



DESCRIPTION OF SERVICE – CERTIFICATION IFS LOGISTICS

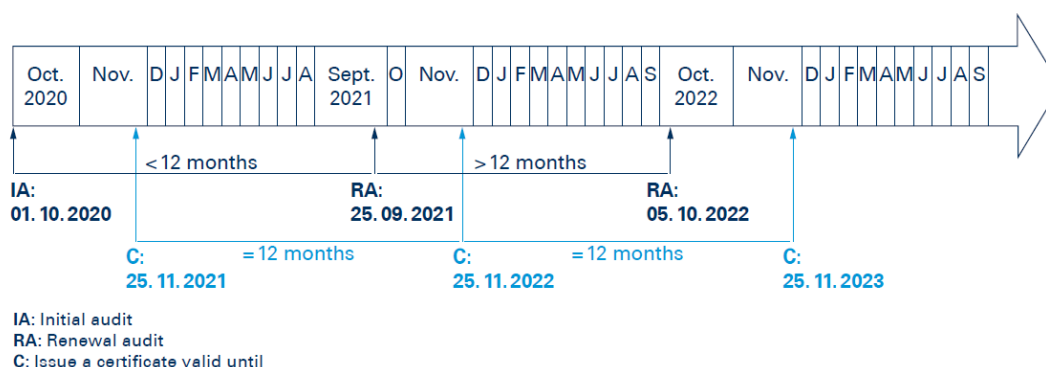
DESCRIPTION OF SERVICE – CERTIFICATION ACCORDING TO IFS LOGISTICS (INTERNATIONAL FEATURED STANDARDS)

IFS summarizes the requirements for providing logistics services in 6 chapters:

IFS Logistics v2.2 and IFS Logistics v2.3
Quality and Product Safety Management System
Resource Management
Realisation of the service
Measurements, Analysis, Improvements
Product / Food defense Plan and external inspections
Quality and Product Safety Management System

At each audit/assessment all relevant activities of the company shall be audited/assessed against the IFS Logistics requirements. Certification according to IFS Logistics is a continuous process therefore recertification audits/assessments on annual base are required after initial certification. The following section describes the process of initial certification and the necessary steps to maintain the certification.

TYPICAL TIMELINE FOR IFS LOGISTICS CERTIFICATION



INITIAL CERTIFICATION

1 APPLICATION AND PRELIMINARY TALK

The commissioning of the SGS to conduct audits / assessments is basically based on the "Application and Order for Certification".

After receipt of the order these will be checked in the following points on its feasibility:

- Completeness of information and compliance with the quotation data
- Feasibility (Standard/Type of company/appointed day)
- Admissibility of exclusions if client applied for

If necessary, a preparatory informal visit may take place at the client premises. In the case that a company carries out a pre-audit / pre-assessment, the auditor who performs this pre-audit / pre-assessment is other than during the initial audit / assessment.

Currently two IFS Logistics Standards exist parallel: IFS Logistics v2.2 and IFS Logistics v2.3. Generally, from 1st of October 2021 IFS Logistics v2.3 is applicable. In special situations (e.g. multi-location companies, etc.) IFS Logistics v2.2 may still be applicable after this date. During contracting process SGS Office will inform and explain to the clients the available options most suitable for the organisation applying for IFS Logistics certification.



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2 PRE-AUDIT / ASSESSMENT INCL. REPORT (OPTIONAL)

If required by client SGS performs a pre-audit / pre-assessment. During pre-audit / pre-assessment all requirements of the Standard will be audited based on a sample check. The aim is to identify possible weaknesses with company's procedures. If ordered by client a report will be done (optional).

The auditor assigned for the pre-audit / pre-assessment is not allowed to do the certification audit / assessment after the pre-audit / pre-assessment.

3 AUDIT PREPARATION

3.1 Personnel Allocation

In the first instance SGS allocates the lead auditor and – if necessary – further members of the audit / assessment team. Doing so it shall be ensured that the general qualification criteria for auditors according to ISO 19011 and according to IFS Logistics are fulfilled. The members of the audit / assessment team will be announced to the client in due time prior to the scheduled audit / assessment date.

