

Brand Reputation through Compliance

Results that brands can trust

BRCGS Compliance Report 2022



BRCGS

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Welcome to the BRCGS Compliance Report 2022



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Executive summary

Welcome to the BRCGS Compliance Report 2022

Whilst we are gradually seeing a 'return to normal life' following the impacts of the Covid pandemic, the same can be said within our auditing community where we are gradually phasing out the use of the concessionary protocols BRCGS put in place to manage the impact on travel restrictions and access to sites. Users tell us that they want to see a return to on site audits and an increase in the uptake of unannounced audits.

With the GFSI requirement of an unannounced audit once in every three years now in force, we have seen an increase in unannounced audits and whilst we appreciate the concerns of sites in dealing with new protocols, our experience over the last fifteen years of undertaking unannounced audits is that these fears are not realised in reality, rather unannounced audit results give users more confidence in the audit results.

BRCGS is strengthening the Compliance Team with a number of new members joining the team recently

with a renewed focus on physical site visits now that travel pressures have eased. A focus for the team will be verifying the details of onsite audits and ensuring declared audit durations are respected.

We also continue to focus on challenging of corrective actions to ensure they are effective and that sites have undertaken a robust root cause analysis to provide confidence that the issue will not be repeated. This is particularly important for product recalls which are essentially critical failures of product safety system; the data we collect is used to drive our risk-based compliance visit programme.

We are delighted that BRCGS has completed the process with the International Accreditation Forum (IAF) to have our suite of Standards recognised to the Multilateral Agreement level 4. This enhances our close working relationship with our global Accreditation Bodies, ensures consistency and adds another level of trust across the operation of our certification scheme for users.



Karen Betts
Head of Compliance, BRCGS

“We are delighted that **BRCGS has completed the process with the International Accreditation Forum (IAF)** to have our suite of Standards recognised to the Multilateral Agreement level 4.”



Demonstrating the value of BRCGS certification through increased regulatory compliance

We work closely with a number of Regulatory Agencies around the world to share how BRCGS certification programmes can be used by Government and the regulatory environment to support regulation and desired policy outcomes. In some markets, certification programmes can provide earned recognition where regulatory bodies factor in certification as part of their inspection programmes. But where public health issues are important, as in food processing and distribution, regulations are common.

In 2022, BRCGS published a new report that draws on data provided by NVWA (the Netherlands Food and Consumer Product Safety Authority) which covers the monitoring results of audits of Food Businesses for the 2015-2021 period. NVWA is the competent authority responsible for the supervision and enforcement of regulations. The data, which is based on a population of approximately 14,000 food business operators, with 3,300 inspections taking place per year over a seven year period, allows us to explore the interplay between regulations and certification, and whether third-party certification results in improved compliance, and therefore a means to ensure that food manufactured into the market in the Netherlands is safe for consumers.

This new data builds on the 2021 report and reinforces the correlation between BRCGS certification and improved regulatory compliance. It strengthens the evidence of benefits of the BRCGS standards through analysis of regulatory inspection data.

A summary of the main findings is as follows:

- Data from the NVWA's interventions under various aspects of the regulations indicates that food businesses with certification to third party food safety standards are substantially less likely to experience an intervention than those without.

- A greater percentage of food businesses without certification were subject to a major intervention than those with certification.
- This trend was consistent across the relevant laws, namely Regulations (EC) 852/2014 and (EC) 853/2004 which relate to hygiene of foodstuffs and food of animal origin and Regulation (EC) No 2073/2005 which sets out the microbiological criteria for food.
- Food businesses operating to BRCGS certification performed well and reported fewer non-compliances with the regulation than both organisations without any certification, as well as an average of those operating on other certification programmes.

The findings of this report mirror those found in an independent study carried out in 2021 by the University of Birkbeck, which demonstrated the widespread effects and reach on multiple aspects of their business operations and performance. As well as driving increased competitiveness via investment and modernisation, BRCGS certification enables increased competitiveness amongst food suppliers by providing incentive to invest in facilities and human capital, and through modernisation of the production organisation and operations. The study shows that BRCGS standards have similar positive impacts to ISO and other technical and management standards, in relation to enabling product and process innovation, and thus growth in output and productivity. However, BRCGS certification goes further than these by stimulating modernisation and investment – based innovation.

“BRCGS certification enables increased competitiveness amongst food suppliers by providing incentive to invest in facilities and human capital.”



Impact of BRCGS Standards on Global Product Safety

Mandatory unannounced audits

Unannounced audits were first introduced in 2007 with Issue 5 of the BRCGS Global Standard Food Safety. It was recognised that unannounced audits provide companies with an opportunity to:

- Demonstrate confidence in their systems and procedures, to the extent that they can be subjected to unannounced scrutiny.
- Adopt an audit-ready food safety culture.
- Improve customer confidence, by providing their customers with an independent unannounced review of systems and procedures that demonstrates they are maintaining their systems in good order.

Due to the added confidence provided by unannounced audits, retailers increasingly specified this audit programme as mandatory for their suppliers. Recognising this, the GFSI Benchmark Version 2020 introduced a new requirement for certificated sites to have at least one unannounced audit every three years, i.e. sites certificated before 2022 must have at least one unannounced audit during the 2022 – 2024 audit cycle. The requirement applies to any sites certificated against the BRCGS Food Safety, BRCGS Packaging Materials or BRCGS Storage and Distribution Standards..

In 2022, the first year of the 3-year cycle, more than 7400 sites selected the unannounced option for the audit completed. Overall, more than 25% of sites audited against BRCGS Food Standard selected this option.

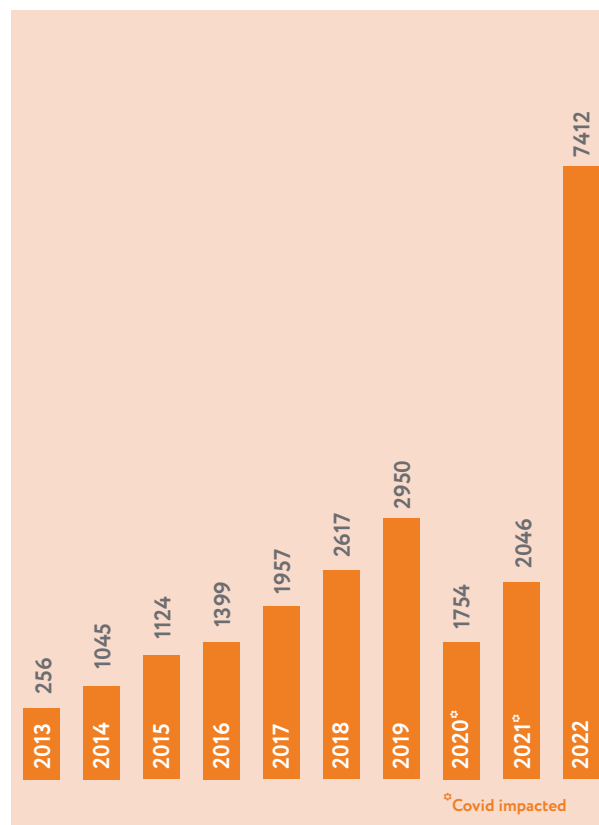


Figure 1: Unannounced audit in numbers – 10-year summary

“Sites certificated before 2022 must have at least **one unannounced audit** during 2022 – 2024 audit cycle.”

2022 in numbers:

34,000+ audits completed against BRCGS Standards in 135 countries

7400+ unannounced audits

25% of BRCGS Food Safety audits completed as unannounced

210,000 corrective actions related to non-conformities raised

980+ product recalls followed up by Certification Bodies

2300+ auditors delivering BRCGS audits globally

94% of sites rated the overall performance of the auditor between 8/10 to 10/10 (Very Good-Excellent)

Unannounced audit concerns from sites

From a survey that BRCGS conducted in 2015, prior to entering an unannounced audit programme, sites were concerned about the impact on their business (grades, non-conformities and concerns over key staff not being present) and costs (the need to have more staff versed in food safety systems, the risk of missed audits, and scheduling issues). However, experience has found that after at least one round of unannounced audits, the issues ceased to exist for the most part.

The additional effort put into systems to make them more robust and the knowledge gained by staff either through direct intent or experience with the audit protocol promotes food safety culture and a sense of ownership of the programmes throughout the organisation. Certification Bodies have taken on the planning and management of the unannounced audit programme, mitigating most potential scheduling concerns.

