

PROJECT BRIEF INDONESIA



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HEALTHY RETAIL FOOD ENVIRONMENTS: BETTER FOR BUSINESS, BEST FOR CHILDREN



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AN UNHEALTHY SITUATION TODAY

Globally, overweight and obesity are on the rise across all age groups, with 10 times more overweight and obese children and adolescents now than there were 40 years ago. (1)

In Indonesia, 1 in 5 children, 1 in 7 adolescents and 1 in 3 adults are overweight or obese (2). This can have immediate consequences for the health and psychosocial development of children and place them at higher risk of developing serious conditions such as heart disease and diabetes later in life. Overweight and obesity are a serious threat to the well-being of Indonesia's children and families – today and in the future. Retail food environments¹ have enormous potential to help change this by driving behaviour change and enabling consumers to choose healthier foods.

Increased rates of overweight and obesity have gone hand-in-hand with increased access to unhealthy food and beverages, brought on by changes in the food retail sector over the past few decades. A study conducted by UNICEF and Deakin University found that grocery retail outlets, particularly convenience stores, increased in number by 400% from 2007-2021 (3). This shift in the retail food environment, which follows global trends, has seen sales of unhealthy ultra-processed foods (UPFs)² and sugary drinks increase by 46%, with 63% of these purchases made through retailers such as convenience stores (3).

While changes in the food sector have brought a wider variety of products to consumers – including fresh produce and other healthy foods – modern

AT A GLANCE

WHAT: a strong call to promote healthy retail food environments.

WHO: retailers that sell food and drinks to individuals for personal consumption.

WHY: rising overweight and obesity rates are posing a major threat to public health and children's well-being.

HOW: support this project and make changes in your food retailer business to promote healthy food choices.

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outlets such as supermarkets, convenience stores and fast-food outlets also increase access to unhealthy items, including through promotions and prominent ads on their premises, and through digital channels (4).

HEALTHIER RETAIL FOOD ENVIRONMENTS

Considering the role of the retail environment in shaping purchasing decisions, food retailers in Indonesia have an excellent opportunity to create environments that encourage individuals to buy and consume healthier foods and beverages, without prejudicing profits. Rather, these actions can include increases in sales and profit, and improve consumer perceptions of the retailer's brand. This socially responsible move will positively influence the diet and well-being of Indonesian children.

Healthy diets, which play a key role in contributing to healthy weight, comprise nourishing foods such as fruits, vegetables and whole grains while limiting UPFs that are high in unhealthy fats, salt and sugar.

Focusing on health and nutrition is more likely to deliver long-term value to food retailers.

1. In this context, "retail food environments" are places where food and drinks are promoted and sold to individuals for personal consumption and includes restaurants, cafes, kiosks, vending machines and street food vendors, food markets, convenience stores, supermarkets, hypermarkets and any other outlet, physical or digital (e.g., online food stores) that sells foods. Excluded from the definition are food service activities such as those provided in hotels, schools, hospitals, prisons and workplaces.
2. Including baked goods (pastries, cakes, dessert mixes), breakfast cereal, cheese, confectionery, processed meat, ready-to-eat meals, savoury snacks, sweet biscuits, snack bars and sweet spreads.

HEALTHY FOOD RETAIL PROJECT SUMMARY

UNICEF and Deakin University have partnered on the Healthy Food Retail project since 2020 to promote healthier food retail environments for children in Asia-Pacific countries, with an initial focus on Indonesia, alongside China (Chengdu City), the Philippines and Thailand.

The project has aimed to:

- i. Strengthen research and evidence on practices in the food retail environment and consumer purchasing behaviours.
- ii. Facilitate engagement among stakeholders, including the government, public health organizations and food retailers.
- iii. Support retailers to implement initiatives that promote healthier food retail environments – both in-store and online – for children and their families.

