



1st September 2016

Cefic – SQAS and TfS recognition agreement

Agreement between Cefic and TfS:

In order to avoid duplication of audits, increase acceptance by suppliers and save resources, TfS and SQAS have agreed to cooperate on Audits for Logistics Service Providers (LSPs). To avoid any misunderstanding: in SQAS, the word “assessment” has the same meaning as the word “audit” in TfS – both describe an on-site evaluation of a supplier according to a pre-defined questionnaire.

The cooperation between SQAS and TfS is currently focused on the modules Transport Service (covering LSPs offering transportation) and Warehouse (warehousing to chemical companies). Further cooperation is expected with the modules ESAD and Rail Operators.

Following the recent revision of the SQAS Audit core questionnaire (update 1st April 2016), SQAS assessment reports can be submitted by LSPs to TfS, and will be recognised by TfS as equivalent to a TfS Audit report for that particular supplier. The LSPs will consent to share the SQAS assessment report with the TfS members.

TfS members manage the relationship with each supplier individually and are free to apply other tools, e.g. supplier assessments.

Subsequent revisions of either SQAS or TfS Audit questionnaires will be aligned.

Description of SQAS and TfS systems:

Cefic (The European Chemical Industry Council) <http://www.cefic.org/> is the main European trade association for the chemical industry.

Cefic is a member of [the International Council of Chemical Associations](#) (ICCA) addressing Responsible Care at global level.

SQAS:

Cefic developed the SQAS (Safety & Quality Assessment System) <http://www.sqas.org/> scheme to promote the uniform assessment of LSPs, minimising duplication and maximising independence. SQAS is the consequence of applying the Responsible Care principles to logistics and distribution operations. SQAS is a system designed to evaluate the quality, safety, security, environmental and Corporate Social

Responsibility (CSR) capabilities of LSPs and chemical distributors in a uniform manner. The evaluations are made by single standardised assessments carried out by independent and accredited assessors using a standard questionnaire. All SQAS assessments are carried out on site.

SQAS helps LSPs and distributors in identifying their weak areas, assists chemical companies in evaluating their service providers and is a means for enabling continuous improvement. Cefic manages the system centrally and ensures its integrity.

TfS:

TfS AISBL <http://www.tfs-initiative.com/> is a joint initiative of chemical companies for sustainable supply chains. It was founded in 2011, to develop and implement a global programme to assess, audit and improve sustainability practices within the supply chains of the chemical industry. Currently it has 19 member companies worldwide and intends to grow globally. TfS is a partner company of Cefic.

The TfS Initiative strives to achieve mutual benefits for both its member companies and their suppliers. In doing so, social and environmental conditions are to be continuously improved for the benefit of all relevant stakeholders, including employees, neighbourhoods, local communities, or society as a whole.

TfS consists of an assessment and an audit process. TfS members can individually and independently apply these processes for their sustainable sourcing activities.

EcoVadis Assessment

A sustainability assessment is an evaluation of a supplier's management approach and performance. A typical assessment is conducted by using a questionnaire that is filled in by the supplier. Documents and data are requested to be submitted with the questionnaire as proof of implementation to be reviewed and analysed. To ensure a consistent approach, TfS cooperates with EcoVadis www.ecovadis.com as an independent service provider.

The sustainability experts of EcoVadis analyse the answers, the supporting documents and evidence of the supplier's sustainability policies. The results are combined and presented on a scorecard that is accessible for both suppliers and TfS members on the EcoVadis online portal.

TfS Audit

A TfS Audit is an on-site examination of a company's business sites and sustainability practices by an independent third party auditor. The scope of a TfS audit typically covers a single or combined business location such as a production site, a warehouse, or an office building. In the TfS Audit Process, the supplier's sustainability capability is verified against a pre-defined set of audit criteria on management, environment, health & safety, labour & human rights, and governance issues. These topics have been defined by TfS and are tailored to the requirements of the chemical industry. The TfS audit will be performed by sustainability auditors from a pre-approved auditor pool of independent audit companies.

The EcoVadis Assessment as well as the TfS Audit Process may lead to a Corrective Action Plan (CAP) that describes the non-conformities detected. In the CAP, the supplier documents the measures planned to improve operating standards.