

Tingyi ^{i 1}

Reported product categories

Meal Replacement, Noodles, Carbonates, Juice, RTD Tea



Rank 20 / Score 0

Rank 20 (2016)



Product Profile

Rank 16 / Score 3.3

Headquarters
China

Market capitalization
\$6,815 m

Reported revenue by geography ^{i 3}
Not available

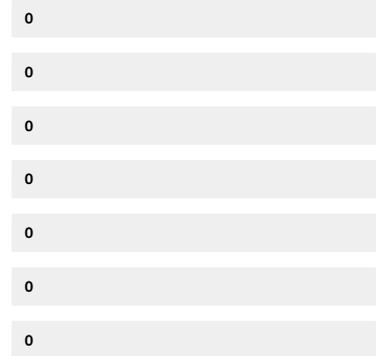
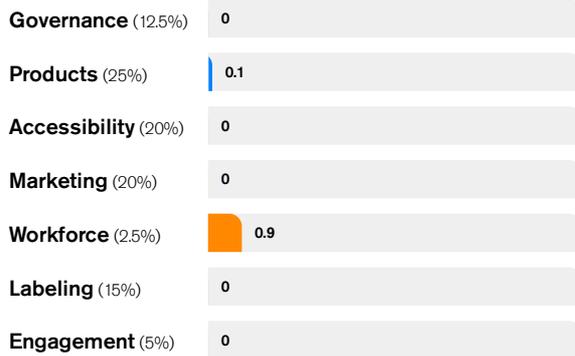
Number of employees
79,003

Total revenues ^{i 2}
\$8,365 m

Corporate Profile

Nutrition 21/0

Undernutrition 14/0



Main areas of strength

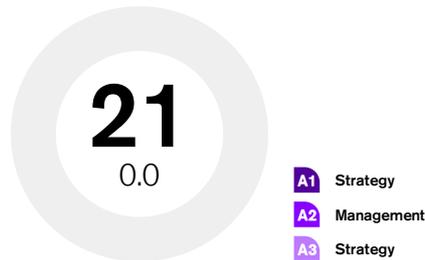
- As in the 2013 and 2016 Global Index, Tingyi's disclosure is limited and therefore no clear areas of strengths were identified.

Priority areas for improvement

- Despite marginal scores in Category B (Products) and E (Lifestyles), Tingyi's overall rounded score on the Global Index 2018 is 0.0 and it ranks twentieth, which is shared last position.
- Tingyi ranks sixteenth on the Product Profile assessment with a score of 3.3 out of ten, based on an assessment of its major product categories in one country. Tingyi was estimated to derive (only) 17% of its total sales from healthy products, i.e. achieve a rating of 3.5 or more on the Health Star Rating system. Tingyi has significant scope to improve the healthiness of its portfolio through product reformulation, innovation and/or portfolio changes.
- In general, Tingyi's limited disclosure means that no clear strengths were identified in the Corporate Profile research. Better disclosure by the company about its approach to tackling the global double burden of malnutrition, in terms of nutrition governance, product formulation, affordability and accessibility, responsible marketing practices, lifestyles, labeling and nutrition engagement, would allow for a more complete assessment and identification of specific areas for improvement. Additionally, engagement with the Access to Nutrition Foundation (ATNF) would allow a complete assessment of Tingyi's products' policies and practices. Tingyi is encouraged to engage with ATNF for the next Global Index.

Category Analysis

Category A - Governance 12.5% - Nutrition



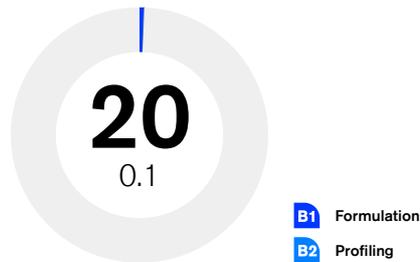
- Tingyi does not publish any information regarding its nutrition strategy or governance.
- Tingyi should commit at Board level to address obesity and diet-related chronic diseases.
- It is recommended that the company sets clear nutrition strategies, objectives and targets in all business areas underpinned by strategic market research.
- Scoring could be improved when incentive and accountability structures at senior management level are established and used to reward successful implementation of nutrition strategies.
- It is recommended that the company demonstrates high and increasing levels of sales of healthy products.
- Tingyi should develop a clear and comprehensive report on activities to prevent and address nutrition-related issues and on progress against nutrition-related objectives and targets, on a global basis.

