House of Commons
Environment, Food and Rural Affairs Committee

2 Sisters and Standards in Poultry Processing: Food Standards Agency Response to the Committee’s First Report

Sixth Special Report of Session 2017–19

Ordered by the House of Commons
to be printed 28 February 2018
The Environment, Food and Rural Affairs Committee

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The Environment, Food and Rural Affairs Committee published its First Report of Session 2017–19, on *2 Sisters and Standards in Poultry Processing* [HC 490] on 17 November 2017. The Food Standards Agency response was received on 16 February 2018 and is appended to this report.

Food Standards Agency Response

Letter from Jason Feeney CBE, Chief Executive, Food Standards Agency

I am writing to update you about the progress made in relation to your Committee’s report entitled, “2 Sisters and Standards in Poultry Processing”.

You will recall that you requested updates from me initially at 3-month and then 6-month intervals after the EFRA report publication (17 November 2017) and that the FSA co-ordinate the responses from others tasked with taking action in response to your Committee’s findings. These updates provide written assurance the commitments made by the 2 Sisters Food Group (2SFG), Red Tractor and BRC accreditation agencies and the FSA itself are being fully progressed.

This letter constitutes the consolidated 3-month reply and I have responded following the structure within the EFRA Committee’s report. Progress against each recommendation and a summary of next steps is attached at Annex 1.

The FSA’s approach to investigating the allegations has been conducted from the outset in three phases – investigating first the issues found at Site D before investigating those arising more widely across the 2SFG poultry cutting plants and then considering those issues which have application across the wider industry. Our findings from 2SFG, coupled with the issues we are now investigating at a number of cutting plants, have highlighted that the time is right for a fundamental review of cutting plants and cold stores. Our Chair, Heather Hancock, along with Food Standards Scotland (FSS), announced the review on 1 February 2018.

Accreditation Agencies

Evidence provided to the Committee hearing in October raised concerns about the current patchwork nature of accreditation/assurance processes in the poultry industry. Subsequently, stakeholders have been willing to work towards tightening processes and approaching the considerable challenges associated with creating a unified database/record of standards and hygiene practices. Since October, the FSA (with FSS support) has led engagement with assurance schemes, retailers, regulators and industry representatives to examine the data sharing constraints and the different requirements needed.

The current owners of audit data publish or provide access in some circumstances but even then the wide variation in format of data reporting makes it difficult to undertake any overall coherent analysis. Everyone accepts the need for improved data sharing agreements across all parts of the assurance chain. The challenge is how to harness the
various data into a source of intelligence to identify failures or compliance for different users. Following our initial meetings, the FSA is progressing pilots relating to sharing data and developing indicators from data to trigger interventions.

The use of additional sources of verification and intelligence is recognised as central to a modern regulatory system as set out in the FSA’s Regulating our Future programme.

In parallel, 2SFG published details of its recent audits in December. The FSA welcomes this development and 2SFG has subsequently agreed to work with us to revise the format of their published audit results. This will present information regarding 2SFG compliance with official controls in an easy to understand and consistent format. Using 2SFG as a pilot, we will be able to address issues surrounding data sharing before considering how best to apply this approach across the whole sector.

Regulatory Agencies

Following the allegations made by ITN/The Guardian in late September 2017, the FSA has undertaken a detailed investigation into Site D and more broadly across the wider 2SFG group.

In pursuing this investigation, we have worked with Local Authorities and shared information and findings on Site D and the wider 2SFG to build a more detailed picture of processes and management practices. We have also worked closely with FSS, as 2SFG also has a poultry plant at Coupar Angus.

As the Local Authority with enforcement responsibilities in Site D, Sandwell Metropolitan Borough Council have responded with the actions they have taken, or plan to take, to commitments made to the Committee and these are included in the progress summary in Annex 1.

As part of the investigation, the FSA requested data/intelligence from the major retailers supplied by Site D including Tesco, Sainsbury, Aldi, Co-op, Marks & Spencer and Lidl and from the Red Tractor and BRC assurance schemes involved with 2SFG. In both cases, these bodies have co-operated, on the findings in relation to the specific allegations at Site D, and also how effective data sharing can be improved in a future, more modern regulatory system. The information supplied in relation to the 2SFG incident is summarised in the FSA Investigation Report at Annex 2.

In addition, on 6 December 2017, the FSA Board agreed a set of high level principles to govern an information sharing relationship between the National Food Crime Unit and the Food Industry Intelligence Network. As a result of the Board’s decision, a detailed Information Sharing Agreement between the two partners is currently in the final stages of preparation.

Each Committee recommendation attributed to regulatory agencies has been considered as part of the investigation and progress towards each is included in Annex 1.

Following completion of our 2SFG investigation and recent serious food incidents involving cutting plants in England and Scotland, the FSA and FSS have announced a full review of cutting plants and cold stores handling meat, which will include a review
of the risk assessment approach as recommended in the Committee report. Building on the lessons learnt from 2SFG and others, this review will provide recommendations to strengthen the controls and assurance framework for these plants.

The use of CCTV as part of delivery of official controls was discussed by the Committee in October 2017 in the context of DEFRA’s proposed implementation of mandatory CCTV for animal welfare purposes in slaughterhouses. From our investigation, full access to CCTV footage which comprehensively covers all aspects of cutting plant activity, and which is retained for several months, would be a helpful means of scrutinising activity.

We welcome the Committee’s recommendation as a means of checking activity at any point in production, at any time, and intend opening discussions with industry to this effect. Defra have confirmed that mandatory installation of CCTV in cutting plants is outside the scope of the animal welfare legislation being used to implement this measure in slaughterhouses. However, industry representative bodies have been encouraging about the adoption of a voluntary protocol on the use of CCTV in cutting plants.

We are currently reviewing cutting plants to assess the presence and coverage of CCTV before agreeing implementation plans. If a voluntary approach cannot be achieved the FSA will consult on legislation to implement CCTV in all cutting plants.

2SFG co-operated in full with the investigation by providing all available requested footage. They have also agreed to provide remote access to FSA inspectors of all live and retained CCTV footage when installation roll out is complete and their retention policy is in place. This will enable spot checks and the ability to explore specific issues linked to audits and inspections in all sites.

The FSA welcomes the support of the EFRA Committee towards development of the FSA’s National Food Crime Unit (NFCU) to include an investigatory function. During the initial assessment of the activities alleged in Site D, the NFCU assisted by gathering intelligence but this information was then, by necessity, passed on to other enforcement bodies to assess any potential criminal activity. After carefully considering the information provided, West Midlands Police decided that no further police action was appropriate.

We continue to pursue NFCU Phase 2 (investigative capability and capacity) and were pleased to receive support from the cross-government Food Integrity and Food Crime (FIFC) group for the FSA to proceed to develop a business case for HMT consideration. As you will be aware, the FIFC group consists of ministerial / senior official representation from the Department of Health and Social Care (DHSC), Home Office (HO), Department for Business, Energy and Industrial Strategy (BEIS) and Department for Environment, Food and Rural Affairs (DEFRA).

