Safe Quality Food
Food Safety Certification

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SQF Institute
The Value of Third Party Accredited Auditing

Understanding SQF 2000 in the Packaging Industry

February 19th, 2010
Discussion Points

- Overview of Third Party Accredited Auditing
- Details on the SQF Program
- SQF Technology
- Getting started with SQF

Try to make some sense of a program that is very convoluted and sometimes misunderstood
Oversight Hierarchy

Consumer Goods Forum

GFSI

Scheme Owners (SQFI)
What is CIES/GFSI Oversight?

- 1953 - The CIES (International Committee of Food Retail Chains) Now known as the Consumer Goods Forum – 2009

- 2000 – GFSI (Global Food Safety Initiative) made up of hundreds of suppliers, retailers and food industry leaders – given the task of “harmonizing” global food safety standards and oversight processes under and “accredited” scheme
Global Food Safety Initiative

- **Global Food Safety Initiative**
  - The Global Food Safety Initiative (GFSI), an independent non-profit foundation managed by The Consumer Goods Forum, was founded in 2000. It is:
  - **An industry-led initiative** that was created following a directive from food business CEOs after several food safety scares led to a loss of consumer confidence.

A **benchmarking organization** promoting convergence between food safety standards through a benchmarking process for food safety management schemes. Common acceptance of these by manufacturers and retailers will lead to improved cost efficiency in the food supply chain.

A **unique stakeholder platform** that brings together food safety experts to network, exchange knowledge and share information on best food safety practices.

Find out more about this initiative on the GFSI website [www.mygfsi.com](http://www.mygfsi.com) or contact us gfsinfo@theconsumergoodsforum.com
Scheme Owners and “Benchmarking”

- There are several “benchmarked” schemes available to suppliers who want to get certified, IFS, BRC, SQFI and others.
- Each scheme owner is required to submit their process and standard to the GFSI for approval every three years.
- The Scheme owners are responsible for oversight of their process and management of their standard (also known as a code)
Scheme Owners and “Benchmarking”

- Scheme owners manage technical and advisory committees made up of industry representatives who provide input on new guidance documents and management of the scheme processes.
- Scheme owners work on GFSI working committees (accreditation, evolving markets, technical advisory) to provide guidance on overall program management.
- Allows for transparency and global acceptance of standards and processes.
What’s the difference between 3rd and 2nd party auditing?

- 2nd Party Audits are those audits developed and conducted by an auditing company or firm.
- They are not benchmarked against a globally recognized scheme.
- They are not accredited against any form of ISO standard.
- They are usually proprietary to a specific certification body.
What’s the difference between 3rd and 2nd party auditing?

- **3rd Party Audits** are those audits developed and conducted by an auditing company or firm on behalf of a Standard Owner (SQFI).
- They are benchmarked against a globally recognized scheme (GFSI) and recognized as a globally accepted standard.
- The certification bodies (auditing companies) are accredited against ISO standards and monitored by accreditation bodies such as ANSI, ANAB, or JAZ-ANS.
- They are not proprietary to a specific certification body and can be used by all.
The Safe Quality Food Institute

- Is the only US Based GFSI benchmarked standard and scheme
- Based in Washington DC and affiliated with the Food Marketing Institute
- Provides detailed oversight and daily management of the SQF standard and supporting processes
- Focus on consistency, qualification management and training of auditors
Evolution of SQFI

- 1994 – SQF 2000 for Manufacturing Designed
- 1995 – First SQF 2000 Certificates Issued
- 2000 – SQF 1000 for Agriculture Designed
- 2001 - SQFI established in the USA
- 2008 – Packaging Guidance Drafted
- 2009 – 3000+ sites certified (3 Packaging)
- 2010 – SQF22000 Designed and Benchmarked
Managing the SQF Program

- Accreditation Body
  - Accredits
  - Certification Body
    - Audits & Certifies
      - SQF Certified Supplier
        - Implements & Maintains SQF System
          - SQF Auditor
            - Trains
              - License
                - SQF Institute
                  - Register
                    - License
                      - GFSI
            - SQF Training Center & Regional Representative
              - SQF Consultant
                - Trains
                  - SQF Practitioner
What Makes SQF Unique?

