



# Own Brand Product Safety & Sustainability *Definitions and KPIs*

July 2020

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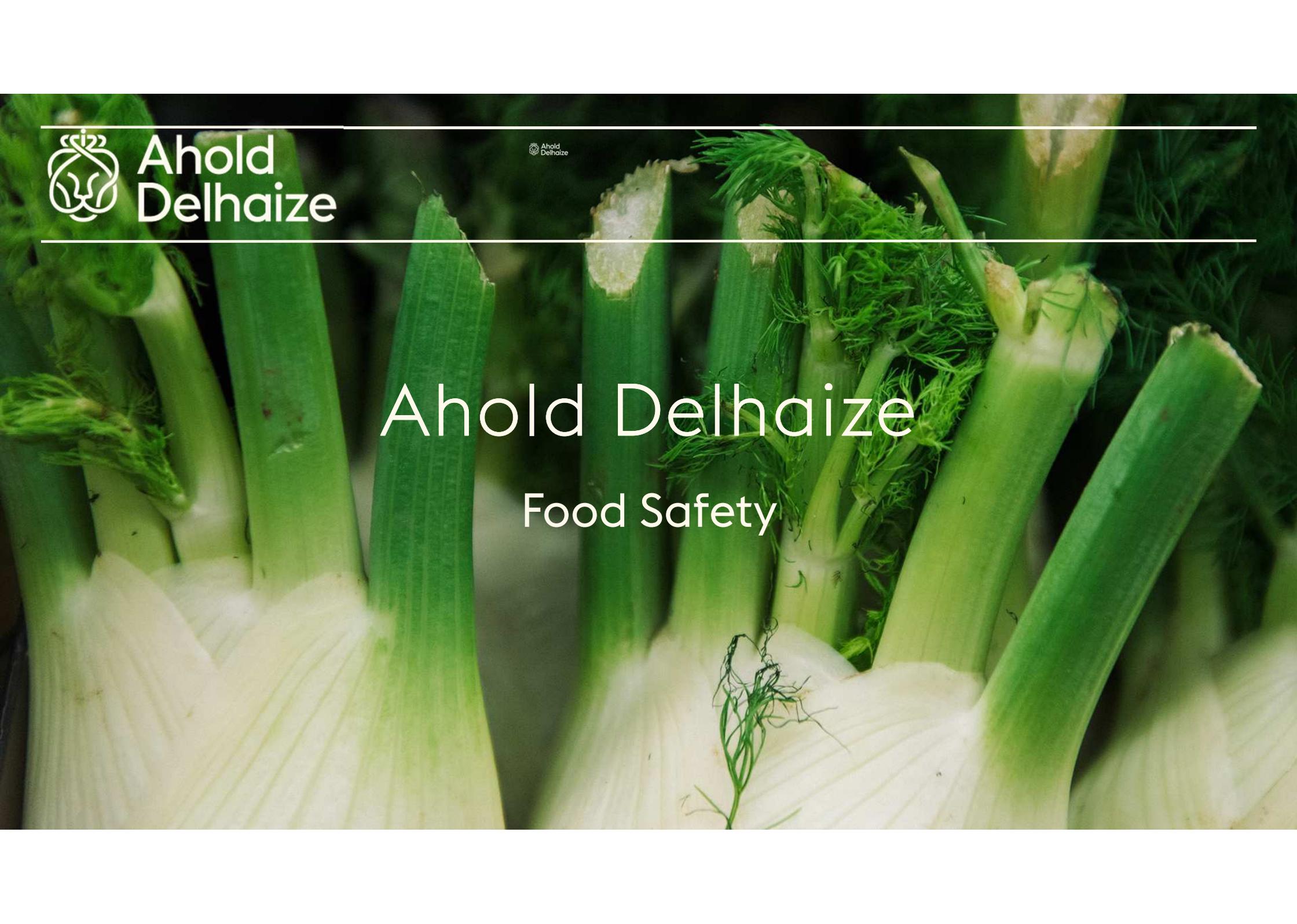
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# Introduction