2 Sisters Food Group

In relation to identified failures, FSA management and 2SFG senior management met to discuss progress of corrective actions and commitments made to the Committee. As indicated above, the FSA has welcomed the 2SFG publication of audit findings on its website. 2SFG has also accelerated its cultural change programme seeking to build trust and integrity with its customers, regulators and its workforce. The FSA will continue to
monitor progress with 2SFG on the wider cultural issues, as well as, the specific matters linked directly to the application of official controls. The FSA looks forward to this programme coming to fruition throughout 2018.

I am aware that Mr R S Boparan has written to the Committee directly on their commitments. The latest updates on these commitments are included in the summary at Annex 1. The installation of upgraded CCTV in all 2SFG poultry plants in the UK is progressing through a prioritised schedule. This programme will be completed in all plants by June 2018.

FSA managers have visited Site D for a demonstration of the upgraded CCTV and its potential use as a verification tool.

Since early November (Site D has had a full time FSA presence since the issues were raised in late September) we have provided a full-time inspection presence at all 2SFG poultry cutting plants in England and Wales. 2SFG has made significant changes to its processes and operations to rebuild trust and demonstrate its willingness to work transparently with regulators. The changes the company has maintained, the open access to CCTV footage, the minimal interventions required during our full-time presence and our ability to instigate unannounced visits have increased our confidence in the company’s ability to meet its regulatory obligations.

**The Investigation conducted by FSA**

Since the allegations arose in late September 2017 the FSA has conducted a thorough investigation and the resulting investigation report is enclosed at Annex 2. The report highlights several process weaknesses and regulatory failures found at 2SFG plants. These were all promptly resolved through corrective actions by the company.

As a result of the findings in this report, and in the context of 2SFG agreeing to full CCTV access and sharing the results of their mystery worker activity, we do not believe that the emergency measures we put in place (a full-time presence in all 2SFG standalone poultry cutting plants) are still required and we will now start to phase this out, as confidence in the food producer grows.

This update is intended to provide assurance to the Committee on the progress being made to deliver reform by those involved in issues identified at Site D and more widely as identified in the Committee report. I will provide a further update for you in May 2018, consistent with the 6-month timeline.

**Investigation Report Following media allegations relating to 2 Sisters Food Group (September 2017), Food Standards Agency**

**A) Executive Summary**

1. On the 26th September 2017 the FSA were alerted to a Guardian/ITN investigation alleging food hygiene and potential fraud issues at an FSA approved 2 Sisters Food Group (2SFG) cutting plant (Site D). The allegations centred on food hygiene practices and the repackaging, labelling and traceability of poultry products at Site D which supplies several major retailers.
2. The FSA initiated an immediate investigation into the allegations in collaboration with Sandwell Metropolitan Borough Council who share enforcement responsibility relating to the allegations. The scope of the investigation included both compliance with food hygiene and labelling regulations in parallel with potential criminal food fraud offences.

3. The company took a decision to suspended operations at Site D and conducted an internal investigation. The affected retailers, the British Retail Consortium and Red Tractor were all engaged and acted to investigate and suspend approval. Upon resumption of operations a permanent on-site FSA presence (which was extended to all 2SFG poultry processing sites) was put in place.

4. The Site D regulatory investigation entailed site inspections, review of documentary evidence (procedures, records etc), staff and manager interviews and review of relevant CCTV footage. The key findings listed against each allegation made are summarised in the table overleaf:

5. SITE D: Investigation Findings - Summary

<table>
<thead>
<tr>
<th>Allegations</th>
<th>Investigation findings</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact with the floor</td>
<td>• CCTV footage showed only cleaners picking up product from floor but unclear where product is then placed&lt;br&gt;• Documented waste handling procedure in place observed for training staff, and supported by signs on walls.</td>
<td>• Verbal advice&lt;br&gt;• FBO re-training of staff.</td>
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<tr>
<td>Chickens dropped onto the floor, picked up and reintroduced into the production process.</td>
<td></td>
<td></td>
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<tr>
<td>Label manipulation: date of killing/traceability altered</td>
<td>• Robust internal traceability system in place for each pallet of product.&lt;br&gt;• No CCTV evidence of labels on trays being changed.&lt;br&gt;• Traceability of amounts of product smaller than a pallet was not catered for, including that for product produced on site but needing re-work/re-wrapping.&lt;br&gt;• The use-by date applied to products was based on customer specifications and may vary both between products and between customers. The food business operator does shelf life tests beyond the allocated shelf life.</td>
<td>• FBO revised operational procedures to include a requirement for all product needing re-wrap/re-work to be used within the same production run, and clear the line between different production runs.&lt;br&gt;• Labels now affixed to top of polythene liner instead of on tray. Implementation verified by daily attendance of FSA inspectors.</td>
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### Allegations

<table>
<thead>
<tr>
<th>Repackaging: mixing of chicken rejected by supermarkets with fresher chicken</th>
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<tbody>
<tr>
<td>Packed chicken returned to Site D after being returned by the supermarket shops and/or distribution centres. On occasions, the returned chicken is being repackaged and sent out to supermarkets again. Sometimes the returned chicken is mixed with fresher chicken.</td>
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<table>
<thead>
<tr>
<th>Investigation findings</th>
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<tbody>
<tr>
<td>The FBO maintains Site D does not accept returned products into the site. No evidence found to counter this.</td>
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<tr>
<td>CCTV evidence unable to determine the dates of production of meat being used or the source of the product.</td>
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<tr>
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<tr>
<td>Verbal advice</td>
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<tr>
<td>FBO revised returns policy across the poultry division so any customer returned products are sent to a single cutting plant (Amber Foods).</td>
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<tr>
<td>No product returns have been received at site D since the establishment resumed operations.</td>
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<tr>
<th>Exclusivity of chicken</th>
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<td>Chicken packed for different supermarkets is frequently the same. Chicken already packaged for one supermarket (Lidl) being emptied on to the production line which is packaging chicken for Tesco’s Willow Farm brand. The label claims it is ‘Exclusively for Tesco.’</td>
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<td>Products produced on site may be repackaged and this may involve the use for a different customer and using different packaging.</td>
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<tr>
<td>This is clearly documented in Site D operational procedures (rework passport) but only for a full pallet or larger amount.</td>
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<tr>
<td>One minor non-compliance identified in relation to staff records.</td>
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<tr>
<td>FBO revised operational procedures to include a requirement for all product needing re-wrap/re-work to be used within the same production run, and clear the line between different production runs.</td>
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<th>Mixed dates: mixing of older chicken with fresher chicken</th>
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<td>Freshly killed chicken transported to the production line, plus trays of chicken killed at earlier dates being added to the line and mixed with the fresher chicken.</td>
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</table>
6. The initial findings from Site D merited a wider investigation to include all 2SFG poultry sites, 2SFG associated companies and 2SFG red meat sites in England and Wales. A total of 17 site visits were conducted with the relevant Local Authority, where possible. Where that was not possible for operational reasons, separate visits were undertaken and findings shared between the FSA and the Local Authority concerned.

