

Mars Marketing Code for Human Food 2021 Governance Report

This report is based on 2020
audit results

MARS

Ben's
Original™



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

Introduction

We are thrilled to present our fourth annual marketing governance report, which tracks our progress against the commitments made in our [Mars Global Marketing Code for Human Food](#) (‘the Code’). The Code guides how Mars and our brands communicate and interact with consumers, and is firmly grounded in our Five Principles and the Mars purpose: the world we want tomorrow starts with how we do business today.

Even with the COVID-19 pandemic’s disruptive effect in 2020, we were intent to reaffirm our commitment to market our brands responsibly by complying with the Code. The pandemic and related lockdown measures resulted in a more complex environment for responsible advertisers, as there was significant rise in screen-time amongst children and the transition to online learning/working for many in society. In this environment, it was particularly important that we exercised caution and accountability in relation to how and where our brands appeared due to the social, political and economic turbulence that we all experienced. We therefore sought to collaborate with stakeholders more actively during 2020, with the aim of driving a safer experience for people and brands in the online environment which gained even more importance.

Good governance is about delivering accurate and consistent measurement of performance, and doing so in a transparent manner. At Mars, we strongly believe in measuring our compliance and sharing both our achievements and areas for improvement internally and externally. We are delighted to share that in 2020 we achieved 98% and 99% compliance rates for our marketing governance, surpassing our compliance goals for our media content and media placement respectively.

Whilst we are pleased with these results, we acknowledge there is more to be done: changes in society at large and in our advertising ecosystem require us to continually review and adapt the way we market responsibly. Therefore, we will strive to expand our measurement into new areas and further strengthen governance of how we create, design and place marketing communications into 2021 and beyond.

In both 2020 and 2021 we continued our efforts to raise industry standards for responsible marketing, and in 2021 we presented industry-aligned and updated marketing standards globally and in a number of countries. In connection with this, we are formally aligning the age definition of a child for our marketing commitments to ‘under 13 years’ across all media channels from 1 January 2022, raising it from ‘under 12 years’ which previously applied across all non-digital channels (digital already followed ‘under 13 years’).

Thank you again for your interest in Mars’ marketing governance and compliance. We hope that the findings shared in this report demonstrate the value and importance of responsible marketing practices within Mars and spark further action across the marketing industry.



Jane Wakely,
Lead Chief Marketing Officer
Mars, Incorporated



Jacqui Stephenson ,
Global Responsible Marketing Officer,
Mars Wrigley



Rafael Narvaez Gil,
Global Chief Marketing Officer,
Mars Food



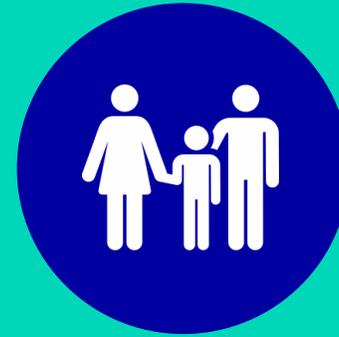
Cathryn Sleight,
Chief Growth Officer,
Mars Wrigley

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 consumers and help to shape society positively at its best. However, it 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.

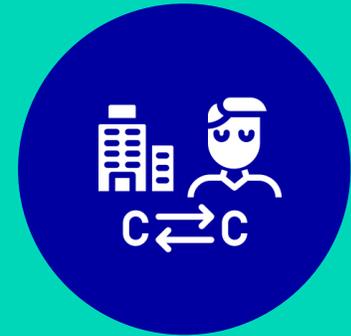
We want to ensure that we are responsive to consumer and societal expectations in relation to responsible marketing, which is why we constantly re-evaluate and seek to improve our approach. In this way, we are working to expand our Marketing Code to further our efforts in leveraging the power of marketing for good.



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

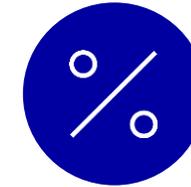
Placement commitments



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



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 those countries that collectively represent more than 80% of our advertising spend:

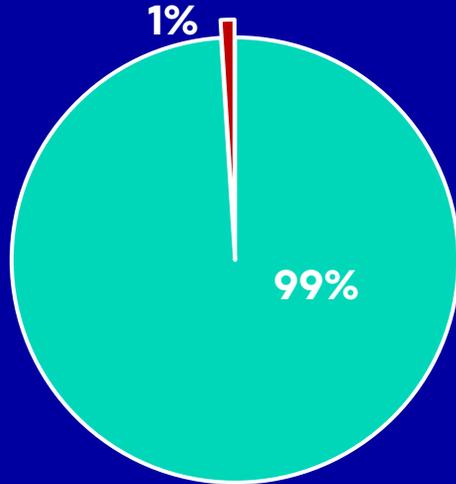
- Australia
- Canada
- China
- France
- Germany
- Mexico
- Netherlands
- New Zealand
- Poland
- Russia
- Saudi Arabia
- United Kingdom
- United States

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 (and children under 13 years old on digital platforms) make up more than 25% of the total audience. We developed a scorecard that is completed by Mediacom in all the above markets, which includes the percentage compliance and number of non-compliances 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 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.

