European Commission

Health Equity Pilot Project (HEPP)

Food product reformulation – Albert Heijn, The Netherlands

Case Study

Health

HEPP CASE STUDY

Title of Project/Policy
Food product reformulation – Albert Heijn, The Netherlands

Project / Policy reference
Not applicable

Country
The Netherlands

Name of Organisation(s)
Albert Heijn chain of food retailers

Type of case study
Best practice

Thematic/sector focus
Nutrition (Product reformulation)

Date(s)
April 2016 – May 2017

Case study overview

This case study describes how a Dutch retail group has reformulated its own-brand products to reduce the levels of macronutrients of concern to public health (salt, saturated fat and sugar).

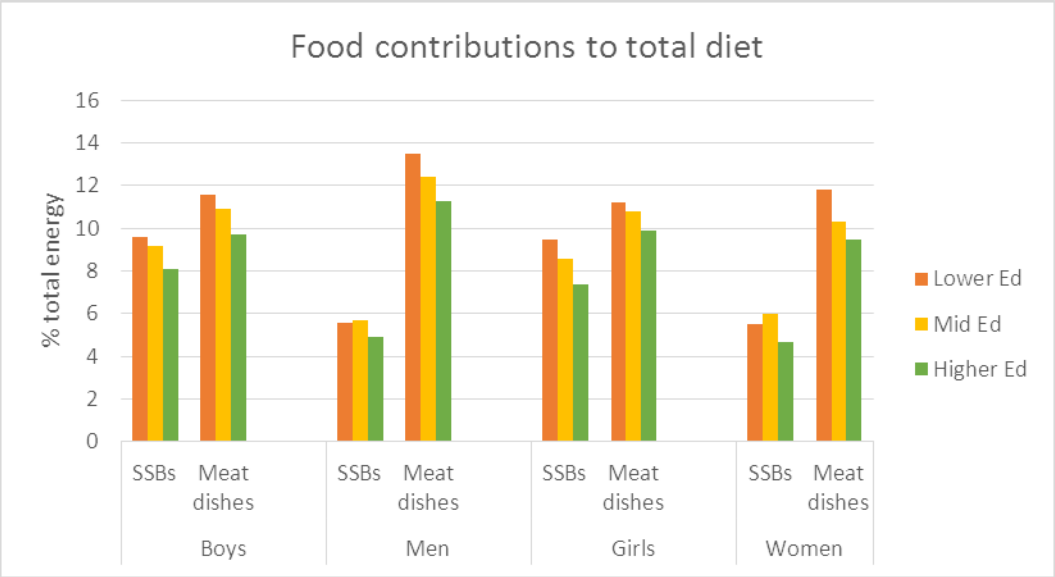
Theoretical model
The underlying theory predicts that small changes in formulation in products consumed in large quantities can have a significant total impact on dietary quality without requiring changes in consumers' dietary preferences. The theory relies on the changes in product formulation being sufficiently small that they do not deter repeated purchases, but sufficiently large that they have nutritional benefit.

The intervention is population wide, but will have an effect in proportion to the consumption of the products being reformulated, and therefore among the socio-economic groups making most purchases. In principle this is a universal, proportionate intervention.

Relevance
In the Netherlands health inequalities across socio-economic lines are significant. On average those with university education live 7 years longer than those with only primary education and have 18 extra

healthy years.[1,2]. Overweight and obesity show clear socio-economic gradients in adults (especially women) and in children[3]. Dutch dietary intakes show a high level of salt, saturated fat and sugar consumption, significantly above the levels recommended in national and WHO guidelines for population health. Men in particular had salt intakes significantly above recommended levels, and children had sugar intakes well in excess of recommended levels (and above the levels consumed by adults)[4]. Dietary patterns show socio-economic gradients in the consumption of fruit and vegetable, sugary beverages and processed meats. The latter two are shown here, with consistent gradients for children and adults alike (Figure 1, below).

Figure 1. Proportion of total dietary energy contributed by sugar-sweetened beverages and by processed meat products, by educational level.



Source: RIVM (2012)[4]

In 2014, the National Agreement to Improve Product Composition was signed between the Dutch government and representatives of the food and catering industries. This Agreement placed responsibility on producers and retailers to reduce the salt, saturated fat and sugar content of their products[5]. The Agreement was initiated by the Dutch Ministry for Health, Welfare and Sport, and was intended to improve population dietary health without the need for consumers to make major changes to their buying behaviour.

In addition, the Dutch government made product reformulation a key focus during its presidency of the Council of the European Union in 2016

and organised a conference on product reformulation in Amsterdam and developed a roadmap for product reformulation[6].

Characteristics

The present case study describes product changes made by Albert Heijn, the Netherland's leading retail chain with market share of over 35% of supermarket food sales, worth over €13 billion, through more than 950 retail outlets, and with a significant market among lower-income consumers[7].

