DQS UL IN DIALOG

Customer journal no. 75 – I/2015

Introducing Rodrigo Quintero-Marmol, DQS Chile and Colombia

Chilean cuisine is a reflection of the country's topographical variety, featuring an assortment of seafood, beef, fruits, and vegetables. It is therefore not surprising that the food and food retail industries constitute a major focus area for DQS UL in that Latin American country for many years now. Rodrigo joined the team as an auditor and is now Managing Director of the DQS offices in Chile and in Colombia. We asked Rodrigo to tell us about himself and the food industry in Latin America in an interview.

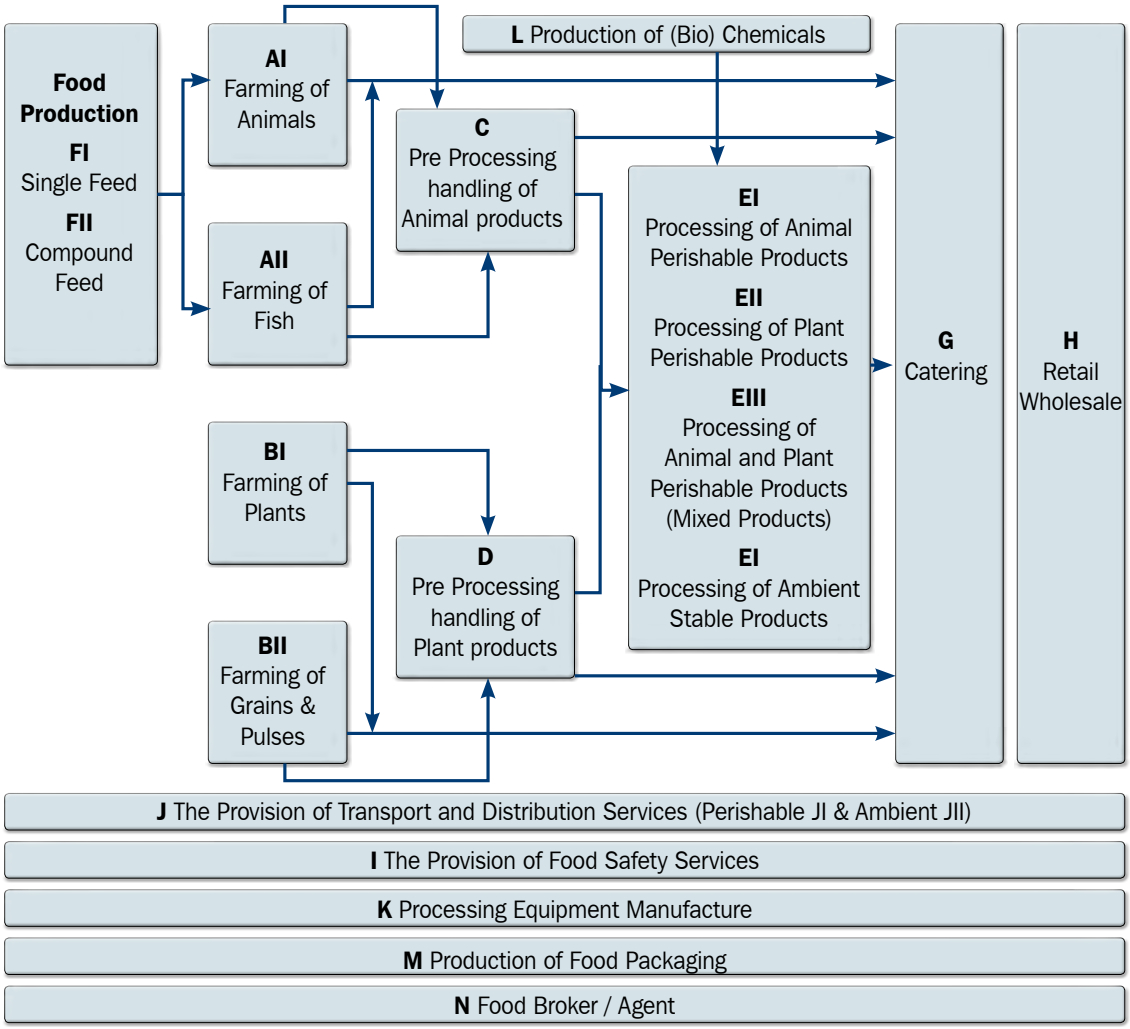
DiD: Rodrigo, what made you decide to choose a career as food auditor, and become a manager, when your background is the automotive industry?
Rodrigo: Well actually, I first started auditing to HACCP in 1999 already, and when in 2001 I started working for DQS in Mexico and Chile, it was for both automotive and food. Unfortunately, the automotive industry withdrew from Chile shortly thereafter, and so I decided to focus on quality management for food and the upcoming standards IFS, BRC and FSSC. Today, I am the IFS Representative for Latin and South America, and in charge of their Global Markets program, which aims at supplier development.

DiD: That is an impressive record. Can you share some of the most famous names and brands with us that are your customers?
Rodrigo: Certainly! I am glad to be able to say that as IFS representative, I enjoy the trust and confidence of many well-known retailers. Those are, for example, Walmart (for all Central and South America), Soriana, Cencosud and others. Grupo Exito with more than 161 suppliers is headquartered in Colombia. I also support Grupo Casino in all matters IFS, and the "Asociación de Mercados Unidos (ASU) from Argentina", a large retail association, to name just a few.

DiD: A lot of people are talking about IFS; can you tell us what is so special about this standard?
Rodrigo: What makes IFS special really is that step-by-step, IFS develops standards for every aspect of the food chain of supply. That includes, for example, Henkel, a manufacturer of glue that is used in food packaging. When the IFS portfolio is complete, there will be no gaps when it comes to food safety! Just imagine: the powers behind GFSI total 2.1 trillion EURO volume p.a. and DQS is involved right at the top level of GFSI and IFS working groups, with the decision makers and evaluators, so we get early information on trends and strategic focus, information that comes directly from the source, so we can be prepared for opportunities that develop! For our customers, we offer not only certification, but also internal audits, supplier and diagnostic audits, which include the AuditXPress Software for free. Quite often, the large retailers also offer incentives for suppliers to undergo IFS.

