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**The why** Food and non-food safety is critically important to Ahold Delhaize. During recent years several food safety scandals led to increased concern about which food products to choose. Also 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 own 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 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.

**“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 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 very 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 Albert in the Czech Republic, made the switch from using large industrial

bakers to smaller, regional bakery suppliers located closer to the stores they supply to. While this change was appealing to customers who like to "buy local," it brought some challenges in terms of food safety certification according to GFSI-recognised standards. When engaging the smaller bakeries as suppliers, we found that they had mixed approaches to 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 initiated a process to audit them ourselves in order to assess if they were at an acceptable level of assurance while supporting them in making improvements by identifying the changes required to meet our standards. To date almost all bakeries Albert works with are certified with a GFSI-recognised certification programme.

We also focus on our own operations, in our distribution centres, our transport and our stores. All of our great local brands have implemented food safety systems to ensure food safety is managed well in our own operations.

## 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 provide 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.

This has already shown positive results. By the end of 2017, already 91.2% of our own brand suppliers' production units had obtained GFSI-recognised certification or an acceptable level of assurance.



## Figures

KPI	2017	2020 target
% of production units of own-brand food products that are Global Food Safety Initiative (GFSI) -certified or comply with an acceptable level of assurance standard	91,2%	100%
% of production units of own-brand food products that are certified according to a GFSI-recognized standard	87,6%	93%
% of production units of own-brand food products that comply with an acceptable level of assurance standard (other than GFSI)	3,6%	7%