3.2 Audit plan

The date of the announced certification audit / assessment is usually agreed with a lead time of 8 weeks with the client.

In coordination with the client the lead auditor prepares a documented Audit Plan for the execution of the audit / assessment. The plan will be sent to the client approx. 2 weeks prior of the scheduled audit / assessment date.

The plan contains amongst other things the following information:

- Date and time of the audit
- Name of the lead auditor/team members
- Audited / assessed standard(s)
- Audit language
- Departments/Function/Process to be audited

4 CONDUCTING THE AUDIT / ASSESSMENT

4.1 Opening meeting

At the beginning of the audit / assessment an opening meeting will be conducted with senior management and quality management representative as well as other participants appointed by company. During opening meeting, the lead auditor explains the audit / assessment and certification process. Furthermore, the certification scope and applicable technology scope will be confirmed. If necessary adjustments to the time schedule of the audit / assessment will be done.

4.2 Document review

During audit / assessment the auditor evaluates the relevant and necessary documentation which includes amongst other things quality management documentation, HACCP / risk management documents.

4.3 Evaluation of the site (on-site evaluation)

To confirm compliance of the company with IFS requirements the auditor shall evaluate and grade all requirements of the IFS Standard during audit / assessment.

This evaluation will focus on product and process conformity and will be carried out along an audit / assessment trail. The auditor(s) will choose representative risk-based samples and will use auditing and inspection techniques. The auditor(s) will conduct interviews with personnel from all levels of responsibility e.g. senior management, department leaders, supervisors, shop floor staff, and technical staff. By this methodology, auditor(s) will collect objective evidences in order to be able to determine whether the company's operation and the audited/assessed services and processes are in compliance with the IFS Logistics requirements as well as with legal and customer requirements



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4.4 Preparation of final conclusions drawn from the audit

The auditor grades his findings from the according to the following scheme:

For IFS Logistics v2.2:

Result	Explanation	Points
A	Full compliance	20 points
B (deviation)	Almost full compliance	15 points
C (deviation)	Small part of the requirement has been implemented	5 points
D (deviation)	Requirement has not been implemented	-20 points

For IFS Logistics v2.3:

Result	Explanation	Points
A	Full compliance	20 points
B (point of attention)	Point of attention as it may lead to a future deviation	15 points
C (deviation)	Small Part of the requirement is not implemented	5 points
D (deviation)	The requirement is not been implemented	-20 points

Besides the above mentioned grading the auditor can raise a non-conformity „KO“ (D grading at KO requirement) or a Major if a substantial failure of a certain IFS requirement is identified during audit. If a non-conformity is raised during audit / assessment this has a severe impact on the total result of the audit / assessment.

4.4.1 KO non-conformity

A „KO“ (D grading at a KO requirement) will be raised if one (or more) of the 6 KO-requirements are not implemented or a substantial failure is identified during audit. The 6 defined KO-requirements in IFS Logistics can be found in the respective Standard:

IFS Logistics v2.2 and IFS Logistics v2.3
1.2.7 Responsibility of the senior management
2.1.1 Product safety management system
2.3.8 Monitoring system of each CCP
5.1.1 Internal audits
5.5.1 Management of non-conforming products
5.8.2 Corrective actions

When a KO requirement has been graded as „D“, 50 % of the possible total amount of points will be subtracted automatically meaning that the company is „not approved“ for IFS Logistics certification.

In case of a recertification audit / assessment the current valid certificate will be blocked by certification body within 2 working (starting after last audit day) within IFS Database. All user of IFS Database who has added the company to their „Favourites“ will be informed by an automatically generated E-mail. In each case, the audit shall be completed and all requirements shall be evaluated in order to give the company a complete overview about its situation. In these situations, a complete new audit shall be performed. The new audit shall be scheduled no earlier than 6 weeks after the audit where a KO was scored with D.



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4.4.2 Major non-conformity

A Major non-conformity can be given to any requirement which is not defined as KO requirement.

When there is a substantial failure to meet the requirements of the Standard, which includes but not limited to product safety and/or the legal requirements of the production and destination countries and internal disfunction. A Major can also be given when the identified non-conformity can lead to a serious health hazard.

