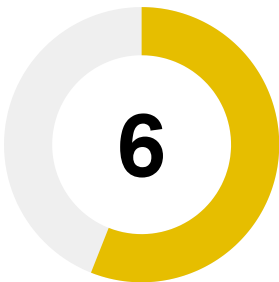


Mars ^{i 1}

Reported product categories

Confectionery, Pasta, Ready Meals,
Sauces, Snack Bars, Hot Drinks



↓ Rank 6 / Score 5.6
Rank 5 (2016)



Product Profile

Rank 20 / Score 2

Headquarters
U.S.

Market capitalization
Private Company

Reported revenue by geography ^{i 3}
Not disclosed

Number of employees
80,000

Total revenue ^{i 2}
35,000 m

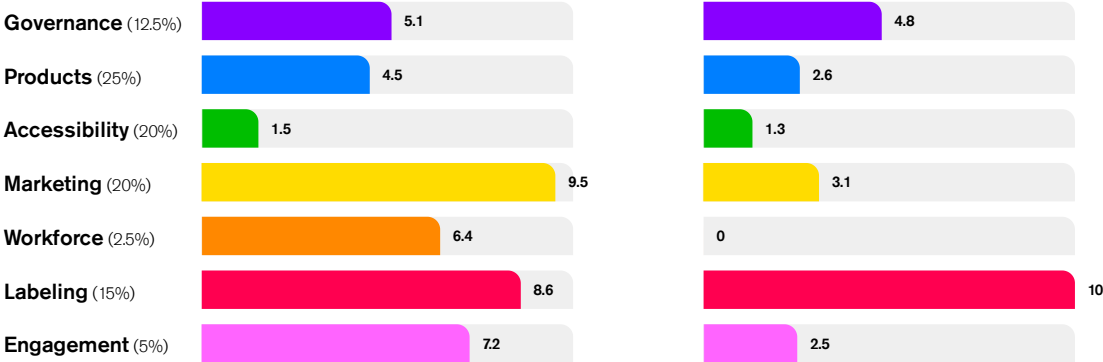
Corporate Profile

Nutrition

5/5.8

Undernutrition

7/3.8



Main areas of strength

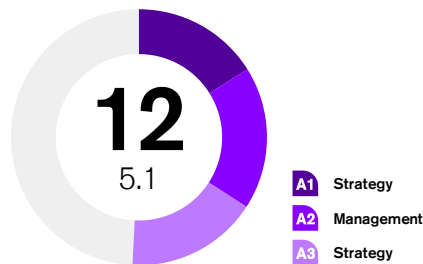
- Mars' score has increased from 3.9 in 2016 to 5.6 out of 10 in 2018. Since 2016, the company has most notably improved in Categories D, F and on its approach to combating undernutrition.
- Mars has implemented a new strategy, the 'Sustainable in a Generation' plan, which contains a strategic focus on improving nutrition and health. The company recognizes it has a role to play in tackling global nutrition challenges, such as the rising rate of obesity and the issue of undernutrition in developing countries. In addition, it has strengthened its management systems in relation to this strategy.
- The company has strengthened its nutrient profiling approach by now having systems in place that cover all products globally, including confectionery. It covers both 'negative nutrients' and 'positive nutrients'.
- Mars continues to demonstrate industry-leading practice on responsible marketing by implementing the most comprehensive policy. It covers marketing to all consumers, with specific attention for marketing to children. Mars does not market any products to children under 12 and, new in comparison to 2016, commissioned comprehensive external audits of its marketing compliance.
- Mars has the most comprehensive employee health and well-being program among its peers. It is available to all employees worldwide and to family members in the U.S. It includes many relevant elements for supporting healthy diets and lifestyles and was evaluated independently across 34 countries.
- As one of few companies that commits to include all relevant nutrients on back-of-pack labels, the company shows strong performance in Category F. In addition to having implemented its back- and front-of-pack labeling fully across its markets, it has now provided evidence of tracking the use of health and nutrition claims.
- Mars makes strong commitments to combat undernutrition and, despite limited public disclosure, has shared relevant evidence of its commercial strategy to do so.

