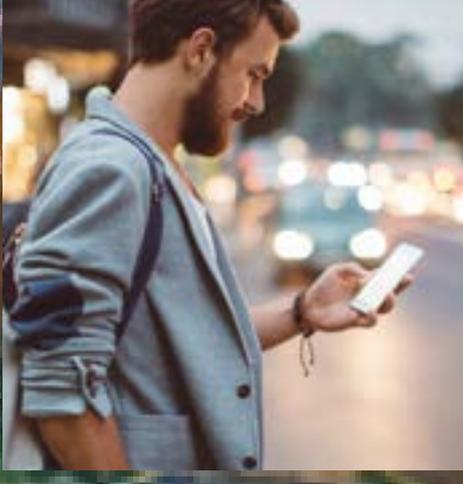


BRC GLOBAL
STANDARDS
COMPLIANCE
PROGRAMME
2017

Safeguarding industry
standards





dobe stock

CP
17

CONTENTS

Executive summary	4
Largest GFSI manufacturing scheme in the world	5
Global site distribution	6-7
The BRC Global Standards Directory	8
Consistency through compliance	9
Working with certification body partners	10-11
Working with the best auditors	12-13
BRC Global Standards Auditing Programme - Site visits	14-15
BRC Global Standards options	16-17
Get in touch	18

EXECUTIVE SUMMARY



At BRC Global Standards, we are committed to preserving our reputation as the global market leader in retail safety. This commitment underpins everything we do and ensures our customers have confidence in the integrity of our audits.

Compliance is therefore a crucial focus throughout our business. This year we increased investment in compliance and expanded our global team of independent, internationally respected auditors to ensure we deliver the highest quality of audits around the world.

As part of our compliance programme, we continue to review our global portfolio on an on-going basis. Currently, it comprises six core Standards and a range of additional voluntary modules to supplement them, and to provide auditors with comprehensive support.

To ensure our rigorous standards are upheld, we were the first Global Food Safety Initiative (GFSI) scheme to offer unannounced audits. Our stakeholders are increasingly adopting this opportunity for manufacturers to demonstrate their daily commitment to high quality. Indeed, unannounced audits accounted for nearly 25% of all UK and Ireland food audits and 7.5% of those in Europe. We are pleased to see that sites opting into our unannounced audit scheme continue to demonstrate the improved scores achieved in their original audits. We also increased our surveillance on work completed by our certification body partners, by conducting one-day visits to all our certificated sites.

To ensure our work remains of the highest standard, we promote a culture of transparency, underpinned by communication and feedback. Understanding the communities in which we operate is key to achieving this, and so we have increased local market knowledge throughout our offices in London, Chicago and New Delhi.

To ensure excellence around the world, we also continue to work closely with our certification body partners. I am pleased that we saw further ratings improvement this year, with 73% of our partners rated as five star.

This report is driven by our commitment to create more secure supply chains worldwide and embed integrity and high standards throughout the retail industry. We hope you enjoy reading it.

A handwritten signature in blue ink, reading "Mark Proctor". The signature is stylized and cursive.

Mark Proctor
CEO, BRC Global Standards

LARGEST GFSI MANUFACTURING SCHEME IN THE WORLD

BRC Global Standards' reputation has established the organisation as the global market leader of retail safety – and continues to keep it in this position.

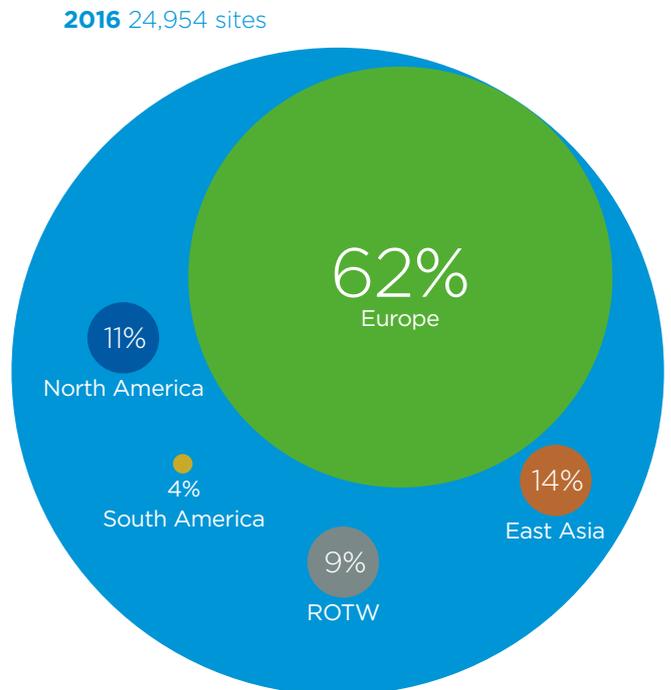
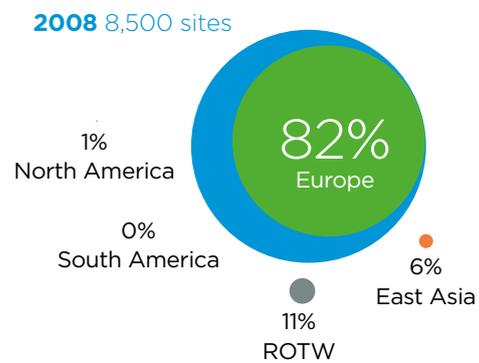
The BRC Global Standard for Food Safety was the first Standard benchmarked by the GFSI in 2000. Since then, continued growth means it is now the largest GFSI manufacturing scheme, operating in more than 130 countries. This breadth underscores the importance of upholding scrupulous compliance activity across all its operations – a goal to which BRC is completely committed.

