

Brand Reputation through Compliance

Results that brands can trust

BRCGS Compliance Report 2021



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Welcome to the
BRCGS Compliance Report 2021

Executive summary

Welcome to the BRCGS Compliance Report 2021

I'm very pleased that we kick off this year's report with details of two independent studies of our certification scheme that validates that sites gain added value through measurable impact on performance including product and process innovation, increased market opportunities and profitability growth.

The respected Netherlands Food and Consumer Product Safety Authority (NVWA) concluded from their independent study that sites with BRCGS certification reported fewer non-compliances with regulation than both non-certified organisations and those operating to other certification programmes. This confirms the robustness of our certification programme due to the support from our compliance programme which provides control over the operational delivery and promotes consistent and reliable audit outcomes.

BRCGS and our delivery partners have delivered this consistent performance despite the challenges over the last two years where we have had to continually adapt our protocols to the ever-changing impacts of Covid 19 on the global market.

We have looked to support the market by providing solutions to these challenges to ensure sites maintain conformance to BRCGS requirements throughout the certification lifecycle whilst ensuring available auditor resource where travel continues to be impacted. Whilst decreasing, we still have a number of sites using the permitted 6 month certificate extension protocol and the remote audit option. The industry

is adapting to our new blended audit protocol as well as the new requirement from GFSI to undertake unannounced audits once in every three years.

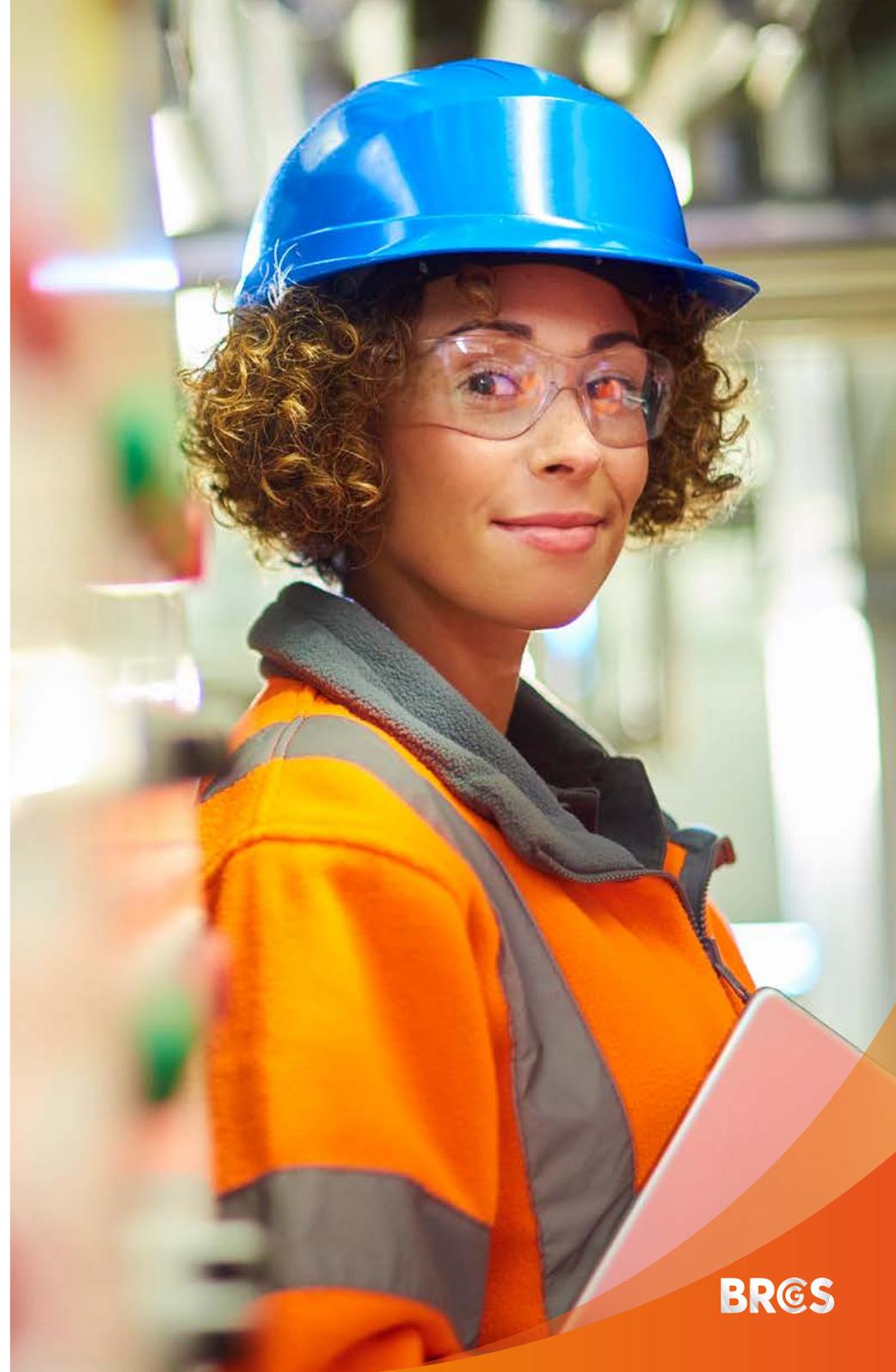
We have continued with our global compliance audits throughout the pandemic although the majority of these have been undertaken remotely and as many of the discussions on these changes have outlined, we have found a mixture of positive and negative aspects in undertaking these remote audits. As such, these are likely to still feature in small part in our ongoing future processes.

We have been very pleased that the BRCGS Directory, the repository of all our audit data has received a long overdue revamp and now includes our 'Horizon' tool which allows us and stakeholders to easily interrogate our vast array of data. These tools prove invaluable in analysing trends, setting risk assessments and allowing us to provide direction to our compliance activities.

With continuing growth, both in audit numbers now over 31,000 globally and growth in the range of products offered by BRCGS to ensure brand protection throughout the supply chain, this year we have invested heavily in ensuring clear communication with our Delivery Partners spearheaded by the appointment of Jessica Burke as our Delivery Partner Relationship Manager. She has instigated and spearheaded a number of initiatives to ensure our partners keep abreast of all our developments and provide high quality audits to our stakeholders. You can read the detail of her work and that of the compliance and wider teams throughout this report.



Karen Betts
Head of Compliance, BRCGS





Research

Evidencing the value of BRCGS Certification

While there are well publicised benefits of certification, there has been a lack of hard evidence on the economic, operational and regulatory benefits for manufacturers or the wider supply chain. In 2021, two research papers were published providing, for the first time, empirical data on the positive impact of BRCGS certification.

Published in July 2021, 'A Review of Certification and its Impact on Regulatory Intervention' explores the interplay between regulations and standards, and the value that third-party certification provides as means to ensure that food is safe for consumers. It draws on data from the audit results of industrial food businesses by the regulator, the Netherlands Food and Consumer Product Safety Authority (NVWA), against the requirements of National and EU laws. The data within the report covers a significant sample size over a 5-year period and concludes that generally, businesses operating to 3rd party management systems perform better than non-certificated sites. However, businesses with BRCGS certification reported fewer non-compliances with regulation than both non-certified organisations, and those operating to other certification programmes.

Research later published in October 2021, 'The Economic Impact of Manufacturing Sites operating to BRCGS Certification', used internal and external datasets to identify the value of BRCGS certification for certified food manufactures, the wider supply chain, and on safer food for consumers. It also considered whether certification to BRCGS programmes provides additional value over other standards.