Healthy food retail initiatives in other countries have yielded positive results for both consumers and retailers and are likely to grow in popularity, in line with growing consumer awareness of healthy living and sustainability.



REASONS FOR FOOD RETAILERS TO PARTICIPATE



1. Corporate sustainability

For retailers, creating a healthier food environment in their stores is an essential part of responsible business conduct. Global trends in corporate sustainability favour business practices that are healthier and environmentally sustainable. As investors are aware of the financial risks related to diet and the implications of their investment strategies for public health, they seek sustainable investments and are calling for greater transparency from companies on nutrition-related issues.



2. Consumer-led shifts to healthier lifestyles

Consumers are embracing an increasing trend towards healthier lifestyles, with demand for healthy food and drinks rising year on year³. The increased demand for healthy foods can be met not only through manufacturing new products, but also by making changes in the food retail environment. These could include making healthier food and drinks more accessible, visible and attractive to customers in store, or implementing longer-term shifts through corporate policies and strategies.



3. Legislative changes

Governments worldwide are increasingly strengthening legislation to promote healthier food and drinks, while restricting the marketing of unhealthy ultra-processed foods and beverages. Food retailers that prepare ahead to respond to these changes in the regulatory environment can avoid losses and maximise gains over the long term.



4. Healthy policies, healthy profit

Healthier food retail will only be achieved in a **win-win scenario**, meaning that retailers can seize the chance to develop policies and changes to support healthy food and diets without sacrificing profits. By creating and testing different interventions to evaluate the impact of interventions, retailers can be guided by evidence in how to change practices.

In addition, all businesses have a legal and ethical responsibility to avoid harm through their products and practices.

3. Surveys conducted by UNICEF and Deakin University in 2021 showed that 78% of adolescents considered healthy eating important, while 94% of parents and caregivers recognised the healthiness of products as an important factor when buying food for their children [5,6].

HOW FOOD RETAIL BUSINESSES CAN GET INVOLVED



1. Attend knowledge-sharing workshops

Jointly convened by UNICEF and Deakin University, knowledge-sharing workshops will be open to major food retailers and other stakeholders working in the food sector. Retailers can participate to share experiences about the changing food retail environment in the region, flag opportunities to promote healthier options for children, learn from other retailers that have already changed their business practices in sustainable ways, and discuss possible solutions to test.



2. Participate in in-store assessments

UNICEF and Deakin University can help retailers to facilitate tailored in-store assessments, to understand how food and drinks are currently being marketed within their stores. The purpose of these assessments is to identify potential changes that will promote healthier food items and help to strengthen the evidence on food retail business practices in the region. As all assessment results will be anonymous, no retailer will be identified.



3. Develop corporate strategies to promote healthier food

Based on discussions in the workshops, UNICEF and Deakin University will support retailers (if required) to develop customised, evidence-based corporate strategies and practices to promote

healthier food and drink, particularly to children. The development and implementation of these strategies is essential to ensure that measures to improve food retail environments are effective and sustainable in the long term.



4. Test innovative interventions

There are many ways for retailers to promote healthier foods for children by using proven marketing strategies, techniques and policies that have worked for retailers in other countries to change buying behaviour while being welcomed by consumers. UNICEF and Deakin University can help retailers to test different ways of promoting healthier food and drink within their own settings, based on the available evidence, and can also help evaluate the impact of interventions tested.



5. Publicise information and best practices

Food retailers can use their channels to communicate their actions in line with the aim of the Healthier Food Environment project, for example, through internal communications to employees and boards, company sustainability reporting, media releases, their website and social media platforms. Sharing plans, results and best practices with other food retailers and stakeholders will help to build a productive network of businesses committed to the health of children in the region.



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WAYS FOR FOOD RETAILERS TO HELP SUPPORT CHILD HEALTH AND NUTRITION



1. Include nutrition and health as a core part of the corporate strategy

Nutrition and health should be considered a key part of the business's strategic vision or mission statement, and reference global or national nutrition and health priorities. The corporate strategy should also support relevant public health interventions and include a commitment to refrain from lobbying activities that could oppose or delay regulations to address unhealthy diets.