By 2016, BRC Global Standards had audited over 25,000 sites around the world – which is three times the volume of audits it conducted in 2008. This increase reflects BRC's consistent expansion around the world, with particularly strong growth in North and South America, and East Asia.

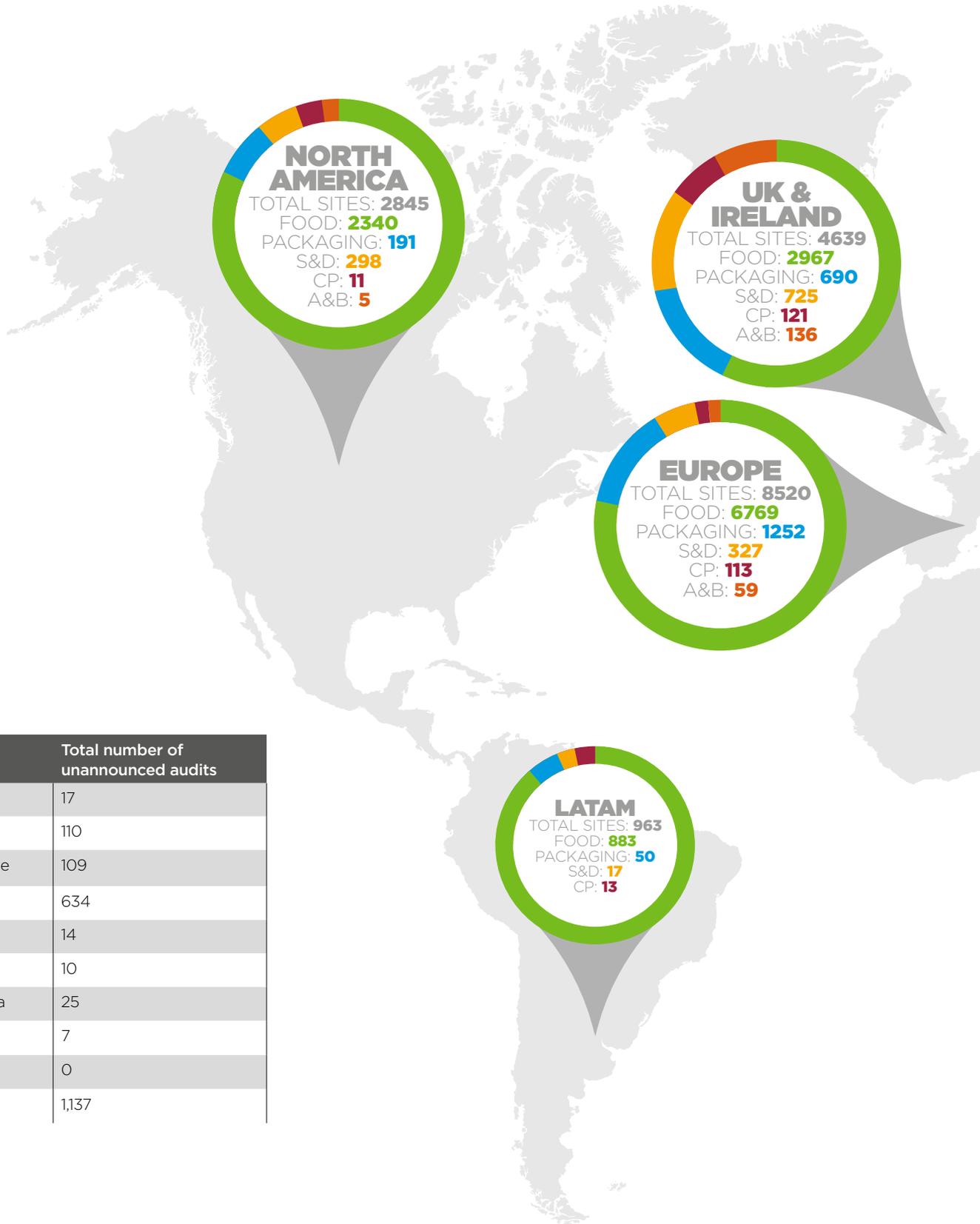
In addition to embedding best practice around the world and securing safer supply chains, this growth also means the BRC Directory has amassed data from 200,000 audits. With the richest data amongst competitors and the widest audit base by regional spread, the BRC Directory delivers vital insights on safety and compliance issues that affect certificated sites, retailers and consumers around the world.