The results demonstrate that certification to BRCGS standards generates extensive and positive business impacts for food businesses, on a scale greater than might have been expected. In summary, it was found that:

- The positive effects are widespread on multiple aspects of operations and performance with nearly all respondents citing at least one positive impact from BRCGS certification.
- BRCGS certification opens up market opportunities, especially in export markets and with new customers.
- BRCGS certification drives increased competitiveness for investment and modernisation amongst food suppliers as it provides incentive to invest in facilities and human capital.
- BRCGS certification delivers positive "bottom line" effects for many food manufacturers with an average of 7.5% sales growth and 6% profitability growth.
- BRCGS standards enable product and process innovation, and thus growth in output and productivity. However, the impact goes further than these by stimulating modernisation and investment – broad innovation. Broader innovation includes product innovation and new technology as well as changes in business processes and enhanced product quality.

Overall, it was concluded that whilst there are broad similarities in impact with other certification programmes, manufacturers with BRCGS certification experience a marginally greater impact on performance across most indicators.

Both research papers are available for download at [brcgs.com](https://www.brcgs.com)

Our focus for 2021

Support delivering audits during the pandemic

As many economies slowly start to emerge from the COVID-19 pandemic and businesses start to resume operations, we continue to review and adapt our processes that would allow Certification Bodies, auditors, and sites to carry on working under the ever-evolving restriction in the country where they are based. This includes making sure that we offer a framework for product safety, brand protection and consumer protection.

We keep listening to our partners and continue to provide solutions to the biggest challenges we have seen in 2021, these have been around auditor resources and reduced access to the facilities. The options and various concessions BRCGS put in place were key for the sites to maintain BRCGS requirements throughout the certification lifecycle.

6-months certification extensions

BRCGS introduced at the beginning of 2020 a formal process agreed with Accreditation Bodies to allow a 6-month certification extension based on completion of a comprehensive risk assessment by the Certification Body. It allows sites to maintain GFSI recognised certification status in the situation where access to the site is not possible. This option remains available to sites although its use is reducing particularly in view of other audit options also available such as 'remote' and 'blended'.

Blended & Remote audits

We also introduced a blended assessment option that allowed sites to take a technology-enabled off-site assessment, with this remote process being followed by an on-site audit. This is available for all BRCGS GFSI benchmarked Standards (i.e. Food, Packaging, Storage & Distribution and Agents & Brokers) and our other portfolio Standards including Consumer Products, Plant-Based and the Gluten-Free Certification Program. A number of sites have taken up this option with 3.4% of food sites selecting

this route to maintain the certification. For those sites with strict travel restrictions or where it is particularly challenging for an auditor to visit, we created the fully remote audit option.

Unannounced audits protocol

With the ever-evolving Covid-19 restriction the unannounced audits may place an undue burden on sites busy operating whilst maintaining supply chain continuity and increase the challenge to Certification Bodies and auditors arranging audits. BRCGS stakeholders understand the challenges the sites and Certification Bodies faced during this difficult time and agreed suspension of any mandatory unannounced audit programme, although 7.6% of food audits have still been carried out as unannounced in 2021.

COVID-related concessions

BRCGS provide constant support to our certificated sites and our Delivery Partners. In exceptional, justifiable circumstances, the Certification Body may request a special concession from BRCGS related to audit protocol or auditor ongoing qualification. BRCGS has a formal process to discuss the specific scenario on a case by case and agree and document the best solution for all parties. The areas where the concessions are allowed are defined in BRCGS document BRCGS078 which is publicly available on our website.

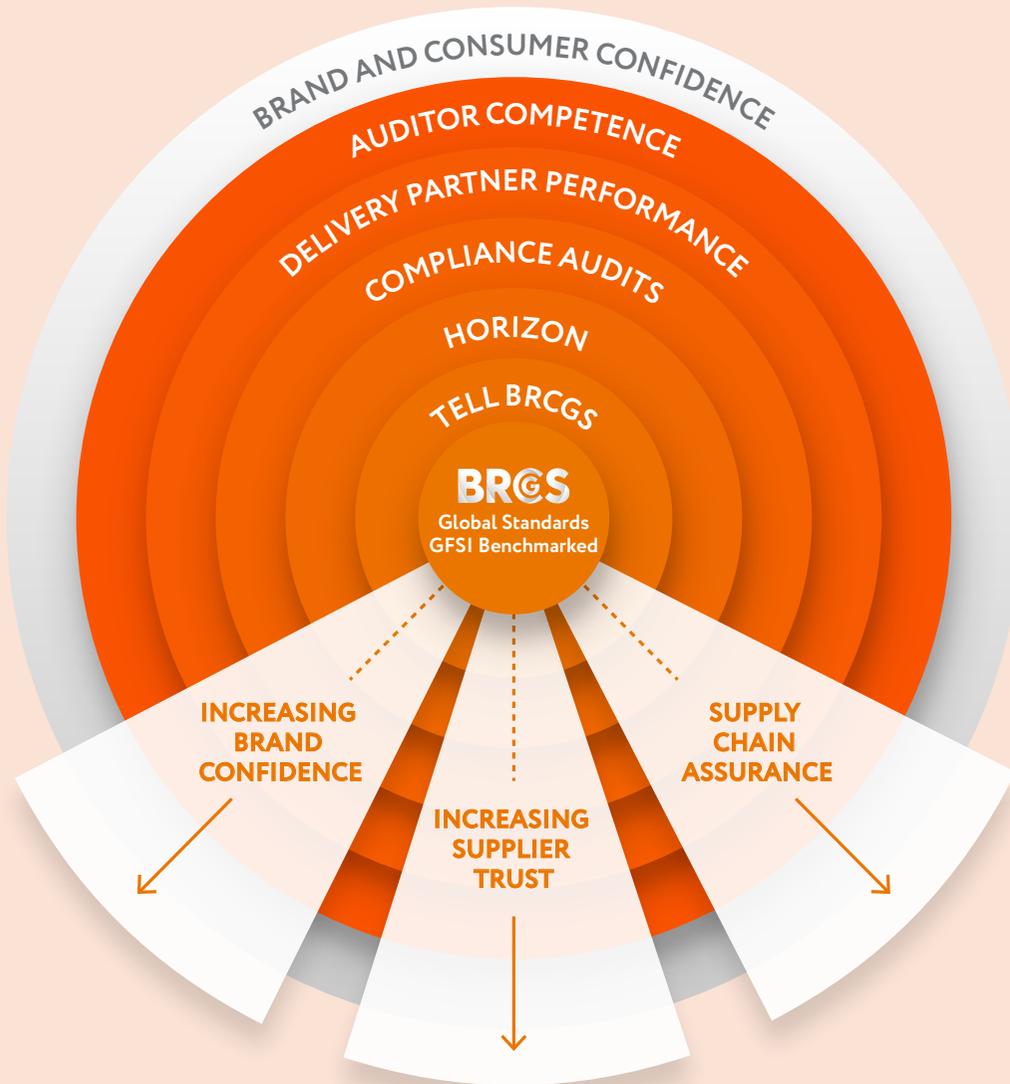
BRCGS have developed specific rules around witness audits which are required on an ongoing basis as a quality check of the auditors work and will allow time extensions to usual schedules and where remote technology allows, witness assessors may be remote to the auditor on site. This has allowed flexibility to retain the pool of excellent auditors resources on which the BRCGS certification scheme relies whilst enabling quality checks to be completed. Rules on the maximum number of consecutive audits at a site by specific auditors has been suspended to aid audit planning.

Non-conformity penalties for late audits were also suspended where impacted by Covid.

The concessions have significantly increased in 2021 but have been used to ensure effective audits are delivered during these unprecedented times.



✓ Our compliance program is comprised of five layers:



Compliance and integrity

The BRCGS compliance program

At BRCGS, we're 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 Tell BRCGS**
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.

Confidential reporting 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 are used to strengthen our Compliance programme.

TELL.BRCGS.com is BRCGS's confidential reporting system, can be used by anyone to report any concerns at a BRCGS certificated site or are unhappy with an auditor's or Certification Body performance; have concerns about BRCGS Training or approved training provider, or see misleading use of the BRCGS name or logo, or have any grievance against BRCGS. The system allows to use 10 different languages including Chinese, Hindi, and Turkish.



