

MARS

Tomorrow starts today

**Modern Slavery Act
Statement 2021**

June 2022

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Introduction

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

We are a privately-held, family-owned company seeking to promote and advance respect for human rights across our value chain – from farms to 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 enduring benefits and opportunity across the communities we touch.

In 2017, we launched our [Sustainable in a Generation Plan](#), a set of interconnected ambitions across the areas of Healthy Planet, Thriving People and Nourishing Wellbeing, supported by an initial USD \$1 billion investment. Our Thriving People ambition is to meaningfully improve the lives of 1 million people across our value chain to enable them to thrive.

The core focus areas of this ambition are:



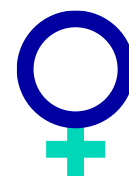
Increasing Income:

Our goal is for everyone working within our extended supply chains to earn a sufficient income to maintain a decent standard of living.



Respecting Human Rights:

Our goal is for everyone touched by our business to be treated with fairness, dignity and respect.



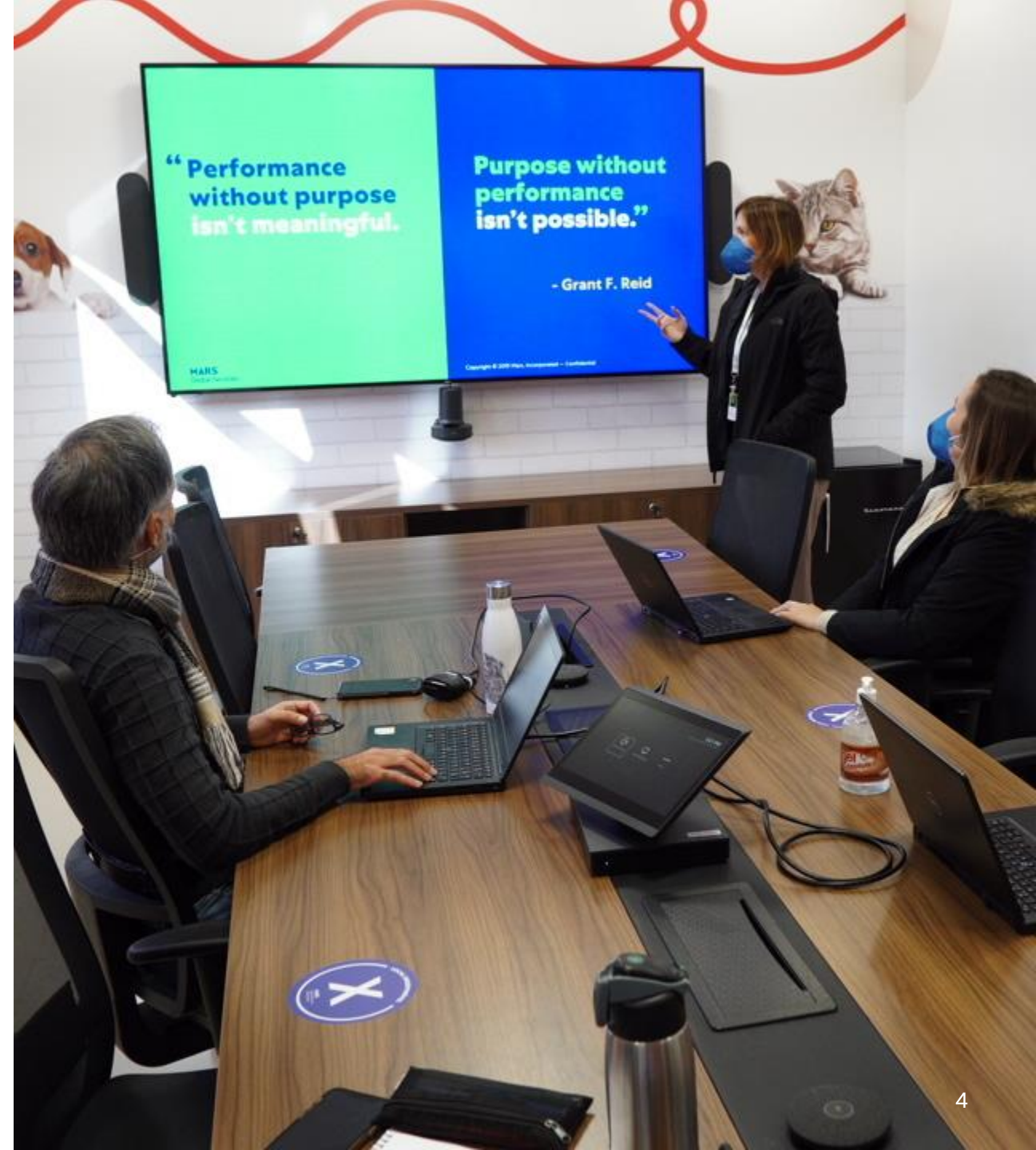
Unlocking Opportunities for Women:

Our goal is to unlock opportunities for women in our workplaces, marketplaces and sourcing communities so that they can reach their [full potential](#).

The world we want tomorrow starts with how we do business today.

Today, millions of people work hard around the world to produce raw materials and products across global supply chains, but many are living in poverty or are vulnerable to exploitation. During times of disruption caused by crises such as climate change, the global COVID-19 pandemic, and geopolitical uncertainty, vulnerabilities to forced labor are on the rise.

COVID-19 has continued to impact lives and livelihoods around the world - and threatens to reverse decades of effort across business, government and civil society to address poverty, gender inequality and forced labor risks. Before the pandemic, data from the [International Labour Organization \(ILO\)](#) showed that 16 million people working in the private sector were in conditions of forced labor worldwide. In 2021, the [World Bank](#) estimated that the global pandemic led to 97 million more people living in poverty - increasing their vulnerabilities to risks such as forced labor.



COVID-19 Context

In 2021, we continued engaging with suppliers, customers, civil society organizations, workers, farmers and our Associates to better understand how COVID-19 risks impact people touched by our business.