In order to gain the most benefit from an unannounced audit, the following recommendations may be considered by sites:

- Establish food safety as part of the roles and responsibilities for each department, with ownership made clear through senior management. Sites that use certification as an opportunity to continuously improve food safety and the associated culture see far more benefit than sites with the view that certification is the end point.
- Internal audits are a key success factor; they should be utilized as a tool for improvement and the development of a food safety culture throughout the organisation. Training and development in the skills of internal auditing are a valuable resource throughout the company and beyond food safety.
- Develop back-up and deputies. The knowledge and expertise can be managed regardless of the size of the organisation.

Unannounced audits present their own particular challenges to both sites and Certification Bodies which BRCGS has developed clear protocols to handle. Seasonality of production, non-consistent production and variable schedules require sites to periodically update their status with the Certification Body, so that effective audit timing can be planned. Remote locations, or those with limited services, require Certification Bodies to ensure enough information is obtained from the sites to plan the logistics of the audit. The accuracy and quantity of information provided by the site to the Certification Body are critically important in ensuring a successful audit.

Monitoring product recalls

Product recalls are serious incidents. They represent the significant failure of the product safety system. The requirement for the product to be recalled from the market usually means that the product can harm the final customer.

BRCGS Standards require any recalls to be reported to the Certification Body responsible for the site's recent certification in a timely manner. With the new version of the BRCGS Food Safety Standard, which became effective on 01 February 2023, the requirements for the Certification Body notification have been extended to the food safety-related withdrawals. The new version of the Standard also specifies that the company has the responsibility to provide sufficient information to enable the Certification Body to confirm that the site can remain certified. At a minimum, the corrective action, a root cause analysis and a preventive action plan should be provided with the deadline set at 21 days from the recall date.

BRCGS regularly monitors the sites' compliance. In 2022 we have been made aware of 982 recalls reported from 42 countries. We work closely with the Certification Bodies to make sure they are properly





followed up and corrective action is adequate and include a robust root cause analysis to ensure product recalls do not happen again. Product recalls at a site are also a factor used within BRCGS risk rating in determining follow up routine compliance visits at sites.

Monitoring compliance with Standards protocol

Following the two years of disruption caused by the COVID-19 pandemic, 2022 was the year when we started to see some return to normality. With the lifting of restrictions, BRCGS has focused on the physical presence of auditors at audited sites with the solution introduced during the pandemic (certificate extension, fully remote audits) being accepted only in the situation where there is no other option for the site to maintain the certification status, for example, due to government restriction for travel. Just 30 remote audits were agreed in the last quarter of 2022 mainly for China where tight Government controls remained in place.

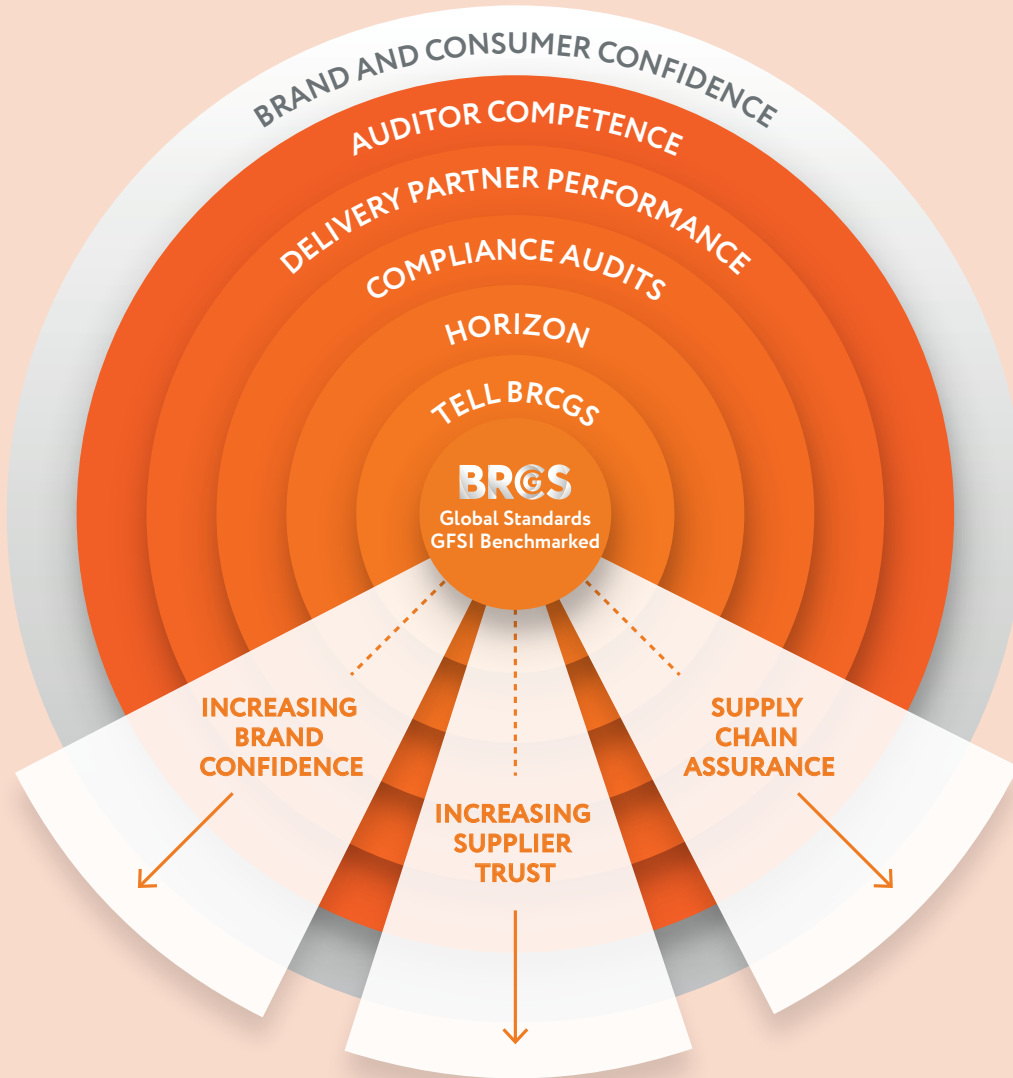
Presence on site also remains a key focus going into 2023. BRCGS together with industry experts developed the protocols for audits to design them to be fit for purpose and give the auditors the tools to undertake a robust audit and add value to audited sites. Key to a successful audit is preparation, planning and sufficient time; and BRCGS and Certification Bodies have used their many years of operational experience to develop the audit duration calculators unique to each Standard. The audit duration is a key element that is checked by BRCGS Compliance in a number of ways.

Through use of our tools, such as Horizon, BRCGS Compliance analyses the data across the audits, industries, Certification Bodies and auditors and will investigate any apparent anomalies. Evidence of adherence to appropriate times on site is also checked during BRCGS Compliance visits to sites. BRCGS require Certification Bodies to include in annual internal office audits, checks on evidence of times on site such as travel receipts. We continue to collaborate across stakeholders such as other scheme owners about the best methods of capturing data and monitoring issues to work together to ensure consistent high integrity audits are carried out.

Audit planning is often not linear, and with the multitude of audit options such as remote elements and combined audits with other schemes, the audit team is often complex. With the update of the Food Safety Standard for Issue 9, we have taken the opportunity to update audit documentation to ensure transparency about who was present at the audit and who was doing which activities.

As with the majority of third party food schemes this includes the requirement for verification by a site representative in the form of a 'sign off sheet' to ensure the data captured is accurate and correct. All those involved in audits – Certification Bodies, auditors and sites have responsibilities to ensure the reported information is accurately reflected in the audit report thereby upholding the trust within the audit result.

✓ Our compliance program is comprised of five layers:



Compliance and integrity

At BRCGS, we are committed to preserving our reputation as the global market leader in retail safety. Our comprehensive compliance programme is a cornerstone of everything BRCGS does and stands for. It ensures that all of the global standards we champion – benchmarked by GFSI, SSCI and other leading bodies – are being met and can be trusted by brands and consumers alike.

We have a framework of compliance expertise and support that is built around our benchmarked standards and designed to ensure excellence throughout our network. Our 5 pillars of compliance are the key to driving increased brand confidence, supplier trust and supply chain assurance.

- 1 TellBRCGS**
A global confidential system for reporting audit issues.
- 2 Horizon**
A digital analytical tool for site benchmarking and managing performance.
- 3 Compliance Audits**
Global team of respected independent auditors 'auditing the auditors'.
- 4 Delivery Partner performance**
Across a set of KPIs, that gives customers choice by grade.
- 5 Auditor competence**
Based on qualifications, training, experience and exams.

Compliance and integrity

TellBRCGS

BRCGS encourages feedback, complaints, and comments. In fact, we believe success is partly achieved through the knowledge that complaints provide valuable insight for the organisation to investigate further.