A Major will subtract 15 % of the possible total amount of points.

In case of a recertification audit / assessment the current valid certificate will be blocked by certification body within 2 working (starting after last audit day) within IFS Database. All user of IFS Database who has added the company to their „Favourites” will be informed by an automatically generated E-mail. In each case, the audit / assessment shall be completed and all requirements shall be evaluated in order to give the company a complete overview about its situation. In case one Major non-conformity has been identified and at least a total score of 75% or above is achieved the company can go for a follow-up audit / assessment. In cases where more than one Major non-conformity have been identified, a full new audit / assessment shall be performed. The new audit / assessment shall be scheduled no earlier than 6 weeks after the audit / assessment where Major non-conformities were issued.

4.5 Closing Meeting

During the closing meeting, the auditor (or lead auditor in the case of an audit team) shall present a non-committal summary of all findings and confirm all deviations and non-conformities which have been identified. The auditor may only issue a provisional assessment of company's status during the closing meeting.

5 REPORTING

5.1 Audit Report

After completion of the audit / assessment the Preliminary Report and Action Plan will be send to the client by lead auditor (latest after 14 calendar days). The content of these documents are clearly described in the relevant IFS Logistics Standards. All certification bodies and auditors shall use the format defined by IFS.

5.2 Action Plan

Procedure for IFS Logistics v2.2:

The company shall enter proposed corrective actions for all deviations (B, C, D) and KO requirements scored with a B and non-conformities (Major, KO requirements scored with a D) listed by the auditor.

For all evaluated deviations with grade C and D, as well as non-conformities, Major or KO requirements scored with a B and/or a D, the company shall clearly state the responsibilities and implementation deadlines for corrective action. The company shall forward the corrective action plan to the certification body via the lead auditor within 2 weeks of having received the Pre-Report and the Action Plan. If this deadline is not respected, the company has to undergo a complete initial or recertification audit / assessment.

The proposed corrective actions are subject to evaluation by lead auditor, after confirmation of lead auditor the Action plan is released by lead auditor and send to certification body for technical review. If the corrective actions are not valid or are inadequate, the certification body shall return the Action Plan to the company for completion in due time.

Procedure for IFS Logistics v2.3:

The company shall enter proposed corrections AND corrective actions for all deviations (C, D) and KO requirements scored with a C and non-conformities (Major, KO requirements scored with a D) listed by the auditor.

For all evaluated deviations with grade C and D, as well as non-conformities, Major or KO requirements scored with a C and/or a D, the company shall clearly state the responsibilities and implementation deadlines for corrections AND corrective action. The company shall forward the Action Plan to the certification body via the lead auditor within 4 weeks of having received the Pre-Report and the Action Plan. Beside the Action Plan evidences of corrections shall be sent as well (e.g. updated procedures, before- and after photos taken of an equipment repair, training records, etc.). If this deadline is not respected, the company has to undergo a complete initial or recertification audit / assessment.



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The corrections and proposed corrective actions as well as the submitted evidences for the corrections are subject to evaluation by lead auditor, after confirmation of lead auditor the Action plan is released by lead auditor and send to certification body for technical review. If the corrective actions are not valid or are inadequate, the certification body shall return the Action Plan to the company for completion in due time.

Corrections	Corrective actions
As soon as possible. Evidence of implementation shall be provided to the certification body within a maximum of four (4) weeks after the receipt of the provisional audit report and the provisional action plan for completion.	Relevant for a sustainable and successful implementation (may take longer than the deadline for issuing the certificate, need to be reasonably justified by the company). Implemented before the renewal audit at the latest.

6 CERTIFICATE

The final Report and Action Plan (including evidences for the corrections) will be reviewed by certification body. After technical approval of Report and Action Plan (including the evidences for the corrections) the certification decision will be done by competent personnel of the certification body.

