

Verité and Mars, Inc. Global Strategic Human Rights Partnership: Purpose and Scope

Verité and Mars are establishing a long-term partnership further their common goals of advancing respect for human rights in Mars operations and supply chains and raising levels of human rights awareness and action among key actors across sectors. We believe that by partnering we can accomplish more than we could each accomplish alone. We have agreed upon a shared ‘purpose’ statement for our partnership as follows:

“The purpose of our long-term partnership is to take action to advance respect for human rights in Mars operations and extended supply chains through systematic evaluation and mitigation of human rights risk, and to generate insights and dialogue that raise human rights awareness and drive change from business, government and civil society.”

We each bring to the partnership unique resources, skills and attributes that can drive progress toward our shared goals. These include:

Verité

- Deep subject matter expertise across a wide range of human rights issues and high risk geographies;
- Extensive capabilities in conducting human rights research, analysis, auditing and reporting;
- Proven track record engaging with the private sector to raise awareness and drive meaningful changes in the practices of both global and local companies on complex human rights topics;
- Strong and widely recognized credibility as an impartial and trusted human rights non-profit organization.

Mars, Inc.

- Strong commitment in terms of policy, practice and governance to taking action on human rights in operations and supply chains;
- High business relevance of human rights issues - buyer of a number of high human rights risk raw materials around the world and with operations and suppliers based in many high human rights risk countries;
- Demonstrated willingness and ability to lead industry and sector coalitions to drive progress on sustainability and human rights issues;
- Credibility as a privately-owned, principles-based company focused on sustainable growth and responsible buying practices.

Our partnership will be activated through jointly-agreed work across three ‘pillars’ – Action, Insights and Dialogue. We expect to work together in the following areas:

Action:

- Verité will advise on Mars’ global human rights strategy, policies and practices across its business.
- Verité will provide expert guidance and input as Mars safeguards human rights in its own workplaces.
- Verité will support Mars and its first-tier suppliers in high-risk countries through specialized training and management consulting to increase capacity and by strengthening human rights monitoring and remediation systems.
- In high-risk extended supply chains, Verité and Mars will work jointly to identify human rights challenges and develop and activate strategies to address them, in collaboration with other actors in business, government and civil society. Our shared priorities are actions to identify and remediate forced labor and child labor.

Insights:

- Verité will provide thought leadership about best practice, challenges and latest approaches to human rights in relevant supply chains, and will conduct new research as needed, sharing insights to inspire and inform action by Mars and others. Together, we will share reflections and learnings from our collaboration along the way. We are committed to transparency and sharing our progress.

Dialogue:

- Mars and Verité will convene stakeholder dialogues with practitioners across sectors to explore insights and to foster discussion that meaningfully advances the field of business and human rights.

This work will include both global and central collaborations between the Verité and Mars teams as well as collaborations focused specifically on key at-risk supply chains. The scope of the work will include the range of steps in the Mars CARE Framework, including:

- **Commit:** Mars commitments, policies, capabilities and governance.
- **Assess:** Human rights conditions and impacts assessment, risk research and monitoring and grievance systems.
- **Respond:** Human rights remediation approaches, best practices and government engagement.
- **Engage:** Human rights stakeholder engagement, coalitions and transparent reporting and communications.

We will hold an annual partnership meeting in person, a mid-year partnership meeting remotely, and our teams will engage frequently in the interim as necessary to advance agreed plans.

We will communicate publicly about our partnership and its results, as doing so helps to drive progress toward our purpose and our shared goals. As we do so, we will develop and draw from key messages including the following that are jointly developed and agreed.

Verité and Mars, Inc. Global Strategic Human Rights Partnership: Approved Key Messages

Key Messages: Partnership Overview

- Verité and Mars are launching a long-term, strategic partnership to advance respect for human rights and improve the lives of the most vulnerable workers in global supply chains relevant to Mars operations. Together, we will take action, foster new insights and lead dialogue on critical human rights challenges.
- **The purpose of our long-term partnership is to take action** to advance respect for human rights in Mars operations and extended supply chains through systematic evaluation and mitigation of human rights risk, and to **generate insights and dialogue** that raise human rights awareness and drive change from business, government and civil society. We expect to work together in the following areas:
 - **Action:**
 - Verité will advise on Mars' global human rights strategy, policies and practices across its business.
 - Verité will provide expert guidance and input as Mars safeguards human rights in its own workplaces.
 - Verité will support Mars and its first-tier suppliers in high-risk countries through specialized training and management consulting to increase capacity and by strengthening human rights monitoring and remediation systems.

- In high-risk extended supply chains, Verité and Mars will work jointly to identify human rights challenges and develop and activate strategies to address them, in collaboration with other actors in business, government and civil society. Our shared priorities are actions to identify and remediate forced labor and child labor.
- **Insight:**
 - Verité will provide thought leadership about best practice, challenges and latest approaches to human rights in relevant supply chains, and will conduct new research as needed, sharing insights to inspire and inform action by Mars and others. Together, we will share reflections and learnings from our collaboration along the way. We are committed to transparency and sharing our progress.
- **Dialogue:**
 - Mars and Verité will convene stakeholder dialogues to explore insights and to foster discussion that meaningfully advances the field of business and human rights.

