

Mars Marketing Code for Human Food 2022 Governance Report

**This report is based on 2021
audit results**

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Introduction

We are thrilled to present our fifth annual Marketing Code 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.

With the COVID-19 pandemic's continuing disruptive effect in 2021, we continued to implement the learnings from last year's audit to strengthen the responsible marketing of our brands. In particular, we continued to be conscious of the significant rise in screen-time amongst children, the rising social, political, and economic turbulence we were experiencing, and significant revelations about the safety of social media platforms. We made sure to further calibrate our approach to placing our advertising with increased caution and accountability, both with regards to protecting vulnerable audiences and ensuring our brands don't appear next to unsafe content. In this context, 2021 saw us reinforce our collaboration efforts with other advertisers and the big digital platforms, in order to drive a safer experience for people and brands in the online environment.

Good governance is about delivering transparency, accurate and consistent measurement of performance, whilst challenging ourselves to continuously improve our approach. In this spirit, this year's report has an evolved structure, with more granular detail about our market and channel compliance, and with an expanded geographical scope that includes India and Brazil.

Overall, we are delighted to share that in 2021 we achieved 99.5% and 99.3% compliance rates, surpassing our compliance goals for our media content and media placement respectively and improving on last year's already high performance.

Thank you for reading our latest Marketing Code Governance Report. We hope that the findings shared demonstrate the value and importance Mars places on responsible marketing practices and sparks further action across the industry.



Chris Mondzelewski,
Lead Chief Marketing Officer
Mars, Incorporated



Jacqui Stephenson,
Global Responsible Marketing Officer,
Mars, Incorporated



Matthew Graham,
Global Chief Marketing Officer,
Mars Food



Cathryn Sleight,
Chief Growth Officer,
Mars Wrigley

Governance report 2022

Compliance overview



Compliant Placement (%)
Target = 97%



Compliant Content (%)
Target = 95%

Methodology:

Total placement checked

96.6 B

Total content reviewed

2807

96.1 B *Compliant*

2786 *Compliant*

468 M *Not compliant*

21 *Not compliant*

Audit by:

Placement
mediacom

Content
Nielsen

MARS

Compliance by Market (%)

Placement compliance Content compliance

Market	Placement compliance (%)	Content compliance (%)
Australia	99.6	100
Brazil	99.8	100
Canada	99.9	100
China	99.5	100
France	99.9	99.4
Germany	99.7	99.7
India	99.6	81.1
Mexico	97.1	100
Netherlands	99.9	99.5
New Zealand	99.9	100
Poland	99.8	98.7
Russia	99.9	100
Saudi Arabia	99.3	90.9
UK	99.8	99.6
USA	99.8	98.9

Compliance by Channel (%)

Placement compliance Content compliance

Channel	Placement compliance (%)	Content compliance (%)
TV	98.2	98.7
Social Media	99.5	96.4
Print	Posters & billboards: 98.0	100
Digital	National digital: 99.5 Shopper digital: 99.6	Digital video: 100 Online display: 100 Web pages: 99.9

Compliance by Segment (%)

Placement compliance Content compliance

Segment	MARS WRIGLEY Placement (%)	MARS Food Placement (%)	MARS WRIGLEY Content (%)	MARS Food Content (%)
Asia Pacific	99.5	99.6	97.0	100
Europe	99.9	99.8	99.3	100
Latin America	98.1	N/A	100	N/A
North America	99.8	99.9	98.5	100
ME / Africa	99.3	N/A	90.9	N/A
Overall	99.5	99.8	98.8	100

Compliance by Theme (%)

Content compliance

Theme	Content compliance (%)
Advertising guidelines	100
Characters and Celebrities	100
Digital and privacy	99.4
Overall targeting	99.8
Portrayal of children / adults	99.9
Promotions and responsible consumption	99.5

Color-coding Key

Under Target

Over Target

100% compliant

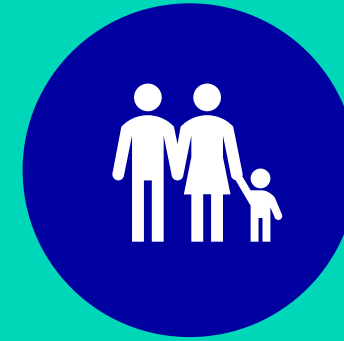
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Why we are committed to market responsibly

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 both for vulnerable audiences like children, who do not yet understand the commercial intent of marketing, and when it unintentionally funds misinformation and inappropriate content which is detrimental to society.

