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
4	15/11/2022	***NEW*** Position Statement 4- Use of hairnets in Open Product Handling areas Clarification regarding handwash facilities in Open Product areas ***NEW*** Position Statement 5- Changing the certification body for a re-audit ***NEW*** Position Statement 6- Changes to unannounced audit protocol for non-audit days and re-audit dates. ***NEW*** Position Statement 7- Changes to certificate validity for existing 18 month certificates
5	08/11/2023	***NEW*** Position Statement 8-

		Update to the protocol for section 11- Cross Docking module- NC rating

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, 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 were 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, the 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 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	• Check product included within scope. • Trimming completed for aesthtic purposes only
SITE Food Safety Rationale	• Conduct a risk assessmnet • Food Safety Rationale- explain criteria that maintains food safety • Document food safety rationale and submit to the CB
SITE & CERTIFICATION BODY Discussion	• CB to analyse and accept the food safety rationale
CERTIFICATION BODY & BRCGS Agree Concession	• CB to sumit a concession request to BRCGS Compliance team • Capture concession number on the report
AUDITOR Assess effectiveness	• 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	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. The plan may consider: • 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 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.
Interpretation	The fraud vulnerability assessment plan should document: • 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.

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 the 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

POSITION STATEMENT – 4

Based on the feedback and enquiries received from various sites and certification bodies, we are making some clarifications about clauses relating to Section 9 – Handling of open food products.

9.2- Staff facilities

9.2.2	Where open food products are stored and handled, toilets shall not open directly into the storage areas, and hand-washing facilities cannot be located within the toilets.
Interpretation	Toilets must be adequately segregated and must not open directly into product-handling areas. There should be an intermediate ventilated space between the toilet cubicle and product-handling area to prevent foul odours. Dedicated hand-washing facilities must be provided at entrances to product-handling areas and, where appropriate, at additional points within the operation.

Clarification:

If open product handling on site is restricted to the employees' lifting and moving trays of open product limited to fresh produce e.g. open boxes and trays of fruit and vegetables, including produce in palletainers, stillage, etc, then a risk assessment may be used to determine the risk to the open product and hence, to determine the requirement of separate hand wash facilities.

If there is any additional handling of the open product e.g., picking or sorting, etc. then a separate hand wash facility is required. The hand washing facilities cannot be located within the toilets.

9.6- Protective clothing

9.6.5	All hair shall be fully covered to prevent product contamination.
Interpretation	Headwear such as mob hats or hairnets must completely cover head hair to minimise potential contamination.

Clarification:

If open product handling on site is restricted to the employees' lifting and moving trays of open product limited to fresh produce e.g. open boxes and trays of fruit and vegetables, including produce in palletainers, stillage, etc, then a risk assessment may be used to determine the risk to the open product and hence, to determine the requirement of hair nets or mob caps.

If there is any additional handling of the open product e.g., picking or sorting, etc. then hair nets or mob caps shall completely cover head hair to minimise potential contamination.

Effective: 1 January 2023

POSITION STATEMENT – 5

Changing Certification Body for a Re-audit

In addition to the situations described in section 2.8.7 of the audit protocol, an early re-audit may occasionally be requested by a site – usually shortly after the previous audit or following a failure to get certificated. This often occurs because the site wants to improve its audit grade.

Sites have the ability to request a re-audit however this must be completed by the Certification Body who issued the current certificate.

In exceptional circumstances, a site may be permitted to change Certification Bodies for the re-audit when agreed in advance by BRCGS.

Where a change in Certification Body has not been sanctioned, the re-audit will be null and void and will not be accepted onto the BRCGS Directory.

Justification shall be provided in writing to the Certification Body who shall submit it to BRCGS for consideration through the formal concession process.

This requirement applies only when an early re-audit has been requested; it does not change the process for re-audits completed to the normal 6- or 12-month schedule.

Effective: 1 February 2023

POSITION STATEMENT – 6

Changes to the unannounced audit protocol (Option 1- single visit) for recertification audit window and number of non-audit days:

To ensure that all BRCGS Standards maintain comparable audit protocol for unannounced audits, BRCGS have made 2 changes to the unannounced audit protocol (Option 1- single visit) for Global Standard Storage and Distribution Issue 4. These changes can be summarised as:

- a reduction of the unannounced audit window from 9 months to 4 months.
- a reduction in the number of non-audit days which a company can nominate from 15 days to 10 days.

These changes come into effect on 1st February 2023 (i.e. apply to all unannounced storage and distribution audits starting on or after 1st February 2023).

Therefore, from 1st February 2023 the following text replaces sections 4.1.4 and 4.8.1 of the audit protocol currently in the Standard:

Section 4.1.4 Nominating non-audit days

The unannounced audit programme allows sites to nominate up to 10 days when the site is not available for an audit. The dates must be provided at least 4 weeks in advance and the reason must be provided (e.g. a planned customer visit). The certification body may challenge a reason where it does not appear appropriate.