Priority areas for improvement

- Mars ranks twentieth in the Product Profile assessment with a score of 2.0 out of 10, based on an assessment of its major product categories in nine countries. Mars was estimated to derive only 8% of its total sales from healthy products (3.5 stars or more in the HSR system). This indicates that Mars has significant scope to improve the healthiness of its portfolio through product reformulation, innovation and/or portfolio changes. As there is a limit to making products such as confectionery healthier, the company is encouraged to step up other efforts to stimulate healthier diets as well, e.g. through portion control.
- Mars did not provide evidence of reporting related to tackling nutrition issues in separate markets in 2018. The company is encouraged to do so, addressing how its approach is adapted to the local nutrition and health context.
- Mars' product reformulation targets do not cover all relevant nutrients for all products globally. In addition, Mars' portion control efforts should go beyond current commitments to reduce portion sizes below 200 calories for selected products and below 250 calories for all single portion confectionery products.
- Mars does not make a concrete commitment to improve the affordability and accessibility of its healthy products. The company is encouraged to do so, also in relation to its undernutrition approach, and to relate its commitment to a clear definition of healthy products.
- Limited evidence of supporting consumer-oriented nutrition education and healthy lifestyle programs was found, especially in relation to undernourished consumers in developing countries. The company is encouraged to commit to supporting only independently designed and implemented programs.
- The company does not make a commitment to only lobby with the intention to support measures to prevent and address obesity and diet-related chronic diseases. It is encouraged to make an explicit commitment not to lobby against public health-supporting initiatives.
- Across the ATNI methodology, but especially in relation to its undernutrition approach, the company is encouraged to disclose more information publicly.

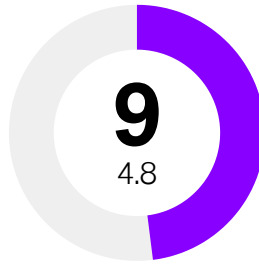
Category Analysis

Category A - Governance 12.5% - Nutrition



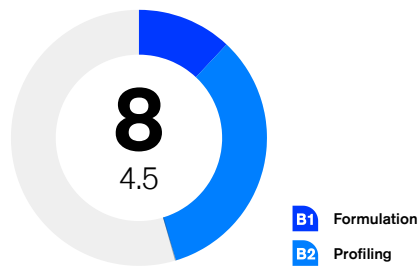
- Mars launched its 'Sustainable in a Generation' plan in September 2017, which includes a strategic focus on nutrition and health, expressed in the Nourishing Wellbeing ambition. Through a focus on science, innovation and marketing the company commits to improve health around the world with an explicit reference to low-income populations. Mars recognizes it has a role to play in tackling the global challenges of obesity and makes a general reference to supporting the SDGs. It is encouraged to detail how it will contribute to the SDG 2 and SDG 3 specifically, as they are directly related to nutrition.
- Mars performs extensive nutrition-related risk assessments and factors nutrition issues into decisions about acquisitions and mergers, as well as in (re)organizing its internal structure. Mars is commended for setting up a separate business entity to explore opportunities to improve nutrition and human health, including a focus on developing countries.
- The company does not disclose information about the proportion of global sales value derived from healthy products. The company is encouraged to increase its transparency in this and other areas related to the integration of nutrition considerations in its business strategy.
- Mars discloses a limited set of objectives in relation to its nutrition strategy, related to product formulation and reformulation, nutrition labeling and employee health and well-being. The company is encouraged to address all aspects of ATNI methodology in its strategy and objectives, including affordability and accessibility, and engagement and lobbying.
- In parallel with the new strategy, Mars implemented new accountability and responsibility arrangements for implementing its nutrition strategy and published these. The company could further improve its nutrition governance and management systems by performing standard internal audits of its nutrition strategy, by linking the CEO's compensation specifically to performance on nutrition objectives and by disclosing this information.
- Mars regularly publishes its progress on its overall approach to tackling nutrition issues in its annual Principles in Action report and has started separate annual reporting on its Food segment in 2017. It covers its global operations and provides translations for specific markets. The company has room to improve its reporting by providing separate reports for major markets, addressing how the company's approach is adapted to the nutrition and health context in individual markets. In addition, it is encouraged to commission external verification of nutrition-related metrics in its annual reporting.

