

Collaboration for Healthier Lives: Healthy China, Nutrition First

Analysis of CHL China Data on Nutrition and Food Consumption in January - April 2020





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About CHL

The Consumer Goods Forum (CGF) Coalition, Collaboration for Healthier Lives (CHL), is about making it easier for people around the world to adopt healthier lives for themselves and their families. It's about making healthier decisions easier and habitual for people in every community around the world. It is a global movement led by manufacturers, retailers, public health authorities and local communities, delivering local movements in communities worldwide. There are currently nine CHL initiatives running across 14 countries.

As a collective, members of the CGF, and their partners, are exploring, experimenting, innovating and evolving business models to support positive change, while sharing data and knowledge at scale, cross-industry. Health is not a competitive advantage; it's a basic necessity. And, it's clear no company can solve this issue alone. Collaboration is needed at scale and across sectors if the consumer goods industry is to play the necessary role in the health and wellbeing of people.



The CHL China Journey



The Collaboration for Healthier Lives (CHL) China journey began in the second quarter of 2019 with a kick-off meeting that served to identify and align on the key health and wellness issues for the initiative. This was followed by series of best practice sharing discussions with Oliver Wyman and the CGF's China team, as well as several in-depth research interviews with members (including Bright Dairy, Carrefour, Ele.me, METRO, PepsiCo and Walmart). The feedback from the interviews served as a solid foundation for preparations for the CHL China project design workshop that followed in Beijing in May.

In August 2019, a meeting took place in Shanghai where the project duration and topics were confirmed. The main topics decided were "Balanced Nutrition", with a focus on "Three Reductions" – sugar, salt and oil – and "Healthy Oral Hygiene". In September and October 2019, a series of in-store activations were launched in Beijing, Shanghai, Shenzhen, Chengdu, Hangzhou and Shenyang:

Carrefour

- Covered three cities; rolled out "One for Good" shelf displays, nutritionist lectures, "Health by Me" student initiative and a "Three Reductions" giveaway.

RT-Mart

- Covered five cities; rolled out the "Health Guidance Shelf" in stores, Chinese consumer health and wellness survey and article

publications in their app.

In the first half of 2020, a series of online and in-store activation were launched in the 3rd week of May which is National Nutrition Week(NNW) of China.

Participants:

PepsiCo, Danone, RT-Mart, Auchan, Ele.me, Bright Dairy, Freshippo, Coca-Cola China, Mars, Metro, Mengniu Dairy, Nestle China (Co-chair), Carrefour China (Co-chair), New Hope Liuhe, Mondelēz

- **Online:** Rolled out 7 Nutritionist Live streams in 6 cities, virtual health shelf in 2 platform that one last up to 2 weeks, Health community interaction and article publications in apps.
- **Offline:** Rolled out 1-year centralized and 2-week dispersed "Health Guidance Shelf" pilot.
- **Others:** Develop "Balanced Nutrition, Three Reduction" foods on the retailer's own brand; Analysis of CHL China Data Nutrition and Food Consumption was Published in NNW with Chinese Nutrition Society.

The CHL China journey is on the road and a multitude of activations are planned to impact at scale in the future.

Understanding the Data



In order to ensure the highest quality analysis, CHL China members have partnered with the Chinese Nutrition Society (CNS) to create an expert working group. The Group is, under the guidance and supervision of CNS, focused on understanding the data being collected on the nutrition and consumption habits of Chinese shoppers and consumers who have been exposed to the in-store and digital activities of CHL China.

The Consumer Goods Forum has integrated data and resources of participating CHL China members (RT-Mart and Carrefour China), together with the support of Nielsen China, to report back on the "Healthy Consumption" trend that has been witnessed during the CHL China initiative in the first four months of 2020 – January thru April.

Of course, China was dealing with the COVID-19 outbreak during this period, so data very much reflects the shift in behaviour as the government responded to the outbreak by restricting movement and business hours.

This introductory report provides results and analysis from these four months, and highlights eight key trends that have been witnessed in the changing behaviours of Chinese shoppers and consumers in the relevant Carrefour and RT-Mart stores.



"Nutrition and health became hot topics in the past few months. It is a very meaningful collaboration with the CGF in China and Nielsen China to interpret the consumption of Chinese residents from the perspective of food consumption data and to discuss the changes brought by the COVID-19 epidemic. We also believe that this is a promotion of the Chinese consumer goods industry and consumers' health".

Yuexin YANG, Chairwoman of Chinese Nutrition Society



This is definitely great collaborative initiative between CHL member and Chinese Nutrition Society. By interpretation of industry big data with professional nutrition advice, it provides consumers practical guidance for choosing products and establishing healthier diet habit. It also provides rich shopper insight for us to further improve implementation plan of CHL initiatives, such as healthy shelf in store and digital health solutions.

Duncan DU, Head of Nutrition Health & Wellness, Nestlé China, and Co-Chair, CHL China

About the Stores



"RT-Mart" was founded by Ruentex Group in 1996, and opened its first large supermarket in mainland China in July 1998. It is a large-scale, comprehensive supermarket with membership system. As of January 2020, it has successfully opened 414 stores in mainland China, serving 29 provinces and autonomous regions across the country with more than 100,000 employees and 100,000 shopping guides. Its stores serve more than four million customers every day.