7. In summary the findings from the wider 2SFG investigation were:

- **Dropped meat policy** – Established policy but improvements needed in implementation, training and application;

- **Traceability** – external traceability on customer and supplier procedures and records robust and legislatively compliant. Some weaknesses in application of internal traceability procedures, which although not a legal requirement could improve standards;

- **Re-working** – linked to shortcomings in internal traceability, this was an area of weakness when involving smaller quantities of product;

- **Returned product** – some of the sites accepted returns of its own product rejected by customers. Reasons for rejection could vary but there is no evidence that unfit product (i.e. past its use by date) was returned and it would have been unlawful to do so.

- **Shelf life/use by dates** - There needed to be clear separation between food safety tests and quality tests. Regarding the former, there must also be clear differentiation between tests that are required by legislation and those which are customer driven. On some sites the tests for Salmonella were completed using poultry cuts, instead of neck skins which was in breach of legislative requirements.

8. Because of the findings and recommendations from this wider investigation and their own internal investigation, 2SFG have voluntarily made several changes to strengthen company controls and improve the management culture in relation to food safety and hygiene standards including:

- Installation of CCTV in all processing plants and allowing regulatory authorities routine access to footage – both recorded and real time

- Improved procedures and training on company policies including the dropped meat policy

- Extensive retraining across all poultry sites and introduction of a new mobile training academy.

- Introduction of a mystery worker programme

- Change to returned product policy and procedures so all returned product is now returned to a single site and more closely managed

- Acceleration of 2SFG corporate change programme which has been shared with FSA management

- Publication of all audit reports on company website
9. The FSA’s National Food Crime Unit (NFCU) collated and analysed information received from a number of sources during the Agency’s wider assessment of allegations against 2SFG. The NFCU whilst resourced to gather and analyse intelligence, is not currently equipped to lead criminal investigations into any suspicions identified. The Agency therefore shared these findings with West Midlands Police (WMP). After carefully considering the information provided, WMP decided that no further police action was appropriate.

10. The conduct of this investigation has raised several issues for wider consideration across the poultry processing sector, many of which were raised by the EFRA Committee inquiry and subsequent report published 17th November. The response to the EFRA Committee will be the subject of a separate update but will use the lessons learned from the 2SFG investigation and the company’s response to demonstrate to the poultry sector as a whole the value of CCTV as an assurance tool, how a more structured, risk-based and consistent approach to audit and inspection can improve assurance and how increased transparency to improve public confidence (for example in relation to publishing audit outcomes) can be achieved within the existing legislative framework. These lessons will inform the comprehensive review of cutting plants and cold stores, which the FSA announced on 1st February.

B) Allegations and findings at Site D (Approval number 4793)

11. On the 26th September 2017 the NFCU were made aware of an impending news story alleging food hygiene and standards breaches at Site D of the 2SFG. At around the same time 2SFG had notified contacts within the FSA operational management team to inform them of the story and provided limited details of the site involved.

12. The FSA took action to respond and investigate the allegations promptly following contact with the journalist. The timeline for action can be found in Annex 2.

13. Site D is an FSA approved premises but the roles and responsibilities between the Local Authorities and the FSA on aspects of food hygiene, traceability, use by dates and food standards are complex. The allegations made involved both regulatory bodies. A summary of the differing responsibilities can be found in Annex 3.

Allegations

14. An FSA technical team comprising of veterinary experts reviewed the published footage taken by ITN / The Guardian. A request to share all evidence and footage was made to the journalists but this was declined. The key allegations can be summarised as follows:

- “Contact with the floor”: occurrences of chicken that has been dropped onto the floor of 2SFG plants being picked up and reintroduced to the production process.

- “Label manipulation: date of killing/traceability altered”: one incident of staff at the plant changing labels of trays with poultry meat leading to an alteration of the date of kill (from 15/08/2017 to 16/08/2017) and the origin of the chicken (slaughtered at 5011 to slaughtered at 2037).
• “Repackaging: mixing of chicken rejected by supermarkets with fresher chicken”: packed chicken can be sent back to a 2SFG factory after being returned by the supermarket shops and/or distribution centres. On occasions, the returned chicken is being repackaged by 2SFG and sent out to supermarkets again. Sometimes the rejected chicken comes back to the 2SFG factory from supermarkets and is mixed with fresher chicken.

• “Exclusivity of chicken”: workers have also told that chicken packed for different supermarkets is frequently the same. Chicken already packaged for one supermarket (Lidl) being emptied on to the production line which is packaging chicken for Tesco’s Willow Farm brand. The label claims it is ‘Exclusively for Tesco.’

• “Mixed dates: mixing of older chicken with fresher chicken”: Freshly killed chicken being transported to the production line, plus trays of chicken killed at earlier dates being added to the line and mixed with the fresher chicken. The date of kill on the crates being added is 12 August and separately, the 14 August. The footage was allegedly recorded on the 17 August.

15. The journalists declined to share any more information than that which was published. This delayed the immediate assessment of whether there had been malpractice on the part of 2SFG staff at the site, or whether this related to widespread bad practice across the Group.

16. The FSA does not have the statutory power to compel the journalists to disclose information from the journalists’ own investigation.

Investigation Findings – Site D

17. The FSA investigation identified areas of non-compliance and poor practice at Site D which was summarised in a report by the auditor that undertook the site investigation.

18. The investigation sought to consider all available sources of evidence relating to Site D from interviews, CCTV, retailer audits and supplied company records. 2SFG has been co-operative and proactive in its responses and actions to rectify issues.

19. The company had instigated its own internal investigation and the outcome of this has been shared with the FSA upon completion to highlight its own identified weaknesses and responses to the allegations made. A summary of findings and enforcement actions taken for each allegation is attached at Annex 1.

20. For each allegation within Site D the FSA investigation has considered various sources of evidence to verify allegations and subsequent actions that have followed. These are summarised for each allegation in Annex 1.

21. The corrective actions required to comply with legislative requirements and industry best practice were implemented by 2SFG shortly after its own internal investigations. This was before the recommencing of operations at Site D following its decision to suspend activities on site to make procedural changes and retrain the workforce.
22. The allegations and findings were resolved following discussion with site management (Verbal Advice is the first stage of the enforcement hierarchy); we have also noted that 2SFG has introduced changes in procedures at all its poultry sites.

**CCTV footage review (Site D)**

23. The FSA was provided with approximately 500 hours CCTV footage from 2SFG to review the activities in the production area of Site D in the period where undercover footage by journalists was obtained. The CCTV was reviewed by FSA veterinary staff and members of the FSA National Food Crime Unit (NFCU).

24. A review of CCTV footage for the period between 2 July and 18 August 2017 was carried out and focused on the allegations in the news story as well as verifying levels of compliance during this period in the production area of Site D.

25. A log of potential or confirmed non-compliances has been compiled. This provided evidence of sporadic poor hygiene and bad practice, such as inadequate use of protective clothing, placing of knives on unhygienic surfaces or inadequate cleaning procedures but did not represent widespread systematic failures.

26. Other activities such as removal of labels (seen only once in addition to the TV footage) or the handling of by-products are more concerning but it is not possible from the CCTV footage alone to determine whether these were non-compliant. Regarding the use of by-products, the cleaners, on occasions, appear to be placing meat that should be disposed of as by-products in accordance with the factory procedures into a bin, or a conveyor leading to a bin. The use of the bin contents cannot be established from the CCTV.