Public data identified increased risks in the agriculture sector - including risks of child labor due to school closures and volatile crop demand, increased risks of forced labor due to financial uncertainty and disruptions in seasonal migration patterns, and increased risks of gender-based violence. We took a range of actions to address these risks across supply chains, including:

- Testing approaches for remote assessments to understand supplier management systems, to evaluate risks, and to access worker voices in our supply chains, even if physical access to farms, plantations or factories was restricted.
- Continuing to deploy our **Next Generation Supplier program**, an enhanced approach to engage our direct suppliers as they address challenges and drive greater positive impact in their workplaces. Despite the challenges of COVID-19, we're seeing this program—built on a model of longer-term human rights coaching from third party experts—drive change in mindsets and behaviors and support suppliers to identify and act to address key risks.
- Engaging global and local NGOs in COVID-19 response and recovery efforts, through a total of more than USD \$48 million cash and in-kind support. We are investing more than USD \$5.4 million with our global partner CARE to provide personal protective equipment (PPE), food, sanitation, cash, and supported community resilience to communities across Côte d'Ivoire, Ghana, Thailand, India, and throughout Latin America with a focus on the most vulnerable – often women, children, and migrant workers. We funded the United Nations World Food Programme with USD \$2 million to provide food and medical supplies.
- The Mars Wrigley Foundation awarded 54 grants and reached 19 markets around the world. In total, more than 3,700,000 people were positively impacted by a range of programs including food support, PPE distribution, and educational support.

Global businesses like ours must do more to ensure that work empowers people. 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.

Forced labor is defined in the ILO's 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 themselves voluntarily." The ILO indicates that most situations of modern slavery and human trafficking are included in their definition of forced labor. We place particular emphasis on tackling forced labor and hazardous child labor, given their potential impact on people across global supply chains.

This disclosure represents our sixth Modern Slavery statement, in compliance with the UK Modern Slavery Act of 2015, and it is our second disclosure in compliance with Australia's Modern Slavery Act of 2018. It contains relevant foundational context from previous disclosures, as well as updates on our efforts to address forced labor, including modern slavery and human trafficking, which are core components of our global human rights strategy and programs. It was approved by relevant UK Boards and Australia Boards in June 2022.

Business Structure

For generations, we've been making many of the world's most loved and iconic brands – across confectionery, pet food and food for people. More recently, we have grown our veterinary health services.

We want that to continue for generations to come. We know that as a global business, we have the responsibility to advance respect for human rights across our business and the supply chains we depend on. We have more than USD \$40 billion in annual sales from our business segments of Mars Petcare, Mars Wrigley, Mars Food, and Mars Edge. Across our diverse and expanding portfolio of confectionery, food, and petcare products and services, we produce some of the world's best-loved brands including DOVE®, EXTRA®, M&M's®, MILKY WAY®, SNICKERS®, TWIX®, ORBIT®, PEDIGREE®, ROYAL CANIN®, SKITTLES®, BEN'S ORIGINAL™, WHISKAS®, COCOAVIA®, 5™; and take care of half of the world's pets through our pet health services AniCura, Banfield Pet Hospitals™, BluePearl®, Linnaeus, Pet Partners™, and VCA™.



Globally, more than **140,000 Associates** are working across our more than **381 sites** including manufacturing facilities, offices and other workplaces, and more than **2,500 veterinary locations** in **80 countries**. Read more about our global business structures [here](#).

In the United Kingdom: We employ more than 3,700 Associates across 10 offices, two factories, and four hybrids (factory and office) through Mars Petcare, Mars Wrigley and Mars Food. Additionally, we employ more than 5,000 Associates across Linnaeus Group, one of the more recent companies to join Mars Veterinary Health (a division of Mars Petcare) with its 47 primary care and 17 referral veterinary practice brands, as well as its head office.

In Australia: We employ nearly 1,800 Associates across six factories and two office sites, spanning Mars Petcare, Mars Wrigley, Mars Food and Royal Canin divisions. We source a range of raw materials for products produced in these divisions, including cocoa, palm oil, sugarcane and fish. The reporting entities in scope for purposes of this disclosure include Mars Wrigley Australia Holdings Pty Ltd. and Royal Canin Australia Pty Ltd.

Scope of Disclosure

Our approach to understanding and addressing human rights risks, as outlined throughout this disclosure, is based on our global policies and frameworks for owned operations, Tier-1 supplier sites and extended supply chains of our business segments and divisions. Aligned with international standards, we work to understand and address human rights risks relevant to a range of people - including our Associates, people in Tier 1 supplier facilities, smallholder farmers, fishers, and farm workers in extended supply chains.

The actions described are implemented on a global basis, in a framework inclusive of the reporting entities, with a risk-based approach to prioritization and deployment.

The applicability of certain programs may vary based on the differences between consumer goods and veterinary health supply chains and their risk profiles. More recently-acquired businesses are in the earlier stages of program rollout.

We are beginning to expand coverage of our Responsible Workplace program beyond manufacturing sites to include workplaces such as veterinary hospitals. Our goal is to engage our businesses and divisions in our Responsible Workplace program by 2025, which is discussed later in this disclosure. We share our Supplier Code of Conduct with our suppliers as a condition of doing business with us, and we expect suppliers to engage in the aspects of our Next Generation Supplier program relevant to them as we continue to roll out this initiative. Our program that addresses human rights in sustainable sourcing applies to parts of our business that source raw materials. Additional details on key supply chains and their structure are referenced later in this disclosure.

Policies and Governance

Advancing respect for human rights is a cross-functional responsibility embedded within our global business and applied locally. A dedicated global human rights team establishes our human rights policies, strategies and programs and provides expertise and guidance to colleagues around the world engaged in this work, as applicable to each business division. In 2021, we increased the number of regionally-based Associates who work within our procurement function across business Segments to guide the implementation of our human rights programs with Tier 1 suppliers and in extended supply chains.

To govern the global application and implementation of our policies, our Human Rights Steering Committee meets regularly to review our progress, challenges and opportunities. Our Board of Directors is informed annually of our human rights plans and performance. 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, the International Bill of Human Rights, and the ILO's 1998 Declaration on Fundamental Principles and Rights at Work. It articulates our commitment to respect human rights – with an initial focus on our operations, and in sourcing where we can have the greatest impact, with a particular emphasis on potentially vulnerable groups.

Our [Supplier Code of Conduct \(“the Code”\)](#) is informed by the same international human rights standards. 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 all forms of forced labor, including any form of prison, trafficked, indentured or bonded labor.

We also provide supporting guidance in our [Supplier Code of Conduct Guidebook](#), which provides examples of management systems that enable companies to more effectively tackle social, ethical, and environmental challenges, and meet our code expectations.