Supporting Messages

- **Verité and Mars share a common goal** – advancing respect for human rights in Mars’ operations and supply chains, and raising human rights awareness and action among key actors across sectors.
- **Our collaboration is unique**, combining Verité’s expertise in identifying and addressing serious human rights issues in global supply chains with the strong principles and policies of Mars, Incorporated – a private, family-owned business operating across 78 countries. Together, we believe we can accomplish far more to improve lives and advance respect for rights than we could individually.
- **For Verité**, forming a strategic partnership with a consumer goods company as large and complex as Mars represents a remarkable opportunity to achieve impact on a truly global scale, across a range of critically important supply chains. As a leader in assessing, addressing and eliminating the root causes of unsafe, unfair and unlawful labor in global supply chains, Verité will be applying more than 20 years of expertise in new and innovative ways with Mars.
- **For Mars**, this long-term, multi-faceted partnership will deepen our global human rights programs, lead change in specific supply chains and generate new insights that fuel dialogue across sectors.

Verité and Mars, Inc. Global Strategic Human Rights Partnership: Q&A

Partnership Q&A

Why are you working together?

Verité envisions a future where everyone works under safe, fair and legal conditions, and at Mars, we believe everyone touched by our business should be treated with fairness, dignity and respect. We share these common values, bring together complimentary skills and capabilities and work across many of the same countries, issue areas and supply chains. By partnering, we not only accelerate impact, we also deepen the expertise and experience of both our organizations.

What do you hope to achieve?

The purpose of our partnership is to take action to advance respect for human rights in Mars operations and across its tier-one and extended supply chains and to generate insights and dialogue that raise human rights awareness and drive change across business, government and civil society. Together, we aim to improve lives through this work and to inspire action among a broader range of actors.

In which countries or supply chains will you take action?

In the coming months, we will determine the specific supply chains in which we will collaborate. These may include work in a range of supply chains relevant to Mars such as cocoa, palm oil or fish. Our collaboration in supply chains may include work such as identifying human rights conditions, providing customized and practical training for first tier suppliers, or deploying integrated approaches to remediation or specific due diligence and remediation tools.

We will focus in particular on supply chains in which forced labor and/or child labor are potential issues, as those are the salient human rights issues that Mars and Verité have jointly prioritized. We know that supply chains with greater numbers of migrant workers, or geographies where passport retention is legal or culturally acceptable, for example, are important risk factors in determining where workers may be most vulnerable.

Is this just a one-year project?

No - we're taking a long-term approach, given the sustained action that is needed to change and impact these complex issues. This allows us to take risks and try new approaches, as well as build capabilities within our organizations over time.

Will Verité also be influencing Mars strategy and policy on human rights?

Yes - in addition to our work in specific geographies and industries, Verité and Mars will also work together at a global level on human rights policy, governance, strategy and practice.

Mars, Inc. Q&A**Is Mars working on human rights already?**

At Mars, we're seeking to promote and respect human rights across our entire value chain. From farms to supplier factories to our own workplaces, we believe everyone touched by our business should be treated with fairness, dignity and respect. For more than 100 years, we've sought to bring to life our Five Principles of Quality, Responsibility, Mutuality, Efficiency and Freedom.

Our human rights work is guided by our comprehensive global Human Rights Policy, launched in 2014, which embraces the approach to international human rights in the United Nations Guiding Principles on Business and Human Rights. Our dedicated global human rights team works with teams across our business, respected third-party experts, and a Human Rights Steering Committee of our senior executives. Annually, our Board of Directors reviews our human rights progress and challenges.

In the 78 countries where we do business, and across our value chain, we're making progress in our efforts to promote and respect human rights, but we also face real challenges. We know that collaboration is critical to making progress in addressing the complex and systemic human rights issues that are present across the industry in many of the supply chains upon which we rely. We work with governments, businesses, civil society and impacted people and communities as we make progress on our shared goals.

What are the biggest human rights challenges facing Mars?

We believe, based on research insights and guidance from experts, that child labor and forced labor are the most serious human rights risks present in our extended agricultural supply chains. Where these issues exist, they are often systemic and endemic across the industry for a particular material. We are focused in particular on seeking to eliminate child labor and forced labor in key supply chains, including, for example, cocoa, palm oil and fish.

- **Child Labor:** Through our work with the ILO’s Child Labor Platform and other collaborations, we are working to identify and advance best practices in eliminating child labor and to apply those models at the community level with our suppliers and partners across our supply chains.
- **Forced Labor:** We Co-Chair the Consumer Goods Forum’s global task force on forced labor, which is focused on mobilizing our industry to identify and address the practices that contribute most to forced labor in supply chains at the factory or farm level, including recruitment fees, withholding of passports and unfair pay practices. We played a leadership role in the development of these Priority Industry Principles and work is underway to implement them across the consumer goods industry and beyond. CGF members have an action plan to advance these Principles which includes a focus on forced labor in the seafood and palm oil industries in Southeast Asia.

What kind of action on human rights is Mars already undertaking in their supply chains?

