

Getting the most out of Food Safety Management Systems

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Agenda

- Kraft Food GCC
- Internal Food Safety Management
- Adding Value

Kraft Globally

- World's second-largest food company
- Approximately \$50 billion in revenues
- Sales in approximately 160 countries
- 25%+ of global revenue from emerging markets
- Eleven \$1 billion brands



Kraft in GCC

Kingdom of Saudi Arabia:

- Production Facility – Biscuits
- Employees: 138 (23% Saudi)
- Brands: Oreo, Ritz and Belvita



Kingdom of Bahrain:

- Production Facility - (Tang and Cheese)
- Employees: 287 (17% Bahraini)
- Brands: Tang, Kraft Cheese



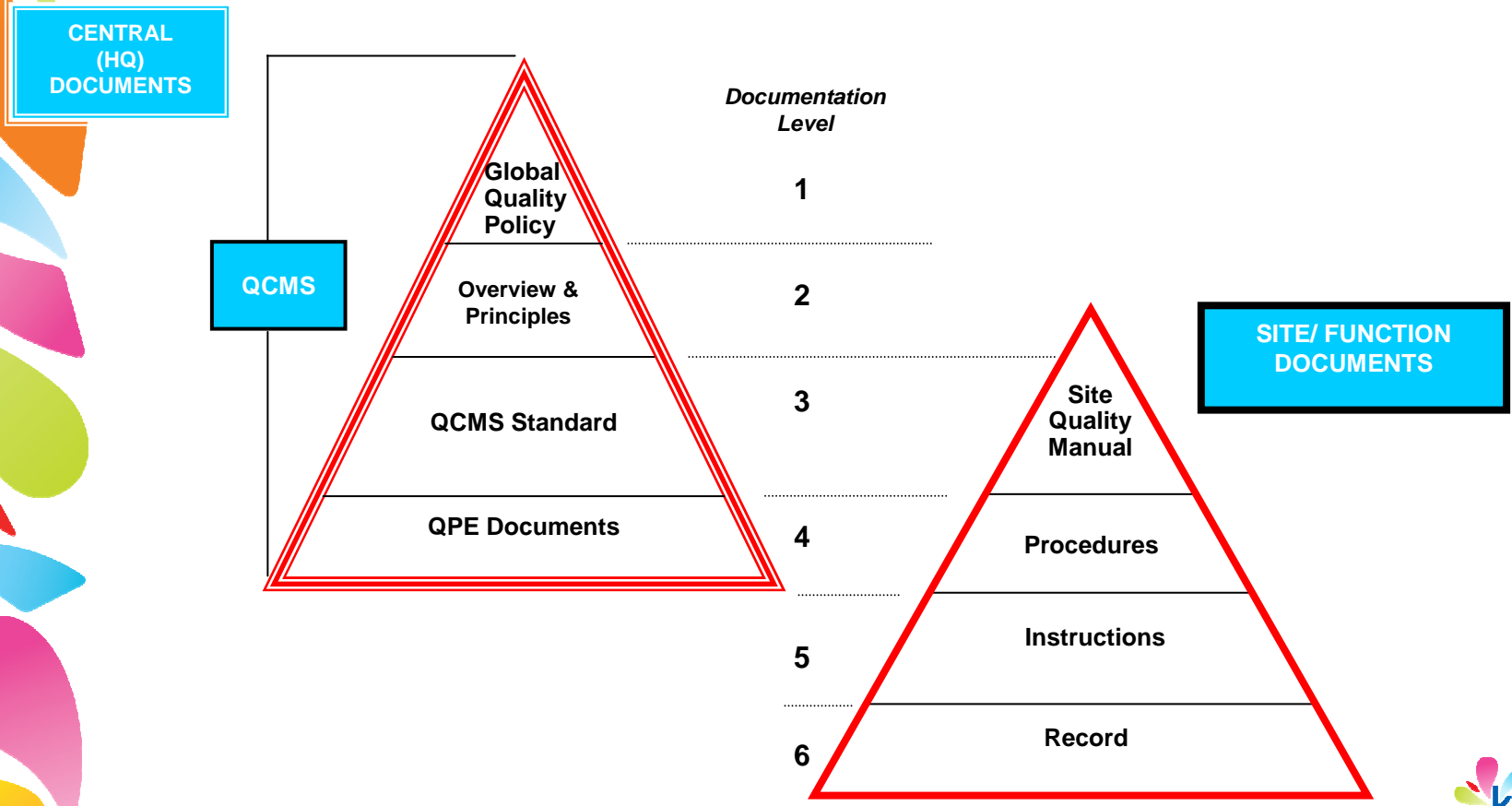
United Arab Emirates:

- MEA Regional Office
- Employees: 130
- Lead Brands Marketed in GCC:



Food Safety Management at Kraft

- Kraft Foods worldwide approach to the systematic management of product Safety and Quality is called the Quality Chain Management System (QCMS)
- It defines the requirements through which safety and quality are accomplished in the process of **design, procurement, manufacture, distribution and customer/consumer product usage and relations**