To ensure integrity, all complaints are entirely confidential. The information provided is used to strengthen our compliance activities ensuring the integrity and high quality of the BRCGS Global Certification Programme.

Tell.BRCGS.com, BRCGS's confidential reporting system can be used by anyone to report a concern in complete confidence. This could be if you witness any wrongdoing in a BRCGS certificated site, are unhappy with auditor or Certification Body performance, have concerns about BRCGS training or an approved training provider, see a misleading use of the BRCGS name or logo, or have any grievance about BRCGS. We want to hear about it to allow us to investigate and put it right.



The QR Code or the website information is included on every BRCGS certificate. The TellBRCGS link can also be found on our main website <https://www.brcgs.com/contact-us/>.

The system operates in 10 different languages including Chinese, Hindi, and Turkish and allows the user to outline the concerns along with the site details with the option to

provide additional information or evidence by recording audio clips, attaching files and pictures to give us as much information as possible to investigate. You can choose to "stay anonymous" with the option to open the secure PostBox or provide us with your email address. We strongly encourage opening a secure PostBox to keep the dialogue open. In 2022, 47% of whistle-blowers used the secure PostBox option allowing us to communicate the outcome of the investigation to them. Also, more than 60% of whistle-blowers used the mobile application to contact us through Tell.BRCGS.com.

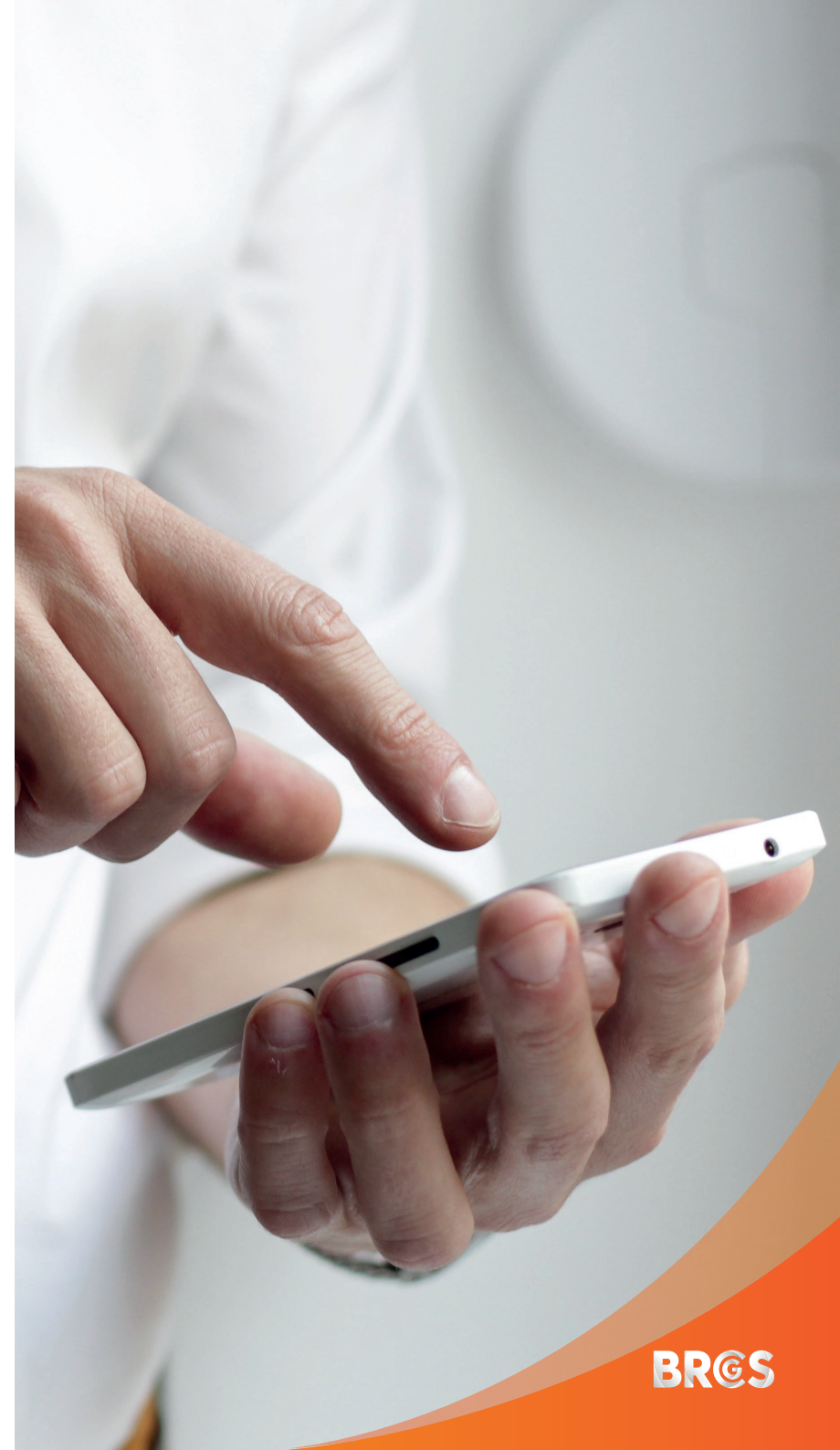
The system has been in place since the beginning of 2020 and since then we have received numerous feedback related to site, auditor and Certification Body performance. Live demo sessions are available by request to Compliance@brcgs.com

In 2022 we received feedback from 36 different countries including India, Turkey, Paraguay and Vietnam with the use of different languages. We had conversations in Turkish, Chinese, Italian, Polish, German, French and Spanish.

Once a complaint has been assessed by the Compliance Team, possible courses of action include:

- A site visit by BRCGS and follow-up of any identified non-conformities by the Certification Body.
- Notifying the Certification Body of an investigation, potentially followed by a site visit by the Certification Body or by BRCGS.
- BRCGS contacting the site to seek further information.
- A witness audit of the auditor by BRCGS.

Complaints are always investigated and followed up to confirm sites' BRCGS certification status. The origin of the complaint is never divulged to sites.



Compliance and integrity

Compliance Auditing Programme 2022 summary

Over the years, BRCGS has created ground-breaking new Standards to meet the ever-evolving needs of our clients. Today, we are recognised across food and non-food categories and operate the most rigorous third-party certification scheme of its kind – becoming the global standard underpinning brand reputation through compliance, at over 34,000 certificated sites in 135 countries.

While we continue to face challenges, we have not lost our focus on key activities which are so essential in an uncertain operating environment.

In 2022, we completed 141 compliance visits in 33 countries covering our range of core Standards, and only 35 % of the visits were completed remotely. The work of 144 auditors was assessed during these visits with 77% of the approved Certification Bodies covered by this activity. These visits are either routinely scheduled on a risk basis following analysis of the extensive volume of audit data held by BRCGS or a result of negative feedback received through our confidential reporting system TellBRCGS.

