

# Yili

**Product categories assessed**

Dairy/Ice Cream and Frozen Desserts

**Percentage of company global sales covered by Product Profile assessment**  
45-50%

**Headquarters**  
China

**Number of employees**  
53,531

**Type of ownership**  
Public



**Product Profile** 1

Rank 4 / Score 6.4



**BMS/CF Marketing** 2

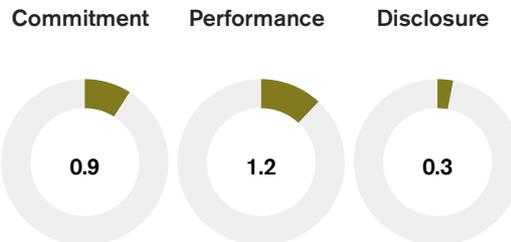
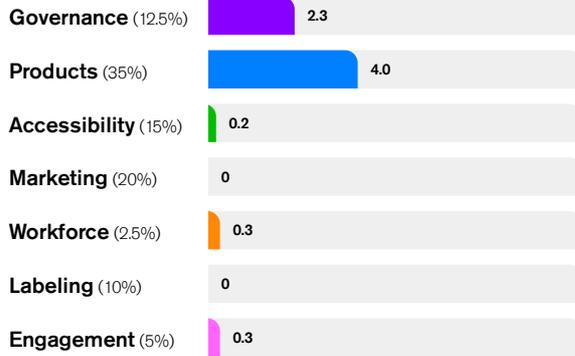
Rank 7 / Score 0%

**Important:**

The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information such as differences in disclosure requirements among countries or capacity constraints within companies, amongst others the Covid-19 pandemic. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

## Corporate Profile

**Rank 21    Score 1.1**



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type. The Commitment, Performance, Disclosure score only applies to category scores and not to the BMS/CF Assessment.

An adjustment of -0.75 to the company's score has been made based on its score in the BMS/CF Marketing Index 2021.

**Company BMS/CF Scorecard:** [https://new-l40rlzsq.accesstonutrition.org/app/uploads/2021/06/ATNI\\_Scorecard\\_Yili.pdf](https://new-l40rlzsq.accesstonutrition.org/app/uploads/2021/06/ATNI_Scorecard_Yili.pdf)

## Main areas of strength

- **SCORES AND RANKS:** Yili achieved the fourth position on the Product Profile with a mean healthiness score of 6.1 out of 10 – an indication of the nutritional quality of company's products in best-selling categories across major markets.
- **GOVERNANCE:** Yili performs well on its high-level strategic commitments. The company publicly discloses its commitments to delivering more healthy foods and to addressing the specific needs of priority populations with healthy and appropriate products. The company's 'WISH' system integrates nine Sustainable Development Goals (SDGs) into four key action areas, one of which is a focus on Nutrition and Health; indicating that nutrition and health are fundamental to Yili's corporate strategy. However, it is unclear how these commitments are linked to the company's commercial activities. To improve, the company could consider providing further elaboration and explicitly state how it strategically commits to grow, with a focus on nutrition and health in its commercial (not philanthropic) activities.
- **GOVERNANCE:** Yili has performed studies with Wageningen University on senior citizens' diet and health status, showcasing its research to assess the unmet needs of priority populations. Additionally, the company publishes its annual Social Responsibility Report, covering formal, regular reports on its overall approach to tackling nutrition-related issues.
- **PRODUCTS:** Through its research focused on nutrition and health for the middle-aged and elderly, Yili provided evidence of investment that enables the development or improvement of products aimed at addressing the specific needs of priority populations. With QQ Star Growth Yogurt for Children, Guneng Formula, and Xinhua Formula Three products, the company addresses the nutritional needs of three different priority populations through development of specific products: namely children between three to five years, children over five years, and the elderly.
- **ACCESSIBILITY:** Yili has been actively engaged in on-campus milk drinking promotion and food safety management practices. The company's provision of products to school feeding programs is evidence of its efforts to improve the physical accessibility of healthy products that address undernutrition and micronutrient deficiencies.
- **MARKETING:** Yili commits to accurately representing the material characteristics of products featured in marketing communications for food and beverage products, such as taste, size, nutrient content, and health benefits. As such, consumers are not misled in regards to any of these characteristics, and this is in alignment with Article 5 of the International Chamber of Commerce (ICC) Framework.
- **LIFESTYLES:** The company commits to providing breastfeeding mothers with appropriate working conditions and facilities at work, through 'Mothers' Lounges' at 35 locations throughout China. To improve the company score, this commitment could be made into a public formal policy, and the policy to allow parental leave could be added. As Yili adheres to Chinese law, the