Human Rights at Mars

Launched our Responsible Sourcing Program, with a focus on our **Supplier Code of Conduct**

2011

Launched a global strategic partnership with **Verité**

Launched our **Sustainable in a Generation Plan** outlining work to unlock opportunities for women, increase incomes and respect human rights

2017

Next Generation Supplier launched across **30** countries with **500+** suppliers

2019

Refreshed our understanding of our **salient human rights issues** aligned with international good practice

Released a report on [Respecting Human Rights in the Cocoa Supply Chain](#)

Continued to **support suppliers to understand and address human rights risks** across fish, palm oil, and sugarcane supply chains

Increased coverage of EcoVadis assessments to more than 1,000 suppliers

2021

2016

Formed the **Mars, Inc Human Rights Steering Committee**

Drove creation of the **Consumer Goods Forum's Priority Industry Principles Against Forced Labor**

Introduced **CARE Framework** and developed new human rights action plans in sourcing strategies – prioritizing action on cocoa, fish, sugarcane and palm oil, building on past efforts

Launched **Responsible Workplace**, focused on respecting rights in Mars' workplaces

2018

Evolved our Responsible Sourcing program to drive more impact in Tier-1 workplaces. Launched the redesigned approach as **Next Generation Supplier**

Responsible Workplace reached **100%** of in-scope manufacturing sites across **29** countries

2020

Began testing **Next Generation Sourcing**, a new framework to take action and measure impact across both origin and Tier 1 suppliers

Published our position in support of strengthened **EU Human Rights Due Diligence requirements**

Launched **Full Potential**, our platform for action on gender across workplaces, sourcing communities and the marketplace

Our Human Rights Approach

Focus Areas

In 2021, we refreshed our understanding of our salient human rights issues – the foundation of our global human rights priorities – aligned with international good practice. Our review included more than 70 consultations internally and externally, as well as analyses of global trends and public data.

The salience review confirmed five issues that may pose the most severe risk to people across the value chain: Lack of living income and wages, gender discrimination, mental and physical health and safety, forced labor, and child labor.



Mars Salient Human Rights Issues

Megatrends

Climate Crisis

Threats to
Worker Voice

Global Health
Crises



Lack of Living
Income and Wages

1 NO
POVERTY



8 DECENT WORK AND
ECONOMIC GROWTH



Gender
Discrimination

5 GENDER
EQUALITY



Mental and Physical
Health and Safety

3 GOOD HEALTH
AND WELL-BEING



Forced Labor

1 NO
POVERTY



8 DECENT WORK AND
ECONOMIC GROWTH



Child Labor

1 NO
POVERTY



4 QUALITY
EDUCATION



Issues to Watch



Risks to Human
Rights Defenders



Data Privacy



Land Rights

Our Human Rights Approach

Salient Human Rights Issues

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. A variety of factors may increase a worker's vulnerability to human rights risks, such as temporary or seasonal work status, lack of legal protections, poor enforcement of legal protections, or problematic laws that inhibit respect for rights, among others. Migrant workers, women and children are particularly vulnerable to forced labor and broader human rights risks. Appropriate remediation approaches may vary based on the issues present.



Our Human Rights Approach

Priority Industry Principles

We are taking action in our business and supply chains to advance The Consumer Goods Forum's (CGF) Priority Industry Principles on Forced Labour (the "Principles"). We played a leadership role in the development of these principles as co-chair of the CGF's Social Sustainability Committee, as 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 scale, they may help stop situations that lead to forced labor – especially among vulnerable workers. CGF members have an agreed action plan to advance the Principles that includes a focus on own operations, engagement with suppliers across industries, and an emphasis on Southeast Asia.

CONSUMER GOODS FORUM 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

Our Human Rights Approach

Due Diligence & Understanding Risk

Our human rights due diligence approach begins with understanding potential adverse impacts to people touched by our business. A foundational step is supply chain mapping to understand workplace locations across extended supply chains. As we increase our understanding and level of traceability, we have worked with partners such as Verité and Verisk Maplecroft to better understand human rights risk at the country and regional level.

We use publicly available data from sources such as the U.S. Department of Labor, United Nations Development Programme, public 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 and Southeast Asia. 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 additional due diligence tools. This due diligence, often implemented with independent human rights experts, may include further desk research, validated self-assessment questionnaires, audits, or human rights risk assessments at specific sites and supply sheds, and longer-term programs and collaborations. If forced labor risks are identified through this process, plans are developed to address them, as well as to support supplier capabilities and to track progress over time.

Human Rights Due Diligence Regulation

We believe we all need to take action to fix what is broken about global supply chains. National governments must enforce and strengthen their own labor laws, and companies have a responsibility to conduct due diligence to identify and respond to human rights risks.

We support [legislation mandating practical human rights due diligence](#). We are encouraged to see the European Union advancing harmonized regulation on this topic and support their work to ensure human rights due diligence regulation is designed to drive positive impacts for people.

Mars continues to support strengthened, harmonized regulation of human rights due diligence requirements for companies in global supply chains, aligned with the UN Guiding Principles on Business and Human Rights. We believe this can both benefit people working in global supply chains and set clear expectations for companies – raising the bar so that everyone is held to the same high standards. Stronger regulation is a key part of creating the change we need to see; supply chains where rights are respected, and everyone has the opportunity to thrive.

Mars has been conducting voluntary due diligence on our own facilities, with priority Tier 1 suppliers and in priority extended supply chains, and we continue to expand this work. Undertaking due diligence in alignment with international standards is fundamental to advancing respect for human rights in our value chain.

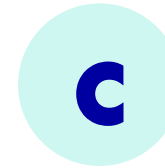
We also believe that businesses, governments and civil society must work together to address the root causes of human rights risks – this collaboration is essential to build inclusive and sustainable supply chains. Even more coordinated and impactful collaboration is needed to identify drivers of risk and to deliver results in areas such as migrant labor markets, poverty in agricultural supply chains, women's rights and access to quality education.

Our Human Rights Approach

CARE Framework

Drawing on the United Nations Guiding Principles on Business and Human Rights (UNGPs), we have developed an action-oriented framework to guide human rights decisions and actions across our business. These actions include a focus on forced labor. The CARE Framework informs our strategy, planning, and deployment 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.

