



IFS
ESG
Compliance

IFS ESG COMPLIANCE CHECK

Verification tool for assessing sustainability and supply chain transparency management systems



IFS Supply Chain Solutions

Under the name IFS Supply Chain Solutions, IFS offers a portfolio of supply chain management checks and IT tools. These solutions effectively support companies in monitoring and managing risks in their supply chains, such as ESG compliance or food fraud incidences.

The checks IFS offers under this umbrella enable companies to provide their stakeholders with validated data on their risk management processes and to comply with regulations such as the EU Corporate Sustainability Due Diligence (CSDDD) and Corporate Sustainability Reporting Directive (CSRD). They also contribute to more transparency, greater credibility, and better cooperation within supply chains. The IFS ESG Compliance Check is part of this portfolio.

In case of any queries regarding the interpretation of IFS Standards and Programs, please contact standardmanagement@ifs-certification.com

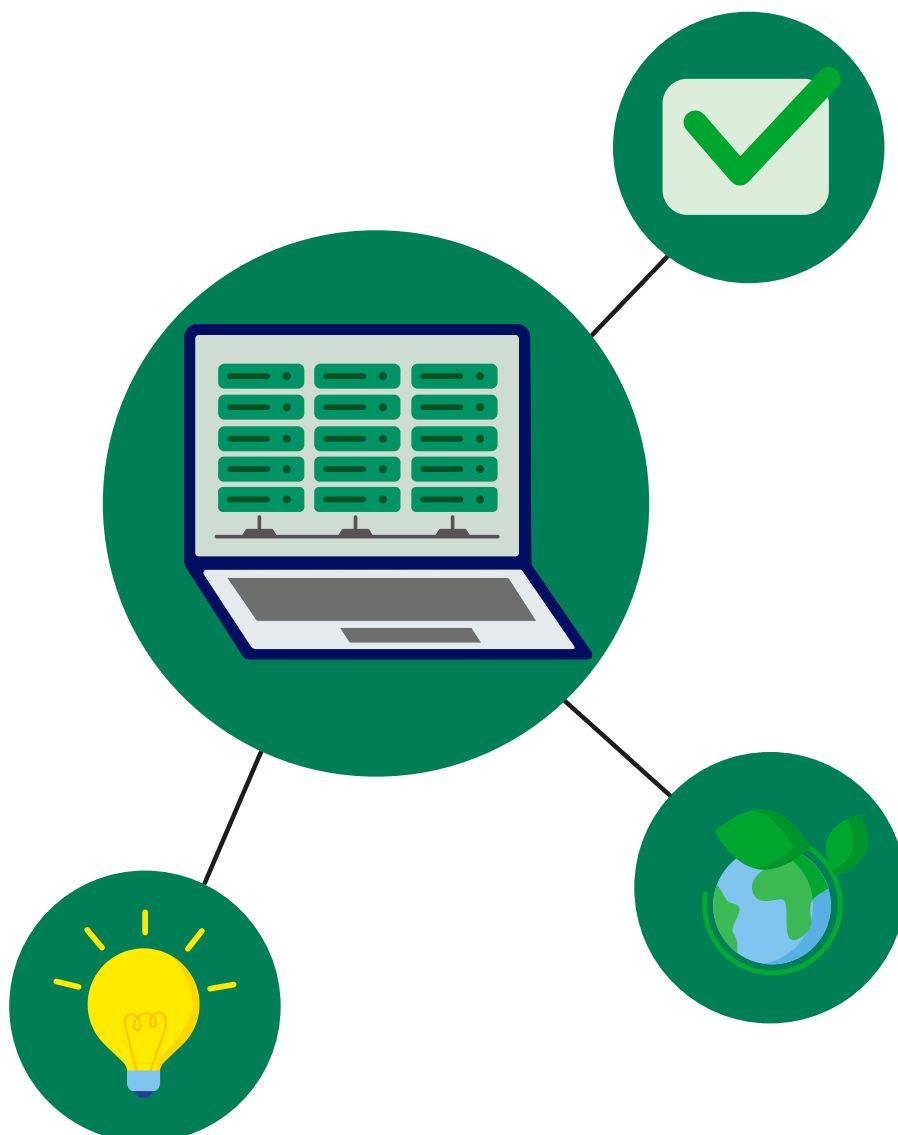


TABLE OF CONTENT

IFS Supply Chain Solutions	2
Introduction	4
Acknowledgements	5
Goals and path of the IFS ESG Compliance Check	6

Part 1: IFS ESG Compliance Check Protocol

1	IFS ESG Compliance Check and pre-assessment	7
2	Scope	7
3	Types of checks	7
4	Duration	8
5	Prior to the check	8
6	Check performance and operational language	9
7	Scoring system	10
8	Final results	10
9	Deadlines for issuing the letter of confirmation	11
10	Check cycle	11
11	Auditor or assessor competency	11
12	Reporting	12
13	Improvement action plan	12

Part 2: List of the IFS ESG Compliance Check requirements

1	Sustainability and Supply Chain Transparency policy	14
2	Senior management commitment	14
3	Sustainability policy framework	15
4	Assessment of adverse impacts and mitigation	16
5	Stakeholder communication and data management	16

Annexes

Annex 1 – Pre-assessment form IFS ESG Compliance Check	18
Annex 2 – IFS ESG Compliance Check – Improvement action plan	23
Annex 3 – Letter of confirmation	24
Annex 4 – Report IFS ESG Compliance Check Version 1	25

INTRODUCTION

IFS is the long-standing partner of many companies. For over 20 years, we have created robust standards and services that assess food and product safety, quality, and integrity in accordance with legal and customer requirements.

Today, we see new challenges arising. Customers and other stakeholders expect more transparency regarding environmental, social and governance activities in supply chains. Also, governments are initiating more regulation in this field. 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. With our expertise, we want to support these businesses in setting out their future course.

The IFS ESG Compliance Check provides the right solution. The IFS ESG Compliance Check will determine whether the company has implemented the necessary processes to operate a functional ESG supply chain management system, identify the risks in the upstream supply chain, draw up a mitigation plan and inform its customers about it.