Product changes were not specifically targeted at lower socio-economic consumers, but were designed to address the high level of salt, saturated fat and sugar consumption in the population of the Netherlands, with an additional focus on reducing sugar consumption among families with children. It has an impact in lower socio-economic groups to the extent that these groups use the supermarket chain and purchase the reformulated items. Ahold Delhaize has a policy to support retailing in lower-income communities: according to the company's Chief Executive Dick Boer *"…we want our supermarkets to really be part of the community. For instance, most of the time, retailers with stores in depressed or low-income neighbourhoods start thinking about moving out of those communities. But we believe we should rebuild those stores and help them become the social center or the heart of those communities that are in a bad situation".*[8]

Reformulation of products consumed frequently across the general population and especially in lower socio-economic groups should have a greater impact in those lower socio-economic groups than interventions which rely on purchasers having either the knowledge or the resources to choose healthier products[9]. To preserve sales and consumption levels, reformulated product should not be accompanied by price increases or significant alterations to the taste profile. In the present case study, the reformulated products were designed to be direct replacements of the original products, and all reformulated products were tested by customer panels, including panels with children to ensure that the taste remained attractive.

Methodology

In accordance with the Dutch government Agreement, Albert Heijn undertook to reformulate a range of their own-brand products. The company's approach for reducing salt, saturated fat and sugar is to review relevant food categories and identify the current levels of the relevant ingredient and the opportunities for improvement. In the case of salt, categories such as bread and pizzas were considered most relevant, while in the case of sugar, categories such as dairy products, baked goods and sugar-sweetened beverages were most relevant.

In addition, Albert Heijn recognized that many products containing added sugar such as cereals, sugar sweetened beverages and dairy products are eaten by families with children. To ensure that sugar reformulation efforts reach those where the impact is likely to be the greatest, Albert Heijn identified approximately one hundred products regularly eaten by families with children. Products identified included dairy products, sauces and cookies.

Products were taste-tested before sale, and for products created for children the products were taste-tasted by the company's "kids' council" established to ensure that a reformulated product met the children's expectations (for details, see Chambers[10]).

In a separate move, Albert Heijn decided in 2016 to use child-friendly packaging, such as cartoon character's, only on products aimed at children and which met certain nutritional criteria, such as no more than 5g added sugar (per 100g) for categories such as dairy and cereals[11]. A new set of characters, the RockFrogs, was introduced for products that met the criteria. Sugar levels in children's dairy products were reduced to a maximum of 9.5g total sugar with 5g maximum added sugar (per100g)[11].

In June 2016 Albert Heijn announced that it was reducing salt content by up to 30% in processed vegetables (in cans and pots) and in ready meals, and by between 13% and 22.5% in fresh bread[12]. They also reduced the salt in their own-brand pizzas and pasta sauces by an average of 25%[19].

The efforts to reduce sugar led to over 100 products being reformulated by the end of 2016: percentage reductions of up to 40% were achieved[11].

In 2017 additional steps were taken to reduce sugar in sugar-sweetened beverages. Sugar levels are being reduced in more than 40 products which will reduce sugar levels by over 50 million sugar cubes. New products are also being introduced including two children's water that can be included in a packed school lunch[13].

Results and key findings

The large number of successful reformulations demonstrate that product reformulation is possible, and depends on senior management commitment, market assessment, consumer testing and re-specification of recipes in contracts with suppliers.

Ideally, data are needed to demonstrate that reformulation is a successful policy for improving healthfulness of diets among lower socio-economic groups, and that reformulation does not widen inequalities between higher and lower socio-economic groups. Data on

sales trends in lower income neighbourhoods, or on products known to be consumed in quantity by lower socio-economic groups, may be held by the company but has not been made available.

From the evidence available to us, the initiative should in principle have had the effect of improving the healthfulness of the products purchased from this supermarket chain and to have had at least as strong an impact on lower socio-economic groups as higher ones. Overall sales of products rose 3% between 2015 and 2016 when the reformulated products were introduced (at a time when the total store space rose only 0.7%). Of these sales, food products are the main component, with perishable foods products remaining at 46% of sales across both years, and non-perishable food products rising from 34% of all sales in 2015 to 36% in 2016[7].

Timeliness / Interest from Member State/Interest from other Member States

The Dutch reformulation initiative has run since 2012 with the addition of sugar as a focus from 2016. The initiative was launched in partnership between commercial operators and the Dutch government.

Other EU Member States have reformulation policies among their general food and health strategies, although not necessarily as strongly promoted as it is in the Netherlands.

Reformulation is also a concern for the European Commission. It is one of the key areas for action identified by the EU Platform for Action on Diet, Physical Activity and Health[14], it is an area for work proposed by the High Level Group on Nutrition in their EU Framework for National Initiatives on Selected Nutrients[15], and it is one of the areas identified as helping 'to make the healthy option the easy option' in the EU Action Plan on Childhood Obesity 2014-2020 (page 35)[16].

