Initiative for Compliance and Sustainability

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ICS Environmental Handbook for Factories

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ICS Presentation

ICS Structure

ICS is a retailer-led multi-sector initiative conducting social and environmental audits in the textile, clothing, bazar, leisure, furniture, fixtures, equipment, appliances, food, electronic, car maintenance and renewable energies sectors with the aim of:

- **Strengthening its members supply chains' compliance with Corporate Sustainability Due Diligences requirements** such as, and not limited to: the United Nations (UN) Guiding Principles on Business and Human Rights regarding the UN 'Protect, Respect and Remedy' Framework, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct, the International Labor Organization (ILO) Conventions, local laws regarding Labour and Environment rights as well as any future regulation they may be subjected to and related to Duty of Vigilance regarding suppliers and subcontractors, and

- **Contributing to the transition towards sustainable, fair and inclusive world supply chains** by providing its members and their suppliers with the due diligence standards, processes, methodologies and tools to identify, prevent and correct the risks of Human Rights and Environment violations in their supply chain.

In this regard, ICS members join efforts by rolling out a shared audit framework in their supplying production factories and by exchanging information on their common factories within the ICS database. On this internal ICS database, ICS members share the results, and all documents related to the audits (Audit questionnaire, Factory Profile, Corrective Action Plan, etc.) only with the members working with the audited factories. ICS enables its member companies to collaborate with common tools, to mutualize audits, contributing to the reduction of the 'audit fatigue' and share knowledge and best practices. ICS is not a sourcing platform as member retailers and brands can only access information on the factories they are already linked to.

The list of ICS member retailers and brands is available on ICS website www.ics-asso.org

The objective of the present Handbook is to accompany the factory in its environmental compliance's knowledge and awareness. It represents an opportunity for the factory to initiate or demonstrate its compliance to trading partners, as well as the attractiveness of the company in international trade and its long-term resilience in the face of growing standards and world economic challenges related to sustainable development requirements. This Handbook can be sent to the factory either by the audit company mandated to perform an ICS environmental audit or by the ICS member prior to the audit. The present Handbook is a preparatory tool for the factory.

The audit rating and ratings per chapter are not communicated on the audit closing meeting day. The factory will receive the Audit results (overall notation and detailed notation by chapter with the list of compliances and non-compliances) within 10 days following the audit closure. Then the factory will be able to start its Corrective Action Plan on the ICS database, following recommended actions and target dates.

They will be first checked and validated by the ICS member requesting the audit. The factory will receive an email notification to access its Audit Summary of Content (SOC), including the Audit rating and detailed ratings per chapter within a maximum of 10 days following the audit closure. The factory will then be able to engage into remediation measures to improve and secure its future compliance and Corporate Social Responsibility competitiveness thanks to ICS Online Corrective Action Plan monitoring.

On the audit closing meeting day, the Factory will receive, comment and sign the provisional Findings report, providing the list of findings (good practices and non-compliances), the auditor(s)' comments and ICS related recommended actions.

Enquiries and Recommendations relating to the ICS's scheme

Requests on interpretations, clarifications and recommendations should be addressed to the ICS team via the ICS contact@ics-asso.org email address, for ultimate share with the ICS members.

ICS Contact: ICS Office – 14, rue Bassano Paris FRANCE
Initiative for Compliance and Sustainability / Fédération des Entreprises du Commerce et de la Distribution
contact@ics-asso.org
www.ics-asso.org

11 steps to know that I am ready for the ICS audit

- ✓ **I've properly filled in the ICS database Factory profile**, paying attention to provide the full list of the languages spoken in the factory by workers, the ETP details, general information about wastewater, energy sources, and waste, as well as the workers dormitory's location, even it is not under the direct factory property. In the event that the auditors don't have time to assess the necessary areas and information on the audit day due to wrong declaration, I'm aware my audit result will be impacted.

- ✓ **I have decided whether I wanted to let my Factory Profil information** (summary) public on UN-ITC Sustainability map to engage into more transparency and provide confirmed to stakeholders regarding the audit ICS I've undergone (recommended).

- ✓ **I've gathered all the listed documents in Annex 1**, knowing that if I'm not able to provide the documents by 2pm on the first day of the audit, or the second day if the audit duration exceed one day, I will be rated as non-compliant. I am aware that each time I won't be able to prove a compliancy, the related items will be rated as non-compliant.

- ✓ **I've received the window date period of the audit and made sure that:** at least one manager will always be onsite to welcome the auditors, provide the documents and answer the questions; that in the case my premises are in a shared building, I've let other factory know the auditors will ask to review risks common to all building; I've informed the ICS member if my production will be too low for the audit on this period (at least 50% of workforce must be present on-site); I've made sure an isolated room will be available for the confidential interviews of employees and I'm aware I won't attend them.

- ✓ **I have studied the handbook and feel familiar and comfortable with the unfolding of the audit day.** I know the workers representatives (in Worker interview list) will be asked to attend the opening and closing meeting and that my workers will be interviewed by the auditors.

- ✓ I'm aware that ICS requirements can be based on local regulations, international conventions and principles, or ICS specific requirements

- ✓ **I am therefore ready to give a human and professional welcome to the auditors** and to understand the audit as a great opportunity to initiate or strengthen my compliance and sustainability levels. It will make my factory stronger and more resilient in the new world trade CSR requirements.

- ✓ **I am aware I cannot know the auditors contacts neither before, during or after the audit**, and that any pressure exerted on the auditors will cast a doubt on my transparency and compliancy and can be severely evaluated by the ICS member.