It is a validated pre-assessment creating the basis on which companies can build and later have comprehensive supply chain transparency and sustainability certifications. It consists of two parts: a pre-assessment performed by the company and a verification check performed by an auditor or assessor on-site or remotely. It is possible to have an IFS ESG Compliance Check as a stand-alone program or combined with the IFS Standards.

- The IFS ESG Compliance Check focuses on the implementation of a sustainability and supply chain transparency management system that considers a company's sustainability and supply chain transparency policy, and the commitment of senior management to its own sustainability goals and communication to the stakeholders. Using the IFS auditXpress Neo Software tools, a company can identify the risks and draw up a mitigation plan according to its operations and suppliers.
- The IFS ESG Compliance Check can be combined with various modules designed to address the wide range of sustainability challenges faced by companies today. One such module is the Carbon Footprint module, which enables companies to implement a carbon management system. Additional modules are in the pipeline to provide further sustainability solutions in the future.

To prepare businesses for the IFS ESG Compliance Check, IFS offers a guideline, tutorials, and industry training.

The results of the IFS ESG Compliance Check provide the status quo and show in which areas companies still need to catch up if they want to meet the future requirements of their stakeholders (e.g. governments, trade or retail partners, customers, consumers). They also provide the necessary coordinates needed to start a journey towards a sustainable supply chain transparency for a successful future.

IFS offers several services, such as training and IT tools, to support suppliers, certification bodies or assessment service providers, and retail companies working with this check.

Visit our **website** to learn more.

ACKNOWLEDGEMENTS

To create the IFS ESG Compliance Check, IFS has received input and support from many experts in the fields of sustainability management systems and regulations, supply chain management, certification, and verification as well as training and business guidance. We thank everyone who has contributed to the creation of this program. We look forward to continuing this journey with you.



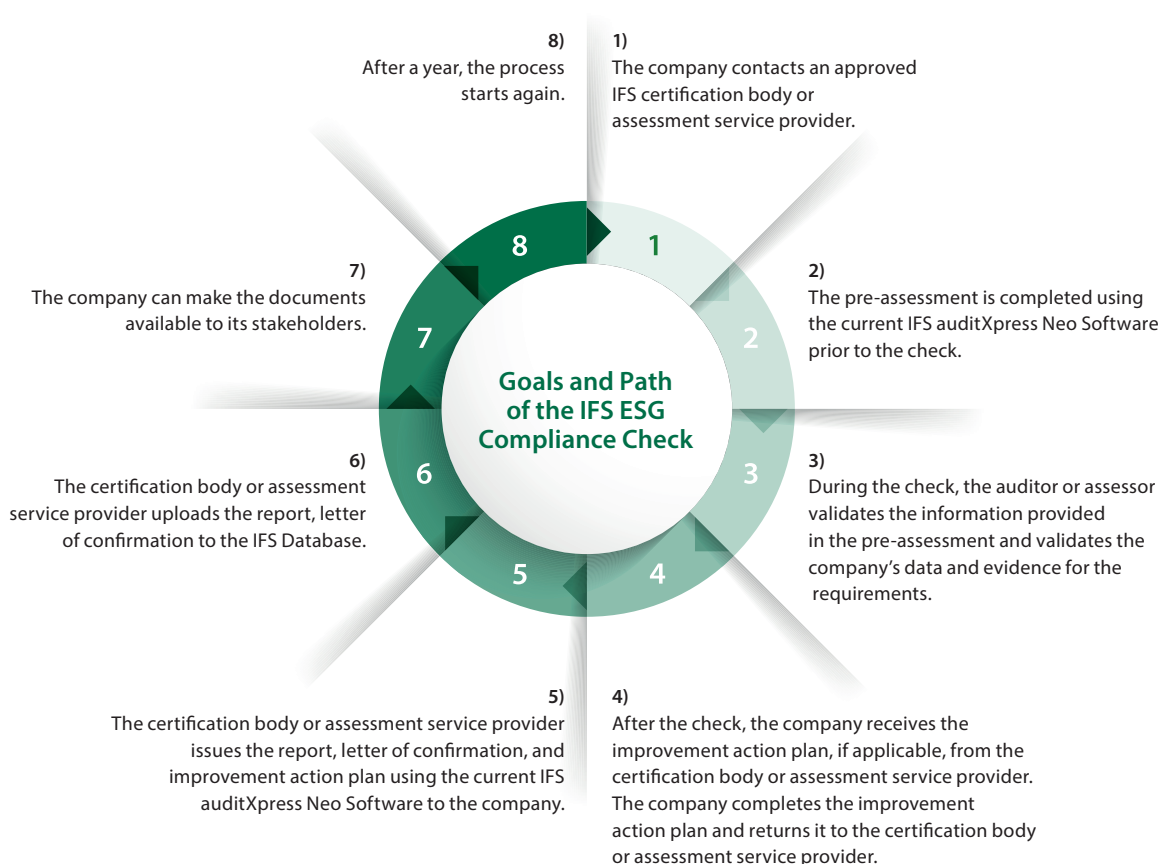
GOALS AND PATH OF THE IFS ESG COMPLIANCE CHECK

The IFS ESG Compliance Check assesses general ESG and supply chain management system of a company. It is an annual check to evaluate whether the company has established and maintained effective processes to analyse and identify commodity-related risks in its supply chain.

The check consists of twenty (20) requirements, a pre-assessment form and the risk mitigation plan. The company shall fill the pre-assessment form and provide the information for the risk mitigation plan prior to the check. As a next step, an auditor or assessor will validate this information on-site or remotely.

The auditor or assessor can conduct this check in addition to an IFS Audit, IFS Progress Assessment, or an audit for another GFSI benchmarked food safety standard. It is also possible to perform it as a standalone evaluation.

After the check, the company receives a report of the results, an improvement action plan and a letter of confirmation from its certification body or assessment service provider. With these documents, the company can present its stakeholders with validated check results.