- Accreditation / Certification process
  - Oversight by Accreditation Bodies / Standard Owner
- Auditor qualification / registration process
- Audit standards / guidance documents all free for download from www.sqfi.com
- Standard Risk Based – Not Prescriptive
  - Supplier always has the option to conduct risk assessment to determine applicable controls to address hazard based on risk
- Produce Quality Management System – certified product quality at level 3 certification
- Audit frequency based on supplier performance
Stakeholder Access to SQF Quickfire

Audit Results visibility
Data analysis and trending

1. Registration
2. Scheduling
3. Audit completion using Quickfire PAF
4. CA management
5. Non-Conformance
6. Approvals
7. Admin
8. Buyers / Retailers

SQF Quickfire
Certification Bodies
Auditors
Public Access

SQF
Certification Bodies for SQF

- AIB
- Cert - ID
- DNV
- Eagle Registrations
- GFTC
- NCSI
- NSF International

- QMI SAI Global
- SCS
- SGS
- Silliker
- Stertiech
- TUV SUD America
What is the Value to a Supplier?

- The intent of such a program is to provide sufficient oversight and accountability at all levels of the auditing processes.
- Most importantly at the Auditor Level where if there is sufficient variability an audit could be viewed as flawed or inaccurate.
- A supplier should have assurance that the person conducting the audit, and the standard being used is highly credible and meets all current industry standards and protocols.
- The supplier should require less annual inspections if retailers all agree to accept all GFSI benchmarked certifications.
The SQF Codes

SQF 1000 – HACCP based supplier assurance standard for primary producers

SQF 2000 – A HACCP supplier assurance standard for the manufacturing sector

Both Standards have been benchmarked against the GFSI Benchmarking Document at Level 2.

ARE NOT AUDIT CHECKLISTS
The Codes in Outline

Primary Producer

- 4.0 SQF System Requirements
  - 4.1 Commitment
  - 4.2 Documentation and Records
  - 4.3 Specification and Product Development
  - 4.4 Attaining Food Safety
  - 4.5 Verification
  - 4.6 ID/Trace/Recall
  - 4.7 Site Security
  - 4.8 Identity Preserved Foods

Manufacturer

- 5.0 Food Safety Fundamentals
- 6.0 Pre-requisite Programs
- 7.0 Requirements for Hermetically sealed containers

(SQF 2000 only)

- Three levels of certification
The SQF Program

Level 1: Food Safety Fundamentals
Level 2: Food Safety Plan
Level 3: Food Quality Plan

HACCP for Safety
Pre-requisite Programs
Premise & Equipment

HACCP for Quality
Food Quality Plan
Food Sector Categories (FSC)

- For registration purposes, we have divided the food industry into 35 food sector categories (FSC).
- SQF registers auditors and consultants based on their work experience and expertise in specific food sector categories.
  - Example: Auditor - 5 years work experience or 20 audit days in high risk processes per FSC.
- This ensures that only auditors and consultants with demonstrated expertise can perform requested service.
- The Packaging FSC is under #27.
Guidance Documents for SQF

- General Processing Requirements
- Produce Packing House (FSC 4)
- Shell Egg (FSC 12)
- Transport and Distribution (FSC 25 & 26)
- Packaging (FSC 27)
- To begin in Q1 of 2010
  - Dairy (FSC 10)
  - Brokers (FSC 35)
Packaging Guidance Document