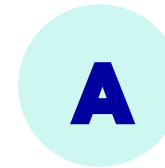
Framework in Action:



Commit

To policies and practices and build governance capabilities

Form a cross-functional team with clear accountability and governance processes. Identify or create relevant policies, standards and practices. Allocate appropriate resources to support successful activation of the agreed plan.



Assess

Impacts, listening, to the voices of impacted people

Conduct human rights due diligence in order to understand relevant human rights impacts including where possible, input from impacted people and local communities. Consult with human rights experts to understand structural dynamics, root causes and relevant context.



Respond

By preventing, addressing and remediating impacts, in collaboration with industry, government, and civil society

Seek to prevent, address and/or 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, grievance mechanisms, remediation of individual cases, and addressing the enabling environment and root causes.



Engage

Transparently, through collaboration and communication to share our successes and challenges

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

Mars Human Rights Strategy

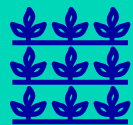
Our human rights strategy is focused on deploying programs in three areas, using an approach focused on risks to people – in our own operations, with our first-tier suppliers, and in our extended supply chains. We have developed and are testing customized human rights training and tools across our programs in all three areas, which include a focus on forced labor.



Our own operations



Our first-tier suppliers



Our extended supply chains



Assess & Remediate:

Across all three of our programs, we use customized approaches to assess risk and where issues are identified, we have processes in place to support remediation – by Mars and through suppliers. Specific remediation approaches vary and are described across our three program areas.

Responsible Workplace: Our own workplaces

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. We hold ourselves to clear standards and expectations in our own facilities, and we continue to demonstrate what we are learning and actions we are taking as a part of this program.

No company operating in the global economy today is immune to human rights risks, including forced labor. The Responsible Workplace program has focused on taking a deep look at our own manufacturing operations – helping us to better understand these risks and the types of safeguards needed to ensure that human rights are respected.

We will continue to evaluate our facilities on a routine basis while expanding our efforts to address potential risks. We engage independent auditors with expertise in labor issues to assess our human rights performance in our workplaces. Non-compliances that are identified are addressed. Our Responsible Workplace Standard and Site Implementation Guide details our human rights standards and expectations for our own workplaces, including a prohibition on forced labor.

We seek to ensure that all Associates in Mars workplaces are aware of and have access to our accredited [Ombudsman program](#) (including a toll-free hotline and online portal) to confidentially and anonymously report any workplace issue. All

Associates also participate in an annual survey focused on improving workplace conditions and management practices throughout the organization.

In 2018, we achieved a major milestone in the Responsible Workplace program – reaching 100% of our manufacturing sites for the first time. By the end of 2021, 80% of our manufacturing sites had been through the process multiple times, with locations in the most at-risk regions completing the program at least four times each. Understanding risks in our own facilities generates important insights and has helped us ensure we are holding ourselves to the same standards we expect of our business partners. Through this work, we have identified the importance of oversight of contract labor providers, in particular, where the majority of overall findings have been identified. Our global human rights partner, Verité, provides customized advice and guidance on program design and implementation.

We continue to focus on improving the practices of labor and service providers, including in regions with high levels of dependence on foreign migrant workers. In key countries with known forced labor risks associated with labor sourcing, we are updating contractual terms with labor providers to include specific guidance on recruitment fees, access to personal documents and other foundational elements of our Supplier Code of Conduct.



2021 Updates

We conducted new assessments at 59 manufacturing sites across 24 countries in 2021. When needed, we used a robust remote assessment to continue due diligence when COVID-19 restricted on-site access.

In 2021 we verified that 11 different labor and service providers took action to better respect human rights, including coming into compliance with labor laws regarding working hours, rest days and leave based on issues we identified. We have identified responsible recruitment risks in the Gulf Region and are investing with other global brands to support robust training for labor providers to improve recruitment practices. 45 suppliers attended these trainings in 2021.

As part of our overall due diligence efforts related to forced labor, we identified workers employed by a third party who had paid recruitment fees in their countries of origin. Mars supported repayment of fees to the affected workers. We are now focused on ensuring that service providers have appropriate policies and procedures in place to prevent this issue.

In 2021, we launched a global partnership with our largest global facilities management service provider to collaboratively address potential human rights risks. This partnership includes a shared commitment to the following objectives:

- Mutual support for human rights due diligence;
- Advancing respect for the rights of employees and subcontractors;
- Collaboration on effective solutions to any challenges identified;
- And focus on industry dialogue on relevant issues.

Moving forward, we are expanding our Responsible Workplace focus beyond manufacturing – with the goal of reaching our retail business, distribution centers, research centers, offices, and veterinary sites by 2025.

Next Generation Supplier: First-Tier Suppliers

Our success in growing our business while delivering positive social and environmental impacts depends on high performing suppliers and supply chains. We expect our first-tier suppliers to respect human rights, environmental standards and ethics in their workplaces.

In 2011, we developed our Supplier Code of Conduct, which describes our human rights, ethical and environmental expectations of first-tier suppliers, including a prohibition on forced labor, and we initiated our Responsible Sourcing Program. This program engaged our first-tier suppliers around the world in improving their sustainability performance through an industry-standard approach that leveraged third-party, on-site social compliance audits to identify workplace issues and drive change where risk is highest. However, research shows that it is difficult to address the root causes of the most complex sustainability challenges through audits alone – and, that it is critically important to engage workers in identifying issues and shaping solutions.

Recognizing that suppliers may need additional direction on how to implement the Code in their workplaces, our [Supplier Code of Conduct Guidebook](#) includes good practice examples for developing management systems to identify, remediate and prevent forced labor and other human rights risks.

In 2019, we launched our Next Generation Supplier program – an enhanced approach founded on our Code with a focus on deeper engagement with our suppliers to deliver more positive impact in their workplaces. Our Next Generation Supplier program builds on years of experience and long-standing commitments while introducing new tools and technologies that we believe will deliver better results for our suppliers and the people who work in our supply chains.

- We continue to **align** our suppliers with our social, environmental, and ethical expectations through our Supplier Code of Conduct.

- We **assess** the sustainability performance and social compliance results of prioritized high-risk suppliers using the EcoVadis online platform, leveraging this widely recognized supplier evaluation tool while also unlocking increased visibility and insights for Mars and our suppliers to put into action.
- We support certain suppliers of our top 10 raw materials, and other strategic suppliers, as they **advance** their performance through a new, longer-term model focused on driving systemic change and engagement of workers. This model leverages the expertise of external advisors, including our global strategic human rights partner Verité.