GLOBAI FOOD SAFETY INITIATIVE

www.ifs-certification.com



This is the food supply chain as defined in the Guidance Document of GFSI Working Group supply chain, Sixth Edition

DiD: But what about suppliers who are not ready for certification to IFS yet?
Rodrigo: That is where the "Global Markets" project comes into play. In this project, retailers set a deadline for suppliers to achieve certification, with annual, pre-defined milestones. This gives the suppliers time to improve year by year, audit by audit, while ensuring continuous improvement and eventual achievement. For example, with Grupo Exito in Colombia, there is a pool of 161 suppliers all at different maturity levels now, and eight of them ready for certification.

DiD: You mentioned GFSI earlier, what do these letters stand for?
Rodrigo: The "Consumer Goods Forum" GFSI, formerly CIES, was the European answer to the BSE scandal of the early 1990's, when people for the first time realized that food can be a risk. The intention of the companies behind GFSI is to ensure that food is safe for human consumption, under any circumstances. These companies are for the most part shareholding corporations where consumers are shareholders; in addition, shareholder value stipulates a no-risk approach. Their focus must be on sustainable success and satisfied consumers. Here lately, that also includes Social Compliance, an objective of GFSI for 2010.

DiD: Thank you for that detailed look into the workings behind the scenes, so to say. Now, on the public side, what can you tell our readers about the offices in Chile and Colombia today?

Rodrigo: The offices are very different in their focus. In Chile, Mrs. Angelica Jara is the Office Manager. She is well experienced in the certification of management systems and has been with DQS for many years. The office team consists of five highly qualified ladies, all of them passionate, committed and friendly. They love their work and make customers feel welcome. Their philosophy is to "always see a business project as a personal one".

In Colombia, Angelica monitors the operations from Chile, while two ladies work locally. The Colombian food industry is now developing from ISO 9001 to the more specific Food Standards. We work closely with two large retailers and ProExport, a government agency for exporters, and are happy to count among our customers: Colcafe (supplier for Starbucks (IFS), and the Federación Nacional de Cafeteros de Colombia, which supplies the Juan Valdez chain.

The team of DQS Chile

„Working with DQS for IFS in LATAM has given us the confidence to move forward hand in hand with a partner that is responsible and committed to supporting innovative programs for food safety in Colombia."

Mónica Montoya Florez
Head of Corporate Quality from Grupo Exito

grupo éxito

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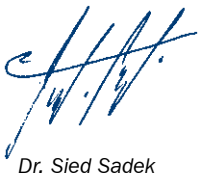
EDITORIAL

During the first decade of the 21st century, there has been widespread consensus that organizations need to adopt strategies for sustainable development and social responsibility. Although the impact and the extent of these initiatives remains subject to debate, there can be no doubt that the social and environmental context of organizations will be key factors in the rise and fall of companies, brands and organizations.

As a certification, inspection and assurance body, DQS holds a crucial position in this evolution. In our capacity of assessors, we hold the privilege of being able to evaluate and influence the actions and impacts of a large number of organizations. At DQS, we believe that social responsibility should be embedded in a long-term vision for sustainable success and corporate governance. The audit services we provide help organizations to implement and maintain management systems as well as to create a lasting culture of excellence.

The recent DQS Sustainability Conference, our work with Sedex and GRI as well as the recent approval of DQS as one of the first certification bodies for Malaysian Sustainable Palm Oil (MSPO) audits are further steps in the right direction: towards a sustainable future.



Dr. Sied Sadek
Managing Director
DQS CFS GmbH

CONTENT

SUSTAINABILITY

Sedex Audits for Responsible Supply Chains

An Interview with Mark Robertson

During the past couple of years, Sedex has firmly established itself as the international platform to share data on ethical performance in supply chains. For many of our clients, Sedex audits play an important role in their supply chain management. As a member of the Sedex Audit Company Group, DQS receives audit requests and questions regarding Sedex on a daily basis – high time to sit down with the people behind Sedex to talk about the direction Sedex is taking.

Mark Robertson has been with Sedex for quite some time and was happy to share his views on Sedex and the future of responsible sourcing. As Head of Marketing and Communications, Mark is responsible for planning and delivering a varied programme of press, PR and other communications activities to promote Sedex and to raise the profile of responsible business practices in global supply chains.

DQS: Sedex is often mistaken for a standard, or at least a standard-setting organization. Can you clarify the relation between Sedex and SMETA?
Mark: Sedex is a global, not for profit membership organisation which works with buyers, suppliers and auditors around the world to drive ethical and sustainability standards in global supply chains. We now have approximately 37,000 members worldwide, spanning 150+ countries and representing 24 million workers. Sedex provides services, solutions and support to help our members increase supply chain transparency, work collaboratively to tackle supply chain risks and improve standards.

Sedex Members Ethical Trade Audit (SMETA) is a common audit methodology and report format compiled of best practice in ethical trade audit technique, aiming to drive convergence, reduce duplication and promote greater transparency of responsible supply chain audit methodology.

As one of the most commonly used audit methodologies in the world, SMETA is an important tool in Sedex's work to reduce duplication and drive collaboration and its effectiveness is regularly reviewed with a view to continual improvement.

DQS: A large majority of Sedex members is in industry sectors that produce consumer goods (produce, clothing, grocery …). Would you say that this is merely a result of Sedex's origins, or are there other reasons for this?
Mark: Sedex founder membership was largely comprised of business from the FMCG sectors. However, over the last ten years our membership has become more diverse and now spans over thirty major industry sectors. Most recently these include major brands for the finance, aviation and major events sectors.