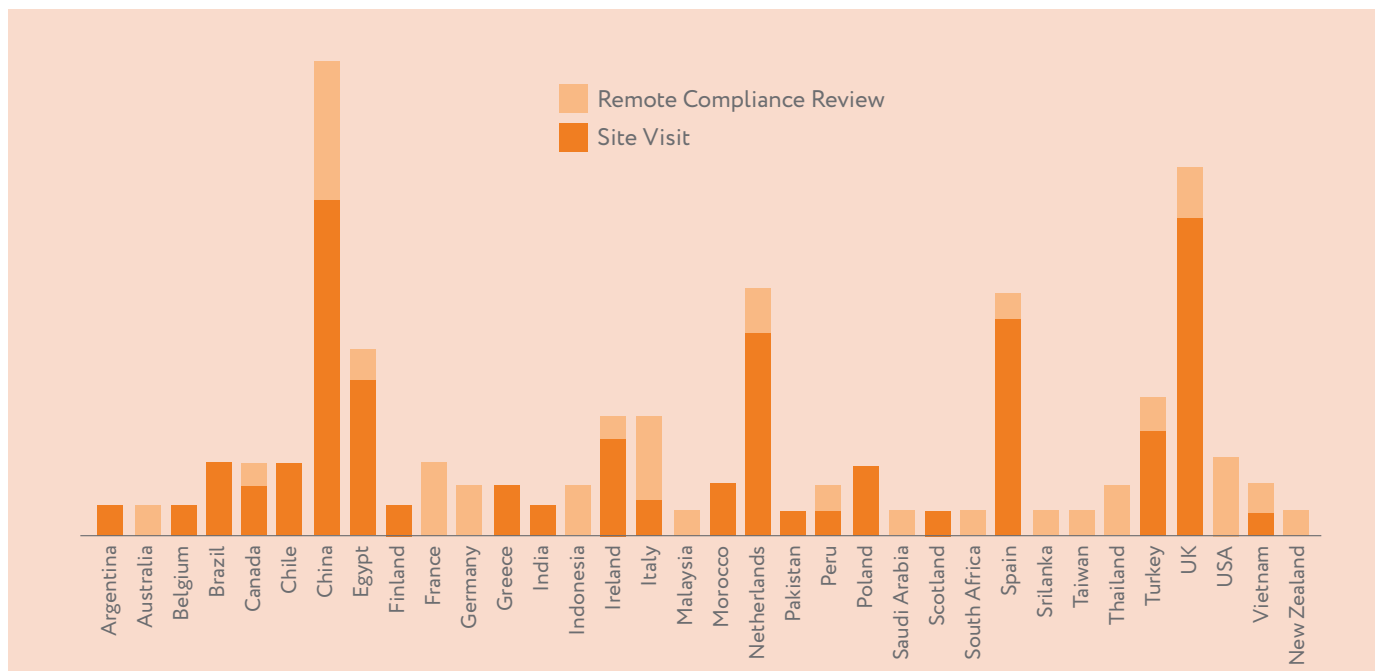


Figure 2: BRCGS Compliance visits 2022



BRCGS Compliance Audit Team



Meet our BRCGS Compliance Audit Manager - Ritu Bajaj

Ritu Bajaj, based in our India office, has been working with us since 2018 managing the Global Team of independent auditors who deliver our compliance programme activities. BRCGS operates to the same principles that we expect of our Certification Bodies with the process of selecting our audit team and maintaining their expertise.

This includes ensuring the auditors meet the qualification and experience requirements to become a BRCGS auditor – generally we are looking at exceeding this to ensure our audit team are experts in their field and the average experience within the team is over 20 years. Our auditors also need to complete the relevant training and examinations – our food auditors, for example, complete the product category exams so that we can match them for compliance visits in their relevant category of expertise.

Ritu is also responsible for organising the training programme for the team and as we expect with any registered auditor, the compliance auditors are initially 'signed off' through a witness audit as well as a programme of ongoing witness assessments being in place. Calibration and update is important too and we have a programme of sessions throughout the year, remote and in person, to review the teams' work, discuss operational issues and ensure consistency of interpretation and output across the team.

We are continually looking for experienced auditors, independent from Certification Bodies to cover BRCGS Food Safety, Packaging Materials and Storage and Distribution who can help us to deliver Compliance audits globally on a contractual basis. If you'd like to join Ritu and the team, interested candidates can drop their resumes to Compliance@brcgs.com

You can meet our current team of Compliance Auditors virtually at <https://www.brcgs.com/brand-owners/compliance-and-integrity/>

BRCGS Directory and BRCGS Horizon

BRCGS Horizon remains the key source of information for the BRCGS team, Certification Bodies, specifiers, and sites. It provides access to the overview of the audit results which are used by the Technical Standard Managers to help make decisions on where further guidance and support is required.

As an example, it is used to monitor the type and the severity of the non-conformities raised during the audits against BRCGS Standards and allows us to monitor data across various audit options offered e.g. analysing

the differences between results from announced and unannounced audits or regional performance. The analysis allows BRCGS to provide targeted support in the local languages where it is needed to sites and to our Certification Bodies.

Rather than being negative, non-conformity summaries allow some positive changes if used correctly. Root cause analysis is key to ensuring effective preventive and corrective action. The data also shows us that the core foundations of product safety remain vital and product safety culture plays a significant role. BRCGS will continue to analyze and report data and develop materials to help sites and stakeholders in key identified areas.

Looking at the top ten non-conformities (see figure 3 below) raised for the Food Standard across 22,000 audits shows us the following:

BRCGS Food Standard - Top 10 NC (2022)

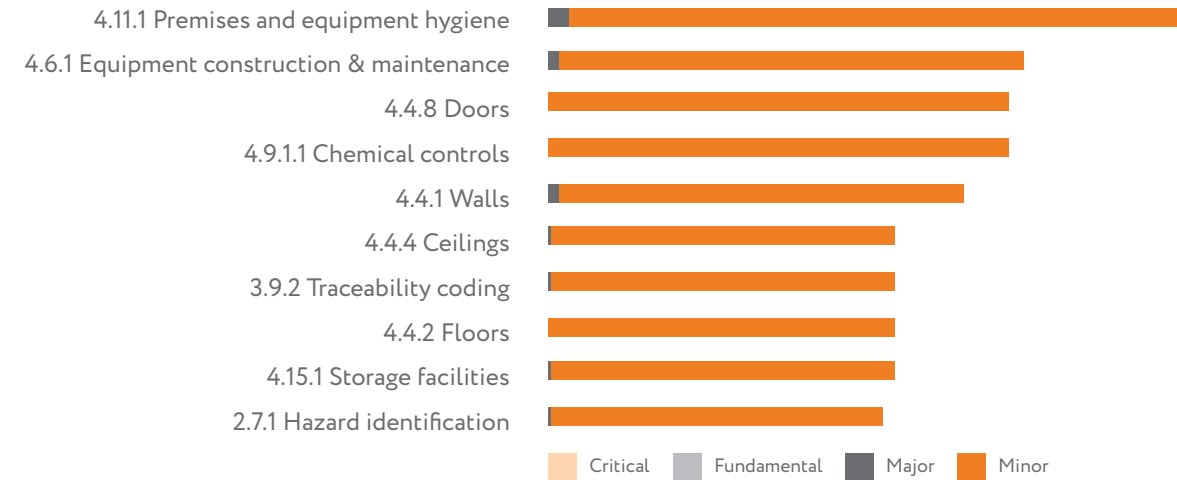


Figure 3: BRCGS Food Standard – Top 10 non-conformities raised during 2022



Building the relationship with Accreditation Bodies

BRCGS Global Standards are process and product certification schemes that are accredited through a detailed process to ISO/IEC 17065 – an internationally recognised accreditation Standard. Businesses are certificated upon completion of a satisfactory audit undertaken by an independent third party – the Certification Body. Certification Bodies shall be accredited to ISO/IEC 17065 by a national accreditation body affiliated to the International Accreditation Forum (IAF) and recognised by BRCGS. In turn, there is a myriad of checks and balances in place by the IAF to ensure consistency across the work of Accreditation Bodies including peer evaluations – effectively auditors are auditing the auditors of the auditors.

This network of ongoing checks and audits to attain and maintain accreditation underpins the maintenance of a high and consistent standard of audit and certification creating trust in the BRCGS certification scheme.

BRCGS has now achieved official recognition for its schemes to the IAF MLA (multilateral agreement) level 4 which further drives harmonisation and international co-operation across the accreditation activities and promotes the global growth of our schemes.

To increase transparency, BRCGS has published within the updated issue 9 of the Food Standard requirements for Accreditation Bodies. This outlines BRCGS working relationship with Accreditation Bodies and the interactive communication we have with them in keeping them up to date with information and developments related to the certification programmes; discussing issues at our annual Accreditation Body Conference which we are pleased to reinstate as an in person event from 2023. Regular information sharing occurs through regular update bulletins and specific data on Certification Bodies' performances.

In addition, BRCGS are key stakeholders that are invited as technical experts to share their operational knowledge in influencing future initiatives affecting accreditation. This includes committees developed by our partner Accreditation Bodies such as ANSI/ANAB, our US partners, UKAS our home authority as well as ISO/CASCO which develop international accreditation standards.

This close working relationships with our Accreditation partners allows us to effectively work together on areas of concern and drive improvements across the global accreditation community.





Working with Certification Body Partners

Welcoming new Certification Bodies

We work with the best partners across the globe to deliver the best results and most of our Certification Bodies have been working with us for many years. The majority of our Certification Bodies offer our main Standards of Food, Packaging Materials and Storage and Distribution, however, we have some specialist Certification Bodies in the market focusing on Consumer Products, Ethical Trade and Responsible Sourcing as well as Packaging.

Interest continues to grow in specialist audits with increasing number of Certification Bodies offering our Gluten Free and Plant Based programmes.

However, as BRCGS progress, with changing demographic distribution of BRCGS certificated sites and new standards being introduced, every year several new Certification Bodies are welcomed.

We are looking for partners who can help us to grow BRCGS Standards, can attract new experts into auditing and deliver audits in the new emerging regions.

We require each new Certification Body to be fully trained on our procedures and systems and carry out close monitoring to ensure our requirements are being met and high-quality audits are being delivered. As part of these activities, we assess all Certification Body internal processes through the office audit and evaluate the new auditor's performance through witness audits and audit reports review.