**Private assurance schemes and retailers’ findings (Site D)**

27. As part of the investigation the FSA approached those assurance schemes to whom 2SFG are licensed - BRC Global Standards and Assured Food Standards (who own and operate Red Tractor Assurance) to seek information and request the sharing of audits/assessments carried out against their standards for site D and the wider 2SFG to gain a clearer understanding of identified non-conformance or performance from an industry perspective.

28. 2SFG supply several national retailers through Site D and across the Group. The company are subjected to regular site inspections by the retailers’ technical assurance processes. 2SFG provided a summary of the non-conformances of the 9 retailer audits carried out in the two months preceding the time the journalist was working undercover at Site D.

29. The non-conformances related to areas similarly identified as part of the FSA investigation and focused on the following

- Intake procedures (7 points)
- Labelling and Segregation (7 points)
- Good Manufacturing Practices GMP (5 points)
- Process Controls (3 points)
• HACCP (2 points)
• Pre-operational hygiene (4 points)

30. There were also 6 other non-conformances related to commercial requirements.

31. This list identified shortcomings that are related to best practice rather than denoting breaches in legislation and therefore do not require FSA intervention.

However, there were non-conformances with the establishment’s own procedures in internal labelling and traceability. These may have potentially led to mixing products from various sources and/or incorrect use-by dates on finished product, even though these do not appear to have been confirmed by the auditors. It should be noted that some of these deviations were against customer specific requirements not legislative requirements.

32. Retailers have shared information which the FSA requested relating to regulatory standards of significance to the investigation. A standardised template was issued to enable data sharing involving the areas of concern. The audits that have been undertaken at Site D and wider (announced and unannounced) has demonstrated weaknesses in the processes that 2SFG had followed. The key themes related to

• Customer policy requirements
• Internal traceability
• Temperature controls
• Staff training

33. The non-conformance type and rating varied between retailers and some include matters that are exclusively commercial or best practice in nature. It is worth noting that for all non-conformance identified as part of this process, the issue was considered resolved and closed following inspection/audit.

Sandwell MBC (Local Authority) findings (Site D)

34. The LA has undertaken its own inspection of Site D and both enforcement agencies have liaised on respective findings and potential actions to follow. The LA has provided the FSA with a report of findings relating to the allegations which fall under their responsibility to enforce.

35. The findings related to traceability and accurate labelling processes in Site D which would avoid confusion on labels and their application and documentation. There was one non-compliance recorded which was considered minor and related to staff records.

36. Officers from Sandwell have recently inspected Site D and found no issues during their visit. The FSA and Sandwell are committed to closer liaison over the site going forward.

C) Investigation Findings – Wider 2 Sisters Food Group

37. The FSA investigation was extended to the wider 2SFG and associated companies when initial findings at Site D raised questions over company processes and culture.
38. A total of 17 investigation visits (including Site D) were carried out across the 2SFG and reports produced highlighted several themes and areas of concern which required FBO management attention.

39. Issues which were identified and recommendations for improvement raised questions over the company’s focus on hygiene, traceability, labelling, training and its culture.

40. The findings in the majority of the poultry premises indicated similar concerns as identified in Site D and can be categorised as follows:

- **Dropped meat policies** – these were evident but the implementation and training and application could be improved. Recommendations were made to strengthen company controls, training and challenge of practices through CCTV and whistleblowing.

- **Traceability** – external traceability concerns identification of sources of food (including ingredients) and identification of customers to which food has been supplied; procedures and records related to these (suppliers and customers) were found to be robust at all sites and legislatively compliant. The legislation does not require a link between incoming and outgoing products (internal traceability), nor is there any requirement for records to be kept identifying how batches are split and combined within a business to create particular products or new batches. The decision on whether to implement an internal traceability system, and when implemented the level of detail of such an internal system, is a commercial decision left to each business operator. Internal traceability procedures, while available at all establishments, had weaknesses in controls and recommendations were made to improve these.

- **Re-working** – linked to shortcomings in internal traceability, this was an area of weakness when involving smaller quantities and company policies needed revision to improve.

- **Return product** - Some of the sites accepted returns of its own product rejected by customers. Product may be returned for several reasons which are not related to unfitness for human consumption such as surplus to requirements, not meeting specification (quality), insufficient shelf life left, etc. It is unlawful for product that is unfit to be returned to the producer (it should be disposed of as unfit). The company had recently changed its policy and implemented, at all poultry 2SFG sites, that all returns are managed by Amber Foods Ltd.

- **Shelf life/use by dates** - There needed to be clear separation between food safety tests and quality tests. Regarding the former, there must also be clear differentiation between tests that are required by legislation and those which are customer driven. On some sites the tests for Salmonella were completed using poultry cuts, instead of neck skins which was in breach of legislative requirements.

41. As part of the investigation across the wider 2SFG there was liaison with each LA to arrange, where possible, joint visits to consider respective enforcement responsibilities.
42. The findings of each LA have been shared and summarised to inform a view of the wider 2SFG. There was no formal enforcement activity undertaken by any LAs following the series of visits which indicates a satisfactory level of compliance in this area.

Retailer findings

43. As outlined in para 31–35 above the investigation has sought to gather the audit/inspection findings from the major retailers supplied by 2SFG. FSA management met with retailers and those connected to Site D and the wider 2 SFG (Sainsburys, M&S, Tesco, Aldi, Lidl, Co-op, Morrisons). The retailers were willing to provide findings from their own assurance audits/inspections to support the investigation.

44. An agreed template for sharing findings was issued due to the wide scope of audits and inspections that retailers require of their suppliers. However, many of the standards and the compliance ratings they apply do not directly correspond to the regulatory requirements and are of limited value to regulators.

CCTV Access

45. As part of the investigation, 2SFG provided all retained footage for their sites, the capacity of CCTV storage varies between sites and is limited to 4 weeks maximum. This allowed the investigation to gain some assurance of the standard of working practices and compliance with legal requirements over the period covered by the footage.

46. As part of the ongoing presence at 2SFG standalone cutting plants the company has agreed to the FSA request to allow FSA officials unrestricted access to CCTV footage (recorded or live) to review current working practices whilst FSA presence is not on the production floor.

Whistle blower reports (FSA/company)

47. The FSA NFCU has a confidential food crime hotline and Incidents team which is widely advertised and receives a range of intelligence and whistleblowing type information on food businesses.

48. Before and after the release of this news story several reports relating to 2SFG had been received as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>2 Sisters Site</th>
<th>Allegation</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 July 2017</td>
<td>Wolverhampton</td>
<td>Mishandling of the microbiological reports by the FBO</td>
</tr>
<tr>
<td>28 September 2017</td>
<td>Scunthorpe</td>
<td>Claims that the same issues identified in the journalist’s footage at site D happen at this site too</td>
</tr>
<tr>
<td>4 October 2017</td>
<td>2SFG</td>
<td>APHA referral relating to claims that the volume of Category 2 ABP coming out of 2SFG abattoirs is significantly lower than volumes coming out of other businesses handling similar volumes of poultry</td>
</tr>
</tbody>
</table>

49. Earlier whistleblowing reports are contained in the table below:
50. The company have supplied the data relating to their whistleblowing line which is managed by a third party and all complaints are investigated under the control of their Internal Audit Team who report to the Board Internal Audit Committee chaired by a Non-Executive Director.

