

Mars Marketing Code for Human Food 2020 Governance Report

**This report is based on 2019
audit results**

MARS



**Ben's
Original™**



Contents

- 3 Introduction
- 4 Our Responsible Marketing Commitments
- 6 Audit Methodology
- 7 2019 Audit Results
- 9 Audit key learnings and areas for improvement
- 12 Appendix

**The world
we want
tomorrow
starts with
how we do
business
today**
MARS

Introduction

We are pleased to present Mars' third annual governance report that tracks our progress in implementing the commitments in our Mars Global Marketing Code for Human Food ('the Code') for 2019. The Code guides how Mars and our brands communicate and interact with consumers, grounded in our Five Principles and the Mars purpose.

With many well-known brands loved worldwide, we take responsible marketing seriously, and we pride ourselves on being a leader in responsible marketing. Compliance with our Code is critical and we have set goals to remain more than 95% compliant with media content standards, and more than 97% compliant with media placement standards — both of which we exceeded in 2019 with 97% and 99% respectively, improving on our compliance from last year.

We also believe in transparency of our compliance, both internally and externally. This report provides more detail on how Mars governs and audits our responsible marketing practices, gives an update on our levels of compliance and progress on areas for improvement we identified last year.

This year has been a flagship year to drive forward new and more effective processes of internal governance, which we are sharing in this report. In addition, Mars has been a founding member of the World Federation of Advertisers' Global Alliance for Responsible Media (GARM) initiative, in which we are partnering with digital platforms to create stronger brand and social safety standards to create a safer media environment for consumers and brands.

We are encouraged that our results continue to demonstrate that our governance practices are driving the right behaviour, of our Associates and agency partners, in upholding the commitments that we have made to market our brands responsibly. It is our hope that the findings shared here positively demonstrate the value and importance of responsible marketing practices and spark further action across the industry.



Jane Wakely,
Lead Chief Marketing Officer
Mars, Incorporated



Jacqui Stephenson,
Global Responsible Marketing Officer,
Mars Wrigley Confectionery



Rafael Narvaez Gil,
Global Chief Marketing Officer,
Mars Food



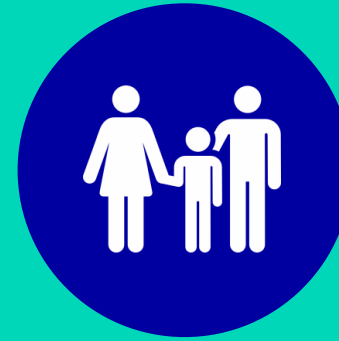
Cathryn Sleight,
Chief Growth Officer,
Mars Wrigley Confectionery

Why we are committed to market responsibly

Marketing – through its reach, trend-setting and behavior-change capabilities – shapes consumer tastes, perceptions and actions. This powerful force can inspire and represent society positively, but can also have unintended negative consequences, especially for vulnerable audiences like children who do not yet understand the commercial intent of marketing.

Marketing is the way that companies like Mars interact with consumers and determines how our brands and products show up to the world. In line with our purpose that ‘The world we want tomorrow starts with how we do business today’ and our Five Principles, we believe that with a strong commitment to responsible marketing, we’re driving positive change.

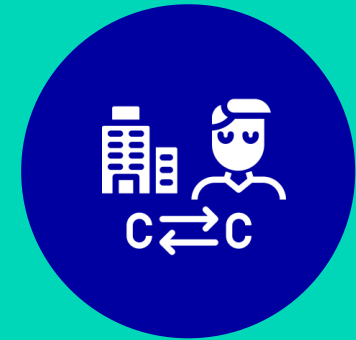
We want to ensure that we are responsive to consumer and society expectations in relation to responsible marketing, which is why we constantly re-evaluate and seek to improve our approach.



Protecting children as a vulnerable audience



Using the power of marketing for good



Being responsive to consumer expectations

Our Responsible Marketing Commitments – Mars Global Marketing Code for Human Food

The Mars Global Marketing Code for Human Food is Mars' industry-leading commitment to address and govern marketing issues. The Code sets out the standards that guide the way that Mars and its brands communicate and interact with consumers.

The purpose of the Code is to serve as a framework through which Mars sets boundaries for its marketing, while driving positive change and setting an example for industry peers for what we believe to be right for consumers. We base these beliefs, as we do with all of our positions at Mars, on strong science, consumer insight and a sensitivity for the concerns by stakeholders.

For further information on our responsible marketing commitments, please refer to the full [Mars Marketing Code for Human Food](#).