- Is not a “stand-alone” standard, but gives guidance to the auditor on how to apply the SQF2000 code to the packaging industry.
- Was designed by person’s associated with the packaging industry.
- Is approved as a GFSI accepted guidance when applied to the SQF 2000 Level 2 standard.
“The food manufacturer will regard packaging materials as having the same status as any raw material and should ensure that the packaging poses no safety risk to the product they produce. It is important that packaging manufacturers and converters are fully aware of the end use of the products they produce and work closely with their customers to ensure that the safety, legality and quality of the finished food product is not comprised during its processing or storage.”
Perspective of the Packaging Guidance

- That the packaging industry is diverse in both its scope of raw materials, products and processes.
- Packaging manufacturing may also be interrelated between different types of materials and processes.
- Each process is different and requires different disciplines and working practices.
- It focuses on processes, not product. It is risk-based, not merely a checklist.
SQFI Technology

- User friendly web-site
- On-line examination
- On-line training materials
- SQF application submission and processing
- SQF Quickfire (audit database)
To find more details on SQF program, visit www.sqfi.com
SQF On-line Training

- SQF Exams
  - SQF Core
  - SQF Auditor
  - SQF Implementing 2000
  - SQF Implementing 1000 (under development)

- SQF On-line Courses
  - SQF Core Modules
  - SQF Implementing 2000
  - SQF Implementing 1000 (under development)
SQF Core Modules On-line Training

Overview of the Core Modules Training Sessions

C-1 Introduction & Overview of the Course

C-2 About Quality, Customers & the Cost of Quality

C-3 The SQF Codes, Food Sector Categories, SQF Vocabulary, Use of the Logo, SQF Practitioner/Consultant

C-4 Implementing and Maintaining SQF Systems

C-5 Auditing & Certification of SQF Systems – a Supplier Overview

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My Work
PAF Reader > SQF Audit

Navigation Tree

Question

Primary Response

Secondary Responses

Guidance
Records of inspections and analyses MUST be maintained. The Supplier MUST document a procedure outlining the Responsibility for raw material inspection and analyses.
Site > List of Non Conformances

SQFi Quickfire [Beta 1]

RGB Foods International

My Work > Sites > Site Details > Non-conformances

### Non-conformances

<table>
<thead>
<tr>
<th>Audit Ref</th>
<th>Audit Date</th>
<th>Audit Text</th>
<th>Question Numbe</th>
<th>Question Category</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>SQF2-DA 0173</td>
<td>01/Oct/2008</td>
<td>SQF2000 Document Audit L3</td>
<td>4.2.2 ii-iv</td>
<td>Other</td>
<td>Minor</td>
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<tr>
<td>SQF2-DA 0173</td>
<td>01/Oct/2008</td>
<td>SQF2000 Document Audit L3</td>
<td>4.6.3 i</td>
<td>Other</td>
<td>Critical</td>
</tr>
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<td>SQF2-DA 0173</td>
<td>01/Oct/2008</td>
<td>SQF2000 Document Audit L3</td>
<td>4.3.1 ia-b</td>
<td>Other</td>
<td>Major</td>
</tr>
<tr>
<td>SQF2-DA 0173</td>
<td>01/Oct/2008</td>
<td>SQF2000 Document Audit L3</td>
<td>4.2.2 i</td>
<td>Other</td>
<td>Major</td>
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<tr>
<td>SQF2-DA 0173</td>
<td>01/Oct/2008</td>
<td>SQF2000 Document Audit L3</td>
<td>4.2.1.1i+iv</td>
<td>Other</td>
<td>Minor</td>
</tr>
</tbody>
</table>
Site Details > Non-conformance > Details

SQFi Quickfire [Beta 1]

Details
My Work > Audit Groups > Non-conformances > Details

Actions ▼
Non-conformance Details
Audit Type: SQF2000 Document Audit L3 Section: Management Policy
Section Observation: [No section observation]

Question Number: 4.1.1.iii Question Category: Other
Question: Does the Policy Statement further outline the Supplier’s commitment to food quality and continuous improvement which is relevant to the Supplier’s goals and customer requirements, to make the resources available to achieve this and support the development?