Category A - Governance 12.5% - Undernutrition



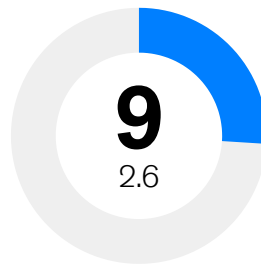
- As part of Mars' new 'Sustainable in a Generation' plan, it discloses a clear commitment on its website to combat undernutrition around the world, and particularly in low-income countries. Mars has performed a strategic review of its commercial opportunities but does not share the outcome publicly. Despite the fact that the company's public disclosure on its undernutrition initiatives is limited, evidence available to ATNF indicated that Mars' overall performance on addressing undernutrition has improved since 2016. The company is encouraged to disclose more information publicly about its strategy and concrete activities.
- Mars has formalized its commercial approach to addressing undernutrition without disclosing it publicly. The company could improve by extending the approach to more higher-priority countries, and by addressing women of child-bearing age and children under two. The company did not report a philanthropic strategy that falls within the scope of ATNI methodology to address undernutrition.
- Overall, Mars has a strong governance system in place in relation to its undernutrition approach and seeks specialist advice on its approach. The company could improve by extending its engagement with experts to include a wider range of relevant expertise and by disclosing more information on these matters, reporting regularly on its approach and progress.

Category B - Products 25% - Nutrition



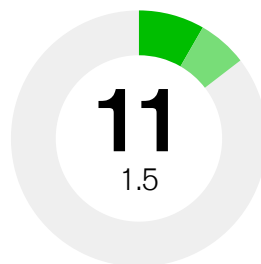
- Mars commits to invest in R&D to improve the nutritional quality of its products. Its activities cover its 'Food' and recently merged 'Confectionery' segments and focuses on innovation, as well as product reformulation. The company does not disclose a target to increase its R&D effort in coming years on nutrition, or on the number of new, healthy products it intends to introduce.
- The company reports to align its product formulation and reformulation efforts to recommendations from public health authorities worldwide. It has reformulated its products since 2002 and provided examples of the introduction of new healthy products. Mars is encouraged to publish consolidated data on the number of new healthy products regularly.
- Mars discloses that 65% of its products in its 'Food' segment is healthy, according to its own Mars Food Nutritional Criteria, but does not publish a percentage of healthy products across its entire portfolio. The Product Profile (PP) assessment, performed across nine countries worldwide, shows that only 29% of its portfolio of products are considered healthy (defined as an HSR of 3.5 or more) and only 8% of sales is estimated to be derived from healthy products. Mars is encouraged to improve the healthiness of its portfolio through product reformulation or other means.
- Mars does not disclose across how many brands it offers products that meet the company's healthy criteria. The company is encouraged to offer at least one healthy product, according to its own criteria, in all brands.
- Different product reformulation targets are defined for Mars' Food and Confectionery segments. The company is commended for setting a concrete 'positive nutrient' for its rice products, although this aspect was not scored because the product category did not meet the criteria for assessment. Furthermore, the company commits to not use ingredients containing artificial trans-fat and has fully achieved that commitment. For its confectionery products, the company focuses on reducing saturated fat and calorie reduction through portion control. Currently, the company defines and discloses information about a selection of relevant targets only, but should define and disclose a comprehensive set of reformulation targets.
- Mars has previously committed to limit portion sizes. After reaching that goal it defined a new target in 2017. Although the company is commended this, its reporting to ATNF on energy-dense products with serving sizes below 150 calories is very limited. The company is recommended to step up its efforts in this area.
- Mars has updated its approach to nutrient profiling with input from external experts and is commended for now having systems in place that cover its entire portfolio. Its approach covers 'positive nutrients' and 'negative nutrients' and is applied to all products, globally. The company discloses its Mars Food Nutritional Criteria, which are part of its Nutrient Profiling approach, and is encouraged to disclose complete information in this area.

