

international
featured
standards



Introducing IFS

A GFSI Benchmarked Global Leading Standards Organization

IFS Food Safety and Quality
Supply Chain Standards

Perry Johnson Registrars

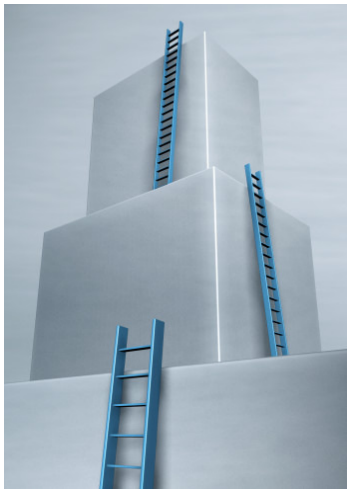
October 31, 2012





IFS General Structure

IFS more than a food safety standard



✓ **Match food safety and quality with:**

- Customer satisfaction assessment
- Research and development
- Good manufacturing practices
- Hygiene aspects
- Traceability
- GMO (where applicable)
- Allergens
- Packaging material

✓ **Describe a specific level to be fulfilled**

✓ **Implement food-legislation**

✓ **Designed to fit the customer's demands**

✓ **Auditor examination and calibration training**

✓ **Database & Software**

✓ **Integrity Program**



IFS General Structure

What is IFS?

- **IFS – International Featured Standards**
 - Developed in 2002 by the retailers of Germany
 - GFSI benchmarked and first certificate in 2003
 - French/Italian retailers joined in 2004/2005
 - Now, one of the largest food safety and quality standards worldwide
 - A group of globally applied standards in:
 - Food, Logistics, Broker, Cash & Carry/Wholesale, Packaging, Household and Personal Care (HPC)



IFS General Structure

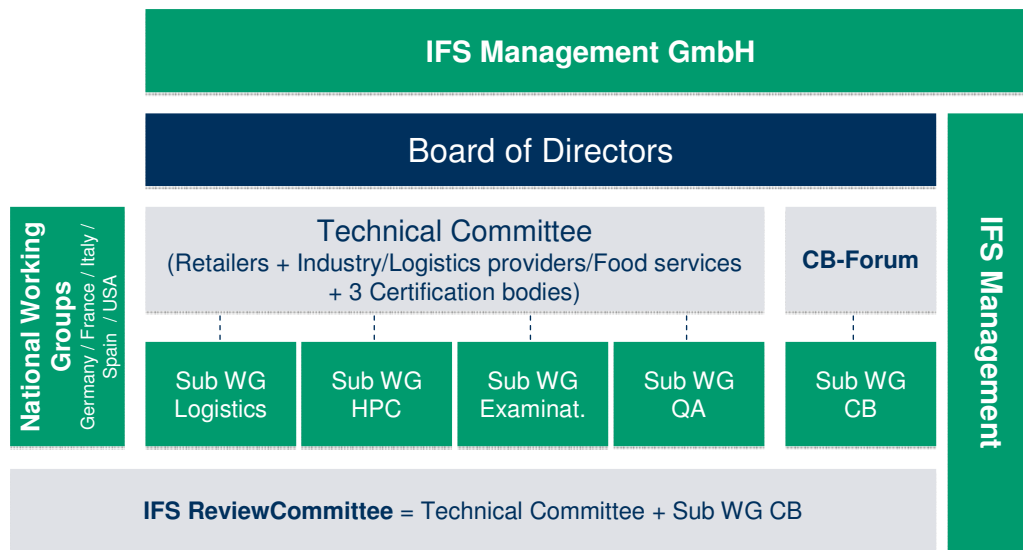
What is IFS?

- A common **food safety and quality** standard with a uniform evaluation system
- **Cost reduction** for suppliers and retailers
- **Reduction of the number of audits** per year
 - One audit done by an approved IFS auditor
 - Accepted everywhere
- Strong **enforcement of food law** (hygiene, traceability, allergens, etc.)
- Working with accredited certification bodies and approval of competent auditors