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, and we are playing our part as an advertiser to influence a more positive and safer media experience. We are constantly seeking to improve our approach and 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



Ensuring that our brands don't fund or endorse inappropriate content

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 on strong science, consumer insight and a sensitivity for the concerns of stakeholders.

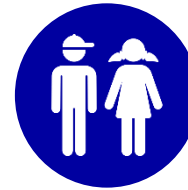
For further information on our responsible marketing commitments, please refer to the full [Mars Marketing Code for Human Food](#).

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

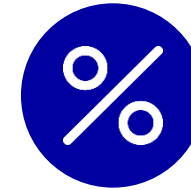
Placement commitments



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

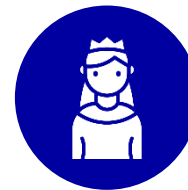


No data collection for children under 16 years old

Content commitments



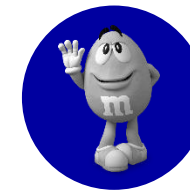
Encourage healthy lifestyles and not condone excessive consumption



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

Our Inclusive Marketing Commitments

The Mars Marketing Code for Human Food also cover our commitments to promote inclusive marketing.

As a business, we know that there is enormous diversity in society, and we want to be a leader in reflecting this in our marketing content. That's why Mars has committed to more inclusive marketing that makes a difference - by focusing on how we represent and portray all people through our advertising and branded content, both in front of and behind the camera. Our inclusive marketing commitments aim to ensure that creative executions by Mars, Incorporated and our brands show all individuals as multi-dimensional and authentic to who they are across our advertising and the content we create.

We will evolve of Code in the future to more accurately reflect the full extent of our work.

Our work to make our marketing inclusive:

Our commitments:



Audit creative for stereotypes annually and publish progress externally via industry forums and in next years governance report.



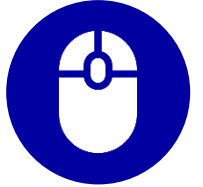
Ensure we are listening to our audiences and diverse voices in the content development process.



Develop tools and training to equip marketing and agency teams to eliminate bias and create more inclusive marketing.



Include a female director and/or a director from other underrepresented groups in triple-bids. Any exceptions must be signed off by our global lead marketer.



Develop and audit the accessibility of our websites and compliance to WCAG 2.1 standards*.

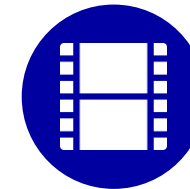
Our focus areas in 2021 included:



Ensuring both Mars and agency teams are regularly trained - 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 and other intersectional groups.



Supporting the Bentonville Film Festival to increase opportunities for underrepresented talent.



Developing a comprehensive measurement framework for Inclusive Marketing to hold our brands to account.

Global content compliance

	# of pieces of content reviewed	Overall compliance
Europe	1652	99.5 %
North America	516	99.2 %
Asia Pacific	412	98.3 %
Latin America	97	100 %
Middle East / Africa	22	90.9 %
Global*	2807	99.3 %

*Includes 108 global pieces of content that could not be linked to a specific region



Progress in regional content compliance since last year

We saw overall improvements in 2021 throughout most of our regions of operation and achieved our targets in Asia/Pacific, Europe, North America and Latin America. The only region where we saw a decline in our content compliance from 2020 was the Middle East and Africa region, with content compliance falling from 94% to 91%. This was due to, firstly, a relatively low amount of content which the region produced that was not already compliance-checked in other regions and, more specifically, a number of social media posts that were not compliant with our guidelines on ensuring we promote responsible consumption in the way that our products are depicted and the serving sizes shown relevant to the number of people in the content.