In 2011, Sun Art Retail was established. It owns two retail brands, "RT-Mart" and "Auchan". In November 2017, Alibaba Group strategically invested in Sun Art Retail, officially entering the new retail era. In 2018, the total turnover of Sun Art Retail reached RMB 101.315 billion.



Carrefour officially entered the Chinese mainland market in 1995 and was one of the earliest batch of foreign-funded retail companies in China. Carrefour China currently has 209 supermarkets and 24 convenience stores in China, covering 22 provinces and 51 cities. Carrefour's online business covers the whole country, with nearly 40,000 SKUs. At the same time, Carrefour China has nearly 47 million members and has extensive brand influence.

On September 27, 2019, Suning officially acquired Carrefour China. Carrefour China is positioned as a "community life centre" and is fully integrated into Suning's full-scenario retail system. It will continue to provide high-quality goods and services to Chinese consumers through strategic upgrades to better meet consumers' enhance needs .

About the Stores



- Sophia Yeh, General Manager of Marketing Department, RT-Mart

During the COVID-19 epidemic period in China, we observed some changes and trends in customers' food consumption behavior from our sales. RT Mart has the honour to participate in the project together with CGF, China Nutrition Society and professional partners to explore the consumer behaviour, psychological changes and the direction of attention during the epidemic, and provide detailed analysis of food consumption trends under the influence of COVID-19. We are very glad to find that the results of the scientific data-driven research are quite similar to the trend we observed.

As a retailer with social responsibility, RT Mart hopes to work closely with CGF and China Nutrition Society to provide healthier choices for Chinese consumers and help them live healthier lives in the future!



Kelly Zhang, Manager of Carrefour China Institute for Food Safety, Nutrition and Health and National Laboratory

It is our great honor to be involved in the this project and to support the sharing of consumption data to better under consumer trends during this period. It shows our social responsibility. CGF released the consumption data during the National Nutrition Week, which demonstrated its influence in the nutrition industry by collaborated with the Chinese Nutrition Society. This report detailed the analysis of changing consumer behavior, which could help us retailers to better understand consumption trends, so as to guide us to help empower consumers to live a healthy lifestyle. We do believe that under the increasing integration of online and offline channels, the consumption scale of healthy food in China will further expand.



Chinese Consumer Behaviour

According to Nielsen China Data, consumer lives and shopping styles have undergone significant changes under the new consumption environment brought about, in part, by the coronavirus outbreak.

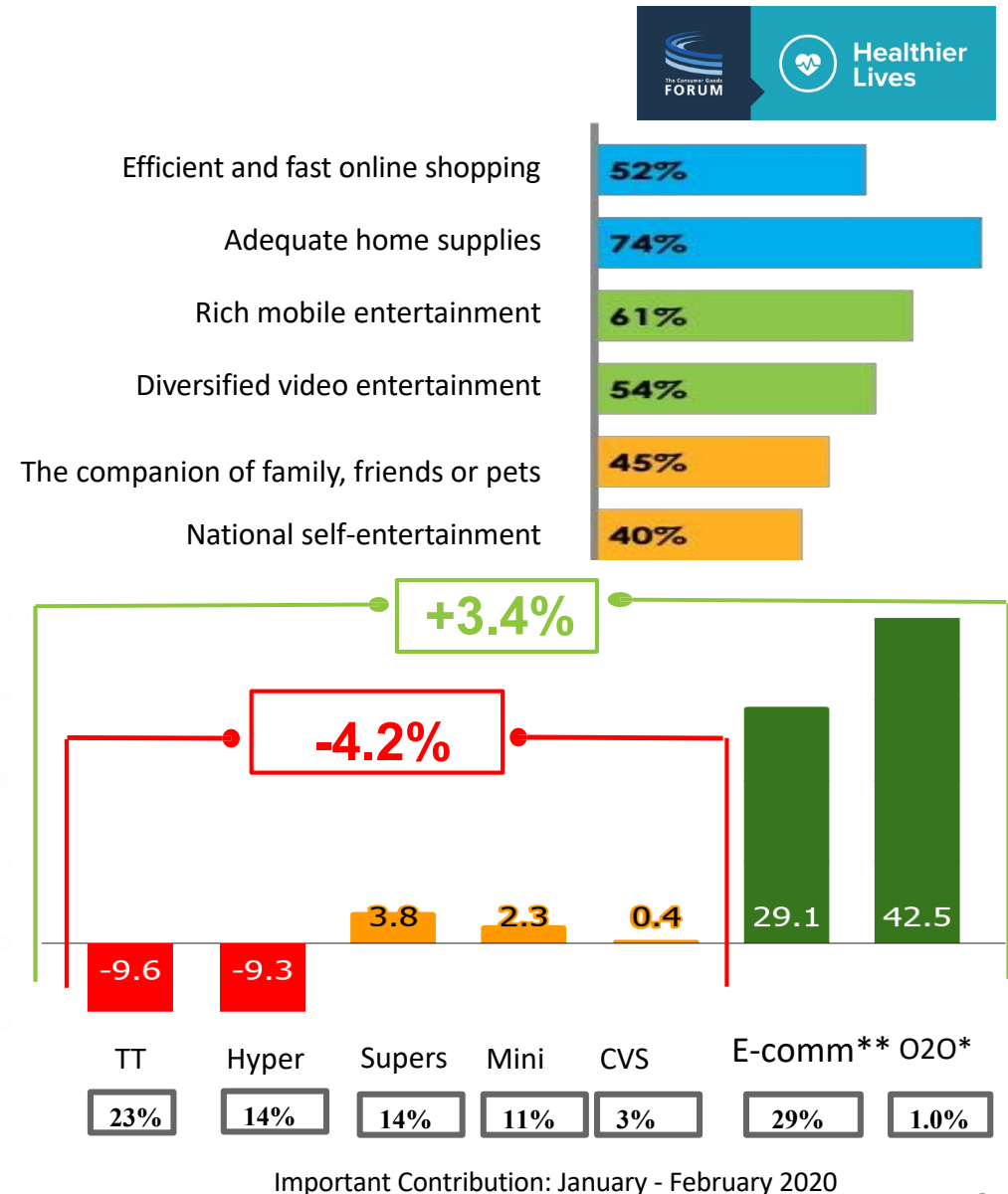
The data in the charts shows online channels are recovering rapidly due to the advantages of close proximity, convenience and their rich product portfolios. This growth is despite the short-term stagnation of logistics and product distributions in some regions.