However, ensuring consistency across the world's largest certification scheme presents a range of challenges. In response to these, BRC Global Standards has increased investment in compliance and expanded its global team of independent, internationally respected auditors. BRC has also established new offices – in Chicago and New Delhi – to increase local market knowledge, in response to growing need.

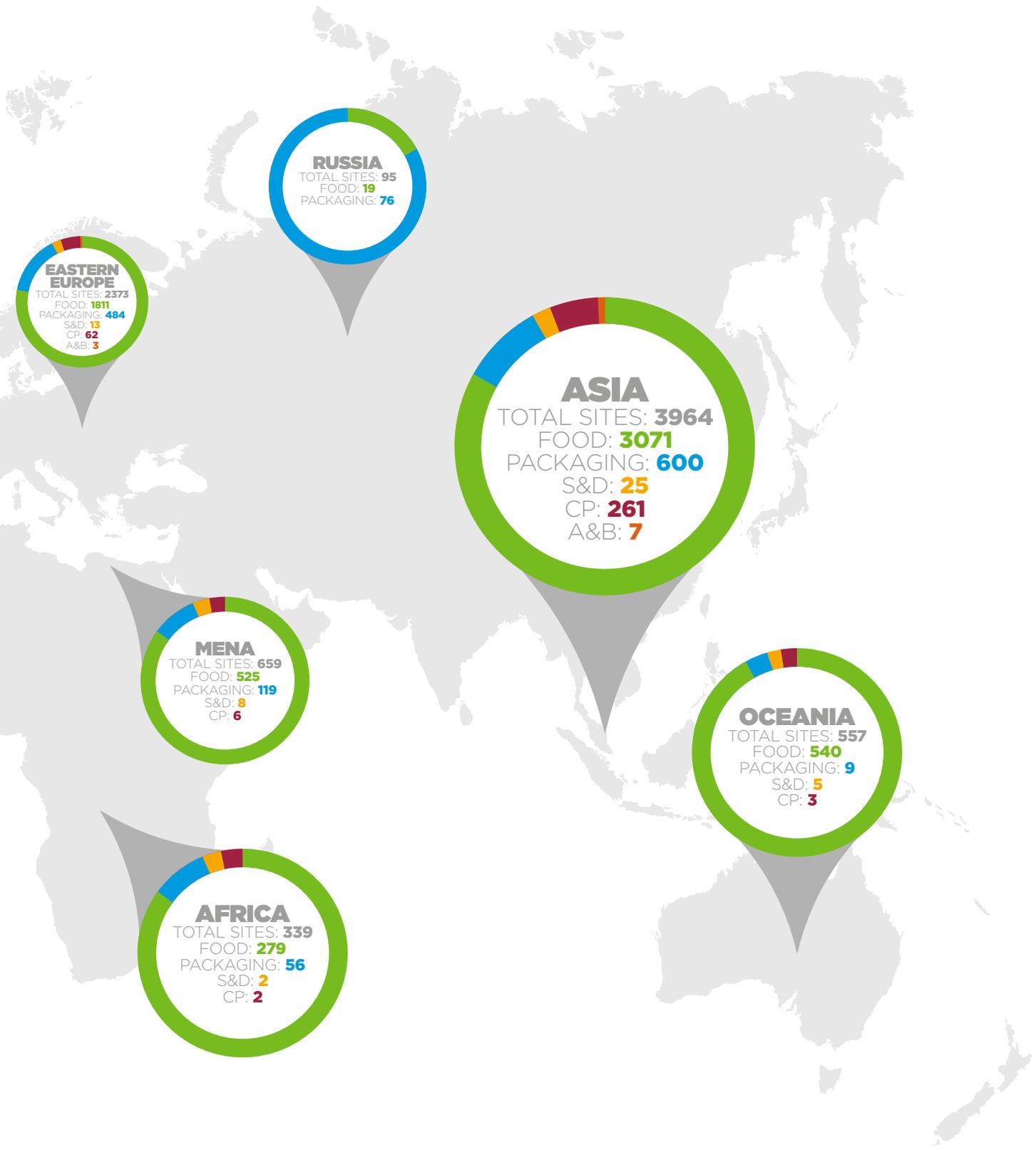
To equip its auditing partners sufficiently, BRC Global Standards has developed a portfolio of six core Standards, supplemented by additional voluntary modules. This material is designed to complement the audit structure, reduce the burden and provide added value to stakeholders – arming BRC auditors with the resources needed to uphold the organisation's high standards.



GLOBAL SITE DISTRIBUTION



Region	Total number of unannounced audits
Africa	17
Asia	110
Eastern Europe	109
Europe	634
LATAM	14
MENA	10
North America	25
Oceania	7
Russia	0
UK & Ireland	1,137



THE BRC GLOBAL STANDARDS DIRECTORY

The BRC Global Standards Directory is the official database used to store the results of all BRC audits, including audit reports and certificates. Certificated sites can log onto the Directory to view, download or share their information.

