars Corporate Sustainability Team to discuss.

## Tree Planting / Supporting Carbon Credit Projects

Any brand wishing to make a tree-planting claim associated with carbon credit projects should contact the Corporate Sustainability Team to discuss.

Only brands which are pursuing carbon neutral certification may make claims regarding carbon credit projects. Claims associated with reforestation/afforestation activities of a particular project should be verified with the Corporate Sustainability Team.

Note: Through purchase of carbon credits, Mars is supporting reforestation/afforestation but is not directly planting trees. As an example, a claim cannot be made stating we planted ‘xx’ number of trees because we purchased ‘X’ metric tons of carbon credits.

Tree planting claims unassociated with the purchase of carbon credits may be permissible where we have a strong, credible implementation partner and proper substantiation. Contact the Corporate Sustainability Team to discuss.

## Sustainably / Responsibly Sourced

“Sustainably sourced” and “responsibly sourced” are higher-risk claims, because there are no aligned regulatory definitions and many markets do not define the claims at all, leading to potential differing interpretations by reasonable consumers and potentially significant legal risk in using the claims. Claims referring to 100% achievement (e.g., “100% sustainably sourced hazelnuts”) will also present more risk and are very hard to substantiate.

In assessing the risk of these claims in a target market, it will be important to consider what aspects of sustainability these claims may be expected to encompass by consumers or environmental NGOs in that market, and in particular, whether human rights and labor issues would be expected to be part

of any substantiation. In the bulk of our supply chains, Mars cannot guarantee that all social and economic (and environmental) issues have been addressed to the degree to which some consumers might expect. Thus, these claims potentially expose Mars to significant legal risk which should be considered before making the claim.

The following requirements apply to the use of these claims:

### **Guidance for Making Sustainable/Responsible Sourcing Claims**

“Sustainably Sourced” or “Responsibly Sourced” claims should always be qualified to ensure they are as specific as possible.

- Qualifying statements must be provided adjacent to the “sustainably sourced” claim to make it as specific as possible (e.g., “sustainably sourced fish” or “all cocoa sourced through Mars Wrigley’s Cocoa for Generations Program”).
- Brands that wish to make a sustainable or responsible sourcing claim must provide a clear and accessible definition of what is meant by the claim. This definition should be aligned with Commercial and Legal to ensure that internal buying practices will guarantee continued accuracy of the claim (for example, spot buys of non-sustainable commodities should not be made if the brand is making a sustainable sourcing claim). In addition, contracts with suppliers should be in place to provide assurance that raw material sourced will meet specified standards.
- Brands should be transparent if sustainable raw materials are sourced via mass balance, and if so, explain the term for consumers and be cautious not to claim that “every pack” includes a sustainably sourced ingredient, or that a product is fully traceable, as that is not the case when a material is sourced via mass balance.
- If claim is made on-pack and pack size does not enable all qualifiers to be immediately adjacent to the claim, a website address or QR code must be provided on-pack (immediately adjacent to the claim or connected by an asterisk) so that the consumer can easily access information online about how we define the claim.
- Any language accompanying a website link or QR code must clearly state what information can be found there: “Learn more about Cocoa for Generations at [website link]” **NOT** “Learn more at [website link]”.

*Note that including claims definition and qualifiers on a website or via a QR code rather than on label will increase the legal risk of the claim.*

### **Watchouts**

“Sustainably Sourced” or “Responsibly Sourced” claims are not permissible where we have not yet accomplished the goals that are the basis for the claim. For example:

- If “sustainable” is defined as deforestation free, the claim cannot be used until we have verified that we have fully accomplished the goal of 100% deforestation free, with respect to all raw materials in that product (unless the claim is limited to a specific raw material and 100% deforestation free with respect to raw material has been achieved).

Until our sustainable sourcing goal is fully accomplished, it can only be referred to as a **goal, commitment, ambition, or an ongoing journey**, including an on-pack or off-pack communication.

Note that self-developed logos and icons are not permissible in some markets.

### **External Review / Verification**

Preferably, this claim is made pursuant to a robust third-party certification program. In some instances, verification of results by respected third parties such as Verite, Oxfam, or WWF, is acceptable. If we choose not to use, or do not have, a viable third-party certification, a sustainable or responsible sourcing claim must be carefully developed with strong self-substantiation and documentation, with third party assurance.