The sales of FMCG in online and small-format retail stores increased 3.4% year-on-year from January to February this year.

Adequate home supplies, rich mobile entertainment, and fast and effective online shopping have become the first choice for consumers to feel at ease at home, while the companionship of family, friends and pets have brought more intimate moments to home life according to the results.

SMALL MT: has managed to grow on the back of:
Proximity/Convenience/Assortment

Online: Despite short term logistical issues, online recovered quickly and grew by 50% in Feb'20 vs LY



Chinese Consumer Behaviour



| New “Homebody”



Cooking

85%

cooked at home



Shopping

70% shopped more than **2x** week for fresh & essentials.

Over half of consumers shopped online more.

Health



75% more **exercising**, and increase in intelligent **health products**, healthy **nutrition** and medical examinations



| Buzzwords about health

Healthy Diet, Gourmet, Fitness, Mental Health, Disinfection, Nutrition, Cervical Spine Health



Chinese Food Guide Pagoda

The Chinese Food Guide and the Chinese Food Guide Pagoda, developed by experts from the Chinese Nutrition Society, serves as a national guideline for a good diet. It outlines how consumers can follow and practice healthy eating habits and how to choose the types and corresponding quantities of food to eat every day. The aim of the CNS guidelines are to provide transparent information on what constitutes a balanced diet, and are the basis of nutrition, health and good immunity.

Based on the Chinese Food Guide Pagoda, the following pages cover eight key findings from recent food consumption choices in combination with the data and trend analysis from retailer members of the CGF and its CHL China initiative, supported by Nielsen China.



Chinese Food Guide Pagoda(2016)



Salt <6g
Cooking oil 25~30g

Milk and dairy products 300g
Soybeans and nuts 25~35g

Lean meats 40~75g
Fish 40~75g
Eggs 40~50g

Vegetables 300~500g
Fruits 200~350g

Cereals, tubers and legumes 250~400g
Whole grains and legumes 50~150g
Tubers 50~100g

Water 1500~1700ml



A woman with dark hair, wearing a bright yellow double-breasted coat, is standing in a grocery store aisle. She is reaching out to touch a piece of fruit on a shelf. In front of her is a metal shopping cart. The shelves are stocked with various fruits, including apples and grapes, many of which are in clear plastic packaging. The background shows more shelves filled with produce. The entire image has a blue color overlay.

Key Findings

8 Trends Discussed

1. Increased Dairy Consumption

The key trend saw a slight increase in the sales of dairy products. This is a good sign, as dairy products are rich in calcium and a good source of high-quality protein.

Liquid milk performed well and saw a 3.3% increase from January to February 2020 over the same period last year. Although the whole yogurt category declined slightly, low-temperature natural yogurt still became the best-selling dairy product in stores. When choosing dairy products, especially yogurt products, consumers begin to pay more attention to the sugar content in the ingredients list to avoid excessive intake.

Consumers who are lactose-intolerant may prefer yogurt, cheese or low-lactose dairy products.



-5%

Yogurt



+3.3%

Liquid milk

	 Natural yogurt	 H-Milk	 Fresh milk	 Fruity/Fruit Yogurt
Last peiord of Jan-Apr;	No.2		No.3	No.4
Jan-Apr		No.2	No.3	No.4
Jan-Apr of LY		No.2	No.4	No.3



Liquid milk category maintains good growth



Natural yogurt is popular

2. Beans Breakthrough

Second key trend saw beans make a breakthrough.

There are various types of beans that consumers can typically buy everyday, including soybeans, green beans and black beans. Soybeans and their products are rich in high-quality protein, essential fatty acids, vitamin E, soybean isoflavones, phytosterol and other phytochemicals, which is recommended to take more than 25g per day.

Miscellaneous beans include red beans, mung beans, pinto beans, kidney beans, peas, chickpeas, fava beans, etc. Their protein content is lower than that of soybeans, which is suitable for eating with grains and can play a very good complementary role between protein and grains.