Methodology

To ensure effective implementation of our Code, we conduct third-party auditing across those countries that represent more than 80% of our advertising spend. In 2021, we also expanded the geographical focus of our audit to include Brazil and India :

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

Nielsen is the third-party auditor that assesses the compliance of our marketing communications and media content across TV, digital video, online display, web pages, social media and print 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.

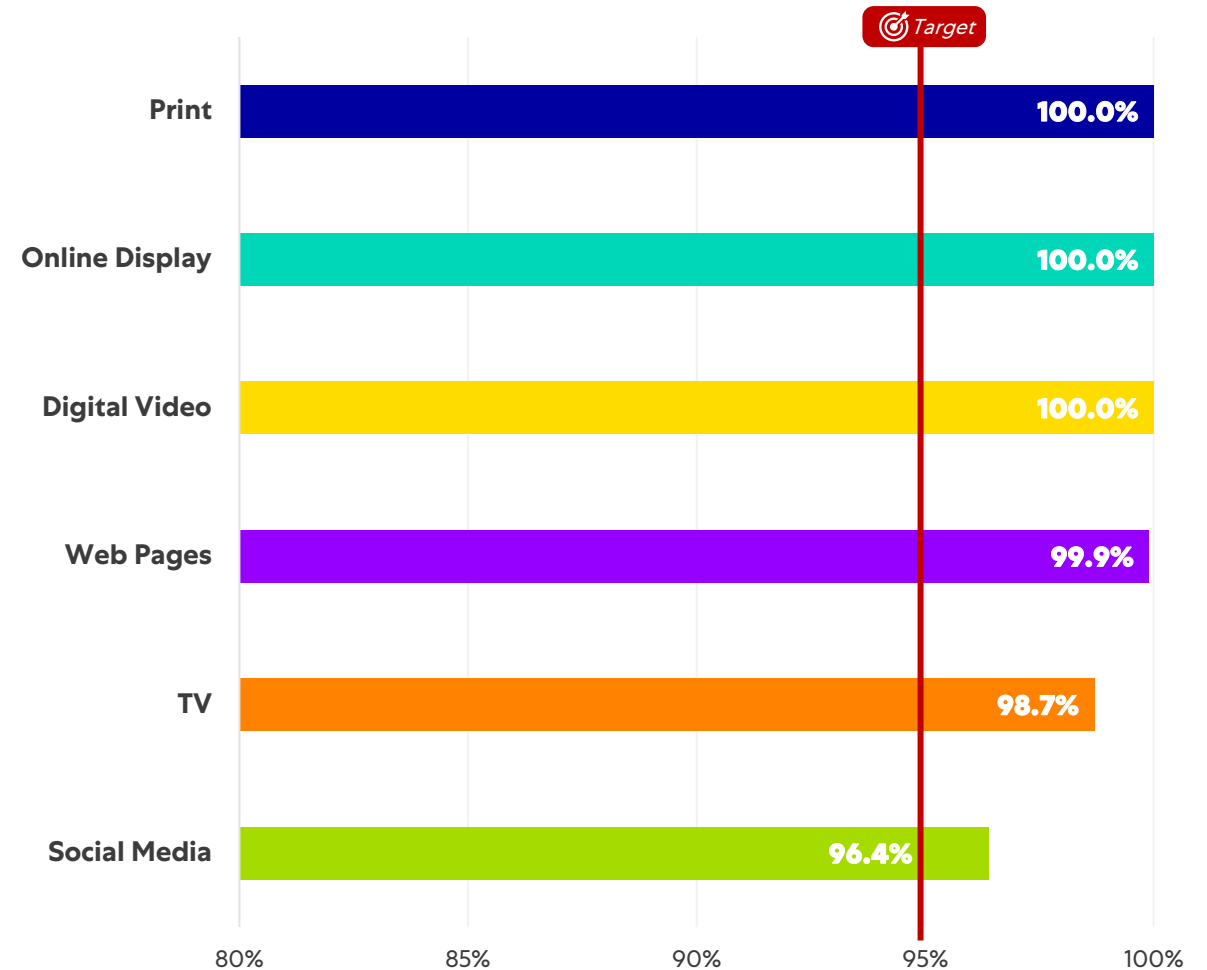
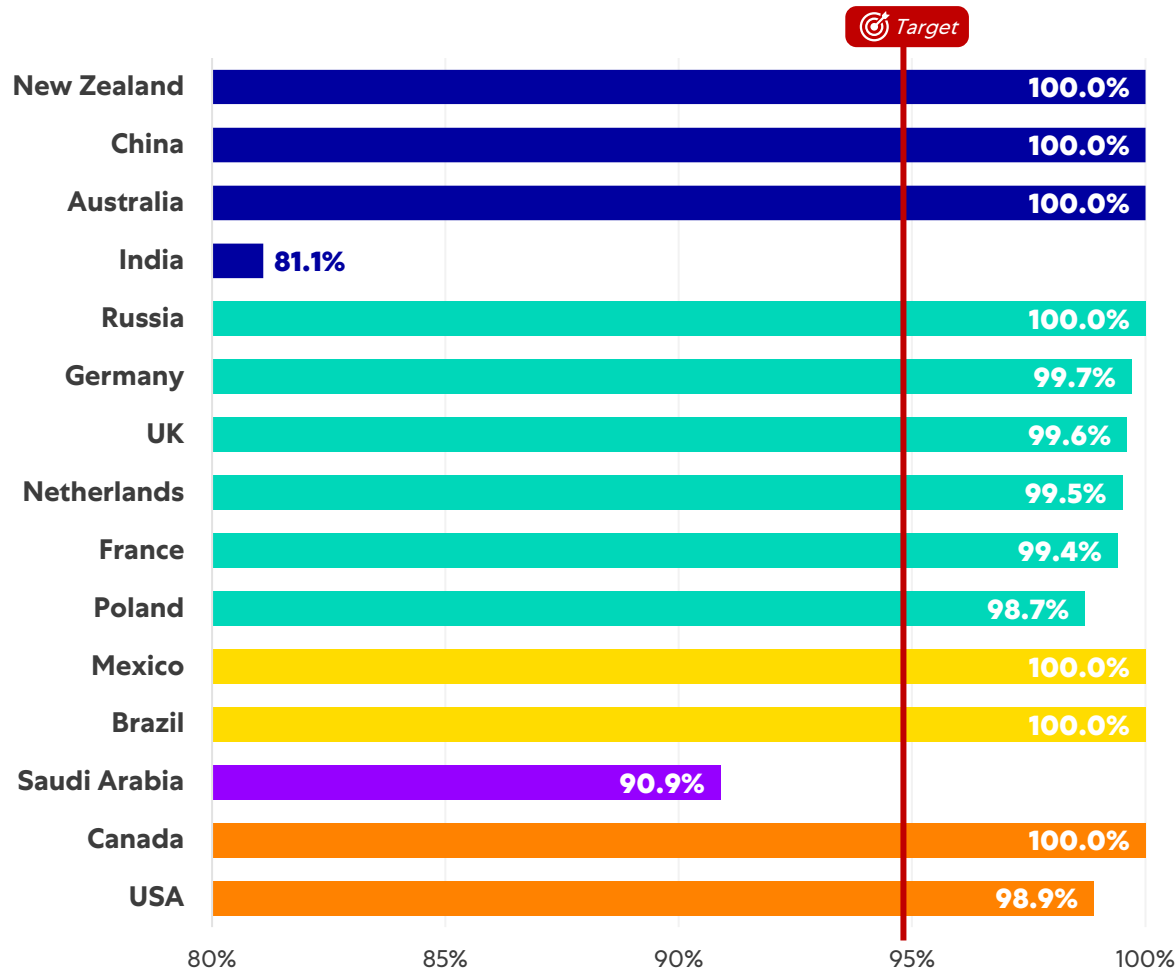
Each quarter, they perform more than 850 compliance checks across all markets and channels. Each check covers one specific ad in a certain market and a certain channel, except on social media where checks can cover up to one month of publications. In total, our auditor checked:

- 1899 web pages
- 499 social media monthly feeds
- 168 digital video ads
- 158 TV ads
- 59 online display ads
- 23 printed ads

This ensures the content of our marketing communications 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.