Manufacturers to request that information is not displayed publicly. The system also shares certification status changes instantaneously and generates reminder alerts, such as when audits need to be booked.

The BRC Global Standards Directory contains data on nearly 200,000 audits conducted around the world, and now includes around 48,000 audit days each year. This extensive knowledge bank provides unparalleled insight into performance trends and behaviours across the retail industry, with a particular focus on food standards. As part of an on-going process to inspire global improvements, BRC Global Standards regularly analyses this data to understand safety issues that affect manufacturers, retailers and consumers. Trending shows 144,000 corrected non-conformities each year.

In addition, the Directory is a key tool for BRC Global Standards to manage consistency. It provides a demonstrable measure of certification body and auditor performance, and so allows in-depth management reporting to assess risks and identify auditing inconsistencies that warrant further investigation.

In recognition of the Directory's value not just to BRC Global Standards but to the industry as a whole, BRC continually invests in upgrades to the Directory to ensure it delivers the greatest benefits and the richest insight.

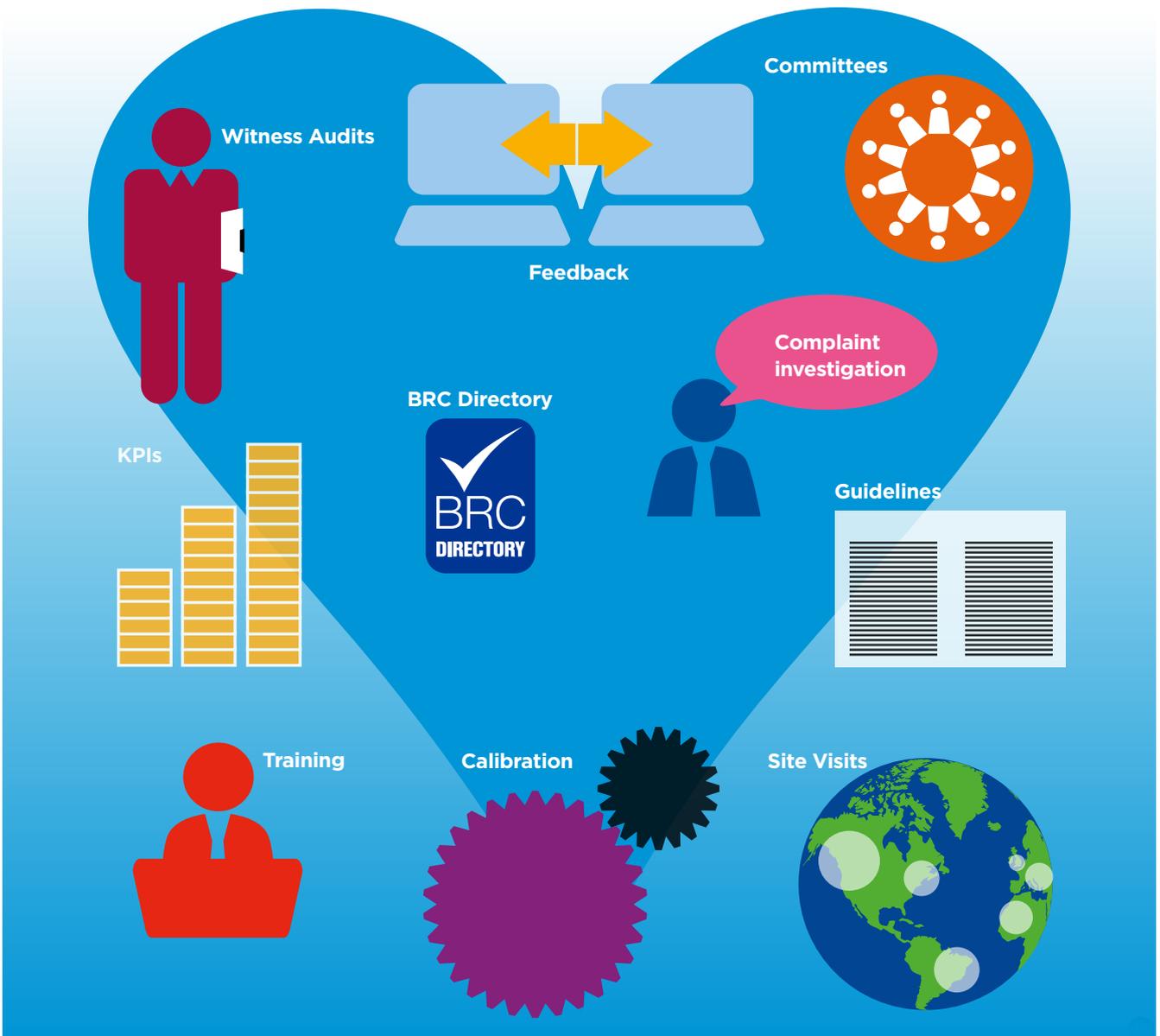
CONSISTENCY THROUGH COMPLIANCE

Compliance lies at the heart of all BRC Global Standards activity. To deliver uniformity throughout the organisation, BRC Global Standards' compliance programme tackles issues using a comprehensive range of initiatives which, together, ensure consistency.