- ✓ **I am aware the auditors do not know the ICS rating methodology and that I will not get the audit result by the end of the audit day.** I will receive the audit results within 10 days, once the ICS member has validated the audit report through the ICS database. I will also receive a notification guiding me to start implementing the Corrective Action Plan 15 days before the first target date of the plan. On the audit closing day, I'll however receive the provisional Findings report.

- ✓ **I am aware that open approach to the audit and transparency are the key elements to succeed and take the best out of the audit**. Hiding information to the auditors will be considered as a severe case of lack of transparency towards the ICS client and we'll lead to a severe evaluation. I am aware that lack of transparency exposes my company to ICS members distrust and a missed opportunity to be resilient and fit for the CSR world trade economy requirements

- ✓ **In case of complaints, I know I'll be able to reach out to my client**, the ICS member, to be informed of the procedures, also mentioned in this Handbook.

ICS common methodology

Due diligence is the way forward advanced transparency and responsibility across global supply chains. A combined approach of social and environmental audits as well as close cooperation with factories (hereinafter also referred to as 'facilities') on corrective action plans can contribute to enhanced sustainable supply chain management.

The cornerstone of the ICS system is the ICS audit report questionnaire used in more than 70 countries. ICS actions are based on a common methodology applied by all ICS members and securing complete control of the audit process by brands.

- ICS audits are mandated and managed by member retailers and brands. Audit launch is a member prerogative, which ensures total control of the use of ICS. The aim is to ensure the impartiality of the audit process.
- ICS audits are performed only by third party audit companies authorized by ICS.
- ICS members share common monitoring rules when critical non-compliances are identified in the factories.
- ICS environmental audits can be announced, semi-announced or unannounced according to the ICS members' decision.
- **The ICS audit is neither a certificate nor a label.** The ICS audit's objective is to assess the environmental compliance of a factory and report observed non compliances and best practices at a given date.

An audit is neither a certificate nor a label.

Our partners on the ground

Audit quality is monitored by ICS through statistical indicators, on-site shadow audits, comparative report analysis and ICS members' collaborative feedback and review.

The list of audit companies that are authorized to audit against the ICS standards are available on our external website: https://ics-asso.org/audit-companies/

Transparency and openness are the unconditional prerequisite to strengthen factories' compliance.

Lack of information, document falsification, access denied (including pre-audit Factory Profile declaration omissions), pressure and allegation exerted on ICS habilitated auditors are severely assessed and can lead to the termination of the business relationship.

ICS 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 Arabic, Bengali, Bosnian/Croatian/Montenegrin/Serbian, Chinese, English, French, German, Hindi, Italian, Polish, Portuguese (Brazilian), Russian, Spanish, and Turkish.

- The ICS Code of Conduct directly refers to international conventions on environmental standards such as Annex 2 of CS3D, OECD guidelines for Multinational enterprises and applicable national and/or local legislation.

- The Environmental Code of Conduct covers the 10 chapters of the ICS Environmental audit questionnaire:
  - Chap. 1 – Environmental Management Systems
  - Chap. 2 – Energy Use, Transport and Greenhouse gases (GHGs)
  - Chap. 3 – Water Use
  - Chap. 4 – Wastewater and Effluent
  - Chap. 5 – Emission to Air
  - Chap. 6 – Waste Management
  - Chap. 7 – Pollution prevention, hazardous and potentially hazardous substances
  - Chap. 8 – Emergency Response Management
  - Chap. 9 – Nuisances and Grievance Mechanism
  - Chap. 10 – Biodiversity and Land protection

Information sharing process

Data sharing and confidentiality

ICS members linked to the same factory share the audit results and documents through the ICS database. ICS audit findings are confidential and not accessible to ICS members not linked to the audited factory. ICS members must reference their suppliers and the associated factories under the ICS database in order to be able to access the audits information and results. ICS members share a common methodology and tools that cannot be used for sourcing but only to monitor the environmental compliance of factories.

ICS audit documents shared with the supplier or factory

The ICS audit report cannot be shared with the supplier or factory in order to protect data confidentiality that workers might have shared with the auditors. The factory will receive the following documents, with all the relevant findings and remediation measures to engage with for improving and securing its future compliance:

- The **Factory Profile** is sent online to the factory either by the ICS member or the audit company before the audit. The factory must fill in the Factory Profile and send it back to the ICS member or audit company before the audit. The Factory Profile will be validated during the audit opening meeting by the facility management.

    - The **ICS Database Dashboard** for Factories and Suppliers requires the factories and suppliers to update their data on the factory's organization through the ICS database. The Factory Profile is a part of the ICS Audit Process and is the first document to be shared between the ICS Members, the factory and the supplier and the audit firm to understand the organization of the factory and to organize later the audit in accordance with.

Filling the Factory Profile through the ICS database is the first requirement for the future audited factory. ICS members may refuse to start business relationships with factories that have not properly filled their Factory Profile, notably the section related to the factory's subcontractors, production processes and languages diversity spoken in the factory.

    - The Factory Profile is linked to the **UN/WTO International Trade Center Sustainability Map Transparency & Traceability** project supported by the European Commission. Filling the Factory Profiles opens the opportunity for the factory to freely chose to publicly publish a limited amount of data summarized in a "Factory ID" on the Sustainability Map to demonstrate its commitments to its clients and stakeholders.

Once your Factory Profile is completed, the validated data are summarized in your Factory ID on ICS database. The Factory ID contains limited data that you can chose to, or not to, disclose on the public Sustainability map to demonstrate your contribution to Transparency and enhance your visibility to your clients and potential clients.

    - <u>The factory bears the responsibility of informing the audit company and the member via the Factory Profile before the audit of **all languages spoken by workers on-site**</u> (if they do not speak the local official language).

    - If the factory has an ETP or CETP, its location must be indicated in the factory profile prior to the audit as it is included in the audit scope, regardless of its location.