PART 1

IFS ESG Compliance Check Protocol



PART 1: IFS ESG COMPLIANCE CHECK PROTOCOL

1 | IFS ESG Compliance Check and pre-assessment

The IFS ESG Compliance Check can be combined with different modules or implemented alone.

The IFS ESG Compliance Check is always the basic starting point for a company, and it contains twenty (20) requirements. Prior to the check, the company shall fulfil a pre-assessment form and the risk mitigation plan. Both are available in the IFS auditXpress Neo Software and are there to help the companies in providing the necessary information for conducting the check. This information will be verified by an independent third party, thus giving the business partner the confidence to track the real progress of a supplier. See chapter 6.

The IFS ESG Compliance Check together with the additional modules support companies to contribute to more sustainable systems.

2 | Scope

The IFS ESG Compliance Check can be applicable for companies which are already IFS certified, while also being applicable as a “standalone” program for companies which are not IFS certified. The IFS ESG Compliance Check is applicable to companies that have to follow Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) for food and non-food consumer goods.

The IFS ESG Compliance Check can be performed independently or directly after an IFS Audit (e.g. IFS Food, PACsecure or HPC). Independent of the chosen option, the check shall be performed on site or remotely using ICT (Information and Communication Technologies).

The IFS ESG Compliance Check is in principle an annual verification check although the frequency could be increased during the year to show more progress.

The result of the IFS ESG Compliance Check does not have any impact on the result of any other IFS Certificate that the company might have. See chapter 9.

3 | Types of checks

- **Initial check**

The initial check is the first IFS ESG Compliance Check or the IFS ESG Compliance Check after an interruption in the cycle. During the initial check, all the requirements of the IFS ESG Compliance Check Checklist shall be checked by the auditor or assessor.

- **Renewal check**

The renewal check is performed after an initial check within the relevant cycle to maintain the letter of confirmation. During the renewal check, all the requirements of the IFS ESG Compliance Check Checklist shall be checked by the auditor or assessor.

The period in which a renewal check shall be performed is shown on the letter of confirmation and the check shall be performed during this period in order to maintain approval. It is the responsibility of the company to renew their check in due time. Therefore, all companies who have performed the IFS ESG Compliance Check will receive a reminder from the IFS Database three (3) months before the expiration of the letter of confirmation.

If the check is not performed in due time, all IFS Database users who have the respective production site in their favourites list will receive an automatic e-mail notification.

During the renewal check, all IFS ESG Compliance Check Checklist requirements shall be evaluated by the auditor or assessor. In addition, the auditor or assessor shall review the report and improvement action plan from the previous IFS ESG Compliance Check to check the implementation and effectiveness of improvement actions.

4 | Duration

The duration of the check can vary depending on the chosen module(s) and the data to be verified:

- IFS ESG Compliance Check (basic program): a minimum of four (4) to six (6) hours is expected.
- Extra time for the additional modules depending on the module.

The more thoroughly the pre-assessment is completed, the more representative the impact on the overall check duration. See chapter 6.

The calculated duration does not include time for the check preparation and reporting, which shall take a minimum of:

- two (2) hours for preparation
- one and a half (1.5) hours for report writing.

5 | Prior to the check

The company shall fulfil the pre-assessment form. This form is an exercise that will oblige the company to put in work and think deeply about many aspects related to sustainability and supply chain transparency as well as its implementation in their own facilities.

To fulfil the pre-assessment, a risk mitigation plan is needed. This is the result of the risk management activities of the company, showing which raw materials in their supply chain have a high risk for them. The attributes chosen to reflect this risk are individual and can range from risks associated with the country of

origin of the raw material, such as political tension or natural disasters as well as issues attached to the raw material itself, for example historical cases of food fraud or environmental or labour law problems at the sourcing stage of the raw material.

- The risk mitigation plan is available in the IFS auditXpress Neo Software.
- The company shall fulfil the risk mitigation plan and shall fill the pre-assessment form before the check takes place.
- Companies can download the software and the form from the IFS Database Login area.
- Access to the IFS Database is via the IFS Website: www.ifs-certification.com.

Once completed, the pre-assessment form shall be sent back to the certification body or assessment service provider at least fourteen (14) days before the check takes place. This list is the basis for the auditor or assessor to cross check this information and verify its implementation during the check. Regarding the risk mitigation plan, after its completion, it is then saved in the IFS auditXpress Neo Software and reviewed by the auditor or assessor during the check. It shall be uploaded with the checklist and the report to the IFS Database after the check is completed.

Please note, the more thoroughly the list is completed, the more representative the impact on the overall duration.

6 | Check performance and operational language

The IFS ESG Compliance Check shall be carried out in the working language of the site.

The use of English is allowed in cases where it is necessary for better comprehension among the participants. For a consistent understanding among all involved parties, the risk mitigation plan in the IFS auditXpress Neo Software must be completed in English by both the assessed company and the auditor or assessor.

The check shall be structured based on the following steps:

- Short meeting.
- Documentation and record review/inspection connected with the answers provided within the pre-assessment document and the risk mitigation plan.
- Evaluation of documents related to the specific criteria. Interviews with relevant personnel.
- Final conclusions drawn from the verification check.
- Closing meeting: end of the check.

At the opening and closing meetings, a person with sufficient authority within the company to initiate relevant actions shall be present so that any findings discovered during the check can be discussed.

As part of the good auditing practices, the certification body or assessment service provider shall review the IFS Report and improvement action plan before uploading it to the IFS Database.