The key commitments of the Mars Global Marketing Code for Human Food

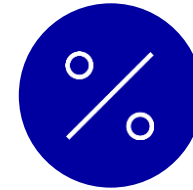
Placement commitments



Applicable globally and to all marketing communications



No marketing targeted primarily to children under 12 years old (13 for digital)



25% audience threshold



No placement of vending machines or event sponsorship in primary schools



No data collection for children under 16 years old

Content commitments



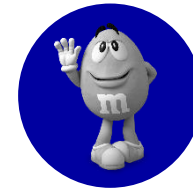
Encourage healthy lifestyles and not condone excessive consumption



No use of celebrities or licensed characters primarily appealing to children under 12



No child-appealing promotions, advergames, giveaways or purchasing incentives



Strict governance of our brand characters - primarily directed at adults



Advertising consistent with the Five Principles and our advertising guidelines

Third-party audit and review methodology

To ensure effective implementation of our Code, we conduct third-party auditing across our top advertising spend markets:

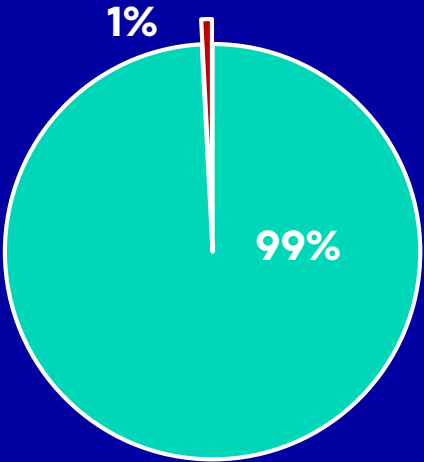
- Australia
- Canada
- China
- France
- Germany
- Mexico
- Netherlands
- New Zealand
- Poland
- Russia
- Saudi Arabia
- United Kingdom
- United States

PLACEMENT COMMITMENTS COMPLIANCE AUDIT: We work with MediaCom, our media planning and buying agency, to collect data on our compliance with our commitment not to place our marketing communications on channels where children under 12 years old make up more than 25% of the total audience (and children under 13 years old on digital platforms). We developed a scorecard that is completed by Mediacom in all top-spend markets, which includes the percentage compliance and number of breaches per channel, across six types of media channels. We've set ourselves a 97% compliance target, accounting for things outside of our control, such as children under 13 years using digital services not providing their true age or limitations in predicting the exact audience composition of a TV program ahead of it airing. In Online Video, where there is no single source of third-party verifiable data to determine Marketing Code compliance, Mars and MediaCom have developed a pragmatic methodology has been agreed that errs on the side of caution in order to estimate the number of impressions that may have been served to children under 13 years.

CONTENT COMMITMENTS COMPLIANCE AUDIT: Nielsen is the third-party auditor that assesses the compliance of our marketing communications and media content across print, TV, digital, social media and posters with our commitment not to develop content which appeals primarily to children under 12 years old (13 in digital channels), to encourage healthy lifestyles and not condone excessive consumption, and to follow our advertising guidelines. Each quarter, they perform 25 compliance checks to ensure the content of our marketing communications, not just their placement, is compliant with the Code. We have set ourselves a compliance target of 95% to account for long lead times to implement changes in some of our marketing content as well as a small element of subjectivity in the auditors' assessment.

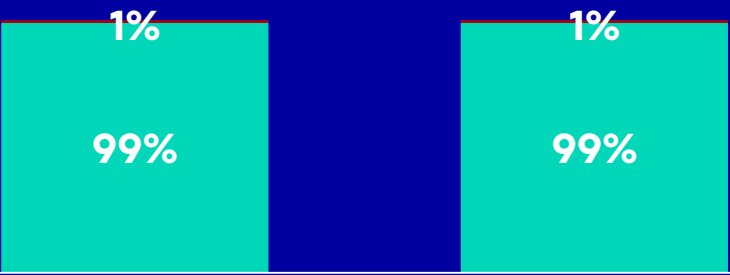
Placement commitments compliance results - 2019

