

# Kraft Foods Supplier Quality and Food Safety Forum



June 2014



Asya Salter  
Associate Director  
Procurement Quality

# Overview & SQE Main Changes



# Objectives for today's meeting:

- **Meet the Kraft Foods team**
- **Learn about changes to the Suppliers Quality Expectations Manual**
- **Understand GFSI Certification Requirements**
- **Review Supplier Food Safety Assessments Program and Requirements**
- **Gain insight into Kraft Foods Spec Communication Process**
- **Obtain tips on completing Kraft Foods Global Kraft Ingredient Tool(GKIT)**
- **Answer your questions**

# Introduction To Kraft Foods

- Kraft Foods is one of the largest food companies in North America.
- Our mission is to become the undisputed North American food leader.
- We can only do this in partnership with the best suppliers.
- Approximately \$18 Billion in Annual Revenue
- **An Amazing Brand Portfolio**
- 11 brands with more than \$1 billion in revenue
- 9 iconic brands with >\$500 million in Annual Revenue
  - 70+ brands with more than \$100 million in revenue
  - 40+ brands over 100 years old
  - 80% revenue from #1 share positions



# Meet the Kraft Quality, Food Safety and Research and Supplier Integration Team



David Wankowski,  
Associate Director  
Auditing



Tamara Morrow  
Sr. Quality Specialist  
Auditing



Asya Salter  
Associate Director  
Procurement Quality



TaMara Brooks  
Assoc Principal Eng  
Procurement Quality

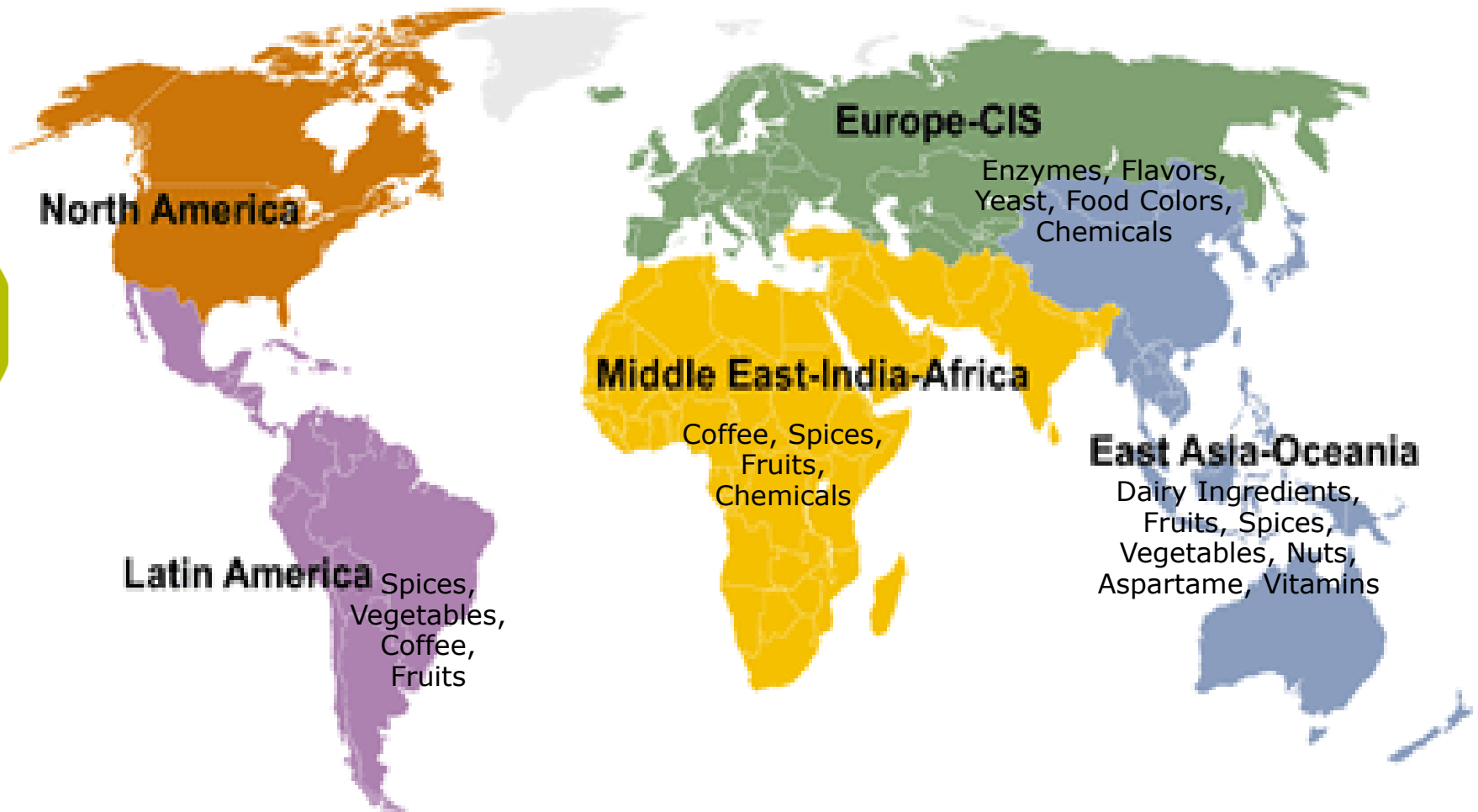


Angie Anandappa Ph.D.  
Group Leader  
Supply Chain Food Safety and Micro



Christine Dunkle  
Associate Principal  
Integrated Data Management

# Kraft Supply Base is global and is managed with a single standard for food safety



# Supplier Management Program

Comprehensive process assesses, manages and mitigates risk



*Our supply chain is global with a single standard for safety.*

# SQE Main Changes





# Supplier Quality Expectations (SQE)

- The contractual obligations for our suppliers requires compliance with our supplier quality expectations and current material specifications.
- The SQE addresses programs and controls that current and prospective new suppliers must have in place to ensure that their own food safety and quality systems meets Kraft Foods and industry standard.
- It also includes the requirement for materials delivered to Kraft to be compliant with regulatory requirements in countries where the material is manufactured and delivered.
- 2014 Main Changes:
  - GFSI Expectations
  - Audit Follow ups Corrective Actions