Days when the site is not operating (e.g. weekends, public holidays, planned shutdowns for site holidays or maintenance) are not included within the 10 days. Any such days shall be notified to the certification body when opting into the unannounced scheme.

Certification bodies are expected to operate discretion in the case of emergencies.

It is a condition of joining the unannounced scheme that the auditor shall be granted access to the site on arrival. If access is denied, the site will be liable for the auditor's costs and will revert to the announced audit scheme. At the discretion of the certification body, the existing certificate may also be suspended or withdrawn.

Sites on a 6-month audit schedule (e.g. sites certificated to the Standard with grades C or D) may nominate a maximum of 5 days.

Section 4.8.1 of the Protocol- Unannounced audit protocol: Option 1 (Single visit): Scheduling re-audit dates has been updated:

The site can choose whether to:
• remain within the unannounced Option 1 programme
• transfer to the unannounced Option 2 programme
• revert to the announced audit programme.

If the site wishes to remain in the Option 1 programme, the audit may occur at any stage within the last 4 months of the audit cycle, including the 28 calendar days before the audit

due date. The audit will be unannounced, and the date of the audit shall not be notified to the site in advance.

It is the responsibility of the certification body to ensure that the audit is undertaken within the certification window.

If the site opts to move to the unannounced Option 2 programme, the rules for that programme will apply and the announced systems audit will occur within the 28-day window based on the initial audit date.

If the site wishes to withdraw from the unannounced audit programme, the next audit will be scheduled to occur within the 28 days up to and including the anniversary of the last audit date; this ensures that the maximum time between audits is not more than a year.

In some situations, the certification body may have already scheduled the unannounced audit with a 9 month timescale (for example, to ensure time for planning of visas). To accommodate this, BRCGS will allow certification bodies to complete audits outside the 4 month window but within the 9 month window until 1st July 2023. After this date, all unannounced audits will be carried out within the 4 month window as described in this position statement.

Effective: 1 February 2023

POSITION STATEMENT – 7

Currently, the BRCGS Storage and Distribution Standard allows an 18-month validity of the certificate for existing, certificated sites which are handling consumer products only (or 12 months for sites with grades C/C+ and D/D+).

To align with our other Standards, this maximum certificate validity will change from:
18 months to 12 months for sites with grades AA/AA+, A/A+ or B/B+
12 months to 6 months for sites with grades C/C+ or D/D+

This will be effective from 1st February 2023.

All certificates issued against audits carried out prior to the 1st February 2023 are not affected by this position statement and remain valid for the full period specified on the certificate. Successful audits completed after this date will result in a certificate with 6 or 12 months depending on the grade.

POSITION STATEMENT – 8

Currently, the BRCGS Storage and Distribution Standard Issue 4 does not specify how the non-conformities are rated for Section 11- Additional module for Cross-Docking. The aim of this position statement is to further clarify the protocol for the cross-docking module described in section 1.6 of the Audit Protocol of the Standard.

1.6.5 Audit reporting and certification

A separate audit report is completed for each cross-docking site- SDAM11401. The Non-conformities of the cross-docking module are not included in the main site's count of non-conformities and hence, it does not affect the grade or the certification status of the main site.

The Non-conformities for the cross-docking module and the scoring will be as per the table below-

<table>
<tr><th>Critical</th><th>Major</th><th>Minor</th><th>Process for corrective action</th></tr>
<tr><td>0</td><td>0</td><td>3 or less</td><td rowspan="2">Provide objective evidence within 28 calendar days</td></tr>
<tr><td>0</td><td>1</td><td>2 or less</td></tr>
<tr><td></td><td></td><td>>3</td><td rowspan="3">Certificate not issued. Full re-audit required for the cross-dock site to be certificated.</td></tr>
<tr><td></td><td>>1</td><td>>2</td></tr>
<tr><td>1 or more</td><td></td><td></td></tr>
</table>

The classification of the non-conformities will remain the same as per section 2.4 of the Audit Protocol-

Critical: Where there is a critical failure to comply with a product safety or legal compliance issue

Major: Where there is a substantial failure to meet the requirements of a statement of intent or any clause of the Standard, or where a situation is identified which would, on the basis of available objective evidence, raise significant doubt as to the conformity of the product or services being supplied

Minor: Where a clause has not been fully met but, on the basis of objective evidence, the conformity of the product is not in doubt.

After a successful outcome of the audit process, a cross-docking annex shall be issued by the certification body, along with the main certificate. The annex shall include the names and location details of the cross-docking facilities (see Appendix 5 of the Standard for a template of the cross-docking annex).

If a cross-docking site/facility fails its audit, the company in turn will fail to gain certification to the cross-docking module. Where certification has previously been awarded to a cross-docking site, the certification body shall withdraw and re-issue the certificate without the cross-docking module being included in the scope.

In this case where a cross-docking site/facility fails its audit, only the cross-docking site/facility will require a re-audit and not the main site.