“Interest continues to grow in specialist audits with increasing number of Certification Bodies offering our **Gluten Free and Plant Based programmes.**”

- 1 Applicant Certification Body sends completed BRCGS008 registration form and business plan to enquiries@brcgs.com (15 working days)
- 2 BRCGS sends the following documents: BRCGS004 Requirements Document, BRC009 KPI requirements and Framework Agreement with request for Certification Process, Auditor sign off process, £5 million Insurance and AB application (5 working days)
- 3 Certification Body to send requested documents to BRCGS. Documents will be reviewed by BRCGS. (15 working days)
- 4 Once approved, BRCGS sends £10,000 Registration Fee invoice to Certification Body
- 5 Once payment is confirmed provisional registration is granted and access details to the BRCGS Directory and myBRCGS are issued. BRCGS inform Accreditation Body of provisional registration
- 6 Certification Body to add details of any fully qualified auditors onto the system which are reviewed and validated by BRCGS (10 working days)
- 7 Once auditor registration is approved the Certification Body details will be added to brcdirectory.co.uk and can then begin to audit against BRCGS Standard(s) for which they have registered
- 8 CB must have met all of the criteria specified in BRCGS016 within 12 months

Figure 4: Certification Body Approval procedure

Certification Body key performance indicators

BRCGS monitor the performance of the Certification Bodies to ensure that we only work with the highest-performing, most compliance-oriented partners. The Compliance Team measure their performance against three KPIs areas:

1

Audit performance

(product recalls, complaints, audit report assessment, compliance activities: witness audits and compliance visits).

2

Protocol

(accreditations, audit planning and execution, certification status changes, auditors' competence and CBs internal audits).

3

Service delivery

(timeliness, BRCGS Directory administration, audit scheduling, CBs responsiveness to BRCGS requests for information and commitment).

BRCGS review the KPI requirements to make sure they reflect the important aspects of performance. We use advanced techniques to analyse the data and release the outcome of the assessment to our partners on the monthly basis. It allows us to better understand the results, identify the root causes of any non-conformity and underperformance and discuss with the Certification Bodies actions which can prevent a reoccurrence and deliver continuous improvement. We use our data submitted to the BRCGS Directory to interrogate the trends of >34,000 audits conducted annually to ensure they meet all audit protocols and guidelines, such as the correct audit duration, correct grading and non-conformities are correctly completed.

Timeliness and accuracy of audit outcomes are key stakeholder concerns, and this is continually examined to ensure stakeholders have access to accurate and timely results through the publicly-available records on BRCGS Directory.

During the KPI assessments completed in 2022, more than 270,000 points were allocated to the Certification Body performance, with over 93% of the checks confirmed as compliant.

BRCGS has a structured requirement in place for audit reporting and checks that the reports are accurate and descriptive. BRCGS require the audit report to provide enough information to understand the layout, fabrication, and controls in place at a site with clear certification scope. As part of the KPI, we select numerous audit reports across all BRCGS Standards for review by BRCGS Compliance Auditors. From almost 500 audit reports reviewed in 2022, 80% scored "green" complying with BRCGS requirements set in Report Writing Guidance documents. The results from the review are used to improve the auditor training and calibration as well as considered during the standard development and help us further shape our compliance strategy.

Effective communication is a key to success. We monitor that we have clear communication channels between our Delivery Partners on issues such as product recalls and complaints investigation to ensure this is effective and on time.

“We are committed to continually improving and supporting our partners' work.”





Certification Body star ratings

Every six months our Compliance Team review our Certification Bodies' KPI performance and rates them from one to five stars. We maintain transparency by posting results on the BRCGS Directory.

The star rating is based on the performance of the Certification Bodies' management of the BRCGS certification scheme, rather than individual auditors or audits.

We are committed to continually improving and supporting our partners' work. To do that, we work closely with Certification Bodies, and we are carrying out head office audits for new partners and for partners who are operating below the star rating standards we expect. Due to travel restrictions a number of head office audits for underperforming and new Certification Bodies performed in 2022 have been completed remotely. The audits are always the opportunity to grow a closer relationship with our partners, meet the wider team involved in managing the BRCGS scheme and help to understand what support we can provide to our partners.

2022 performance - 97% of Certification Bodies with a 4 or 5 star rating

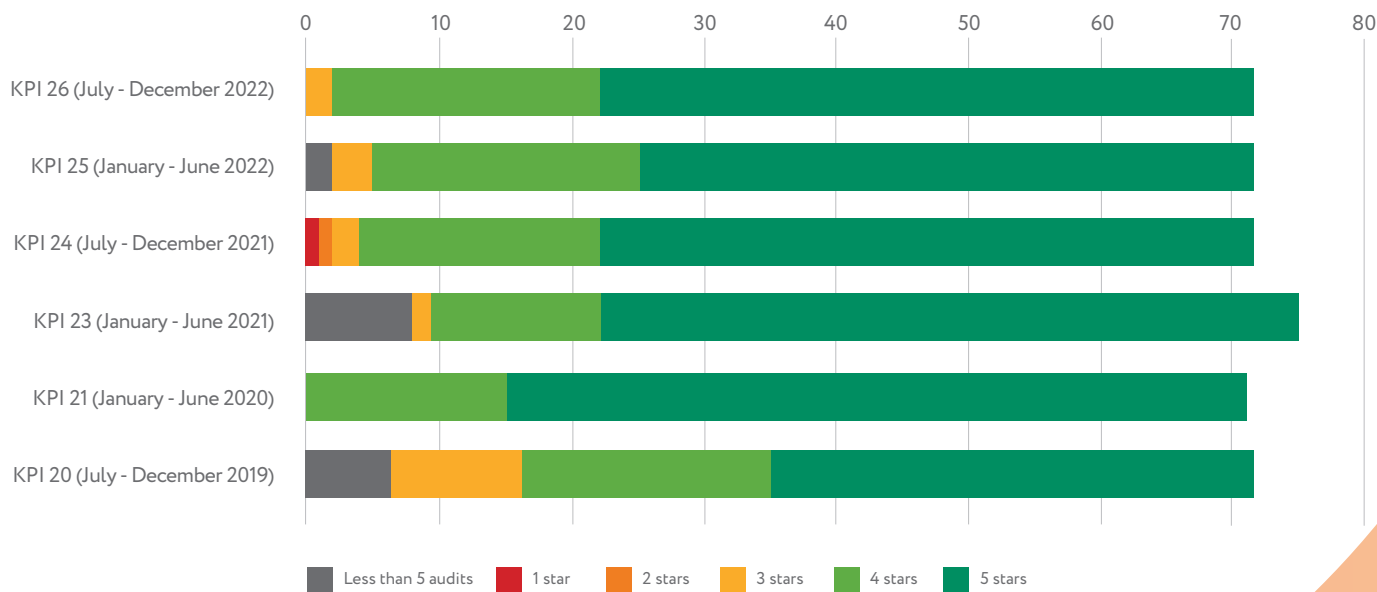


Figure 5: Certification Body star ratings

Sanctions

When a Certification Body drops to 3-star or below, we are quick to respond and put in place additional management oversight such as undertaking office audits and increased site visits to ensure our scheme is robust and consumers are not put under additional risk. Our aim is also to help them review their systems to ultimately improve their rating and get back on track.

We suspend Certification Bodies that receive two stars, meaning they cannot offer BRCGS certification to make sure the integrity of the Standard is not compromised and can safeguard brand reputation of all stakeholders.

Certification Body communication

Open and effective communication is key to developing strong partnerships and supporting our Certification Bodies in delivering world-class certification service. We have developed a series of communication channels to assist with this.

Quarterly Certification Body update meetings

We continue to host Quarterly Certification Body update meetings which provide the opportunity to update our Certification Bodies on operational changes, expectations of audit consistency, and feedback from KPI performance tracking. They are an open forum to discuss and clarify changes that have been introduced and address any questions or concerns our Certification Bodies have. It also provides us with the opportunity to seek feedback on what is going well, and how we can improve and better support our Certification Bodies.

Quarterly Delivery Partner bulletin

Our Certification Bodies receive our regular technical bulletin which highlights changes related to Standards, information about training and upcoming events, BRCGS Directory and systems updates, as well as personnel and operational changes. It also includes a convenient list of any new technical documents issued by BRCGS all in one place.

Certification Body co-operation groups

Certification Body co-operation groups are an effective means of communication and help to promote better working relationships. They provide a unique forum where each Certification Body can openly discuss practical, day-to-day application of the Standards. They also provide the opportunity to have in-depth discussions on interpretation of the Standards, share advice and concerns, and raise suggestions for tackling them. All the feedback and issues raised at the co-operation group meetings are fed back to BRCGS. In 2022, two new Certification Body co-operation groups were formed in China and India.