What makes this case study interesting/important?

This study shows how product reformulation can have an impact on the consumption of nutrients and ingredients of public health concern. A detailed assessment of the implementation of reformulation undertaken by this supermarket and by others signing the Dutch National Agreement remains to be undertaken, and an evaluation of the impact on nutrient intakes and dietary patterns in different socio-economic group remains to be demonstrated by sample surveys.

Prima facie, the year-on-year sales figures indicate transitions towards reformulated products has occurred without loss of total market sales,

and it can be assumed that consumption among higher-level consumers has been maintained. This indicates the potential benefits from reformulation as a strategy for improving health 'by stealth' through a universal, proportionate approach.

Generalisability

Governments can support business efforts to reformulate products, especially those likely to be consumed in high quantities. To the extent that higher quantities are consumed by lower income groups, reformulation will have greatest benefit for these groups. Pricing is also a factor in shaping dietary choice, especially for lower income households: thus reformulation accompanied by increases in price may reduce the potential benefits while reformulation accompanied by price incentives may enhance them[17,18].

The present case study shows that it is possible to combine generalised reformulation with specific reformulation for products targeting a specific group, such as children. It is also possible to reinforce the reformulation with marketing campaigns promoting the healthier nature of the products, although this may not necessarily show progressive socio-economic effects.

Sustainability

Reformulation is a strategy adopted by the food industry for a variety of reasons besides consumer health. That the reformulation has improved diets among lower socio-economic groups will require validation with sample surveys of actual dietary intakes as well as neighbourhood retail sales. Under the Dutch reformulation Agreement, monitoring is planned using the regular Food Consumption Survey. Salt consumption is determined every 4-5 years using 24-hour urine collection. This monitoring is financed by the Ministry of Health, Welfare and Sport.

It is important to continue to monitor the levels of nutrients and ingredients in popular products to ensure that the reformulated products are not undermined by new, cheaper and poorer-quality products. Industry-wide policies are needed to maintain the benefits of reformulation, and it is understood that Albert Heijn will continue to promote cross-industry agreements on maximum levels for ingredients of public concern in relevant categories to ensure competitive equality.

Transferability

Retailer and manufacturer organisations under guidance from the relevant government ministry have succeeded in implementing a cross-industry initiative. Reformulation can be applied in any region where the

manufacturer or retailer has sufficient market penetration for the reformulation to be effective. However, support from government may be required if reformulation is to be implemented across all brands in a product category, and supported on an industry-wide basis.

Next steps / Recommendations

Reformulation is a valuable policy for improving population dietary health and can be targeted at foods frequently eaten by those most at risk of diet-related ill-health. However, further validation of the effect of reformulation on consumption patterns in different socio-economic groups should be undertaken.

Initial conclusion

Customer acceptance of a revised recipe is important to maintain sales levels for the reformulated products and therefore achieve reductions in salt, sugar and saturated fat consumption. Cross-industry agreement on product reformulation helps to ensure that competing products are making similar changes to their taste profiles.

Commercially-sensitive data may be needed to verify the assumptions that reformulation of widely consumer products benefits lower socio-economic groups at least as much as it benefits higher socio-economic groups.

Sources of funding/sponsors for project/policy

No external funding.

References / respondents

This case study was compiled by Tim Lobstein with the assistance of consultants who have detailed knowledge of the Dutch retail industry. The retailer Albert Heijn and its parent company Ahold Delhaize have not influenced this document, and all material cited is published and available in the public domain.

This document has been shown to Albert Heijn product quality staff, who made the following comments[20] (edited for English grammar):

In the past few years, hundreds of AH-products in different categories were reformulated by lowering the amount of (added) sugar or salt. The % reductions are not standardized per category, as this differs per product. In 2016 and 2017, amongst others, products in the categories ambient pasta sauces, canned vegetables, dairy, snack-sauces and

fruit-juices were reformulated. For the upcoming year [2018], amongst others, fresh pancakes and cereals are reduced in (added) sugar. When possible we try to reduce total sugar by 30% and salt by 25%, but sometimes this was not feasible taking into account the acceptance level of our consumers.

We started with products bought by families a lot, and we are now focusing on product groups with added sugar where you don't expect it (e.g. pasta sauces). As we also change total product ranges or add introductions, it is hard to say which proportion is reformulated. Besides reformulating the current assortment, we try to add new products which are low(er) in sugar or salt. Also, we are increasingly trying to help our consumers making healthier choices in our stores by giving on-shelf information on sugar levels of different products.

The sugar reduction in the SSB's was made on the AH private label products, adding up to 50 million sugar cubes reduction per year (taking into account the differences in sugar level per item, multiplied by the number of items sold per year).

More analysis would be needed for answering questions regarding the effects on consumers, as we have to take into account all sugar levels of all A-brands as well; currently we do not have these kind of figures.

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[INSIDE BACK COVER]