Content compliance – detail by market and media channel

We are proud of our overall achievement that in 2021, we surpassed our target of 95% compliance of our content across all channels in all audited countries except in India and Saudi Arabia. This was due to non-compliant social media content and therefore is reflected in the lower compliance figure for this particular channel. Although it should be noted that the audits for these markets were based on small samples (37 and 22 pieces of content respectively), we take this seriously and have set out how we have addressed this issue in our list of Remediation Actions.



Remedial actions

Promoting responsible consumption: The audit revealed several cases of marketing content which was not in line with our commitment to promote responsible consumption. The issue was particularly focused on social media and in certain markets, like Saudi Arabia. Mars takes its commitment to encouraging responsible consumption seriously and we have developed guidelines to bring our commitments to life. Since seeing the audit results, our global Responsible Marketing team has developed and delivered additional training to the relevant teams to address the issue. We have also flagged it to the regional Marketing Code Ambassador for closer ongoing monitoring.

Child appeal and characters: The audit highlighted the use of potentially child-appealing characters being used in social media content in India, particularly for our Snickers and DoubleMint brands. Mars has a strict commitment not to develop marketing which may primarily appeal to children under 13 and we have created evidence-based guidelines of how this commitment applies to the use of characters. In particular, we have committed not to create new characters which may appeal to children. We have reiterated this commitment to our teams and have delivered training to both Mars and agency teams who created this specific content. Since then, our audits show that nothing similar has been developed.

Channel focus: Social media is the channel the accounted for most of the non-compliant cases in 2021. The dynamic nature of social media means that more content is being created and posted much faster on this channel than any other making governance more challenging. In response, Mars has established regional hubs in North America, Europe, and China that create compliance-checked content centrally. We are currently working on a solution for the governance of this channel in other regions and markets.

Regional and market focus: The audit revealed that at the regional level, the Middle East/Africa did not meet our goal of 95% compliance. At country level, India had the highest relative non-compliance, followed by Saudi Arabia. We have delivered additional training and activated additional monitoring in the markets with higher non-compliance. As demonstrated by the case studies, the non-compliance relates to particular posts on social media that have been addressed.

Case studies: examples of content non-compliance



Child-appealing animated characters in India



An image of animated mint characters was posted on DoubleMint India's Facebook page in February 2021. The characters were on an animated background and, based on our proprietary Child Appeal Framework, could be perceived as child-appealing. Even though the content of the post was adult-focused (pick-up lines), the post does not comply with the MMC and Mars' character and child appeal guidelines.



Non-compliance with responsible consumption guidelines in Saudi Arabia



This image was posted on Galaxy Saudi Arabia's Facebook page in October 2021. It shows a woman holding three chocolate bars with no indication in the post that these are meant to be shared. Therefore, the post could encourage excessive consumption and is not compliant with Mars' responsible consumption guidelines.

Global placement compliance

	# of placements checked	Overall compliance
Asia Pacific	47.7 B	99.5 %
North America	27.5 B	99.8 %
Europe	12.5 B	99.9 %
Latin America	7.1 B	98.1 %
Middle East / Africa	1.9 B	99.3 %
Global	96.6 B	99.5 %



Progress in regional placement compliance since last year

We surpassed our target of 97% placement compliance in all audited regions. Moreover, we saw overall improvements compared to 2020 in almost all regions, most notably in Latin America, where our compliance increased from 97% in 2020 to 98.1% in 2021. Despite this increase, we will continue to strive for improvements.

Methodology

To ensure effective implementation of our Code, we conduct auditing across those countries that represent more than 80% of our advertising spend. In 2021, we also expanded the geographical focus of our audit to include Brazil and India.