### **Corporate Review**

For “sustainably sourced” claims, segments should consult segment sustainable sourcing leads and Corporate Food Law to ensure this claim is properly reviewed under this Protocol. For “responsibly sourced” claims that are not based entirely on third party certification, segments should also consult the Thriving People human rights lead and the Mars, Incorporated legal counsel for human rights and sustainability.

### **Climate-Smart / Regenerative Agriculture**

Through the Sustainable in a Generation Plan, Mars is supporting and driving climate-smart agriculture, which we define as agricultural changes that are intended to reduce GHGs, regenerate soils and biodiversity, and/or increase resilience to climate risks. Consult with your segment’s sustainable sourcing lead and the Corporate Sustainability Team’s Climate lead if considering this type of claim. Unqualified climate-smart agriculture claims should not be made.

A related term is “Regenerative Agriculture”, which encompasses several different farming practices specific to the local context and designed to improve the health of the environment. Consult your segment’s sustainable sourcing team to help define what farming practices might qualify as regenerative for the relevant raw material(s). Any brand wishing to make a claim regarding regenerative agriculture should qualify the claim to make it clear what ingredient was sourced via regenerative agriculture and ensure third party certification or verification of the regenerative agriculture practices used in growing the raw material.

For both “Climate Smart” and “Regenerative Agriculture” claims, it is also important to understand whether the “improved material” is physically present in the final product; the chain of custody (CoC) of that material will inform the claim wording that can be used. For example, claims like “Sources Regenerative [Ingredient]” or “using Regeneratively Farmed [Ingredient]” implies that the regenerative material is physically present in the product, whereas a claim of “supports regenerative farming” may be permissible even without the regeneratively farmed ingredient physically present in the product (i.e., through a mass balance CoC or sales-based investments in regenerative systems).

### **Increased Yields**

Any brand wishing to make an “increased yield” claim should contact the Corporate Sustainability Team to discuss.

## Upcycled (sourcing)

Upcycled foods are defined<sup>13</sup> by the Upcycled Food Association (UFA) as those which:

- (1) use ingredients that otherwise would not have gone to human consumption,
- (2) are procured and produced using verifiable supply chains, and
- (3) have a positive impact on the environment.

### Claim examples include:

- “Upcycled Product – This product uses upcycled ingredients”
- “Reduces Food Waste through Upcycling”
- “Supports Circularity by Sourcing Upcycled Ingredients”

The Upcycled Food Association certification available to Mars products is for “Product[s] with Upcycled Ingredients” which applies to finished products. To be certified as an “Upcycled Product” by the UFA:

- (1) 10% of the ingredients in the finished product, by weight, must be upcycled, and
- (2) the percentage of upcycled ingredient in the finished product must be disclosed as part of the claim.

To use an upcycled claim within Mars, the following substantiation should be gathered and reviewed through the claims process:

- Third-party certification of the finished product and claim through UFA<sup>14</sup>
- Traceability of the upcycled ingredient into the product carrying the claim (e.g., no mass balance)

OR

- Third-party certification of the upcycled ingredient through UFA
- Calculations to demonstrate how the percentage of upcycled ingredient in the finished product was calculated
- Demonstration that upcycled ingredient is 10% or more of the finished product weight
- Traceability of the upcycled ingredient into the product carrying the claim (e.g., no mass balance)

Traceability is not required with the claim of “supports the use of upcycled ingredients”. In this case, mass balance sourcing may be allowed, but the percentage of mass balance content should not be stated, as it will vary with each product.

<sup>13</sup> [Defining Upcycled Foods: A Definition for Use Across Industry, Government, and Academia](#) by the Upcycled Foods Definition Task Force

<sup>14</sup> Another certification body may be used but must be reviewed by the Corporate Sustainability Team in advance of pursuing the claim.

## Additional Requirements for Pet Food Products

Because pet food is made regularly from byproducts which might *de facto* be considered upcycled ingredients, pet food products seeking to use this claim must demonstrate that the “upcycled” ingredients being used either:

- (1) require further processing to make them nutritionally more valuable, OR
- (2) have not been traditionally or widely used in pet food.