BRC Global Standards is committed to reducing risk and employs a risk-based approach to planning its compliance activities. This is driven primarily by a

combination of client feedback and analysis of the BRC Directory.

To embed compliance and create a culture of excellence throughout the organisation, BRC Global Standards has a number of measures in place to audit its auditors. Comprising a combination of witness audits, site audits and certification body office audits, these initiatives reflect BRC Global Standards' commitment to understanding the needs of stakeholders and the local markets in which they operate.



WORKING WITH CERTIFICATION BODY PARTNERS

Certification bodies are the guardians of BRC Global Standards' auditing, and consequently, its reputation. BRC Global Standards has established a set of key performance indicators (KPIs) through which to assess its certification bodies. This is to ensure it only partners with the best-performing, most compliance-orientated organisations. As such, it invests significant resources into these assessments and the insights they deliver.

The BRC Global Standards compliance team monitors certification bodies' performance every six months. Certification bodies are formally rated from one to five stars against five defined criteria.



Audit report quality

Reviewing sampled reports to ensure they conform to BRC's high standards set by the requirements of its users



Protocol

Reviewing Directory data on each of the 25,000 audits conducted annually, to ensure compliance with audit rules, such as duration requirements and actioning of non-conformities



Auditor management

Ensuring that each of the 1,750 registered auditors are trained and kept up to date with protocols, such as three-year auditor rotations at every site



Result submission

Submitting accurate and timely results to BRC Directory



Communication

Effective and timely communication with the BRC Global Standards team regarding issues such as complaint investigations



Certification body star ratings

The star ratings that certification bodies receive are reflections of their head office’s overall management of the BRC certification scheme, rather than an individual auditor or audit. As part of the review, BRC

provides detailed feedback on the certification body’s auditing performance, checks audit protocol is met, examines how the certification body manages its auditors and reviews the quality of communication with clients and BRC.

Six monthly period	Total number of certification bodies	Percentage of 4 and 5*	5*	4*	3*	2*	1*	Not rated
Jan-June 2016	70	96%	51	16	2	0	0	1
July - Dec 2015	70	96%	42	25	2	0	0	1
Jan - June 2015	71	94%	54	13	3	0	0	1
July - Dec 2014	74	97%	58	14	0	0	0	2
Jan - June 2014	74	98%	47	26	1	0	0	0
July - Dec 2013	81	91%	40	34	7	0	0	0
Jan - June 2013	86	84%	45	27	9	2	0	3
July - Dec 2012	97	77%	54	21	7	1	0	14

Working with the best certification bodies

As a result of these findings, and BRC Global Standards’ commitment to ensuring the highest quality across its organisation, in recent years BRC has reduced the number of certification bodies with which it works. Without affecting BRC Global Standards’ international presence, the organisation now works closely with a smaller pool of 67 certification bodies who possess a more in-depth understanding of, and focus on, the BRC Global Standards. The success of this initiative is reflected in the increase to 73% of certification bodies who were awarded a five-star rating.

BRC Global Standards chooses to publish the results of its certification body KPIs on the BRC Directory. This enables greater transparency, ensures confidence in the integrity of BRC’s services and enhances the level of choice available to users of the scheme.

A journey of continual improvement

BRC is committed to continually improving the work carried out by its partners. To do this, it works closely with certification bodies and has completed a programme of head office audits. Their purpose is to confirm that certification bodies understand and fully

implement the requirements of their contract with BRC Global Standards.

During an audit, BRC Global Standards reviews the certification body’s own audit records and operational processes. The certification body is then expected to analyse the root cause of any non-conformities in its audits and correct these accordingly. BRC Global Standards also shares these results with the relevant accreditation bodies, which will then follow up findings during their own audits.

Going forward, BRC Global Standards will now visit its partners’ local and global offices to gain more insight on market needs and drivers worldwide.

Number of certification bodies	Results
28	>10 minors and/or major non-conformities
24	6-10 minor non-conformities
18	<5 minors non-conformities

WORKING WITH THE BEST AUDITORS

The competence and integrity of its auditors is key to BRC Global Standards' success. Auditors are the organisation's most precious asset and the guardians of its Standards – and BRC Global Standards is proud to be recognised for attracting the best auditors. In addition, BRC's rigorous criteria, including its assessment of product category knowledge, is respected as a thorough and practical process.

BRC is highly judicious in selecting its auditors and has collaborated with global experts in its field to develop relevant product category exams. These exams are delivered through its online examination platform, BRC Educate.