The QR Code can be used accessed through the Tell BRCGS link given on our main website <https://www.brcgs.com/contact-us/>.

Accessing 'reporting' allows the user to outline the concerns along with the site details. The system allows

recording of audio clips, attachment of files, and pictures to give us as much tell as possible to investigate. A name and email address may be optionally provided or the option to select 'stay anonymous' where the system asks to open a secure inbox with a password. We strongly encourage opening a secure postbox to keep the dialogue open. In 2021 50 % of the whistleblowers used the Secure Postbox option allowing us to communicate the outcome of the investigation to them. Also 57 % of the whistleblowers used the mobile application to contact us through Tell.BRCGS.com

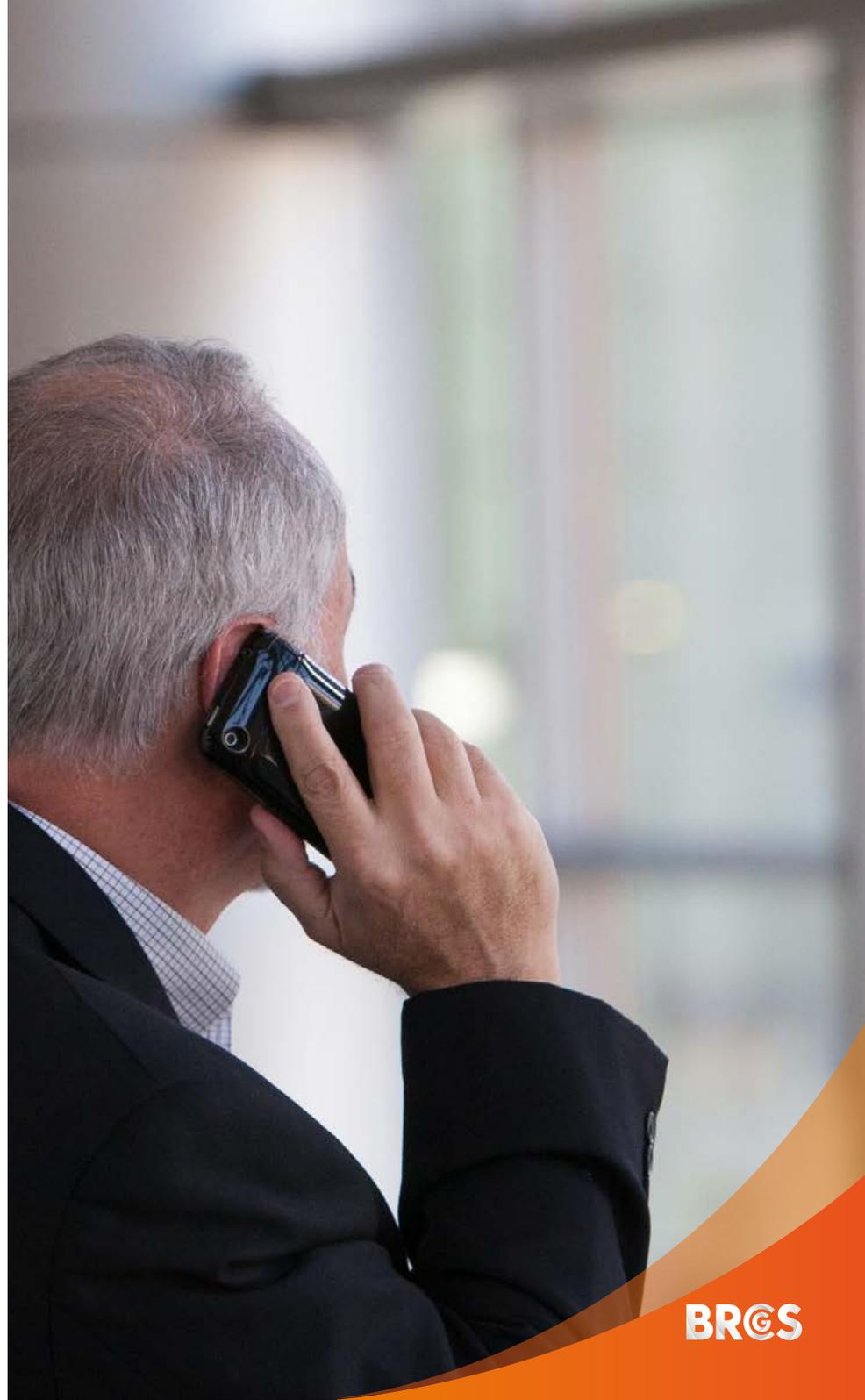
The system has been in place since the beginning of 2020 and since then we have received numerous feedback related to site performance, auditor performance, and Certification Body performance. Live demo sessions are available on request. Do let us know!! Compliance@brcgs.com

In 2021 we received feedback from 35 different countries including China/ Brazil/ Pakistan/ Bangladesh with use of different languages with Spanish being used most following English. We also had conversations in Turkish, Italian, Polish, German, French and Portuguese.

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 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 auditing programme

Compliance auditors

In order to gain insight into how well our scheme is operating in the global marketplace, BRCGS invests a significant amount each year in carrying out visits to certificated sites. These involve a one-day site review of previously audited sites to assess the auditor's findings and the site's maintenance of standards. BRCGS has increased its investment in this area year on year and has a growing team of independent auditors making up our global team.

Respected throughout the industry, our auditors ensure that BRCGS protocols are consistently maintained and followed throughout the supply chain. With continuing disruptions to travel, remote working continued throughout much of 2021 with our Compliance team carrying out desktop reviews and remote audits. Our team travelled to sites where this was possible but similarly to the general population had to be flexible in changing plans at the last minute. 71% of compliance site visits were carried out remotely in 2021.



Meet our BRCGS Compliance Auditor based in Turkey - Evren Efe-Kabagoze

Tell me about your journey? How did you start working for BRCGS?

I am a food engineer and I have been working in the food industry for 22 years. Although I started my career in food manufacturing sites, I discovered this was not what I always wanted to do so I found myself as an auditor working for a Certification Body. I loved certification business so much. Within time I got signed off as an auditor with various schemes including BRCGS Food Standard and performed audits in different regions. I worked at senior management positions, worked on setting up of start up offices of global CBs in Turkey and I had the opportunity to manage big global and local accounts. As Turkey is a developing market, in 2019 BRCGS decided to allocate a regional representative for Turkey. That was the time I decided that I wanted to move my career to a different level and become a part of the BRCGS team. I believe my background in certification business and existing strong relationship with the market helped me to be selected for the role.

Why had you chosen BRCGS?

The first time I heard about BRCGS was in 2005, when I was working as an auditor. For many years I performed third party audits using different schemes but the structure of the BRCGS global standard and auditing methodology was always my favourite. I have also been approved as a training provider and have been delivering BRCGS Training Courses regarding BRCGS Food Safety standard. I have been involved with the BRCGS standards for many years and I always had a sympathy. In my opinion BRCGS is a proactive, leading organisation in the market. Currently I am proud to be a part of such a great team.

What is your role in the company?

I am the local representative of BRCGS in Turkey working as a part of the business development team with aim to support sites and Delivery Partners to grow the BRCGS business in the region. Also, I am supporting the compliance team by performing compliance visits and reviewing reports to ensure high quality of audits performed here.

How do you help your local region?