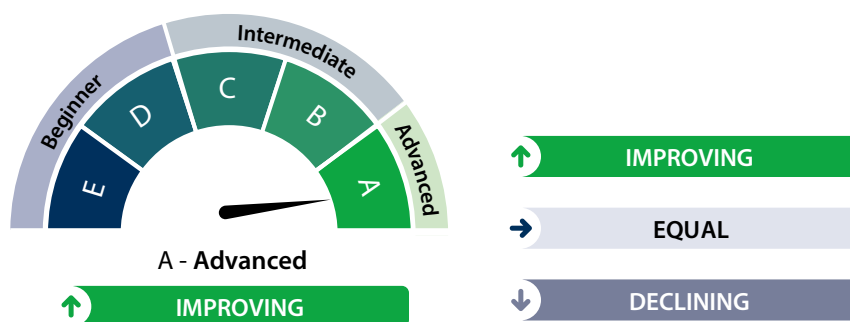
7 | Scoring system

During the IFS ESG Compliance Check, the auditor or assessor shall evaluate all requirements. There are four (4) options to score the requirements according to the level of compliance from full compliance to non-implementation of the requirement.

- A: there is intention/full implementation. (20 points)
- B: there is intention/partial implementation. Further improvement action required (15 points)
- C: there is intention/no implementation. Further improvement action required. (5 points)
- D: there is no intention/no implementation. Further improvement action required. (0 point)

8 | Final results

The total amount of points will range on a scale A to E giving a final result of advanced – intermediate – beginner.



Furthermore, renewal checks display a comparison with the previous results and show if the company results are improving, equal or declining. This system encourages the continuous improvement process giving the supplier the opportunity to improve their results year by year.

The meter as shown in the chart will be displayed in the report. The final results will be mentioned in the letter of confirmation.

The results of the different module(s) are stated in different letters of confirmation, and they are independent of each other. The results of the IFS ESG Compliance Check do not have an impact on the IFS Certificate (e.g. IFS Food, PACsecure, Logistics, or HPC Certificates).

9 | Deadlines for issuing the letter of confirmation

The timeline is six (6) weeks (target time), to eight (8) weeks (maximum time) between the date of the check and the upload of the report and issue of the letter of confirmation in the IFS Database.

The auditor or assessor shall issue and send the improvement action plan to the company within a maximum of two (2) weeks.

The company shall forward the completed improvement action plan to the certification body or assessment service provider with the proposed improvement actions for those requirements scored with B, C and D within a maximum four (4) weeks of having received the improvement action plan.

The certification body or assessment service provider shall perform the technical review, validate the improvement action plan, issue the report and the letter of confirmation and upload them to the IFS Database within a maximum of two (2) weeks.

Note that the pre-assessment form and the risk mitigation plan will be uploaded to the IFS Database.

10 | Check cycle

The validity of the letter of confirmation is defined as follows:

- it starts from the date of issue of the letter of confirmation,
- it ends on the last day of the initial check date + eight (8) weeks – one (1) day + one (1) year.

The time window to schedule the renewal check is calculated as follows: [– eight (8) weeks; + two (2) weeks] from the last day of the initial check.

11 | Auditor or assessor competency

These are the minimum pre-requirements that an auditor or assessor shall fulfil to perform an IFS ESG Compliance check. The auditor or assessor shall be an:

- 1) IFS Auditor, or
- 2) IFS Progress Assessor, or
- 3) Auditor approved for another GFSI benchmarked Standard
- 4) Other, case by case according to professional and auditing background related to food safety schemes, environmental schemes, social schemes, etc.

To receive final approval and conduct IFS ESG Compliance Check, auditors or assessors shall attend an e-learning and then participate in an IFS ESG Compliance Check auditor or assessor training both provided by the IFS Academy.

The certification body or assessment service provider is responsible to ensure that the auditor or assessor has the competences to understand the main activities of the company.

12 | Reporting

- The certification body or assessment service provider shall issue a reviewed report plus an improvement action plan stating the remote technique used in case the check has been performed remotely, and the date(s) of the IFS ESG Compliance Check.
- The certification body or assessment service provider shall complete the letter of confirmation – companies are to receive the document.
- Please note, additional handwritten notes shall be taken by the auditor or assessor and be available on request.

Translations into English are not mandatory but are possible for all requirements in the IFS Report.

13 | Improvement action plan

The intention of the improvement action plan is for the company to strive for continuous improvement.

The improvement action plan template shall be used by the company as a basis for drawing up improvements for the score listed by the auditor or assessor with B, C and D. The implementation of the improvement actions shall be checked during the next scheduled IFS ESG Compliance Check.

The company shall forward the completed improvement action plan to the certification body or assessment service provider within maximum four (4) weeks of having received the improvement action plan template. See chapter 10.

The auditor or assessor or a representative of the certification body or assessment service provider shall validate the following in the allocated column of the improvement action plan before issuing the final report:

- the improvement actions
- dates of implementation

PART 2

List of the IFS ESG Compliance Check requirements



PART 2: LIST OF THE IFS ESG COMPLIANCE CHECK REQUIREMENTS

1 Sustainability and Supply Chain Transparency policy

- 1.1 The company shall develop, implement and maintain a sustainability policy that includes, at a minimum:
- A description of the company's approach to its environmental, social and governance principles.
 - A description of the company's approach on due diligence, also in the long term, including the relevant environmental, social and governance principles.
 - Consideration of stakeholders (e.g. customers) concerns, if applicable.
 - A supply chain transparency policy, based on risk, of the supply chain partners involved in the production and distribution of the company's products.
 - A code of conduct (CoC) describing rules and principles to be followed internally and by the supply chain partners.
- 1.2 The sustainability and/or the supply chain transparency policy shall be reviewed annually or upon changes.

2 Senior management commitment

- 2.1 The senior management shall be fully committed to the achievement of the sustainability and supply chain transparency policy across the company and shall provide sufficient and relevant resources to make it possible.
- 2.2 The senior management shall set up goals, related measures and deadlines for implementation of the sustainability and supply chain transparency policy.
- 2.3 For any deviation detected to established measures, the senior management shall implement appropriate corrective actions. In case of adverse impacts caused by the company, the senior management shall provide remediation.
- 2.4 The sustainability and supply chain transparency policy and framework shall be communicated to the employees and shall be broken down into specific goals and targets for the relevant departments.
- 2.5 The senior management shall ensure that a notification mechanism and complaint management is set up for the own business area and for the supply chain, that enables all stakeholders to report human rights and environment related risks and adverse impacts.