OVERALL COMPLIANCE



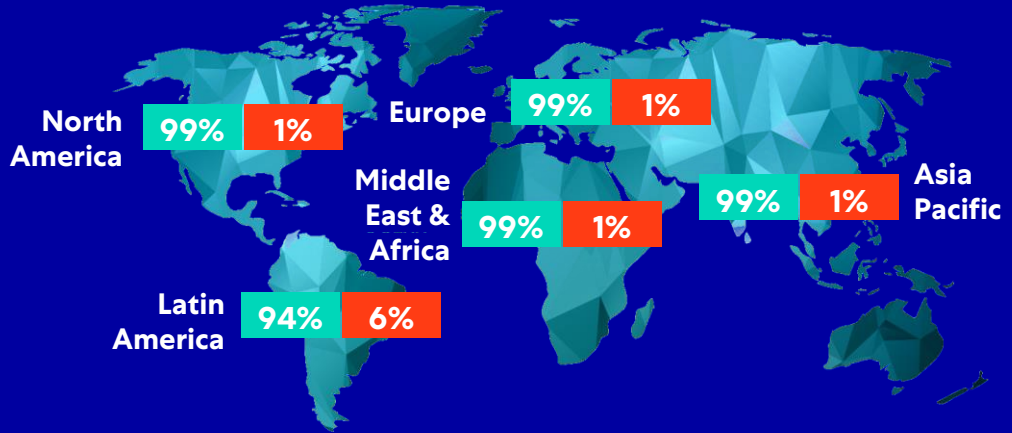
■ Compliant ■ Non-compliant

BY SEGMENT



MARS FOOD **MARS WRIGLEY**
 ■ Compliant ■ Non-compliant

BY REGION

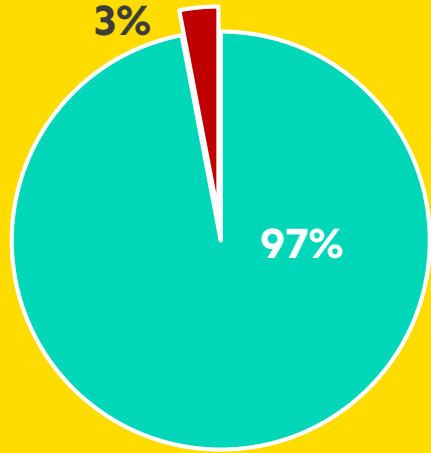


BY CHANNEL

	National digital	99%	1%
	Publishing	N/A	N/A
	Shopper digital	99%	1%
	Social media	99%	1%
	TV/Cinema/Radio	99%	1%
	Posters & billboards	85%	15%

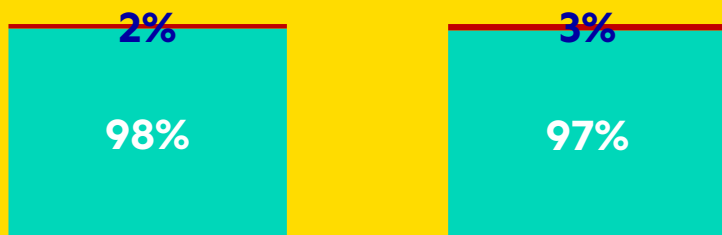
Content commitments compliance results - 2019

OVERALL COMPLIANCE



Compliant Non-compliant

BY SEGMENT

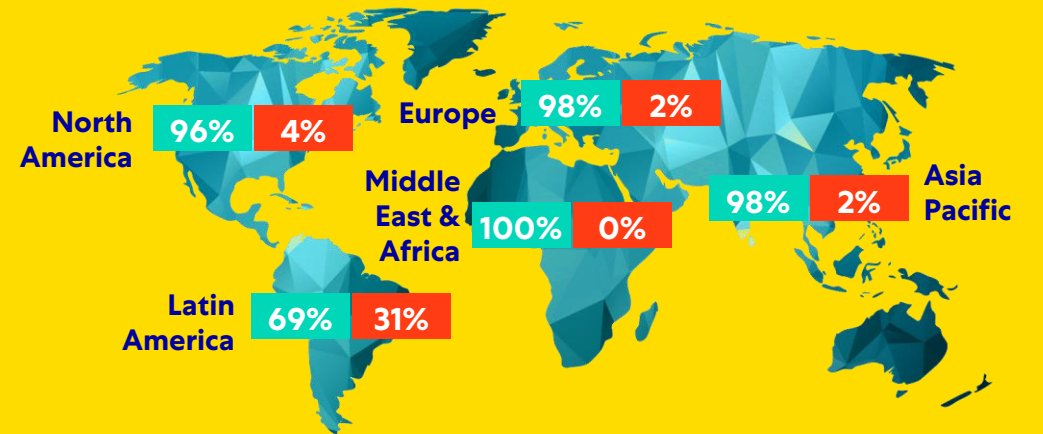


MARS FOOD

MARS WRIGLEY

Compliant Non-compliant

BY REGION



BY MARS MARKETING CODE SECTION

	Advertising guidelines	100%	0%
	Characters & Celebrities	99%	1%
	Digital & Privacy	97%	3%
	Targeting children	99%	1%
	Portrayal of children/adults	99%	1%
	Responsible promotions/consumption	98%	2%

Our progress on areas of improvement identified in last year's [audit](#)



Tackling the portrayal of over-consumption

Last year, we identified a need to be more aware of the types of images marketers put up on social media and the implied message of the content so as not to inadvertently promote overconsumption. Since then, we have worked with our lead social media content team to develop guidelines and establish a more streamlined governance process to ensure that all social media content is compliant with our commitments.