My main goal is to create a direct relationship channel between the local market and BRCGS. I try to support stakeholders of BRCGS including Certification Bodies, retailers, producers, auditors, ATPs as

well as individuals who are interested in learning and implementing BRCGS Standards. With CB meetings and regular CB working group, the CBs are directly informed about the updates, and we can discuss the trends and risks in the market. BRCGS has so many products to cover almost all industries and the whole supply chain, but these were not well known in the local market. In two years, the awareness about various BRCGS standards, BRCGS databases (Horizon, Directory, Participate, Educate) has risen and industry started to use these tools to manage the risks in their supply chain. With the trainings being delivered, a holistic development programme for individuals, BRCGS Professional has become popular. The number of compliance visits has increased, and this has a positive impact in regulating the market and calibrating the auditors and CBs. At the moment anyone who has a question or needs help can communicate with me directly through my email address, my phone or social media accounts easily. Evren.Efe-Kabagoz@brcgs.com

Meet the whole team virtually at <https://www.brcgs.com/brand-owners/compliance-and-integrity/>.

“I have been involved with the BRCGS standards for many years and I always had a sympathy. In my opinion **BRCGS is a proactive, leading organisation** in the market.”

Compliance auditing programme

2021 summary

Compliance has always been at the heart of BRCGS and it remains true even during these challenging times. The last 2 years have taught us to adapt and we have focused on key activities to ensure control within the operating environment.

The year 2021 ended with 150 Compliance visits and 24 Witness audits in 45 countries covering a range of our Standards such as Food, Packaging Material, Storage & Distribution, Agents & Broker & Plant-Based & ETRS. 85% of our approved partners participated in these activities.

71% of the Compliance visits were completed remotely and taking this opportunity countries such as Ecuador, Israel, Bangladesh, Pakistan were covered which may not have been done in a normal scenario.

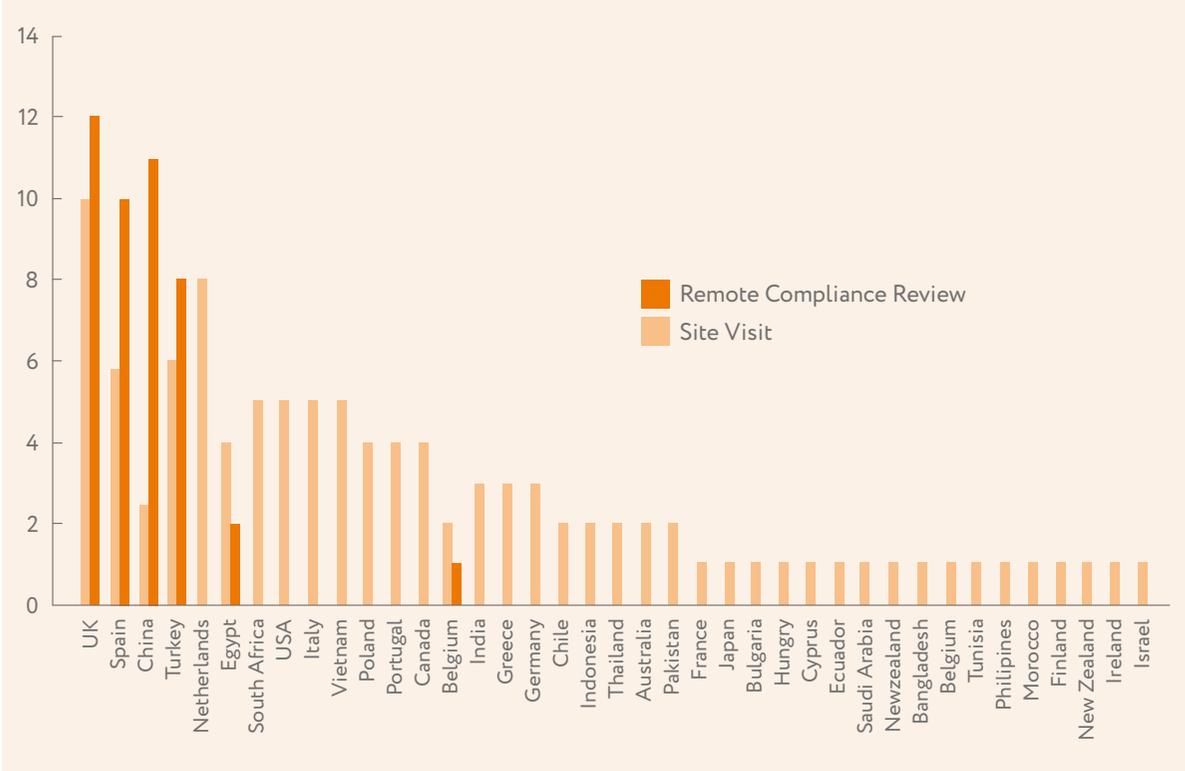


Fig. 1: Compliance audits completed in 2021





BRCGS Directory

The BRCGS Directory is the official database of all our audits and the ‘shop window’ that is searched by the world’s leading brands, retailers, specifiers, and regulators looking for competent and trusted suppliers.

In February 2021, we upgraded the system to improve usability, access and simplify the uploading of the data process. The new Directory provides a platform on which we can build greater

supply chain connectivity, transparency, and intelligence. We will also be able to use data to provide better benchmarking and supply chain performance insight, delivering ever greater brand confidence.

The Directory is a key tool in our compliance programme allowing us to interrogate data to look for trends, check that our Delivery Partners have undertaken audits to the correct protocol and gives us a history of the work carried out by specific auditors. With the launch of our new Directory we have built more analytic tools and are developing specific stakeholder dashboards through Horizon.

BRCGS Directory

“The Directory is a key tool in our compliance programme allowing us to **interrogate data to look for trends**, check that our Delivery Partners have undertaken audits”

BRCGS Horizon

BRCGS's certification programmes generate a wealth of data that can be used to monitor trends and provide actionable insight to improve performance and risk management.

With over 45 million data points that can be analysed and reviewed through a range of commercial and technical dashboards, and visual displays, Horizon has been built for maximum supply chain insights through penetration into audit data, making it an ideal tool for:

- Brands – seeking to monitor and understand the performance of their own sites and supplier sites. The ability to monitor key metrics and KPIs against performance measures, identify trends and areas of risk, and track and monitor audit timings.
- Certification Bodies – the ability to manage your customers, analyse and review auditor performance, and interrogate both technical and commercial data.
- Certificated Sites - the ability to benchmark and review performance against peers, identify trends and areas of risk or opportunity, and share data with your customers.

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-conformances raised during the audits against BRCGS Standards and allowing 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 its needed to sites and to our Delivery Partners.

Looking at the top 10 non-conformities raised for the Food Safety Standard across 22,000 audits shows us the following:

BRCGS Food Standard - Top 10 NC (2021)

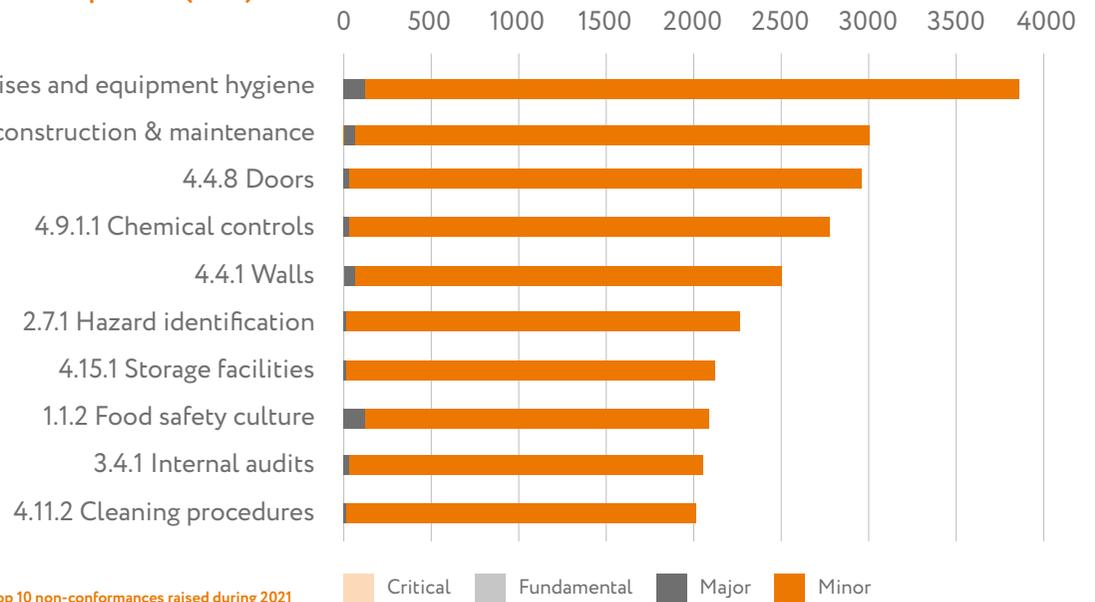


Fig. 2: BRCGS Food Standard – Top 10 non-conformances raised during 2021

The data shows us that 5.6% of clauses in the Food Standard account for 30% on raised non-conformities, so this information helps sites focus on areas needing improvement.