The China Certification Body co-operation group had the opportunity to meet in person for a full day session. Highlights from the meeting include:

- BRCGS representatives shared important technical updates related to Standards and Compliance.
- Participants shared knowledge on commercial strategies and solutions to collectively grow and improve BRCGS in the region.
- Participants shared best practices for the delivery and operation of new Standards, including developing auditor competency.
- BRCGS worked together with Certification Body representatives to resolve issues and barriers to the promotion and delivery of BRCGS.
- The session was conducted in Chinese, removing the language barrier, and encouraging open communication between participants.
- The session was viewed as a great team building activity to improve relationships between Certification Bodies and BRCGS.
- Overall feedback was that these sessions are a great communication channel, bridging BRCGS and local Certification Bodies, and encouraging business development.

BRCGS will continue to foster the development and operation of existing Certification Body co-operation groups and encourages the initiation of new ones.

“In 2022 we were able to **meet in person for the first time in three years!** In addition to sharing information, the conferences are a great opportunity to reconnect and network with our partners. ”

Delivery Partners conference

Our Certification Bodies attend one of two annual conferences in the UK or the Americas to hear essential updates on the BRCGS strategy, scheme developments, compliance and the BRCGS Academy and training courses. In 2022 we were able to meet in person for the first time in three years! In addition to sharing information, the conferences are a great opportunity to reconnect and network with our partners.

Our auditors

BRCGS has some of the best auditors in the world, ensuring our protocols are consistently maintained and are instrumental in embedding safety throughout the supply chain. We have rigorous auditor requirements both for initial approval and continual registration.

As our product portfolio increases, so does our pool of auditors. Although the industry as a whole faces a shortage, BRCGS is working with partners to encourage new resource into the profession.

All our auditors are experienced professionals with:

- Degree or higher education course in relevant discipline.
- Formal qualifications in auditing.
- Formal qualification in Hazard Analysis (HACCP).
- The right experience of the product and its associated technologies.

They have also all completed BRCGS mandatory training courses and category-specific exams. The competency of the auditors is reviewed regularly through compulsory witness audits. To maintain approval status the auditor should remain active with the specified minimum number of audits completed every year.

We monitor that each of the >2300 auditors employed by our Certification Body partners complies with BRCGS requirements. Auditor skill is the main focus of measurement for our compliance visits and witness audits.

Auditor competency

BRCGS always focuses on what makes a good auditor, how we can ensure consistency across auditors and how we can help Certification Bodies calibrate auditors and keep them up to date with emerging industry issues.

BRCGS has a wealth of data, built up over the last 15 years, that can be easily analysed in a number of ways through BRCGS Horizon.

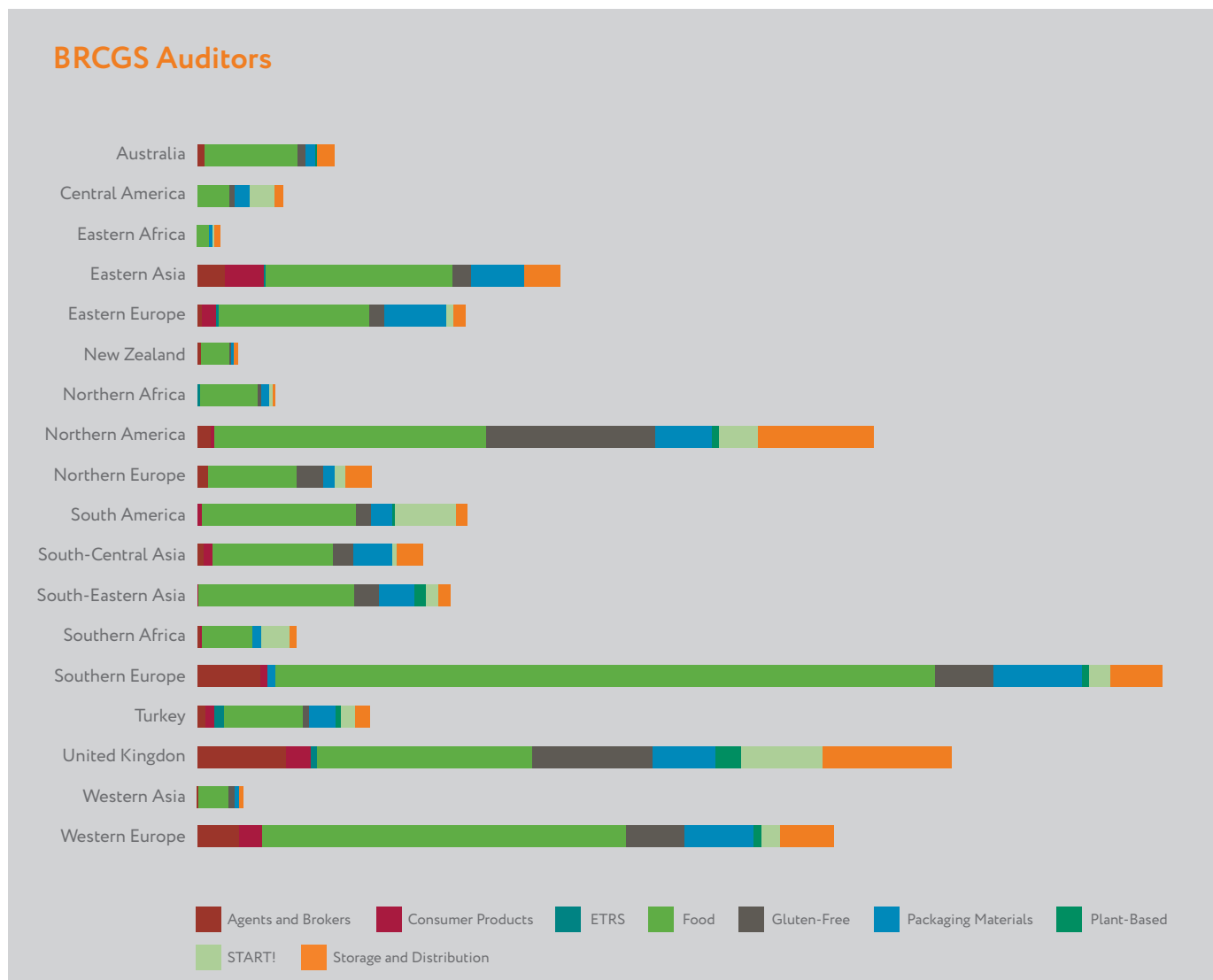


Figure 6: Auditors qualified to audit against BRCGS Standards per region

This data is available to all Certification Bodies. Dashboards available allow Certification Bodies to conduct in-depth management reporting allowing benchmarking across auditors, countries and industries identifying risks and auditing inconsistencies that warrant further investigation. The aim is to enhance audit consistency.

Witness assessment

Witness audits form an important role in confirming auditors can apply their expertise and knowledge, and that they possess the personal characteristics expected of a skilled auditor. They need to be ethical, logical, analytical, calm, and able to communicate with personnel at all levels.

Witness auditing has always been a key part of BRCGS requirements to ensure auditing skills are assessed every two years. Witness audits are also undertaken by Accreditation Bodies as part of the process for continual accreditation.

The witness assessment requires the involvement of both the Certification Body and the audited site. It is part of the company/ Certification Body contractual agreement for the site to allow activities required for the effective management of the scheme by BRCGS or the Certification Body including the access to the site by the auditor accompanied by other personnel for training, assessment, or calibration purposes.

“Witness audits form an important role in confirming auditors can **apply their expertise and knowledge.**”



Feedback from sites about their audit experience

All sites are invited to complete our short survey to feedback on their audit experience. The results of our recent site survey confirmed extremely high levels of confidence in the quality of BRCGS certification and the performance of our Certification Bodies.

>97% of sites were satisfied with the performance of the Certification Body and would use the same Certification Body again to complete our BRCGS audits.

>73% of sites chose BRCGS certification because it was a customer/retailer requirement for BRCGS/GFSI benchmarked scheme.

94% sites rated the overall performance of the auditor between 8/10 to 10/10 (Very Good-Excellent).