- If the factory has a dormitory, its location must be indicated in the factory profile prior to the audit. All dormitories located within or without the factory's premises are included in the audit scope, regardless of their location, if the factory management and/or workers confirm that the dormitory is provided by the factory.

- The **Findings report** is signed in the local language during the audit closing meeting by the facility management. The **Findings report** reports the non-compliances identified during the audit and their associated recommended corrective actions.

- The **Summary of Content (SOC)** indicates the rating of each chapter of the audit and the global rating (a letter and a percentage) and is sent to the factory through the ICS database after the audit firm's review and the brand's validation. The SOC provides the factory audited with the detailed non-compliances, the compliances, and the best practices in a complete PDF report.

ICS audit

ICS audit planification

- The auditor's name should not be communicated to the factory or supplier before the audit takes place.
- Direct contact details (email, telephone) of the auditor should not be shared with the factory or supplier before, during and after the audit.

  - Any attempt to obtain the auditors' names before the audit or their contact details during the audit, will shed a light on the audit impartiality and factory's transparency.

Any attempt to reach out to the auditors during or after the audit in order to exert pressure, threats or corruption proposal can result in the business relationship termination.

- If the production rate is too low (cf Workers interview) in the factory on a certain day included in the audit window period, the factory is responsible for informing the audit company and ICS member requesting the audit for it.

- The audit window period is defined by the member and should be a minimum of 2 weeks (the factory management should declare unavailable dates, including national and local public and bank holidays, but the window period must be a minimum of 2 full weeks when adding up the available dates for the factory).

ICS audit scope

The overall purpose of the ICS on-site audit is to evaluate the facility's compliance level with the ICS Code of Conduct, local regulations and international standards as well as to identify the necessary corrective actions and opportunities for continuous improvement. The ICS audit also reports the best practices observed by the auditors in the facility.

Physical areas covered under the scope of the ICS Environmental audit include:

- Production areas
- Hazardous or potentially hazardous substances storage areas (sub-store, warehouse, dye store, oil and fuels storage areas, etc.)
- Effluent Treatment Plant (if any on-site, including laboratory, dedicated chemical store for treatment plant, dedicated power supply, sludge storage area, etc.)
- Waste storage area (non-hazardous and hazardous)
- Boilers and generators (heavy machines)
- Any area in the factory where chemicals might be/are used (spot removing room, etc.)
- Any area where water flow meters / energy meters are installed
- Other storage areas, if applicable
- Living and eating areas of workers, if applicable
- All associated buildings near the site of production.

In case the Effluent Treatment Plant (ETP) is shared, the audited factory should grant the auditors access to the shared ETP, as it is part of the audit scope.

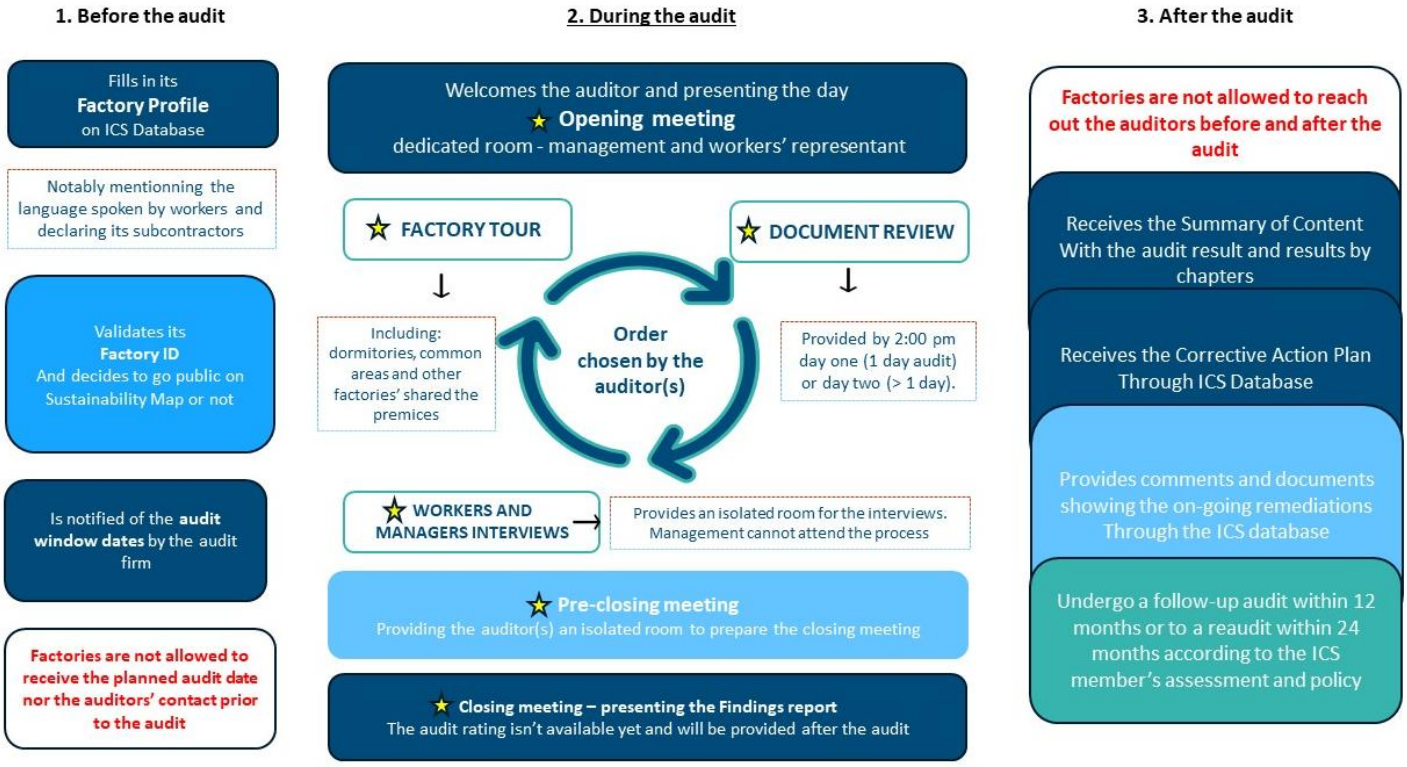
Audited factories must inform prior to the ICS audit the management and owners of the factories in the same buildings (if different than the audited factory's management) **about the ICS requirement for auditors to visit the whole building and common areas** (for e.g. stairs of the building) **and if required, also to visit the other factories present in the building as risks can originate from shared premises.**