Rather than being a 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 analyse and report data, and develop materials to help sites and stakeholders in key identified areas.



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 over 10 years.

Standard	Number of CBs
Food	68
Packaging	40
Storage & Distribution	36
Agents and Brokers	23
Consumer products	10
START!	36
Gluten-free	28
Ethical	9
Plant-based	5

Fig. 3: No of Certification Bodies offering audits in the Standards

However, as the BRCGS progress, with changing demographic distribution of BRCGS certified sites and new standards being introduced, every year several new delivery partners are welcomed.

“We work with the best partners accross the globe.”

- 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

Fig. 4: Certification Body Approval procedure



Working with Certification Body Partners

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 performance through witness audits and audit reports review.

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. 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.

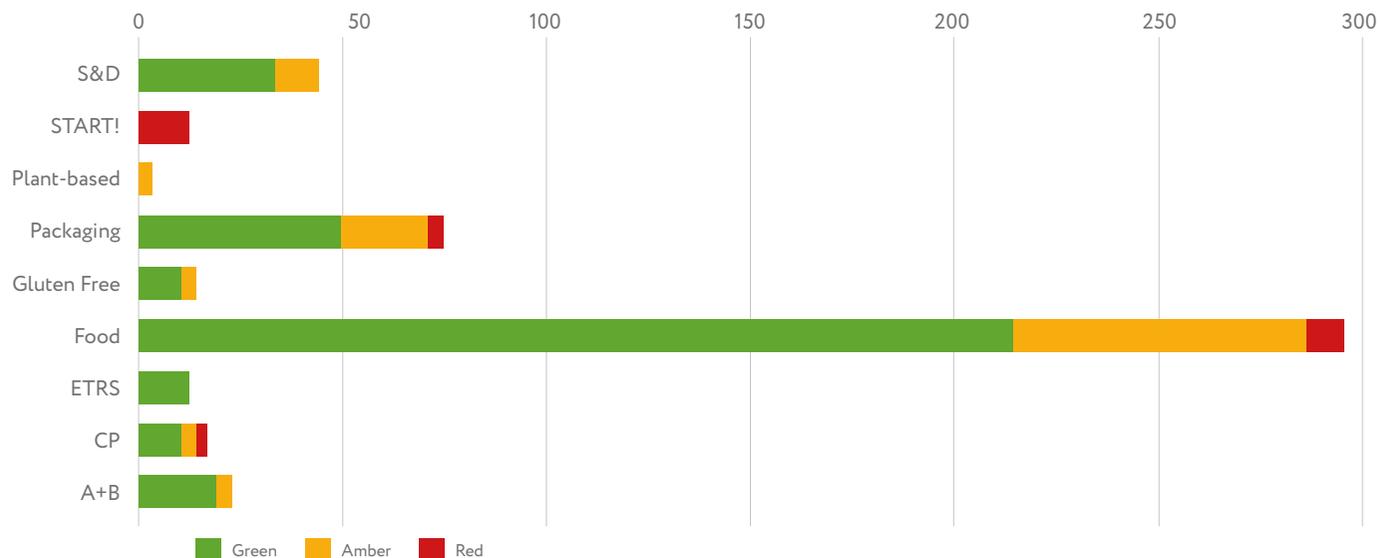


Fig. 5: Results for audit report reviews completed in 2021.

BRCGS has a structured requirement in place for audit reporting and checks that the reports are accurate and descriptive. Compared to other GFSI schemes, BRCGS reports have been stated as 'very comprehensive' and is a detail that we focus oversight on to get right. Reports should 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 500 audit reports reviewed in 2021, 73% was scored "green" complying with BRCGS requirements. 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.

We use our data submitted to the BRCGS Directory to interrogate the trends of >31,000 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 is a key stakeholder concern, and this is continually examined to ensure stakeholders have access to accurate and timely results through the publicly- available records on BRCGS Directory.

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.

Working with Certification Body Partners

Certification Body star ratings

Every 6 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.

2021-year performance – 97% of Certification Bodies with 5 or 4-star rating.

KPI Period	Total CBs	No of CBs with less than 5 audits submitted (no star rating provided)	Star Rating					
			0	1	2	3	4	5
KPI 23 Jan – June 2021	75	6	0	0	0	2	14	53
KPI 21 Jan -June 2020	71	0	0	0	0	0	15	56
KPI 20 July- Dec 2019	73	7	0	0	0	9	18	39
KPI 19 Oct 18 - March 19	68	0	0	0	0	7	19	42
KPI 18 April 18 - Sept 18	67	0	0	0	0	4	22	41
KPI 17 Oct 17 - March 18	67	1	0	0	1	7	24	34

Fig. 6: Certification Body star ratings

The star rating is based on the performance of the Certifications Bodies' head office's 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, the number of head office audits for underperforming and new Certification Bodies performed in 2021 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.