(Site survey results collected between Jan-Oct 2022)

Auditor performance

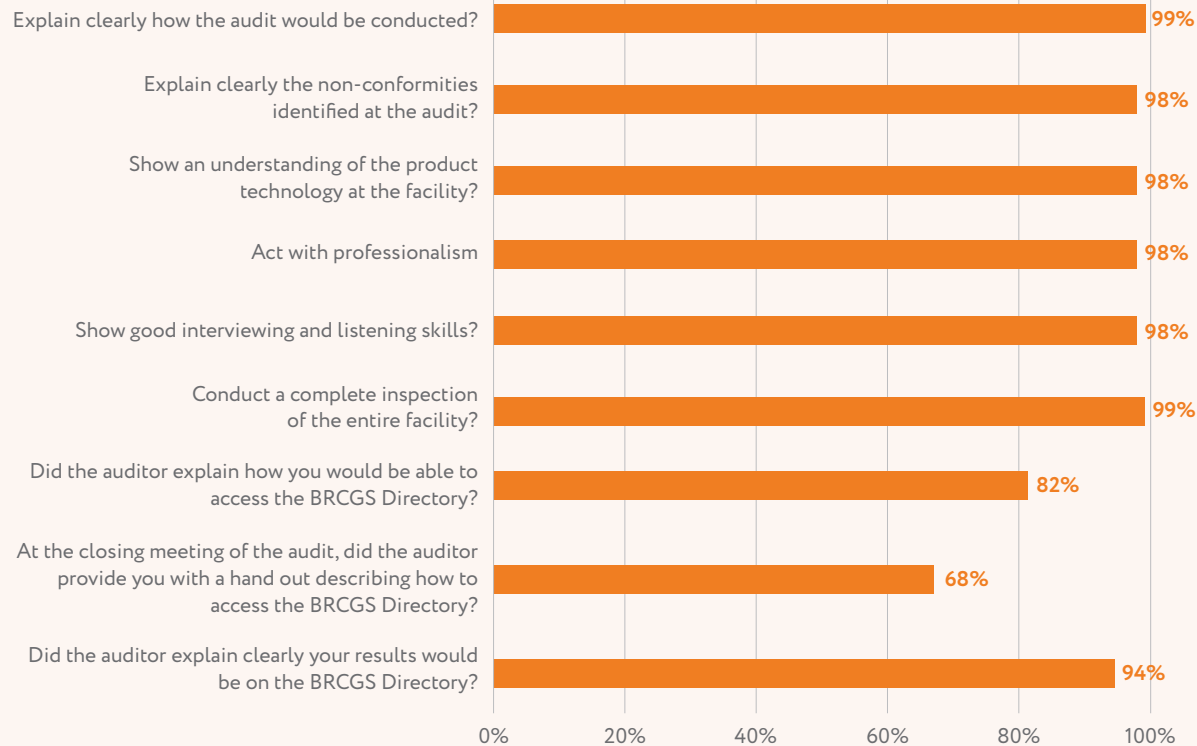


Figure 7: BRCGS Survey results – auditors performance



BRCGS Schemes offered by Certification Bodies

BRCGS is a world-leading third-party certification scheme with over 32,000 sites globally certified against our Standards. We are confident we can offer you the best results. We have the resources to offer audits in your chosen region from our standard portfolio anywhere in the world, without compromising on the high standards requirements and quality we require from our partners.

In 2022 we saw significant growth across most of our Standards.

Our flagship BRCGS Global Food Safety Standard has been running for over 25 years now and it continues to grow, particularly in China, Italy, India, Vietnam and Turkey. Similarly, our Packaging Materials Standard noted the highest growth in Asia.

BRCGS Gluten-Free Certification Program (GFCP) uses a scientifically proven, risk-based management systems approach for effectively controlling gluten and gluten cross-contamination from incoming ingredients to the final product. It goes further than simply carrying out end-product testing and can easily be combined with a Food Safety audit. It is recognised by leading coeliac organisations around the

world covering Europe, the USA, Canada and Mexico, meaning that sites that are BRCGS certificated are also able to include these trusted marks on their products. A 24% increase in 2022 has been recorded for the BRCGS Gluten-Free Certification Program with the majority of the sites joining the program located in Europe, with the accent on the United Kingdom. The Standard also continues to gain popularity across North, Central and South Americas with new sites certificated against the requirements. Together with the Plant-Based Standard offered by BRCGS, this provides the solution for the companies supplying products for growing customers' demands for more health-conscious plant-based alternatives and "free-from" foods.

BRCGS Storage and Distribution Standard saw continuous growth within Europe and across the globe including South Africa and North American countries. The Standard provides a framework for non-manufacturing traders in the food, packaging and consumer products industries to manage product safety, authenticity, quality and legality. It has global applicability, enables compliance with national regulation and enables businesses to further develop their systems for product security and authenticity in the supply chain.

Agents and Brokers play an important role in the movement and trade of products and, as a critical link between product manufacture and the trade of products, they are responsible for maintaining an effective

“Our flagship BRCGS Global Food Safety Standard has been running for over 25 years.”

chain of custody on which businesses and consumers rely. We have observed accelerated growth with our Agents and Brokers scheme, with new sites joining certification in Europe, Asia and North America.

In 2019, BRCGS launched the Ethical Trade and Responsible Sourcing Program (ETRS). We developed this certification standard to help suppliers to demonstrate that their goods and services are produced ethically. In a crowded marketplace of Ethical assurance programmes, BRCGS were very proud to be the first Standard to be benchmarked by Sustainable Supply Chain Initiative (SSCI). The ETRS Standard allows sites to demonstrate their policies and commitment to Labour Standards, Health and Safety of Staff, Respect for Human Rights, Corporate Governance and Management Commitment. The Standard has been chosen by several companies across Europe and China to demonstrate that they truly meet the growing ethical requirements.

The changing demographics and BRCGS Standard portfolio has been reflected in the nomination of resources - we have commercial representatives offering support in all these growth regions - including India, Italy, Turkey, and China - and we have employed additional Compliance Auditors to make sure we can provide appropriate cover for all schemes and countries.

STANDARD	Food & START!	Packaging Materials	Storage and Distribution	Consumer Products	Agents and Brokers	Gluten-Free	ETRS	Plant Based	Total
Grand Total 2022	22794	5446	2314	797	752	421	17	23	32562