Primary Response: Critical
Secondary Response:
- Resources not available
- Continuous improvement not addressed

Observation: Raw material inspection process is poor and needs addressing.

Action Point
The Policy Statement shall further outline the Supplier’s commitment to food quality and continuous improvement which is relevant to the Supplier’s goals and customer requirements and make the resources available to achieve this.
SQF Quickfire Updates

- **Buyer Module for SQF Quickfire**
  - Buyer profile in Quickfire
  - Buyer access to supplier data once supplier chooses buyer
  - Buyer automatic notification of supplier certification status change

- ICIX interface

- SQF 2000 audit checklists available in Spanish
SQF Buyer Module - Reports

- SQFI Audit Report
  - Scored audit report (document review or facility assessment)
  - Ability to filter audit reports
    - Show entire report
    - Show only non-conformances

- Audit Response Details
  - Raw data of the audit report
  - Exportable to excel for data management
Buyer Report – SQFI Audit Report
Corrective action plan

- Access all corrective action responses from supplier
- Track status of all correction actions
- Exportable to excel for data management
# Buyer Report – Corrective Action Plan

<table>
<thead>
<tr>
<th>Question No</th>
<th>Action Point</th>
<th>Action taken</th>
<th>Assign To</th>
<th>Required Completion Date</th>
<th>Actual Completion Date</th>
<th>Priority</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2.2.2</td>
<td>Prepare an action plan against a timeline showing the incremental improvement of the drains.</td>
<td>See action plan attached.</td>
<td>Brent Frier</td>
<td>5/8/2009</td>
<td>5/8/2009</td>
<td>100</td>
<td>Closed</td>
</tr>
<tr>
<td>6.2.3.1</td>
<td>Prepare an action plan against a timeline showing the incremental improvement of the walls or covers.</td>
<td>See action plan attached.</td>
<td>Brent Frier</td>
<td>5/8/2009</td>
<td>5/8/2009</td>
<td>100</td>
<td>Closed</td>
</tr>
<tr>
<td>6.2.3.2</td>
<td>Prepare an action plan against a timeline showing the incremental improvement of the floor/wall points.</td>
<td>See action plan attached.</td>
<td>Brent Frier</td>
<td>5/8/2009</td>
<td>5/8/2009</td>
<td>100</td>
<td>Closed</td>
</tr>
<tr>
<td>5.2.8.1</td>
<td>Prepare an action plan against a timeline showing the incremental improvement of the ventilation system.</td>
<td>Employees were informed of the good practices to use with the stand-up fans. An internal notice was transmitted to the line supervisors.</td>
<td>Brent Frier - Marie-Eve Lalonde</td>
<td>5/8/2009</td>
<td>5/8/2009</td>
<td>100</td>
<td>Closed</td>
</tr>
<tr>
<td>5.2.9.2</td>
<td>Add appropriate work stations at the said site, identify if there is need in other processing areas and correct accordingly.</td>
<td>An action plan was created by Brent Frier for the ventilation system.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.2.12.1</td>
<td>Install necessary number of racks (or similar apparatus).</td>
<td>Added shelves on several places in the plant (near the sinks, for the gloves) and racks to hang protective clothing in areas were used.</td>
<td>Brent Frier - Marie-Eve Lalonde</td>
<td>5/8/2009</td>
<td>5/8/2009</td>
<td>100</td>
<td>Closed</td>
</tr>
<tr>
<td>5.2.12.2</td>
<td>Install necessary number of racks (or similar apparatus).</td>
<td>Added shelves near the sinks to put the gloves when not used. Also added racks for the employees to hang their protective clothing when they leave the production zones.</td>
<td>Brent Frier - Marie-Eve Lalonde</td>
<td>5/8/2009</td>
<td>5/8/2009</td>
<td>100</td>
<td>Closed</td>
</tr>
<tr>
<td>5.4.1.3</td>
<td>In short term empty out the water from cooler and dry the area. In long term introduce necessary slope and drains in the cooler.</td>
<td>New cooler is in process to be built. Ingredients will be transferred in the new cooler. The old cooler will be used to store apples. A drain will be added. See action plan attached.</td>
<td>Brent Frier.</td>
<td>5/8/2009</td>
<td>5/8/2009</td>
<td>100</td>
<td>Closed</td>
</tr>
<tr>
<td>5.4.5.3.1</td>
<td>Introduce required elements in the chemical storage room.</td>
<td>Chemical storage room will be rebuilt and</td>
<td>Brent Frier</td>
<td>5/8/2009</td>
<td>5/8/2009</td>
<td>100</td>
<td>Closed</td>
</tr>
</tbody>
</table>
Getting Started with SQF