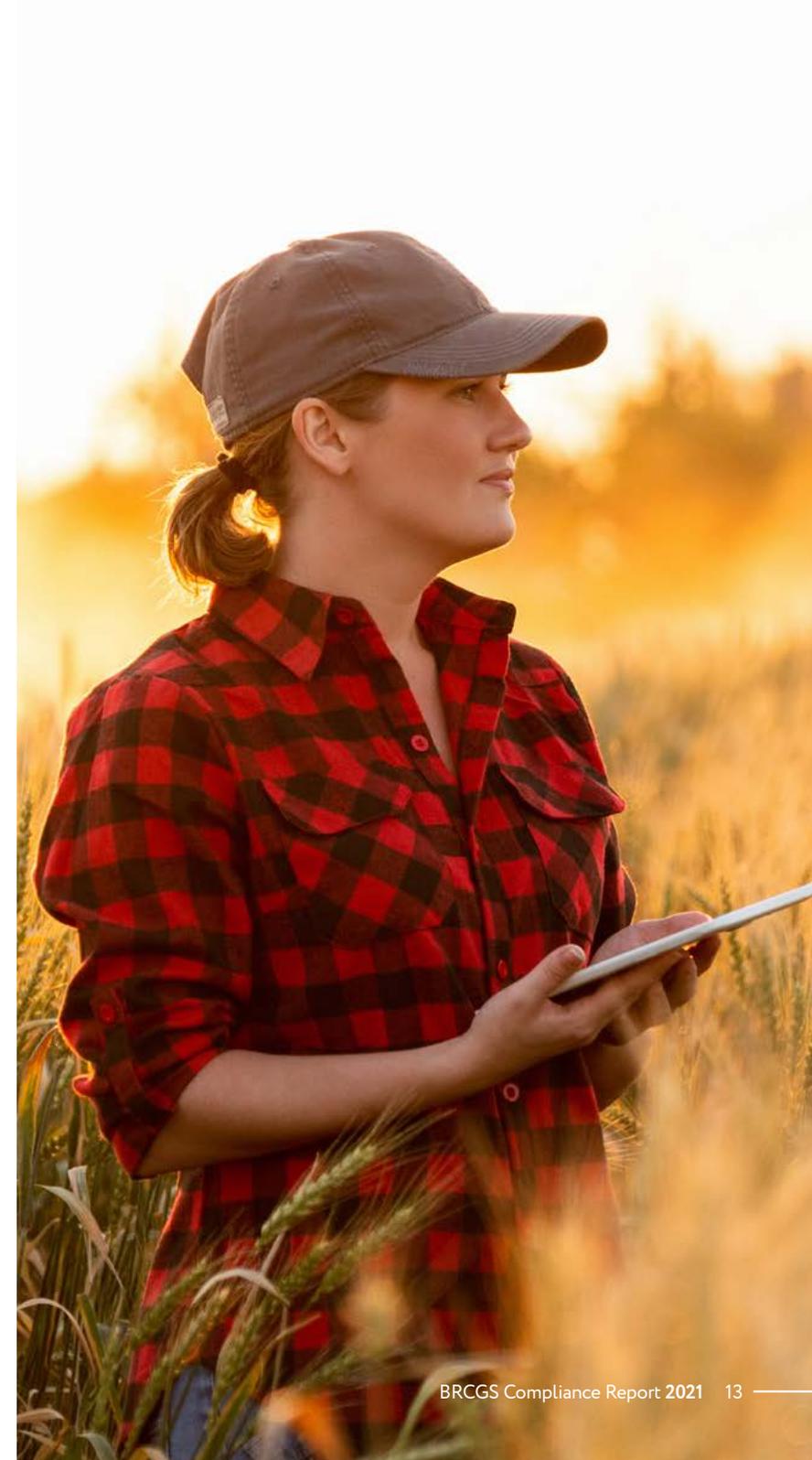
Sanctions

When a Certification Body drops below 3 stars, 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 to safeguard brand reputation.

Certification Body Communication

Effective communication is a key to success. BRCGS continue to develop new channels of communication with our partners to be able to support them, better understand the source of the non-conformances raised during the audits completed against BRCGS Standards, identify areas for improvement and agree action plan.





Certification Body communication



Delivery Partner
Relationship Manager
Jessica Burke

With increasing complexities of our growing company and portfolio of products, we recognise that our delivery partners need support to ensure focus to the BRCGS scheme. In 2021 BRCGS created a new role of Delivery Partner Relationship Manager as part of the Technical Team which was won by our colleague Jessica Burke.

Jess, based in Canada, has over 18 years of varied experience throughout the food industry having begun her career in an environmental and food testing laboratory. Jess is well versed in the needs to support sites in achieving certification having held roles responsible for quality assurance and food safety in the manufacturing industry, where she helped multiple companies strengthen their food safety systems and achieve GFSI certification. Jess has held multiple roles within BRCGS, including Technical Specialist for the Gluten-Free Certification Program and Plant-Based Global Standard, and Senior Technical Manager for the Americas region. With her breadth of knowledge and experience she is the ideal candidate to support BRCGS Delivery Partners in delivering world class service, through collaboration, facilitation and technical education in this new position as Delivery Partners Relationship Manager.

Quarterly Delivery Partner Webinars

In 2021 Jess has instigated and chairs quarterly online meetings to keep Delivery Partners aware of operational changes, expectations of audit consistency as well as feedback from our monthly KPI performance tracking.

These sessions provide us with a platform to communicate and clarify changes that have been introduced, and allow our Certification Bodies the opportunity to ask questions and

feedback comments, concerns, etc. They also allow us to ensure calibration among our CBs and ultimately drive improvement and consistency. In addition, the meetings serve as an opportunity to gather feedback from our partners and learn how we can improve

Quarterly Bulletin

All Certification Bodies receive our regular technical bulletins which provides Standard related updates and a list any new technical documents issued by BRCGS and requirements introduced, inform about upcoming BRCGS events, training, system changes or personnel changes at BRCGS.

Local CB group

In our efforts to enhance communication, we have taken various new initiatives this year to help our delivery partners and also strengthen Compliance in different regions:

We have a number of regional CB groups that meet regularly to discuss operational and technical issues with the BRCGS scheme with the aim to ensure consistency. We have initiated groups in Turkey and Egypt and therefore now have 13 regional groups operating worldwide.

Through these regional groups we have expanded our connection with regional CB representatives to understand their local concerns, brainstorming on key issues and working together on solutions as a regional whole rather than individual Certification Bodies tackling them alone. Acting on this feedback BRCGS has translated a number of Positions Statements and guidance documents into Chinese to help sites and auditors in the region. BRCGS has also employed a further Compliance auditor in China, being Chinese, speaks the language and understands the culture very well to support these initiatives.

Delivery Partners Conference

All Certification Bodies attend one of two annual conferences in the UK or the Americas and cascade the information of our continuing strategies to all personnel. For the second year, our Delivery Partner Conferences had been organised as a remote event, however we hope to meet our partners physically this year in May in the sunshine of Florida. All presentations and recordings were made available on the platform easily accessible to be shared with wider members of the team involved in the management of the BRCGS scheme.

Our auditors

2312 Auditors across the world

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.

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 2312 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.