Figure 8: Total number of audited sites - 2022

BRCGS certificated sites - global distribution

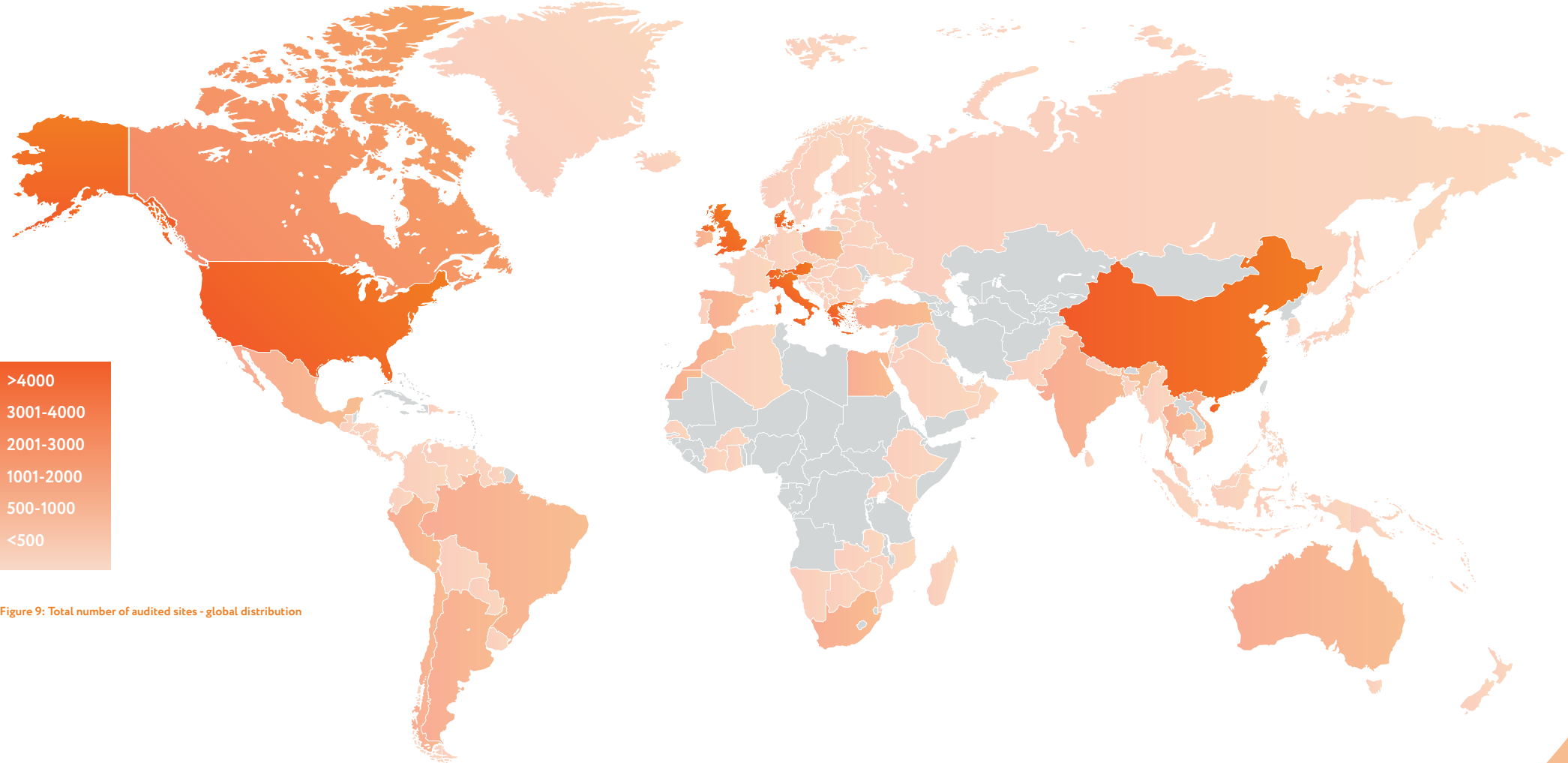


Figure 9: Total number of audited sites - global distribution

Issue 9: Leading the way in Global Food Safety

On 01 August 2022, we launched the BRCGS Global Standard Food Safety Issue 9, and audits commenced on 01 February 2023. Issue 9 builds on the requirements of the previous issue around two key themes; developing food safety culture and building core competencies within certificated sites.

First published in 1998, this standard helps food manufacturers focus on a wide range of areas including HACCP, traceability, food fraud prevention, management commitment, and food safety culture. There has been a year-on-year increase in the recognition of the Standard, which has seen it grow to become the largest global food safety programme, impacting over US\$800bn of product sales.

By reviewing our standards, we can ensure that they incorporate the latest industry trends and operations, practical experiences and best practices from the industry. The revision process enables us to keep up to date with evolving expectations, regulatory requirements and consumer needs. It provides the opportunity to build on the value that our customers and stakeholders gain from the use of our Standards. This value was confirmed in a recent study carried out by the University of Birkbeck.

A number of launch activities took place, including webinars. All Issue 9 webinars are available to watch at www.brcgs.com/resources/webinars/ in a range of languages.

“the largest global food safety programme, impacting **over US\$800bn of product sales.**”



The vital importance of Product Safety Culture

There is a wealth of research that demonstrates the vital importance of culture in the effective implementation of product safety management systems, and in helping to prevent product safety incidents moving forward.

Culture requirements are included in all BRCGS Standards, a position adopted by GFSI, and regulatory requirements are strengthening globally. Furthermore, a growing number of companies are also taking a greater interest in cultural performance as they seek additional assurance from their suppliers.

The Food Safety Culture Excellence (FSCE) module is designed to support BRCGS certificated sites in meeting the requirements and higher expectations they are now facing when it comes to culture. There are a range of options available which ensures that no matter the size of the organisation, FSCE can support assurance, compliance and deliver improvements in food safety culture.

The adoption of the FSCE module has grown significantly in 2022, not only across certificated sites but also across large global well-known brands.

The impact of this can be seen when we look at the top 10 non-conformities of 2022 (refers figure 3). In previous years we have seen a lack of culture plan as one of the most common non-conformities but in 2022, we are pleased to see it does not appear in the top 10.

For more information about FSCE, visit www.brcgs.com/our-standards/food-safety-culture-excellence/

Why FSCE?

Determines strength and weakness in food safety capability

Provides insight into staff opinion, attitude and behaviour

Identifies the most important targets for resource allocation

Evaluates the return on investment of budget and effort

Measures the impact of training, systems and other initiatives

Provides visibility of what is happening outside of audits

“**Food Safety Culture Excellence is a great tool** which allows people to feedback honestly with their opinions about the business without anyone feeling uncomfortable.”

Claire Mooney, Technical Manager at The Natural Fruit and Beverage Company.





The all inclusive BRCGS service package

All BRCGS certificated sites have access to the all inclusive service package.

This provides certificated sites with exclusive access to a wealth of tools designed to help businesses improve and achieve greater success. As the only GFSI scheme to provide this service package, it ensures sites can get the best value from BRCGS, in addition to the management system certification process. Through this service package, we work with certificated sites to establish new benchmarks, reach new standards and put in place an enduring framework that will serve them for years to come. As brands and major specifiers seek to build greater resilience into their supply chains, this enables certificated sites demonstrate to customers that they are a 'best in class' supplier.

We are committed to ensuring that BRCGS certificated sites get the most value from their certification and are always working to develop and improve the all inclusive service package.

The BRCGS Directory

The BRCGS Directory is the official database of all BRCGS audits. It is a global 'shop window' when it comes to brands and specifiers looking for competent and trusted suppliers. This Directory listing not only maximises a certificated sites' online exposure, but it also allows them to share audit documents with customers, retailers, manufacturers, suppliers, brand owners and other specifiers.

B2B licence to use the BRCGS brand

Certificated sites are provided with a B2B licence to use the BRCGS brand to demonstrate their credentials and to support marketing efforts. This is their 'licence to trade' as BRCGS is widely recognised and accepted by 70% of the top 10 global brands.

BRCGS Participate

New and improved platform coming in 2023

BRCGS Participate is an online platform that provides sites with free access to a wealth of technical information and guidance including all BRCGS Global Standards and supporting publications, webinars, white papers and more. A convenient and flexible way to access BRCGS content, BRCGS Participate ensures sites can get the full value from their certification. It is a valuable resource to ensure compliance is maintained between audits and to support continuous improvement.

BRCGS technical support

BRCGS provides support to certificated sites all year round, not just at annual audit. The BRCGS Technical Helpline provides quick and easy access to BRCGS experts.

BRCGS Professional

All individuals working within a certificated site can enrol in BRCGS Professional. This professional development programme provides holistic learning and development covering the core skills and behaviours required to implement and maintain BRCGS Standards. The programme produces qualified, engaged, and empowered leaders that can drive your organisation forward. It is one of the largest Product Safety Management communities with a rapidly growing global network of over 13,000 industry professionals.

NEW FOR 2022 BRCGS Horizon single lens

Through the BRCGS Directory, certificated sites can access a single lens view of their BRCGS audit data presented in a dashboard format. This allows sites to see collective summary data of their audit history which can help to highlight trends in non-conformities, grade changes and improved performance over time.

Ethical performance risk assessment

The rise of consumer consciousness and the transparency enabled by digital technology has transformed the landscape for brand and consumer requirements. Certificated sites have free access to the Ethical Trade and Responsible Sourcing Guidance and Risk Assessment module to undertake a "health check". This will identify where there may be operational ethical trade and responsible sourcing risks, providing opportunities for improvement and additional customer reassurance.

Food Safety Culture Excellence basic

Culture requirements are included in all BRCGS Global Standards, as well as Codex requirements and a growing number of Regulators. Certificated sites can use this tool to start measuring and improving cultural performance, as well as demonstrating regulatory compliance.



Introducing BRCGS Connect events

In September 2022, BRCGS announced the introduction of a new series of events, known as BRCGS Connect.

BRCGS Connect is designed to bring together industry professionals globally through a series of local events held in key locations around the world. We aim to connect locally with our partners, specifiers and manufacturing facilities to learn, network and share best practice in a familiar face-to-face environment.

BRCGS Connect will provide a platform for discussion around current trends and challenges in the industry, and the associated solutions, as we all work together towards supply chain transparency and assurance. It will also provide a unique opportunity to build your connections and expand your local network of like-minded people.

BRCGS Connect brings a new learning and networking experience to the BRCGS event portfolio, and replaces the well-known Food Safety Americas conference.

The first two BRCGS Connect events have already been announced and tickets can be purchased at www.brcgs.com/events



We also have plans to add new dates and locations throughout the year so please do look out for updates on our website and social media channels.

“We are excited to launch this new series of events. The last few years have meant many changes for all of us and the Events industry is no different. We are eager to ensure we are delivering a service to our customers globally that is tailored to their needs, and brings the richness of our content and partner network to a location near you, and importantly facilitating connections with key players in the industry. **With 32,000 customers operating across 135 countries**, we will provide local support across a truly global network. I look forward to meeting you soon.”

Michelle Tindale, Director of Performance Enhancement



Let's keep in touch

Keep up to date with the latest news and information

SUBSCRIBE TO OUR NEWSLETTER

