



IFS INTERNATIONAL FEATURED STANDARD

WHAT IS IFS ESG Check

"Climate change concerns all of us. Sustainability is here to stay"

IFS ESG Check is a verification tool for evaluating sustainability management systems. It is based on a flexible modular approach and can be combined with different modules or implemented alone. Companies can choose between different voluntary modules to focus on individual supply chain risks (e.g. risks related to greenhouse gas emissions, food waste, water scarcity, human rights-related risks, etc.)

The basic module of the IFS ESG Check focuses on recording a company's sustainability management system. As an optional additional module, the IFS ESG Check allows companies to evaluate their carbon footprint management system and determine their footprint. For this purpose, IFS cooperates with nature Office, a consulting and IT development company for sustainability solutions. They developed the ecozoom calculation tool tailored to the food industry. It enables companies to independently create comparable, GHG Protocol-compliant, transparent and verifiable product or company carbon footprints.

Companies determine their current situation and status quo by completing a self-assessment form. In the next step, an auditor verifies the answers given. This unique combination ensures that the data are robust and trustworthy and can be used to plan the following steps, take measures to improve sustainability management, and identify additional potential fields.

The IFS ESG Check is especially helpful for companies who find the many dimensions of sustainability rather confusing since environmental and climate protection, social issues, and corporate governance need to be taken into consideration.

Small- and medium-sized enterprises in particular face a huge challenge to understand the various regulations and implement measures in a target-oriented manner. They are often sailing the high seas without a compass. The IFS ESG Check helps you find orientation, evaluate your status quo, identify risks, and plan your further engagement

The ESG assessment contains eleven requirements and a list of mandatory questions that the company must complete before carrying out the audit (self-assessment). The information provided by the company in this self-assessment is verified at least annually by an independent third party. The verification ensures that the ESG audit represents the real progress made by the company.

The IFS ESG Check is tailored to small and medium-sized enterprises which want to integrate ESG principles into their business strategy and improve their sustainability management system. The IFS ESG audit can be applied to companies that already have IFS certification, or it can be done as a stand-alone module for companies that do not have IFS certification.

In particular, companies already certified with IFS will benefit from the implementation of the ESG audit, as the verification can be carried out directly after an IFS assessment (eg IFS Food, PACsecure or HPC), if desired. Verification can be done on-site or remotely.

THE OBJECTIVES AND BENEFITS OF THE VERIFICATION INSPECTION ARE

1. Guidelines for establishing and maintaining a sustainability management system
2. Compliance with sustainability requirements of retail, customers, banks, etc.
3. Increased trust between business partners and customers
4. External confirmation by an internationally recognized body
5. Rating organization value
6. Continuous improvement
7. Simple assessment and easy-to-use tool to check a company's maturity level regarding sustainability.
8. Getting ready for the evolving legal landscape concerning Environmental, Social, and Governance (ESG) principles.
9. It consists a sound basis for entry into more comprehensive sustainability assessment systems.
10. Information and documentation available when requested by customers or government agencies
11. Renowned retail companies recognise the ESG Check as a tool to document sustainability management systems



The criteria that influence the "value" of a company are its actions towards the Environment, its attitude towards Society, and the Corporate Governance applied. This is exactly the triptych of ESG (Environmental, Social and corporate Governance). Sustainability and the integration of ESG principles into business strategies are increasingly fundamental to business success. Customers, consumers and all stakeholders expect greater transparency from retailers and suppliers on these matters.



IFS has released the IFS ESG Check, a new validated self-assessment for sustainability management systems, which can be verified during the certification audit. The IFS ESG self-assessment form provides information on the ESG areas a company is already strong in and in which areas it has the opportunity to grow.

The verification report by an IFS auditor is an IFS ESG report that companies can use to internal and external stakeholders. The IFS ESG inspection can be done concurrently with an existing IFS inspection or it can be done independently. It is outside the scope of accreditation. It is not required that the company be certified for an IFS system.

The IFS ESG audit includes two sections, a general ESG audit and a carbon footprint audit.

Core Module: focuses on the implementation of a sustainability management system and considers the company's sustainability policy, senior management's commitment to sustainability goals and the appropriate structure.

Additional voluntary module: companies can assess their carbon footprint management system and calculate their relative value

When the company completes the IFS ESG Check self-assessment, it can be voluntarily verified by a EUROCERT auditor on-site or remotely. Can be combined with the IFS Food/Broker/Logistics certification inspection.

WHY CERTIFY WITH EUROCERT?

- All IFS assessments by one certification body
- Accredited body for IFS (Food , Logistics, Broker) UKAS (Cert. No.180 – B)
- High industry experience and knowledge of approved auditors.
- Staff and competent contact persons.
- High level of solutions and customer orientation.
- Cross-departmental collaboration with approved environmental and social responsibility auditors

The report is shared on the IFS website. The IFS ESG certificate is valid for 12 months. The result of the IFS ESG audit does not affect the result of other IFS certificates held by the company.

CERTIFICATION PROCEDURE

1. Completion of the IFS ESG self-assessment form by the company. The company must complete a self-assessment and, in this context, must deal intensively with many aspects of sustainability and their application in the company. The completed list must be sent to the auditor at least fourteen days before the verification check. Note: The more thoroughly the list is filled out, the faster the verification can take place.
2. If the company has selected the carbon footprint phase, the carbon footprint calculation must be performed before the verification check.
3. Presentation of the Certification Application by the interested company to the EUROCERT secretariat
4. Determination of a commonly agreed date for conducting the inspection.
5. Presentation of self-assessment study-conclusions to be reviewed by auditors.
6. Sending an inspection program to the company. The duration of the inspection is determined by the size and complexity of the company's processes and products and is 2 to 4 hours
7. Conduction of audit. During the verification audit, the auditor will review the documentation and data presented in the self-assessment.
8. Sending a Preliminary Report to the company, in which it is asked to complete the Action Plan within 4 weeks. The result is expressed in units. The total number of points results in a final score, ranging from A to E, reflecting a final result: beginner, intermediate, advanced. The results in the different sections of the IFS ESG Check are independent of each other. The results of the IFS ESG audit do not affect other IFS certificates.
9. The verification audit and its results are evaluated by the independent certification board of EUROCERT, which decides on the issuance of the confirmation letter.
10. Receipt of the Action Plan from the certification body, issuance of the Final Report and the verification certificate.
11. Sending certificate and report to the company.

The IFS ESG Check documents including the protocol, checklist, guidelines and more information about the training courses are available on the IFS database.

Unlike the IFS standards, the IFS ESG inspection does not arise non conformities for certified companies. The rating is used as an index to show the company status environmental, social management and governance aspects, and helps to indicate areas to be improved. Each company receives a certificate which is posted on the IFS portal and the prescribed logo can be used.