DQS: A common narrative has it that the change towards sustainability is a process that is largely driven by ever more critical consumers. This explains the enormous amounts of sustainability labels and certification programs. The Sedex database, however, is not intended for consumers, neither does Sedex engage with consumers directly. Is that a conscious decision?

Mark: Sedex is indeed intended as a tool to scale-up responsible sourcing and supporting businesses in their delivery of ethical and sustainable supply chains is our primary focus. Consumers have an important role to play in encouraging companies to ensure that their product are sourced and manufactured responsibly. But businesses have a crucial role in scaling-up responsible sourcing and ethical trade.

DQS: Suppliers often have the feeling that participation in Sedex is imposed upon them. Does Sedex provide enough incentives for organizations to join of their own initiative?
Mark: Suppliers are very much at the center of Sedex's approach which is designed to reduce duplication of audits, thereby reducing cost and information burden on suppliers. We encourage buyer members to build lasting relationships with their suppliers based on trust and transparency. We also ensure that suppliers are equally represented on the Sedex Board. Sedex also produces a range of resources for suppliers. These include a Supplier Workbook which offers practical guidance to help suppliers all around the world to understand what 'good practice' looks like when working towards Ethical Trading Initiative (ETI) and other Code requirements. We will also soon launch a knowledge Hub which will include a host of interactive training resources and guidance for suppliers.

DQS: Participating in the Sedex database requires suppliers to make available potentially sensitive information. What is Sedex doing to ease those concerns?
Mark: Sedex's Global Platform is designed to ensure that suppliers have full control over how ethical and sustainability data is shared with their customers. We find this level of control often alleviates initial concerns once suppliers become more used to working with Sedex.

DQS: The SMETA audit methodology is currently being reviewed. What changes can we expect for the version in December 2014?
Mark: SMETA version 5.0 is a product of the most comprehensive review of the audit format to date, covering the SMETA format itself as well as the existing Best Practice Guidance and the new Measurement Criteria documents. Building on the previous version, 5.0 enhances measurement of workers' rights by including two new chapters on impact assessments and worker management dialogue, as well as extra guidance based on the UN Guiding Principles on Business & Human Rights. The update also includes the new Ethical Trade Initiative (ETI) Base Code working hours clause – devised to help companies and suppliers better understand and uphold laws and international standards on working hours – due to be used in audits from 1 December 2014.

SMETA 5.0 tackles the controversial issue of land rights by asking auditors to check the relevant legal permissions to operate are in place at a site. The new format also increases awareness of environmental impacts by measuring how biodiversity requirements are met through the certification programmes in place.
While many more improvements have been made to SMETA, the format of the audit itself has been simplified in order to make it easier to use for both the auditor and the intended audience.

Issue 5.0 of SMETA Audit Format

In December 2014, Sedex published Issue 5.0 of its SMETA Audit Format. The new version contains several enhancements and consolidates the position of the SMETA methodology as one of the most useful tools for social auditing currently available. In this article, we would like to walk you through the main changes and updates of issue 5.0, writing from our perspective as audit company.

What is SMETA 5.0?

Like its predecessor, SMETA 4.0, SMETA 5.0 is an audit format that describes good practice in ethical auditing. As one of the most commonly used ethical audit methodologies in the world, SMETA plays an important role in the effort to ensure responsible sourcing and transparency in supply chains. SMETA audits focus on labour standards, health & safety in the workplace, and optionally also on environmental aspects and ethical business practices. Because the SMETA methodology is recognized by an ever increasing number of companies and the audit results can be shared in the Sedex Database, the unified methodology reduces audit duplication and lightens the burden for suppliers.

What's new in SMETA 5.0?

Although SMETA 5.0 provides a number of improvements, it preserves the structure and underlying principles of its predeces-

sors. There are hardly any new requirements and suppliers that are already in conformity with SMETA 4.0 should not have significant problems with the update. This is hardly a surprise, given the fact that SMETA is based upon the ETI Base Code, which has not seen major changes in the last couple of years.

Working hours

However, there has been one amendment to the ETI Base Code earlier in 2014, with changes to clause 6 ("Working hours are not excessive"). The primary aim of this clause remains the same: to ensure that workers do not work excessive hours, that they at least one day off per week, and that their overtime is voluntary and appropriately compensated. Two changes, reflected in SMETA 5.0 and in the report template, are worth noting:

- Whereas the ETI Base Code previously only mentioned that overtime had to be compensated at a premium rate, it now recommends 125 % of the regular rate as a minimum compensation. The Associate Auditor Group (AAG) instructs auditors to raise a compensation of less than 125 % as a non-conformity, to make this visible in the Sedex database.
- Like before, the ETI Base Code states that regular working hours per week shall not exceed 48 hours, with a maximum of an additional 12 hours as voluntary overtime, totaling to 60. However, clause 6.5 now allows for exceptions where the amount of working hours exceeds 60, if all of the following conditions are met:
  - This is allowed by national law or a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce;
  - appropriate safeguards are taken to protect the workers' health and safety; and the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

Asbestos, Land Rights, Biodiversity and Business Ethics

Minor additions to the document review include checking the availability of an asbestos policy (3.3 u), land rights (0.10) and biodiversity policies (only in the extended environmental pillar). In the optional pillar on business ethics, the auditor is also required to report on any fines or (pending) prosecutions for non-compliance to business ethics regulations.

SMETA Best Practice Guidance 5.0

Two New Chapters: Measuring Impacts and Worker-Management Dialogue

The document with the measurement criteria contains two new chapters, but these are purely informative in nature and do not posit any new requirements. The first chapter, "Measuring Impacts", deals with the question of how SMETA can be used to record the effects of ethical audits form the perspective of the people working at audited sites. The second chapter "Encouraging Worker-Management Dialogue" outlines the opportunities within the current SMETA format for recording worker-management dialogue.

Where can I find the relevant documents?