Refusing access to all required part of the premises or failing to obtain other factories agreement to enter their premises in case of shared building will be regarded as an access denied by the ICS member and can result to the failing of the audit.

ICS audit process

The ICS audit process consists of six steps:

The auditors are the people in charge of the audit process. The actual audit may or may not follow this order. However, all steps described below will be completed during the audit. If further steps or documents are needed to support a complete understanding of the facility situation, the auditor may request additional information from the facility. The Audit Duration table provides the number of days required for an audit based on the size of the facility (please refer to the section on 'Methodology').



Identification of non-compliances:

- ICS questions can be evaluated against
  - local legal requirements
  - International conventions requirements
  - ICS own specific requirements
- Where local law is more stringent than standards set forth by questions based on the ICS requirements, the facility's practices are evaluated against local law.

In the case of a non-compliance that can easily and quickly be solved (e.g. water leak), auditors must report the non-compliance in the report (and in the Findings report for example, auditors can indicate that the non-compliance has been immediately closed).

- If the auditors are unable to confirm full compliance, the observation will be reported as non-compliance.

Preparing the requested document listed in Annex 1 ahead of the audit will help preventing the factory to be rated non-compliant if unable to prove compliancy.

Opening Meeting

- **Attendees:** auditors, facility management and workers' organization representatives.
- **Purpose:** to introduce the auditors, to recall the reason for the audit and ICS members Duty of Vigilance obligations and the opportunities open by the audit, to discuss and appreciate the importance of environmental awareness, to review the audit scope and ask questions, to explain the audit procedures to be performed, to identify the parties to be involved as well as to estimate the audit duration. The facility representatives should grant auditors picture-taking permission. The pictures will be enclosed with the audit report documents and shared with ICS client members only. Pictures taken will be treated as confidential data. Photos will be taken during the walkthrough to capture non-compliances and the general layout of the factory (outside view of factory's gate, buildings and name), its work floors, canteen, warehouses and dormitory, without showing people's faces.
- **Notification from the facility:** The facility should inform the auditors if any other visit or audit (social, environmental, quality or technical audit, inspection etc.) is performed in parallel with the current audit.

Documentation Review

- **Purpose:** auditors will review facility's documents and records such as company environmental policy, environmental awareness training records, manager job description, agreements with waste contractors and reports of internal inspections to confirm compliance, identify non-compliances and report best practices if any.
- **List of documents to be prepared by the facility for the date of the audit:** please refer to Annex 1 of the present Handbook. The facility is required to be able to provide the auditors with the listed documents for at least the last 12 months. This list is not exhaustive, and the auditor may request access to other documents if deemed necessary.

Facilities are requested to provide the documentation before 2:00 PM the first day of the audit (for an audit to be done within 1 man/day) or before 2:00 PM the second day of the audit (in case of an audit organized in more than 1 day).

Workers and Management Interviews

- **Attendees:** auditors conduct interviews with management personnel, e.g., Environmental compliance Manager, Chemical in charge/Manager and workers. Interviews with workers are to be conducted privately, without the presence of management staff, to assess if they were trained in environmental topics (workers handling chemicals, workers in charge of the waste collection and storage operations, etc.). Interviews will be conducted individually and/or in groups and should include workers holding different positions, such as workers in charge of waste handling, ETP maintenance and so on. For additional information on interviews sampling, please refer to the section on Methodology of the present Handbook.

The presence or intrusion of a manager during an interview will be considered as an attempt at intimidation and may compromise the factory's compliance with transparency expectations. Trying to know what a worker said during an interview is a severe infringement to labour rights. The factory won't access the interviews' reports.

Facility Tour

- **Attendees:** auditors and facility representatives who accompany the auditors.
- **Purpose:** to evaluate the environmental management related practices, consider all potential environmental aspects and impacts, and observe other practices, the auditors conduct a walkthrough of any areas where workers may be present including, but not limited to: production floors, warehouses, chemical storage units, waste storage areas, effluent treatment plant (if any on-site), heavy machine rooms, areas where water and energy meters are installed, restrooms, clinic, canteen, and dormitories.
- **Audit review and checks:** auditors will review facility's documents (check of tag, register, etc.) but also ask for physical checks, which should be carried out by facility's workers.
- **Photos are taken** during the walkthrough of the outside (facility's gate, buildings and name etc.), of the inside (its work floors, etc.) and of any related building (warehouse etc.). The photos the auditor takes must not show the faces of people, to ensure data protection.
  The factory management is responsible of informing the auditor at the start of the audit if an area/building/zone/unit closes sooner than the other or is inaccessible at a certain time.

Pre-closing meeting

- **Attendees:** auditors only.
- **Purpose:** to prepare the closing meeting to be held with facility's management.