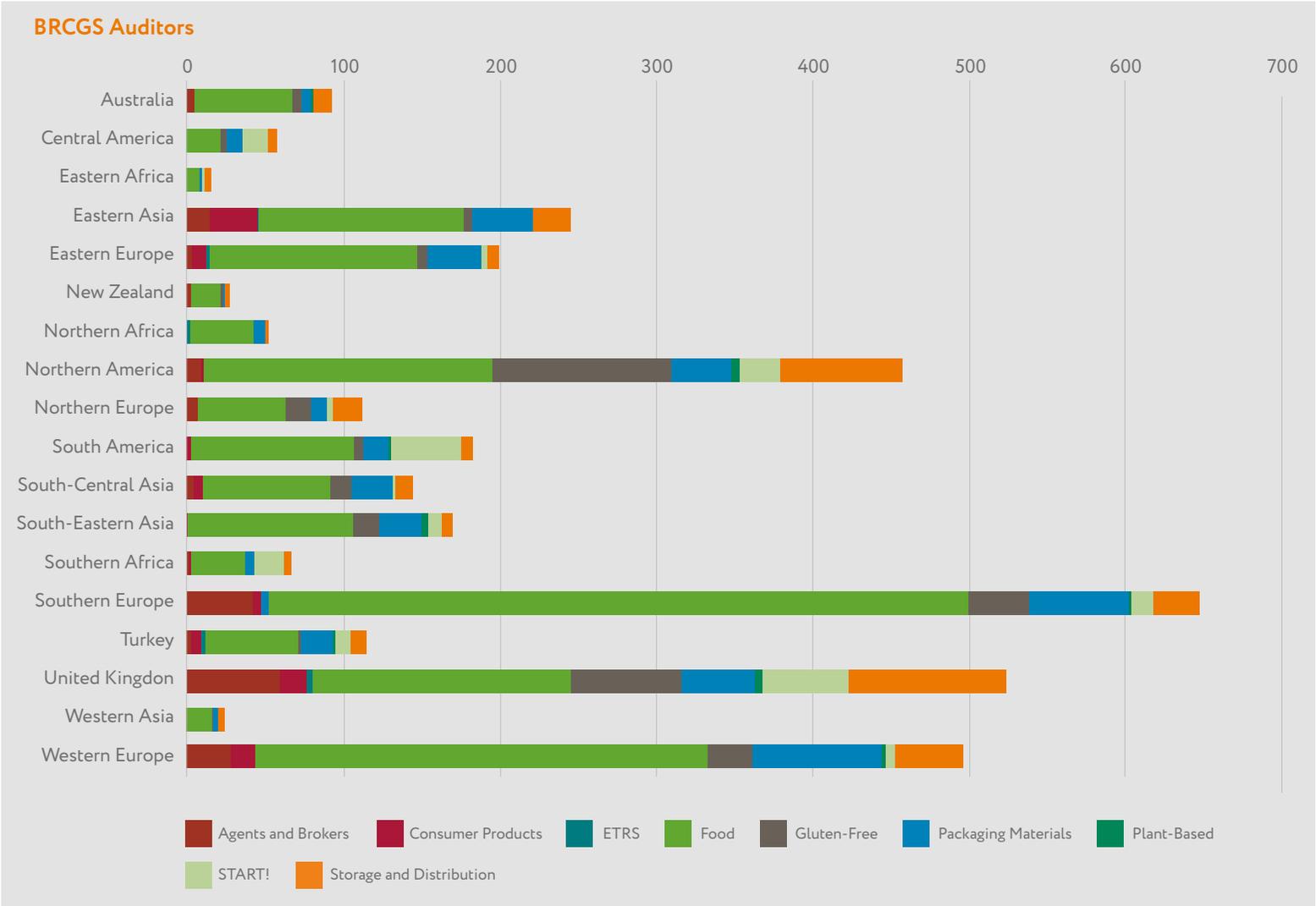


Fig. 7

Our auditors

Auditor Competency

BRCGS always focusses 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 13 years, that can be easily analysed in a number of ways through BRCGS Horizon. 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 the BRCGS or Certification Body including the access to the site by the auditor accompanied by other personnel for training, assessment, or calibration purposes.



BRCGS Schemes offered by Certification Bodies

BRCGS is a world leading third-party certification scheme with over 31,000 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 standard requirements we require from our partners.

In 2021 we saw the significant growth across all our Standards returning or exceeding the number of certificates issued from pre-pandemic level.

COUNTRY	Food	Packaging Materials	Storage and Distribution	Consumer Products	Agents and Brokers	Gluten-Free	ETRS	Plant Based	Total
Grand Total 2021	22098	5187	2246	804	685	339	16	4	31379
Grand Total 2020	20962	4742	2157	716	593	174	0	2	29346
Difference	1136	445	89	88	92	165	16	2	2033
% Increase	5.4	9.4	4.1	12.3	15.5	94.8		100.0	6.9

Fig.8: Total number of audited sites by standard – 2021 vs 2020

Our flagship BRCGS Global Food Safety Standard has been running for over 20 years now it continues to grow, particularly in China, Italy, India and Turkey. Similarly, our Packaging Material and Consumer products noted the highest growth in Asia. The highest growth in 2021 has been recorded for the BRCGS Gluten-Free Control Program with the majority of the sites joining the program located in Europe. The Standard also continue the gain popularity across North, Central and South Americas with new sites certified against the requirements. Together with Plant-Based Standard offered by BRCGS provide the solution for the companies providing products for growing customers' demands for more health-conscious plant-based alternatives and "free-from" foods.

With the start of the audits against new Issue 4 of the Storage and Distribution Standard in 2021 and new modules introduced which reflect the needs of the current marketplace, we saw the continuous growth of the Standard within Europe and across the globe in China, South Africa and North America countries. Also, we have observed accelerated growth with our Agents and Brokers scheme, which has now reached its seventh birthday with the new Issue published in 2021.

BRCGS Ethical Trade and Responsible Sourcing Standards, which is the first and the only scheme of this kind recognised by Sustainable Supply Chain Initiative (SSCI) has been chosen in 2021 by the number of the companies across Europe and China to demonstrate that they truly meet the growing ethical requirements.

The changing in the 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 provided additional training of each of our compliance auditors to make sure they can provide appropriate cover for all schemes and countries.



BRCGS Certified Sites - Global Distribution

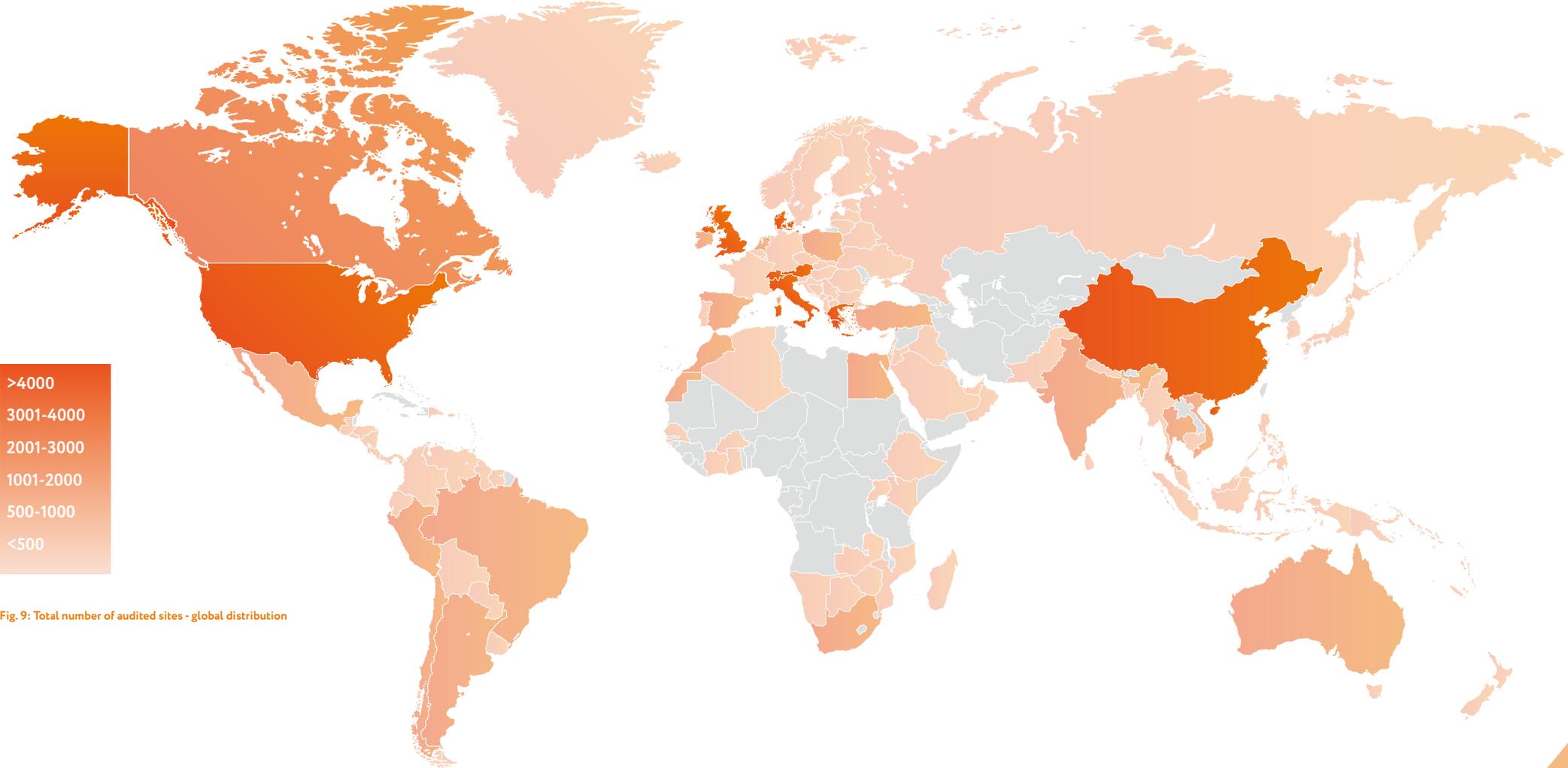


Fig. 9: Total number of audited sites - global distribution



BRCGS Standards

In order to retain our position of the most widely used Food Safety Standard we consistently review how our certification operates, what challenges the global food industry faces and keep abreast of the evolving technologies and consumer issues.

Generally our Standards go through a full review every 3-4 years to ensure they are up-to-date and best in class and meet changing benchmarking requirements such as GFSI.

Our programme for review of our flagship Food Standard to the next issue is well underway and has been discussed in detail with a large international group of experts across a number of meetings during 2021. At the time of writing the group have reviewed the comments received from our public consultation of our draft and are putting together the final document for publication in August 2022. All our Standards are supported by comprehension training and implementation guides across a number of languages.

