

Global Standard Storage and Distribution, Issue 4

SD404: Position Statements for Issue 4.

Document Scope: Where clarification of interpretation of a requirement of the Global Standard Storage and Distribution, Issue 4 or its protocol is necessary this will be published on the BRCGS website (www.brcgs.com) as a Position Statement. Such statements are mandatory in their use from the date specified for implementation or the date of publication on the BRCGS website, where no date is specified.

Change log:

Version no.	Date	Description
1	15/01/2021	Position Statement 1
2	17/03/2021	Position Statement 2 - Transport Only Scope: Use of BRCGS S&D logo
2.1	17/03/2021	Small change - footer amended.
3	14/06/2021	*NEW* Position Statement 3 - New Section - Wholesale Branded Products – Product Fraud Risk Management *Amended* Position Statement 1 – Section 9: Open Product Handling – Trimming of fresh produce for aesthetic purposes only

POSITION STATEMENT – 1 (AMENDED)

Section 9: Open Product Handling- trimming of fresh produce for aesthetic purposes only

This Position Statement summarises BRCGS expectations in terms of Section 9: Open Product Handling where a site currently certified to the Issue 3 of the S&D Standard completes trimming operation on fresh produce for aesthetic purposes only.

According to the definitions in appendix 6 of the Standard, although operations such as trimming are usually excluded from the scope of Storage and Distribution activities due to the following reasons:

- Processing, however minimal is not allowed as the food safety risks associated with these activities was not a consideration while drafting the standard.
- Furthermore, experience has shown that sometimes even minor changes through processing conditions can have a significant effect on the safety of foods.

However, the Standard recognises that occasionally trimming operation is completed to enhance the visual attributes of the fresh produce and this additional processing step does not introduce any additional food safety implications or a new food safety process step.

Where a site currently certificated to Issue 3 of the Standard is completing trimming operations on fresh produce for aesthetic purposes only, they must complete a risk assessment and suitably demonstrate the food safety rationale behind this operation (i.e. explain the criteria that maintains food safety) to their certification body, who in turn can request a concession with the BRCGS team. Upon confirmation from the BRCGS team, site can continue to include this operation under their main certification audit. Once agreed the concession will be valid for the lifetime of Issue 4 of the S&D Standard.

Key criteria for consideration:

1. Only sites certificated to Issue 3 of the S&D standard can request a concession.
2. Trimming operations on fresh produce is competed for aesthetic purposes only
3. Ready to Eat (RTE) fresh produce is excluded from scope of this activity.
4. No new food safety process steps are introduced to complete this activity.

Auditors are required to challenge the basis of the risk assessment and the food safety rationale to make sure the site has carefully considered likely issues and is demonstrably based on robust science, where applicable. **Considering most of S&D auditors are experienced Food Safety auditors, they would have the understanding of food safety rationale. However, where the auditors are specifically S&D only auditors, CB's can use the F810: Product Safety Rationale document to train them as required.**

Section 9: Open Product Handling- Trimming for aesthetic purposes only

SITE Define activities	<ul style="list-style-type: none"> • Check product included within scope. • Trimming completed for aesthetic purposes only
SITE Food Safety Rationale	<ul style="list-style-type: none"> • Conduct a risk assessment • Food Safety Rationale- explain criteria that maintains food safety • Document food safety rationale and submit to the CB
SITE & CERTIFICATION BODY Discussion	<ul style="list-style-type: none"> • CB to analyse and accept the food safety rationale
CERTIFICATION BODY & BRCGS Agree Concession	<ul style="list-style-type: none"> • CB to submit a concession request to BRCGS Compliance team • Capture concession number on the report
AUDITOR Assess effectiveness	<ul style="list-style-type: none"> • F810- Product Safety Rationale to train S&D auditors. • Review food safety rationale during the site audit

Statement publication date: 15/01/2021. **Amended:** 14/06/2021.

POSITION STATEMENT - 2

Transport Only Scope: Use of BRCGS S&D logo

Sites certificated to the 'Transport only' scope are now eligible to use the BRCGS S&D logo, as explained in 'BRCGS S&D Issue 3-Part III Section 5.6- BRCGS logos' or 'BRCGS S&D Issue 4- Part III Section 6.6 – BRCGS logos'.

Statement publication date: 17/03/2021

POSITION STATEMENT – 3

New Section - Wholesale Branded Products – Product Fraud Risk Management

10.2.2 - Product fraud risk management

SOI: The wholesaler shall ensure that systems are in place to minimise the risk of purchasing branded fraudulent or adulterated products.