From January to April, the top three popular "groups" sold included not only soybeans, but also red beans and mung beans. Thanks to consumers' cognition of the traditional dietary function of mung beans, the overall sales volume of mung beans increased 50 times compared with the previous year.

Organic beans are also very popular, with an increase of 4-6 times over the same period last year.



the following "groups" are popular: **red beans, soybeans, mung beans**



No.2

No.3

#sales volume



Organic beans saw good growth

Growth vs LY



680%



580%



450%

Organic red beans

Organic soy beans (canned)

Organic mung beans (canned)



On the Climb: Mung beans

Increase in the number of purchases in the shopping basket: **>1000%**

During the epidemic, **sales volume vs LY: >5000%**

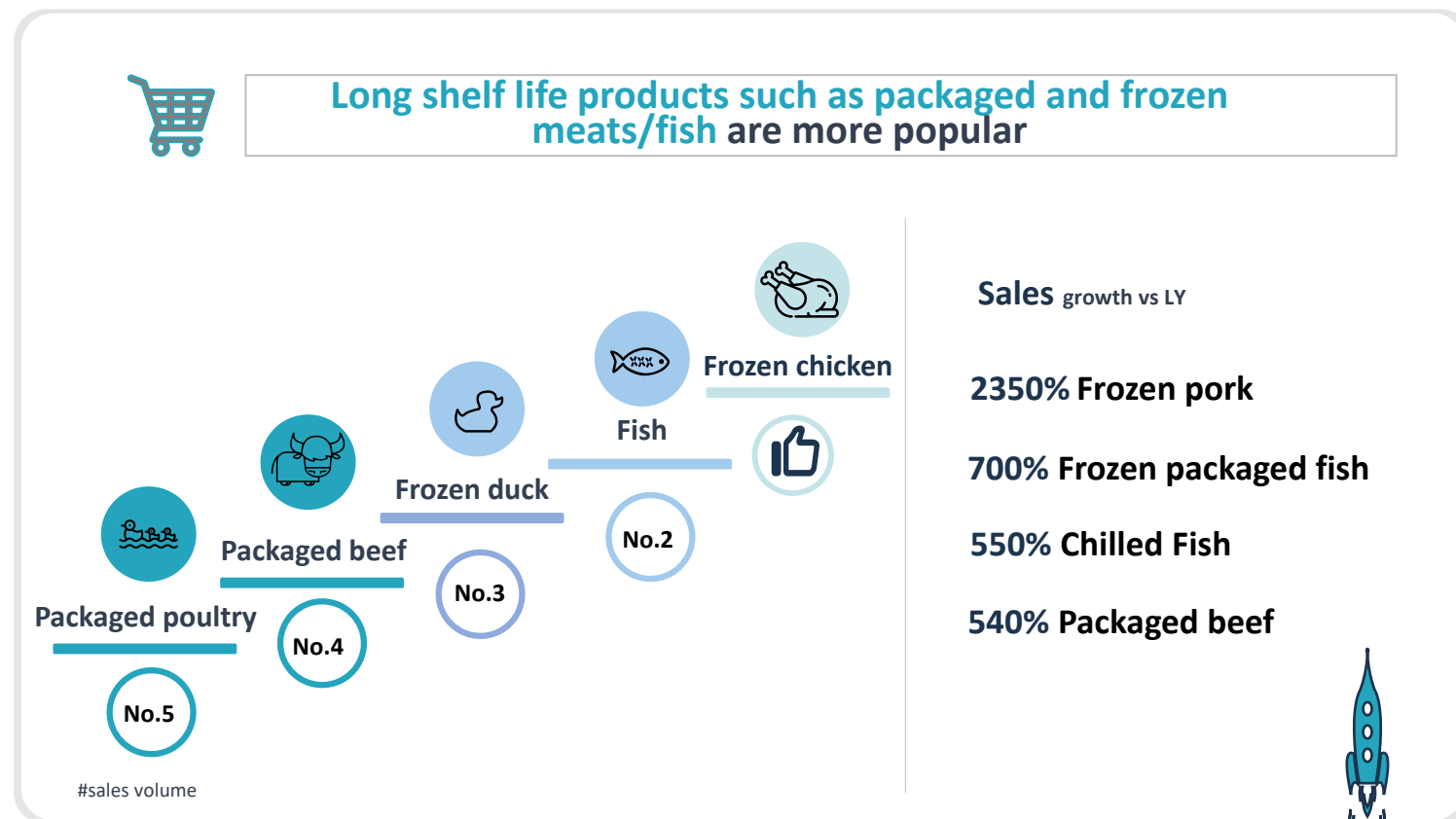
3. Meat & Fish on the Rise

Meat and fish-based products continued to be popular and remained readily available through the four months.

As chicken, duck, fish and red meats are rich in high-quality protein, vitamins, iron and zinc and other minerals, and marine fish are also rich in beneficial unsaturated fatty acids, the CNS recommends to eat them on a daily basis. However, guidelines advise consumers to eat less smoked and cured meat.

From January to April, the year-on-year sales of poultry, livestock and fish all increased significantly, with chickens, ducks and fish ranking as the top three.