3 Sustainability policy framework

3.1 Responsible team / sustainability team leader

- 3.1.1 There shall be a responsible team / sustainability team leader for the development and maintenance of the sustainability and supply chain transparency policy. Those responsible for the development and maintenance of the policy shall have received adequate training in the application of the ESG principles / sustainability topics. Where competent knowledge is not available, external expertise shall be obtained.
- 3.1.2 The responsible team / sustainability team leader shall carry out a stakeholder analysis to identify direct and indirect affected interested parties. This shall be reviewed at least annually and/or upon changes.

3.2 Risk identification

- 3.2.1 The company shall document, implement and maintain a procedure for risk identification with regard to its own operations and the supply chain, which shall include as a minimum human rights and environment related risks.
- 3.2.2 The company shall identify and document risks for its own operations and in the supply chain with regard to human rights, business ethics and environmental impact. Based on this, critical raw materials shall be identified and documented in the risk mitigation plan.
- 3.2.3 Based on risk, the company shall have a current overview of the supply chain partners involved in the production and distribution of their products. This shall be reviewed at least annually and/or upon changes.
- 3.2.4 The company shall monitor on a continuous basis the compliance of supply chain partners with applicable legislation, the code of conduct (CoC) and customer requirements. The frequency of monitoring shall be risk based.

4 Assessment of adverse impacts and mitigation

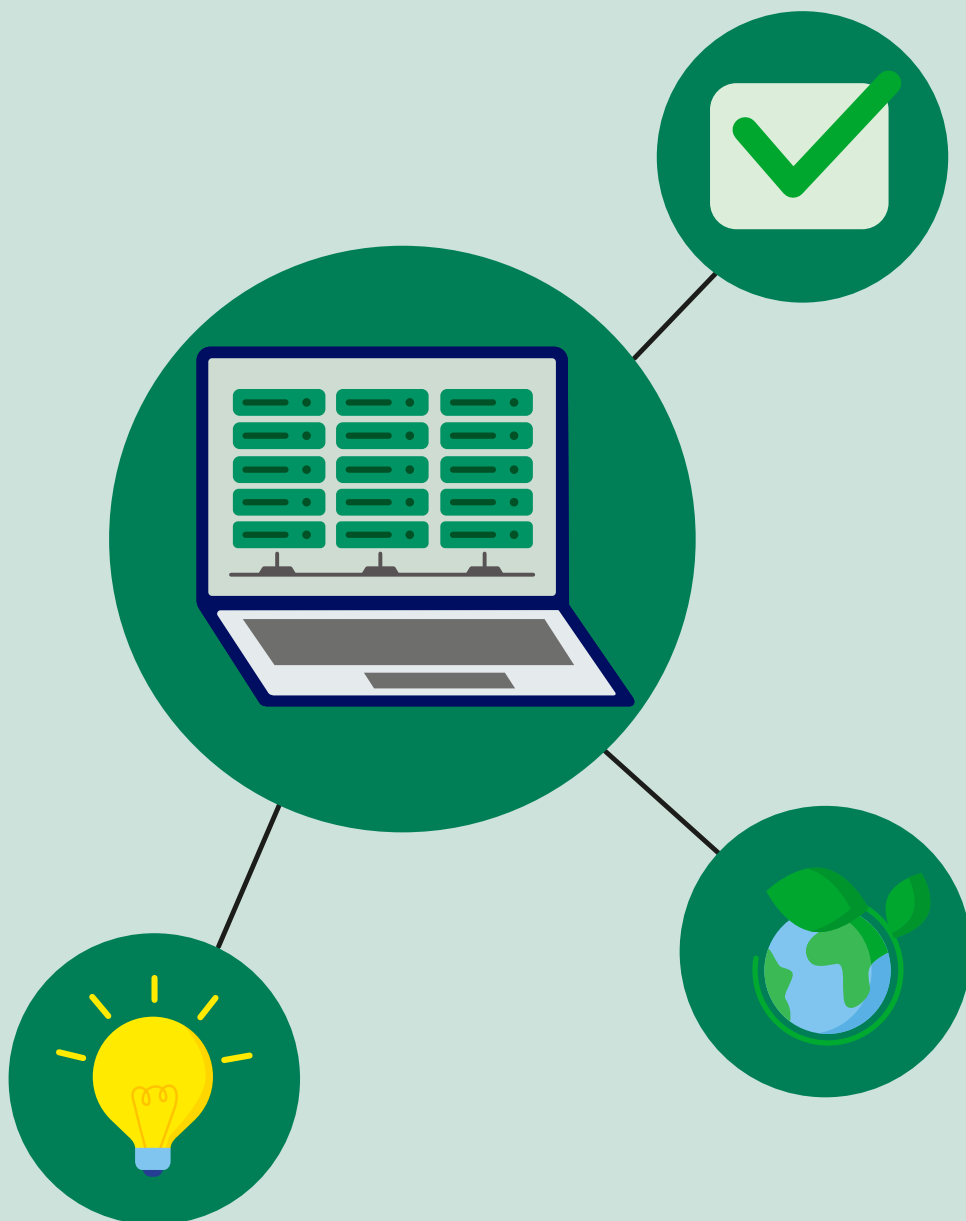
- 4.1 The responsible team / sustainability team leader shall carry out a risk analysis to identify and prioritise (potential) adverse impacts that are most critical under consideration of the double materiality approach. This analysis shall be reviewed annually or upon changes.
- 4.2 The responsible team / sustainability team leader shall make sure that measures to prevent, neutralise and/or mitigate adverse impacts are planned and executed by the relevant departments.
- 4.3 A risk based mitigation plan shall be established to effectively minimise (potential) adverse impacts in connection to products and their raw materials. This plan shall be documented in the risk mitigation plan and shall be reviewed annually and/or upon changes.

- 4.4 The responsible team / sustainability team leader shall fill in the risk mitigation plan, using the pre-defined list of critical raw materials, as applicable.