51. In 2017 the line received 32 calls up to 24 November 2017 with a high percentage of issues relating to human resources matters and health and safety concerns across the Group. Four calls related to food safety or operational concerns and appear minor in their nature.

52. There has been a marked increase in the volume of calls since the report was published with 15 of the 32 calls received since the start of October 2017. This would indicate an improved awareness among staff of its existence and purpose.

53. The parallel enquiry into the allegations of potential food fraud was undertaken by the National Food Crime Unit (NFCU). This included both staff, management and whistle-blower interviews in relation to Site D and allegations relating to other 2SFG sites. The NFCU does not yet have criminal investigatory powers so passed their findings to the West Midlands Police (and The City of London Police and Sandwell MBC). After carefully considering the information provided, WMP decided that no further police action was appropriate. Sandwell MBC have also indicated the same conclusions.

54. In parallel with our investigation covering the 2SFG poultry cutting plants in plants in England, our colleagues in Food Standards Scotland, with whom we worked closely throughout also investigated the 2SFG Coupar Angus plant in Tayside.

D) **Compliance history of 2 Sisters Food Group**

55. Compliance across 2SFG in FSA approved establishments has been generally ‘Good’. Audit and compliance history across 11 poultry sites (5 combined slaughter/cutting plants and 6 standalone cutting plants) is shown below:
56. Recorded throughput for these 11 premises is shown below:

![Graph](image)

E) The EFRA Committee Hearing – 25 October 2017

57. The EFRA Committee held an inquiry to gather and consider evidence relating to the performance of the regulatory system as a whole and the role of private assurance schemes. The inquiry had two main objectives and areas of investigation:

- How the FSA received intelligence and information about practices in food processing facilities and how it interacted with assurance schemes and drew on each other’s findings.
• What steps were being taken in response to recent allegations made against 2SFG to learn lessons applicable throughout the sector and make public such changes to improve consumer confidence.

58. Several witnesses were invited to give evidence to the Committee. These included the FSA, Sandwell Metropolitan Borough Council, assurance schemes, trade bodies and 2 Sisters senior management.

59. A report was published and highlighted a number of findings which were felt should be addressed by the commitments made to the Committee, by the respective groups at the inquiry, being acted upon.

60. A progress report on the EFRA Committee recommendations can be found at Annex 4.

2SFG responses to Allegations/Issues

61. The 2SFG conducted an internal investigation and review of their practices/processes following the release of the allegations in the news story. The findings and recommendations from the FSA investigation and their own internal investigation have led to the company to voluntarily make a number of changes to strengthen company controls and improve the management culture in relation to food safety and hygiene standards including:

• Changing the 2SFG returned product policy and procedures so all poultry product is now returned to a single site and more closely managed. The FSA has closely monitored the single site to ensure the product in question is handled appropriately.

• The installation of upgraded CCTV in all processing plants which is supported by regular monitoring and records to provide assurance and highlight practices on the floor. 2SFG have agreed to providing full access allow regulatory authorities routine access to footage on site and remotely.

• In response to the findings of investigations the company has reviewed and implemented improved procedures and training on company policies including the dropped meat policy.

• Extensive retraining has been completed across all poultry sites in response to issues and the company is currently developing a new mobile training academy to improve their workforce competence and capability.

• Introduction of a mystery worker programme in 2SFG cutting sites around the country has been implemented to assess practices and culture. The company hope to develop this as a corporate measure of culture and practices. There was agreement to share findings of the initiative with the FSA.

• The acceleration of 2SFG corporate change programme which has been shared with FSA management

• Publication of all audit reports on company website to improve transparency and demonstrate compliance levels publicly.
F) **Investigation outcome and recommendations for further work**

**Outcome of the FSA regulatory investigation**

62. Whilst the FSA investigation into 2SFG poultry cutting plants found some weaknesses in compliance with official controls, these issues were addressed promptly by the company and at no point during the investigation did we find activities in place that led us to issuing enforcement notices nor suspending approval for the production or distribution of poultry from these cutting plants.

63. For the improvements the company has made to be sustainable, the company’s journey to a better corporate culture must continue. The 2SFG appears to have embraced “openness” and this may go some way to giving assurances that the company is serious about continuous improvement.

**Recommendation 1**

64. **FSA review into cutting plants and cold stores should include a review of FSA approach to audit and unannounced inspection in cutting premises.**

65. The current audit rating and subsequent audit and unannounced inspection (UAI) frequency at Site D and other 2SFG sites would raise questions considering findings during the investigation. The FSA audit and UAI system needs reviewing to strengthen its focus on the factors relating to intervention highlighted during the investigation.

66. FSA have identified a range of non-compliances and poor management practices during its investigations at Site D and other 2SFG sites. The learning from the 2SFG investigation should inform any recommendations for change of approach and frequency

**Recommendation 2**

67. **The FSA will take a lead role in working towards a systematic approach to sharing data and intelligence between regulators, accreditation bodies and retailers.**

68. As part of the investigations and evidence provided to the Select Committee it was clear that a number of audits and site inspections are conducted by regulators, certification bodies and retailers at businesses such as 2SFG. The benefits of a systematic approach to sharing data and intelligence between respective interested parties would improve assurance and compliance at businesses being inspected.

69. As part of its commitments to the EFRA Committee the FSA has hosted meetings and workshops with key stakeholders involved in regulatory inspection and assurance systems at cutting plants. This engagement has highlighted the complex landscape of assurance/regulatory inspection and identified the commitment from all parties to improve data gathering and intelligence sharing.

Creating a systematic approach to data sharing from the range of standards that are assessed will be difficult as it needs to take account of the retailer commercial sensitivities and the development of consistent standards to provide potential benefits. The FSA will focus on the benefits that can be delivered for the consumer and improved compliance within the meat industry.
70. All parties are willing to work towards improvements in data and intelligence sharing and recognise the benefits and potential efficiencies this can achieve. Some assurance schemes have completed work to consider management cultures as part of their assessment criteria which the FSA is committed to exploring further.

Recommendation 3

71. As a food safety policy issue the FSA will explore the options to use CCTV in routine unannounced inspections and/or audits.

72. The access and use of CCTV footage as part of the investigation has been a valuable tool in assessing compliance and ongoing practices in Site D. Given the limited attendance of FSA auditors/inspectors at standalone cutting plants. CCTV would provide an additional verification tool during regulatory visits.

73. The 2SFG has undertaken significant investment in upgrading its CCTV capabilities to enable improved monitoring of operations and as a verification tool. As part of its willingness to demonstrate transparency and rebuild trust it has offered full (and remote) access to live and recorded footage across all sites as it becomes available.

74. The access to footage and the offer of open access to records can be a useful verification tool in providing assurance to regulators and customers. The FSA has welcomed this initiative and is seeking to make greater use of CCTV access across all cutting plants in the meat industry.

Recommendation 4

75. The FSA will continue pushing for phase 2 capability of the NFCU supported by the EFRA Committee and key stakeholders.

