

## A Facility that Provides the Latest Value-Add Process in the Supply Chain



Kroger requires information for every facility from which your organization provides products and/or services to Kroger.

For facilities that provide products, **only the facility that provides the latest value-add process for that product is required to be registered in Supplier Hub.**

### What is a value-add facility?

The facility in Kroger's supply chain that directly changes or adds value to a product before receipt by Kroger.

Processes such as manufacturing, processing, assembly, harvesting, and growing directly change or **add value** to the product or ingredient.

Processes such as distribution, fumigation, irradiation, and metal detection **do not** directly change or add value to a product and, therefore, **do not** require registration in Supplier Hub.

### Example of a latest value-add facility

The table below shows a typical supply chain involving five different production facilities in the order they handle a product.

| Facility  | Processes                 | Value Add? | Latest Value Add? |
|-----------|---------------------------|------------|-------------------|
| Address A | Growing, harvesting       | ✓          |                   |
| Address B | Distribution              |            |                   |
| Address C | Testing, inspection       |            |                   |
| Address D | Processing, packaging     | ✓          | ✓                 |
| Address E | Metal detection, shipping |            |                   |

Although Address A adds value to the product, **Address D provides the latest value-add processes in the supply chain.** Therefore, Address D is the only address in this example required to be entered in Supplier Hub.