SMETA guidance has now been split into 2 parts, with one part describing the audit methodology (called "Best Practice Guidance" – BPG) and the second part details Measurement Criteria. Both documents can be downloaded from the Sedex website for free and without registration. Also available for download are a template for the SMETA audit report and a template for the corrective action plan.

Does DQS provide ethical audits according to SMETA 5.0?

Yes, we do. DQS is a member of the Sedex Audit Company Group. All of our ethical auditors have received extensive training on the SMETA methodology. We have auditors all over the globe and use local auditors whenever possible. Contact us to learn more!

DQS UL has the experience and the know how to conduct social and ethical audits and to help you ensure ethical business practices across the supply chain. In addition to the services listed below, we will be happy to assist you with client-specific assessments, including but not limited to:

- Code of Conduct Validation
- Supply Chain Risk Assessments
- Traceability Assessments
- CSR Program Development
- Social & Environmental Compliance Assessments
- Supplier Workplace Accountability (SWA) & Workplace Safety
- Responsible Agriculture

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Please visit:
www.dqs-cfs.com for more details,
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Malaysia promotes sustainable palm oil from the plant to the refinery

The production of palm oil has however long been associated with detrimental social and environmental impacts. As one of the two largest producing countries in the world, social and environmental concerns have been at the centre of the palm oil industry in Malaysia. As cited in a report by the Center for International Forestry Research (CIFOR), which studied the local impacts of oil palm expansion in Malaysia, during the period of 1990-2005 close to 60% of the oil palm expansion in Malaysia was at the expense of forest conservation, resulting in a massive reduction of primary forest cover.

Over the years, Malaysia has taken great leaps towards sustainable producing one of its main exports. The MSPO certification seeks to improve involvement in sustainable palm oil production nationwide and increase the uptake of certified sustainable palm oil on international markets.

The certification guarantees compliance to national requirements at all stages of the process. The Malaysian Standard on Malaysian Sustainable Palm Oil (MSPO) addresses sustainability issues and challenges in relation to the multi-stakeholders involved in the industry. The standard describes the sustainability requirements for the production throughout the supply chain, from the raw materials to the consumer, and makes it possible for each group of players to perform their respective roles and functions.

Today, Malaysia's palm oil industry provides employment to more than half a million people, supports the livelihood of an estimated one million people and has narrowed the income gap between city dwellers and rural farmers. DQS Malaysia is proud to be one of the first certification bodies to be involved in sustainable certification, and approved by MPOB to conduct MSPO audit.

"... MSPO certification is the answer to sustainable palm oil products...", says Danny NG, Managing Director of DQS in Malaysia, Indonesia and Vietnam

For more information on MSPO and to receive an offer, please contact:

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Interview:

Sustainability Reporting

Global Reporting Initiative™

The Global Reporting Initiative (GRI) Sustainability Reporting Framework enables companies and organizations to measure and report their sustainability performance. GRI provides companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world. By reporting transparently and with accountability, organizations can increase the trust that stakeholders have in them, and in the global economy. Validation of their reporting process through an independent certification body gives companies and organizations even greater credibility.

Trends and Developments

When it comes to sustainability reporting, it is hard to overlook the guidelines of the Global Reporting Initiative (GRI). Asthildur Hjaltadottir, Director of Services at GRI, has been so kind as to share her thoughts on current trends and developments regarding sustainability reporting and the GRI guidelines.

DQS: In September 2014, the Council of the European Union adopted the Directive on disclosure of non-financial information. The directive requires a large number of companies to report on their sustainability performance. How much of an impact do you think this will have?

Asthildur: According to the Directive, around 6000 large public interest enterprises will have to report on a number of sustainability related topics, including environmental, social and employee matters, respect for human rights, anti-corruption and bribery. This will strengthen transparency and accountability across the EU and beyond.

With more companies required to, or choosing to, disclose sustainability information, a comprehensive and reliable reporting framework will be indispensable. G4, GRI's latest sustainability reporting framework, is aligned with the requirements of the Directive as referenced in its Recital (9). G4, which includes all issue areas covered by the Directive as well as other specific issues, will be a fundamental tool for governments during the transposition and for companies during implementation.

DQS: Global Reporting Initiative GRI G4DQS: GRI released the fourth generation of its Guidelines – G4 in May 2013. Which are the most important improvements?

Asthildur: The most significant improvement brought to fruition in G4 is its focus on materiality, ie. the principle that organizations should base their reports

on the topics that are the most relevant for their operations, as identified via a robust and inclusive stakeholder engagement process. The emphasis on what is material encourages organizations to provide only information that is critical to their business and stakeholders. This means organizations and report users can concentrate on the sustainability impacts that matter, where they matter, resulting in reports that are more strategic, more focused, more credible, and easier for stakeholders to navigate. G4 also includes up-to-date disclosures on governance, ethics and integrity, supply chain, anti-corruption and GHG emissions.

DQS: Earlier this year, GRI has published a booklet for SME's. Is it safe to say that SMEs are still daunted by the prospect of sustainability reporting?
Asthildur: The GRI Guidelines are designed to be universally applicable to all organizations, large and small, across the world. The booklet we published is for SMEs that are considering whether sustainability reporting is relevant for them and if so, how to start the reporting process. The booklet can be downloaded for free from the GRI website and is available in multiple language versions.

It is not our only publication that is relevant for SME's, though. In December 2014, GRI published a publication called 'Introducing the GRI Sustainability Reporting Process – A 'How-to' Handbook for all G4 Reporters'. This handbook is aimed at anyone who is either already in the process of preparing a sustainability report using the GRI G4 Guidelines or is about to start the reporting process. It provides a step-by-step approach to the reporting process and is suitable for all types of organizations – small, medium or large, commercial or not-for-profit, regardless of sector, region – public or private – that are new or relatively new to reporting.