To join BRC Global Standards, BRC expects its auditors to deliver the following qualities:

- shall be competent within their relevant product category and have sufficient experience of the particular product and its associated technologies;
- are required to have a formal education in – and a number of years' work experience related to – their main qualification discipline;
- must possess a formal qualification in auditing, as well as Hazard Analysis and Critical Control Point (HACCP);
- must successfully pass BRC Global Standards' scheme training requirements and have undertaken a minimum number of audits with a qualified auditor;
- must successfully complete an assessment audit with an approved auditor; and
- should possess the personal characteristics of being ethical, logical, analytical, calm and able to communicate with personnel at all levels.

The competence and integrity of the personnel working with BRC Global Standards at approved Certification Bodies and as registered auditors provides safety throughout the supply chain through:

Reassurance

Reassure specifiers to trust BRC Global Standards with their product safety audits

Demonstrates control

Demonstrates control in the management of auditor requirements, registration and compliance

Build confidence

Build specifier confidence in BRCGlobal Standards auditors through Standards training, category exams and calibration



As one of the leading and most respected auditing organisations in the industry, BRC Global Standards is proud of its work to safeguard product and retail standards for manufacturers, retailers and consumers. Auditors ensure consistency and quality, and are instrumental in embedding safety throughout the supply chain. Not only does this benefit those who purchase products, it also benefits those who manufacture and handle products throughout the supply chain by ensuring greater care and efficiency.

BRC Global Standards monitors the performance of its auditors regularly, both in Europe and internationally. This is achieved through feedback, including collaboration with retailers, surveys by audited sites, as well as BRC Global Standards' own witness audits and site audits.

In addition to BRC Global Standards' measures, auditors are also assessed during separate witness audits conducted by their certification body. These typically take place every two years. Certification bodies are also required by BRC to deliver annual calibration webinars and Continual Professional

Development training to their auditors to ensure they stay up to date with industry developments. Combined with BRC Global Standards' own initiatives, these measures help auditors further develop their skills and knowledge while ensuring the organisation is represented by the best talent.

Witness audits

In 2016, BRC Global Standards completed a total of 12 witness audits in 10 countries across Europe, LATAM and the Far East. The majority of auditors selected for witness audit demonstrated strong performance with thorough and robust auditing skills. To encourage ongoing improvement, feedback from these events was provided to the auditors' certification bodies. A key takeaway communicated to certification bodies was BRC's conclusion that poor audits resulted from poor planning, either due to time allocation or structure.

Client feedback

As part of BRC Global Standards' programme to gain insight into the performance of its certification bodies, BRC sends feedback surveys to audited sites. These help uphold excellence and compliance throughout the organisation. The survey results, shown below, illustrate that sites primarily consider BRC Global Standards auditors to be of a high calibre - 90% being rated as good to excellent.



BRC GLOBAL STANDARDS AUDITING PROGRAMME - SITE VISITS

In order to gain insight into how well our scheme is operating in the global marketplace, BRC Global Standards invests a significant amount each year in carrying out visits to certificated sites. These involve a one-day site review of previously audited sites in order to assess the auditor’s findings and the site’s maintenance of standards. These visits are typically unannounced, or announced at short notice.

BRC Global Standards has increased its investment in this area and, this year, has trained additional independent auditors to add to its global team. As a result, BRC was able to carry out 134 site visits during 2016 – double the volume implemented in 2015. These visits took place in 28 countries across Europe, North and South America, the Far East and Australasia, representing a 50% increase on countries visited compared to the previous year. The sites involved were certified by 45 different certification bodies, which, together, undertake 91% of all BRC Global Standards audits conducted in these regions.

This map illustrates the spread of audits. Three visits took place at packaging sites, four were to sites certificated for Storage and Distribution. The remaining 127 audits were conducted at food manufacturers’ sites and across a wide variety of products, covering 16 of the 18 possible food categories.



Number of sites	
57	Sites operating to grade. Minor non-conformities were identified and followed up by the relevant certification bodies.
72	High number of non-conformities, which suggested sites were not operating to their grade of certification.
2	Certificate suspended pending further action
3	Certification withdrawn

Once audited, BRC Global Standards passes this information to the relevant certification bodies, which follow up any non-conformities with auditors to identify the root cause and subsequent measures for improvement. In addition, certification bodies follow up with all sites involved in order to confirm their certificated status.

The results highlighted the primary areas of concern as:

- foreign body control
- HACCP
- fabrication, hygiene and maintenance issues
- traceability
- labelling and claims

BRC compliance auditors also found that requirements for undertaking raw material vulnerability assessments were poorly understood and controlled by global sites. In addition, schedules for internal audits were not always kept up, so sites lost the opportunity to identify areas for improvement in their operational controls.