2. Promote healthy foods and drinks at key locations in stores

Retailers should promote healthier food and drinks options at visible, prominent locations in their stores. For example, displaying unhealthy food and drinks at check-outs, the end of aisles, and at store entry should be limited or avoided, in preference for healthier food options and/or non-food products. Similarly, in-store and online ads for unhealthy food products should be limited or removed in favour of promoting healthier options.



3. Increase the availability of healthier foods in stores

Food retailers should prioritise the availability, promotion and sale of affordable healthy food products

in their stores. This can be done by, for example, increasing stocks of fruits and vegetables, and offering cheaper prices or discounts on these when possible.



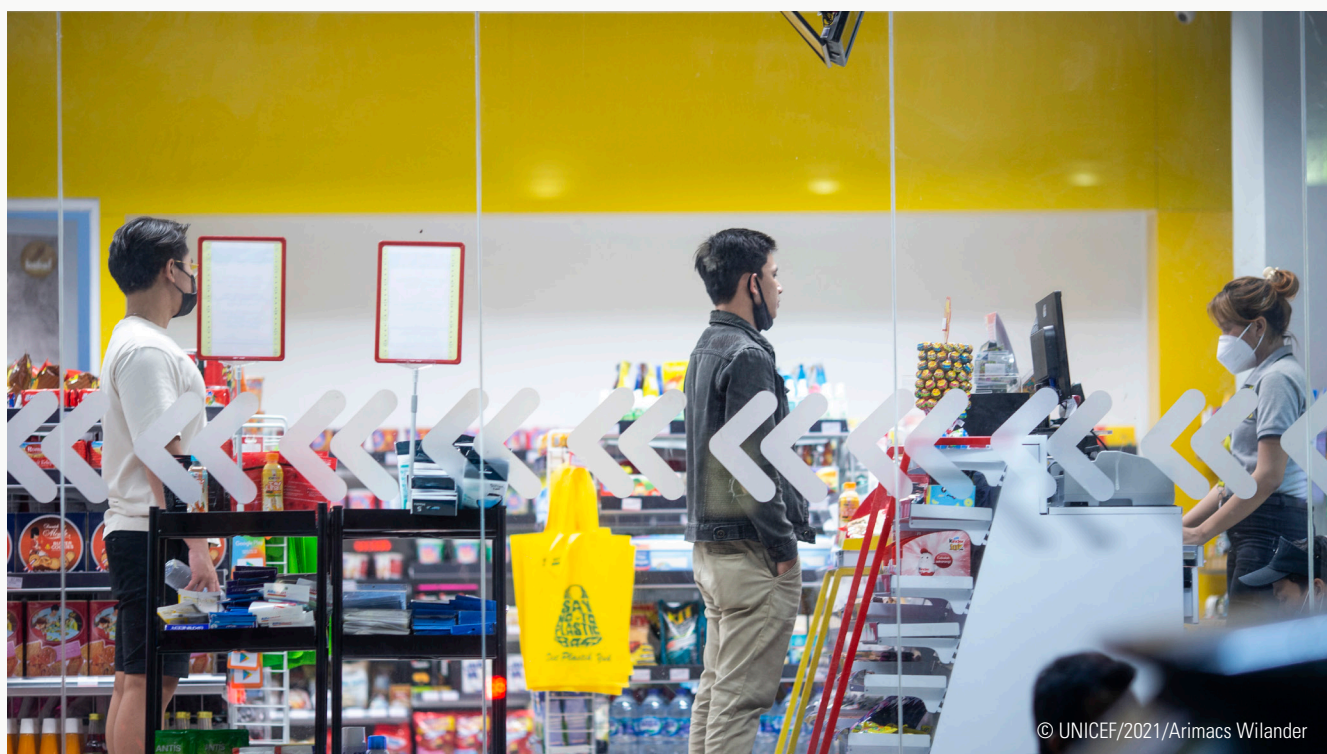
4. Restrict the promotion of UPFs, including sugary drinks

