



**MARS**  
incorporated

# MODERN SLAVERY STATEMENT

## 2016

*This statement constitutes the modern slavery and human trafficking statement for the financial year ending December 31, 2016 of Mars, Incorporated and all its applicable subsidiaries which fall within the scope of section 54(2) of the UK Modern Slavery Act 2015. The statement is signed by the Chief Executive Officer of Mars, Incorporated and approved by the boards of directors of its relevant UK subsidiaries, pursuant to section 54(2).*

# Introduction

At Mars, we believe everyone touched by our business should be treated with fairness, dignity and respect.

We are a global, principles-driven company seeking to promote and advance respect for human rights across our value chain - from farms to our suppliers' factories to our own workplaces. For more than 100 years, we've sought to bring our **FIVE PRINCIPLES** of Quality, Responsibility, Mutuality, Efficiency and Freedom to life every day, in pursuit of creating shared growth and opportunity across the communities we touch.

Forced labor is defined in the International Labour Organization's (ILO) Forced Labour Convention of 1930 as "all work which is extracted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily."

The ILO indicates that most situations of modern slavery and human trafficking are included in their definition of forced labor.<sup>1</sup> As a company committed to human rights good practice, we have prioritized action on this serious topic. We believe that forced labor in any of its forms has no place in our operations or supply chains and that business, government and civil society must work together to make progress on this complex issue. This disclosure details our efforts to address forced labor, including modern slavery and human trafficking, which are core components of our global human rights strategy and programs.

<sup>1</sup> [http://www.ilo.org/global/topics/forced-labour/news/WCMS\\_237569/lang-en/index.htm](http://www.ilo.org/global/topics/forced-labour/news/WCMS_237569/lang-en/index.htm)



# Business Structure

Mars, Incorporated is a private, family-owned business manufacturing some of the best-loved brands in the world.

In 2016, we had approximately USD \$35 billion in net sales from our business categories of Petcare, Chocolate, Wrigley, Food, Drinks and Symbioscience.



Our more than  
**80,000**  
Associates strive  
to deliver business  
growth we are proud  
of across our 424  
sites in 78 countries.

# Policies & Governance

Advancing respect for human rights is a cross-functional responsibility embedded throughout our global business.

A dedicated global human rights team works with colleagues across our business as our policies are applied. Our Human Rights Working Group meets monthly and brings together day-to-day practitioners from relevant business segments and functions to discuss and advance human rights priorities. Our Human Rights Steering Committee, comprised of senior executives in Corporate Affairs, Legal, Human Resources, Operations and Commercial, meets quarterly to review our global human rights progress, issues and performance. Our Board of Directors and our global management team review an annual report on our human rights progress and challenges. This governance structure supports proactive understanding of our human rights strategies and plans.

Our policies include a focus on the elimination of forced labor as a critical component of our overall human rights approach.

Our [Human Rights Policy](#) is informed by the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. It outlines our commitment to respecting human rights in our own operations and to advancing respect for human rights in our extended supply chains.

Our [Supplier Code of Conduct](#) is also informed by international human rights standards and best practices. It describes the human rights standards we expect our first-tier suppliers to uphold, covering forced labor, including modern slavery. The Code prohibits the use of prison, slave, bonded, forced and indentured labor and human trafficking.

# Our Human Rights Approach

## FOCUS AREAS

Through continuous consultations across our business, review with leading human rights experts and analysis of publicly available risk information, we have identified forced labor and child labor as the human rights issues that may pose the most severe risk to people in our supply chains. Even as we work to advance respect for all rights, we place special emphasis on these salient issues and we prioritize actions that reach the most vulnerable people.

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## DUE DILIGENCE & UNDERSTANDING RISK

A foundational step in our human rights due diligence approach is supply chain mapping and traceability analysis, which provides us with essential information on the nature and extent of our extended supply chains. As we increase our understanding and level of traceability, we work with partners such as Verisk Maplecroft to better understand human rights risk at the country level. We use publically available data from sources such as the U.S. Department of Labor, media and civil society reports, and proprietary analysis provided by Verisk Maplecroft's team of human rights risk analytics experts. This includes the identification of unique regional risks, such as the significant migrant labor workforce in the Middle East. This analysis drives the creation of human rights risk scorecards that inform the development of our human rights action plans.

Based on the specific risks identified, our global human rights team advises and supports colleagues across the business on the use of additional due diligence tools. This work, often implemented with independent human rights experts, may include tools such as further desk research, self-assessment questionnaires, audits and rapid human rights risk assessments.