Awarding the certificate is based on the total result of the audit:

Procedure for IFS Logistics v2.2:

Audit result	Status	Action company	Report form	Certificate
At least 1 KO scored with D	Not approved	Actions and new initial audit to be agreed upon	Report gives status	No
>1 Major and/or total score < 75 %	Not approved	Actions and new initial audit to be agreed upon	Report gives status	No
Max 1 Major and total score ≥ 75 %	Not approved unless further actions taken and validated after follow-up audit	Send completed action plan within 2 weeks of receiving the preliminary report. Follow-up audit max. 6 months after the audit date	Report including action plan gives status	Certificate at foundation level, if the Major non-conformity is finally solved as controlled during the follow-up audit
Total score is ≥ 75 % and < 95 %	Approved at foundation IFS Logistics level after receipt of the action plan	Send completed action plan within 2 weeks of receiving the preliminary report.	Report including action plan gives status	Yes, certificate at foundation level, 12 months validity
Total score is ≥ 95 %	Approved at higher IFS Logistics level after receipt of the action plan	Send completed action plan within 2 weeks of receiving the preliminary report.	Report including action plan gives status	Yes, certificate at higher level, 12 months validity



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Procedure for IFS Logistics v2.3:

Audit result	Status	Action company	Report form	Certificate
Total score is $\geq 95\%$	Passed at IFS Logistics higher level following the receipt of the action plan	Send completed action plan within four (4) weeks of receiving the provisional report	Report including action plan provides status	Yes, certificate at higher level, 12-month validity. The certificate shall only be issued when the corrections are closed
Total score is $\geq 75\%$ and $< 95\%$	Passed at IFS Logistics foundation level after receipt of the action plan	Send completed action plan within four (4) weeks of receiving the provisional report	Report including action plan provides status	Yes, certificate at higher level, 12-month validity. The certificate shall only be issued when the corrections are closed
Maximum one Major and total score is $\geq 75\%$	Not passed, unless further actions taken and validated after a follow-up audit	Send completed action plan within four (4) weeks of receiving the provisional report. Follow-up audit maximum six (6) months after the audit date	Report including action plan provides status	Certificate at foundation level, if the Major non-conformity is finally solved during the follow-up audit. The certificate shall only be issued when the corrections are closed.
Total score is $< 75\%$	Not passed	Actions and new initial audit to be agreed upon (no earlier than six (6) weeks after the audit where the final score was $< 75\%$).	Report provides status	No
> one Major and/or total score is $< 75\%$	Not passed	Send completed action plan within 2 weeks of receiving the preliminary report.	Report provides status	No
At least one KO requirement scored with D	Not passed	Actions and new initial audit to be agreed upon	Report provides status	No

FOLLOW-UP AUDIT / ASSESSMENT

A follow-up audit / assessment is required in a specific situation when the results of the audit / assessment (an initial audit or a recertification) have been insufficient to allow the award of the certificate. During the follow-up audit / assessment, the auditor focuses on the implementation of the actions taken to correct the Major non-conformity determined during the previous audit.

The follow-up audit / assessment shall be performed within a six months period from the date of the previous audit / assessment. As a general rule, the follow up audit / assessment shall be performed at least 6 weeks after the previous audit / assessment and no later than 6 months after the previous audit / assessment.

If there is no follow-up audit / assessment performed after 6 months from the date of the previous audit / assessment, then a complete new audit / assessment is necessary. If the company decides not to perform a follow-up audit / assessment but to start with a new full audit / assessment, the new audit / assessment shall be scheduled not earlier than 6 weeks after the audit / assessment where the Major non-conformity was issued.

In the event that the follow-up audit / assessment establishes that requirements remain inadequate, a complete new audit / assessment is necessary, which shall be scheduled not earlier than 6 weeks after the follow-up audit / assessment. The elimination of Major non-conformities shall always be established by an onsite visit by the auditor.

RECERTIFICATION AUDIT / ASSESSMENT

Recertification / renewal audits / assessments are those which are performed after the initial audit / assessment. The period in which a renewal audit / assessment shall be performed is shown on the certificate. A renewal audit involves a full and thorough audit of a company resulting in the issue of a new certificate. During the audit, all criteria of the IFS requirements shall be assessed by the auditor. Particular attention is paid to the deviations and non-conformities identified during the previous audit, as well as to the effectiveness and implementation of corrective actions and preventive measures laid down in the company's corrective action plan.