- Ahold Delhaize is a forward-looking company and makes sustainability decisions based on consumer demand, long term strategy and the reduction of risk.
- This presentation covers the background, scope and definitions, targets and additional information for product safety and product sustainability

## Own Brand definition

- ✓ An own brand product is each product sold that is not an international, national or regional brand
- ✓ Definition applicable for all our Brands



Ahold Delhaize  
Food Safety

# Food Safety

## Background & Our ambition

- ✓ We work to ensure that the products are safe, produced in clean, efficient facilities with good working conditions, made from sustainably sourced commodities, and clearly and accurately labeled.
- ✓ We take responsibility to maintain the highest levels of safety for our products, while also improving their environmental and social footprints.



# Food Safety

## Target

Our Ambition: Minimum of 93% of own brand food production units must be certified against a GFSI recognized standard. The remaining 7% should be audited to provide an acceptable level of assurance.



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# Ahold Delhaize Non-Food Safety

# Non-Food Safety

## Background

- Non-food products can be dangerous to use, especially if used improperly.
- Products like shampoo or toothpaste can contain chemicals or bacteria that are harmful.
- Customers need to be able to trust the non-food that they buy is properly labeled and safe to use.



# Non-Food Safety

## Ambition

100% of production units where high-risk products are produced are certified by an independent third party against accepted standards for the relevant product category. If no certification against an accepted standard is available, testing of every lot is required.



# Non-Food Safety

Accepted standards non-food

## Food & Feed GMP's:

21 CFR 110

- GFSI

## Dietary Supplement GMP's:

- 21 CFR 111
- NPA GMP standard
- NSF/ANSI Standard 173
- NSF GMP for Sport Standard 306
- UL Dietary Supplement GMP
- GMP Dietary Supplements certificate (GRMA NSF/ANSI 455-2 2018)

## Finished Pharmaceuticals GMP's:

- 21 CFR 210, 211
- GMP Finished Pharmaceuticals
- UL OTC Drug GMP
- GMP Over-the-Counter Drugs certificate (GRMA NSF/ANSI 455-4 2018)

## Medical Devices GMP's:

- 21 CFR 820 Device Quality System (QSR)
- ISO 13485
- CMDCAS (Canadian)
- UL Medical Device GMP

## Cosmetic GMP's:

21 CFR 700

- ISO 22716 (GMP Cosmetics)
- UL Cosmetic GMP
- GMP Cosmetics certificate (NSF/ANSI 455-3 2018)

## All/Various:

- BRCGS Consumer Products – General Merchandise
- BRCGS Consumer Products – Personal Care
- IFS Household & Personal Care (International Featured Standards)
- SGS Non-Food Factory Assessment
- HPC 420



# Ahold Delhaize Social Compliance

# Background

- Labor conditions in supply chains throughout the world can differ greatly and pose risks to the health and safety of workers.
- National laws and international conventions are not always followed or enforced, which can make life hard for workers and their families.
- Because it has such a direct impact on quality of life, it's something which Ahold Delhaize monitors closely.



# Social compliance

## Ambition

- Social compliance: 80% of suppliers of our own-brand products in high risk countries audited against an acceptable standard, with a valid audit report or certificate indicating their compliance on all "deal-breaker" issues; remaining suppliers (20%) will be audited to "stepping stone" standards.



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# Social compliance

Accepted standards social compliance

- amfori Business Social Compliance Initiative (BSCI)
- BRCGS Ethical Trade and Responsible Sourcing Standard –Issue 1
- Equitable Food Initiative Social Standards, Guidance, & Interpretations\_v2.1 (EFI) including Ethical Charter
- Ethical Trading Initiative (ETI) / SMETA
- Fair for Life / For Life
- Fair Labor Association (FLA)
- Fair Trade USA
- Fairtrade Hired Labour
- Fairtrade Textile
- Florverde

- Initiative Clause Sociale (ICS)
- Kenya Flower Council (KFC)
- MPS - Socially Qualified (SQ)
- ProTerra
- Rainforest Alliance (RA) / Sustainable Agriculture Network (SAN)
- Sustainable Agriculture in South Africa (SIZA)
- Sustainably Grown
- Social Accountability (SA) 8000
- UTZ
- Wine and Agricultural Ethical Trade Association (WIETA)

# Social compliance

## Deal-breakers

There are 4 deal-breakers identified by Ahold Delhaize:

- Child labor – identification of cases of child labor at the production location
- Young workers - identification of young workers at the production site with non-compliances with young workers criteria
- Forced labor - identification of cases at the production location
- Building safety - identification of a situation that potentially causes life threatening situations, such as locked or blocked emergency exits

Audit reports showing non-compliances with deal-breaker requirements are not accepted as compliant.