## Cruelty Free / Animal Welfare Claims

Any brand wishing to make an animal welfare claim should consult the Corporate Sustainability team and segment Sustainability VPs after gathering documentation showing that animal welfare practices throughout the supply chain comply with credible third-party certification standards.

Third parties Mars has consulted with/referenced previously regarding animal welfare are:

- SGS Animal Welfare
- SAI Platform – FSA certificate (dairy specific)
- Compassion in World Farming – [Summary of Animal Welfare Standards](#)

## Improved / Increased Household Income

Any brand wishing to make an “improved/increased income” claim should consult the Thriving People income lead, after gathering documentation showing that the Living Income Program complies with the Mars point of view on credible best practices in the space (e.g., the types of interventions found to be robust by the Farmer Income Lab).

Unless we can prove that the **% net household income increase** can be attributed to a Mars Living Income program (based on baseline data and a later milestone), we should only make a generic claim about **investing in programs that put farmers on the pathway to a living income** (such as alternative income generation activities, training in good agricultural practices, initiatives aimed at lowering costs of production - with measurable KPIs that show change from the baseline at the beginning of the specific intervention). Both types of claims must be agreed on by the Thriving People lead for income. Income-related claims should be qualified to be as specific as possible about the population served and the benefit secured. If we do not yet have data demonstrating income benefit from our investment in related programs, we should be careful in any claims not to suggest the program has already achieved any improved income outcomes. If outcome data suggests the programs do not have a benefit, claims related to that investment should no longer be made so as not to mislead the consumer.

## Gender Empowerment

Claims regarding women’s socio or economic empowerment should be reviewed by the Thriving People Sustainability VP, substantiated by third-party analysis and documentation, and appropriately qualified to be as specific as possible. Language around investment in activities, training, or savings group participation should also be substantiated. Outcome based claims (e.g., [x] women report [x] increase in savings/in loan access or other [x] benefit) is preferred framing compared with reach-based claims (e.g., [x] women trained).

**Claim examples include:**

- “50,000 women used savings groups to access loans that enabled them to invest in micro-enterprises”
- “10,000 women showed improvements in their understanding of their rights”
- “500 women-launched small businesses”

**Green / Eco-Friendly**

An unqualified “green” or “eco-friendly” claim is too vague to substantiate without potentially being misleading, and these claims are strongly discouraged (or prohibited) by regulators in some of our biggest markets. In limited cases, these terms can be used if immediately adjacent to qualifying text explaining what about the package is “green” or “eco-friendly”. Consult local Legal prior to considering these claims.

**UNACCEPTABLE / DO NOT USE****Carbon Positive / Net Zero**

“Carbon positive” is not recommended, because there’s no standard for ensuring a net beneficial impact on global warming due to a product. “Net zero” may not be used because this term has been defined by the Science Based Targets initiative to be for parent company use only and is not defined for product use.

**Water Positive / Water Neutral**

This claim communicates that a company’s overall water program has positive outcomes in a location – the concept is broader than volumetric matching, and while it is likely to include volumetric water balancing in the watershed where production or sourcing occurs, it is not limited to water balance. Mars is not prepared to launch such programs at this time.

### III. OPERATIONS-RELATED CLAIMS

Mars' Sustainable in a Generation plan covers all stages of the value chain, including direct operations and logistics. There are some claims in these areas which may be desirable for brands to make, either on-pack or in off-pack communications.

This Protocol categorizes claims according to whether they need to go through Corporate review. All claim categorizations and supporting documentation apply to on and off-pack claims unless otherwise stated.

OPERATIONS-RELATED CLAIMS	
<b>Corporate Review Not Required</b> Lower Risk Claims	Product Made in a Zero Waste to Landfill Factory Made in a LEED Facility
<b>Corporate Review Required</b> Higher Risk Claims	Made with Less Water Made with Renewable [Electricity Source] or Thermal Water Balanced (factory) Reduced Transport Logistics (distance or GHG) Fossil Fuel-Free Claim for Direct Operation
<b>Unacceptable / Do Not Use</b>	<i>See Unacceptable Claims List under <b>Packaging and Sourcing</b> Sections</i>

#### CORPORATE REVIEW NOT REQUIRED

##### Product Made in a Zero Waste to Landfill Factory

“Made in a Zero Waste to Landfill Factory” is considered a lower risk claim as applied to our direct operations, with the proper substantiation. To substantiate this claim, the following items need to be addressed:

- Which factories produce the product looking to carry the claim?
- Do these factories meet the zero waste to landfill goal on an ongoing basis?
- Are any of the factories producing the product in danger of losing their zero waste to landfill status in the next year, or for the duration of time the claim will be used?
- Is there a waste to landfill ban in the country where our factory is? In some markets, it may be higher risk to make a claim where the activity being claimed is required by law.
- Is this product made at a co-manufacturer? If so, evidence that the co-manufacturer has and adheres to a zero waste to landfill policy will be required for substantiation.