Category B - Products 25% - Undernutrition



- Similar to 2016, Mars discloses its commitments to basing its approach to fortification on international (Codex) guidance and to only fortify products of high underlying quality in its Fortification Policy.
- The company commits to tackle undernutrition and micronutrient deficiencies in developing countries through its initiatives to develop and sell commercially foods that address nutritional deficiencies, especially among undernourished children, without defining specific targets to increase its R&D efforts.
- Mars publishes a commentary on investments in research it has done, other than directly related to product development. It funds and collaborates with the African Orphan Crops Consortium on breeding initiatives that include a focus on crops with higher nutritional quality, which could be used as raw materials for foods to combat undernutrition.
- Despite relevant commitments and research activities, ATNF did not find evidence of commercial products to address undernutrition that were on the market within the time frame of assessment. For obvious reasons, to impact the nutritional status of undernourished consumers and to increase its score, the company is encouraged to introduce such products.

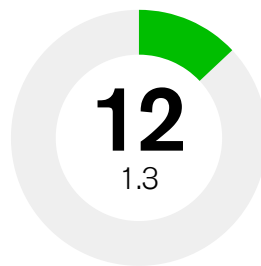
Category C - Accessibility 20% - Nutrition



C1 Pricing
C2 Distribution

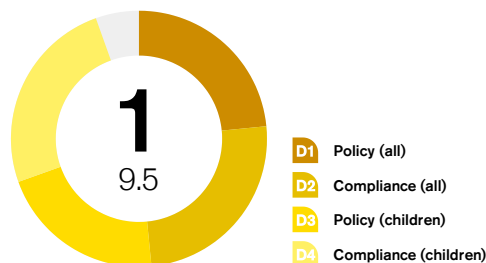
- Mars states for its 'Foods' segment that it aims to make, "everyday meals healthier, easier, tastier and more affordable" but this is considered not specific enough to be credited as a relevant commitment. The company is encouraged to define and disclose a commitment to improving the affordability and accessibility of its healthy foods specifically, which meet its healthy criteria.
- It is recommended that Mars defines and discloses measurable objectives and targets to improve the affordability and availability of its healthy products for all consumers in all countries worldwide.
- Mars did provide evidence of having undertaken recent analysis on appropriate pricing and accessibility of healthy products for low-income populations, both in developed and developing countries. For example, Mars undertook analysis of products in the U.K. Food segment, which meet nutritional criteria for frequent consumption, to assess specific price-points that are in reach of low-income consumers.

Category C - Accessibility 20% - Undernutrition



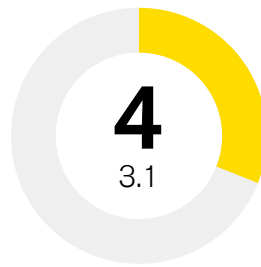
- Mars has provided evidence of clear commitments and objectives in relation to the affordability of products that are under development to address undernutrition. No evidence was found of explicit commitments or objectives related to accessibility. The company is encouraged define these, and to disclose more information publicly.
- No evidence was found in relation to improving affordability or accessibility of products currently on the market that address micronutrient deficiencies. The company is encouraged to address this and to disclose information once products are launched.