5 Stakeholder communication and data management

- 5.1 The company shall document, implement and maintain a procedure for stakeholder management and engagement. The procedure shall ensure that stakeholders are effectively engaged in the due diligence processes. When required by the customer, the company shall update its customers about the progress made on identified goals.
- 5.2 The company shall communicate its supplier code of conduct (CoC) to all supply chain partners and ensure confirmation.
- 5.3 Based on risk, the company shall implement effective data management regarding supply chain transparency.

ANNEXES



Annex 1 – Pre-assessment form IFS ESG Compliance Check

N°	Requirement	Required information from the company
1	Sustainability and Supply Chain Transparency policy	
1.1	<p>The company shall develop, implement, and maintain a sustainability policy that includes, at a minimum:</p> <ul style="list-style-type: none"> – A description of the company's approach to its environmental, social and governance principles. – A description of the company's approach on due diligence, also in the long term, including the relevant environmental, social, and governance principles. – Consideration of stakeholders (e.g. customers) concerns, if applicable. – A supply chain transparency policy, based on risk, of the supply chain partners involved in the production and distribution of the company's products. – A code of conduct (CoC) describing rules and principles to be followed internally and by the supply chain partners. 	<p>1) Does the scope of the sustainability policy include all products, services, and activities of the organisation, including manufacturing and procurement process(es)? Does the scope include all employees including temporary personnel?</p> <p>2) Has the company developed, implemented, and maintained a sustainability policy that outlines its approach to due diligence, including long-term considerations? Does this policy address relevant environmental, social, and governance (ESG) principles, and are these principles aligned with the organisation's material issues (see 3.1.2) and relevant Sustainable Development Goals (SDGs)?</p> <p>3) Has the company identified goals regarding sustainability for the coming 5 years? Are these objectives measurable and have KPI's been determined?</p> <p>4) Does the current sustainability program aim to improve the company's competitiveness by driving the perceived brand value as responsible company?</p> <p>5) Has the company identified obstacles in relation to the sustainability policy?</p> <p>6) Does the scope of the supply chain transparency policy include all finished/semi-finished products, raw materials, packaging materials and services offered by the organisation to their customers?</p> <p>7) Does the company have a code of conduct (CoC) that describes the rules and principles that need to be followed internally and by the suppliers?</p>
1.2	The sustainability and/or the supply chain transparency policy shall be reviewed annually or upon changes.	<p>1) When was the last time the sustainability and/or the supply chain transparency policy was updated?</p>

2	Senior management commitment	
2.1	The senior management shall be fully committed to the achievement of the sustainability and supply chain transparency policy across the company and shall provide sufficient and relevant resources to make it possible.	<p>1) How does the senior management support employees to achieve these objectives?</p> <p>2) How does the senior management ensure that sustainability and supply chain transparency objectives are well known across the company?</p> <p>3) Are employees responsible for sustainability and supply chain transparency adequately trained?</p> <p>4) Does the company use non-financial metrics or targets to determine (part of) the compensation of senior management?</p>
2.2	The senior management shall set up goals, related measures and deadlines for implementation of the sustainability and supply chain transparency policy.	<p>1) Is the sustainability and supply chain transparency program with goals and measures documented?</p>
2.3	For any deviation detected to established measures, the senior management shall implement appropriate corrective actions. In case of adverse impacts caused by the company, the senior management shall provide remediation.	<p>1) Are corrective actions documented and verified?</p> <p>2) Which mechanisms (if any) does senior management have in place to identify and address adverse impacts effectively, and how are they documented?</p>
2.4	The sustainability and supply chain transparency policy and framework shall be communicated to the employees and shall be broken down into specific goals and targets for the relevant departments.	<p>1) Has the company communicated the sustainability and supply chain transparency policy to the employees and other stakeholders, and is their policy publicly available? How is it applied?</p>
2.5	The senior management shall ensure that a notification mechanism and complaint management is set up for the own business area and for the supply chain, that enables all stakeholders to report human rights and environment related risks and adverse impacts.	<p>1) Does the company have established a notification mechanism and complaint management system for persons and other stakeholders connected to their own operations and their supply chain?</p> <p>2) Is the notification mechanism clear, accessible and well-communicated to all stakeholders and do people who use it to report maintain their confidentiality of identity?</p>

3	Sustainability policy framework	
3.1	Responsible team / Sustainability team leader	
3.1.1	There shall be a responsible team / sustainability team leader for the development and maintenance of the sustainability and supply chain transparency policy. Those responsible for the development and maintenance of the policy shall have received adequate training in the application of the ESG principles/ sustainability topics. Where competent knowledge is not available, external expertise shall be obtained.	<p>1) Have responsible employees received specific training related to sustainability and supply chain transparency?</p> <p>2) Who is appointed as sustainability team leader?</p> <p>3) Is external expertise needed? What for?</p>
3.1.2	The responsible team / sustainability team leader shall carry out a stakeholder analysis to identify direct and indirect affected interested parties. This shall be reviewed at least annually and/or upon changes.	<p>1) Has senior management set objectives and KPIs with regard to supply chain transparency and assigned responsibilities to relevant departments?</p> <p>2) Does senior management make sure deviations in implementing the supply chain transparency policy are reported and acted upon as part of a continuous improvement process?</p>
3.2	Risk identification	
3.2.1	The company shall document, implement and maintain a procedure for risk identification with regard to its own operations and the supply chain, which shall include as a minimum human rights and environment related risks.	<p>1) Does the sustainability risk analysis identify requirements with regard to supply chain transparency and is this implemented in its operations and their supply chain mapping and monitoring?</p> <p>2) Has the company assigned risk profiles to their supply chain partners based on their product, location and activity?</p> <p>3) Has the company set a procedure of risk identification regarding human rights and environment related risks in its own operations and their supply chain?</p>
3.2.2	The company shall identify and document risks for its own operations and in the supply chain with regard to human rights, business ethics and environmental impact. Based on this, critical raw materials shall be identified and documented in the risk mitigation plan.	<p>1) How does the company document the identified risks regarding human rights and environment related risks in its own operations and their supply chain?</p> <p>2) Has the company identified its critical raw materials and documented them in the risk mitigation plan in the IFS auditXpress Neo Software?</p>