Closing meeting

- **Attendees:** auditors, facility management and workers' organization representatives.
- **Purpose:** to present and discuss audit findings and results, to answer questions and provide clarifications, to reach an agreement on the facts observed or to provide an opportunity for facility's management to present counterarguments to auditors, to ensure that facility's management understands the legal or Code basis for non-compliances.
- **Outcome**: the facility's management should commit to act and solve non-compliances. The Findings report will contain a clear description of all non-compliances identified during the audit. It will include the comments from the factory on how to resolve the non-conformities.

- The **Findings report** should be issued on-site, signed and agreed by the facility's management representative, the workers' organization representative and the lead auditor. A copy of the findings report will be kept by the facility and another one will be sent to the ICS member. The non-conformities in the findings report should be written in English and in local language. This document serves to acknowledge the auditor's visit, that the audit took place, to summarize the non-conformities found during the audit and to prove that the factories recognize the non-conformities.

- **The rating is not communicated during the closing meeting as it will be first checked and validated by the ICS member requesting the audit. After the audit report receives validation from the ICS member, within a maximum of 10 days, the SOC is automatically generated and accessible on the database. Furthermore, it is automatically transmitted to the e-mail addresses listed in the contact box. If new email addresses need to be added please ask the ICS member who launched the audit to add them. Find your ICS audit summary on the database: https://ics.art-informatique.com/login.action.**

- **Notification from the facility**: The facility should indicate to the auditors if any other visit or audit has been performed in parallel with the current audit (if not mentioned during the opening meeting and in case the audit has been conducted during several days).

- **Online CAP:** after the audit is validated by the ICS member and once the ICS member has initialized the Online CAP with the relevant target dates on the ICS database, factories receive a notification 15 days before the 1st CAP target date. They will be asked to engage the remediation measures and upload through the ICS database the comments and documents tending to show that remediation measures have been implemented. The Online CAP is also the opportunity to share difficulties in implementing the corrective actions and seek for the ICS member's advice.

An audit is only one part of the due diligence compliance process. The whole purpose of the audit is to engage, through online dialogue with the ICS member, using the Online CAP, the corrective actions that will make the factory compliant and competitive in the world sustainable trade.

ICS Environmental Checklist

The ICS "Environmental Checklist" – not to be mistaken for the ICS environmental audit standard requirements - is a complementary resource for brands and factories to gather vital environmental data pertaining to factory operations. Auditors tasked with reviewing this data are asked to verify the input data to ensure reliability of the factory's declared environmental performance.
Please note that there is no blocking question in this checklist: you are invited to fill in the questions and topics you have available data for.

The checklist can be filled by employees involved in environmental topics (e.g. environmental compliance manager, appointed energy manager, waste manager etc.)
For any question on the checklist content or purpose, please contact the ICS member who invited you to fill in the checklist. If you are facing any technical issue while answering the checklist, please contact the ICS team: contact@ics-asso.org.

ICS members can request an environmental audit to be mutualized with an environmental checklist data verification. If the ICS member requests an environmental checklist verification, then the **audit length will be extended of 0,5 man-days.**

The checklist is composed of 7 sections:

Introduction

- The checklist starts by identifying individuals responsible for providing responses and factory tiers, crucial for aligning production reporting. Tiers 0 and 1 report yearly production in pieces, while Tiers 2, 3, and 4 report in kilograms.
- This information helps correlate production with energy/water consumption, wastewater/waste generation, and carbon emissions.
- Mandatory questions are confined to this section.

Energy Consumption

- Factories report energy types used, including details of green electricity contracts if applicable. Yearly/monthly energy consumption data by type facilitates trend analysis and efficiency improvements.
- Factories can substantiate reported data with proofs.

Water Consumption and Wastewater Production

- Understanding water sources and recycling initiatives helps assess water management. Classification of wastewater aids in identifying risks. Yearly/monthly reporting of water consumption and wastewater production supports trend analysis.
- Factories can substantiate reported data with proofs.

Air Emissions

- Identifying main emission sources and reporting qualitative data ensures compliance with regulations and transparency in reporting.
- Factories can substantiate reported data with proofs.

Waste Management

- Factories declare types of waste produced and report volumes for landfill, recycling, etc. Yearly/monthly waste production data helps identify waste reduction opportunities.
- Factories can substantiate reported data with proofs.

Carbon Emissions

- Factories disclose carbon footprint analyses, including covered scopes. Providing documentary evidence enhances data reliability.
- Factories can substantiate reported data with proofs.

Chemicals

- Factories declare their chemical inventory, if they wish to, to disclose their chemicals' use to the ICS member.

Methodology

ICS audit types

After having conducted an audit for the first time in a factory (referred to as "the Initial audit") ICS members decide when to initialize a follow-up or a re-audit within the timeframes set by ICS and described below. **The ICS audit is neither a certificate nor a label.** The ICS audit's objective is to assess the environmental compliance of a factory and report observed non compliances and best practices at a given date, opening the opportunity for the factory to engage into a Corrective Action Plan empowering its resilience in the world sustainable trade.

There are 3 types of ICS audit:

- Initial audit: it is an audit carried out for the first time in the factory. The duration of the initial audit is defined according to the size of the factory.
- Follow-up audit: it is an audit carried out to monitor the effective closing of non-compliances underlined in a previous assessment (initial, follow-up or re-audit). It should be initialized no later than 12 months (additional 4 weeks may be allowed for the audit arrangement) after the completion of the previous ICS initial audit or re-audit. The duration of the follow-up audit is 1 man-day, regardless of the size of the assessed facility.
- Re-audit: it is an audit carried out to monitor the effective closing of non-compliances underlined in a previous assessment (initial, follow-up or re-audit). The duration of the re-audit is defined according to the size of the factory. Even if an audit takes place more than 2 years after the initial audit, it is a re-audit (and not an initial).