We are assessing the impact of this work to understand the real difference it makes for people in our supply chains and the planet we all share. Our aim is for this program to help us achieve our goal of working with suppliers that share our values and commitments and cease work with those who are unable or unwilling to meet our expectations.

As part of our commitment to building supplier capability, we periodically engage suppliers in awareness raising and third-party training initiatives to drive continuous improvement. Our Mars Commercial Associates are expected to take our Next Generation Supplier training course, covering our human rights standards and expectations of our suppliers, including with regard to forced labor. More than 840 Associates have been trained in our Supplier Code of Conduct, our Next Generation Supplier Program and our overall approach to addressing human rights issues to date, including content related to forced labor risks and remediation.



2021 Updates

Align: Since launching the program in 2019, we have put in place processes to ensure our Code of Conduct is part of all contractual terms.

Assess: As of 2021, more than 1,000 suppliers have completed EcoVadis, the third party-validated assessment of their sustainability performance that enables them to take targeted actions focused on informed and continuous improvements. We use a risk-based approach to prioritize EcoVadis roll-out across supplier sites globally.

Advance: We have continued to progress Supplier Advance programs across supplier factories in nine countries, designed to reach more than 18,000 people. These programs have focused on issues such forced labor risks, health and safety, gender equality and addressing workplace discrimination. We measure the impact of Supplier Advance programs through changes in worker voice surveys conducted by a third-party, supplier-reported perspectives, as well as changes in EcoVadis scores. Examples of worker-reported impacts from select completed Advance programs include:

- 23% increase in workers feeling respected at work (India, mint supplier).
- 26% increase in workers feeling valued and recognized for their work (Philippines, coconut supplier).
- 20% increase in workers' reported ability to save and cover basic needs with their earnings (Mexico, sugarcane supplier).

Sustainable Sourcing: Extended Supply Chains

At Mars, our sustainable sourcing efforts focus on addressing six sustainability impacts – greenhouse gas emissions, water risk, land use, human rights, gender and income. This work begins with seeking traceability of our supply chains, understanding risks, and developing and implementing strategies to drive improvements. Sustainable sourcing programming applies to the consumer goods portion of our business portfolio, based on relevant, higher risk and impact raw materials.

Human Rights in Sustainable Sourcing

We believe some of the highest risks to people may appear at the farthest end of supply chains, where we typically have little or no influence, visibility or control.

We focus on advancing respect for human rights in our extended supply chains, in close collaboration with our suppliers, their business partners, the industry, government, civil society organizations 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.

In 2018, we updated our *Practitioner's Guide to Human Rights in Sustainable Sourcing*, with detailed guidance on activating our CARE Framework and developing human

rights action plans, including elements related to forced labor, where relevant. In 2019, we launched additional guidance focused on how procurement teams can engage suppliers as they develop approaches to address key risk factors. This material is supported by a [range of tools](#) and templates launched in 2020, including [a roadmap](#) to help understand supplier management systems and how they can be progressively strengthened. Tailored training is provided to relevant teams internally.

The United Nations Guiding Principles on Business and Human Rights outlines the role of government to protect human rights and the role of business to respect rights. The following pages outline examples of our human rights approach and efforts to advance respect for rights in extended supply chains in which human rights challenges are systemic. In each, we recognize the importance of collaboration to address root causes and structural barriers to progress. Our approach is grounded in supporting the capabilities of suppliers to address these risks, connecting them to guidance and capacity building from third-party experts.



Sustainable Sourcing: Extended Supply Chains

Cocoa

[Cocoa for Generations](#) is our integrated approach to sourcing cocoa responsibly and working toward sustainable practices. By 2025, we aim to be traceable (from the farmer to the first point of purchase) and will work with our suppliers and certifiers with the goal of deploying child labor monitoring and remediation systems to 100% of our at-risk cocoa supply chain. Early indications show that these systems have the potential to halve the risk of hazardous child labor among participating families.

Through our collaborations with the ILO and the International Cocoa Initiative (ICI), and through our leadership role in the World Cocoa Foundation, we are seeking to drive impact and industry action. As members of ICI, we supported [research](#) conducted by Verité in 2017 and 2018 which found that while forced labor risk is present in the cocoa sector in Côte d'Ivoire, it appears to be limited primarily to a narrow group of people: recently arrived migrant workers.

These insights are valuable and build on research conducted by Tulane University and Walk Free Foundation, which estimated that 0.42 percent of adults working in cocoa experienced forced labor in Côte d'Ivoire between 2013 and 2017, and that 0.17 percent of children working in cocoa agriculture in Côte d'Ivoire were forced to work by someone other than a parent. Mars and other companies across the industry are designing approaches to address these forced labor risks and to support governments in their response, with technical input from Verité, ICI, and others. This work includes forced labor training by third party experts – including awareness raising materials for suppliers, guidance on contracting, and integration of forced labor risk indicators into existing child labor monitoring systems.

In 2019, we issued our first annual Cocoa for Generations [report on progress](#) and in early 2020 we launched our [Protecting Children Action Plan](#). In addition to publishing our [Tier 1 supplier list](#) in cocoa, we mapped and shared additional supply chain details to the [Tier 2 level in 2020](#), mapping approximately one third of the farms in our supply chain, as we work toward our goal of 100% of our cocoa being responsibly sourced and traceable by 2025 (traceable from the farmer to the first point of purchase- the farmer organization, cooperative, or licensed buying company our suppliers buy from).

2021 Updates

In 2021, we worked with Verité to create guidance on the development of [forced labor response protocols](#), as part of an ongoing program of customized capability building for our major cocoa suppliers. Verité also implemented trainings for more than thirty lead trainers and sustainability managers with suppliers to help them understand how to build the capacity of their field teams to look for forced labor risks and establish their own systems to address risks if they are identified.