Link between two consecutive audits / assessments:

When the auditor scores a requirement with C or D, corrective actions shall be implemented before the renewal audit / assessment. This means the certification body and the auditor(s) shall read the Report and the Action Plan of the previous audit / assessment, even if the report was issued by another certification body. If C and/or D scorings remain the same from one audit / assessment to the next, or if scorings are getting worse, the auditor shall assess in accordance with the IFS chapter related to „Corrective actions“. This link between two consecutive audits ensures a continuous improvement process.

UNANNOUNCED AUDIT / ASSESSMENT

1 REGISTRATION

Prior to scheduling and performing the audit / assessment, the company shall inform its certification body about the chosen option:

- IFS Logistics announced audit / assessment (option “Announced”):
The requirements defined in the current audit protocol of IFS Logistics Standard apply.
- IFS Logistics unannounced audit / assessment (option “Unannounced”):
The information below described the requirements which will apply.
This option involves a full unannounced audit / assessment against the audit checklist of the IFS Logistics requirements, which replaces the yearly scheduled audit. The audit / assessment date shall not be notified to the company in advance of the audit / assessment.

Recertification registration:

This is the regular registration for the unannounced recertification audits / assessments, with a time window of – 16 weeks; + 2 weeks (18 weeks in total) from the recent audit due date. By choosing this option the certification validity/cycle does not change. The deadline for this registration is 4 weeks before the unannounced audit / assessment time window starts.

Initial registration:

This option give companies the possibility to postpone or move forward their audit / assessment time window (18 weeks in total) to align it with other schemes and / or due to non-production periods. This option is also available for companies who want to start IFS Logistics certification with an initial unannounced audit / assessment. This option shall also be used whenever the previous certification cycle breaks or when the deadline for registration for unannounced recertification option has missed. This option shall be used for seasonal companies in order to be able to adjust the unannounced time window to the actual season in each year. Based on the new time window the validity of the next certificate will change. SGS may need some weeks to plan and register the audit, therefore the client is obliged to inform SGS as soon as possible about the requested audit option.

The unannounced option is preferably aimed at renewal audits / assessments (i.e. for companies already IFS Logistics certified), but may also apply for initial audits, if the company prefers starting directly with an unannounced audit.

For each renewal audit, the company shall inform its certification body about the chosen option.

2 BLOCK-OUT DAYS

The company has the opportunity to identify maximum 10 operational days, plus not operating periods, when the site is not available for the audit.

These dates shall be notified to the certification body at the same time as the company is registered for the unannounced audit / assessment by its certification body and reasons shall be provided. Reasons may be challenged by the certification body or by the auditor during the audit / assessment. Note: the company may only split the 10 operational block-out days into a maximum of 3 periods (e.g. planned customer visit, holidays of Quality manager, etc.).

3 FURTHER INFORMATION PROVIDED BY THE CLIENT

The company shall provide the name(s) of the person(s) to be contacted on-site when entering the site on the day of the unannounced audit / assessment, to facilitate the auditor entry. As for an announced audit, SGS may ask, before the start of the time window, for some company's documentation, in order to prepare the audit.

4 ON-SITE AUDIT / ASSESSMENT

After arrival and introduction, the auditor may briefly review the documents prepared by the company and shall immediately (within 30 minutes after arrival) start the audit / assessment on the facilities (service area). The opening meeting and documentation audit / assessment shall be undertaken later during the audit / assessment.

As for announced audits / assessment, it is not possible to include in the scope of the IFS Logistics certification processes and services of the audited site, which are not operating during the audit / assessment, unless those processes and services involve the same HACCP study and processes, which are audited when operating. If, during the unannounced audit / assessment, some processes are not operating and involve different HACCP plans, an additional audit / assessment of the processes, when operating, is mandatory (extension audit / assessment). When performing the unannounced audit / assessment, two options are possible:

- If it is possible, the auditor can ask the company to run the processes later during the first audit / assessment day or the following audit / assessment day(s), so that the processes are assessed later during the unannounced audit / assessment.
- If it is not possible for the company to run the processes during the audit / assessment, the auditor shall come back to audit the processes when operating, during an extension audit / assessment (if the company wants to include these into the audit scope and / or an exclusion is not possible). The extension audit / assessment shall be performed announced, however the certificate will be issued as unannounced as the main audit / assessment was unannounced.