The ICS process allows ICS members to initialize a follow-up audit or a re-audit on the basis of an initial audit regardless of the ICS member who requested the previous audit. ICS members may choose a different audit firm for the follow-up audit than from the initial audit (only audit firms authorized by ICS can perform ICS audits).

All follow-up audits and any ICS audit should always include the triangulation pillars: observation, documents review and interviews according to the defined sampling methodology.

ICS audit announcement types

ICS default process allows either **semi-announced audits** within a window of a minimum of two weeks or **fully unannounced** audits, with a current exception for environmental audits that can be planned on an unannounced mode. In line with their due diligence process, ICS members select the audit announce type and the ICS-authorized audit firm. For specific reasons, the environmental audits may be organized by the ICS members as announced audits in all countries.

- **In the case of semi-announced audits**: the factory will be informed by one of the ICS-authorized audit firms that an ICS audit will be performed in the factory on behalf of an ICS member. The audit firm will indicate to the factory an audit window period of a minimum of two weeks (the window period is defined by the ICS member). The factory will not know the exact planned date prior to the audit. The factory will fill in the ICS Factory Profile before the audit and send it back to the audit firm.

It is an unconditional requirement for the factory to ensure that at least one factory's representant is available onsite during the audit window period, in order to be present on the audit day.

- **In the case of unannounced audits**: the factory will not be informed about the ICS audit.
- It is the responsibility of the audit company to know about bank holidays in the country and not to go into the factory during a holiday.
- **If the production rate is too low in the factory on a certain day included in the audit window period, the factory is responsible for informing the audit company and ICS members requesting the audit for it.**
- **ICS Process during audit scheduling:** The factory bears the responsibility of informing the audit company and the member via the Factory Profile before the audit of all languages spoken by workers on-site (if they do not speak the local official language) so that the audit body will organize the audit with on-site interpreters.
- If the auditor only has access to 25% or less of the workforce, the option "NO: access denied or non-compliant conditions for interviews" will be selected and the alert will be triggered.

Audit duration

The audit duration for initial and re-audit will be set between 1 to 2.5 man-days on site following the rules explained below. The duration will depend on two main criteria:

Criterion 1: Wastewater from production processes generated.
There are 4 scenarios that can characterize a factory regarding this criterion.

Scenarios	Questions to answer		
	Wastewater generated from production processes?	Treatment on-site or off-site?	Pre-treatment on-site?
1	NO	NOT APPLICABLE	
2	YES	ON-SITE ETP[1]	NOT APPLICABLE
3	YES	OFF-SITE CETP[2]	PRE-TREATMENT[3] OR NO PRE-TREAMENT
4	YES	NO TREATMENT	

Criterion 2: What is the size of the factory?
For an environmental audit, the size of the factory is based on its total area in square meters. There are three possible scenarios:

Factory size	Criteria (total area in square meters)
SMALL	< 5 000
MEDIUM	5 000 – 20 000
LARGE	> 20 000

Criterion 3: Was an Environmental checklist revision asked?
If the ICS member request the auditor to review the Environmental checklist declarations of the factory, then the audit length, *no matter its original length*, will last an **additional 0,5 man-day**.

Summary: Rules for the audit duration

Criterion 1			Criterion 2	Audit duration without environmental checklist revision (man-days)	Audit duration with environmental checklist revision (man-days)
Wastewater generated from production processes	Treatment on-site or off-site	Pre-treatment on-site	Factory size		
YES	ON-SITE ETP		SMALL	**2**	**2,5**
			MEDIUM	**2**	**2,5**
			LARGE	**2,5**	**3**
	OFF-SITE CETP	PRE-TREATMENT OR NO PRE-TREATMENT	SMALL	**1**	**1,5**
			MEDIUM	**2**	**2,5**
			LARGE	**2**	**2,5**
	NO TREATMENT		SMALL	**1**	**1,5**
			MEDIUM	**2**	**2,5**
			LARGE	**2**	**2,5**
NO			SMALL	**1**	**1,5**
			MEDIUM	**1**	**1,5**
			LARGE	**2**	**2,5**

[1] ETP: Effluent Treatment Plant
[2] CETP: Common Effluent Treatment plant (not the municipal sewage plant)
[3] A pre-treatment: A wastewater pre-treatment system is a process that partially cleans wastewater by removing or reducing specific pollutants. However, it doesn't purify the water enough to make it safe for release into the environment. This system acts as a preliminary step before the main wastewater treatment process, which takes place in an Effluent Treatment Plant (ETP) or Common Effluent Treatment Plant (CETP).

Worker interview sampling size

Depending on the number of workers and staff at the audited facility, a varying number of workers representing different positions will be interviewed. Out of the interviewed workers, a portion will be interviewed in focus groups and the remaining portion will be interviewed individually. The confidentiality of the information obtained during these interviews will be ensured by the auditors and the ICS members. **Workers' data protection is the main reason why ICS audit reports are not fully shared with the factories.**

At least 50% of the workforce should be present onsite for the audit to be conducted.
If less than 50% of the workforce are present at the site, for example during festivals or holidays, it may be considered as access denied based on whether the factory has informed the audit firm or the ICS member beforehand.

- If the factory did not warn audit firm or ICS member that a significant part of the factory workforce will not be present on-site due to a holiday or festival, then it is to be considered as if the factory tried to withhold auditors to access workers (worst case scenario) and is thus to be considered as an access denied.

- In the other hand, if the factory did warn audit firm and ICS member of the situation but both audit firm and ICS member chose to audit still on this period, then it is not to be considered as an access denied.

The auditor will select the key workers and managers for interviews but might also select additional workers.