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# Ahold Delhaize Critical Commodities

# Background

- We want to be a successful retailer not only in 5 years, but also in 50 years, and we need to act now to ensure access to critical raw materials in the future.
- Commodities are linked to major environmental and social issues such as deforestation, climate change, loss of biodiversity, child labor, forced labor, illegal fishing and overfishing.
- Farmers may face hard working conditions, difficult weather events, low market prices and eroded margins.
- Sustainable commodities can improve farmers' working conditions, quality and environmental management, increase yields and secure long-term production.

## Ambition & Scope

- 100% Own Brand products containing critical commodities are certified against an acceptable sustainability standard.
- Critical Commodities are: tea, coffee, cocoa, seafood, palm oil, wood fiber and soy.



# Tea

## Background & ambition

- Background: We are working to improve social and critical environmental issues associated with the production of tea, such as agro-chemical use, deforestation, soil erosion and labor conditions.
- Our Ambition: 100% of Own Brand products containing tea are certified against an accepted standard

For more information please watch our video:

<https://www.aholddelhaize.com/en/about-us/stakeholder-interests/coffee-tea/>



# Coffee

## Background & ambition

- Background: We aim to reduce the potential adverse impacts caused by coffee production – including the loss of natural habitats, soil degradation, degradation of water quality and poor labor conditions.
- Our Ambition: 100% of Own Brand coffee products are certified against an accepted standard

For more information please watch our video:

<https://www.aholddelhaize.com/en/about-us/stakeholder-interests/coffee-tea/>



# Cocoa

## Background & ambition

- **Background:** We aim to reduce the potential adverse impacts caused by cocoa production – including deforestation, soil degradation, degradation of water quality and poor labor conditions.
- **Our Ambition:** 100% of Own Brand cocoa products are certified against an accepted standard

**For more information please watch our video:**

<https://www.aholddelhaize.com/en/about-us/stakeholder-interests/cocoa/>



# Seafood

## Background

- Background: Ahold Delhaize is committed to only sourcing Own Brand seafood from fisheries or farms that are well managed, to ensure that fish populations remain healthy and where fishing and farming methods have a minimum environmental and social impact. Ahold Delhaize will not knowingly sell seafood from illegal, unreported, or unregulated (IUU) fishing activities.

For more information please watch our video:

<https://www.aholddelhaize.com/en/about-us/stakeholder-interests/seafood/>

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# Seafood

## Ambition

100% of Own Brand seafood products certified against an accepted standard, from sustainable sources assessed by a credible third party, or from credible Fishery/Aquaculture Improvement Projects.

100% transparency of vessel for all simple tuna products (fresh, frozen, canned) sourced globally.

100% traceability back to vessel for all simple farmed shrimp (fresh, frozen) products originating from Thailand.

100% of Own Brand seafood products with an identified farm/fishery of origin

# Palm oil

## Background

- Palm oil is a major driver of deforestation and heavy smog pollution in Indonesia and Malaysia, and is expanding into Asia, Africa and Latin America.
- Human rights violations such as child and forced labor, and poor working conditions are ongoing issues.
- Oil palm plantations have a big impact on climate change, biodiversity, and the living conditions of local communities.



# Palm oil

## Ambition

- 100% of Own Brand palm oil volume certified against and accepted standard (Mass Balance or Segregated)

For more information please watch our video:

<https://www.aholddelhaize.com/en/about-us/stakeholder-interests/palm-oil/>



# Soy

## Background

- Soy is a major driver of deforestation globally, especially in South America.
- Soy is mainly used as animal feed. Soy is therefore indirectly in the supply chain of animal products (meat, dairy, eggs).
- Conversion of forest land to soy plantations has a big impact on climate change, biodiversity, and livelihoods of local communities globally.