IFS General Structure

IFS Management GmbH, Board & Committees





IFS General Structure

Development and management





IFS General Structure

International Technical Committee

Retailers	Certification Bodies	Manufacturers	Food Services
Cecile Gillard Carrefour	Sabrina Biancini DNV Italy	Roman Wissner Haribo; candies (D)	Bizhan Pourkomailian Mc Donalds Europe
Béatrice Thiriet Auchan	Faycal Bellatif Eurofins	M.J. François Feillet Meralliance; Fish (F)	
Yvan Chamielec Groupe Casino	Joachim Mehnert DQS	M. Zardetto Voltan; Pasta (It)	
Karin Voss Edeka		Steve Thome Dawn Foods (US)	
Angela Moritz Rewe Group		Bert Urlings Vion Food (NL)	
Gerald Erbach METRO C&C			
Andrea Artoni Conad			
Horst Röser COOP			



IFS General Structure *IFS Logistics Working Group*

Retailing	Certification Body	Logistics	Systeme
EDEKA	TÜV SÜD	DACHSER	QS
METRO		Kraftverkehr NAGEL	
KAISERS		MUK AG	
Projektsteuerung			
Quandt			

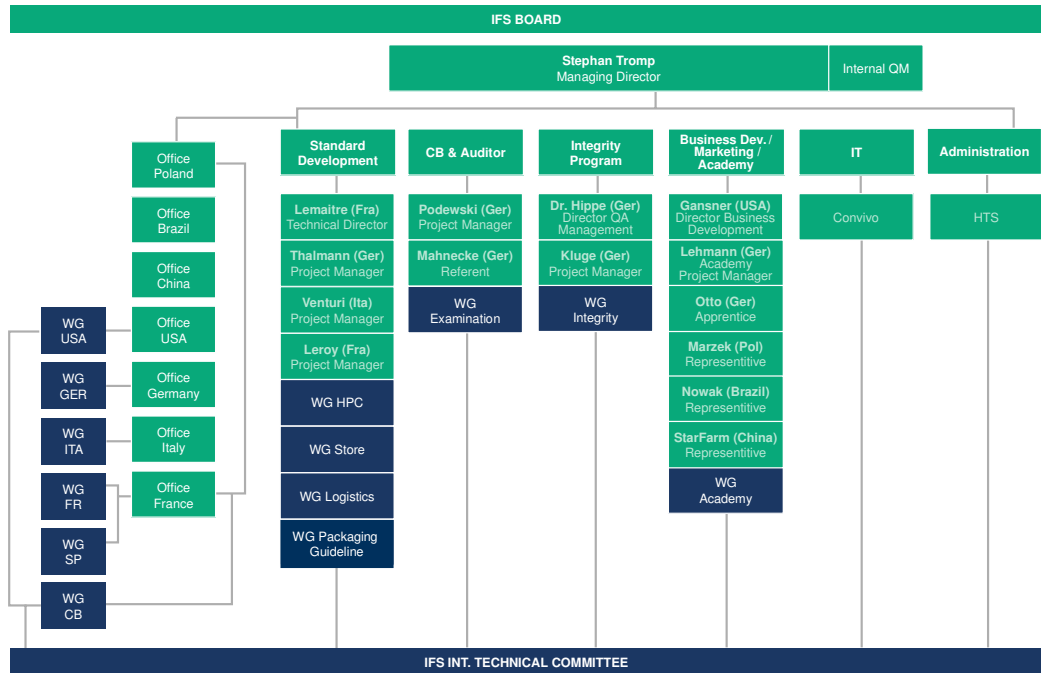


IFS General Structure *IFS – Globally represented*





IFS General Structure *Internal Organization*





IFS General Structure

Facts and numbers



67 certification bodies

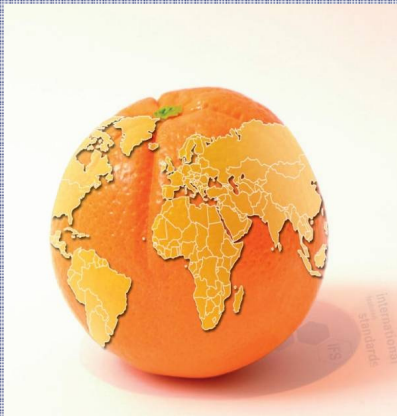
over **1.000** through IFS approved auditors

→ more than **12.600** certified companies

→ **800** registered retailers & food services



IFS General Structure *Figures*



*Born in Europe,
used and developed worldwide
in nearly 100 countries*

Standard	2010	2011	Increase
Food	10.610	11.400	+7,4%
Logistics	635	761	+19,8%
Broker	138	274	+98,5%
C&C	170	198	+16,5%
HPC	0	28	----
Total	11553	12.661	+9,6%

international
featured
standards



IFS General Structure Acceptance





IFS Standard ***The Structure***

Standard is developed in 4 distinct parts:

- Part 1: Audit Protocol
- Part 2: Requirements
- Part 3: Requirements for Accreditation Bodies, Certification Bodies, Auditors
- Part 4: Reporting, auditXpress Software, IFS Database



IFS Standard *The Structure*

Part 2: Requirements

- 277 requirements divided into six chapters





IFS Standard ***Sections 1, 2 & 3***

- Senior Management Responsibility
 - Corporate Policy, Structure, Customer Focus, Management Review
- Quality & Safety Management System
 - HACCP, Documentation, Record Keeping
- Resource Management
 - HR Management, HR, Training, Sanitation & Hygiene



IFS Standard ***Section 4***

- Production Processes
 - Contract Review, Product Specs, Product Dev.
 - Purchasing, Product Pkgng, Factory Environment
 - Housekeeping, Waste/Disposal, Foreign Materials
 - Pest Control, Receipt of Goods & Storage
 - Transport, MRO, Equipment, Process Validation
 - Traceability, GMOs, Allergens & Specific Conditions



IFS Standard ***Section 5***

- Measurements, Analysis, Improvements
 - Internal Audits, Site Factory Inspections, Process Control
 - Calibration & Checking of Measuring & Monitoring Devices
 - Quantity Checking, Product Analysis, Product Quarantine
 - Complaint Management, Recall Management, Non-conforming Products
- Corrective Actions



IFS Standard ***Section 6***

- Food Defense
 - Defense Assessment
 - Site Security
 - Personnel and Visitor Security
 - External Inspections



IFS Standard **Scoring System**

- **A, B, C, or D**
 - A = 20, B = 15, C = 5, **D = -20**
 - Any score less than A must be described thoroughly by the auditor;
Compulsory fields
- **Major** = Corrective Actions before certificate
 - One Major + >75% = certification after corrective action completed and surveillance audit to confirm
 - Two+ Majors = No certification
- **KO** (Knockout) = No Certification (10 KO's)
- **Certification Levels**
 - >75% = Foundation Level
 - >95% = Higher Level



IFS Standard ***KO Requirements***

Defined KO-Requirements:

- 1.2.4 - Responsibility of the Senior Management
- 2.2.3.8.1 - HACCP – monitoring system of each CCP
- 3.2.1.2 - Personnel hygiene
- 4.2.1.2 - Raw material specifications
- 4.2.2.1 - Finished products (recipe) specifications
- 4.12.1 - Foreign materials management
- 4.18.1 - Traceability
- 5.1.1 - Internal audit
- 5.9.2 - Crisis management procedure
- 5.11.2 - Corrective actions



IFS Standard ***Audit Duration***

New Audit Duration Tool for Certification Bodies

- **New tool provides for better accuracy**
- **Average audit time** 1.5 days and 0.5 days for report
- Further requirements exist to define the exact audit time based on size of the company, product range, number of employees, etc.
- Auditors cannot have educating and/or consulting activities during the audit (EN 45011)

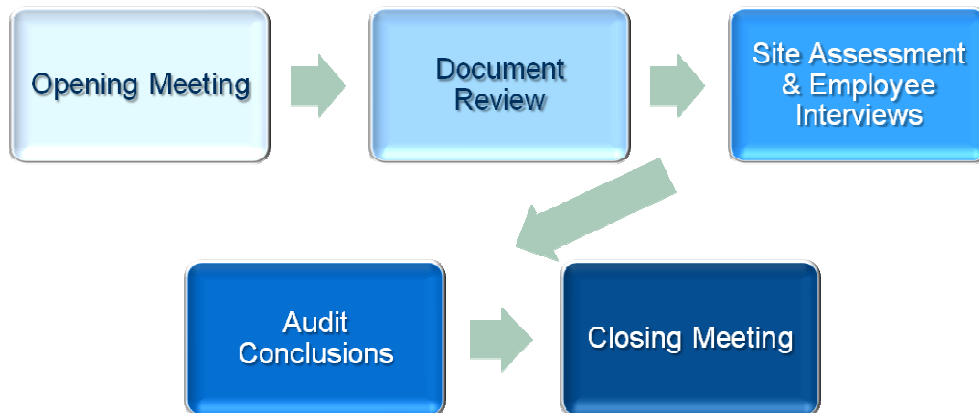


IFS Certification *Process for a Supplier*

- Visit www.ifs-certification.com and download a free electronic version of IFS Food v.6
- Perform Gap Analysis to determine readiness vs. existing GMP, HACCP, Quality, & Other Programs
 - (make changes/updates where necessary)
- Contact certification body
 - (perform pre-audit if desired)
- Schedule and perform certification audit
- Additional Training, Consulting is available if desired via independent contractors