- **Cocoa:** In all our work on sustainable cocoa – by pursuing 100% cocoa certification, by increasing farm productivity through our Vision for Change program, or by driving industry and government collaborations – we are committed to making progress on the elimination of child labor. In cocoa communities in West Africa, we are working with the International Cocoa Initiative to help implement Child Labor Monitoring and Remediation Systems and we aim for Vision for Change communities to have Child Protection Committees in place, in partnership with the International Labor Organization. We are also focused on increasing farm productivity as a way to raise farm incomes, which we believe further supports reductions in child labor. We believe progress toward reducing child labor in cocoa over the past ten years has been far too slow – while this is a complex issue with numerous drivers, we believe it can and must be addressed. Efforts must be redoubled and we all must re-commit to action that drives results.
- **Palm Oil:** We use small amounts of palm oil in many of our confectionary products. Since 2013, we’ve been sourcing 100% certified palm oil on a mass balance basis through the Roundtable on Sustainable Palm Oil (RSPO), and we are now able to trace more than 90% of our palm oil to the mill level. Our [Palm Oil Policy](#) and sourcing strategy includes a focus on going beyond certification to ensure that our palm is grown and produced with respect for the rights of local communities and workers. Across the palm oil industry, human rights issues such as forced labor, health and safety risks and land rights continue to be challenges. Through our partnership with The Forest Trust and other advisors, we are securing commitments from all of our palm suppliers to comply with our Policy requirements and requiring that they ask their suppliers to do the same.
- **Fish:** Fish is an important source of protein in our food for pets. We are aware of the widely reported human rights issues prevalent across the fishing industry in Southeast Asia and we are taking action to address them in our supply chain. In 2016, we launched our Thai Fish [Human Rights Action Plan, which](#) includes key performance indicators based on the CARE Framework. As a part of our longstanding commitment to sustainably sourced fish, we taking action on human rights which includes mapping our fish supply chain in Southeast Asia, working with experts to identify any potential human rights issues through to the vessel level, and working with our supply chain partners and others to address issues that are identified. This includes a partnership with 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. We are also playing a leadership role in the Seafood Task Force, a group which brings together key groups across sectors to drive progress on human rights in this industry.

Verité Q&A

How does Verité operate?

Verité is a global, independent, non-profit organization which provides consulting, training, research, and assessment services with a vision to ensure that people worldwide work under safe, fair, and legal conditions. Verité has an extensive network of regional offices and partner organizations located in China, the Philippines, India, Bangladesh, and throughout Europe, Africa, and Latin America. As an NGO, Verité is recognized for its independence and unique credibility, as well as the practical usefulness of its information to brands, suppliers, governments, investors, civil society organizations and trade unions. Our work to align business and social impact has earned us recognition in the social entrepreneurship space, including a 2007 Skoll Award for Social Entrepreneurship and the Social Entrepreneur of the Year in the United States for 2011 by the World Economic Forum-affiliated Schwab Foundation.

What issues and sectors does Verité focus on?

Verité provides global companies and their supply chain partners with integrated assessment, research, consulting, and training services to address the root causes of unsafe, unfair, or illegal labor practices in their supply chains. For more than 20 years, we have partnered with hundreds of multinational brands, suppliers, and international institutions in more than 70 countries across multiple sectors to improve working conditions and social performance within global supply chains. We have particular expertise in the electronics, apparel, seafood, palm oil, agriculture, and construction industries, and are increasingly working in mining, forestry, hospitality, and tourism. Verité offers an unbiased understanding of working conditions in global supply chains through our network of researchers. Our analysis and recommendations provide the knowledge and tools needed to address the worst forms of child labor, forced labor, human trafficking, and other human rights abuses across regions and sectors.

What are some examples of Verité's previous work?

- **Labor Recruitment:** Working with the U.S. Department of Labor, Verité conducted a two year [study](#) into labor conditions in electronics manufacturing in Malaysia. Verité found that one in three foreign workers surveyed was in a condition of forced labor. We have also worked with Apple since 2008 on the issue of bonded labor and excessive recruitment fees in their supply chain. This has resulted in \$25.6 million repaid to workers since 2008, including \$4.7 million in 2015 alone. One hundred percent of Apple's top 200 facilities at risk for bonded labor are audited annually and, in 2015, 69 special bonded labor investigations were conducted.
- **Agriculture:** Verité has worked with Philip Morris International since 2011 to develop and implement a global [Agricultural Labor Practices](#) program aimed at eliminating forced labor and the worst forms of child labor in their global tobacco supply chain. This program reaches and improves working conditions of 2.5 million people working or living on approximately 450,000 smallholder farms in nearly 30 countries.
- **Seafood:** In 2015, we worked with Nestlé to conduct an [assessment](#) of recruitment practices and migrant labor conditions in their Thai Shrimp Supply Chain. Verité found indicators of forced labor, trafficking, and child labor to be present among sea-based and land-based workers engaged in the production sites covered by the assessment and provided recommendations on how to correct such issues. Verité continues to work on this issue through the USAID Oceans and Fisheries Partnership and the [Seafood Task Force](#).