DQS: In 2012, 46 % of the reports listed on the GRI database indicated a form of external assurance. In your opinion, why are half the companies still not seeking external assurance, although GRI explicitly recommends this?
Asthildur: There doesn't seem to be one common explanation for why some companies have not opted to submit their reports for external assurance. This differs per individual organization. There are some factors that may be playing a role. First, external assurance costs money and some organizations cannot justify the additional expense. Second, some organizations may not see the added value in external assurance, especially if their internal and external stakeholders are not requesting this check. Finally, before enlisting third party review of their reports, organizations often want to establish a high level of comfort with using the Guidelines. As a result, organizations often begin opting for external assurance only after they have gone through a number of reporting cycles.

Asthildur, thank you so much for your time.

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Although there seems to be a general consensus that committing to socially responsible business practices is the only viable strategy for the future, the question of what social responsibility exactly entails is a hotly contested issue. With sustainability standards and initiatives coming and going, implementing a policy for social responsibility can be a challenging step. The DQS Sustainability Conference 2014, held in Frankfurt on November 27, 2014, was a forum for dialogue and exchange across industry sectors and focused specifically on social responsibility across global supply chains.

With close to 100 sustainability managers and supply chain coordinators present, the conference was the perfect platform to discuss case studies and approaches towards sustainable supply chains. Topics covered include the "Together for Sustainability" initiative, news about SEDEX and GRI (see the articles on page 3, as well as an in-depth look at the Symrise sustainable success story, as well as many others.

„Together for Sustainability" is a specific initiative for the chemical industry founded by Bayer MaterialScience, along with BASF, Evonik, Henkel, Solvay, and others. The objective is to promote standardization and implementation of sustainability efforts throughout the chain of supply, in order to develop products and processes that improve the quality of human life on planet Earth, while also continuing to grow the business

Symrise is number four worldwide in the area of flavors and scents, and a company dedicated to sustainability. In addition to ambitious goals, such as covering 40% of their strategic raw materials by way of reverse integration, or reducing the environmental footprint of their products by 33% by the year 2020, they have also been awarded the GC Mark for „Green Company" by DQS.

We would like to thank all speakers and participants for their enthusiasm and encouraging feedback. The conference would not have been such a success without your input and comments. We would also like to thank our sponsors, Credit 360 and the German Society for Quality (DGQ).

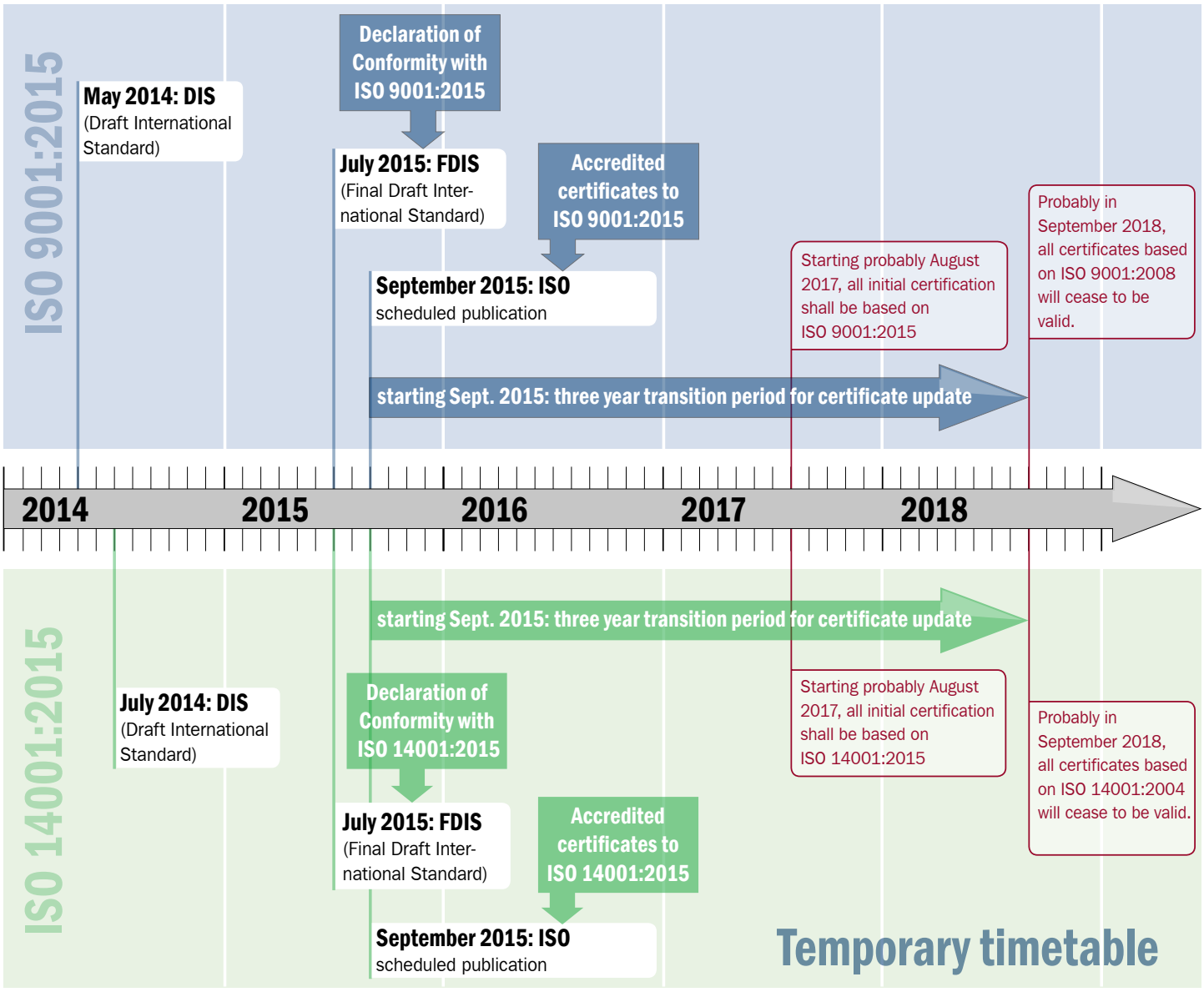
N.B.: As a direct result of this event, DQS CFS has had a lot of requests for Sedex SMETA audits. Due to this and the success of this conference, DQS CFS has decided to hold another conference at the end of September 2015.