## Priority areas for improvement

- **SCORES AND RANKS:** Yili is assessed for the first time in the Global Index 2021. The company ranks 21st with a score of 1.1. Yili is recommended to further increase public disclosure about its nutrition-related commitments, policies, and practices, and is encouraged to engage with ATNI to allow for a more complete assessment of its nutrition related efforts.
- **GOVERNANCE:** Yili is advised to adopt and disclose a nutrition policy that specifies how it contributes to improved nutrition and health, in the countries in which it operates, through its commercial strategy and activities. Where relevant, the company could consider disclosing information about its approach to micronutrient fortification according to national authorities' guidance, or about other opportunities available for it to address micronutrient deficiencies.
- **PRODUCTS:** The company is encouraged to define what products are 'healthy' based on objective nutrition criteria (using an internationally-recognized Nutrient Profiling Model (NPM)), and implement a strategy towards a healthier product portfolio by setting product formulation and/or reformulation targets.
- **ACCESSIBILITY:** Yili scores in the low tier with regards to delivering affordable and accessible products. The company is advised to adopt and publish a policy to improve the affordability and physical accessibility of products that meet healthy criteria, taking into account how it could reach low-income populations, or populations in rural or urban areas that lack regular access to healthy, affordable food.
- **MARKETING:** The company is encouraged to adopt and publish a marketing policy that addresses general aspects of responsible marketing, and make specific commitments to ensure that marketing of unhealthy products to children is avoided. ATNI also recommends that Yili aligns with the World Health Organization (WHO) regional nutrient profile models to establish which products should not be marketed to children.
- **LIFESTYLES:** To improve its performance, Yili could consider supporting healthy diets and active lifestyles among their own staff by providing employee health and wellness programs, supporting breastfeeding mothers at work, and supporting healthy diet and active lifestyle programs for the community.
- **LABELING:** The company could consider adopting and publishing a labeling policy to ensure that nutrition information is provided on all packaged food and beverage products, according to Codex Alimentarius guidelines and in compliance with national regulations in the countries in which it operates.
- **ENGAGEMENT:** The company is encouraged to develop a responsible lobbying policy that outlines its commitments and principles for engagement and activities. The company is advised to engage with a variety of relevant stakeholders who have expertise in nutrition and addressing malnutrition, to solicit input on its nutrition strategy, policies, and programs; and publicly adhere to

company allows 14 weeks of maternity leave and allows mothers at least one hour a day during work hours for breastfeeding, during a one-year breastfeeding period. ATNI recommends companies to go beyond the minimum set by national laws and provide breastfeeding mothers with additional facilities and benefits.

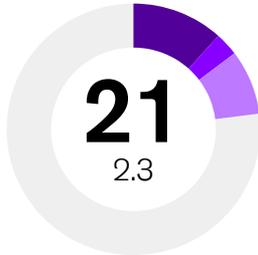
- **ENGAGEMENT:** In its 2018 CSR document, Yili has a section which deals exclusively with anti-fraud measures and mandatory reporting of any corruption measures, and has a number of systems in place to ensure that monitoring of potential corruption is comprehensive.

international codes, such as the 'UN Guiding Principles on Business and Human Rights' that guide responsible engagement with stakeholders in the food supply chain.

- **BREAST MILK SUBSTITUTES AND COMPLEMENTARY FOODS:** ATNI recommends for Yili to publish a BMS policy in which it commits not only to comply with national regulation in China (and any other countries in which it currently does business or may do business in future), but to commit to implement The International Code of Marketing of Breastmilk Substitutes, in full, everywhere, across all markets of operation.

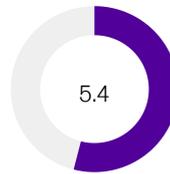
# Category Analysis

## Governance

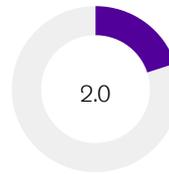


- A1 Nutrition strategy
- A2 Nutrition management
- A3 Reporting quality

### Commitment



### Performance

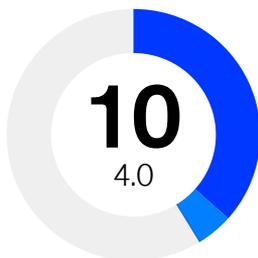


### Disclosure



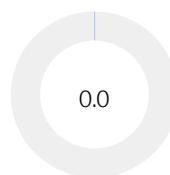
The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