  - Food Safety Assessments
  - HACCP Expectations
  - Handling Raw Material Specifications

# SQE - *Communication with Kraft Foods*

The Supplier must **immediately notify** Kraft Foods of occurrences which could affect the processing, food safety or quality of materials supplied to Kraft.

- Inadvertent release from Hold of any material produced for Kraft
- Identification of an unlabeled allergen in material produced for Kraft
- Inability to deliver materials that meet Kraft Specifications
- Non-routine Regulatory Authority investigations, testing, sampling, reporting, or other contact or action with the potential to affect material produced for Kraft Foods
- If any of the supplier sites Manufacturing products for Kraft Foods loses GFSI certification or Kosher status
- Changes to supplier manufacturing processes and/or facilities that could have an impact on materials supplied to Kraft. New sites and new lines must be approved prior to use
- Supplier Name Changes

# GFSI Certification



Tamara Morrow  
Sr. Quality Specialist  
Auditing



# GFSI Certification

- As a company we continue to move towards more industry-accepted certifications, and to this end, it is a requirement that all ingredient suppliers to Kraft Foods attain Global Food Safety Initiative (GFSI) certification by Dec. 31, 2014 (except product categories exempt per Kraft corporate risk assessment) see below.

Category	
Alcohol Beverages	Raw Milk & Cream
Coffee and Coffee Products*	Alcoholic Substances
Fats and Edible Oils*	Green Coffee Beans
Flavor Chemicals*	Compressed Gases
Food Additives*	Raw Grains
Meat and Meat Products*	Raw Nuts/Seeds/Coconut
Sugars and Sweeteners*	Raw Earthen Materials
Liquid Whey and Liquid Milk	

\*Note: GFSI is not required for these product categories but is accepted or 3<sup>rd</sup> Party SQE Audit



# GFSI Certification

- The product categories that are exempt from acquiring GFSI certification were assessed based on the following criteria:
  - How the material is processed
  - How the material will be used post the supplier
  - Is the product produced with a kill step
- GFSI Certifications accepted
  - SQF Level 2 or 3
  - BRC
  - IFS
  - FSSC 22000
- For more information on GFSI Certifications and schemes please visit:  
[mygfsi.com](http://mygfsi.com)

# GFSI Certification - Benefits

## 1. Reduction in Food Safety Risks

Schemes are benchmarked to one standard (**GFSI Guidance Document**) – ensures food safety scheme is science based, contemporary and rigorous.