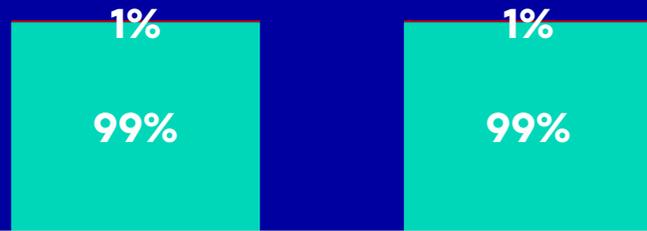
Placement commitments compliance results - 2020

OVERALL COMPLIANCE



Compliant Non-Compliant

SEGMENT

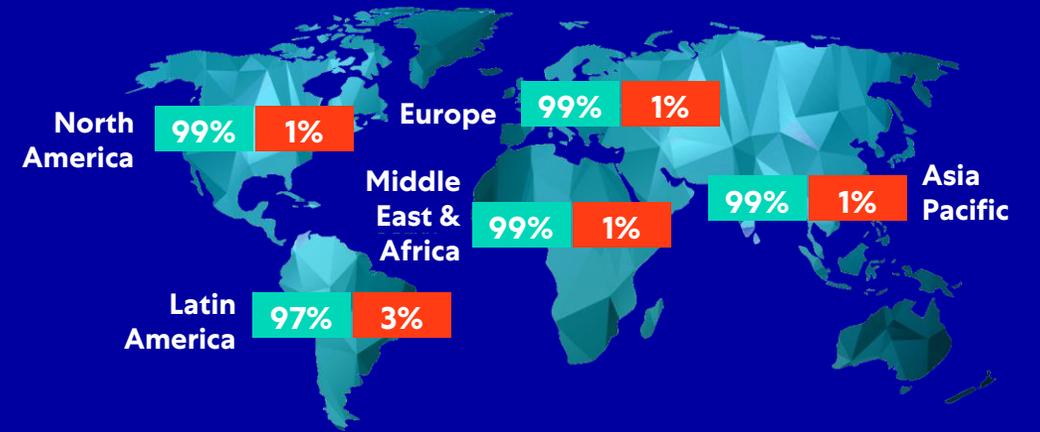


MARS FOOD

MARS WRIGLEY

Compliant Non-Compliant

BY REGION

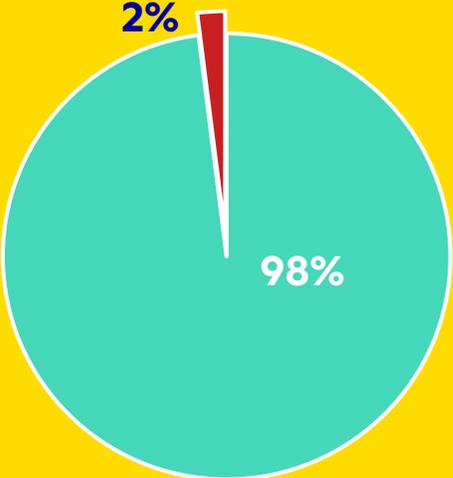


BY CHANNEL

	National digital	99%	1%
	Publishing	N/A	N/A
	Shopper digital	99%	1%
	Social media	99%	1%
	TV/Cinema/Radio	99%	1%
	Posters & billboards	96%	4%

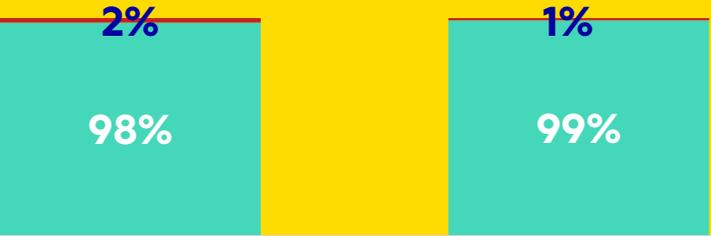
Content commitments compliance results - 2020