In both stores and online channels, retailers should restrict promotions and ads for UPFs, including sugary drinks, particularly those targeting children and adolescents. This can be done by limiting or stopping promotional activities for these products in high traffic areas such as check-out counters, and instead promoting healthier options. Retailers can also include easy-to-access information on products (e.g., through traffic light-type indicators) to help consumers make healthier choices.



5. Promote healthy choices in areas frequented by children and adolescents

Retailers should increase the availability and marketing of healthy foods and drinks – and limit the presence and promotion of unhealthy foods – in stores near schools and other spaces frequented by children and adolescents, such as sporting and activity centres and public transport locations.



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HEALTHY FOOD RETAIL INITIATIVES AT WORK WORLDWIDE



United Kingdom (UK)

Since 2005, the largest food retail business in the UK, Tesco, has included nutrition information on the front of products and added colour-coded traffic light labels in 2014. Tesco has also launched several initiatives to encourage healthier diets, including 'Free Fruit for Kids' in 2016 and 'Helpful Little Swaps' in 2017, to encourage customers to try healthier alternatives at the same price. In 2022, Tesco launched 'Better Baskets' to help customers choose healthier products. This campaign includes in-store Better Basket zones that feature healthy products such as high fibre foods, plant-based options, low and no alcohol drinks, snacks under 100 calories and products with reusable, reduced or recyclable packaging. Tesco has limited the sale of unhealthy foods and drinks at check-outs, increased price promotions on healthy products and has set a target to boost sales of healthy products to 65% in 2025 (from 58% in 2021) (8).



Australia

As part of a series of initiatives aimed at promoting healthier food choices among its customers, Woolworths, Australia's largest retailer, has reformulated its own products to reduce the amount of salt, sugar and saturated fat, increased the amount of vegetables and whole grains, included Health Star Ratings on their packaging, and also introduced stringent internal policies to ensure the responsible use of nutrition claims and make healthy products more affordable. Woolworths also committed to excluding children under 14 from food and drinks ads for items that do not meet the Nutrient Profile Scoring Criterion (NPSC) published by Food Standards Australia New Zealand. Additional Woolworths-led initiatives include 'Free Fruit for Kids' at all their supermarkets in Australia, limiting the use of packaging that appeals to children to healthy products, and collaborations with educational and sports organisations to promote nutrition education and physical activity.



United States (US)

Walmart, the biggest US retailer, has several initiatives to promote healthier food choices among its customers. In collaboration with the health insurance company Humana, Walmart established the Go360 programme, which offers discounts on healthier 'Great For You' products to customers that take an online health assessment. The initiative has resulted in increased sales of 'Great For You' products, while simultaneously helping consumers to adopt healthier lifestyles and save money on healthy food options. 'Great For You' products are also promoted online; for example, a page on the retailer's website provides 'Great For You'-inspired recipes. Walmart also launched the "Walmart Wellness Day" in 2016, to provide customers in their US stores access to free blood pressure, blood glucose and vision screenings. Walmart has also reduced sodium and sugar, and removed all industrial-produced trans fats, in its own brands. (9).



Indonesia

Super Indo launched indicators of sugar content in packaged drinks to help consumers make informed purchase decisions and reduce their daily sugar consumption. The indicators, placed on price tags, highlight the sugar content of each product and are colour coded to indicate sugar content. The indicators are formulated based on the World Health Organization (WHO) and Ministry of Health recommendations for daily sugar intake, as well as the Indonesian FDA (BPOM) regulations no. 1/2022 on Supervision of Claims on Processed Food Labels and Advertisements and No. 26/2021 on the Information on Nutritional Value on Processed Food Labels (11).

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