THE PHILIPPINES RETAIL POLICY BRIEF 2025

TOWARDS HEALTHIER FOOD CHOICES
IN PHILIPPINE GROCERY RETAIL

KEY MESSAGES

1. The Philippines is experiencing rising rates of obesity, with almost 40% of the adult population now overweight or obese. This requires urgent action by policymakers to reverse the trend.

2. Modern grocery stores are becoming increasingly influential in Filipino diets, particularly in urban areas. While their growth offers some benefits—such as greater product variety—it has also increased the availability of less healthy and ultra-processed foods.

3. ATNi's research shows that only 28% of private-label foods sold by leading supermarkets (Puregold, Robinsons, and SM Supermarket) meet the criteria to be considered 'healthy'.

4. Healthy food baskets purchased from modern retailers remain unaffordable for much of the population.

5. Policymakers can support improved access to healthier diets by introducing a standardized nutrient profiling model (NPM) for the Philippines. An NPM can support product reformulation, improve monitoring of the healthiness of foods available in grocery stores, and guide interpretative front-of-pack labelling to help consumers identify healthier options.

HEALTH IMPLICATIONS OF THE RAPIDLY EXPANDING FOOD RETAIL SECTOR

The Philippines faces a challenging nutrition landscape. Almost 40% of the adult population is overweight and obese. Together, overweight and obesity are projected to cost the country USD 11.71 billion by 2030.[1,2] Micronutrient deficiencies also persist, particularly among adolescents and children. A major contributing factor is the growing consumption of ultra-processed foods (UPFs), and the rising demand for processed, Western-style products. UPFs are now estimated to account for 55.7% of packaged food and beverage sales.[3] These foods are often high in fat, salt and sugar, and they displace healthier options in consumers' diets, contributing to inadequate micronutrient intake.

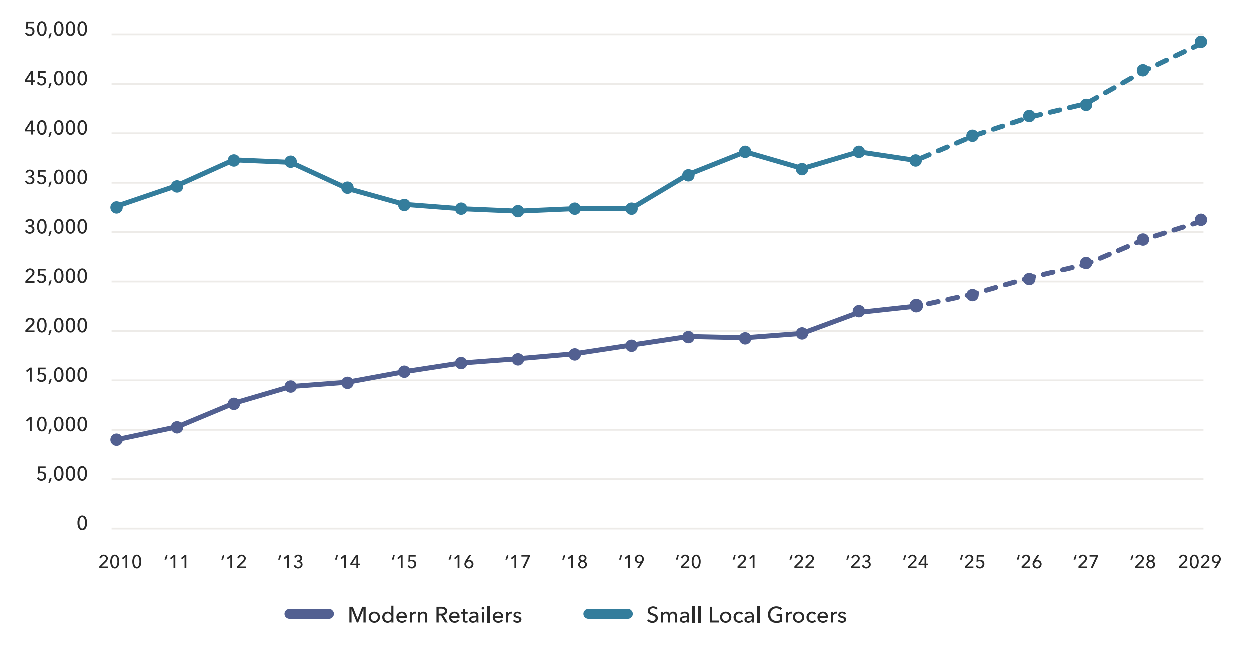
The modern grocery retail sector is expanding rapidly in the Philippines. While traditional sari-sari stores continue to dominate, supermarkets, hypermarkets and convenience stores now account for 37.4% of formal grocery sales.[4] Additionally, the modern retail sector is projected to grow faster than traditional retail in the coming years, with a 7.2% compound annual growth rate, compared to 5,6% for traditional retail (Figure 1).[4] This expansion is also experienced in smaller cities and rural areas. Modern retailers leverage traditional networks—most notably through Puregold's Tindahan ni Aling Puring (TNAP) membership programme, which incentivizes small businesses, including sari-sari stores, to purchase goods through discounts and promotions.[5] While this expansion offers certain benefits, including greater food variety, it has also led to an increase in the availability of energy-dense, highly processed foods.