3.2.3	Based on risk, the company shall have a current overview of the supply chain partners involved in the production and distribution of their products. This shall be reviewed at least annually and/or upon changes.	1) Does the company have a current overview of the direct suppliers of their finished/semi-finished products, raw materials, packaging materials and services?
3.2.4	The company shall monitor on a continuous basis the compliance of supply chain partners with applicable legislation, the code of conduct (CoC) and customer requirements. The frequency of monitoring shall be risk based.	1) Does the company monitor the implementation and effectiveness of preventive, mitigating and remedial measures with regard to the supply chain? This can include supplier audits, certifications, human rights and environmental impact assessments, quantitative data/metrics, sector collaborations, etc.
4	Assessment of adverse impacts and mitigation	
4.1	The responsible team / sustainability team leader shall carry out a risk analysis to identify and prioritise (potential) adverse impacts that are most critical under consideration of the double materiality approach. This analysis shall be reviewed annually or upon changes.	1) Does the company regularly perform double materiality assessments to identify your relevant material issue? 2) Has the company involved both in- and external stakeholders as part of the double materiality analysis? 3) Does the risk analysis cover negative impact on human rights in their supply chain? 4) Does the company publicly disclose details of the risk analysis? 5) Does the company include information on how they conduct the risk analysis process and their progress towards their targets or metrics? 6) Does the company provide a rationale for why their material issues are material to their business? 7) Does the company specify their primary business strategies, initiatives or products that address these issues? 8) Does the company have a long-term target or metric to measure their progress on these issues in a systematic way?
4.2	The responsible team / sustainability team leader shall make sure that measures to prevent, neutralise and/or mitigate adverse impacts are planned and executed by the relevant departments.	1) Does the company specify their business strategies, including preventive, corrective/ mitigating and remedial measures, that address the identified adverse impacts?

4.3	A risk based mitigation plan shall be established to effectively minimise (potential) adverse impacts in connection to products and their raw materials. This plan shall be documented in the risk mitigation plan and shall be reviewed annually and/or upon changes.	<p>1) Does the company have a plan to mitigate the adverse impacts related to products and their raw materials?</p> <p>2) Is this mitigation plan risk based?</p>
4.4	The responsible team / sustainability team leader shall fill in the risk mitigation plan, using the pre-defined list of critical raw materials, as applicable.	<p>1) Has the risk mitigation plan on the IFS auditXpress Neo Software been fulfilled?</p>
5	Stakeholder communication and data management	
5.1	The company shall document, implement and maintain a procedure for stakeholder management and engagement. The procedure shall ensure that stakeholders are effectively engaged in the due diligence processes. When required by the customer, the company shall update its customers about the progress made on identified goals.	<p>1) Is there evidence that customers have requested updates and is there of related communication to customers? (e.g. email, video call etc.)</p> <p>2) Has a stakeholder management and engagement procedure been established?</p>
5.2	The company shall communicate its supplier code of conduct (CoC) to all supply chain partners and ensure confirmation.	<p>1) Does the supplier code of conduct include reference to the company's sustainability policy and ESG principles?</p> <p>2) Does the supplier code of conduct clearly state the expectations of the company towards supply chain partners with regard to sharing of information on their supply chain? Including sanctions and possible support/guidance from the part of the company?</p> <p>3) Has the company integrated the supplier code of conduct in their procurement practices and contractual arrangements, including in tendering procedures?</p>
5.3	Based on risk, the company shall implement effective data management regarding supply chain transparency.	<p>1) Does the company have a data management system in place that includes collecting, organising, securing, and storing data on supply chain partners and origin of products, encompassing finished/semi-finished products, raw materials and packaging materials?</p> <p>2) Has the company implemented a process to ensure and maintain the quality of the supply chain data?</p> <p>3) Does the company use the supply chain data to report on sustainability risks and the effectiveness of measures to internal and external stakeholders?</p>

Annex 2 – IFS ESG Compliance Check – Improvement action plan

ESG Compliance Check Requirement number	Requirement	Score	Explanation by the auditor/ assessor	Improve-ment action (company)	Responsi-bility, date and status of imple-mentation (company)	Release by and release date (auditor/ assessor)
1.1						
1.2						

Annex 3 – Letter of confirmation

Logo of the CB/ASP



Letter of confirmation

We,

Name of the certification body / assessment service provider

confirm that we have performed a verification assessment according to the requirements set out in the IFS ESG Compliance Check Protocol at

Name of the company

Address of the company
IFS COID

The IFS ESG Compliance Check comprises a general process check of risk management in supply chains including environmental, social, human rights and governance issues. It ensures continuous improvement for the company and its supply chain partners, and safeguards the company by providing validated data for internal purposes and external stakeholders.

Name of the company has achieved the following result:

Score A/B/C/D/E (beginner/intermediate/advanced) for the IFS ESG Compliance Check

Date of the check:

Letter of confirmation issue date:

Date of expiration of the letter of confirmation:

Name and signature of the responsible person,
address of the certification body/assessment service provider

Annex 4 – Report

Logo of the certification
body / assessment service provider



Report IFS ESG Compliance Check Version 1

(May 2025)

Checked company: “XXX”

Date of check: XX.XX.XXXX

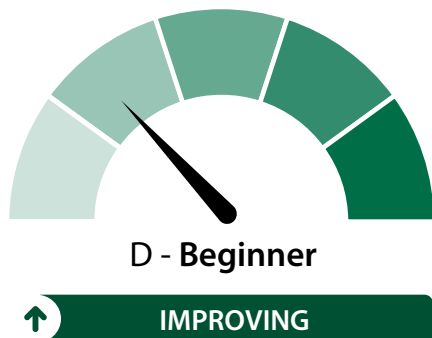
Name and address of certification body / ASP

Accreditation details of certification body

Overview

IFS ESG Compliance Check

Final result



Total score: 140/320

Previous result:

Date of previous check:

Next check between
XX. XX and XX. XX

Scope of the IFS ESG Compliance Check

Implementation of ESG management with a risk analysis approach for supply chain management, identifying risks within supply chains, monitoring high-risk raw materials within supply chains.