NOTE:

If company denies access to the auditor (apart from "force majeure"), the currently valid IFS certificate shall be suspended by SGS, within a maximum of 2 working days after the audit / assessment date (notification will be received by customers having placed the company in their „Favourites“ list in IFS Database) and this information will be visible in the company history in IFS Database. The company shall be invoiced by SGS for the total cost of the audit / assessment. Moreover, the next audit / assessment can only be scheduled announced.

5 ACTION PLAN, REPORTING, CERTIFICATE

No changes to IFS announced program except, the option "Unannounced" will be clearly stated on the IFS Report and Certificate.

6 OBLIGATORY UNANNOUNCED AUDITS / ASSESSMENTS

From 1st of January 2021, a new GFSI (Global Food Safety Initiative) requirement has been implemented by IFS. This new requirement is applicable for all IFS Logistics certified companies irrespectively the standard version the company will have for the audit / assessment in 2021.

The unannounced audit / assessment option shall be mandatory at least once every third IFS certification audit / assessment. Based on this rule, in case the certification cycle is interrupted where an unannounced audit / assessment was due, the next certification audit / assessment (=initial audit / assessment) has to be conducted unannounced.

EXTENSION AUDIT / ASSESSMENT

In specific situations, such as new products and/or processes to be included in the audit / assessment scope or each time the audit / assessment scope would need to be updated on the certificate during the validity of the existing certificate, then, for an IFS Logistics certified company, it is not necessary to perform a complete new audit / assessment, but to organize an on-site extension audit / assessment during the validity period of the existing certificate.

IFS SPLIT AUDIT / ASSESSMENT

At IFS, the split option is a voluntary option, which needs to be agreed on in advance by the certification body and the company subject to an IFS audit / assessment. It is developed as option to support situations, where a complete regular on-site IFS audit / assessment at the physical site is hardly possible to realise (e.g. restrictions and limitations due to the pandemic situation). The reason why the option of the IFS split audit / assessment is chosen, shall be clearly mentioned in the Report.

IFS split audit / assessment means that a part of the audit / assessment is conducted remotely with the help of ICT. For IFS Logistics full remote audit / assessment option is not available.

The IFS split audit / assessment consists of two parts:

- On-site part: focusing on production, GMP/GHP/PRP's, product development, laboratories, corrective actions related to the production processes and infrastructure, collecting information for the remote part
- Remote part: focusing on document review and crosschecking information collected during the on-site part

The on-site part shall always be performed first. As a general rule, min. 50% of the audit / assessment duration shall be spent on-site. The maximum period of time between the beginning and the end of all audit / assessment activities, including the remote part, shall be kept as short as possible and shall not exceed 14 days. All audit / assessment activities (on-site and remote) have to be completed within the general audit / assessment time window otherwise the certification cycle will be interrupted. The last day of the remote part counts as the finish date of the complete audit / assessment.

To be able to apply the IFS split audit / assessment option, the following pre-requisites shall be fulfilled:

- The certification body, auditor and the company have the appropriate information technology (IT) infrastructure and environment (e.g. internet access) in place.
- The company has all relevant documents and records available online, or has a document scanner or similar, to enable the digitalisation of further documents or records, if necessary.
- The certification body and the company have signed an agreement on the use of ICT, which includes details on data security and confidentiality

A risk assessment shall be performed before the IFS Split Audit / Assessment in order to determine whether the company is suitable for the split audit / assessment option. This process will consider items like certification history, any known incidents, result of ICT testing, etc.

All other general rules described for a full on-site audit / assessment shall be applied for the IFS split audit / assessment option.

EXTRAORDINARY INFORMATION

The company shall inform its certification body about any change that may affect its ability to conform with the certification requirements (e.g. recall, alert on products, notifications from competent authorities, changes in legal entity, changes in location, etc.). This information shall be made within 3 working days

SGS IS THE WORLD'S LEADING INSPECTION, VERIFICATION, TESTING AND CERTIFICATION COMPANY