Due to the convenience of such purchases and storage, meat products with a long shelf life, such as packaged and frozen products, proved to be the most popular. Frozen pork sales grew 23.5 times year-on-year. With proper storage, there is no significant difference in its nutritional value, compared with fresh meat, and it can be eaten safely.



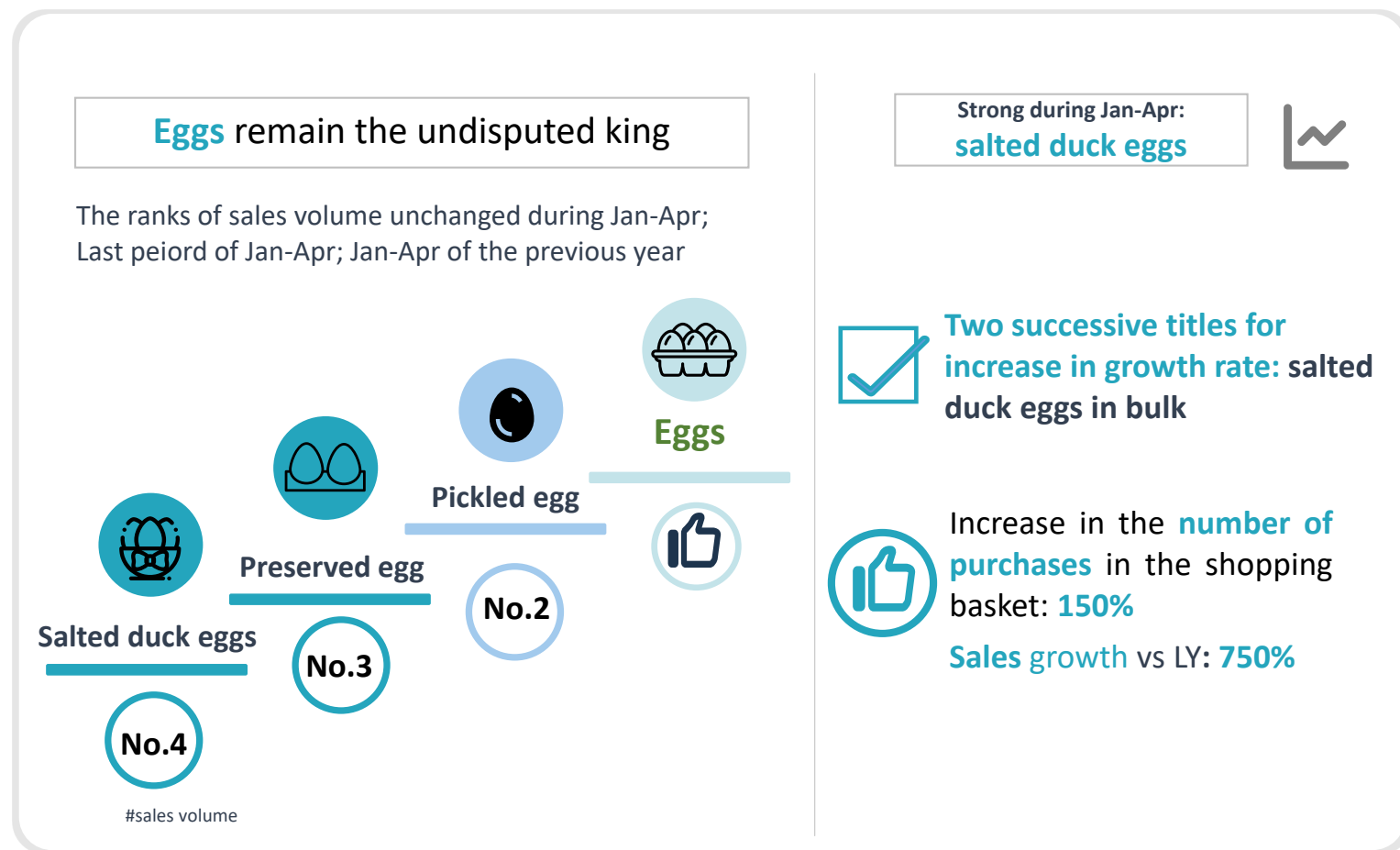
4. Eggs Remain Stable

Eggs are an essential food for every family at the dining table.

They can be a good source of high-quality protein, while they are also rich in vitamins, phospholipids and healthy monounsaturated fatty acids. The CNS recommends to treat eggs as a daily necessity.

In the first four months of this year, aside from fresh eggs, which are the best seller without doubt, pickled eggs, preserved eggs and salted duck eggs also showed brilliant performances. The sales of salted duck eggs, for example, increased 750% year-on-year, which may be closely related to the increased consumption of simple meals at home.

According to the recommendations of the Dietary Guidelines, raw eggs should be avoided and nutritious yolk should not be discarded. For processed egg products, attention should be paid to the salt content of the products and products with low salt content should be chosen whenever available.



5. Focus on Fruit, Fresh & Variety

Fruit is an important source of vitamins, especially vitamin C, minerals, dietary fibre and various plant compounds. Daily intake of a variety of fresh fruits can effectively help balance the diet.