In 2021, we released a report on [Respecting Human Rights in the Cocoa Supply Chain](#), outlining areas of focus and progress across four mutually reinforcing areas. We continue to work across these areas:

1. Robust Child and Forced Labor Monitoring and Remediation Systems:

We are committed to ensuring suppliers have in place robust child and forced labor monitoring and remediation systems designed to identify, prevent and seek to remediate cases of child labor and forced labor, as relevant. In 2021, we expanded coverage of Child Labor Monitoring and Remediation Systems (CLMRS) to nearly 70% of volumes sourced in Côte d'Ivoire and Ghana, across 117,000 households. We have also begun expanding CLMRS into Cameroon and Nigeria. We seek to ensure 100% of at-risk families in our cocoa supply chains are covered by Robust Child and Forced Labor Monitoring and Remediation Systems by 2025 and anticipate that will include at least 180,000 cocoa farming households across Ghana, Côte d'Ivoire, Cameroon and Nigeria. We will also take action in other origin countries as appropriate. In 2021, Verité leveraged the U.S. Department of Labor-funded [Forced Labor Indicators Project](#) (FLIP) to jointly implement Trainings of Trainers for cocoa supplier companies, building more awareness and practical capabilities among field staff to monitor, address, and prevent forced labor.

2. Women's Social and Economic Empowerment: Poverty is often a root cause of human rights risks, including forced labor, and improving incomes is a core part of our strategy. Through our partnership with CARE, a leading international humanitarian agency, and our chocolate brand DOVE®, we are supporting [Village Savings and Loan Associations](#) in Côte d'Ivoire and Ghana. In 2020, we expanded

our partnership with an additional \$10 million investment aimed to reach more than 50,000 women in Ghana and Côte d'Ivoire by 2025. As of year-end 2021, these groups created training and savings mechanisms for more than 49,000 members in nearly 250 cocoa-growing communities, with a focus on women and resulting in more than \$4.5 million in total savings. We also launched new research with KIT [Royal Tropical Institute](#) on gender, including a unique [Empathy Report](#) grounded in the voices of women and girls in cocoa communities. The results will inform our work on gender equality and empowerment.

3. Increasing Access to Quality Education and Development Opportunities for Children:

Since 2017, we have worked with the Transforming Education in Cocoa Communities program on insights into the powerful linkages between robust monitoring systems, women's empowerment and education interventions. In 2020, we committed to invest \$3.3 million in [a public-private collaboration](#) to increase access to quality education in Côte d'Ivoire and Ghana, led by the Jacobs Foundation. As part of CLMRS remediation actions our suppliers and their partners implement, we support the distribution of school kits, birth certificates, infrastructure building and other actions focusing on keeping children in school.

4. Increasing Farmer Income: We directly support farmers income through the premiums we pay them, and indirectly through the training and support we provide on productivity and income diversification. We are piloting models for increasing productivity and diversifying household income, through other cash crops and non-farm earnings – in collaboration with suppliers and expert implementation partners. Through the [Farmer Income Lab](#) we are [launching innovation pilots](#) that focus on access to finance, management systems, increasing household and crop incomes for 14,000 farmers across Indonesia and Côte d'Ivoire. We were the first chocolate company to publicly support the Living Income Differential fee enacted by the governments of Côte d'Ivoire and Ghana, and require that this fee is included in all our contracts.



Sustainable Sourcing: Extended Supply Chains

Fish

In 2016, we launched our first Thai Fish Supply Chain Human Rights Action Plan which includes key performance indicators and uses the CARE Framework. As we advance this work, the sector continues to face complex challenges. Nonetheless, we are making progress.

As we continue learning more about how best to collaborate with our suppliers, how to form and activate the right partnerships and how to contribute to driving industry-level change, we remain focused on driving positive impact. Additional details on this work are available [here](#).

In the first phase of our Human Rights Action Plan work, we focused on increasing traceability, developing a better understanding of working conditions in our supply chain, and building relationships of trust across our supply chain and the sector. We mapped our Thai fish supply chain and launched Issara Institute's Inclusive Labor Monitoring (ILM) model during a four-year timeframe with our Tier 1 suppliers – opening access to a multi-lingual hotline and online application where workers could report issues and seek assistance as needed. In 2019, we issued [an update on progress](#) and hired an additional senior leader based in Thailand, bringing deep expertise in human rights to guide this work.

2021 Updates

The next phase of our human rights work in Thailand includes prioritizing the following actions, working together with a range of external partners. In 2021, we progressed on:

- Consolidating our supply chain and shifting our procurement model, where feasible, to increase our visibility, influence and leverage. We are exploring how our sourcing approach can help us reach our environmental and human rights commitments.
- Activating our Next Generation Supplier program over time with all of our Tier 1 suppliers — taking a long-term engagement approach to drive supplier ownership and capacity, and to identify and address forced labor risks and other human rights issues. Priority issues in current programs include responsible recruitment, with a focus on understanding and addressing recruitment fee risks, health and safety and worker engagement.
- Initiating multi-year collaborations designed to improve efforts to monitor, address, and prevent human rights risks for international fishing vessels, supported by third-party experts.
- Continuing to support fishermen drop-in and migrant children learning centers in Southern Thailand run by the nonprofit organization Stella Maris, and collaborating with USAID on a Connectivity @ Sea Technology and Ethical Recruitment. Learnings from our work with USAID are available in [this brief](#).
- Supporting advocacy to ensure nonprofits are able to continue their important work in Thailand and continuing our active role on the Seafood Taskforce to help drive improvements in practices at scale. We are emphasizing the importance of government action to promote responsible recruitment and to strengthen national approaches to human rights and enforcement of labor law.
- Supporting Raks Thai Foundation to implement COVID-19 response work across 11 provinces in Thailand, with a focus on seafood and fishery workers and their communities. More than 55,000 people were reached with support including [cash and emergency supplies](#), and community leaders have been trained on health and sanitation, financial management due to loss of income, and access to testing and medical services.

We are encouraged by the effectiveness of fisherman support centers that we have supported since 2019, implemented by Stella Maris. The centers connected more than 13,500 people – primarily migrant workers – to legal services, education and medical support between 2019 and 2021. Together with Stella Maris, we expanded our partnership in 2021 to provide grievance support services to fishery workers on hundreds of fishing vessels at two major landing ports in Thailand.



Sustainable Sourcing: Extended Supply Chains

Palm Oil

Since 2013, we have purchased 100% Roundtable for Sustainable Palm Oil (RSPO) certified palm oil, and 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.