IFS Certification *Process for a Supplier*





IFS Certification ***Audit Report***

- Preparation of preliminary audit report (2 weeks)
- Completion of action plan and determination of corrective actions (2 weeks)
- Return of fulfilled action plan to CB (2 weeks)
- Proofreading and checking by CB
- Certification Decision
- Awarding of certificate (target 6-8 weeks from audit date)
- Audit details uploaded into IFS Audit Portal
- Reminder sent 3 months before audit expires to schedule renewal



IFS Requirements

Requirements for CBs

- EN 45011 IFS accreditation process
- Signing of Contract with IFS
- Certification decision
- Trainers
 - **Audit experience to EN 45011 standards including IFS audits**
 - **Food sector knowledge**
 - **Legislative knowledge**
 - **TTT course**
 - **Language fluency**
 - **Continuous training**



IFS Requirements

CB Requirements for Auditors

- Competency of scope(s) including on-site observation minimum every 2 years
- Auditor has not acted against IFS rules as consultant with company audited
- No more than 3 consecutive audits at same company
- Annual training/calibration



IFS Requirements ***Auditor Competency***

- IFS Requirements
 - Signed contract for one year with CB
 - Observation audit
- Education
 - Food-related degree & 2 years professional experience in food industry near food production, or
 - University degree & 5 years professional experience near food production, or
 - Professional education in food processing & 5 years professional experience near food production



IFS Requirements ***Auditor Competency***

- General Experience
 - Minimum 10 complete audits in previous two years
 - HACCP Training
 - Quality assurance and quality management knowledge w/demonstrated experience
 - Specific and practical knowledge per product scope with min. 10 audits
 - Demonstrated language proficiency



IFS Requirements ***Auditor Training & Calibration***

- In-house training as a minimum
 - IFS offers training programs in addition to in-house CB training
 - Continuous documented training process
- Examination process
 - Written – initial, plus re-exam every two years
 - Three parts – IFS Standard, Regulatory & Special Food Issues (Microbiology), Case Studies
 - Oral – required on initial examination and again with a gap in certification
 - Will include high risk scopes where applied for

international
featured
standards



IFS Services

international
featured
standards



Audit Portal

Audit Portal: contains all IFS audit reports, action plans and certificates
www.ifs-certification.com

international
featured
standards



auditXpress

Software auditXpress for quick and error free analysis of all IFS audits
www.auditxpress.com

