ACTIVITY REPORT

2015-2016

Supporting suppliers together to sustainably improve conditions for people at work

INITIATIVE CLAUSE SOCIALE

ICS - Fédération du Commerce et de la Distribution
14, rue de Bassano - 75016 Paris / Tél. : 01 40 76 17 21

http://www.ics-asso.org
MISSION & PARTNERS

ICS members join efforts to improve working conditions in their production plants by rolling out a shared audit framework and by exchanging information on their joint factories. The ICS groups 20 major French and Belgian retailers active in the textile, food and electronics global supply chains.

Building sustainability through agile cooperation
CODE OF CONDUCT

Every ICS member requests its suppliers to comply with the ICS Code of Conduct that can be complemented by the member’s own detailed Code of Conduct. By signing this Code, suppliers undertake to conform and commit to it as well as having it respected by their own subcontractors and partners: shared responsibility is a key concept. The ICS Code of Conduct is available in English, French, Chinese, Turk, Bengali and Hindi.

ICS Code of Conduct directly refers to:

- **International conventions on fundamental human rights**, e.g. The Convention on the Rights of the Child, 1990;
- **Fundamental international labour standards** as defined by the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up;
- **Applicable international labour standards**, e.g. R184, Home Work Recommendation, 1996;
- **OECD guidelines for Multinational enterprises**;
- **Applicable national and/or local legislation**.

**Due diligence** is the way forward advanced transparency and responsibility across global supply chains. A combined approach of social audits and close cooperation with suppliers on corrective action plans can contribute to enhanced sustainable supply chain management.

The cornerstone of the ICS system is the audit report questionnaire used in almost 50 countries.
The ICS questionnaire is composed of the 9 chapters below:

- MANAGEMENT SYSTEM, TRANSPARENCY AND TRACEABILITY
- CHILD LABOUR
- FORCED LABOUR
- DISCRIMINATION
- DISCIPLINARY PRACTICES, HARASSMENT OR ILL TREATMENTS
- FREEDOM OF ASSOCIATION AND GRIEVANCE MECHANISM
- WORKING HOURS
- WAGES AND BENEFITS
- HEALTH AND SAFETY

OUR PARTNERS ON THE GROUND

The ICS currently works with 10 audit companies around the world. In 2015, the audit company Asia Inspection completed the ICS accreditation process. Audit quality is monitored by ICS through statistical indicators and comparative analysis as well as by ICS members’ collaborative feedback and review.
METHODOLOGY & TOOLS

- ICS members meet once a month in plenary meetings to share experiences and drive the initiative towards continuous improvement of tools and common processes.

- ICS members also meet in working groups every quarter to closely contribute to the enhancement of ICS tools and processes as well as draft joint positions on specific issues.

ICS actions are based on a common methodology applied by all ICS members and securing a complete control of the audit process by brands.

- Audits are performed by third party accredited audit companies.

- ICS members share common monitoring rules when critical non-conformities are identified in the factories.

- 90% of ICS audits are semi announced or unannounced.

ICS double audit rating system

ICS social audit is built on a double rating scheme composed of a percentage and a letter i.e. 90% B, 60% C etc. The percentage reports the degree of compliance of the factory and the letter reports the degree of criticality related to defined major non-compliances.

The ICS rating system is grounded on a thresholds table coupled to the finding of critical non-compliances which require immediate attention and action.
ICS TOOLS & SERVICES

- Factory Profile
- Corrective Action Plan
- Code of Conduct
- Audit questionnaire
- Stakeholders dialogue
- Newsletter on social compliance
- Database daily support
ICS FIGURES – 2015/2016

20 retailers

35% audits shared

2,800 audits/yr

49 countries

17,000 referenced factories
ICS AUDITS - REGIONAL ANALYSIS

Below map shows circles proportional to the number of audits conducted by ICS members in each region of the world in 2015-2016.

Source: Free Vector Maps.

Audits results for main countries

China
Bangladesh
India
Turkey
Vietnam
Cambodia
Taiwan
Morocco
Tunisia
Thailand
Pakistan
ICS AUDITS - THEMATIC ANALYSIS

Compliance by ICS audit chapter:

- the graph compares the average degree of compliance of audited factories between chapters;
- for ICS audits globally, most non compliances (either minor or major) are related to working hours (60%) and health & safety issues (55%).

Compares the current audit to:

- the audits performed by the member (same country, same year);
- the audits performed by ICS (same country, same year);
- the audits performed in the industry (same country, same year);
- This comparison is available in the ICS database for all audits.
ICS is a **multi-sector initiative** that conducts audits in the textile and clothing, bazar, appliances and food sectors.

**Share of ICS audits by purchase department**

- Textile & Clothing: 49%
- Food: 36%
- Bazar: 9%
- Appliances: 6%

**Audits results distribution by purchase department**

- Textile & Clothing
- Food
- Bazar
- Appliances
EVENTS & STAKEHOLDERS DIALOGUE

January 2015
ICS Presentation at the EU Garment Initiative conference

April 2015
ICS Presentation at the French NCP annual conference

September 2015
Contribution to the French CSR National Action Plan

December 2015
ICS Presentation at French government Textile Working group

March 2016
Participation to Oxfam - FIAC meeting on Morocco red fruit sector

March 2016
ICS Presentation at Salon Produrable

April 2016
ICS Presentation at EU Garment Initiative conference

June 2016
Contribution to MEDEF position at International Labour Conference

July 2016
Contribution to MEDEF-ORSE sectoral guide on CSR
ICS PROJECTS IN 2017

1. Elaborate tools for suppliers’ to increase knowledge and collaboration
2. Reinforce ICS members’ common processes towards audit companies
3. Develop an environmental module
4. Increase supply chains' traceability
5. Improve risk mapping analysis
For more information on ICS activities and membership, please contact:

Carole HOMMEY

Tel: 0033 (0)1 40 76 17 21 / 0033 (0)6 89 42 20 90

chommey@fcd.fr

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