OVERALL COMPLIANCE



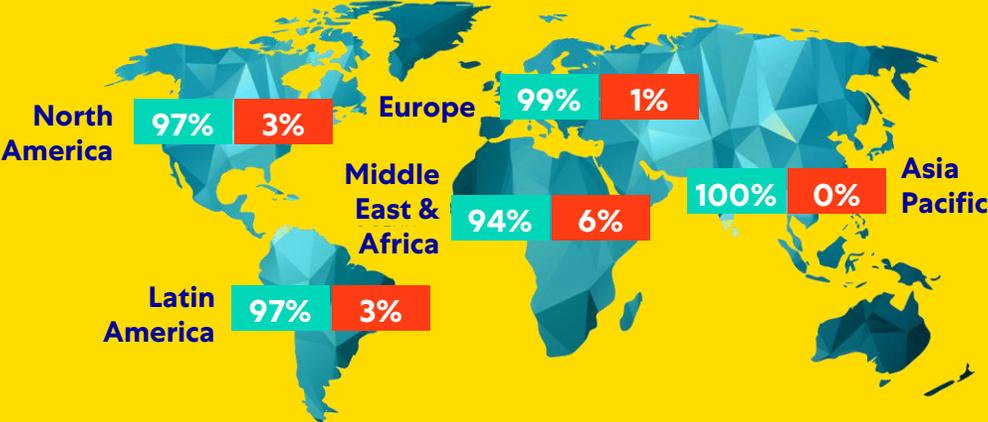
■ Compliant ■ Non-Compliant

BY SEGMENT



■ Compliant ■ Non-Compliant

BY REGION



BY MARS MARKETING CODE SECTION

	Advertising Guidelines	100%	0%
	Characters & Celebrities	100%	0%
	Digital & Privacy	98%	2%
	Targeting children	99%	1%
	Portrayal of Children/Adults	99%	1%
	Promotions and Responsible Consumption	99%	1%

Our progress on areas of improvement



Improved compliance rates in Latin America

In the previous two years, we identified a need to bolster governance in Latin America when it comes to our media content standards. Through improving our governance set-up in 2018/2019, we saw improvements with a sustained positive trend quarter-by-quarter. In 2020, we are proud to report that for the first time we achieved our compliance target for media content across the year. It now stands at 97%, representing a 28% increase since 2019.



Progress in placement compliance on posters and billboards

While we achieved our media placement compliance targets across most channels, in 2019 our placement compliance rate for posters and billboards did not meet our target and was 85%. Throughout 2020, we partnered with our media agencies to improve compliance in this space and as a result our 2020 placement compliance rate for posters and billboards increased to 96%. We recognize that this is slightly below our goal of 97% and will continue the work in 2021 to bring our performance into line with our target placement.



Brand character governance

In 2019, we created new organizational structures and processes to oversee the responsible use of our brand characters, including Brand Identity Managers and a Brand Council. Following this change, in 2020 we became fully compliant with our commitments on brand characters. Looking ahead, we will look to strengthen these structures and processes further.



Addressing content compliance in the Middle East and Africa

One of the few areas where we saw a decline in our standards from 2019 to 2020 was in the Middle East and Africa region, with content compliance falling from 99% to 94%. Throughout the year, we have worked to bolster compliance, with performance steadily increasing from 83% in Q1 to 100% in Q4. We will look to maintain our performance in 2021 while adding more countries to the scope of our audit.

We believe our marketing should be inclusive and be a force for good

We are continuing our journey to ensure our advertising is as representative as the people who enjoy our products. We believe our advertising should feature characters from a diversity of backgrounds, help challenge stereotypes and give opportunity to under-represented groups in the industry.

For the last four years we have partnered with the Geena Davis Institute for Gender in Media to audit our advertising to ensure that it is appropriately gender representative. When looking at gender representation, we are making progress. In 2020 the representation of female characters in our advertising was 41.2% which represented progress on 2019 levels. In terms of stereotypical portrayal of women, we are also making progress with no difference between the depiction of men vs women having a job, being in leadership roles or in settings such as the kitchen or sporting events.

We are committed to help lead the industry and were recently invited to join the executive leadership of UN Women's Unstereotype Alliance. We also joined the World Federation of Advertisers' Diversity & Inclusion task force to both learn and share best practice across the industry. As a major advertiser we have a responsibility to promote opportunity. We have introduced a policy to proactively invite female directors and those from other under-represented groups to bid for production work.

To further help develop talent we support organizations such as the Bentonville Film Foundation, a non-profit organization focused on promoting the underrepresented voices of diverse storytellers. Within this work, we are looking to create scholarships for alumni of BFF to tell their story as well as gain experience working on a future advertising campaign.