From the January-April data, it's clear apples, bananas and oranges remain the top 3 loved by the people. Bananas rank first in Northern China while apples are preferred in Southern China. Due to the ease of storage, the sales volume of boxed oranges increased nearly 50 times compared with the same period last year, and kiwifruit and netted melon also increased several times.

As summer approaches, fruits will be available in sufficient supply. Consumers are advised to rotate daily intake of different varieties and different colors of fresh seasonal fruits. However, it should also be noted that fruit juice cannot completely replace fresh fruit.

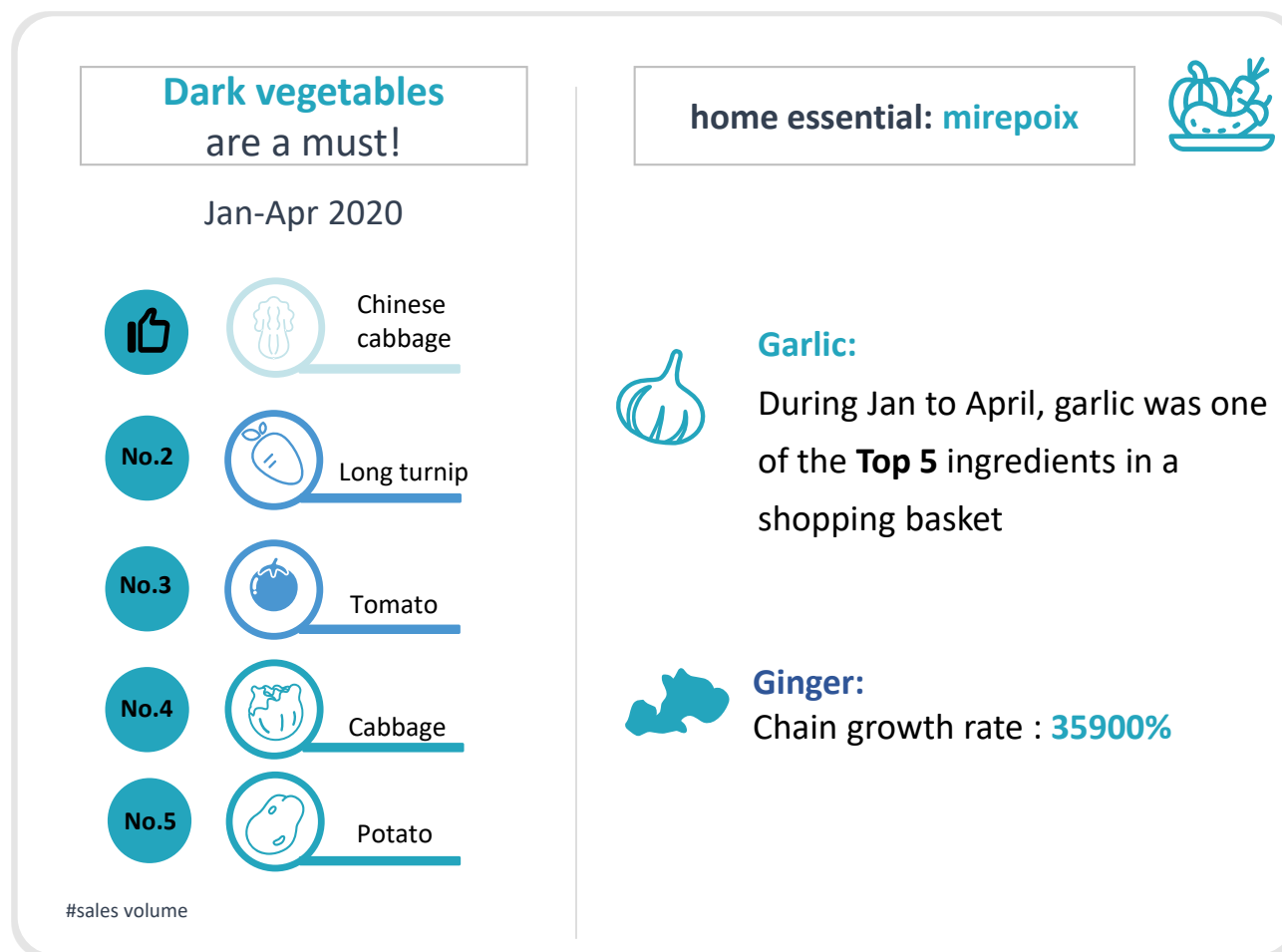


6. Vegetables Should be Colourful

Vegetables are rich in vitamins, minerals and dietary fibre, and should be eaten in each meal.

From the data of the first four months of this year, Chinese cabbage, white radish, tomatoes, cabbages and potatoes are the most common varieties on consumers' dining tables due to seasonal reasons and easy storage, while dark green and purple leafy vegetables such as spinach, rape and purple cabbage, as well as orange vegetables such as carrots and pumpkins, did not make the list. These colourful dark vegetables have certain nutritional advantages, especially β -carotene. Dark vegetables should account for half the meal.

In addition, data found the sales volume of seasoning spices such as garlic and ginger had also increased significantly, with ginger increasing nearly 360 times month-on-month. The use of spices can enhance flavour and reduce the amount of salt used in dishes, which is conducive to healthy diet.