# Our Human Rights Approach

## CARE FRAMEWORK

Drawing on the United Nations Guiding Principles on Business and Human Rights, we have developed an action-oriented framework to guide human rights decisions and actions across our business. This **CARE Framework** informs our strategy and planning development through four key phases – **Commit, Assess, Respond, Engage**. We use this framework to develop Human Rights Action Plans for priority raw material supply chains. We have developed a Practitioners' Guide to the CARE Framework and we train relevant internal teams in applying the framework, which includes the following steps.



**Commit:** Forming a cross-functional team across all relevant functions (often including Commercial, Corporate Affairs and Legal) with clear accountabilities and governance processes. Identifying or creating relevant policies, standards and practices. Allocating appropriate resources to support successful activation of the agreed plan.

**Assess:** Conducting human rights due diligence in order to understand relevant human rights impacts including, where possible, input from impacted and vulnerable people and local communities.

**Respond:** Seeking to prevent, address and remediate human rights impacts, either directly or in close collaboration with industry, government and civil society. Such actions may include monitoring and verification systems, awareness raising and training or grievance mechanisms, remediation of individual cases, and addressing the enabling environment and root causes.

**Engage:** Engaging externally to learn from and collaborate with others and to share our own progress and challenges transparently. Seeking to mobilize or join key coalitions and to drive collective action across sectors to meet shared goals.

# Mars Human Rights Strategy

Our human rights strategy is focused on deploying programs in three areas – our own operations, with our first-tier suppliers and in our extended supply chains. We are beginning to develop customized training and tools across our programs, including a focus on forced labor.

## RESPONSIBLE WORKPLACE



Mars has always prioritized creating and maintaining great workplaces where our Associates can thrive. Our Responsible Workplace program aims to ensure that the human rights of all workers in our workplaces are respected and that we are engaged with the communities in which we operate.

We also seek to ensure that all Associates in Mars workplaces are aware of and have access to our accredited Ombudsman program through which they can confidentially and anonymously report any workplace issue. To validate our approach, we engage independent auditors with expertise in labor issues to assess our human rights performance in our workplaces. Any non-compliances that are identified are addressed. Our *Responsible Workplace Site Implementation Guide* details our human rights standards and expectations for our own workplaces, including prohibition of forced labor.

## RESPONSIBLE SOURCING



Our goal is to work with partners who share our principles-based approach to business. We expect our first-tier suppliers to respect human rights in their workplaces. In 2011 we developed our [Supplier Code of Conduct](#), which describes our human rights expectations of all first-tier suppliers and prohibits forced labor, and we initiated our Responsible Sourcing program.

We expect our suppliers to align with our Code, affirming their commitment to uphold it or demonstrating an equivalent policy of their own. As part of our commitment to building supplier capability, we periodically engage suppliers in human rights dialogue, awareness raising and training to drive continuous improvements.

In addition, select suppliers are required to conduct independent workplace assessments based on a range of factors including whether they are operating in a high human rights risk geography. Audited suppliers are required to implement corrective actions and are re-assessed to measure compliance. The human rights issues most commonly identified in these assessments relate to health and safety and work hours. As of year-end 2016, more than 85% of our first-tier suppliers had met the requirements of our program. All of our Commercial Associates are expected to take our *Responsible Sourcing* training course – content includes our human rights standards and expectations of our suppliers, including with regard to forced labor.

## HUMAN RIGHTS IN SUSTAINABLE SOURCING



At Mars, our sustainable sourcing efforts focus on addressing five sustainability impacts - greenhouse gas, water, land, human rights and income. This includes working to establish traceability of our supply chains and developing and implementing strategies to drive improvements across supply chains.

We focus on advancing respect for human rights in our extended supply chains. We do so in close collaboration with our suppliers, their business partners, the industry, government and communities. We prioritize work on supply chains in which the most severe human rights risks, including forced labor, may be present, including, for example, cocoa, fish and palm oil. Our *Practitioner's Guide to Human Rights in Sustainable Sourcing* contains detailed guidance on activating our CARE Framework and developing human rights action plans, including elements related to forced labor. Tailored training is provided to relevant teams internally.

# Mars Human Rights Strategy in Action

The following are examples of our human rights approach in extended supply chains in which human rights challenges are systemic.



## COCOA

In cocoa communities in West Africa, we are working to increase farmer incomes through productivity gains, investing in women's economic empowerment, and partnering with our suppliers and other stakeholders to put in place emerging best-practice human rights monitoring and remediation systems related to child labor and forced labor.

Through our collaborations with the International Labour Organization and the International Cocoa Initiative, and through our leadership role in the World Cocoa Foundation, we are seeking to drive impact and industry action. Additional details about our approach are available [here](#).