UK
26

EASTERN
EUROPE
26

EUROPE
24

AFRICA
3

ASIA
33

OCEANIA
3

Nutrient	Amount	% of Reference Intake
Fat	15.5g	22%
Saturated	8.5g	43%
Sugars	12.2g	14%
Salt	0.3g	5%

of the reference intake*
per 100g: Energy 1389kJ



BRC GLOBAL STANDARDS OPTIONS

Unannounced audit options

BRC Global Standards was the first GFSI scheme to offer unannounced audits. It provides two unannounced audit options, which are offered across Food, Packaging and Storage and Distribution Standards, with a future option for the Consumer Products Standard. One option covers the Standard in one unannounced visit. However, following feedback concerning staff availability, BRC Global Standards also offers a second option, comprising an announced procedures review together with an unannounced GMP factory visit at a later date.

In 2016, there was a 100% increase on uptake compared to 2015. This reflects the growing number of manufacturers who demonstrate a daily commitment to high standards. Unannounced audits now account for nearly 30% of all UK and Ireland food audits and 5% of audits in Europe.

Voluntary modules

In addition to the core BRC Global Standard, BRC has also developed a range of additional, voluntary modules to add to the normal audit process. These modules offer considerable customer advantages, including:

- reducing the audit burden and cost by including requirements that previously required a separate audit – for example, second party audits;
- meeting specific geographic or customer needs, for example when a specifier seeks additional requirements to complement Issue 7; and
- when applying particular types of operation or looking in greater detail at a specific market concern, such as gluten free, FSMA or organisational food safety culture.

BRC Global Standards now offers xx voluntary modules across its Standards.

FSME – Food Safety Modernization Act

FSMA the FDA Food Safety Modernization Act is the most exhaustive reform of food safety laws in the US

in more than 70 years. The Act was signed into law by President Obama on January 4, 2011. Its primary aim is to ensure the U.S. food supply is safe by shifting the focus from responding to contamination to preventing it.

To assist all BRC Food certificated sites BRC Global Standards commissioned The Acheson Group (TAG) to assess the BRC Global Standard for Food Safety Issue 7 against the final rule for Preventative Controls for Human Food. The results of the analysis show that certification to the BRC Global Standard for Food Safety Issue 7 is almost in complete alignment with the expectations in FSMA.

Please visit www.brcglobalstandards.com for further information on how to get an advanced start in understanding and utilizing the BRC FSMA protocol.

FSCE - Food Safety Culture Excellence

Exclusively available for BRC Global Standards certificated sites, the Food Safety Culture Module is an assessment offered as an addition to the annual food safety audit, and provides manufacturers with insight into the culture of their organisation.

It is carried out by the certification body at the same time as the audit and involves two questionnaires, both assessing company culture. One is completed by employees, and the other is completed by the external auditor following the audit. Answers are measured across four categories: people, process, purpose and proactivity. These each comprise four dimensions, providing results which are both segmented and overarching. This granular level of detail, provided in an Assessment Report makes it easier to interpret the results, draw comparisons between sites, gain greater insight, and facilitate continuous improvement.

Please visit www.brcglobalstandards.com for further information on how to get an insight into the culture of your organisation.

BRC Academy Training

The BRC Academy is the central provider of training on the BRC Global Standards. Our comprehensive range of training courses ensure that auditors, certification bodies (CBs), sites and manufacturers have the most complete information and training to audit or implement the Standards. Our training courses provide unparalleled insight, as all training

materials are developed in close collaboration with our Technical team, who write the Standards. This ensures we capture all the key messages and deliver them in a way that's engaging and memorable for you.

Our trainers are highly experienced practitioners with in-depth knowledge of the BRC. When you learn with us, you can be confident that you're receiving the best level of training that will leave you fully equipped to apply or audit the Standards with success.

Please visit www.brcglobalstandards.com for further information on how BRC Training Academy courses help you understand the BRC Global Standards.

BRC E-Learning

BRC e-Learning has been designed to allow you to choose the courses and content that suits you best. This means you can focus your attention on the particular areas that need improvement, rather than taking a generic course with only one or two modules relevant to you or your business.

BRC e-Learning offers you an ideal way to derive the greatest possible benefit from your training budget. The modules typically contain advanced learning materials such as videos and interactive exercises, as well as animations, and allow you to learn at your own pace, at a time and place of your choosing.

Please visit www.brcglobalstandards.com for further information on how BRC Academy e-Learning courses allow you to learn at your own pace, at a time and place of your choosing.

BRC Participate

BRC Global Standards' information management service is an annual subscription that allows full access to our complete content for all BRC Global Standards publications, webinars, white papers and discussion forum.

Please visit www.brcparticipate.com to subscribe.

BRC Bookshop

The BRC Bookshop is our web shop that enables registered users to order printed copies of the BRC Global Standards, Interpretation Guidelines and a number of other publications published by BRC Global Standards.

Please visit www.brcbookshop.com to purchase your copies of BRC Global Standards publications.

BRC Approved Training Partners

The BRC Approved Training Partner scheme was created to develop a team of internationally recognised trainers who can deliver BRC training courses worldwide. It is now an extensive directory of approved BRC trainers who deliver BRC training courses around the world. All our trainers are professional individuals with extensive experience in their specific sectors, who have a thorough understanding of BRC Global Standards.