UPDATES TO STANDARDS

Safe travel to ISO 9001:2015 and ISO 14001:2015

Revision status

All over the world, organizations are eagerly following the regularly planned revisions of international standards ISO 9001 and ISO 14001. Both the new High Level structure and the internationally recognized understanding of management strategic planning and consideration of external and internal subjects that determine the success of a company, require rethinking in many areas: organizational context, risk-based approach and documented information are just some of the key words behind which significant improvement potential for day-to-day business can be discovered. At this time both ISO 9001 and ISO 14001 are in the survey stage; the Draft International Standards are in the hands of all ISO members for their comments and polling. The Final Drafts (FDIS) are expected in summer 2015. Certified organizations will have to adjust to the new standards following their official publication: ISO has already specified a transition period of three years.



DQS UL Group. Your reliable partner.

The offices of DQS UL Group can help you with your task of identifying the opportunities presented by the revised standards, and to make the best use of them for your organization. In doing so, we strive to ensure a well-conceived and smooth transition. If you want to do the same, we recommend starting with the concrete planning as soon as possible and before the "old" certificates have expired. As a first step, audits based on the current draft standards can be conducted to facilitate alignment with the revised standards.

Delta Audit

The degree of necessary changes is subject to the effectiveness of your current management system, your process orientation and organizational structure. A Delta Audit may therefore be very helpful in order to estimate the resources and time required for transitioning to the revised standards. Based on the respective FDIS, we will show you which measures are still necessary for successful transition. The timing, extent and depth of the audit is entirely up to you. Delta Audits may be conducted at any time and regardless of any regularly scheduled audits. Working with your auditor, you will decide to have all of the revision's new requirements evaluated, or only certain aspects.

Declaration of Conformity based on FDIS

On request and subject to a comprehensive on-site audit of your management system, in which its conformity with the requirements in the Final Draft stage was identified, the offices of DQS UL Group will be glad to issue a Declaration of Conformity with the respective FDIS. Such an audit can take place at any time, regardless of duly scheduled audits. Once accreditation requirements have been made available, the Declaration of Conformity can be transferred into an accredited certificate.

DQS UL Audits based on the "old" standards

Initial certifications and surveillance audits according to the "old" ISO 9001:2008 and ISO 14001:2004 standards will continue to be carried out by DQS UL Group for 24 months following the publication of the revisions. Re-certification audits, on the other hand, can be conducted throughout the entire three-year transition period. Certificates according to the current versions enjoy a shorter period of expiration, though: they will expire on the third anniversary of the new standard's publication, at the latest. DQS UL Group recommends conducting transition audits to the new standards no later than June 2018, in order to prevent any gaps in certification.

Accredited certificates to ISO 9001:2015 and ISO 14001:2015

As a rule, DQS UL issues accredited certificates only based on the officially published standards, which is scheduled to happen by fall 2015. On customer request, previous draft versions may be used as a basis for pre-audits, Delta Audits or other preparatory activities. Declarations of conformity can be issued based on the respective Final Draft Version (FDIS).

DQS Transition audits to ISO 9001:2015 and ISO 14001:2015

The transition from ISO 9001:2015 and ISO 14001:2015 will always take place based on a comprehensive audit on site, the so-called "Transition Audit". The exact date of the transition within the three-year transition period announced by ISO is up to you. Transition can be done at any time during:

- Regularly scheduled re-certification
- Regularly scheduled surveillance audits
- A special, separate transition audit at any other time of your choosing

In all three cases, the Transition audit will be conducted in two stages:

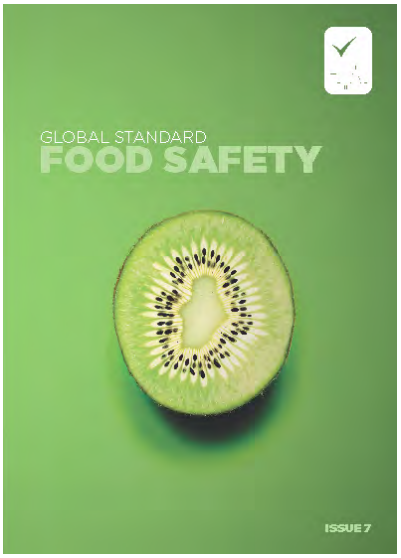
1. **Readiness Review**
   Evaluation of changes to the management systems already performed, your understanding and the degree of implementation regarding the changed requirements. The readiness review needs to be conducted on site, as a rule. It can be conducted prior to the system audit, or integrated into the transition audit. Either way, you will need to be prepared for additional audit time, in order to determine your management system's conformance with the fulfillment of the new requirements.
2. **System Audit**
   Comprehensive system audit, during which implementation and effectiveness of your management system will be assessed on site. If your system fulfills all of the new standard's requirements, you will be issued a certificate with a validity of three years – the start of a new certification cycle.

Any questions?
The offices of DQS UL Group will be glad to help you identify the optimal strategy for your organization, and to prepare a custom offer for you.

Find the office near you at www.dqs-ul.de/international and be sure to look at our webinars!

Significant Changes in BRC Food Issue 7

The new issue of the BRC Global Standard for Food Safety, an internationally recognized standard of the British Retail Consortium, was published in January 2015. To prepare you for this update, we have listed the key changes to the standard below.



Background of the Revision

Since its first publication, the BRC Food Standard went through several revisions to keep it up-to-date with stakeholder expectations and with the GFSI requirements. All standards that are benchmarked by the Global Food Safety Initiative (GFSI) are subject to a four-year revision cycle. One of the main factors driving the revision has been the number public product recalls over recent years. It is therefore not surprising that the requirements for traceability have been revised intensively. Furthermore, the requirements for food defense, authenticity and food fraud are currently hotly debated at GFSI level, which is in turn reflected in the BRC Food Issue 7 standard.