Food Safety Management - HACCP

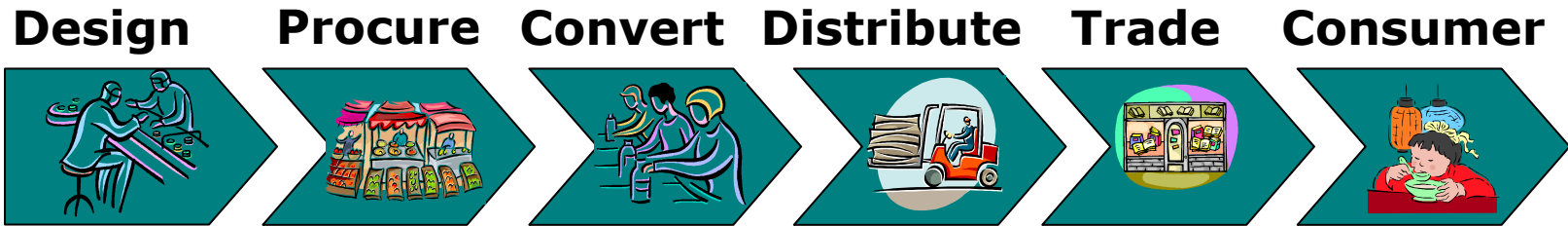
- Expert Scientific Core team
 - Global spread
 - Cross functional
- Global HACCP Standard
 - Codex based
 - Model process
 - Document Templates
- Supplier Expectations
 - General requirements
 - Process Specific requirements

An Integrated Quality Chain Approach Focuses on Preventative Systems

Risk Categories



Scope



Risk Prevention Programs

- | | | | | | |
|--|---|---|--|---|--|
| <ul style="list-style-type: none"> • Design Safety Analysis • Specifications • HACCP • Supplier QA • Plant & Equipment Design/ Capability | <ul style="list-style-type: none"> • Contracts • Selection/ Approval • Material Monitoring • Continuous Impr. | <ul style="list-style-type: none"> • Specifications • HACCP • Supplier QA • Traceability • Sanitation & Pest Control • Complaint Mgmt • Process Capability & Control | <ul style="list-style-type: none"> • Traceability • Warehouse Controls | <ul style="list-style-type: none"> • Complaints • Warehouse Control | <ul style="list-style-type: none"> • Specification • Labeling • Consumer Response • Process Capabilities |
|--|---|---|--|---|--|



Adding Value

Food Safety – the givens

Two key points:

- It is generally recognised across the food industry that food safety is not a source of competitive advantage
- We all want the highest appropriate standards applied across the value chain, to assure the highest levels of consumer protection.





Current Industry Situation

- Multiple Standards, but often few key points of difference
- Leads to multiple audits
- Internal processes drive more audits
- Contradictory requirements driven by standard owners

Trends in Global Standards: Food Safety

- envisage a world where all members of the global food industry have a **common** platform to **manage food safety** and **protect our consumers**, wherever they may be.





One Common Food Safety Platform

- How to achieve this?
- Needs to be acceptable to regulators, manufacturers, customers & consumers
- Needs to be independent and verifiable



The Kraft Story – a common platform

- Global Certification of all sites for 9001
 - but generic systems assessment, not Food safety focus
 - delivers systems discipline
- ISO 22000 / FSSC as the potential platform for food safety?

One Common Food Safety Platform

ISO 22000 / FSSC

- Needs to be acceptable to
 - regulators ✓
 - manufacturers ✓
 - customers ?
 - consumers ?
- Needs to be independent and verifiable ✓





The Kraft Story – the value added (Internal)

- Global Certification of all sites for 22000 / FSSC
 - less audits from customers / regulators
 - transparency of Food Safety practices
 - working with a key partner to help ensure consistency

Our Partners Perspective

Due to this partnership Kraft is getting "*more for less*" and the main benefit for DNV is a long lasting and reliable partnership with Kraft.



MANAGING RISK





The Kraft Story – the value added (External)

- Rationalise & Simplify the Supplier risk
 - use certification as the entry for trade
 - simplifies and accelerates supplier selection
 - focus internal resources on risk and not on maintenance

Suppliers are classified according to risk:
External Certifications are acceptable for lower risk Raw Materials

Tier	Ingredient Categories	Qualification Process	Accepted Audits & Certifications (ongoing)	Target Freq. (years)
1	RTE Meats, Cheeses, RTE <u>Raw</u> Fruits/Vegetables	Kraft Audit	Kraft Audit	1.5
2	RTE Nuts/Seeds/Coconut, Retorted & Aseptic Products (Low Acid Canned Foods), RTE Dried Fruits & Vegetables, Cocoa/Chocolate/Confectionary, Herbs/Spices/Seasoning, Tea & Tea Products	Kraft Audit	¹ Certifications or 3 rd Party SQE + Technical Validation (Kraft)	2
3	Egg & Egg Products; Fruit & Fruit Products; Dairy Products & Substitutes; Hydrocolloids & Gums, wafers	Kraft Audit	3 rd Party SQE or ¹ Certifications	2.5
4	⁴ Grain & Grain Products, Emulsifiers; Prepared Sauces/Spreads/Condiments, Coffee & Coffee Products, Bread & Bakery Products; Sugars & Sweeteners; Flavoring Ingredients; Cultures/Enzymes/Yeast/Starter Culture; Fats & Oils; Food Additives; ³ Raw Meat & Raw Meat Products, ¹ Food Chemicals & Alcohols	3 rd Party SQE or ¹ Certifications	3 rd Party SQE or ¹ Certifications	3
5	Raw Milk & Cream, Nationally Branded Confections; Green Coffee Beans; Compressed Gases; Raw Grains; Raw Nuts/Seeds/Coconut; Raw earthen materials (e.g., unprocessed materials mined from the earth)	Audits may be required as result of a risk assessment		NA



Getting the most from Food Safety systems

- Food safety is a must
- Food Safety is not competitive

BUT

- Industry opportunities to build efficiencies and simplification are available with the right platform
- 22000 / FSSC currently meets the criteria and is developing momentum with Manufacturers, Regulators and Retailers
- Kraft has adopted and is leveraging this platform, driving focus and business simplification