76. As part of the EFRA Committee report and previous statements by the FSA, the need to develop the National Food Crime Unit (NFCU) capability remains a high priority for the FSA. The cross-government Food Integrity and Food Crime Group has supported the development of the NFCU and a business case is being produced for submission to HM Treasury for consideration.

77. The ability of the FSA to fully investigate allegations of food crime through the NFCU are limited, at present, to intelligence gathering only. Relevant intelligence must therefore be passed to the police or Local Authorities who have the powers to conduct criminal investigations.

Recommendation 5

78. The FSA should continue, though its ROF programme, to develop approaches to Regulated Private Assurance; the outputs, evidence and findings from Recommendation 2 above should be considered by the ROF team for broader contribution to improving delivery of regulatory food controls.

79. The FSA, through its Regulating Our Future (ROF) programme is changing and improving the way food regulatory controls are delivered.

https://www.food.gov.uk/enforcement/regulation/regulating-our-future
80. The ROF programme is developing approaches for regulators to make better use of data from industry assurance activities (including internal controls, audit by 2nd parties such as customers and, certification to standards set by 3rd parties) alongside official controls to inform the nature, frequency and intensity of those controls. We are terming this Regulated Private Assurance.

81. ROF is engaging with stakeholders (including local authorities, industry, private assurance schemes, other government departments, consumers) in an open policy making approach to develop how this will work and to set standards to ensure Regulated Private Assurance is robust and will instil public confidence. A part of this work, that builds on previous pilot work, has identified an outline feasibility study (potentially involving the FSA, Food Standards Scotland, BRC Global Standards, local authorities, trade bodies and businesses); this is being developed to test the contribution BRC Global Standards’ certification audit reports can make towards informing official controls.

Recommendation 6

82. The FSA supports the decision by 2SFG to publish summary findings of audits and recommends a voluntary code for the meat industry for publication to improve transparency and consumer confidence.

83. The FSA welcomes the initiative taken by 2SFG in its attempts for transparency relating to its compliance against standards. Whilst this is in its early development, the concept could support the meat industry to maintain consumer and customer confidence.

84. The publication of audit findings requires development to enable stakeholders to interpret the performance of companies and demonstrate their adherence to a level that provides assurance.

85. The FSA will consult with the wider meat industry to progress this approach and consider setting up a voluntary code of conduct that supports transparency and promotes compliance.
## Annex 1

### 2 Sisters Food group. Site D Findings

<table>
<thead>
<tr>
<th>Allegations</th>
<th>Findings at audit</th>
<th>Enforcement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contact with the floor</strong></td>
<td>Unable to assess as there were no operations taking place but TV footage reviewed.</td>
<td>None required beyond verbal advice. The FBO used the time when the establishment ceased operation for the re-training of staff. Any other issues identified since then have been dealt with after verbal advice.</td>
</tr>
<tr>
<td>Occurrences of chicken that has been dropped onto the floor of 2SFG plants being picked up and reintroduced to the production process.</td>
<td>The establishment had a documented procedure demonstrably used in the training of staff. Supported by signs on walls that clearly required product that falls on the floor to be handled by cleaners and disposed of as waste.</td>
<td></td>
</tr>
<tr>
<td><strong>Label manipulation: date of killing/traceability altered</strong></td>
<td>No justification for this incident of label changes could be established. There is a robust internal traceability system for each pallet of product. However, the traceability of amounts of product smaller than a pallet was not catered for, including that for product produced on site but needing re-work/re-wrapping. The use-by date applied to products was based on customer specifications and may vary both between products and between customers. The food business operator does shelf life tests beyond the allocated shelf life.</td>
<td>None required beyond verbal advice. The establishment ceased its operations for several days, during which the company changed its operational procedures and introduced a requirement for all product needing re-wrap/re-work to be used within the same production run and to clear the line between different production runs. Labels now applied to the top of the polythene liner rather than on the tray itself. This has been verified to be implemented during daily attendance.</td>
</tr>
<tr>
<td>Allegations</td>
<td>Findings at audit</td>
<td>Enforcement</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Repackaging: mixing of chicken rejected by supermarkets with fresher chicken</strong></td>
<td>The FBO advised that Site D did not accept returned products into the site and we found no evidence to the contrary.</td>
<td>None required beyond verbal advice. The company has amended its returns policy across its poultry division and decided that any customer returned products will be sent to only one of its cutting plants (Amber Foods). No product returns have been received since the establishment resumed operations.</td>
</tr>
<tr>
<td>Packed chicken can be sent back to a 2 Sisters factory after being returned by the supermarket shops and/or distribution centres. On occasions, the returned chicken is being repackaged by 2SFG and sent out to supermarkets again. Sometimes the rejected chicken comes back to the 2SFG factory from supermarkets and is mixed with fresher chicken.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exclusivity of chicken</strong></td>
<td>Products produced on site may be repackaged and this may involve the use for a different customer and using different packaging. This was catered for in the establishment’s operational procedures (rework passport) but only for a full pallet or larger amount.</td>
<td>None by FSA. Enforcement of labelling matters falls within the remit of Local Authorities. Sandwell MBC conducted a visit and identified one minor non-compliance regarding staff records. The establishment ceased its operations for several days, during which the company changed its operational procedures and introduced a requirement for all product needing re-wrap/re-work to be used within the same production run, and clear the line between different production runs. This has been verified to be implemented during daily attendance.</td>
</tr>
<tr>
<td>Chicken packed for different supermarkets is frequently the same. Chicken already packaged for one supermarket (Lidl) being emptied on to the production line which is packaging chicken for Tesco’s Willow Farm brand. The label claims it is ‘Exclusively for Tesco.’</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allegations</td>
<td>Findings at audit</td>
<td>Enforcement</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>Mixed dates: mixing of older chicken with fresher chicken</strong>&lt;br&gt; Freshly killed chicken being transported to the production line, plus trays of chicken killed at earlier dates being added to the line and mixed with the fresher chicken. The date of kill on the crates being added is 12th August and separately, the 14th August. The footage was allegedly recorded on the 17th August.</td>
<td>Site D had internal traceability procedures for most of their product, including products to be reworked or repackaged, but these procedures did not cater for small amounts of product (less than a pallet). It was possible for small amounts of meat from a previous production run to be used in another, whether or not the latter was from the same source and/or with the same kill date. As this was not documented in the production records it was not established whether this happened, but it is possible that it did.</td>
<td>None required beyond verbal advice. The establishment ceased its operations for several days, during which the company changed its operational procedures and introduced a requirement for all product needing re-wrap/re-work to be used within the same production run, and clear the line between different production runs. This has been verified to be implemented during daily attendance.</td>
</tr>
</tbody>
</table>
Annex 2