##### Claim examples include:

- “Product made in a zero waste to landfill factory”
- “Made at facilities that are committed to zero waste to landfill”
- “Made in facilities that are zero waste to landfill”

## Made in a LEED Facility

Since 2010, new Mars manufacturing sites and new buildings >1000m<sup>2</sup> at existing sites have been LEED certified. LEED is a design code created and operated by the US Green Building Council (USGBC) that ensures sustainable design and construction practices are used. If a product is being manufactured at a site, or in a building, that has received LEED certification a claim of this nature may be possible, and the USGBC should be contacted to discuss the details. Use of LEED logos will need to be accordance with [USBGC rules](#).

To understand if a LEED claim is relevant for your facility, contact the relevant site's engineering team, or if necessary, the Enablon lead of the Corporate Sustainability Team.

## CORPORATE REVIEW REQUIRED

### Made with Less Water

A claim of reduced water usage should be expressed in terms of percentage or amount of water reduced, to provide adequate information to the consumer and offer a point of comparison. Comparisons may be made to our previous site operational performance or to a product/ingredient (but not a competitor product/ingredient). “Water reduced” claims can also be expressed as an equivalency statement.

#### **Claim examples include:**

- “This product is manufactured with X% less water than previous version”
- “Same great product, now produced with X% less water in our manufacturing process”
- “Made in a facility that now uses X% less water”

### Made with Renewable [Electricity Source] or Thermal

The terms “electricity”, “power”, and “energy” are not synonymous, as the term “energy” also covers use of any fuels (natural gas, diesel, etc.). Therefore, claims should be distinguished clearly between renewable electricity, renewable thermal, and renewable energy (electricity and thermal). Unless all energy (electricity and thermal) were covered by renewable sources, we must specify electricity or thermal.

Brands should not make an unqualified “made with renewable electricity” or “made with renewable thermal” claim unless all, or virtually all, of the significant manufacturing processes involved in making the product or package are powered directly with renewable electricity or thermal.

We can't claim that we directly invest in wind farms/biomass plant or any project where we don't own the assets and have not invested financially in a project. In cases where we don't own the assets and didn't directly pay for the construction of the projects, we can say the project financing is backed by a long-term power purchase agreement with Mars. Note: There are some cases where Mars does own a small part of the project – consult the Renewable Energy lead of the Corporate Sustainability Team if more information is needed.

#### **Renewable Electricity Claims**

Renewable electricity projects fall into three categories:

- (1) Physical Delivery – These are electricity projects that supply our factories both electricity and renewable electricity attributes (e.g., RECs or GOs). Claims about these factories are considered lower risk as we have a contractual connection to a specific renewable asset(s), and these are generally long-term contracts. These projects can be located onsite connected behind the meter, or offsite where electricity is delivered to the site via power grid or transmission wire directly connected to the site. Some examples for Mars include our contracts in the UK and Mexico.
- (2) Renewable Attribute Contracts – These are projects where our contract adds renewable generation to the grid system within the same country's boundary. We retain ownership of the renewable electricity attributes but do not keep the electricity from the project. We then transfer those renewable electricity attributes to the electricity we separately source for Mars' facilities. This transfer of attributes is widely (but not universally) recognized as legitimate by national regulation, carbon accounting standards and the significant majority of NGOs. Some examples for Mars include the US and Australia.
- (3) Renewable Electricity Supply Contracts – These are mostly short-term contracts and sometime described as “green tariffs”. These are not tied to a dedicated renewable project but supplied by our electricity provider from a pool of renewable electricity attributes they have sourced from within the same country's boundary. For example, in France all our sites are supplied with renewable electricity with Guarantee of Origins generated within France, matching the consumption at our sites. Our policy is to limit attribute sourcing to the country of Mars use – this is a watch-out particularly in the EU where attributes can trade across national boundaries.