Topic	Workers to interview (minimum requirements)	Examples of related questions
Environmental Management	1 worker & 1 manager *For example:* compliance manager or manager in charge of Environmental Management System (EMS) and a worker who attended the environmental training randomly chosen	1.5, 1.9 and 1.11
Chemical Management	1 key worker & 1 manager *For example*: 1 worker in a production section handling chemicals or 1 worker working in the chemical warehouse and 1 manager/in charge of the chemical management (Chemical warehouse responsible)	7.16 and 8.5
Water, energy and emissions to air	1 key worker *For example:* maintenance manager or worker with responsibilities related to heavy machines, air treatment facilities and refrigerant equipment / operator with responsibilities related to pipelines, machines (using water) maintenance	2.9, 3.11 and 5.11

Topic	Workers to interview (minimum requirements)	Examples of related questions
Wastewater and Effluent	1 key worker ETP operator/manager	4.19
Waste management	1 key worker & 1 manager Example: 1 worker in charge of collecting the waste and segregating waste for temporary storage on-site and 1 manager/in charge to supervise the waste management	6.19
Emergency response management	2 workers (including 1 new worker) Any 2 new workers recently arrived in the factory	8.4, 8.9
Nuisances and Grievance Mechanism	1 worker & 1 manager	9.3, 9.6
Biodiversity and Land protection	2 key workers *For example*: 1 worker working at raw materials' procurement, and 1 worker working at the unloading bay	10.7, 10.9

Documentation sampling size

Key documents/records, such as water and energy consumption records, environmental management procedures, environmental related training records, wastewater after treatment test reports, etc., must be reviewed and copies collected as appropriate.
In addition to the completion of the Factory Profile, the facility should make available the requested documentation for at least the last 12 months.

ICS audit rating

ICS Environmental chapters levels

For each chapter in the ICS environmental audit, requirements are separated into two levels:

- Core requirements: environmental awareness and legal compliance and implemented practices
- Advanced requirements: best practices for continual improvement (targets and action plans, analysis of performance, etc.).

The auditor should insist on the core requirements and encourage the factory to go beyond them. The objective is to push the factory to adopt a "continuous improvement" approach. ICS members will follow the facilities' level of compliance by first requesting the core requirements compliance then focusing on advanced ones.

ICS double rating system

The ICS environmental audit is built on a double rating system composed of a percentage (0-100%) and a letter (A, B, C, D, E), for example: the global audit rating can be 90% B, 70% C etc. The percentage indicates overall level of compliance of the factory while the letter indicates the degree of criticality related to those non-compliances.

The ICS rating system is grounded on a thresholds' table coupled with the finding of critical non-compliances which require immediate attention and action. For instance, if an Alert Notification is raised, the facility rating can be 85% E: the facility is mostly environmentally compliant but one major issue has been identified and has raised an alert notification (i.e. the discharge of wastewater directly into the environment). The ICS audit system is designed to report on the global level of the factory and at the same time clearly raise major non-compliances.

Each chapter of the audit is further subdivided as follows:

- **Unrated Informative questions** on applicable local laws and facility-specific information
- **Rated compliance questions**: several questions are critical and therefore carry a higher weight in the overall result
- **Critical questions triggering an Alert Notification** (please refer to the below sub-section on Alert Notifications)
- **Best Practices** are identified by the auditors when the facility's practices go beyond legal compliance. Best practices are reported in the audit questionnaire but do not influence the facility's overall rating.

All rated questions in the audit questionnaire are formulated using the same logic: 'Yes' indicates full compliance and 'No' reports non-compliance. The rating for each question is automatically calculated in the ICS environmental audit system.

Example of a summary of audit findings by chapter:

	AN		Chapter	Letter and % rating	Advanced requirements
🔍		1	Environmental Management Systems	C 72%	
🔍		2	Energy Use, Transport and Greenhouse Gases (GHGs)	C 69%	
🔍		3	Water Use	B 75%	
🔍		4	Wastewater and Effluent	B 95%	
🔍		5	Emissions to Air	B 93%	
🔍	⚠	6	Waste Management	E 44%	
🔍		7	Pollution Prevention and Hazardous and Potentially Hazardous Substances	B 75%	
🔍		8	Emergency Response Management	C 64%	
🔍		9	Nuisances and Grievance Mechanism	Not assessed	
🔍		10	Biodiversity and Land protection	A 100%	

Nota bene: The column 'AN' reports the Alert Notifications (AN) triggered in each chapter. Warning symbol indicates the presence of an Alert Notification.

Alert Notifications

Alert Notifications are triggered by the auditors when defined critical non-compliances requiring the immediate attention of ICS members are identified because they:

- Threaten workers' safety, or
- Can influence the audit results due to fraud, or
- This includes cases of discharge of untreated wastewater directly into the environment, improper hazardous waste disposal practices (for chemical waste and sludge from wastewater treatment plants, in particular) and dangerous hazardous substances handling practices in the factory that can threaten the workers' safety and environment.

Access denied to the facility

The facility should allow auditors into the facility's buildings to perform the ICS environmental audit. However, cases happen when the facility refuses to let the auditors into the premises or part of the premises. In such case, the following procedure applies:

- The team of auditors will offer to explain the purpose of the visit and the procedure of the audit to the facility's representative or the point of contact. The management of the factory is then advised to contact its vendor/client to verify the validity and importance of the ICS environmental audit.

- The team of Auditors will take notes of all the details of the situation to report to the ICS member.

- If the above fails and the facility refuses to let the auditors inside the premises, an Access denied notification is immediately sent by the auditors to the ICS member. The audit is therefore classified as being an "Access Denied".