Check details

Lead auditor/ assessor: Co-auditor/ assessor: Date/time: Reviewer:	Date/time of current check: XXX	Date of previous check: XXX
Name and address of the company (or head office):	Name and address of the audited site:	
	COID:	
	Contact person: (Name, e-mail and phone number at a minimum):	
Phone: 0 12 34 56 8 E-mail: Website:	Phone: 0 12 34 56 8 E-mail: Website:	

Details of the IFS ESG Compliance Check

List of requirements

Report IFS ESG Compliance Check version 1
Checked company: Company name

1	Sustainability and Supply Chain Transparency policy	Scoring	Explanations
1.1	<p>The company shall develop, implement, and maintain a sustainability policy that includes, at a minimum:</p> <ul style="list-style-type: none"> – A description of the company's approach to its environmental, social and governance principles. – A description of the company's approach on due diligence, also in the long term, including the relevant environmental, social, and governance principles. – Consideration of stakeholders (e.g., customers) concerns, if applicable. – A supply chain transparency policy, based on risk, of the supply chain partners involved in the production and distribution of the company's products. – A code of conduct (CoC) describing rules and principles to be followed internally and by the supply chain partners. 		
1.2	The sustainability and/or the supply chain transparency policy shall be reviewed annually or upon changes.		
2	Senior management commitment		
2.1	The senior management shall be fully committed to the achievement of the sustainability and supply chain transparency policy across the company and shall provide sufficient and relevant resources to make it possible.		
2.2	The senior management shall set up goals, related measures and deadlines for implementation of the sustainability and supply chain transparency policy.		
2.3	For any deviation detected to established measures, the senior management shall implement appropriate corrective actions. In case of adverse impacts caused by the company, the senior management shall provide remediation.		
2.4	The sustainability and supply chain transparency policy and framework shall be communicated to the employees and shall be broken down into specific goals and targets for the relevant departments.		
2.5	The senior management shall ensure that a notification mechanism and complaint management is set up for the own business area and for the supply chain, that enables all stakeholders to report human rights and environment related risks and adverse impacts.		

3	Sustainability policy framework		
3.1	Responsible team / Sustainability team leader		
3.1.1	There shall be a responsible team / sustainability team leader for the development and maintenance of the sustainability and supply chain transparency policy. Those responsible for the development and maintenance of the policy shall have received adequate training in the application of the ESG principles/ sustainability topics. Where competent knowledge is not available, external expertise shall be obtained.		
3.1.2	The responsible team / sustainability team leader shall carry out a stakeholder analysis to identify direct and indirect affected interested parties. This shall be reviewed at least annually and/or upon changes.		
3.2	Risk identification		
3.2.1	The company shall document, implement and maintain a procedure for risk identification with regard to its own operations and the supply chain, which shall include as a minimum human rights and environment related risks.		
3.2.2	The company shall identify and document risks for its own operations and in the supply chain with regard to human rights, business ethics and environmental impact. Based on this, critical raw materials shall be identified and documented in the risk mitigation plan.		
3.2.3	Based on risk, the company shall have a current overview of the supply chain partners involved in the production and distribution of their products. This shall be reviewed at least annually and/or upon changes.		
3.2.4	The company shall monitor on a continuous basis the compliance of supply chain partners with applicable legislation, the code of conduct (CoC) and customer requirements. The frequency of monitoring shall be risk based.		
4	Assessment of adverse impacts and mitigation		
4.1	The responsible team / sustainability team leader shall carry out a risk analysis to identify and prioritise (potential) adverse impacts that are most critical under consideration of the double materiality approach. This analysis shall be reviewed annually or upon changes.		
4.2	The responsible team / sustainability team leader shall make sure that measures to prevent, neutralise and/or mitigate adverse impacts are planned and executed by the relevant departments.		

4.3	A risk based mitigation plan shall be established to effectively minimise (potential) adverse impacts in connection to products and their raw materials. This plan shall be documented in the risk mitigation plan and shall be reviewed annually and/or upon changes.		
4.4	The responsible team / sustainability team leader shall fill in the risk mitigation plan, using the pre-defined list of critical raw materials, as applicable.		
5	Stakeholder communication and data management		
5.1	The company shall document, implement and maintain a procedure for stakeholder management and engagement. The procedure shall ensure that stakeholders are effectively engaged in the due diligence processes. When required by the customer, the company shall update its customers about the progress made on identified goals.		
5.2	The company shall communicate its supplier code of conduct (CoC) to all supply chain partners and ensure confirmation.		
5.3	Based on risk, the company shall implement effective data management regarding supply chain transparency.		

Attach the completed pre-assessment form to the IFS ESG Compliance Check report as an annex.

IFS publishes information, opinions and bulletins to its best knowledge, but cannot take any responsibility for any mistakes, omissions or possibly misleading information in its publications, especially in this document.

The owner of the present document is:

IFS Management GmbH
Am Weidendamm 1 A
10117 Berlin
Germany

Managing Director: Stephan Tromp
AG Charlottenburg
HRB 136333 B
VAT-N°: DE278799213

Bank: Berliner Sparkasse
IBAN number: DE96 1005 0000 0190 0297 65
BIC-/Swift-Code: BE LA DE BE

© IFS, 2025

All rights reserved. All publications are protected under international copyright laws. Without the expressed written consent of the document owner, any kind of unauthorised use is prohibited and subject to legal action.

This also applies to the reproduction with a photocopier, the inclusion into an electronic database/software, or the reproduction on storage media.

No translation may be made without official permission by the document owner.

The English version is the original and reference document.

IFS Documents are available online via:
www.ifs-certification.com