To make a “renewable electricity” claim, the following requirements apply:

- When making a claim we must specify that the energy source is ‘electricity’, rather than use the term ‘energy’. Specify the source of renewable electricity clearly and prominently (e.g., ‘wind’ or ‘solar’).
- Where renewable electricity on-site is used to power a portion of the energy/electricity needs of the site, but not 100% of site needs, the claim should be qualified with a percentage. Site must maintain good recordkeeping of calculations to substantiate its claim.
- Renewable Electricity includes both Scope 1 (onsite generation) and Scope 2 (supplied from the grid). Unqualified “100% Renewable Electricity” claims may only be used when all scope 1 and scope 2 electricity is renewable in each time period. This is a constraint for sites with natural gas driven cogeneration. “Purchased electricity is 100% renewable electricity” or “Sourced 100% renewable electricity” may be used when this is true for Scope 2 electricity, even if it is not true for Scope 1 electricity. However, this should be used with care and the business must be educated, so that it is not mis-characterized.
- Many of our Renewable Attribute contracts are sized based on output forecast, so there might be cases due to weather or demand fluctuation for any given year that the total output might or might not achieve 100% coverage. As such, claims must be validated annually.

- Where RECs are used to cover the electricity needs of the site where the product is made, brands should use “**sourcing**” claims such as “Royal Canin sources renewable electricity”; “made with” claims are higher risk when RECs and other forms of off-site electricity are the substantiation for the claim.

#### **Claim examples include:**

- “Royal Canin sources enough renewable electricity to cover 80% of our factory electricity needs”
- “Mars purchases enough wind power to cover the electricity needed for all U.S. production of M&M's®”
- “Mars purchases enough hydroelectricity to provide the electricity needed for all M&M's® produced in Brazil (Guararema)”

#### **Examples of claims that we cannot support:**

- We should not make a “uses” or “powered by” claims, unless renewable electricity is directly used to power a factory site where all of the product bearing the claim is made.
- In the case where we generate renewable electricity – for example, by using solar panels – but sell the renewable attributes separately (e.g., as RECs) or as part of a Feed in tariff scheme, brands must not claim they “use” renewable electricity, as this would be double counting.
- We cannot claim the % of renewable generation mix from the grid without the ownership of the environmental attributes or RECs.

#### **Renewable Thermal Claims**

Thermal energy accounts for about 60% of Mars' total carbon footprint. Due to the additional complexity and GHG accounting rules, any renewable thermal claims must be carefully validated by the Corporate Climate Team.

Renewable thermal projects most commonly fall under two categories:

- (1) Renewable thermal projects that supply our factories directly onsite. Claims about these projects are considered lower risk provided the appropriate attributes ownership is specified as part of the contract. These onsite projects can provide thermal energy connected to the site replacing our natural gas consumption or providing thermal in form of steam or direct heat. An example of this is the biomass project in Brazil where a developer has built and operates the biomass steam plant and supplies the necessary feedstock.
- (2) Renewable thermal project offsite/near site. There are no mature tracking instruments developed, yet in most markets, we must retain ownership of the associated environmental attributes matching our thermal usage at site or quantity as specified as part of the contract. When making a claim in this case we must specify that the energy source is “thermal” rather than use the term “energy”.

Currently, national scale renewable thermal/gas supply contract option is very limited and involves many complex government, regional incentives, and other rules. As such, any such claims must be fully validated by the Corporate Climate Team and Sustainability GHG Accounting Team.

To make a “renewable thermal” claim, the following requirements apply:

- Must specify the source of renewable thermal clearly and prominently (say ‘biomass’ or ‘solar’).
- Where renewable thermal on-site is used to power a portion of the energy needs of the site, but not 100% of site needs, the claim should be qualified with a percentage. Site must maintain good record-keeping of calculations to substantiate its claim.
- Note that some technology or feedstock will not provide 100% coverage. For example, with the method of sourcing of biomass feedstock, the maintenance requirement will impact the final % coverage to be less than 100%. For steam supply contract, the source of feedstock must be validated annually.