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

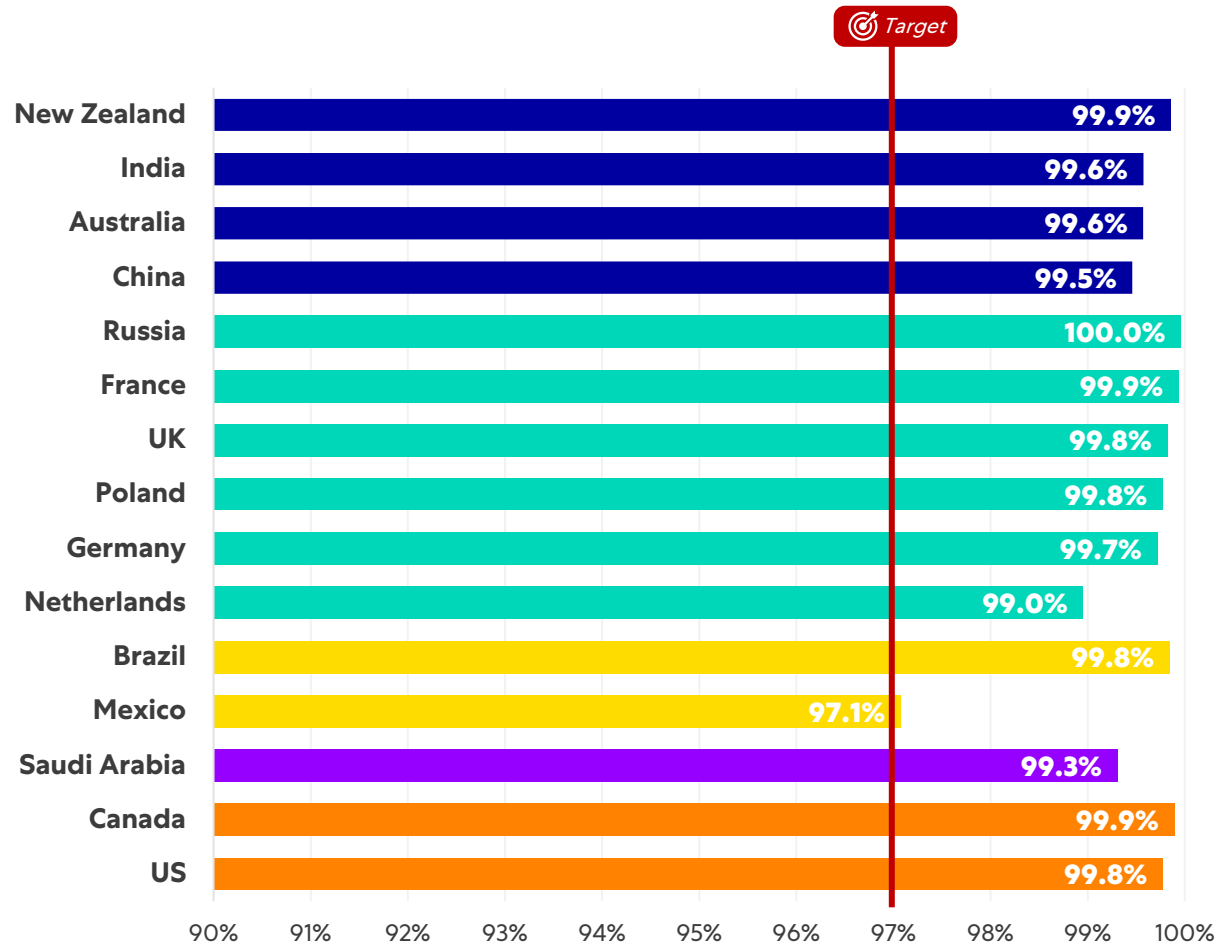
We work with MediaCom, our media planning and buying agency, to collect data on our compliance with our commitment not to place our marketing communications on channels where children under 12 years old make up more than 25% of the total audience (and children under 13 years old on digital platforms). We developed a scorecard that is completed by Mediacom which includes the percentage compliance and number of breaches per channel, across six types of media channels. In total, we have checked:

- 62.4 billion national digital placements
- 29.2 billion social media placements
- 4.8 billion shopper digital placements
- 169 million poster & billboard placements
- 870,000 TV placements