Timeframe to the media investigation and subsequent allegations

<table>
<thead>
<tr>
<th>Date 2017</th>
<th>Event</th>
</tr>
</thead>
</table>
| 26 Sept   | • FSA National Food Crime Unit (NFCU) informed of a news story to be run by The Guardian and ITV News.  
• The story would be making numerous allegations against 2 Sisters Food Group Ltd (2SFG) at one of their poultry cutting premises.  
• Allegations were identified by undercover reporters during the summer of 2017. |
| 27 Sept   | • FSA contacted journalists covering the story and a TC was held between FSA NFCU, FSA Comms and the journalists.  
• The discussion centred on what the story proposed to uncover  
• The FSA requested to see the evidence so they could begin investigations to ascertain possible public health risks.  
• The journalists declined to share the information citing concerns about damaging their story.  
• FSA formally requested the journalists to share any information which may support an investigation but this request was declined with ITN stating that their normal policy is to only share if required by a Court Order |
| 28 Sept   | • The report was published and shown on national television with details of allegations against 2 Sisters (Site D) relating to food hygiene, food standards and labelling issues.  
• The FSA initiated an unannounced site visit by a Field Veterinary Co-ordinator (FVC) with limited knowledge of the allegations to gain assurances on the practices at Site D. The inspection did not uncover any notable issues with hygiene practices on the site.  
• As soon as the FSA was made aware of the detailed allegations it instigated an immediate investigation to consider the issues raised and assess what action, if any, should follow if there was evidence of food offences or malpractice on the part of the business. |
| 29 Sept   | • A full regulatory investigation was commissioned into Site D and started on the day by an experienced Audit Veterinary Leader. This was followed by a plant visit on 2 October.  
• Upon receipt of the summary findings from Site D the FSA management team decided to broaden the investigation scope to look at whether issues identified in Site D were site specific or whether there were broader corporate culture/practices to consider. Visits to 2SFG plants (poultry and red meat) and associated meat establishments were made during w/c 9 October. |
Annex 3

The regulatory landscape for the meat industry in England & Wales

1. Article 1(a) of Regulation (EC) 852/2004 establishes as one of its guiding principles that primary responsibility for food safety rests with the food business operator. It is therefore the responsibility of each business operator to ensure that food safety is not compromised by establishing food safety programmes.

2. Other factors that affect food safety are the legislation itself, which lays down the minimum requirements that apply, and official controls to verify/check food business operator compliance. In relation to meat, the official controls include inspections, including ante and post-mortem inspections, checks on the food business operators’ own controls, and audits.

3. There is a complex overlap of roles and responsibilities between the Local Authorities and the FSA on aspects of traceability, use by dates and food standards. The table below summarises the regulatory split between the FSA and LAs and “X” denotes how this split is applied at Site ‘D’:

<table>
<thead>
<tr>
<th>Legislation</th>
<th>FSA enforced</th>
<th>LA enforced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durability marking requirements – Use By Date and Best Before Date marking (labelling)</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Date marking of frozen meat with kill / slaughter / processing date in slaughterhouses, cutting and game handling plants and in approved co-located establishments further processing meat</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Date marking of frozen meat with processing date in approved standalone establishments further processing meat</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Food Safety Requirements – (food must not be unsafe) in slaughter, cutting and game handling plants and in approved co-located establishments further processing meat</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Food Safety Requirements – (food must not be unsafe) in approved standalone establishments further processing meat</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Traceability requirements generally</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Traceability requirements for ID marked meat</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Product withdrawal and recall requirements in slaughter, cutting and game handling plants and in approved co-located establishments further processing meat</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
FSA official controls in cutting premises

4. Official controls must verify the food business operator’s compliance with the EC Hygiene regulations and other EU and national regulations that apply to approved meat establishments. Official controls should be carried out without prior warning, except in cases such as audits where prior notification of the food business operator is necessary.

5. The official controls in meat plants include inspection and audit tasks.

6. Cutting plants do not have permanent FSA attendance. The official controls are delivered by a combination of unannounced inspections (UAIs) and audits.

7. The FBO will not be expecting the inspector doing UAIs. The frequency of these is determined through many factors such as audit outcomes, enforcement activity on site and other intelligence. This function is managed through the field based operational team.

8. By contrast audits are announced so the FBO knows that the auditor is coming. This allows all documents and records to be available for the audit, and the key personnel to be present. The main purpose of UAIs is to carry out reality checks and to follow up
deficiencies found during the audit and previous inspections. Due to the unannounced aspect of the inspection, the focus of the visit is mainly practices regarding hygiene, meat/room temperatures, protective clothing and animal by-products.

9. At least one unannounced inspection (UAI) is carried out between audits. Further inspections can be scheduled if deemed necessary.

10. The UAI’s are completed by official veterinarians (OVs) and a group of meat hygiene inspectors (official auxiliaries) who have received specific training.

11. The deficiencies raised during UAI’s are used by auditors to complement the information they have collated during the day of the audit.

12. In addition to the audit of good hygiene practice, the auditor must verify the FBOs continuous compliance with their own procedures for, amongst others, all aspects of animal by-product handling (including SRM control), animal identification and animal health and welfare.

13. The audit sections in the audit report are based on the priorities set for the FSA that have been agreed between the FSA, Defra and industry stakeholders.

14. Audit findings should provide individual FBOs as well as the relevant competent authority (FSA and Defra) with information on non-compliances (NCs) identified against regulatory requirements, and/or areas in need of correction or improvement.

15. An effective audit of FBOs obligations in respect of public health, animal health and welfare is defined as follows:

   • complies with the requirements of (EC) 854/2004 to determine the frequency of audit based on risk
   • applies appropriate standards in determining the level of assurance that can be given to the Competent Authority about the FBO management procedures and identification of risk
   • accurately assess the FBOs level of compliance with legal requirements and identifies necessary enforcement actions
   • recognises the FBOs good practices and identifies opportunities for improvement
   • communicates audit findings to the FBO and the Competent Authority
   • is consistent in its approach
   • uses both ‘compliance audit’ and ‘systems based audit’ techniques
## Annex 4

### Summary of Recommendations and Status Report

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Progress Update</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Accreditation Bodies</strong>&lt;br&gt;Accreditation firms to tighten processes and remove obvious loopholes</td>
<td><strong>Red Tractor</strong>&lt;br&gt;- Designed unannounced audit plan for all 2SFG sites&lt;br&gt;- 22 unannounced visits across 15 sites completed&lt;br&gt;- Extended unannounced audit programme to include Amber Foods and 2SFG red meat sites underway.&lt;br&gt;- Training Day held with Traceability Assessors (November 2017) to identify how we can shorten the 30-minute window of opportunity during unannounced assessments</td>
<td><strong>Red Tractor</strong>&lt;br&gt;- Discuss with FSA extension of Earned Recognition MoU to food processing sector&lt;br&gt;- Update terms and conditions for all licensees so all audits will be unannounced&lt;br&gt;- Include a licensing condition that all licensees agree to sharing of all assurance information between Red Tractor and BRC</td>
</tr>
<tr>
<td><strong>BRC Global Standards</strong>&lt;br&gt;Agreeing use of unannounced audits as a default with Red Tractor as outlined above&lt;br&gt;Maintaining a programme of unannounced compliance audits at 2SFG and liaising with 2SFG management on roll out of improvement programme.&lt;br&gt;Increase public promotion of “Tell BRC” facility and introduced an email contact channel</td>
<td><strong>BRC Global Standards</strong>&lt;br&gt;- Work with the FSA to develop and deploy culture assessment indicators as part of overall risk assessment and assurance framework –part of the BRC Culture Excellence Tool&lt;br&gt;- Consult and publish by August 2018 new BRC Global Standards incorporating auditable requirements for food business to develop and implement plans to improve their food safety culture</td>
<td></td>
</tr>
<tr>
<td>Recommendation</td>
<td>Progress Update</td>
<td>Next Steps</td>
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<tr>
<td><strong>2. Data Sharing</strong></td>
<td><strong>FSA</strong></td>
<td><strong>FSA</strong></td>
</tr>
</tbody>
</table>
| Work towards systematic sharing of data and intelligence to allow for unified records | - Initiated action to develop a more systematic approach to sharing data and intelligence between regulators, accreditation bodies and retailers.  
- Using our work with 2SFG as a pilot we will evaluate this work before end May 2018 and develop a systematic approach across the wider industry during 2018/19  
- Developed a standard reporting template to capture 2SFG data from retailers, with input from BRC  
- High level principles agreed to govern an information sharing relationship between the National Food Crime Unit and the Food Industry Intelligence Network. | - Through the Regulating our Future programme, develop new approaches to Regulated Private Assurance  
- Regulating our Future programme will review the outputs, evidence and findings from our work on building systematic approach to data sharing  
- Will consult with the meat industry on a voluntary code for publishing audits to improve transparency and consumer confidence |

