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1. GENERAL INFORMATION

COSTCO is a membership-based retailer based in the USA with stores (which are called 'warehouses'), across North America (US, Canada and Mexico). Along with food items, COSTCO warehouses also sell electronics, appliances, furniture, as well as services such as travel.

With suppliers spread throughout the globe, the COSTCO WHOLESALE CORPORATION (USA) has approved TÜV Nord subsidiaries (e.g. TÜV NORD CERT, TÜV USA) as 'COSTCO-approved audit companies' (Certification Body) to audit the COSTCO suppliers. In order to be able to cover the global suppliers' audits, TÜV USA and all TÜV NORD subsidiaries work together. While the regular communications with COSTCO and final database handling performed by TÜV USA, the TÜV NORD subsidiaries will be establishing contact with local sites, schedule and perform audits, review COSTCO reports, accept corrective actions, and finally forward the reports to TÜV USA within the timelines defined by COSTCO.

1.1. Background

Previously COSTCO Wholesale has required certified suppliers according the standards IFS, BRCGS, SQF, and FSSC 22000 to have the COSTCO GFSI Addendum completed during their annual certification or re-certification audits. The additional requirements for the COSTCO Addendum recorded separately from the reports with the exception for SQF.

COSTCO in collaboration with the stakeholders of IFS, BRCGS, SQF and FSSC 22000 developed documents where COSTCO specific requirements differ from those of the named standards the need for the full COSTCO GFSI.

2. SCOPE

The COSTCO audits are applicable to

- all sites that manufacture, process, and pack food for COSTCO Wholesale
- processed foods, both own brand and customer branded (COSTCO brand: “Kirkland”),
- raw materials or ingredients for use by food service companies, catering companies and/or food manufacturers for COSTCO,
- NOTE: the primary products such as fruit and vegetables are audited separately against a “Produce related standalone audit.

COSTCO Audit scope applies to products that have been manufactured or prepared at the site where the audit is taking place and includes the storage facilities that are under direct control of the manufacturing site management system.

NOTES: Certification Bodies scheduling COSTCO audits (with GFSI-benchmarked standard audits), must:

- Include COSTCO audit and duration in the contract with the site/company;
- The contracts including COSTCO must also contain a “Consent Statement” that the site/customer consents TUV NORD CERT to share the audit report(s) with COSTCO. Site’s signature on the contract assures that the consent is received.

2.1. Scope Exclusions

Where the COSTCO audit is requested by a site, the scope shall include all the applicable products and processes on site.

It is not possible to select COSTCO products or processes to be excluded from the scope of certification.

3. AUDITOR COMPETENCY

3.1. IFS

All approved auditors against IFS Food standard of the latest version may conduct IFS assessments with the additional requirements for COSTCO Wholesale as long as they also received “COSTCO Expectations – Version 2” Training (by TUV NORD CERT).

Training presentation/show, the downloadable study materials and a quiz can be found via this link:
<https://rise.articulate.com/share/RxC9wKz6KLdKZWOQeJEDsbwxcBXfHt5i#/>

3.1.1. Training and Records

Proof of “COSTCO Expectations – Version 2” Training.

The TUV NORD CERT issues a Certificate of Learning which shows that the scheme cross-training was included.

3.2. BRCGS

All approved BRCGS Food Safety auditors qualified for the latest version may conduct BRCGS Food Safety assessments with the additional requirements for COSTCO Wholesale as long as they also received "COSTCO Expectations – Version 2" Training (by TUV NORD CERT).

Training presentation/show, the downloadable study materials and a quiz can be found via this link:
<https://rise.articulate.com/share/RxC9wKz6KLdKZWOQeJEDsbwxcBXfHt5i#/>

3.2.1. Training and Records

Proof of "COSTCO Expectations – Version 2" Training.

The TUV NORD CERT issues a Certificate of Learning which shows that the scheme cross-training was included.

3.3. FSSC 22000

FSSC 22000 auditors qualified for the current scheme version and with the relevant category approval may also conduct COSTCO audits after receiving the tailored training on "Food Safety & Quality Audit Expectations V2.0".

Training presentation/show, the downloadable study materials and a quiz can be found via this link:
<https://rise.articulate.com/share/RxC9wKz6KLdKZWOQeJEDsbwxcBXfHt5i#/>

3.3.1. Training and Records

The auditor shall receive BRCGS specific training on the requirements of the COSTCO prior to conducting any audits. Records of the training shall be maintained and uploaded in the Auditor database, under the maintenance tab, prior to commencing with module audits.

Proof of "COSTCO Expectations – Version 2" Training.

The TUV NORD CERT issues a Certificate of Learning which shows that the scheme cross-training was included.