## Products

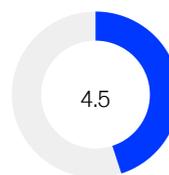


- B1 Product Profile
- B2 Product formulation
- B3 Defining healthy products

### Commitment



### Performance



### Disclosure

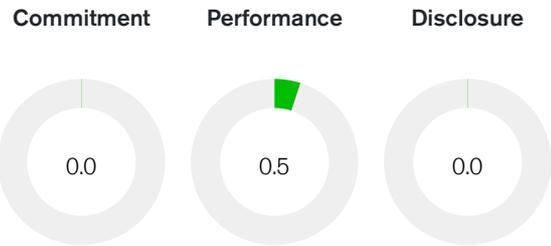


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## Accessibility



- C1 Product pricing
- C2 Product distribution

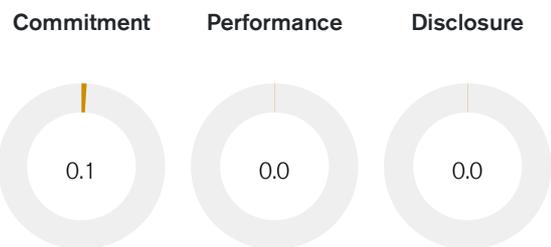


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## Marketing



- D1 Marketing policy
- D2 Marketing to children
- D3 Auditing and compliance

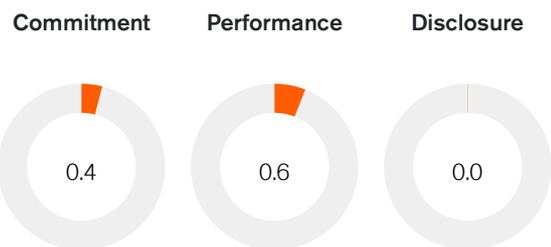


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## Workforce



- E1 Employee health
- E2 Breastfeeding support
- E3 Consumer health



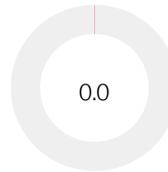
The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

## Labeling



- F1** Product labeling
- F2** Claims

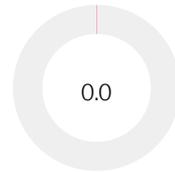
### Commitment



### Performance

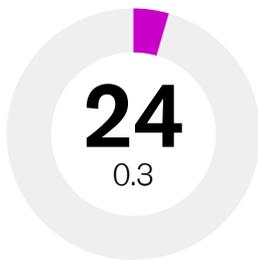


### Disclosure



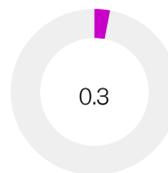
The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

## Engagement

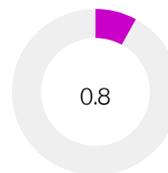


- G1** Influencing policymakers
- G2** Stakeholder engagement

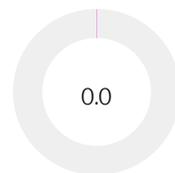
### Commitment



### Performance



### Disclosure



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# Detailed Product Profile Results <sup>1 3</sup>