Category D - Marketing 20% - Nutrition



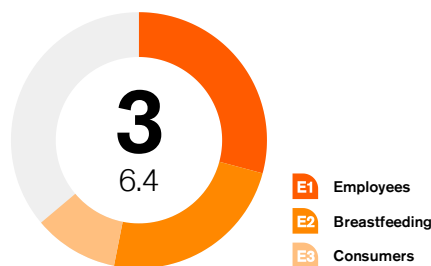
- Mars is the top-ranking company in relation to responsible marketing. It has increased its performance compared to 2016 considerably by implementing an independent audit of its marketing compliance to all consumers, including children.
- Mars has updated its Global Marketing Code for Human Food in August 2017, which now contains a comprehensive set of general rules to represent products fairly and appropriately, including the industry leading practice to commit not to use any models with a BMI of under 18.5. The document, which is fully disclosed and applicable worldwide, asserts that all forms of marketing are covered but mentions a limited set of media channels explicitly. The company is encouraged to specify that cinema, outdoor marketing and point-of-sales marketing fall within the scope of its policy.
- In 2016, Mars has commissioned an independent audit of its compliance to its marketing policy and discloses information in its 'Principles in Action' 2016 document. Mars is one of few companies to have adopted this industry-leading practice, covering all markets globally.
- Mars shows strong commitments as well by not performing any marketing activities to children under 12, and using an audience threshold of 25%. It pledges to IFBA, CFBAI and E.U. Pledge commitments and applies multiple tools across different online media to deter specific age groups.
- The company is committed to refrain from marketing activities in primary schools. However, the company is encouraged to extend this commitment to places near primary schools, in or near secondary schools and to other places popular with children. In addition, industry-leading practice extends responsible marketing commitments beyond the age of 12.
- In addition to independent auditing commissioned by Mars, the company's compliance regarding responsible marketing to children is audited through IFBA, CFBAI and E.U. Pledge organizations as well. The company discloses its individual compliance results.

Category D - Marketing 20% - Undernutrition



- Mars provided evidence to ATNF confidentially of a clear commitment to develop and deliver marketing strategies specifically intended to reach undernourished consumers. The company could increase its score by disclosing its commitment publicly. In addition, it is encouraged to further develop specific marketing strategies to reach undernourished consumers and to drive desired behavior change, for example by engaging behavioral specialists.

Category E - Workforce 2.5% - Nutrition



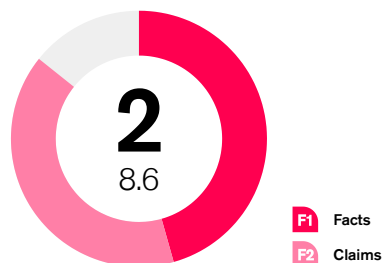
- Mars discloses its commitment to support employee health and wellness, having implemented the most comprehensive program among its peers. Its program focuses on many aspects related to healthy diets, active lifestyles and healthy behaviors. Mars demonstrates industry-leading practice by making the program available to all employees globally, as well as (some) family members. The company articulates expected health and business outcomes, tracks participation and has commissioned independent evaluation of its program. In addition, the company provides a narrative in its 2016 'Principles in Action' document about the results of the program.
- Mars commits to support parents inside and outside the workplace and to offer specific support to breastfeeding mothers. However, the company has not formalized its commitment into a globally applicable policy, nor does it define a minimum length of maternity leave. The company is encouraged to define a paid maternity leave of six months or more. The company does provide facilities in its offices around the world to support breastfeeding mothers, including private rooms, refrigerators for storing milk, flexible-working arrangements and regular breaks for feeding.
- Mars' current policies and practices for the consumer-oriented programs it supports are governed by its 'Global Marketing Code', which excludes brand-level sponsorship. These commitments are applicable in all Mars markets. However, it does not disclose any policy guiding commercial funding of healthy eating/nutrition education and physical activity programs. The company supports programs that are developed, implemented and evaluated independently, in addition to its own programs. The company can improve by disclosing more information about the programs it supports, by extending the scope of topics covered in its programs and by having all programs developed, implemented and evaluated independently.

Category E - Workforce 2.5% - Undernutrition



- Mars did not share evidence of commitments to supporting undernutrition-focused consumer education programs, or of funding of relevant programs.
- Mars is encouraged to commit to supporting well-designed programs educating undernourished consumers about the importance of breastfeeding, micronutrient fortification and healthy diets.
- It is recommended that Mars publishes its commitments as well as the content and results of the programs they support.