Category A - Governance 12.5% - Undernutrition



- Tingyi does not publish any information regarding its nutrition strategy or governance.
- It is recommended that Tingyi commits to address undernutrition and sets objectives and targets as part of its core commercial business and philanthropic programs, with oversight assigned to its Board or other senior executives.
- It is recommended that the company takes a well-structured approach with a focus on higher priority countries and on critical population groups, pledging to work within regional and national frameworks to address specific fortification needs and undernutrition issues more broadly.
- Tingyi should carry out extensive research and publicly disclose information about these activities to identify the needs of key populations with specific micronutrient deficiencies.

Category B - Products 25% - Nutrition



- Tingyi states that "the premium healthy concept of broth was promoted and emphasized, [...] with emphasis on the nutrition of compound broth and health value of compound acid, were developed and launched in the market consecutively to meet the diversified consumer demand for health and customized needs accurately." However, the company does not disclose consolidated data on the number of products launched.
- It is recommended that Tingyi invests in research and development to improve the nutritional quality of new and existing products.
- Tingyi could strengthen its scoring by defining a clear approach to reformulating existing products against well-defined nutritional targets to decrease 'negative nutrients' (salt/sodium, trans-fat, saturated fat, added sugars/calories), and increase 'positive nutrients' (fruits/vegetables/nuts/legumes, whole grains).
- Tingyi should offer a high percentage of products within the portfolio that meet these nutritional targets and offer healthy options across all company brands.
- The employment of a comprehensive and appropriately set up NPS, applied to all products, as the basis for the company's product reformulation efforts and its definition of healthy products, would strengthen Tingyi's scoring.

Category B - Products 25% - Undernutrition



- The company does not publish any information about commitments or programs it operates or funds to address undernutrition in lower-income countries through product development and reformulation.
- Tingyi should set targets to increase its R&D efforts to develop or introduce fortified products or products inherently high in micronutrients and commit to increase the number or volume of fortified foods available to undernourished populations.
- To increase scoring, Tingyi should align its approach to fortification with international guidance, seek to use ingredients with high inherent levels of micronutrients and fortify only products of high nutritional quality.
- By providing evidence introducing new products commercially, funding non-commercial programs, and aiming to deliver appropriately fortified products to priority populations in priority countries, scoring would improve.
- It is recommended that Tingyi explains what it has done to increase the number or volume of fortified foods available to undernourished populations, through both commercial and non-commercial activities.

Category C - Accessibility 20% - Nutrition



C1 Pricing
C2 Distribution

- Tingyi does not publish any information about its approach to improving (through pricing and distribution) the accessibility of its healthy products.
- Tingyi should formalize written commitments, measurable objectives and targets to improve the affordability and availability of its healthy products for all consumers worldwide. For example, by defining targets on price point for healthy products and setting a goal on how many low-income consumers should be reached.
- It is recommended that the company publicly discloses its commitments, objectives and targets on accessibility and affordability.
- Tingyi should apply its approach to affordability and availability for low-income consumers to all the markets in which the company operates, including developed and emerging markets and provide evidence of relevant examples.

Category C - Accessibility 20% - Undernutrition



- The company does not publish any information regarding improving the affordability and accessibility of its fortified products for low-income populations.
- Tingyi should have a commercial commitment and objectives to improve the affordability of healthy products that address micronutrient deficiencies in developing markets. It should disclose examples of delivering against its commitments.
- In addition, it is recommended that the company has a commercial commitment with respect to improving the distribution of its products specifically formulated or appropriate for specific undernourished groups. It should disclose examples of doing so.
- To increase scoring, Tingyi should fund other organizations or otherwise support non-commercial programs that improve the distribution of products specifically formulated or appropriate for specific undernourished groups and disclose this funding and activity.