## 2. Reduce Duplication and Manage Costs



# GFSI Certification - Benefits

## 3. Develop Competencies and Capacity Building

Aid is provided to small and/or less developed business to help develop effective food safety management systems

## 4. Knowledge Exchange and Networking



Annual Global Food Safety Conference is an excellent opportunity to network and share knowledge with industry peers and benefit from presentations given by industry experts on innovative ideas that can implemented in the workplace.

# Corrective Action Verification Program

- As required, the supplier is expected to implement all corrective actions identified in the Kraft Foods audit within the time frame agreed on in the corrective action plan.
- A new requirement outlined in the 2014 SQE manual update states:

All corrective actions shall be verified against the CAPA plan by a Kraft Foods employee at a maximum of 6 months post the distribution of the final audit report. Verification of corrective actions for all critical and major findings shall require an on-site visit. Effective compliance date will be Q3 2014.





Angie Anandappa Ph.D.  
Group Leader  
Supply Chain Food Safety and Micro

# Supplier Food Safety Assessments (SFSA)



# Assessing the Foundations of Food Safety

- Quality Ingredient sources
- Diverse Suppliers
- Ethical Practices
- Trained Personnel
- **Food Safety Assessment**
- Science-based practices
- Adherence to Kraft Supplier Policies
- Specifications

Kraft Manufacturing Process

Kraft Food Safety Programs

Kraft Supplier Programs

# Supplier Food Safety Assessments

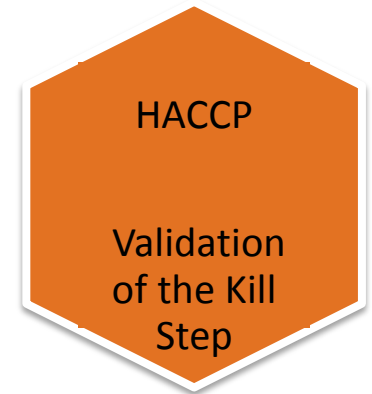
- Important Component of Supply Chain Management at Kraft Foods
- Verifies supplier compliance to Kraft food safety requirements
- Focused on sensitive materials (especially those that include a kill step)
- Provides an opportunity to work with our suppliers to share best practices

# Scope of SFSA



Suppliers shall have an effective HACCP program in place that contains the following components as described in the [Codex Alimentarius](#) or [NACMCF](#) Guidelines:

- Prerequisite Programs (PRPs)
- Hazard Analysis and Risk Assessment
- Standards for Hazard which may be managed by critical control points (CCP)
- HACCP plan documentation components
- HACCP system verification/validation procedures
- Employee Training and Management Protocols





## Zoning

- Zoning is a pre-requisite of Pathogen Environmental Monitoring
- It defines people, material and equipment movement
- It is an identification system for color coded clothes, waste, tools and utensils etc.
- Provides separation of raw material from processed product
- It helps minimize cross contamination during and after processing
- Helps with allergen Control