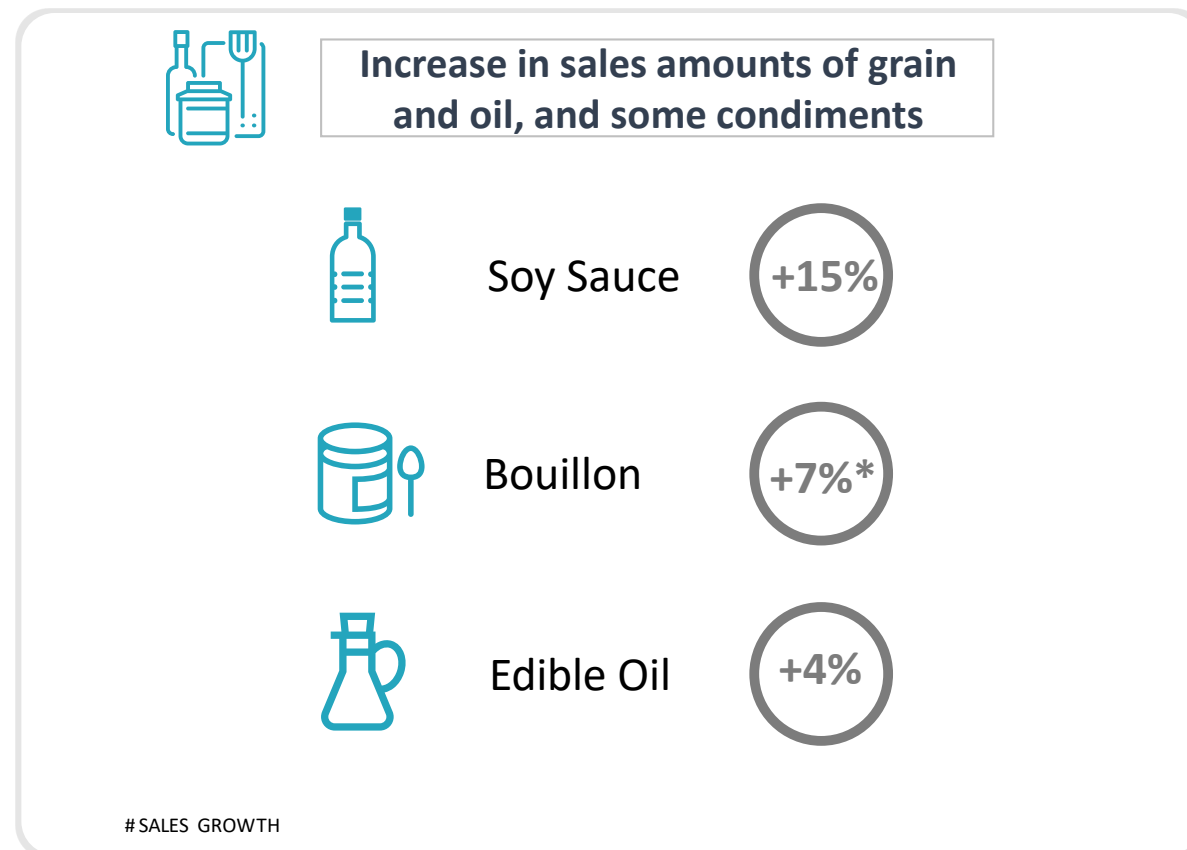
7. The Five Flavours

The delicious food on the tip of the tongue cannot be separated from the harmony of the five flavors. Condiments are a cornerstone of Chinese cuisine.

Due to the sharp increase in family cooking, condiments such as soy sauce, soup extraction and edible oil all had a significant year-on-year increases, with the growth rate of soy sauce reaching 15%.

Family cooking has an important influence on the formation of taste preferences of the whole family, especially children. Nutrition should be taken into account when taste is important, especially to avoid the excessive intake of salt and oil.

Excessive salt intake increases the risk of hypertension, excessive fat (especially saturated fat) intake is an important risk factor for overweight, obesity and chronic diseases. The CNS suggests to quantify the amount of oil and salt used in cooking, cook more and fry less.



8. Enjoy Moderation

Finally, looking at instant foods, beverages and snacks, it's clear moderation is key: people look to reduce sugar, salt and oil intake.

Based on the Nielsen Retail Monitoring, we compared the situation from January to February this year with that of the same period last year, and came to the conclusion that quick-frozen snacks and instant noodles became quick choices for occasional leisure, with a growth rate of over 20%.

Casual snacks, as a good partner for stay-at-home viewers, also increased by 6%.

These foods are designed to bring convenience and pleasure to consumers. When choosing, customers should learn to read the nutrition label information of food packaging, especially sodium and fat content and the added sugar in the ingredient list. Excessive sugar intake leads to dental caries and obesity. Enjoy in moderation, less sugar and less salt for better health.