Category D - Marketing 20% - Nutrition



- D1** Policy (all)
- D2** Compliance (all)
- D3** Policy (children)
- D4** Compliance (children)

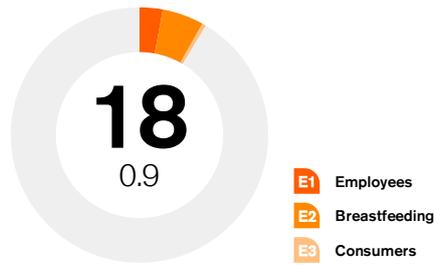
- Tingyi does not publish a policy regarding its marketing to consumers or to children.
- It is recommended that Tingyi develops and implements a responsible global marketing policy for all consumers which incorporates the responsible marketing principles of the ICC Framework and is applied equally to all media channels and all markets of operation.
- the company should adopt a comprehensive global policy on responsible marketing to children, which, at a minimum, would apply to children under 12 and apply when children make up more than 25% of a general audience. The policy should explicitly commit not to market any products to children under 12 on all media, unless they meet the company definition of a healthy product. It should commit to use only responsible marketing techniques, including on online media.
- It is recommended that Tingyi commissions or takes part in industry-level independent audits of these policies and discloses individual compliance levels for traditional and new media.

Category D - Marketing 20% - Undernutrition



- Tingyi does not publish any information on any commitment to developing and delivering marketing strategies appropriate to reaching undernourished populations in developing countries.
- Tingyi should make an explicit commitment to developing and delivering marketing strategies appropriate to reaching undernourished populations in developing countries and disclose this commitment publicly.
- The company should provide evidence of taking steps to understand and reach undernourished consumers in developing countries with appropriate products.

Category E - Workforce 2.5% - Nutrition



- The company does not disclose extensively on information regarding the provision of employee health and wellness programs or support for consumer-oriented education to encourage healthy diets and active lifestyles. However, Tingyi has a commitment to care for employees, but no program focused on nutrition and diet, although physical activity is addressed as part of team building activities.
- It is recommended that the company offers comprehensive nutrition and healthy lifestyle programs within its overall staff health and wellness programs, for all employees and their families globally.
- To increase scoring, Tingyi should offer supportive maternity leave policies including paid maternity leave of six months, flexible working arrangements and appropriate workplace facilities for breastfeeding mothers when they return to work.
- It is recommended that Tingyi commits to support integrated, comprehensive consumer-oriented healthy diet and active lifestyle programs and campaigns globally, developed and implemented by independent organizations with relevant expertise.

Category E - Workforce 2.5% - Undernutrition



- The company does not disclose a written policy and guidelines regarding the type of programs related to undernutrition that it will sponsor or fund through any philanthropic giving or commercial activities.
- Tingyi should commit to support well-designed programs that educate undernourished consumers about the importance of breastfeeding, micronutrient fortification and healthy diets.
- It is recommended that the company publishes its commitments as well as the content and results of the programs it supports.

Category F - Labeling 15% - Nutrition



F1 Facts
F2 Claims

- Tingyi does not publish any information about any policies to ensure that it takes a responsible approach to product labeling and the use of health and nutrition claims.
- It is recommended that Tingyi adopts, publishes and fully implements a global policy on nutrition labeling. It should commit to provide information on all key nutrients in a way that is easy to understand for consumers, including information on portion size and nutrients as percentages of daily values (or equivalent), displayed appropriately in nutrition information panels on the back of packs and in interpretative format on the front of packs. Like all companies, it should ensure to not undermine existing local interpretative FOP labeling systems by implementing alternative or additional systems.
- Tingyi should disclose the degree to which the full labeling policy is implemented, at the level of markets with full roll-out.
- To improve scoring, Tingyi should adopt and publish a global policy on the use of both health and nutrition claims which states that, in countries where no national regulatory system exists, such claims will only be placed on products if they are in full compliance with the relevant Codex standard.
- Tingyi should ensure it tracks and discloses the number of products that carry health and nutrition claims.