In 2019, we announced our Palm Positive Plan, aiming to deliver 100% deforestation-free palm oil by the end of 2020 and advance respect for human rights across our suppliers' extended supply chains. The plan significantly simplified the Mars palm oil supply chain – moving from more than 1,500 mills to 87 in 2021 with plans for further reductions in 2022. We publish our [Tier 1 palm oil supplier and mill lists](#), updating as the Palm Positive Plan progresses.

With a shorter supply chain comprised of partners who are committed to driving improvements in management systems and working conditions, we can increase accountability, influence and connectivity. This approach is focused on deeper relationships with suppliers and engaging with our Tier 1 suppliers as they build their capabilities to monitor, address and prevent human rights risks in their supply chains.

Since 2017, we have worked with Verité and our supplier Wilmar to explore how businesses across the palm oil supply chain can better understand, address and prevent human rights risks, with a focus on forced labor. Verité published a [detailed case study](#) of insights from this work in 2020. We funded additional work with Verité to launch a new, customized online toolkit in 2021, equipping palm oil producers across the sector with practical guidance to design and manage their own due diligence systems. We are beginning to develop longer-term, supplier-driven initiatives to reduce human rights risks, including those related to forced labor, with other key suppliers in Malaysia and in Brazil, and will continue this approach across our supply chain.

As we continue this stepped-up engagement, we're committed to sharing our learnings along the way through regular public updates and engagement in industry forums. We continue to support the Consumer Goods Forum palm oil working group, which commissioned [research](#) to identify risks of forced labor in the palm sector in Indonesia and Malaysia in 2018. Insights from the report are informing where we prioritize action, including collaborative work on [human rights due diligence systems in the palm oil sector and greater connections across the environmental and social agendas in the sector](#).



2021 Updates

In 2021 we deepened our collaboration with suppliers to support their efforts to advance respect for human rights.

In Malaysia, we launched a multiyear collaboration with a palm oil supplier and Verité Southeast Asia focused on responsible recruitment. This work includes:

- Designing and implementing an improved ethical recruitment model, including direct recruitment;
- Enhanced grievance mechanisms and communication processes to understand effectiveness of this model;
- Identifying and addressing recruitment fee risks.

Partnerships with third-party experts and industry groups supported our efforts in palm supply chains in 2021. We supported Verité to develop a [palm oil producer toolkit](#) aimed at helping palm oil mills and plantations address worker rights issues, manage labor risks and improve working conditions.

We are deepening our engagement with suppliers on the issue of ethical recruitment through direct engagement as well as through industry collaborations. We are focusing on equipping our Malaysian palm oil suppliers in particular to better understand the effectiveness of their current recruitment policies and practices, as well as areas where they most need support to strengthen.

Through the Consumer Goods Forum, we are engaging with palm oil suppliers on a shared approach to building their own forced labor focused due diligence systems. We also remained an active member in RSPO's working groups and are a co-convenor of a working group leading the development of human rights due diligence tools. We are supporting efforts to continue strengthening human rights and forced labor related aspects of the RSPO standard during its current revision process.



Sustainable Sourcing: Extended Supply Chains

Sugarcane

We are working to simplify our sugarcane supply chain with a focus on strategic, longer-term relationships with key suppliers in sourcing origins. A consolidated supply chain allows us to deepen support with suppliers as they implement child labor and forced labor monitoring systems, and address issues identified.

In Mexico, a three-year program is underway with a sugarcane supplier to increase access and use of PPE, strengthen how the supplier manages key human rights risks in fields, and enhance grievance mechanisms. This work has led to a reduction in accident rates by almost 40% during sugarcane harvests, has improved access to PPE for 2,500 cane cutters, and has covered 3,000 cane cutters with monitoring systems. With expertise and support provided by Verité and Proforest, the supplier is building its systems and capability to monitor, address and prevent key human rights risks, including forced labor, through this work.

To increase collaboration, momentum and sector-wide action, we helped to found Alianza por la Sustentabilidad de la Agroindustria de la Caña de Azúcar en México (ASACAM) - a coalition in Mexico bringing together sugarcane growers associations, global and local companies, and local governments. Through this platform, we are sharing learnings and supporting solutions across the sector.

With ASACAM we have catalyzed and supported industry-wide training on ethical recruitment in Mexico reaching 20 leading mills, growers associations and peer companies. In total, more than 300 people attended learning sessions representing mills, government, producer associations, consultancies, academia, NGOs, farmers and brands. This work builds on existing efforts to deepen the capabilities of sugarcane suppliers to Mars in that region to monitor, address and prevent a range of human rights risks in their supply sheds.

We continue to expand this work across other at-risk sugarcane origins.

Other Supply Chains

We are working to better understand the nature of human rights risks, including forced labor, across other supply chains we rely on as a business and to identify how we can play the most appropriate role in driving change. In 2021, we refreshed our risk analysis of key origins and raw materials.

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.

VERITÉ

Fair Labor. **Worldwide.**

Global Strategic Partner

2021 marks the fifth year of our global partnership with Verité – a leading nonprofit and global expert on labor rights with more than 25 years working to ensure people worldwide are in safe, fair and legal working conditions.

Our comprehensive partnership is designed to take action, [foster new insights](#), and lead dialogue on critical global human rights challenges.

Our work together includes a focus on forced labor, with collaboration on initiatives across our full human rights program – in Mars operations, with our first-tier suppliers and in high-risk extended supply chains. Our partnership has been critical in understanding and addressing risks across a number of supply chains including sugarcane, cocoa, rice, mint, fish, and palm oil.

Verité is advising Mars on our global human rights strategy, policies and practices, and together we are gathering insights, generating new research and promoting dialogue to inform action across the business and human rights community. More information about our work together is available [here](#) and in [our first partnership update](#), as well as our reflections on key [insights to date here](#).

Stakeholder Engagement



Alliance 8.7 encourages businesses and other stakeholders to act on United Nations' Sustainable Development Goal 8.7 to eliminate forced labor and the worst forms of child labor. Mars is a founding member of the ILO's Child Labor Platform and an early supporter of the Business Network on Forced Labor, the two key business platforms of Alliance 8.7.



In 2019, Mars joined the [Business for Inclusive Growth coalition](#), together with other companies committed to taking action to ensure the benefits of economic growth are shared far more widely. The coalition is focused on advancing human rights in direct operations and supply chains, building inclusive workplaces and strengthening inclusion in company value chains and business ecosystems. Our CEO, Grant F. Reid, participates actively in the coalition's work to advance living wages, build inclusive workplaces, and improve social impact measurement.