## FISH

In 2016, we launched a Thai Fish Supply Chain [Human Rights Action Plan](#) which includes key performance indicators and which utilizes the CARE Framework.

As part of our longstanding commitment to sustainably sourced fish, we have mapped our fish supply chain in Southeast Asia, we are working with experts to identify any potential human rights issues through to the vessel level, and we are committed to working with our supply chain partners and others to address issues that are identified. We are working with a range of partners including the Issara Institute, a local NGO with unique networks among vulnerable migrant workers in the Thai fish industry, in efforts to assess and improve conditions for workers.



## PALM OIL

Since 2013, we have purchased 100% certified palm oil and we support efforts to increase the human rights focus of multi-stakeholder initiatives such as the Roundtable for Sustainable Palm Oil. We are working to go beyond certification as we seek to ensure that the palm oil we use is produced with respect for human rights. We expect our suppliers to meet our palm oil [standards](#) and to engage with their suppliers to advance respect for human rights in their extended supply chains, with a particular focus on risks facing vulnerable migrant workers.

We partner with The Forest Trust to support this work as part of our ongoing effort to identify issues, build capabilities and improve practices in our supply chain and at the industry level.

# Stakeholder Engagement

A key component of our approach to human rights is engaging with credible third party experts and stakeholders, deepening our awareness and understanding of these complex issues and identifying partners to drive action. Our efforts include engaging workers and community members. The following are examples of our stakeholder engagement with a focus on forced labor.

## THE CONSUMER GOODS FORUM

We are taking action in our business and supply chains to advance The Consumer Goods Forum's (CGF) [Priority Industry Principles](#) on Forced Labour. We played a leadership role in the development of these principles as a co-chair of the CGF's Social Sustainability Committee, and we believe industry-wide focus and action on this issue is urgently needed. The Principles align with our existing human rights approach and provide an opportunity for us to strengthen work that seeks to identify and address forced labor. They are straightforward and when applied by industries at large, they may help stop situations that lead to forced labor – especially amongst vulnerable workers. CGF members have an agreed action plan to advance the Principles that includes a focus on forced labor in the seafood and palm oil industries in Southeast Asia.

### Priority Industry Principles

**EVERY WORKER  
SHOULD HAVE  
FREEDOM OF MOVEMENT**

**NO WORKER  
SHOULD PAY  
FOR A JOB**

**NO WORKER SHOULD  
BE INDEBTED OR  
COERCED TO WORK**

## AIM-PROGRESS

Mars serves on the Leadership Team of AIM-PROGRESS, the manufacturing and supplier forum promoting responsible sourcing practices and supplier capability building. Through AIM-Progress we work with peer companies to support awareness raising and select trainings related to forced labor.

## UNITED NATIONS GLOBAL COMPACT (UNGC)

In 2015, Mars became a signatory of the Global Compact. We issue an annual communication of progress that outlines our efforts across the Compact's ten principles, which include seeking to eliminate all forms of forced and compulsory labor.

## AGRICULTURAL SUPPLY CHAIN FORUMS AND CERTIFICATIONS

We participate in a number of multi-stakeholder forums whose mandates include action on human rights and forced labor in global supply chains, such as the World Cocoa Foundation, the Sustainable Seafood Taskforce, the Roundtable on Sustainable Palm Oil and others across our priority raw materials. We also work closely with all three major global certification organizations: Rainforest Alliance, Fair Trade and UTZ.



# Looking Ahead

Addressing forced labor, including modern slavery and human trafficking, will continue to require concerted action by businesses and close collaboration across sectors.

We are committed to moving forward and to working closely with others to drive progress. As we advance this work in 2017, we are focused on the following areas.

- ✓ **Strengthening Policies:** Reviewing our human rights policies and standards to ensure they are robust and consistent.
- ✓ **Performance Measures:** Establishing and deploying human rights key performance indicators (KPIs) focused on impact and a framework to measure the effectiveness of our programs.
- ✓ **Engaging Across Sectors:** Continuing to engage in industry and multi-stakeholder platforms on forced labor, including modern slavery and human trafficking, driving action and deepening dialogues.
- ✓ **Supplier Engagement:** Improving our engagement of and support to suppliers and extended supply chain actors operating in high-risk human rights supply chains.
- ✓ **Transparency:** Sharing additional information publicly about our human rights progress and overall approach, and engaging more closely with our stakeholders on this topic.

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**Grant F. Reid**  
Chief Executive Officer  
Office of the President  
Mars, Incorporated  
May 2017



To learn more about our Human Rights approach  
and Sustainability programs please visit

[www.mars.com](http://www.mars.com)