Interpretation:

It is accepted that when wholesalers are trading branded products, the wholesaler’s responsibility will be more limited than would be the case for own-brand products therefore it is not normally required for the company to fully understand the manufacturing supply chain of the products handled.

Nevertheless, it is expected that wholesaler should take some responsibility for ensuring that their facilities are not being used for the storage and distribution of illegal or fraudulent or adulterated products. At its simplest, where the site purchases products from a company – either a processor, packer, consolidator or an agent or broker, the supplier must provide sufficient information so the wholesaler can undertake basic checks to ensure that the branded products are legitimate and the site is not likely to be trading fraudulent or adulterated products.

The objectives of this section are to ensure that:

- the site has assessed its supplier and their associated supply chain activities for vulnerability to product fraud or adulteration activities (such as the adulteration or substitution of products prior to delivery to the site)
- the site has appropriate controls in place (based on its product fraud vulnerability assessment plan) to minimise the risk of purchasing or handling fraudulent products.

Clause	Requirements
10.2.2.1	<p>The company shall develop a documented fraud vulnerability assessment plan to establish levels of confidence in the suppliers from whom the wholesaler purchases branded products to reduce the risk of handling fraudulent or adulterated products; the plan shall be fully implemented.</p> <p>The plan may consider:</p> <ul style="list-style-type: none"> • historical trading relationships • the nature of the products with regard to the risk of fraud or adulteration • the need for supplier approval process to include trading history, financial security, supplier profile <p>The fraud vulnerability assessment plan shall be kept under review to reflect any changing circumstances that may alter the potential risks. It shall be formally reviewed annually.</p>

Interpretation	<p>The fraud vulnerability assessment plan should document:</p> <ul style="list-style-type: none"> • the checks that will be undertaken of new and existing suppliers and products. • the frequency at which the checks will be carried out • who is responsible for carrying out the checks • how the results of any such checks will be documented and interpreted.
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The checks are designed to establish confidence in the company's supplier and thereby the branded products which the site is purchasing. The checks may include a review of:

- the suppliers trading history with the site.
- any documented issues of fraud or prosecutions of the supplier (discovered, for example, by questionnaire or internet search)
- the suppliers financial stability (probably already undertaken as part of financial due diligence)
- the type of products being handled and their propensity for fraud or adulteration (e.g. manuka honey has a poor record for fraud)
- reputation – a supplier with an established reputation may present a lower risk than a new or unknown business.

The Standard does not define the exact process that the site must follow when completing the fraud vulnerability assessment, but its output should rank or score the supplier and products to identify those which need additional controls. The ranking and actions required could, for example, be as follows:

Very high The product and/or supplier has been the subject of recent reports of fraud or adulteration published by regulatory authorities, and the supplier of this product has a poor or no previous trading history with site. Action or monitoring is required to ensure that only genuine products are handled if the site wishes to continue to work with this supplier.

High The product provides an attractive target for potential fraud or adulteration, although the supplier of this product has a reasonable trading history with the site. Some action and/or additional assurances may be required to ensure that only genuine products are handled.

Low The product is unlikely to be a target for fraud or substitution, and the supplier of this product has a good trading history with the site; however, a re-assessment may be necessary if new information becomes available.

Negligible No further action required as the products handled are extremely unlikely to be a target for product fraud and the supplier of this product has an excellent trading history with the site.

It is important that the fraud vulnerability assessment remains up to date and is reviewed at least annually (or when there is a significant change to the product). As a guide, a review may be triggered by the following, although this is not an exhaustive list:

- a change in the financial situation of the supplier from whom the site purchases products
- a change in the supply chain, logistics and delivery of products
- the emergence of a new risk (e.g. known adulteration of an ingredient or shortage)
- a development in the regulatory information associated with a product.

10.2.2.2

Where a potential risk of purchasing fraudulent or adulterated product is identified, the fraud vulnerability assessment plan shall include appropriate processes to mitigate the identified risks.

Interpretation

Output from the vulnerability assessment

Where products are identified as being at particular risk of fraudulence, adulteration or substitution, appropriate assurance controls are needed

to ensure that only genuine products are handled. Depending on the perceived risk, the supplier may be required to have an in-depth understanding of the additional assurance controls in place to understand, for example, the supply chain risks, perhaps through audit or certification, product sampling or testing etc.

Where concerns relate to the supplier, mitigations may include more frequent reviews of the issues causing concern or, in extreme circumstances, ceasing the trading relationship.

This section will come into effect on- 15/08/2021

Statement publication date: 14/06/2021