**Red Tractor**

- Working with BRC Global Standards on collaboration, sharing intelligence and certification status of joint members  
- Gained agreement from 2SFG to share Red Tractor assessments with BRC Global Standards and vice versa  
- Reviewing and updating licensee T&Cs so all licensees who use BRC membership to satisfy Red Tractor criteria agree to unannounced audits. Updated T&Cs will also include agreement licensee information between BRC and Red Tractor can be shared.  
- RT Lawyers checking proposed T&C changes  
- Licensees will be informed of T&C changes and new mandatory requirements from April 2018  
- Increase processing sector awareness of current Red Tractor Contact Number where anyone can inform us confidentially of any concerns about our farming members and licensees
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Progress Update</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Sharing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continued</td>
<td>BRC</td>
<td>• Working with FSA on Third Party Assurance accredited audits being factored into LA inspections</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Increased publicity of the “Tell BRC” logo and telephone number to encourage greater information sharing at certified sites</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Exploring a safe, independent facility for anonymous intelligence</td>
</tr>
<tr>
<td></td>
<td>BRC/FSA</td>
<td>• Take forward work of Third Party Assurance accredited audits as part of the regulatory framework</td>
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<td>3. Risk Assessment</td>
<td>FSA</td>
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<td>Examine quality of risk assessments to take account of management history, role in the food chain and suppliers</td>
<td>• In collaboration with FSS, undertake a full review of cutting plants and cold stores handling meat and consider changes to the audit methodology and frequency of unannounced inspection regime.</td>
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<td>• Building on the lessons learnt from 2SFG and others the review will provide recommendations to strengthen controls and the assurance regime.</td>
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<td>• Our new website is launched on 19 February. This will make it more straightforward for those in the food industry and others to share their concerns about malpractice</td>
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<td>FSA</td>
<td>• Review of cutting plants and cold stores announced - Terms of reference published by end Feb 2018</td>
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<td>• Interim progress will be shared with EFRA May 2018</td>
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<td>• Review findings and recommendations submitted to FSA Board in June 2018</td>
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<td>• Results of the review will be published</td>
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<td>• Develop a risk protocol for increasing use of joint FSA/LA for inspections and audits in plants where it could increase assurance and/or reduce duplication of effort</td>
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<tr>
<td>Recommendation</td>
<td>Progress Update</td>
<td>Next Steps</td>
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<td>Risk Assessment</td>
<td>Sandwell MBC</td>
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<td>Continued</td>
<td>• Additional Food Officer capacity to increase inspection frequency of high and upper medium risk premises to 3 monthly. This exceeds the Code of Practice to provide the opportunity to identify issues and improve practice.</td>
<td>• Undertake a marketing campaign in March 2018 to raise public awareness of their support to whistle blowers in food premises and across local regulated services. Programme of planned and unannounced inspections will be progressed through 2018 at Site D in close liaison with FSA colleagues.</td>
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<td>• Further unannounced inspections completed with no issues identified</td>
<td>• Complete internal audit of Trading Standards processes against FSA audit guidance with training where required</td>
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<td>Recommendation</td>
<td>Progress Update</td>
<td>Next Steps</td>
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<td><strong>4. CCTV</strong></td>
<td><strong>FSA</strong></td>
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| Consult on extending CCTV to cutting plants and produce impact assessment | • Defra have confirmed that extending mandatory CCTV installation to cutting plants is outside the scope of the animal welfare legislation, which will require CCTV in areas where live animals are present  
• Increased use of CCTV footage by inspection staff at audits and unannounced inspections. | • FSA will complete a review of the number of cutting plants that already have CCTV in place in appropriate areas  
• Industry representative bodies have been encouraging about the adoption of a voluntary protocol on the use of CCTV in cutting plants  
• If a voluntary approach cannot be achieved the FSA will consult on legislation to implement CCTV in all cutting plants |
| **2SFG**       | **FSA**         | **2SFG**   |
|                |                 |            |
|                | **FSA**         |            |
|                |                 |            |
|                | **FSA**         |            |
|                |                 |            |
| **5. Funding of NFCU** | **FSA** | **FSA** |
| Required funds for the FSA NFCU to be secured | • Secured cross government support to move to Phase 2 capability (investigatory function) of the NFCU  
• Business case in preparation for submission to HMT | • Subject to HMT funding approval Phase 2 implementation plans will be finalised and monitored |
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<td><strong>6. 2SFG Progress Reports</strong></td>
<td><strong>2SFG</strong>&lt;br&gt;• Programme to install CCTV in all processing plants is ongoing and allowing regulatory authorities routine access to footage – both recorded and real time&lt;br&gt;• Improved procedures and training on company policies including the dropped meat policy&lt;br&gt;• Extensive retraining across all poultry sites and introduction of a new mobile training academy.&lt;br&gt;• Introduction of a mystery worker programme has commenced, with findings to be shared with FSA&lt;br&gt;• Change to returned product policy and procedures so all returned product is now returned to a single site and more closely managed&lt;br&gt;• Publication of all audit reports on company website.&lt;br&gt;• HACCP workshop held with FSA/FSS staff and 2SFG Technical Managers</td>
<td><strong>2SFG</strong>&lt;br&gt;• Acceleration of 2SFG corporate change programme which has been shared with FSA management&lt;br&gt;• Working with the FSA on further proposals for publication of all audit reports on company website&lt;br&gt;• Complete roll out and installation of CCTV (by June 2018)</td>
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<td><strong>7. EFRA Progress Reports</strong></td>
<td><strong>FSA</strong>&lt;br&gt;• Three months response due 17 February – provided within required timelines</td>
<td><strong>FSA</strong>&lt;br&gt;• Six months response due 17 May 2018</td>
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FBO to update EFRA on progress against new measures and on re-establishing supplier relationships.

Written assurance provided to EFRA on each recommendation three and six months following report.