3.4. SQF (Safe Quality Food):

It must be noted that SQF Audit Report Checklist does not have a "module"; rather, the requirements are said to be already within the SQF requirements. A GAP analysis is suggested auditors be trained for those possible additional requirements of COSTCO and stated the deviations (Non-conformances) in the Clause 2.1.1.1

Training presentation/show, the downloadable study materials and a quiz can be found via this link:
<https://rise.articulate.com/share/RxC9wKz6KLdKZWOQeJEDsbwxcBXfHt5i#/>

3.4.1. Training and Records

The auditor shall receive SQF-specific training on the requirements of the COSTCO X SQF Matrix/GAP prior to conducting any audits.

Proof of "COSTCO Expectations – Version 2" Training.

The TUV NORD CERT issues a Certificate of Learning which shows that the scheme cross-training was included.

4. AUDIT

4.1. Planning

The organization/company shall inform the CB that they wish to include the COSTCO Food Safety & Quality Audit Expectations V2.0 audit as part of their IFS Food, BRCGS Food Safety, SQF or FSSC 22000 audit prior to the start of the audit.

The audit program and audit plan shall clearly reference and include the COSTCO requirements. The audit planning must be considering that the all COSTCO audits when combined with a GFSI-benchmarked audit, they shall be UNANNOUNCED (except the Initial Audits).

During the scheduling process, the certification body will ask the site to provide blackout dates (if any). A blackout date is a period of time in which the site will not be operational or producing a COSTCO product or like product.

Blackout dates are strictly limited to non-production days and will not be granted for any other reason. Unless blackout dates are provided by the site, all days within the 90- day audit window will be considered "audit ready" dates. If a site is not operational on an audit- ready-date, the audit must be rescheduled within the original 90 day window at the supplier's expense. The GFSI Standards' unannounced Audit Window rules shall apply (e.g.: BRCGS FS: in previous 4 months from the re-certification audit due date).

4.2. The Audit

4.2.1. Unannounced audit

All COSTCO audits combined with a GFSI-benchmarked Standard must be conducted unannounced. Exception: Sites with their may decide that their Initial Audit to be announced.

The COSTCO audit is always a full audit covering all the requirements listed in the 'Food Safety & Quality Audit Expectations V2.0' as an integrated part of the audited standard unless there is a dedicated checklist by the scheme owner (CPO).

4.2.2. During the audit

At the time of the audit, a site must be producing, cultivating, or processing a product that is being purchased by COSTCO. If that is not possible, the audit shall cover a product with a similar hazard analysis and preventive controls.

During the audit, detailed notes shall be made regarding the sites conformities and non-conformities against the COSTCO "Food Safety & Quality Audit Expectations V2.0", and these will be used as the basis for the COSTCO audit report. The auditor(s) shall assess the nature and severity of any non-conformities. In the case of SQF audits with COSTCO requirements, the non-conformities relating to COSTCO requirements will be raised against the clause 2.1.1.1 on SQF report template.

4.2.3. Audit Closing

At the closing meeting, the auditor(s) shall present their findings and discuss all non-conformities that have been identified against the COSTCO Audit during the audit.

A written summary of the non-conformities discussed at the closing meeting will be documented by the auditor, either at the closing meeting or within one working day after completion of the audit.

4.2.4. Audit Duration

Sufficient information shall have been provided by the organization to the certification body when selecting the COSTCO option to allow for the selection of an auditor with the correct category qualifications and to allow sufficient additional time to be added to the expected audit duration.

The typical additional audit time to cover the COSTCO audit portion is approximately 1 - 2 hours depending on the sites, size and complexity. But adding additional audit time on-site time is optional and is up to the Certification Body. This additional time will be recorded in the audit report. The expected audit duration shall be notified to the site by the Certification Body in advance of the audit.

Adding off-site audit time for the COSTCO Audit is not allowed.

4.3. Cycle of the audit

The combined audit shall be conducted annually as part of the IFS Food, BRCGS Food Safety, SQF or FSSC 22000 audit. COSTCO's Food Safety audit must be conducted within a 90-day audit window from the date of the previous audit (45 days before/after the audit anniversary date; if this conflicts with the GFSI-benchmarked Standard window; the GFSI-benchmarked Standard rules will be used).

4.4. Audit Report

The COSTCO "Food Safety & Quality Audit Expectations V2.0" requirements must be included in the IFS Food, SQF or FSSC 22000-audit report and shall not be a separate audit report. Only one audit report shall be issued for the combined Food Safety and COSTCO audits.

In the case of BRCGS Food Safety, required COSTCO Audit Report Template shall be used.

In all audit reports the COSTCO audit inclusion shall be referenced in the "Audit Details" or "Facility Description" section of the audit report, that the COSTCO "Food Safety & Quality Audit Expectations V2.0" was combined with one of the standards (IFS Food, BRCGS Food Safety, SQF or FSSC 22000).

5. NONCONFORMITY MANAGEMENT

Non-conformities against requirements shall be graded as Non-conformances, and in the same way as non-conformities identified against requirements of the main Standard including grading, timelines, and follow up actions.

Where a systemic failure to meet the customer requirements of this "Food Safety & Quality Audit Expectations V2.0" is identified, if applies, a nonconformity shall also be raised against the relevant clause of the Food Safety certification audit.