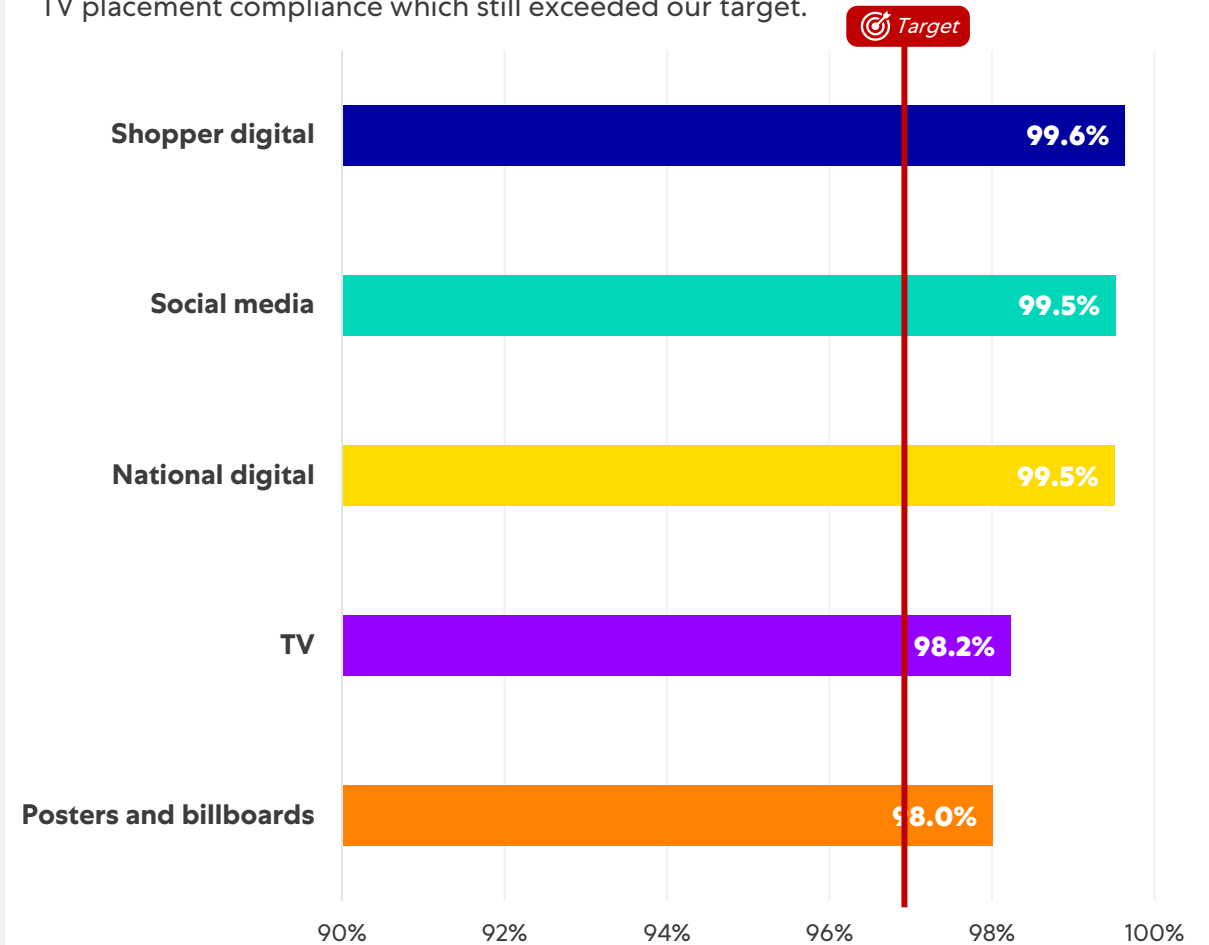
We have set ourselves a **compliance target of 97%** which accounts for elements beyond our control, such as children under 13 years using digital services not providing their true age or limitations in predicting the exact audience composition of a TV program ahead of it airing. Delivering compliance above 97% is also built into our agreement with Mediacom as a key market-level performance metric.

Placement compliance – detail by market and media channel

We reached and exceeded our compliance target in all audited markets. Moreover, our compliance either remained stable or increased across all markets for which we have data from last year (Brazil and India were added to the audit for the first time).