1. Two new Fundamentals

The so-called Fundamentals are comparable to the K.O.-criteria of IFS and must be complied with at all times. In addition to the ten existing fundamentals in Issue 6, two more fundamentals are introduced in the new issue:

Labelling Control: Incorrect or insufficient marking is a common reason for product recalls. To emphasize the importance of this subject, all requirements for labeling have been gathered in one section. However, the requirements themselves are not new, so the consequences for certified sites will be limited. Labelling Control appears as a new requirement in Section 6.

Supplier Management: The company shall have an effective supplier approval and monitoring system to avoid any potential risks from raw materials (including packaging) to the safety, authenticity, legality and quality of the final product. Certification against BRC Agents and Brokers is compulsory for procurements from brokers, IFS Broker may not be considered sufficient.

2. Traceability

Tougher requirements for traceability apply especially to supplier management. Certified sites must not only maintain their own traceability system, but also ensure that their suppliers have an effective traceability system in place. A certification to any of the GFSI recognized standards will be considered sufficient evidence of such a system. A supplier questionnaire will not be regarded as sufficient anymore. During supplier audits, the traceability system must be included in the audit.

3. Authenticity

A documented vulnerability assessment shall be carried out of all raw materials to assess the potential risk of adulteration and to prevent food fraud. This shall take into account the nature of the raw material, economic factors, methods of detection and ease of access to raw materials through the supply chain.

Where raw materials are identified as being at high risk of adulteration appropriate assurance and/or testing processes shall be in place.

4. Extended risk zone concept

In addition to the high risk and high care zones for frozen and chilled products, there will be introduced a new risk category with high care requirements for ambient products. All of the company's operating units shall be divided into zones and represented in a zone plan. What is new is that even non-production areas such as administration with no contact to the product shall be included in the plans as well.

5. Customer Requirements and Communication

A new point concerns dealing with customer specifications. If there are specific customer requirements, these shall be made known to relevant staff and stakeholders. Appropriate evidence must be maintained.

6. Additional Voluntary Module

The BRC Food Issue 7 standard was designed in such a way as to allow for optional modules. At DQS, we expect UK retailers to make greater use of this option in the future. Modules will be audited together with the core BRC standard, but will not be included in the scope of the Food System Certification. Any non-conformities found do not affect the end result for the regular BRC audit. Some examples of the modules are the additional module for distribution of finished products, the Food Defense Module, the module for the use of food for animal feed or the ASDA module of the British retail chain ASDA.

7. Evaluation System:

An excellence level has been introduced to foster continuous improvement. The new classification "AA" is geared towards sites that have already reached the Grade A. Sites with less than 5 minor non-conformities can achieve the excellence level. The maximum possible number of minors of the previous category A remains unchanged.

If you have any questions or need more information, please contact your local DQS UL office or the author:

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Demonstrate responsible handling of human pharmaceuticals with the new European GDP Directive for logistics and transportation service providers

The EU Directive on „Good Distribution Practice (GDP)“, which was published in November 2013, is designed to ensure responsible handling of human pharmaceuticals during distribution, and defines increased requirements for all participating transportation and logistics service providers. It is mainly applicable to wholesaler and logistics companies active in the areas of purchasing, receipt, storage, dispatch and transport of medicinal products.

National and international supervisory authorities are increasingly monitoring the safety of distribution processes, on suitable packaging and the use of reliable and effective technology. Demonstrated conformity with this EU Directive provides legal certainty for your organization, improves patient safety and creates a noticeable competitive advantage for you.

The GDP Directive focuses mainly on the areas of quality management, personnel, facilities/equipment, documentation, operations, complaints, returns, potentially fake medicinal products, drug recalls, outsourced processes, self-inspections, transport and particular requirements for agencies.

In order to transfer the Directive’s requirements into everyday practice, suitable measures have to be implemented. This includes, for example, training of all employees involved in loading and transport, from the decision-makers down to the drivers and warehouse workers. Processes have to be designed and implemented by way of job instructions. Internal and external monitoring is necessary to guarantee their continued implementation. This is where the auditors and experts of DQS UL Group can help – please contact us for more information.

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New Version of ESD S20.20 Released

The Electrostatic Discharge Association (ESDA) recently released the 2014 version of the ESD S20.20 standard – "Protection of Electrical and Electronic Parts, Assemblies and Equipment (Excluding Electrically Initiated Explosive Devices").

ESDA posted the new S20.20-2014 standard on its website and is offering a complimentary PDF version, registration required. The normal purchase price for a PDF of this standard is $130-list, or $100-for members. But, get yours free using this link: www.esda.org/Documents.html. The URL will take you to a summary of the standard; click the yellow download button; a pop-up login box will appear; at the top you'll see "To download document, click here to register." Registration takes less than one minute.

For certified organizations, the following transition plan and new certification timeline applies:

2014: S20.20-2007 will continue as the basis for certification

2015: Organizations can choose between the 2007 and 2014 versions as the basis for certification

2016: All audits will reflect the 2014 version and 2007-version certificates transitioned to the new version. The ESDA will not renew certificates based on the 2007 version.

Additional points to remember:

- Both versions of the standard are available for downloading using the link above throughout 2015.
- ESDA is in the process of updating the auditor checklist associated with the 2014 version for use during audits.
- ESD S20.20 auditors at UL-DQS have upgraded their qualifications and are ready to use the 2014 version. Also, our next "Update to Standards" will provide a summary of the changes in the new standard.
- UL DQS Inc. has the capability to perform ESD S20.20 audits integrated with the ISO 9001, TL9000 and ISO 13485 standards. If your organization is not currently certified to the ESD S20.20 standard and you want more information about our program, please contact our office in the U.S.