#### **Claim examples include:**

- “This M&M's® site covers 91% of thermal energy demand through purchased "green steam" and biofuel use on site (Haguenau, France)”

#### **Examples of claims that we cannot support:**

- We cannot claim the % of renewable gas mix from the national pipeline supply without the ownership of the environmental attributes.

## **Water Balanced (factory)**

We use the term “water balance” to describe programs or projects funded by Mars that match Mars’ volumetric usage in a location through activities that reduce water stress in the same watershed either by making more water available or by reducing usage. We avoid the terms “net water positive”, “water neutral” or “water offset” when referring to water balance efforts, because water is a finite resource and action in one place does not offset impacts in another.

“Water balanced” claims are considered higher risk and will need engagement with the Corporate Sustainability Team. Substantiating a water balance claim will usually require an out-of-value-chain activity in that watershed where we have a factory located to match the water that Mars uses. Third-party validation will be required. At some sites (e.g., Bangalore India), balancing is required by local regulation through the collection of rainwater and aquifer recharge, and no “out of value chain” project has been required. In these circumstances care should be taken in external messaging because Mars is merely meeting its legal responsibilities.

## **Reduced Transport Logistics (distance or GHG)**

Any brand wishing to make a claim about reduced emissions or miles from transportation must consult first with the Corporate Sustainability Team.

## **Fossil Fuel-Free Claim for Direct Operation**

We use the term “Fossil Fuel-Free Manufacturing/Operation” when 100% of the site’s energy (both electricity and thermal) consumption directly associated with the manufacturing process is

sourced/supplied by renewable sources. Acceptable sources of fossil fuel-free **renewable electricity** are wind, solar, and hydroelectric (low impact). Acceptable sources of fossil fuel-free **renewable thermal** energy are biomass, biogas, biodiesel, (generated from sustainable/certified feedstocks or waste), solar thermal, and green hydrogen.

In some cases, residual CO<sub>2</sub>/emission might exist due to the use of certain types of feedstocks to generate biomass/biogas. It is important to distinguish that “fossil fuel-free” **is not equal to** zero emissions. The Corporate Sustainability (Renewables) team will review according to our applicable biomass/gas policy and provide guidance.

When evaluating fossil fuel use at a site, indirect site support areas (such as cooking gas used at the cafeteria, fuel for use of vehicles, lawncare not directly associated with manufacturing, backup power (diesel generator), and safety related applications) are excluded from the calculation. The total of these ancillary consumptions should be less than 2% of the site’s total annual energy volume to maintain the fossil fuel free claim.

## **UNACCEPTABLE / DO NOT USE**

Any claim listed as “Unacceptable” for packaging or sourcing is also prohibited for use related to operations.

## CLAIMS REFERENCE TABLE

	<b>Corporate Review Not Required Lower Risk Claims</b>	<b>Corporate Review Required Higher Risk Claims</b>	<b>Unacceptable / Do Not Use</b>
<b>PACKAGING</b>	Reduced Packaging/Less Plastic Free of _____ Plastic-free Recycled Content (traceable) Reusable/Refillable Certified Material Made with Paper / Paper-Based Recyclable (if using third-party Market Scheme)	Lower Carbon Packaging Recycled Content (mass balance) Recyclable (if self-defined claim) Designed for Recycling Renewable Bio-Based Compostable (with BPI certification) Uses Ocean Plastic / Ocean Bound Plastic Green / Eco-Friendly / Sustainable / Nature-Friendly	Oxo / Photo / Marine-Degradable Biodegradable
<b>SOURCING</b>	Certified	Lower Carbon Footprint Carbon Neutral Reduced Water Usage Water Balanced Deforestation-Free Tree Planting Sustainably / Responsibly Sourced Climate-Smart Agriculture / Regenerative Agriculture Increased Yields Upcycled Cruelty-Free / Animal Welfare Claims Improved / Increased Household Income Gender Empowerment Green / Eco-Friendly	Carbon Positive / Net Zero Water Positive / Water Neutral
<b>OPERATIONS-RELATED</b>	Product Made in a Zero Waste to Landfill Factory Made in a LEED Facility	Made with Less Water Made with Renewable [Electricity Source] or Thermal Water Balanced (factory) Reduced Transport Logistics (distance or GHG) Fossil Fuel-Free Claim for Direct Operation	See “Unacceptable” claims in <b>Packaging</b> and <b>Sourcing</b> sections