Our focus areas include:



Regularly training both our and our agency teams on inclusive marketing - last year we trained over 2,200 Mars associates and agency partners



Partnering with the Geena Davis Institute to audit annually our advertising for gender balance as well as other intersectional groups



Offering opportunities to female directors and those from other minority groups to bid for advertising



Developing and auditing the accessibility of our websites and compliance to Web Content Accessibility Guidelines (WCAG) 2.1 standards

In 2020, we actively collaborated with social media platforms to start to improve brand and social safety for consumers

Mars' steadfast commitment to responsible marketing means that we have a responsibility to proactively work to preserve and promote consumer and brand safety in our marketing, particularly in the digital environment.

At Mars, we want a social media experience that is safe, inclusive and free from harmful content and misinformation. No one should be subjected to hate speech or misinformation when they are on social media. We also believe that as an advertiser we need the tools to control where our marketing content appears and transparent reporting to ensure we are living up to our own responsible marketing standards.

In mid-2019, we became a founding member of the Global Alliance for Responsible Media (GARM), a collaborative effort across advertisers, agencies, media companies, and media platforms to drive common standards and a compelling roadmap for action, and in 2020 we saw this collaboration accelerated further to address the growing need for a unified approach to online challenges.

From July 1st to September 1st 2020, we engaged in a temporary advertising pause on newsfeed-based social media platforms to provide them with an opportunity to address and implement our recommendations to improve safety. As a company committed to marketing responsibly and providing a safe environment for people, we acknowledge there's a lot of work to be done to make social networks safe for everyone – people and brands alike – and we will monitor progress and continue to advocate for positive change through our multi-stakeholder approach and bilateral conversations.



Our key recommendations to the social platforms included:



Auditing, transparency and reporting on the effectiveness of brand safety measures that the platforms already have in place



Giving consumers a safer experience by monitoring content and enforcing community standards that address hate speech and misinformation



Controlling the placement of advertising content so it is not next to sensitive and/or inappropriate content



Improving reporting and data to enable marketers to better control where our advertising is placed online

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

MARS

How we govern responsible marketing at Mars

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

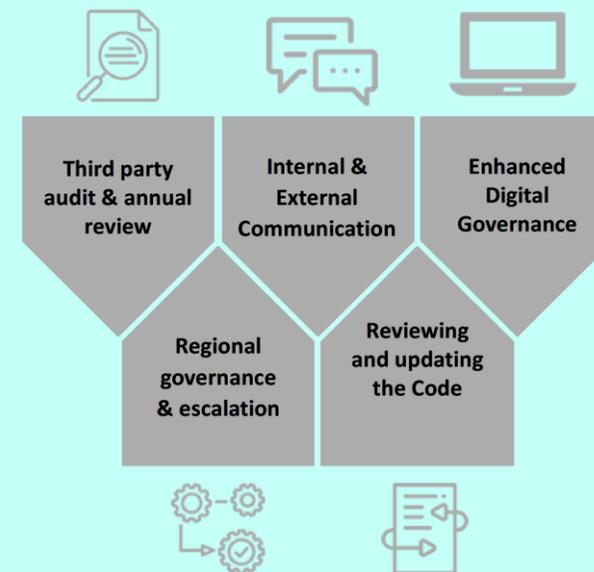
Mars made an industry-leading commitment to establish a streamlined governance framework formalizing existing governance processes and driving increased compliance with our responsible marketing commitments.

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.

The tools and techniques that underpin our digital governance approach and methodology

Mars takes numerous precautions to guide who sees our marketing communications and that where they are placed is compliant with our Code.

The transformation of the advertising landscape as a result of the explosion in digital marketing has introduced a number of challenges in controlling where advertisements are placed and who is exposed to them. To meet our commitments on digital placement, Mars has developed several tools and techniques to strengthen compliance and ensure that children under 13 years are not exposed to inappropriate content and that data is not collected from audiences under 16 years. **These include but are not limited to:**

- Using neutral age screening systems, such as age-gates, to ensure that we restrict children under the age of 16 from submitting personal information.
- Employing age gates on company-owned assets where marketing and promotional content is shown.
- Working closely with our media agency partners to ensure we are using the latest targeting tools available and leveraging audience demographic information to ensure that our digital buying practices adhere to our commitment to avoid marketing targeted primarily to children under the age of 13 online.
- Partnering with social media platforms that possess age screening mechanisms and using parental controls or notices in order to prevent marketing communications to children under the age of 13.
- Only working with Influencers who are 16+ and that appeal primarily to audiences 13 years and older.



Additional safeguards to support marketing responsibly to children

While we are highly compliant with our digital placement commitments, we recognize that given the nature of the online environment, ensuring with 100% certainty that children under the age of 13 are not exposed to marketing content is a challenge. Therefore, in addition to taking precautions around media placement, the Code also sets out strict guidelines around what type of content our marketing communications may contain. For example, we use a science and evidence-based framework to holistically evaluate the child appeal of our marketing communications to help prevent appealing primarily to children.