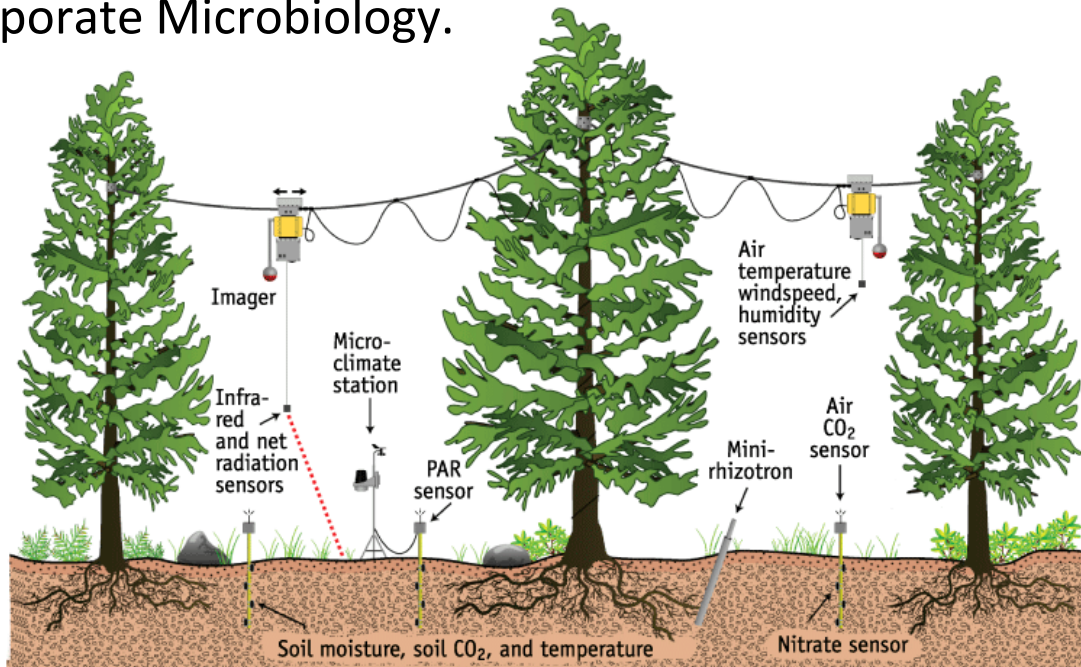
- What is PEM? Pathogen Environmental Monitoring
- PEM is a verification activity of effective Zoning control
- It is a means of verifying that prerequisite program such as sanitation, equipment design and personnel training is in place and working correctly
- It is a required tool to monitor and prevent cross contamination

Pathogen  
Environmental  
Monitoring  
Program



# Environmental Monitoring Program

- Environmental Monitoring (non-pathogen)
- Sanitation indicators
- Air handling
- Water monitoring, handling and treatment
- Lab proficiency (if internal lab; this can only be used Pathogen testing for materials delivered to Kraft Foods shall be performed by laboratories that have been approved by Kraft Foods Corporate Microbiology.





# Principles of a Food Safety Assessment

- Assess all risks associated with producing a safe ingredient/material
- (physical, chemical, microbiological, radiological)
- FSA process ensure that:
  - Risks are properly identified
  - Preventive controls are in place
  - Monitoring and Verification steps are correctly performed
  - Appropriate validation studies have been performed
  - Pre-requisite programs are developed and in place
  - Food safety programs is fully implemented and properly functioning

# Results of FSA

- Meets Kraft Expectations – Supplier stays current approved
- Needs improvement – Supplier stays approved, will need to work on findings of FSA report
- Needs critical improvement – Supplier may conditionally stay approved OR Supplier disqualification procedure may begin.
- Suppliers may be recommended for immediate disqualifications

Continue ordering

Continue ordering

Temporary ordering

May no longer order

# Q & A

## **Where are FSAs conducted?**

*Any supplier site that supplies sensitive ingredients to Kraft.*

## **How long does an FSA take?**

*Usually the FSA activities take one day.*

## **How often is an FSA conducted?**

*Every 3 years.*

## **How should the site prepare for an FSA?**

*Provide Kraft FSA team with requested documents beforehand.*

## **Who should be present?**

*Quality/Plant Leadership, HACCP Coordinator, Production Personnel.*

## **What is the Kraft SQE Audit vs. the FSA?**

*Kraft SQE audit is a comprehensive audit program. FSA is a food safety focused audit of supplier. They are different programs.*





TaMara Brooks  
Assoc Principal Eng  
Procurement Quality

# Spec Communication

## Supplier Spec Agreement Report (SAR)



# What is a Supplier Agreement Report

- The Supplier Agreement Report (SAR) is used by Procurement Quality to extract data from the specification that is to be agreed upon with the supplier for contracting and manufacturing of the material.
- This report is used by Procurement Quality to send to the current approved suppliers who are referenced by those supplier site locations listed in the each of the Supplier Information sections.
- The Supplier Agreement Report contains specifiable information from the specification along with data from the Supplier Information Section from which the Report is generated from.
- The Supplier Agreement Reports can be run on Raw Material Specifications and are specific to each Supplier Information number.
- The Raw Material Specification report is run on **Current** Specification statuses.