As the influence of The Philippines' modern retail sector expands, ATNi's 2025 Philippines Retail Assessments examined three retailers—Puregold, Robinsons Retail, and SM Supermarket—to assess the healthiness of their private-label products and to analyse how pricing and marketing strategies may influence consumer choices.

ABOUT ATNi'S RETAIL ASSESSMENT 2025

The Philippines Retail Assessment was carried out by ATNi, a global foundation headquartered in the Netherlands that actively challenges the food industry, investors, and policymakers to shape healthier food systems. For more information about ATNi, visit our website. Find more details about the research findings that this policy brief is based on here.

FIGURE 1
HISTORICAL AND PROJECTED SALES GROWTH OF THE PHILIPPINES' MODERN AND TRADITIONAL (FORMAL) GROCERY RETAIL SECTORS



Source: Euromonitor, 2010-2029

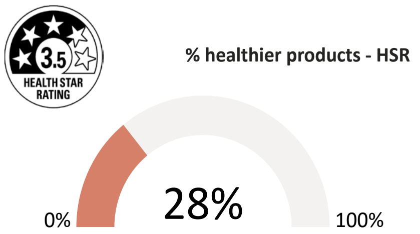
ATNI'S PHILIPPINES RETAIL ASSESSMENT FINDINGS

Most private-label products sold by leading retailers are unhealthy

Given the increasing role that modern grocery retailers play in shaping Philippine diets, it is critical that they provide healthier options for consumers. One important avenue is through retailers' private-label portfolios, as these products are often more affordable alternatives to branded goods and retailers have direct control over their formulation.

An analysis of 67 products across Puregold, Robinsons, and SM Supermarket found that only 28% of private-label products meet an internationally recognized standard of healthiness (Health Star Rating (HSR) ≥3.5).

FIGURE 2
PERCENTAGE OF PRODUCTS CONSIDERED 'HEALTHIER' ACCORDING TO HSR NPM



Of 67 private label products assessed across all selected retailers, 28% are considered healthier based on the **HSR model** and healthier threshold of 3.5 stars or above.

ATNi's 2024 Global Index, included an assessment of the healthiness of branded products sold by the world's largest food and beverage manufacturers. In this assessment, only 21% of products sold in the Philippines were classified as 'healthier'. This highlights the need for policies that apply both to food manufacturers and to retailers.

Nutrition is generally not prioritized in retailers' corporate strategies

Retailers have both a responsibility and an opportunity to contribute to a healthier food environment in the Philippines, facilitating health dietary choices and supporting positive nutritional outcomes. However, ATNi's Retail Assessment found limited evidence of grocery retailers taking steps towards this objective.

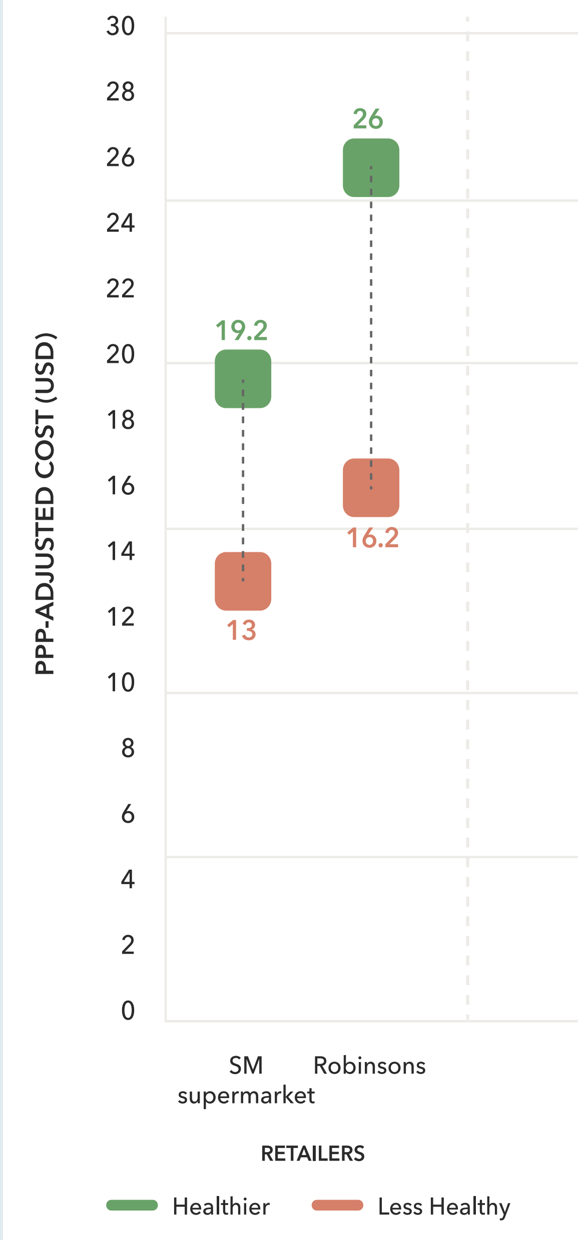
None of the retailers assessed by ATNi demonstrated evidence of having policies to restrict the marketing or in-store positioning of unhealthy products, to govern the use of health and nutrition claims, or to report on the sales of 'healthier' products. While SM Supermarket and Robinsons report on—or have plans to report on—revenue from products with health and nutrition attributes, in line with Sustainability Accounting Standards Board (SASB) standards, this metric does not set maximum nutrient thresholds. As a result, it offers only a limited picture of the healthiness of a company's sales, compared with the use of a NPM.