Please visit www.brcglobalstandards.com for further information on how a BRC Approved Training Partner can help you achieve and maintain your certification.

BRC Events

BRC Global Standards events allow you to gain key insights and to stay one step ahead of your competitors.

Please visit www.brcglobalstandards.com for further information on how attending a BRC Global Standards event will offer you a valuable opportunity to stay abreast of industry developments, share knowledge and network with your industry peers.

GET IN TOUCH

BRC Global Standards encourages feedback, complaints and comments. In fact, it believes success is partly achieved through the knowledge that complaints provide, offering valuable insight for the organisation to investigate further. To ensure integrity, all complaints are entirely confidential.

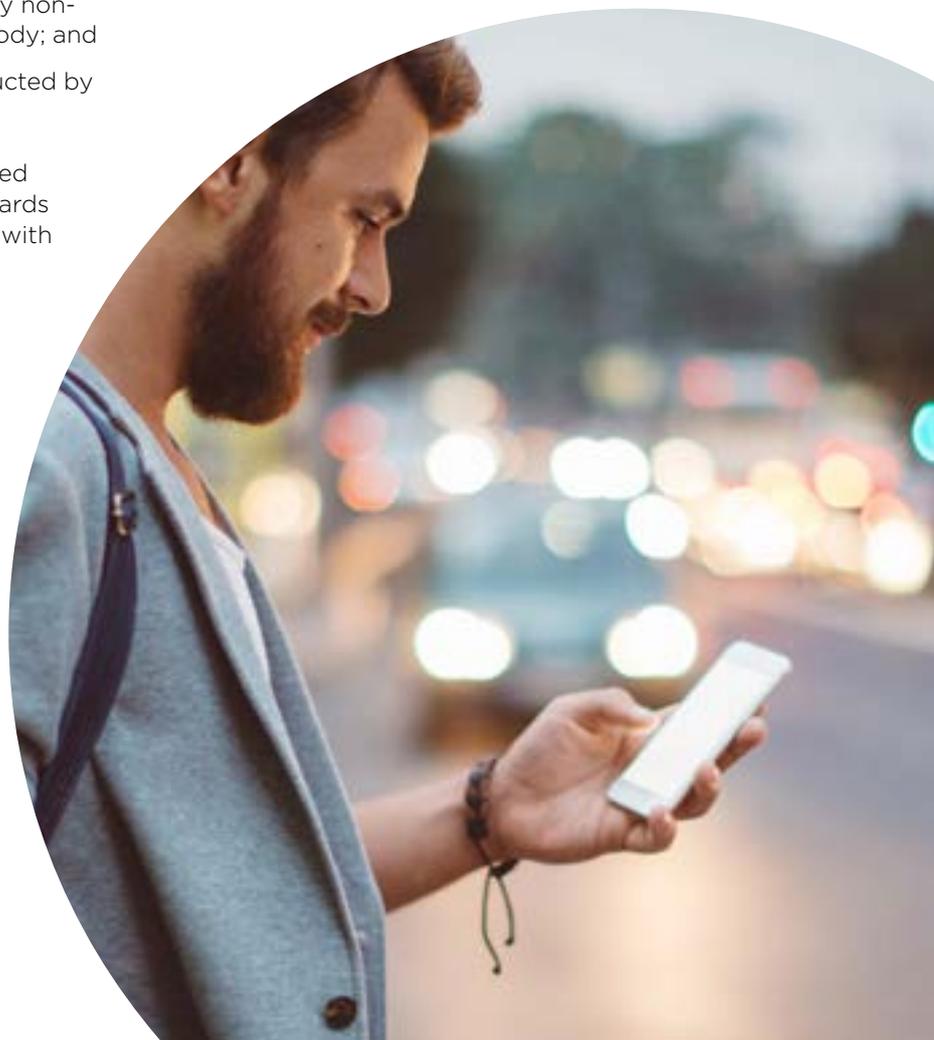
When BRC Global Standards receives a complaint, its nature is assessed and action is taken appropriate to the issue, including:

- investigation by the certification body, which may include a site visit;
- investigation and follow up by BRC Global Standards, which may include further training by the certification body;
- contacting the site via BRC Global Standards, to gain further information;
- a site visit by BRC Global Standards, with any non-conformities followed up by the certifying body; and
- a witness audit of the relevant auditor, conducted by BRC Global Standards.

Complaints are always investigated and followed up in order to confirm sites' BRC Global Standards certification status. If you wish to get in touch with BRC Global Standards, please contact:
www.brcglobalstandards.com

enquiries@brcglobalstandards.com

TELL BRC
GLOBAL
STANDARDS
+44 (0)20 7717 5959
See anything wrong with a
BRC certificated site - tell us





CP
17



BRC Global Standards

4th Floor, London Bridge, London SE1 9RA
T. +44 (0)20 7854 8900

www.brcglobalstandards.com