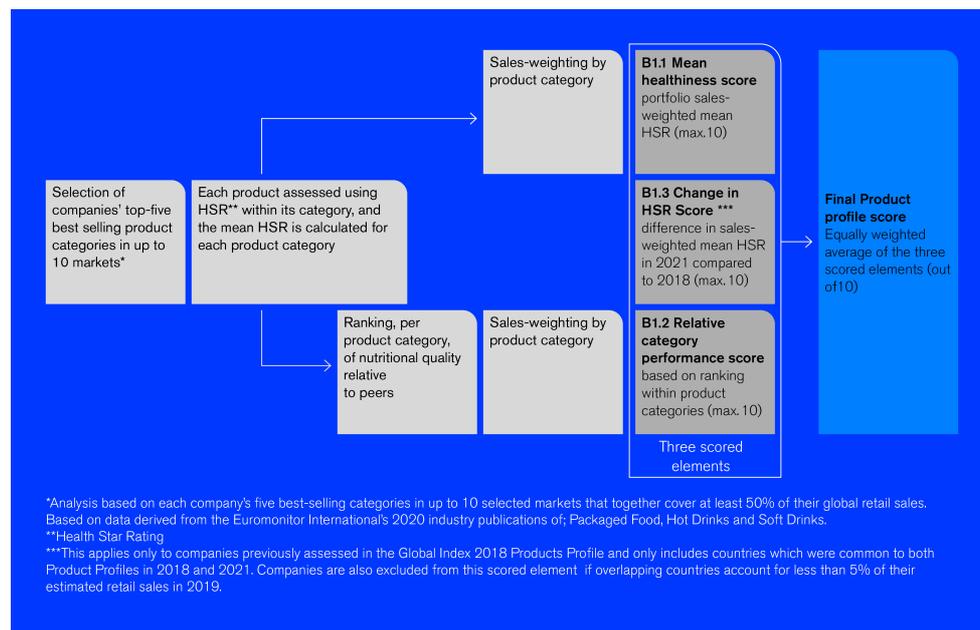


4

Rank 4 / Score 6.4

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthy. This assessment is undertaken in partnership with The George Institute for Global Health (TGI), with additional data input from Innova Market Insights.

The methodology for the Global Index 2021 Product Profile has been revised and now includes three scored elements. The overall Product Profile score reflects: B1.1, the mean healthiness of a company's product portfolio; B1.2, the relative healthiness within product categories compared to peers, and; B1.3, changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile. The steps taken to calculate the final Product Profile scores are visualized in Box 1. The next section further explains each of these three elements.



Yili has been assessed for the first time in the Global Index Product Profile. A total of 188 products have been analyzed sold in company's major market (China). Products from the top five best-selling product categories are included. In 2019, these products accounted for 95-100% of the company's total retail sales, excluding baby foods.

In this Product Profile assessment, Yili scores 6.1 out of 10 (B1.1) in the mean healthiness element, and 6.8 out of 10 (B1.2) for the relative healthiness of its products within categories compared to peers. This results in Yili obtaining an overall score of 6.4 out of 10, and ranking fourth out of 25 in the Product

## B1.1 Portfolio-level Results

Average HSR (out of 5 stars) (sales-weighted)	1 Countries included	Range of global sales included <sup>1, 2</sup>	Healthy products (HSR)				Products suitable to market to children (WHO regional models) - UNSCORED		
			No. products assessed	% products healthy (≥3.5 stars)	% retail sales healthy 2019 (≥3.5 stars) – assessed countries only	% estimated global retail sales healthy 2019 (≥3.5 stars) <sup>5</sup>	No. products assessed	% products suitable	% sales from suitable
3	China	45-50%	188	29%	31%	31%	188	7%	8%

- A total of 188 products manufactured by Yili in the Chinese market, covering two product categories ('Dairy' and 'Ice Cream and Frozen Desserts'), were included in this Product Profile (baby foods, plain tea were not assessed). The company's sales-weighted mean HSR is 3.0 out of 5. ATNI turns this value into a score between 0 and 10, resulting in a mean healthiness score of 6.1 out of 10 for Yili. The company ranks fifth out of 25 companies in this first scored element (B1.1).

- Overall, 29% of distinct products assessed were found to meet the HSR healthy threshold (HSR ≥3.5). Together, these products accounted for an estimated 31% of Yili's retail sales of packaged food and beverages 2019 in (excluding baby food and plain tea). Assuming the products and markets included in the assessment are representative of the company's overall global sales, ATNI estimates the company derived approximately 31% of its global retail sales from healthy products in 2019.

WHO nutrient profiling models (unscored): Only 7% of products assessed were found to be of sufficient nutritional quality to market to children, according to the World Health Organization (WHO) regional nutrient profiling models. These products were estimated to generate 8% of the company's sales in 2019. More information on this part of the assessment can be found in the Marketing section (Category D) of the Index.

## B1.2. Product Category Results

	No. products analyzed	% products healthy (HSR ≥3.5)	Company mean HSR	Mean HSR for all companies selling this product category	Company performance (rank in mean HSR compared to peers selling products in the same category) <sup>5</sup>
Ice Cream and Frozen Desserts	26	0%	2.1	2	3rd out of 7
Dairy	162	33%	3.1	2.9	7th out of 18

- Yili's main category in terms of sales ('Dairy') was the best performing category, where a total of 162 products analyzed obtained mean HSR of 3.1 out of 5. Products in the 'Ice Cream and Frozen Desserts' achieved a mean HSR of 2.1 out of 5.

- Yili performs equal to or better than its peers in the two categories in which the company is assessed in.