international
featured
standards

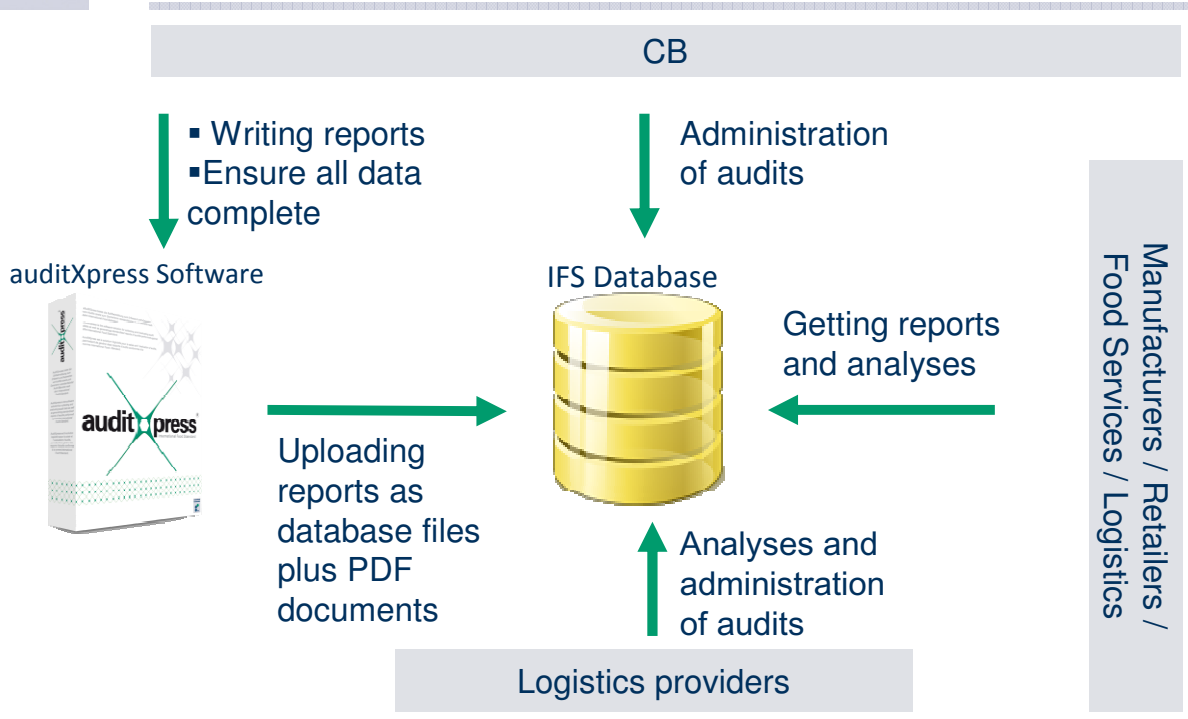


Academy

IFS Academy: e-Learning and training program for Quality Managers and Auditors on IFS
www.ifs-certification.com



IFS General Structure *IFS IT-Tools Workflow*





IFS Benefits

Benefits IFS Audit Portal

- Free access for retailers, certified manufacturers and Certification Bodies
- Management of IFS audit reports and IFS action plans. The company can provide these documents to customers with only one “click”
- Uploading of additional certificates of other standards
- Possibility to check if your suppliers are IFS certified too – having your own ‘Favorites’ tool

international
featured
standards



IFS Benefits

Advantage of auditXpress

Software auditXpress for Internal Audits

- Keeps the company up to date
- Best tool to easily create audit reports and action plans inline with the IFS requirements
- Helps prepare for the next/new IFS audit – year-over-year benchmarking
- Includes specific charts and guidelines to support the company in its internal auditing process
- Offers the possibility to use the previous audit reports as the basis for internal audits
- New tool for sector-specific global benchmarking

international
featured
standards



international
featured
standards



IFS Benefits *Academy Program*

- Targeted group-specific training modules
- Increase the reliability in the IFS Standards
- Train how to use the standard and improve food safety and quality
- Train how to work successfully in the food company
- Working with Approved Training Providers to offer courses globally

international
featured
standards





IFS Benefits

Training Program

The course program consists of:

- HACCP from the IFS perspective
- Good Auditing Practice from the IFS perspective
- US and/or European Food Law (where relevant)
- Allergen Management
- Special training on packaging/crisis management
- All courses also offered as in-house training
- HACCP and Good Auditing Practice