Category F - Labeling 15% - Undernutrition



- Tingyi does not disclose a formal labeling policy or any commitments it has made to ensure that products that have naturally high levels of micronutrients, or that have been fortified with micronutrients for all markets, are labeled as such.
- It is recommended to adopt and publish a global policy on labeling that includes commitments to label the micronutrient content of all products sold in developing countries fortified with or naturally high in micronutrients.
- Tingyi should also adopt and publish a global policy on the use of both health and nutrition claims which states, in countries where no national regulatory system exists, that these claims will only be placed on products if they are in full compliance with the relevant Codex standard.

Category G - Engagement 5% - Nutrition



G1 Lobbying
G2 Stakeholder

- Tingyi does not publish any information about its approach to lobbying or stakeholder engagement.
- Tingyi should commit to lobbying on nutrition issues only in support of public health, or to not lobbying at all. It should publish a policy that covers lobbying, engagement with governments and policymakers, and donations.
- It is recommended that Tingyi discloses all lobbying activities on nutrition issues, membership and financial support of industry associations or other lobbying organizations, and board seats on such bodies.
- The company should conduct comprehensive, well-structured stakeholder engagement focused on improving its business strategy and performance, and provide evidence and examples showing how stakeholder engagement has led to improvements of policies and practices.

Category G - Engagement 5% - Undernutrition



- Tingyi does not disclose any commitments to play an active and constructive role in developing countries to support government efforts to address undernutrition, and it does not provide any evidence on one-to-one discussions with key organizations working on undernutrition.
- Tingyi should commit to play an active part in supporting the efforts of developing country governments to address undernutrition and publicly disclose a narrative about such activities.
- It is recommended that Tingyi provides evidence of engagement with relevant organizations on undernutrition and publicly discloses a narrative on its engagement with stakeholders on undernutrition.

Product Profile



16

Rank 16 / Score 3.3

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	
1.6 stars	17%	13%	137	137	1

- Tingyi's average sales-weighted HSR is 1.6 (2.0 unweighted), generating a Product Profile score of 3.3 out of 10, and it ranks sixteenth.
- It was estimated that 17% of its sales (31% of its products by number) were generated from products that met the healthy threshold, an HSR of 3.5 or higher, in 2016. This indicates that products of poorer nutritional quality accounted for a relatively larger proportion of estimated sales than those with a better nutritional profile.
- The one country (China) used in this analysis represented 98% of Tingyi's estimated total global food and beverage sales in 2016.
- Assessing by category, showed that 'Bottled Water' had the highest mean HSR of 5.0, followed by 'Juice' with 3.6 and 'Dairy' with 2.6.
- Only 13% of Tingyi products weighted by sales (8% by number of products) were eligible for marketing to children; 100% of 'Bottled Water' products were eligible for marketing to children followed by 24% of 'Dairy' products. 'Juice' products are ineligible for marketing to children under the WHO Euro criteria.
- Overall, the Product Profile assessment indicates that Tingyi generates a small proportion of its sales from healthy products. In addition, a low proportion of its portfolio fulfils criteria to be marketed to children. These results indicate that the company should step up its efforts to improve the healthiness of its portfolio through product reformulation, innovation or other portfolio changes.

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. Tingyi does not publish information pertaining to its nutrition practices and the company did not actively participate in the research process; its assessment is therefore based on publicly available information. ATNF may not have been able to identify and assess relevant documents in Chinese and the language barrier may have limited the extent to which details of company performance were reflected correctly in the scoring. Scorecard version 2, 31 October 2018.
2. Source: Morningstar, USD historic exchange rate
3. Source: Morningstar