Category F - Labeling 15% - Nutrition



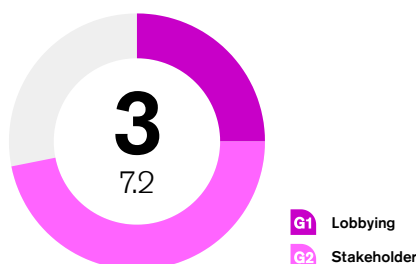
- Mars commits to disclose nutritional information on back- and front-of-pack labels. It is one of two companies in the 2018 Index to commit to providing all relevant nutrients according to the ATNI methodology. In addition, the contribution of nutrients in relation to the daily reference intake is provided on front-of-pack (FOP) labels. Serving or portion is always provided in addition to nutrient information per 100g or per 100ml basis, where required.
- Nutritional information is provided on front-of-pack labels in a numeric format, showing percentages of recommended daily intakes on all products globally. In addition, the company applies interpretative FOP labeling in selected markets; the traffic-light system in the UK and the HSR system in Australia. The company is encouraged to commit to implementing an interpretative front-of-pack labeling system globally. Like all companies, Mars should ensure to not undermine existing local interpretative FOP labeling systems by implementing alternative or additional systems.
- Mars reports to have implemented its labeling commitments for front- and back-of-pack across all markets, for which it is commended. It discloses on its website to have implemented its FOP commitments for more than 99% of relevant products.
- The company commits to apply health and nutrition claims to products in compliance with Codex guidelines in absence of local regulations, as disclosed in its Fortification Policy. Mars has improved its performance since 2016 by tracking the number of products that carry health and nutrition claims. It can further improve by publicly disclosing this information and by disclosing whether any complaints have been upheld against it about the mis-use of health or nutrition claim.

Category F - Labeling 15% - Undernutrition



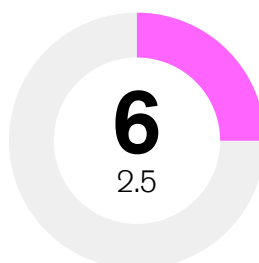
- Mars received a full score for Category F Undernutrition, demonstrating leading practice in this area. Its Fortification Policy commits to labeling all products worldwide that have been fortified with micronutrients. In addition, it contains the commitment that fortified products only carry health and nutrition claims when consistent with Codex Alimentarius standards, in the absence of a national regulatory framework to do this. Mars is one of only a few companies taking this comprehensive approach and publicly disclosing its commitments.

Category G - Engagement 5% - Nutrition



- Mars discloses comprehensive information about its lobbying and engagement activities on its corporate website, disclosing a brief 'Policy for Participating in Political Processes' as well. The company does not make a commitment to only engage with governments and policymakers with the intention to support measures to prevent and address obesity and diet-related chronic diseases. It is encouraged to make an explicit commitment not to lobby against public health-supporting initiatives.
- Mars provides full transparency on its lobbying positions related to health and nutrition claims, regulatory development, FOP labeling, and fiscal instruments related to nutrition and marketing to children. It shows leading practice by disclosing its lobbying positions and other relevant information on the Public Policy and Advocacy section of its website.
- Overall, the company's stakeholder engagement is comprehensive and includes both national and international stakeholders. The company discloses broad statements about the benefits of stakeholder engagement, as well as one example of using input from WHO and USDA on the design of its Mars Food Nutritional Criteria. The company is encouraged to publish more examples of how such engagement has explicitly been factored into its business practices.

Category G - Engagement 5% - Undernutrition



- Mars does not articulate a clear commitment to supporting governments in their efforts to address undernutrition. It is encouraged to do so and to disclose information about its activities.
- Mars provided evidence of one-to-one discussions to solicit input on its commercial undernutrition strategy with key international organizations that combat undernutrition, including Tata Trusts, World Food Programme and others. It is encouraged to increase its reporting on engaging with stakeholders on undernutrition-related activities.