For more information please watch our video:

<https://www.aholdelhaize.com/en/about-us/stakeholder-interests/soy/>



# Soy

## Ambition

100% of all high priority (South American) soy volumes in Own Brand products containing soy or animal based products where soy (Tier 1 – 3) is used in the supply chain is certified:

- **Direct soy (Tier 1):** Actual soy products or products containing more than 95% soy sold in stores (soy-based meat replacer, soy milk, edamame, bean curd – Tofu).
- **Embedded soy (Tier 2):** Raw meat products sold in stores as meat: beef (steak, etc), chicken (wings, breast, etc), pork (steak, loin etc), farmed fish (salmon, etc). This includes marinated and/or seasoned raw meat products.
- **Embedded soy (Tier 3):** Basic egg and dairy products (milk, yoghurt, cheese) sold in stores.



# Wood fiber

## Background

- A large portion of wood derived products are linked to illegal and irresponsible destruction of forests.
- Logging for the production of paper and board is one of the biggest global drivers of deforestation (20% of all global greenhouse gas emissions).
- Deforestation results in destruction of plant and animal habitats and economic loss for production countries and communities



# Wood fiber

## Ambition

- Products: 100% of Own Brand non-food products are sustainably certified, low risk, or recycled.
- Packaging: 100% of primary packaging of any Own Brand product is sustainably certified, low risk, or recycled.

For more information please watch our video:

<https://www.aholddelhaize.com/en/about-us/stakeholder-interests/wood-fiber/>



# Critical commodities

Accepted standards

								
Cocoa	Green	Green	Green					
Coffee	Green	Green	Green					
Tea	Green	Green	Green					
Palm oil	Green		Green	Green				
Soy					Green			
Seafood						Green		
Wood Fiber							Green	Green



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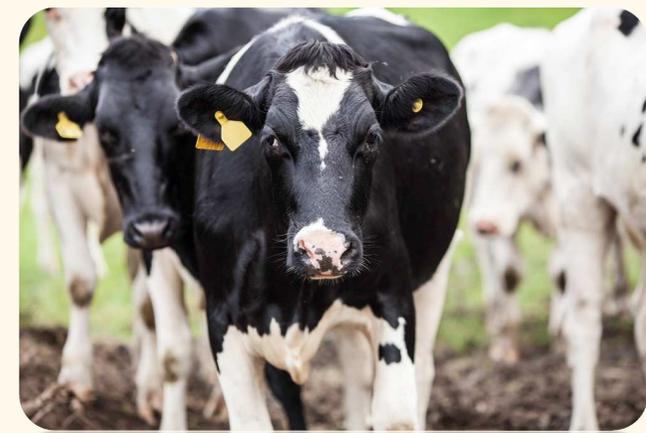
# Ahold Delhaize Animal Welfare

Definitions

# Animal welfare

## Background

- Animal welfare is one of the essential values of Ahold Delhaize, therefore an overarching statement has been put in place as a general guideline.
- Brands will create their own custom-made statements and strategies, based on local environmental circumstances, stakeholders and market conditions.
- We believe that an animal's welfare, whether on farm, in transit, at market or at a place of slaughter should be considered in terms of its 'five freedoms'. The Five Freedoms are as follows:
  1. Freedom from Hunger and Thirst
  2. Freedom from Discomfort
  3. Freedom from Pain, Injury or Disease
  4. Freedom to Express Normal Behavior
  5. Freedom from Fear and Distress



# Animal welfare

## Ambition

- All AD Brands will have a bespoke animal welfare policy in place that addresses their local needs
- Compliance to the Animal testing statement
- Compliance with the Cage Free Egg Brand's commitments
- Brands' commitments to move toward a 100% "cage-free" shell egg

**For more information please visit the website:**

- <https://www.aholddelhaize.com/en/about-us/stakeholder-interests/animal-welfare/>