# Supplier Spec Communication Expectation

- Upon receipt of the Specification Agreement Report by Procurement Quality,
  - Suppliers expected to Review Report
    - **Align** - Sign Agreement within 10 Business days and distribute to manufacturing location of that specific material
    - **Not Align** - Send Non Acceptances identifying the discrepancies within the spec
- It is recommended that Suppliers do not Send Non Acceptances for the following:
  - Spec does not match targets exactly in Supplier GKIT, but they are within the range provided
  - Spec does not have Kosher /Halal Certifications checked, but supplier material is Kosher/Halal Certified

# Continuous Improvement of Supplier Spec

- Kraft initiated the Spec Communication program in November 2011 (Sending New and Revised Raw Material Specs to suppliers and tracking acknowledgement)and continues to improve the process
- This year Kraft launched a project to address specifications that have not been acknowledge by suppliers with completion by end of 2014
  - Objective
    - For Kraft specifications to be complete with information that's aligned with what we are receiving from our suppliers in addition to suppliers acknowledging all Kraft specifications
  - Approach
    - Kraft will focus only on sensitive materials. *Approx. 445 specs*
    - Bulk of the specifications do not have GKITS attached
    - **Starting May 2014**, Suppliers will see an increase in the numbers of GKIT request
- Suppliers Expectations
  - Partner with Kraft to aggressively return GKITS to spec managers
  - Ask questions early to complete GKITS right the first time





Christine Dunkle  
Associated Principal  
Integrated Data  
Management

# Global Kraft Ingredient Tool (GKIT) Top Tips



**Working together to get it right the first time!**

# GKIT Introduction

What is the Global Kraft Ingredient Tool (GKIT)?

- Used to gather technical information from Kraft suppliers regarding the materials they supply to Kraft
- Html form that enables Kraft R&D and Suppliers to collaborate together to complete the information.
- Used to create and establish the raw material specifications used in Kraft products.
- A full user guide on how to work with and populate the GKIT is located on:

[Kraft Foods Supplier Quality Website](#)

> Supplier Forums

> *How to Complete the GKIT MAY 2013*

# Working with the GKITxml file

- Opening the file
  - GKIT.xml file runs on Internet Explorer 6.0 or higher
  - Save the file to a local drive
  - You must enable all Active-x controls to use the file.
    - If your company has disabled ActiveX Controls, you must contact your IT department and obtain their assistance to get it turned on. Kraft support cannot enable your company wide settings.
  
- Minimizing file corruption
  - Ensure you are not supplying an old version of a GKIT.
    - An older version will not be useable and will only lead to rework
  - Wait for “File Saved!” message prior to closing the file.
    - Abruptly closing will render the file unusable.
  - Test the file prior to filling it out completely
    - Key in a field and try to save. If the data does not save that is a sign the file may have an issue.
  
- Data entry
  - Follow the standard formatting rules for date and number fields per the noted business rule upon file open

# Completing GKITs sections

## Supplier Packaging Information

- **Item Number**
  - must be populated as available
- **Ingredient Declaration**
  - must be populated and consistent with Composition and Allergen sections for both US and Canada. Ingredient declaration is required as declared in both US and Canadian formats.

## Composition

- **Ingredient Component List**
  - Composition must be technically accurate and clearly descriptive including all sub-ingredients. If the ingredient has a standard of identity, ensure the composition matches the standard. Ensure all processing aids, incidental additives, preservatives, etc. are listed.
  - Each component must include Functionality and Ingredient Country of Origin
  - Target % must total 100
  - Sub-ingredient breakdown must add to 100%
  - Ensure all oils identify source and type
- **Flavors**
  - Ensure flavors are broken out into natural and artificial portions and are not grouped as a single entry.
- **Allergens**
  - There must be a checkmark in each row for Global Allergens, Regional Allergens, and Food Sensitivities. ('Does Contain,' 'Does Not Contain,' or 'Cross Contact')
  - Verify all allergens marked "Does Contain" include source and are included in the Ingredient Component List as well as Ingredient Declaration.