Product Profile



20

Rank 20 / Score 2

| Average HSR score products (sales-weighted) | Percentage of healthy products (sales-weighted) | Percentage of healthy products suitable to market to children (sales-weighted) | Number of products included in HSR and WHO EURO assessments | | Number of countries included in the assessment |
|---|---|--|---|----------|--|
| | | | HSR | WHO EURO | |
| 1 star | 8% | 2% | 2077 | 1936 | 9 |

- Mars' average sales-weighted HSR is 1.0 (2.0 unweighted), generating a Product Profile score of 2.0 out of 10, and it ranks twentieth.
- The estimated percentage of products that meet the healthy threshold, weighted by sales, is 8% (29% unweighted). The proportion of products that are suitable to be marketed to children, based on WHO Euro nutritional criteria, was estimated to be 2% based on sales-weighted data (9% unweighted). The lower sales-weighted HSR scores illustrates that products of lower nutritional quality contributed more to sales than products of higher nutritional quality. This is explained at least partly by the fact that 'Confectionery' products represent the major part of the company's sales.
- Examined by category, 'Rice, Pasta and Noodles' is the best scoring category (3.5), followed by 'Sauces, Dressings and Condiments' (2.9), but these product categories represent only small proportions of global sales. 'Savory Snacks' and 'Spreads' are the lowest scoring categories (0.5). 'Confectionery' also has a low average HSR (1.2).
- Several product categories, including 'Soup' and 'Ready Meals', score considerably lower than the category average HSR across all companies and countries in the Product Profile assessment.
- The low proportion of products eligible for marketing to children is related to the fact that all products in the 'Confectionery' category are ineligible for marketing to children using the WHO Euro criteria.
- Out of the nine countries included in the Mars analysis, Hong Kong and New Zealand had the highest sales-weighted HSRs (2.2), with the U.S. and China ranking lowest with sales-weighted HSRs of 0.8. Similarly, Hong Kong had the largest sales-weighted proportion of healthy products (39%), with a HSR of over 3.5, and the U.S. the lowest (1%).
- The Product Profile assessment shows that the estimated proportion of sales that Mars derives from healthy products is very low, and only 29% percent of its portfolio of products is considered healthy. The company is recommended to step up its efforts to improve the healthiness of its portfolio through product reformulation and other means. Although options to increase the healthiness of products in certain categories, such as confectionery, are limited, the company is encouraged to optimize the levels of relevant 'negative nutrients' and 'positive nutrients'. In addition, Mars is encouraged to review the product compositions in their relatively low-scoring product categories and to explore opportunities to improve these.

For full details, see the company's Product Profile scorecard.

Disclaimer

Global Index

2018

General Disclaimer

As a multi-stakeholder and collaborative project, the findings, interpretations, and conclusions expressed in the report may not necessarily reflect the views of all companies, members of the stakeholder groups or the organizations they represent or of the funders of the project. This report is intended to be for informational purposes only and is not intended as promotional material in any respect. This report is not intended to provide accounting, legal or tax advice or investment recommendations. Whilst based on information believed to be reliable, no guarantee can be given that it is accurate or complete.

Sustainalytics participated in the data collection and analysis process for the Global Index 2018, contributed to the company scorecards and supported writing the report.

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country specific regulations related to marketing of these products in Bangkok, Thailand and Lagos, Nigeria. Westat is responsible for the analysis of the data related to compliance with the BMS Marketing standards and for the preparation of its final study report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report and the scoring of company performance for the same Index.

The George Institute for Global Health (TGI) is responsible for the data collection for the Product Profile assessment, using data from available databases that was supplemented with data provided by companies to ATNF. TGI is also responsible for the analysis of the data related to the Product Profile and the TGI Product Profile final report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report. Furthermore, TGI is responsible for the data collection and analysis related to the historic sodium reduction assessment in Australia, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

Innova Market Insights (Innova) is responsible for the data collection and analysis related to the historic sodium reduction assessment that was performed in four countries, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

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Footnotes

1. Scorecard version 2, 31 October 2018.
2. Source: Morningstar, USD historic exchange rate
3. Source: Morningstar

