



Supplier Auditing and Certification

Use of 3rd Party Audits

- Utilize potential facilities' past audits to predict the strength of food safety and quality systems
- Audit facilities that produce products that have low to moderate food safety risks and recipe complexity
- Require existing suppliers to submit 3rd party audits annually

Observations of 3rd Party Audits

- Quality of audits is highly dependent upon the experience and talents of the individual conducting the audit
- Strength of audits normally resides in areas of prerequisite programs (GMP's, Sanitation) and food safety (HACCP) programs
 - Little focus on suppliers' ability to produce consistent, quality products
- Suppliers often exhibit high audit scores, but rarely talk about improvements made as a result of a 3rd party audit

Will 3rd Party Audits Replace Regulatory Audits?

- Regulatory audits have not been curtailed in Britain, where the majority of the retail food industry has recognized the British Retail Consortium (BRC) standards
- U.S. retailers are slow to recognize certification programs like those adopted by the retailers of the British Retail Consortium
- Predict that regulatory agencies will not accept 3rd party audits



Snacks! Plant

- Earned Safe Quality Food (SQF-Level 3) certification in February 2007
- Certification strengths:
 - global, benchmarked standards for food safety and quality
 - Follow-up audits annually, surveillance audits every 6 months
 - Worked with accredited 3rd party auditing firm to conduct SQF audit
- Plan to certify additional H-E-B Plants



Supplier Certification

- Encourage and eventually require suppliers to be certified under benchmarked global standards for safety and quality.

Benefits:

- Accredited, Benchmarked Programs and Governance
- Routine Surveillance of Suppliers
- Focus on Safety and Quality Systems
- If recognized by retailers, the certification system will save audit costs for both suppliers and retailers



Produce Safety

- Utilize 3rd party auditors and trainers to train produce suppliers about food safety and quality
 - Teach in Mexico and the U.S.
 - Partnership between H-E-B, universities and government agencies
- Require selected 3rd party audits be submitted by suppliers annually



International Audits

- Creating robust, global auditing and product testing network
 - Trusted resources
 - Speed to market
 - Assurance and safety
 - Social Accountability
 - Cost Management



Final Observations

- 3rd party audits are valuable and necessary
- H-E-B must maintain a relationship with all suppliers, and 3rd party audits can help in this endeavor
- Certification of suppliers is optimal and creates the greatest benefits and confidence in the strength of a suppliers' processes

Questions?

Thank You