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 chain of custody on which businesses and consumers rely.

BRCGS launched the new upgraded Issue 3 of the Global Standard for Agents and Brokers on the 1st October 2021 ready for audits to commence from 1st April 2022. 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. Established in 2014, there has been a year-on-year increase in the recognition of the Standard, and there are currently approximately 680 certificated businesses across 27 countries.

John Figgins, BRCGS Technical Manager, who led the revision of the Standard said: “Our new Standard has evolved to meet changing supply chain dynamics, technological advances and product safety concerns in the industry. This process involves wide consultation and BRCGS really appreciates the contribution from our stakeholder groups in Europe and North America to bring this Standard of excellence to publication”.

BRCGS’s 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 certified are also able to include these trusted marks on their products.

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 Plant-Based Global Standard is BRCGS’ latest offering in our Free-From certification product range, with the first issue released in January 2020 and was developed in response to the shift in consumer purchasing behaviour that has led to rapidly growing demand for plant-based products. The industry has been challenged with meeting consumer demands while also protecting brand reputation and mitigating risk. The Plant-Based Global Standard is a unique certification in the market as it focuses on a management system approach to producing products free from materials of animal origin, providing certainty for industry and consumers alike.

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.

>96% of sites were satisfied with the performance of the Certification Body and would use the same Certification Body again to complete our BRCGS audits.

>75% of sites chose BRCGS certification because it was a customer/retailer requirement for BRCGS/GFSI benchmarked scheme.

93% of sites rated the overall performance of the auditor between 8/10 to 10/10 (Very Good-Excellent)

Auditor Performance

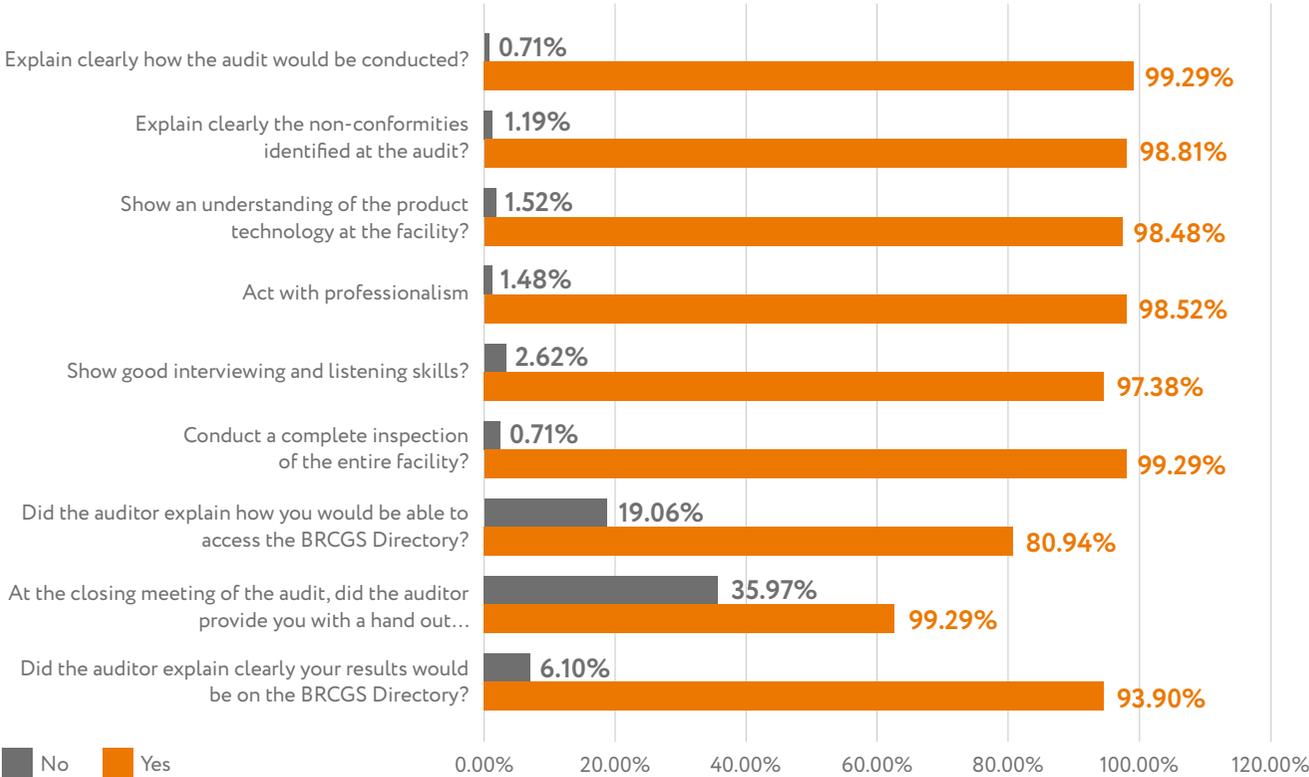


Fig. 10



The all-inclusive BRCGS service package

All BRCGS certificated sites have free 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.

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 'license to trade' as BRCGS is widely recognized and accepted by 70% of the top 10 global brands.

BRCGS Participate

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 growing global network of over 11,000 industry professionals.

BRCGS Insight Benchmarking

Through BRCGS Participate, certificated sites can access performance benchmarking information, known as Insight Reports. This can be used to compare performance against similar businesses to identify areas of improvement, achieve KPIs, and for promotion to new and existing customers.

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.

NEW: 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.



Delivering Food Safety Culture Excellence

Cultural performance is developing into a fundamental part of food safety, where the use of behavioural science is supplementing science, and compliance is measured through organisational culture, behavioural measures and team dynamics.

Cultural performance is not only a requirement of our standards, it is also referenced in HACCP and the Codex Alimentarius, as well as emerging as a regulatory requirement in the US and Europe.

The latest revision to HACCP and the Codex Alimentarius states that food manufacturers must “Build a positive food safety culture by demonstrating their commitment to providing safe and suitable food and encouraging appropriate food safety practices”. Similarly, the European Commission has announced its intention to include food safety culture as a general principle into Regulation (EC) No 853/2004, as has the US Food and Drug Administration (FDA). In addition, State regulators in Australia / NZ have also introduced food safety culture requirements in the Dairy sector.

Recognising the important role that culture plays in effective food safety management, these drivers seek

to align regulation with the evolving expectations of consumers and trade partners and urges businesses to commit to culture improvements. A position also adopted by GFSI.

The lack of a culture plan is one of the main non-conformity found in sites and a growing number of companies are also taking a greater interest in cultural performance as they seek additional assurance from their suppliers. BRCGS provides a solution for certificated sites – Food Safety Culture Excellence.

Food Safety Culture Excellence is a tool that will guide sites into how to measure and improve cultural performance:

- Determines strength and weakness in their food safety capability
- Provides an 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

“Build a **positive food safety culture** by demonstrating their commitment to providing safe and suitable food.”



say it increases audit readiness



of clients increased their performance



say it increases compliance



of clients increased their performance



say it increases non-conformities



of employees who start the survey complete it



say it tracks progress yearly



of clients who piloted extended to more sites



Exchange knowledge and best practice through BRCGS Events

The BRCGS events programme is the only networking platform dedicated to food safety and consumer protection. Whether you choose to join virtually or in-person, our events provide an opportunity to meet peers from around the industry, share best practice and develop your skills and knowledge.

With BRCGS events, you can expect rich and insightful content, delivered by leading industry experts, that reflects the current trends, challenges and opportunities of today's food safety industry.

Through our events, we bring together brand owners, manufacturing sites, Certification Bodies, approved training partners, consultants, and BRCGS trained professionals.



Let's keep in touch

Keep up to date with the latest news and information

SUBSCRIBE TO OUR NEWSLETTER