Part No: 10217948 [1]

Kraft GKIT Instructions  
Additional Information.  
Supplier Plant Information  
.... Plant Information #1  
.... Plant Information #2  
.... Plant Information #3  
.... Plant Information #4  
.... Plant Information #5  
.... Plant Information #6  
.... Plant Information #7  
.... Plant Information #8  
.... Plant Information #9  
.... Plant Information #10  
Supplier Packaging Information  
General Information  
Composition  
Nutrition Data  
.... Macronutrients  
.... Vitamins  
.... Minerals  
.... Sugar/Sugar Alcohols  
.... Fatty Acids  
.... Amino Acids  
.... Intense Sweeteners  
.... Antioxidants and Polyphenols  
.... Other  
Analytical Instructions  
Analytical RMAT Cocoa and Chocolate  
.... Chemical Composition  
.... Grading & Defect Limits  
.... Particle Size  
.... Physical Tests  
.... Sensory Evaluation  
Microbiological Requirements  
Regulatory Information  
Certifications  
Shipping and Storage

Save File

Print File

Date Format : MM/DD/YYYY  
Numeric Format : 9999.99

# Completing GKITs sections (cont'd)

- Nutrition Data
- *Macronutrients*
  - Required for both US and Canada along with source of data populated
  - Fat, Carbohydrate, Protein, Moisture, Ash, and Other Proximate must sum to 100 gram
  - Polyunsaturated Fat, Monounsaturated Fat, Sugar Alcohols, Alcohol (for Canada), Organic Acid (for Canada) Potassium, Phosphorus are commonly requested and should be provided as available
- *Sugar/Sugar Alcohol*
  - Mandatory if the raw material is a sweetener
- *Fatty Acids*
  - Mandatory if the raw material is a fat or oil
- *Amino Acids*
  - Mandatory if the raw material is a protein
- Analytical RMAT section
- *Chemical Composition*
  - Ensure Attributes listed match % or % range in composition table and nutrition data (i.e. Moisture, Sodium from Salt, et al.)
- Regulatory Information
- *Regulatory Reference*
  - Include appropriate regulatory reference for both U.S. and Canada.
- *Legal Designation*
  - Include common name of ingredient`

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# Suppliers Resources

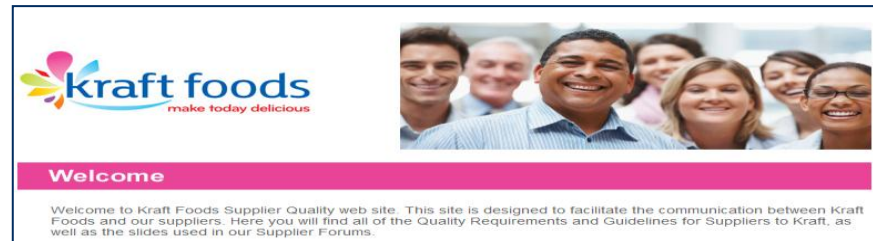


# Visit the Supplier Quality Website...

The Kraft Foods Supplier Quality web site <http://www.kraftsupplier.com/>

Provides Quality Requirements and Guidelines for Suppliers to Kraft Foods and includes:

- Supplier Quality and Food Safety Contractual Requirements
- Quality Support Material
- Food Safety and Quality
  - eLearning modules
- Supplier Forum Presentation Material
- If you have any questions, please email them to:  
[KraftSupplierQuality@kraftfoods.com](mailto:KraftSupplierQuality@kraftfoods.com)



# Key Notes From Today's Forum

- SQE was revised on 03.10.2014 and it is posted on the Kraft Supplier Quality Website ([www.kraftsupplier.com](http://www.kraftsupplier.com))
- GFSI certification for all applicable suppliers is required by the end of 2014
- New requirement to be implemented Q3-2014, Corrective Action Verification Program
- Food Safety Assessments provide an opportunity for Kraft to partner with suppliers in improving food safety
- Spec Communication Program helps Kraft maintain accurate specifications in which responses to the Supplier Agreement Reports are critical
- Ensure GKIT file is compatible with your hardware/software prior to populating the file
- Follow GKIT instructions and ask questions early on to collaboratively complete the GKIT right the first time