The audit found that the placement of our ads consistently exceeded our compliance target of 97% on all channels globally. Moreover, the placement compliance by channel either improved or remained equally high across almost all channels compared to 2020. The only drop in compliance (by less than 1%) was observed in our TV placement compliance which still exceeded our target.



Case studies – Examples of compliance and non-compliance



Improved compliance rates in the USA

USA TV Compliance went up by 1.2%, averaging at 97.9% in 2020, compared to 99.1% in 2021.



Addressing placement compliance on TV

TV Compliance dropped by 1% between 2020 and 2021, averaging at 99% in 2020 and 98% in 2021. This has mainly been driven by the addition of the Indian market to the audit, where results showed that TV compliance in India averaged lower than in other markets, requiring remedial action.

Remedial Actions

Compliance increase in USA:

We made changes to buying guidelines so that we tightened the audience targeting to increase compliance. We ensured the following policies were followed and the networks we worked with delivered against these guidelines by auditing their compliance throughout the purchasing process.

- 1) Do not air in movie titles that are PG or G rated.
- 2) Do not air in animation that is geared towards children 12 and under.
- 3) All new programming is screened before airing to ensure it is not geared towards children under 12.
- 4) Any programs that are more than 10% non-compliant within each quarter's reporting are flagged directly to the network to monitor.

Compliance decrease across TV:

It is important to note that placement compliance will never be 100% as it is determined by platforms and the ad industry – and it is impossible to predict the exact make-up of a TV audience, especially where viewer numbers are low.

The main contributor to this drop was India, as a new addition to the audit as of 2021. With India being a single TV household, where large families all watch TV on one screen together, there is inevitably a skew for the U12 audience. This has been a well discussed issue, and whilst in India all planning is strictly set to 15 years and above and no investment is made into channels for children U13, further actions have been put into place for 2022 placements:

- Remove channels that are indexing higher on kids audience.
- At the time of buying, time bands are to be checked and rationalised.

How we govern responsible marketing at Mars

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

Our approach to governing the Mars Marketing Code for Human Food internally

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 in 2016.

Governance of the Code has driven transparency and accountability to ensure that we 'walk the talk' regarding our responsible marketing commitments through 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 reflects the importance we ascribe to good governance. It involves reporting of non-compliance issues with Leadership Teams at both regional and global level. Moreover, when ongoing concerns are flagged, Leadership Team members get involved in ensuring that solutions are implemented to improve compliance.

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 multiple challenges in controlling where advertisements are placed and who is exposed to them. To meet our commitments on digital placement, Mars has developed 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, so we don't market to children under the age of 13 online.
- Partnering with social media platforms that possess age screening mechanisms and using parental controls or notices.
- Only working with Influencers who are 16+ and that appeal primarily to audiences 13 years and older.



Marketing responsibly is incredibly important to Mars and is part of how we live our purpose. We were one of the first in our industry to adopt a Marketing Code and to commit not to market to children. We continuously update our commitments and approach to ensure we are responding to shifts in the media landscape and to consumer and stakeholder expectations. As one of the few companies to have a Global Responsible Marketing Officer, we take compliance with our Code very seriously and despite our consistently high results strive to continuously improve our governance.

MARS

About our placement reviewers: Mediacom

MediaCom unleashes brands' growth by helping them See the Bigger Picture. This means that we apply our unique 'Systems Thinking' philosophy and technology to all marketing levers: media, message and data. As a result, we design communication strategies that deliver short term results and help brands build for the future.

As part of WPP, the world's largest marketing communications services group, and GroupM, WPP's consolidated media investment management arm, we have access to the richest data, most robust benchmarks and most advanced capabilities in the market. This helps us provide comprehensive solutions to all marketing challenges.

Our success is underpinned by our long-standing 'People First, Better Results' belief. We know that by investing in our people's whole-person wellbeing, careers and capabilities, we will help grow our clients' businesses.

About our content auditors: Nielsen



Nielsen is a global leader in audience measurement, data and analytics, shaping the future of media. Measuring behavior across all channels and platforms to discover what audiences love, we empower our clients with trusted intelligence that fuels action.

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

MARS

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