

29 November 2013



Mr Nick Hughes  
The Secretariat, Review into the Integrity and  
Assurance of Food Supply Networks  
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*Dear Mr Hughes,*

Further to the various meetings we have held with Professor Elliott regarding his review into the issues surrounding the horsemeat contamination last January, I thought it might be useful to highlight formally the key areas and points we would wish to emphasise for your consideration. These points have already been made in meetings and also as part of our input into the BRC's formal response to the consultation. I hope this will also reaffirm the efforts we have made, and continue to make, to improve the integrity of our food supply chain. We remain fully committed to engaging with the review process and we support Professor Elliott entirely with the work he is undertaking.

The adulteration with horsemeat in the supply chain was a Europe-wide, industry wide issue. When we found out that three Tesco own brand products had tested positive for horsemeat, we immediately withdrew from sale all products from the supplier sites in question, both in store and online. As the UK's leading retailer it was our responsibility to lead the way out of the crisis and to ensure, going forward, that we enhance the systems in place to ensure the integrity of our supply chains.

**The action we have taken** (covering questions: 1, 5, 6, 10, 11, 13, 15, 26 and 27)

Our approach from the start has been to be open and honest with our customers and to look at ways of helping people better understand the quality and origin of our products. As part of this we are making some real and lasting changes based around four promises:

- We are putting in place better controls - making our supply chain simpler and through the introduction of world-class traceability and testing.
- We are bringing food closer to home – through a commitment to source more of our meat closer to home. Where it is reasonable to do so, we will source from British farmers and producers. If a link does not make a product better for customers, that link will go.
- We are building better relationships with our farmers and growers by working directly with them - we are building upon our existing farming groups and will offer contracts with a minimum period of two years to all our suppliers who want them.
- We are creating more transparency by providing more detailed information about our suppliers and how they work.

### **Supply chain controls and testing (covering questions: 2, 3, 10, 11 and 15)**

We were the first retailer to announce that we would introduce a comprehensive DNA testing programme.

- All our testing is carried out by independent laboratories and in line with the standards set by the Food Standards Agency.
- Products are taken from our stores or depots and sent to the laboratory for analysis. A small number of samples are additionally taken as part of our supplier factory audit.
- In addition to DNA analysis of meat species we have now broadened our test programme to include other food areas. Products are targeted based on historic risk and new intelligence.
- We have now tested more than 4000 products from across our businesses and services in the UK and Europe and this testing has reinforced confidence in the processes we have in place.
- Test results are published on our dedicated Tesco Food News website, which is an important way of increasing consumer confidence.
- We are continuing to review our protein supply chains to reduce risk and complexity. This includes only working with suppliers we know and trust, sourcing more British and Irish meat and extending our sustainable farming groups and producer networks.

### **Intelligence gathering (covering questions: 3, 8, 21 and 24)**

- Intelligence gathering is very important in identifying potential risks.
- We have strengthened the technical management structure across our Group operating businesses. This new structure allows us to better work across the countries we operate in to support early identification of new and emerging risks.
- With the same goal, we are looking at ways to better engage outside of the business with research organisations, similar bodies, plus also our supply base to better capture and interpret intelligence information.
- We are an active member of the Food Standards Agency's Emerging Risks Consultative Forum, an expert consultation group representing UK industry & enforcement on matters of potential emerging food safety risks and fraud.
- Within competition rules, we will routinely share information on risks or incidents with others informally.
- The Emerging Risks Consultative Forum could be improved by including further information on the analysis of economic trends as this could highlight areas susceptible to fraud.
- Cross-Europe intelligence sharing needs to be improved. If one member state has evidence of a potential problem, this needs to be shared swiftly with food standards agencies in other member states and with the food industry. Retailers need information on risks so they can focus their testing where risks are likely to be greatest.
- It is important that the FSA improves their communication with other EU member states as well as outside the EU.

### **Legislative framework (covering question 7)**

- Food fraud cannot be averted by the introduction of additional mandatory labelling requirements.
- We support more vigorous investigation of food fraud and tougher penalties being imposed on those proven guilty.

As you know Tim Smith is due to meet Professor Elliott again in a few weeks' time and we look forward to further engagement as the review enters its second stage. In particular, I understand

that in the coming months there will be further meetings and roundtables with which we will be keen to engage. If we can be of any further assistance with evidence or advice at any stage in the review process, please do not hesitate to get in touch. For clarification, we would have no objections to the content of this letter being made public, in part or fully, through the publication of Professor Elliott's findings and recommendations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Burton', with a stylized flourish at the end.

Simon Burton  
**Interim Group Government Affairs Director**