Pantry stocking and convenience for increased consumption

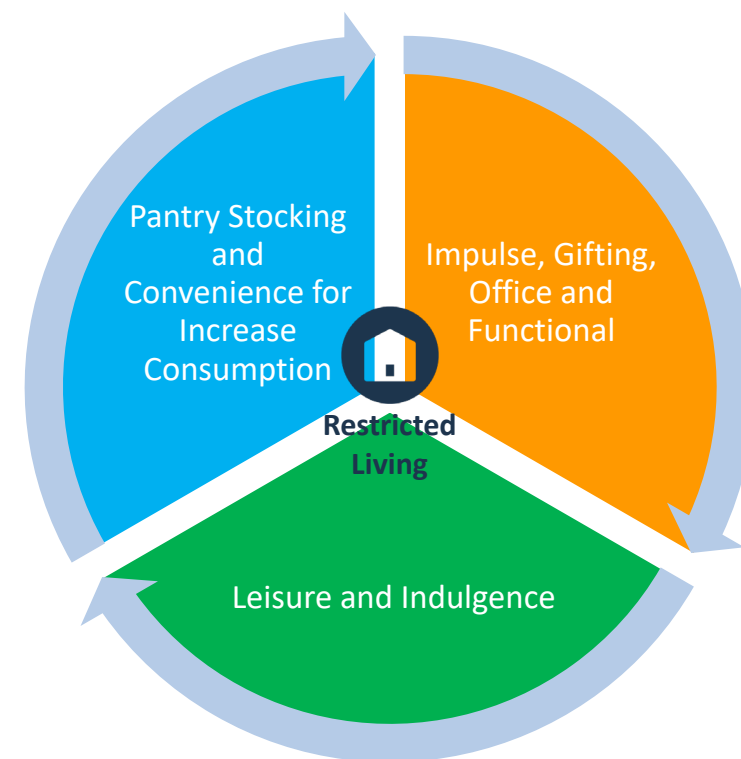
WHAT WAS HOT	
CATEGORY	SALES GROWTH
Frozen Dim Sum	+36%*
Instant Noodles	+22%

Leisure and Indulgence

WHAT WAS HOT	
CATEGORY	SALES GROWTH
Crispy Snack Food	+6%
Tea Powder	+3%
CSD	+1%

Impulse, Gifting, Office, Functional

WHAT WAS NOT HOT	
CATEGORY	SALES GROWTH
Biscuit	-21%
Ready to Drink Tea	-10%
Functional Drink	-9%*
Chocolate	-7%



Final Thoughts

- Chinese consumers have proven an increased awareness and natural understanding of the relationship between diet and immunity – two themes of China's National Nutrition Week in 2020.
- However, there is sometimes an over-believe on certain single foods or ingredients like, for example, oranges and garlic.
- Although the data is limited, it still helps us to conclude that families are willing to improve their diet to enhance immunity. It is good to supplement vitamin C through oranges, but consumers should also pay attention to the variety of fruits.
- It is hoped that as a result of the National Nutrition Week, everyone can acquire more knowledge and modify behaviours to truly achieve the goal of a balanced diet and healthy immune system.
- As a non-profit organisation in the FMCG industry, the CGF will continue to promote a series of events such as “Healthy Shelves” with both domestic and international retail and food production members under the guidance of the Chinese Nutrition Society.



Image Gallery

Images from in-store and digital





健康“0”距离 专家带你逛吃盒马

爱他美 x 盒马重磅推出

营养师带你逛超市
给你合理膳食搭配建议



打开盒马APP搜索“直播”

直播时间

5/19

16:00准点开始



更有神秘惊喜和
超低价产品等你



盒马零系列上市啦
鲜美生活，从0开始



爱他美特邀营养师

李靓莉

主播 萌少



A top-down view of a hot pot with a yin-yang divider, surrounded by various ingredients in small white bowls. The ingredients include fresh herbs like cilantro, various types of meat (beef, pork, chicken), seafood (shrimp, scallops), and a wide variety of spices and aromatics such as star anise, ginger, garlic, and chili peppers. The background is a dark, textured surface.

About Partners

About the CNS and CGF

Chinese Nutrition Society



About the Chinese Nutrition Society

The Chinese Nutrition Society (CNS), founded in 1945, is a nation-wide, non-profit academic organisation. As the largest professional nutrition society in China, CNS has four main responsibilities:

- Lead the development of nutrition science in China;
- Provide services for scientific workers;
- Promote nutrition understanding and practices in the public;
- Guide the innovation and regulation of food and nutrition related industry

About National Nutrition Week

The National Nutrition Week was first held by CNS to encourage dissemination of key nutrition knowledge and multisectoral cooperation in the whole country.

founded in **1945**

over **35000** members

supervises **15** Working Committees

and **22** Academic Committees



- **32** Provincial branches
- **1696** Media partners
- **5700+** Organizations
- **25000+** Activities
- **500,000,000+** People involved



The Consumer Goods Forum



About The Consumer Goods Forum

The Consumer Goods Forum (“CGF”) is a global, parity-based industry network that is driven by its members to encourage the global adoption of practices and standards that serves the consumer goods industry worldwide. It brings together the CEOs and senior management of some 400 retailers, manufacturers, service providers, and other stakeholders across 70 countries, and it reflects the diversity of the industry in geography, size, product category and format. Its member companies have combined sales of EUR 3.5 trillion and directly employ nearly 10 million people, with a further 90 million related jobs estimated along the value chain. It is governed by its Board of Directors, which comprises more than 50 manufacturer and retailer CEOs. For more information, please visit: www.theconsumergoodsforum.com.

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