1. Learn about the Standard – attend a classroom “Implementing SQF 2000 Systems” training (optional)
2. Designate an employee as the SQF Practitioner – this will be the internal expert on SQF
3. Obtain proposals from potential Certification Bodies (CBs)
4. Conduct a pre-assessment – either a CB auditor or your SQF Practitioner can identify the “gaps” between your program and the desired level of SQF certification (optional)
5. Choose CB, define scope of certification (products)
6. CB conducts initial certification audits:
   - Document Review
   - Facility Assessment
SQF Initial Certification Audit

- **Document Review**
  - Done on-site or off-site
  - ½ day to full day
  - All policies, documents, and procedures are to be assessed, even those managed by corporate

- **Facility Assessment**
  - Generally 1-3 day audits, depending on scope and size of facility
  - Auditors must spend 80% of time in the facility, focus on interviews of key personnel, GMPs, implementation of programs reviewed, validations and records
# Annual Costs to Suppliers for SQF

## Registration Fee for Certified Suppliers

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Suppliers with a gross sales &gt;$50 Million</td>
<td>$500</td>
</tr>
<tr>
<td>B</td>
<td>Suppliers with a gross sales &gt;$25 Million &lt; $50 Million</td>
<td>$400</td>
</tr>
<tr>
<td>C</td>
<td>Suppliers with a gross sales &gt;$5 Million &lt; $25 Million</td>
<td>$300</td>
</tr>
<tr>
<td>D</td>
<td>Suppliers with a gross sales &gt;$1 Million &lt; $5 Million</td>
<td>$200</td>
</tr>
<tr>
<td>E</td>
<td>Suppliers with a gross sales &gt;$100,000 &lt; $1 Million</td>
<td>$100</td>
</tr>
<tr>
<td>F</td>
<td>Suppliers with a gross sales &lt; $100,000</td>
<td>$25</td>
</tr>
</tbody>
</table>
Recent Updates to SQF

- Strong Growth in 2009
  - Growth of certifications in North America has grown by over 400% in 2009 to over 2500 certificates
  - Australia growth at over 20% to over 1800 registrations
  - Overall growth at 130% globally
  - SQF certificates now in 29 countries
  - SQF has now registered 357 auditors

- Improvements in Audit Reports
  - Timelines – audit reports now due to supplier in 5 days, certificates in 45 days
  - Comments – every question must have justification of rating given
SQF Program Updates (cont)

- SQF 1000 5th edition posted August, 2009
  - Category 4 (fresh produce pack houses) available for both 1000 and 2000

- Final Criteria Document for Certification Bodies posted August, 2009
  - Working with both ABs on uniform assessment tool

- ICIX Interface – executive summary
  - March 2010
  - SQF22000 (ISO)
SQF Program Updates (cont)

- On-line Training / Exams
  - Implementing SQF 2000 Systems available
- Electronic application submission
  - September 1st launched for all individual registrations and re-registrations
- Ethical Sourcing Module – available March 2010
Questions?

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- **Eveth Castellanos** – Registration and General – [ecastellano@sqfi.com](mailto:ecastellano@sqfi.com)