Latin America remains a key area of focus for improved governance

While governance in our Latin American markets is still not where we would like, our infrastructure has improved which should result in higher compliance and responsiveness going forward. We are already starting to see the positive impact of our work, with compliance rates increasing from Q1 to Q4 of 2019. This suggests that the market is moving in the right direction and our teams are working to ensure this continues in 2020.



Brand character governance

The governance of our brand characters is a key part of our governance work. In 2019, the business created new structures and processes for managing our brand characters, including Brand Identity Managers and a Brand Council, which oversee the process we have put into place for characters management. Brand changes generally have a long lead time for implementation given the extensive timeline required for production and packaging commercialization, which can affect our compliance in the short term.



A new approach to brand safety

We take our responsibility as an advertiser seriously, so we work to ensure that our brands only appear adjacent to content that aligns with our values and in a manner consistent with the principles that guide us in all aspects of our business. We employ a risk-based suitability framework when advertising online and supplement that with the best available technology to balance reaching the right consumers while protecting how our brands show up. Whenever we become aware of a violation of our Code, we take immediate action, including removing or suspending our advertising.

This year we focused on strengthening our internal governance to deliver long-term change and higher compliance rates

Mars is known to have a rigorous, industry-leading governance model, because our business is committed to ‘walking the talk’ when it comes to compliance and transparent reporting.

Our ambition is to continue to be a trail-blazer in the area of marketing governance, and therefore continue to review and revise our methodologies, roles and systems.

In 2019, we set in motion a number of workstreams to deliver on this ambition. These included:

- Developing a risk suitability framework for our media placement to contribute to a safe media environment for consumers and our brands;
- Expanding our engagement and network of Marketing Code Ambassadors within our business, to ensure that we have responsible marketing leadership in-market who are well-versed in our commitments and obligations and can partner with local marketing teams;
- Building a new methodology and approach to measuring digital compliance on advertising placement, utilising proxy metrics to estimate likely exposure, to make our reporting more accurate and granular;
- Developing new influencer guidelines to help to guide our global marketing community as they engage digital influencers;
- Creating new roles, structures and processes to govern the use of our brand characters.



Deep dive on new digital methodology

There is no single source of third-party verifiable data to determine compliance in advertising placement vis-à-vis children online (digital channels). Therefore, Mars has partnered with MediaCom, our media planning and buying agency, to create a new methodology. The purpose of this methodology is to **ensure that Mars does not collect data from children under 13 years to identify those audiences**, whilst also improving the **precision of our compliance reporting**.

The methodology **uses proxy metrics** to estimate the **potential exposure of children** under 13 to Mars advertising, using a very conservative approach to ensure that children are protected.

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

MARS

Appendix – How we govern responsible marketing at Mars

This report builds on our previous two Mars Marketing Code for Human Food Governance Reports. You can access both reports [here](#).

Mars made an industry-leading commitment to establish a streamlined governance framework formalizing existing governance processes and driving increased compliance with our responsible marketing commitments.

We have developed a comprehensive and holistic approach to governance centered around five work streams.

Governance of the Code has driven transparency and accountability to ensure that we ‘walk the talk’ regarding our responsible marketing commitments through all of our marketing communications. Our drive towards a wide-reaching governance model enables us to conduct our responsible marketing processes uniformly across our Mars Wrigley and Food segments, and to practice transparency in our compliance reporting.

Our responsible marketing governance structure (as shown on the right) reflects the importance we ascribe to good governance. It involves a representative selection of functions which manage our marketing activities and approach to responsible marketing, as well as the highest levels of Mars leadership, to ensure accountability and transparency.

Workstreams of Responsible Marketing Governance



The importance of responsible marketing to Mars is reflected by the Governance structure we have put into place. The Mars Global Public Policy Group has responsibility for the supervision and management of our marketing practices in line with the Code. They are supported in implementing this responsibility by a Steering Team, with members representing functions relevant to Mars’ responsible marketing commitments.