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 10 principles, which include seeking to eliminate all forms of forced and compulsory labor.



In 2017, we joined IHRB's [Leadership Group on Responsible Recruitment](#), underscoring our commitment to this critical topic and recognizing that recruitment fees paid by migrant workers are a key contributor to forced labor. Through our participation in this group, we're joining collective action toward the vision of eradicating worker fees over the next ten years.

Stakeholder Engagement



For the past six years, we played a leadership role within CGF to champion the importance of business action against forced labor. Grant F. Reid, our President and CEO, serves on the CGF Board where he is co-chair of the Governance Committee and co-sponsor of the [Forest Positive Coalition](#). He previously sponsored CGF's Sustainability work. Barry Parkin, our Chief Procurement & Sustainability Officer, previously co-chaired CGF's Sustainability Steering Committee, and we are active members of the Human Rights Coalition – Working to End Forced Labor.

Members of CGF's Human Rights Coalition will implement [human rights due diligence systems with a focus on forced labor risks](#), covering 100% of their own operations by 2025. Additionally, members are working with selected suppliers in the palm oil sector to develop human rights due diligence systems within their supply chain, from refinery to plantation level, by 2023.

In 2018, [Grant F. Reid spoke](#) at the Global Forum on Responsible Recruitment and Employment in Singapore, continuing to champion focus and action against forced labor. His remarks challenged business, government and civil society to focus on collaboration and demonstrate substantive progress to end forced labor in global supply chains. In 2019, [he reiterated this call to action](#) ahead of CGF's Global Summit in Canada and stressed the urgency of business and governments to demonstrate results.

FARMER INCOME LAB

In 2017, we founded this industry-led collective to make supply chains work for farmers and businesses. Recent collaboration includes a reports: [Poverty & Procurement in a Pandemic](#), and, [Enabling Smallholder-Based Agricultural Transformation](#) which seek to address how business can build more equitable supply chains. The Lab's research seeks to advance thought leadership on how various actors, including businesses, can work to improve smallholder farmer incomes, which are linked to human rights risks in certain supply chains.

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 RSPO and others across our priority raw materials. We also work closely with the major global cross-commodity certification organizations: Rainforest Alliance and Fair Trade.



World Cocoa Foundation



Assessing Effectiveness

Across our global human rights programs, from Mars workplaces to Tier 1 facilities to extended supply chains, we aim to understand if and how interventions are having the intended impact, and what we can learn through their deployment. For example, our Next Generation Supplier program incorporates worker voice to understand changes in worker sentiment over time, and our programs in extended supply chains are beginning to incorporate the same approach. We are further developing our approach to metrics and evaluation to better track early signals of progress or challenges so that we can adapt and adjust continuously.



Update on 2021 Actions

In our 2020 Modern Slavery Statement, we referenced specific next steps in our work to address forced labor risks. Although the challenges of the global pandemic have impacted phasing and deployment of some of our efforts, this update shares our progress and a look ahead to some efforts currently underway.



Performance Measures:

In 2021, we continued to test and refine key performance indicators framework that helps us assess effectiveness of our human rights programming. Our focus and framework aim to measure improvements in systems and conditions that advance our respect for human rights. We are leveraging data management teams, new personnel, and external experts to finalize the development of metrics that will help us track and measure impact.



Engaging in Priority Supply Chains:

We continued to implement our [Protecting Children Action Plan](#) in cocoa, the [Palm Positive Plan](#) in palm oil, and the next phases of our work addressing human rights issues in the [Thai fish supply chain](#) with partners such as Verité, CARE and others.



Supplier Engagement:

We've expanded the Next Generation Supplier program rollout and worked to expand the number of suppliers enrolled in continuous improvement programs. We have evolved our approach to more effectively meet the needs and capabilities of suppliers while driving for meaningful improvements at their sites.



Training:

We continued to deepen our capability building and learning support to our direct suppliers and in specific supply chains. This includes funding new training launched by Verité for palm oil producers, and cocoa suppliers, and launching new internal training at Mars to equip procurement leaders to understand and take action across our human rights programs. Verité also hosted training sessions with our growing human rights teams, reaching Associates across our Food, Confectionary, and Petcare segments.

Looking Ahead

Addressing forced labor, including modern slavery and human trafficking, will continue to require concerted action by businesses and close collaboration with government and civil society. We are committed to moving forward and to working closely with others to drive progress. As we advance this work in 2022, we are focused on:

- ✓ Taking action on responsible recruitment across the value chain – including pilots in fish and palm oil sectors – and sharing our insights;
- ✓ Refining targets and metrics across our salient human rights issues to keep improving how we track and measure impact;
- ✓ Progressing our human rights approach across our own operations, with Tier 1 suppliers and in key raw material origins;
- ✓ Advocating for strengthened and harmonized human rights due diligence that drives positive impacts for people and planet;
- ✓ Deepening our focus on gender and sourcing, as well as understanding the intersections between our human rights work and key environmental threats such as the climate crisis.



This statement constitutes the modern slavery and human trafficking statement for the financial year ending December 31, 2021 of Mars, Incorporated and all its applicable subsidiaries which fall within the scope of section 54(2) of the UK Modern Slavery Act 2015, including Mars Wrigley Confectionery UK Limited, Mars Petcare UK and Mars Food UK Limited, Crown Pet Foods Limited and Linnaeus Veterinary Limited. The statement was approved by the boards of directors of its relevant UK subsidiaries, pursuant to section 54(2), in June 2022.

This statement constitutes the modern slavery statement for the financial year ending December 31, 2021 of Mars, Incorporated and its applicable subsidiaries which fall within the Australian Commonwealth Modern Slavery Act of 2018, including Mars Wrigley Australia Holding Pty Ltd and Royal Canin Australia Pty Ltd. (the “reporting entities”). It was approved by the boards of directors of its relevant reporting entities in June 2022.

This Statement is a joint statement. The undersigned is a responsible member of the parent company. It was prepared in consultation with the reporting entities, including by making those entities aware of its preparation and providing the opportunity to participate.



Grant F. Reid
Chief Executive Officer
Office of the President
Mars, Incorporated
June 2022



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

[mars.com.sustainability-plan](https://mars.com/sustainability-plan)