It must be noted that a positive outcome for COSTCO requirements is dependent on the success of the GFSI-benchmarked standard audit outcome. In other words, a failed GFSI-benchmarked standard in an audit also means that the site has failed the COSTCO requirements as well.

In the case of SQF audits with COSTCO requirements, the non-conformities relating to COSTCO requirements will be raised against the clause 2.1.1.1 on SQF report template.

5.1. Procedures for handling Non-conformities and Corrective Actions

Following identification of any non-conformities, the company must undertake corrective action to remedy the immediate issue (i.e. correction).

They must also undertake an analysis of the underlying cause (i.e. root cause) to develop a preventive action plan addressing the root cause and preventing recurrence. The process for 'closing out' non-conformities depends upon the level of non-conformity.

5.1.1. Critical Non-conformities

If a critical non-conformity is identified against an item on COSTCO's critical findings list, then the site cannot pass COSTCO audit portion without a further full audit (full audit: Costco Standalone Unannounced Food Safety Audit).

It is a requirement of COSTCO that in case of GFSI-benchmarked audit failure, it must be communicated to COSTCO by the site immediately; similarly, if the site obtains a critical non-conformity or fails against the "COSTCO Food Safety & Quality Audit Expectations V2.0".

Note that a critical non-conformity against an item listed as "Critical Findings" in the "Food Safety & Quality Audit Expectations V2.0" does not necessarily prevent certification against the Food Safety Standard or other additional modules.

6. ISSUING A CERTIFICATE

No Certificate is issued for the COSTCO audit; regardless when GFSI-benchmarked Standard's certification is achieved or not.

The certification body shall not issue a separate certificate for the COSTCO audit or include any reference to COSTCO on the corresponding Food Safety certificate(s) (BRCGS FS, IFS Food, SQF or FSSC 22000).

7. TUV NORD CERT TASKS

Download related the Expectations Manuals as well as the subject-specific guidelines from TIC Services.

7.1. PRE AUDIT

- Inform TUV-USA via the email: COSTCO@TUV-NORD.COM about the scheduled COSTCO Audit. Include the following information in the email:
 - COSTCO Item Number
 - Company name/Site name
 - Site address
 - Contacts and details (email, telephone, etc.)
 - Combined with which GFSI-benchmarked Standard audit
 - Unannounced or Announced
 - Date(s) Scheduled
 - On-site Duration (total)
 - Auditor Name
- TUV-USA updates EFA Database^(*) with the scheduled and confirmed audit/date

^(*) Enterprise Facility Audit (EFA) Database:

With the exception of fresh produce, all items must be associated in COSTCO's EFA database to the applicable manufacturers, co-manufacturers, co-packers, and distribution centers that produce or handle finished products, as well as the vendors that sell those finished products to COSTCO. Please note that only COSTCO personnel will have access to audit documents in EFA and are unable to share documents with an operation or supplier. Suppliers who need access to audit documents can request these from the facility that paid for the audit, or from the certification body if a data-sharing agreement is in place.

For items being supplied to the US, the registration process must be initiated by the COSTCO buying staff. A COSTCO item number and vendor number is mandatory for registration to occur. Facilities that supply the US may request that the COSTCO buyer complete the EFA registration form to start the process.

Facilities that supply Canada can e-mail the completed registration forms to cnfsa@COSTCO.com. Alternatively, if the facility is registered in the COSTCO Canada SafeFood database, COSTCO staff will set up the facility using that information.

At this time, suppliers to COSTCO regions other than the US and Canada should clarify their database registration requirements with a member of the respective COSTCO food safety team or their COSTCO buyers.

7.2. POST AUDIT

- Auditor submits the Preliminary Audit Report (without the corrective actions) at Day 5 (or 7, depending on the Standard KPIs)
- The Preliminary Report is emailed^(**) to TUV USA, and is uploaded to EFA database: KPI: 10 days
Email address for COSTCO Communications: COSTCO@TUV-NORD.COM

^(**)

The final report will be also posted upon issuance.

NOTE: If an operation is not producing for COSTCO but would like to be COSTCO ready, they can proceed with an approved audit type with an approved certification body, however the site will not be registered or their report uploaded until a COSTCO item number is confirmed.

- The site sends the Corrective and Preventive Actions Plans (both for the Standard non-conformances as well as COSTCO) and corresponding evidences to the auditor
- CAPAs must include
 - corrective actions,
 - root causes,
 - preventive actions,
 - date to be completed,
 - evidences sent and reviewed by the auditor
 - auditor approval date
- The final Audit Report is emailed to COSTCO@TUV-NORD.COM to be uploaded to EFA

8. FOOD SAFETY & QUALITY AUDIT EXPECTATIONS FOR COSTCO SUPPLIERS

COSTCO Wholesale issued their Food Safety & Quality Audit Expectations for COSTCO Suppliers in the Version 2.0, which is effective from April 1st, 2023.

This manual document is part of our TIC-Service SharePoint "(Axx) Food etc." in the folder COSTCO (A126).