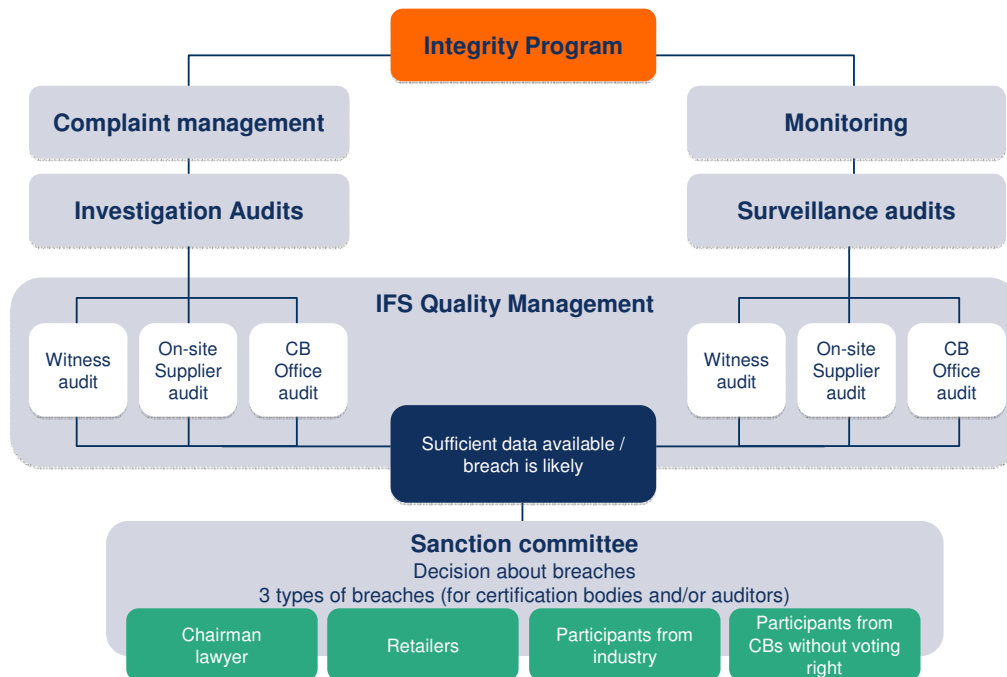


IFS Benefits *Integrity Program*

- Launched globally in 2010
- Ensures reliability and credibility of IFS Standards
- Quality Assurance
 - Surveillance audits at the certification body offices and on-site supplier audits are carried out in order to assess the IFS system regularly regardless of whether or not a complaint has been made.
- Complaint Management
 - Analyzes all necessary information concerning complaints by requesting a statement and internal investigation of the certification body and in relevant cases by additional investigation audits.
- Sanction Committee



IFS Benefits *Integrity Program*





IFS Benefits

Focus on Quality

- Safety is benchmarked and clear within the IFS Food Standard
- Quality is a focus of the IFS Food Standard and is achieved in the same certification
 - Customer Focus, Quality Measurements and Controls, Product Specifications, Product Development, Purchasing, Quality Monitoring Systems, Quantity Checking, Product Analysis, Management of Non-conforming Products
 - Saves suppliers money by providing necessary quality level in one audit – no additional quality audits or without the quality aspect altogether



IFS Benefits

Main Differences Between GFSI Schemes

- Audited companies have **up to 12 months to make all necessary corrective actions** – with exception of food safety or regulatory requirements
- **Risk-based: No specific guidelines** or interpretations per chapter - Non-prescriptive
- Standards are clearly structured and precisely written in English, 19 additional languages
- Cost is same each year – approx. \$275US (200€)
- auditXpress Software – for internal audits with value-added reporting structure



IFS Benefits

Up to 12 months for corrective actions

Audited companies have up to **12 months to make all necessary corrective actions** – with exception of health hazardous safety issues or regulatory requirements

- Companies can plan for and make REAL continuous improvement, as well as plan for capital appropriation which provides a much more sensible approach for the overall business of the company.
- *Competitive standards only allow up to 30-days or less to fully complete corrective actions, which increases the burden on suppliers to make potentially insufficient and cost-prohibitive improvements*



IFS Benefits

Safety and Quality in One

Food safety and quality in ONE certification

- Ensures retailers that the supplier has not only met stringent food safety standards, but also the level of quality and regulatory compliance the customer expects. IFS puts a focus on:
 - ***Customer Focus / Contracts***
 - ***Personnel Responsibility***
 - ***Environmental Responsibility***



IFS Benefits

IFS is Non-Prescriptive

Risk-based: No specific guidelines or interpretations per chapter - Non-prescriptive

- IFS begins many of the requirements in the standard with “Based on a risk assessment...” Our belief is that the processes belong to you, we only set the minimum requirement for safe and quality food
- *Some competitive standards are very prescriptive requiring specific means of meeting requirements which potentially increases cost for the supplier*



IFS Benefits

Cost Transparency

Cost is same each year – approx. \$275US

- IFS is very transparent and requires only an annual fee of 200€ (approx. \$275US) per certification. The IFS intention is truly to reduce cost through ONE audit for both safety and quality
- *Competitors require multiple audits in some cases to reach a desired level or more frequent surveillance audits, which increases supplier cost*



IFS Benefits

Proven efficiencies gained

2009 IFS efficiency study – IFS, IFTA AG, University of Rostock

- Companies, that successfully implemented IFS Food observed significant reductions in the following areas:

Recalls	17%
Complaints	27%
Legal requirements	51%
Internal error rate	40%

international
featured
standards



Thank you for your attention!

www.ifs-certification.com

www.auditXpress.com

**Follow IFS on Twitter
@IFS_Food**

**Join IFS on LinkedIn Groups
- IFS Food**

**Join IFS on Xing.com Groups
- IFS Food**

Contact:

George Gansner
Director, Marketing & Business Dev.
Manager, Americas

314-686-4610

gansner@ifs-certification.com