Robinsons Retail shows the most promising efforts to drive healthier diets, including the introduction of its 'Green Tag Evaluation System,' developed in partnership with the Department of Science and Technology – Food and Nutrition Research Institute (DOST-FNRI), to identify 'healthier' products and using this as the criteria for products displayed in its health and wellness sections. The company also demonstrated evidence of special promotions designed to incentivize healthier product purchases; however, these appeared to be temporary rather than sustained initiatives.

Healthy foods remain unaffordable for many

Retailers have an opportunity to contribute to healthier diets by ensuring healthier food options are affordable for consumers. However, in a food basket pricing analysis (see Figure 3) conducted by ATNi of SM Supermarket and Robinsons Retail, the price of a healthier food basket was 47.5-60.6% more expensive than a less healthy basket. A healthy food basket purchased from a modern retailer would cost between 31.91 and 43.16% of daily per capita net income, making it unaffordable for much of the population.

FIGURE 3
PERCENTAGE OF PRODUCTS MEETING HSR AND WHO SEARO NPMS



RECOMMENDATIONS TO POLICYMAKERS

The Philippines has a strong policy foundation for addressing these challenges, though with potential opportunities for further action. Guided by the Philippine Plan of Action for Nutrition –which outlines multisectoral actions to reduce malnutrition and drive market transformation–the country has several significant measures, including sweetened beverage taxes and the Walang Gutom food stamps programme for healthy food baskets.6,7 There has also the ongoing development of a Philippine Nutrient Profiling Model (NPM), with the most recent draft based on the Pan American Health Organization (PAHO) model.8 However, the Philippine NPM has faced delayed approval and implementation due to concerns surrounding industry interference. At present (2025), the draft NPM has been submitted for approval by an expert panel, with no definite timeline for its implementation.

Despite progress, there are policy gaps in several key areas, including front-of-pack labelling and restrictions on the marketing of unhealthy foods. Effectively addressing these gaps will require strong coordination among key government stakeholders, including the Department of Health, Department of Trade and Industry, Food and Drug Administration, National Nutrition Council, and Department of Agriculture. Philippine policymakers may wish to consider the following steps:

1 Finalize an evidence-based, conflict-of-interest free, Nutrient Profile Model (NPM)

- Use the NPM to guide policies on food marketing, front-of-pack labelling and health-related taxes.
- Set requirements for food manufacturers and retailers to report on the percentage of their portfolios that are healthy according to the NPM.
- The Securities and Exchange Commission (SEC) is introducing new sustainability reporting laws for publicly listed companies from 2026. The SEC is also encouraged to incorporate nutrition-related metrics for companies in the food sector. For example, the S&P Global Corporate Sustainability Assessment–drawing on ATNi-assessments–requires companies to report on the share of their revenues derived from healthy products, among other indicators. Introducing similar reporting requirements in the Philippines would help ensure companies, including retailers, are held accountable for their impact on public health.

2 Introduce mandatory front-of-pack labelling (FOPL)

- While it is encouraging that DOST-FNRI developed a 'Green Tag' system in partnership with Robinsons Retail, ensuring comparability across retailers would be more effective to require a uniform, government-endorsed national labelling system.
- The label should be interpretative, providing an evaluative judgement of healthiness, using symbols and/or colours. It should either signpost less healthy products–such as through warning labels–or provide graded assessments of both healthier and less healthy and products, such as Traffic Light, HSR, or Nutri-Score systems.
- For maximum impact, the labelling system should be mandatory.

CALL TO ACTION

The Philippines is at a crossroads, with urgent action needed to reverse rising rates of overweight and obesity. Policymakers have a critical opportunity to ensure that the expansion of modern retail supports, rather than undermines, healthier diets. Strengthening regulation, incentivizing product reformulation, and ensuring nutritious foods are affordable are essential steps. Coordinated action across government, industry, and civil society will be vital to address the growing burden of diet-related diseases and to secure a healthier future for all Filipinos.

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