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Responsible Care® 14001:2013 and RCMS:2013 Standard Revisions

RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

RC-14001 and RCMS Standards, the chemical industry's environmental, health, safety, and security performance initiative (originally released in 2002) recently underwent a revision to a 2013 re-release. The revision incorporates changes based upon issues identified by members, partners, registrars, and board recommendations on waste and energy efficiency. Additionally, the task force working on the revision ensured that any changes would provide value and would align with the American Chemistry Council's Process Safety Codes. The program revisions address the principle to enhance the performance and credibility of the chemical industry through Responsible Care.

Please click here to read the full-length article about the changes to RCMS and RC-14001.

ISO Survey 2013 confirms growth of worldwide certifications

ISO just published on its internet the most recent survey about the numbers of certificates to management standards (ISO 9001, 14001, 50001, 27001, 22000, 13485, ISO/TS 16949,) given in each country.

The 2013 edition once again demonstrates growth for all seven ISO management systems standards covered by the survey, with a 4 % overall increase worldwide. The trend from the previous years with steady growth for information security management (ISO/IEC 27001; plus 14 %), food management (ISO 22001; plus 15%) and medical devices (ISO 13485; plus 15%) continues but also the numbers of certificates for the traditional standards ISO 9001 (plus 3 %) and ISO 14001 (plus 6%) show significant increment.

The ISO Survey counts the number of certificates issued by certification bodies that have been accredited by members of the International Accreditation Forum (IAF).

An executive summary of the survey and an Excel file with the detailed numbers per country and standard are available for download free of charge on the ISO internet page:
http://www.iso.org/iso/iso-survey

A new tool on the ISO website allows specific search per standard and country.

PROFILES

Clarke Energy's Journey to Certification

Given continued successful growth, Clarke Energy's Directors set themselves the objective to develop and implement an Integrated Management System (IMS) for quality, environment and safety systems by October, 2014 (18 months before they approached DQS Australia for certification).

Certificate presentation to Clarke Energy by Lance Brendon, MD of DQS Australia and New Zealand (second from left)

This ambitious target was indeed accomplished on 31 October, 2014. On Tuesday 18th November, 2014, Clarke Energy (Australia) Pty Ltd was officially presented certification to International Standards ISO 9001, ISO 14001 and AS/NZ 4801 standards.

The goal of the management team at Clarke Energy was to set up a system which not only fulfils the requirements of the standards, but also contributes to the overall effectiveness, value for its customers and the performance of the organisation. This achievement shows great commitment and motivation by the whole team at Clarke Energy.

Mr Greg Columbus, Managing Director Clarke Energy Australia Pty Ltd, stated "it is just part of the next stage of our continual journey for Clarke Energy Australia and we look forward to the success and results from continually improving the company".

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DQS MED informs about "Unannounced Audits"

Since introduction of the Council Directive 93/42/EEC, the principle has been established that unannounced audits will be performed whenever there is a specific reason, for example whenever there are any safety concerns relating to a medical device.

The EU Commission's expectation expressed in its Recommendation 2013/473/EU dated the 24th September 2013, that unannounced audits now have to be planned and performed periodically, poses challenges to all of us. In this context it should be noted that there are of course organizations that are familiar with this principle as their products are licensed in countries outside the EU where regulations exist that allow other national institutions to access the organization without prior notice.

Triggered by the breast implants scandal, unannounced audits planned and carried out periodically are intended to be an additional means of assessing and ensuring lasting and sustainable conformity with the requirements applying to an organization and its products.

Even if the principle is still new, manufacturers of medical devices are well advised to make sure the organization is properly prepared for this situation. The consequences of an unannounced audit not performed or not properly performed can be serious, even in the beginning. If for instance an audit team is refused access to an organization, if therefore the unannounced audit cannot be carried out, it will have a direct impact on the certification of the organization.

In order to ensure that this and other serious consequences will not occur, you should prepare your organization thoroughly taking into consideration the following hints:

- Prepare a plan on how your employees are to behave in the event of an unannounced audit. Assign responsibilities and create well-functioning deputisation arrangements. Inform your employees about their responsibilities and your plan.
- Also inform your branches and your manufacturing plants about the possibility of an unannounced audit and see to it that the necessary arrangements are made there as well.
- Identify your critical suppliers and prepare them, too, for this situation. Create new rules or supplement existing ones to prepare your suppliers for unannounced audits.
- Review the efficiency of existing mechanisms, for instance by conducting mock audits.

Important!

Please keep in mind that these unannounced audits are important to you as manufacturer to maintain certification. Even the preparation of the organization itself cannot be effected in the same way as in connection with regular planned audits and is therefore especially demanding. Perhaps some important staff members are absent so that more extensive training or deputisation arrangements in your organization are required to make the unannounced audit possible. It might help your staff to have rules on how to inform the top management level when an audit team arrives unannounced at your doorstep. Make sure that access to production and storage is ensured at all times and that persons are assigned to accompany the audit team.
Please also remember to instruct your critical subcontractors and critical suppliers accordingly and to supplement contractual regulations, if required, to ensure the performance of an unannounced Audit there as well.

Be prepared that an unannounced audit may occur at any time!

DQS MED Website now in English

If you are looking for information on the subject of certification or notification of medical devices, simply visit our newly designed website and find out about our service portfolio. Get to know your points of contact and find information on current topics, such as unannounced audits or the upcoming revision ISO 9001:2015. The website also features direct access to the DQS customer database and MyDQS.

Under the heading of „Our Services“, you can find a variety of information and product descriptions of our various services in compact form. This includes system and product certification information as well as an overview of our entire service portfolio.

“Good to know“ is good to visit when you are looking for interesting details on medical devices or important certification documents. This is also where you will find the DQS MED certification logos and symbols, as well as presentations on certification and DQS MED. Feel free to make use of them

Have a look around our website and find useful links, e.g. for NBOG, MEDDEV or EK-MED documents, the DIMDI and our accreditation bodies / notifying authorities.

And if you can’t find what you are looking for, contact us by phone or e-mail – we will help you!

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