



Ahold
Delhaize



Frans Muller
CEO, Ahold Delhaize



We serve more than 50 million customers a week, so it is of vital importance that the food we sell is safe. To keep our customers' trust, we continuously work to improve our food safety standards to ensure everything we sell is of the highest quality.



The Why

Food and non-food safety are critically important to Ahold Delhaize. During recent years several food safety scandals led to increased concern about which food products to choose. New production technologies and improved visibility on product ingredients have impacted levels of trust in food. Now more than ever, trust is an important factor for continued success in the food industry and in the retail food market. The consumption of unsafe brand products or other food and non-food products, or food fraud in the supply chain could result in our customers' injury, illness or even death. Moreover, product safety problems could potentially cause disruptions to the supply chain and negative customer reactions. These may have a material adverse effect on the company's reputation, results of operations and financial position.

The How

We require our food suppliers to comply with standards beyond what is legally required, by expecting our food suppliers to be certified with a standard recognised by the Global Food Safety Initiative (GFSI). For 2020, we are striving to achieve 100% of our own brand food products to be certified with a GFSI-recognised certification programme, with potentially a small percentage at an acceptable level of assurance. Our own brand suppliers are spread all over the world and have different challenges when it comes to food safety. To achieve our target, we work together with our suppliers and support them in various ways. Sharing best practices and providing training are good examples. Some suppliers have to make significant investments to achieve GFSI-recognised certification. For these specific cases we work together in creating a plan to reach this certification or an acceptable level of assurance.

For example, our brand Delhaize Serbia likes to involve more and more smaller local suppliers, located close to the stores they supply to. While this is appealing to customers who like to "buy local" and beneficial

for the local fresh producers and small manufacturers, it brought some challenges in terms of food safety certification according to GFSI-recognised standards. When engaging the suppliers, we found that they had very different levels in the set-up, processes, equipment, and ingredients used in production. This meant that not all suppliers were able to initially achieve GFSI-recognised certification. So we adapted our process to audit them based on the GFSI Global Markets requirements, in order to assess if they were at an acceptable level of assurance. In this process we supported our suppliers in identifying the changes required to meet our standards,

helping them to make improvements by. To date, almost all suppliers of Delhaize Serbia comply with these audits and many of them are working on the next step to achieve a GFSI-recognised level of certification. We also continue to focus on our own operations, in our distribution centers, our transport and our stores. All our great local brands have implemented food safety systems to ensure food safety is managed well in our own operations, and many of our distribution centers have achieved GFSI-recognised certification, including the distribution center of Delhaize Serbia.

The Benefits

To make sure product safety is embedded at Ahold Delhaize and its great local brands, we have established a Product Integrity department. The Product Integrity team provides the brands with guidance and support on the implementation of product safety measures but also provides assurance on the implemented food safety systems within the brands. Within each brand,

dedicated teams make sure the products they sell to their customers are safe. These dedicated teams within the organisation create awareness with our associates. Additionally, our goal for 100% of our own brands food products to reach GFSI-recognised certification (or an acceptable level of assurance) is another key way we strive to ensure the products we sell are safe.

Figures

PERFORMANCE INDICATOR DESCRIPTION	2018	2017	2020 TARGET
% of production units of own-brand food products that have Global Food Safety Initiative (GFSI)-recognised certification or comply with an acceptable level of assurance standard	93%	91%	100%
% of production units for own-brand food products that are certified according to a GFSI-recognised standard	89%	88%	93%
% of production units for own-brand food products that comply with an acceptable level of assurance standard (other than GFSI)	4%	4%	7%