- Yili scores 6.8 out of 10 in this second scored element (B1.2) and ranks 10 out of 25 companies. This is based on its ranking compared to peers within the two categories, using the scoring system set out in ATNI's methodology.

### B1.3. Change in mean HSR

	No. of products analyzed in 2018	No. of products analyzed in 2021	Sales weighted mean HSR 2018	Sales weighted mean HSR 2021
TOTAL	0	0	0	0

Not applicable for this company. This third scored element applies only to companies assessed in both Indexes and takes into account only those countries included in both assessments. Companies are also excluded from this scored element if overlapping countries account for less than 5% of their estimated retail sales in 2019.

**Full Product Profile report:** [https://new-l40rlzsq.accessstonutrition.org/app/uploads/2021/06/GI\\_Global-Index\\_TGI-product-profile\\_2021-2-1.pdf](https://new-l40rlzsq.accessstonutrition.org/app/uploads/2021/06/GI_Global-Index_TGI-product-profile_2021-2-1.pdf)

# Breast-milk Substitutes / Complementary Food Marketing



7

Rank 7 / Score 0%

Rank	BMS Marketing	Adjustment to Global Index Score <sup>i</sup> 7	BMS 1	BMS 2	Level of compliance in country studies	
		Max. of -1.5			Philippines	Mexico
7	0%	-0.75	0%		NA	NA

- Yili is a new entrant among the six Index companies included in the BMS/CF Marketing Index. Its score is only based on the BMS/CF 1 assessment of the company's policy commitments, management systems and disclosure relating to the marketing of its BMS products. As Yili does not sell its products in either of the countries included in the BMS/CF 2 assessment during 2020 (Mexico and the Philippines), its score does not include in-country study results and the Global Index adjustment is only based on the Corporate Profile score. Therefore, the maximum Global Index adjustment is -0.75. The BMS/CF Marketing Index score is used to generate a proportionate adjustment to the final Global Index score.

- Yili ranks an equal seventh in the BMS/CF Marketing Index with a level of compliance with ATNI's updated methodology (including WHA 69.9) of 0%. To ATNI's knowledge, Yili is not a manufacturer of complementary foods intended for children 6-36 months of age and is therefore only assessed on the BMS module.

- Yili does not publish a BMS marketing policy or any other relevant documents to complete the assessment. Thus, Yili's overall score on BMS/CF 1 is 0%.

- ATNI only relied on publicly available information, not additional unpublished information, which other companies provide to ATNI during the research process to help complete the assessment. To improve its score, Yili is encouraged to engage with ATNI for the next BMS/CF Marketing Index to allow for a complete assessment of its policies and practices in relation to BMS marketing.

- ATNI also encourages Yili to publish a BMS Marketing policy in which it commits not only to uphold national regulation in China (and any other countries in which it currently does business or may do business in future) but to commit to implement The Code, in full, everywhere across all markets of operation.

**BMS/CF Chapter Global Index 2021:** <https://new-140rlzsq.accesstonutrition.org/index/global-index-2021/bms-chapter-global-index-2021/>

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## Footnotes

1. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
2. 6 of the Global Index 2021 companies are also assessed under the Breast-Milk Substitute/Complementary Food Marketing Index which includes the nine largest companies by global revenues in the baby food segment. Companies are thus ranked and scored separately on the BMS/CF Marketing Index. This score is also used to generate a BMS/CF scoring adjustment of a maximum value of -1.5 which feeds into each company's final Global Index score.
3. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
4. Retail sales data derived from Euromonitor International.
5. ATNI estimates this value by taking the proportion of healthy products within each category assessed and multiplying that figure by the global category retail sales. The values are then aggregated to generate an estimate of the overall global healthy sales (excluding baby foods, plain tea, and coffee, which are not included in the Product Profile).
6. Within-category ranks are calculated for all product categories in which two or more companies are active. Next, a performance percentage is calculated from the inverted rank (e.g. first out of 10: inverted rank  $10/10 = 100\%$  performance score; tenth out of 10: inverted rank  $1/10 = 10\%$  performance score). The 'Bottled Water- Pure' category receives a standard rating of five stars, according to the HSR algorithm for all companies.
7. As Yili does not sell its products in either country of the BMS/CF 2 assessment, its score does not include any in-country study results and the Global Index adjustment is only based on the BMS/CF 1 score. The total possible adjustment is therefore -0.75 rather than -1.5. The final Corporate Profile score represents the level of compliance with the ATNI methodology; the adjustment is based on the level of non-compliance.