- Any restriction in accessing any of the three pillars of the triangulation during the audit will be reported in the audit questionnaire (i.e. restriction to one or more of the following pillars: confidential interviews with workers, documents review, access to one or more sections of the site/farm).
    - YES, all triangulation pillars available
    - NO: access denied to a section of the factory
    - NO: access denied or non-compliant conditions for interviews
    - NO: access denied to records and documents (partly or fully)
    - NO: access denied to a section of the factory AND to interviews
    - NO: access denied to a section of the factory AND to records and documents
    - NO: access denied to interviews AND to records and documents
    - NO: access denied to all three pillars of triangulation (section of the factory AND records AND interviews)

ICS' Environmental Checklist revision

The Environmental Checklist revision by auditor is not aimed at fully confirming data declared by the factory within the Environment Checklist but rather aimed at assessing factory's transparency with ICS members. This can be done by assessing the level of discrepancies between the data declared within the Environmental Checklist and the situation observed within the factory by the auditor and the documentation the factory is able to provide the auditor with to back their environmental claims.

In case factories have not declared the correct information within the ICS' Environmental Checklist, auditors will need to report the situation to the ICS member mandating the audit and checklist revision.

If data declared within the Environmental checklist greatly differs from the situation observed by the auditor within the factory, the auditor will have the possibility to Alert ICS member on the transparency level shown within the Environmental checklist.

3 levels of conformity of the checklist are available for selection:

- **"Accurate"**
- **"Non-critical omissions"**

Environmental checklist does not reflect accurately the situation within the factory due to minor discrepancies.
The revised environmental checklist shows minor signs of discrepancies between the data declared and the situation observed by auditor from factory tour and documentation review.
Cumulation of more than 2 non-critical omissions would result in the alert being characterized with Critical omissions.

- **"Critical omissions"**

Environmental checklist does not reflect accurately the situation within the factory due to major discrepancies, resulting in potentially severe increase of the factory adverse impacts on the environment from what has been declared to the ICS member through the checklist.
The revised environmental checklist shows major signs of discrepancies between the data declared and the situation observed by auditor from factory tour and documentation review which can indicate the factory will not to be transparent with ICS members regarding their environmental impacts.

Complaints raised by the factory

In case of complaints or appeals regarding the audit or the audit company, factories should contact the ICS member requesting the audit and if needed the ICS team at contact@ics-asso.org by detailing the issue. Were the factory to witness an unusual and unprofessional behavior from the auditors, it can ask the ICS Member to fill in the ICS Auditors' behavior checklist to start a detailed investigation.

Annex 1: Documentation review

Type	Document
GENERAL	Site Layout
	Production flow chart
	Notices of violation or fines from a regulating agency
	Communications with environmental regulating agencies/authorities relating to environmental violations and pollution incidents (air, water, effluent, wastes, odor and noise).
	Environmental certificate / permit
	Approval to operate
EMS	Core requirements level
	Company environmental policy
	System to remain up-to-date with changes in laws and regulations
	Organization chart
	Job description of manager in charge of coordinating environmental management activities
	Identification of the environmental aspects and impacts
	Environmental objectives, targets and action plan
	Environmental management committee records (clearly mentioning the list of workers part of the committee, topics addressed, etc.)
	Environmental awareness training records
	Advanced level
	Environmental standard used by the factory to evaluate its suppliers and evidences of the assessment conducted
ENERGY USE, TRANSPORT AND GREENHOUSE GASES (GHGs)	Core requirements level
	Energy consumption records: total energy consumption for different types of energy sources: electricity, natural gas, oil, coal, etc.
	Energy consumption breakdown records for different department/ process/ sections/ use in the factory
	Steam lines internal inspection report (steam leaks inspection) and general inspection of the factory to identify easy opportunities to save energy
	Advanced level
	Calculation of direct Greenhouse Gas Emissions SCOPE 1 (scope 2 and scope 3 if available)
	Objectives, targets and action plan related to energy, transport and GHG emissions reduction
	Training for relevant workers in relation to energy, transport and greenhouse gases (GHGs)
WATER USE	Core requirements level
	Water consumption records: overall water consumption for all the different water sources
	Water consumption breakdown records: for different department/ process/ sections in the factory
	Reports of internal inspections undertaken in the factory to identify water leaks, control the maintenance of machines using water, water pipelines, etc. and general inspection of the factory to identify easy opportunities to save water
	Advanced level
	Documentation on water savings: targets and action plan
	Training for relevant workers in relation to: water use and savings

Type	Document
WASTEWATER AND EFFLUENT	Core requirements level
	Agreement with the Common ETP (CETP) if the factory is connected to a CETP for the wastewater treatment or authorization to discharge the wastewater in the sewage system
	Drainage Plan or Pipeline Layout
	Wastewater after treatment quality test reports (from third party)
	Water flow measurements at ETP inlet and outlet points records
	Wastewater parameters internal test records
	Procedures for testing the wastewater parameters internally
	ETP capacity documented
	ETP operational & maintenance manual
	Training records or evidence of training (internal or external) of the ETP operator (Evidence the ETP operator has a consistent background to operate the ETP)
	Contract of the CETP or Agreement with the CETP provider
	Advanced level
	ETP emergency procedure
	Objectives, Targets and action plan to reduce the pollution of water, reduce the wastewater volume or improve the treatment process
	In case of increase of the production planned, evidence that the on-site ETP capacity is sufficient to treat the additional volume of wastewater to be generated
EMISSIONS TO AIR	Core requirements level
	Identification of main point sources emissions to air (Informative question)
	All equipment's maintenance / inspection records (e.g. boilers and generators)
	Stack air emissions test reports
	Inventory of air emissions sources (point source and fugitive emissions, including potential sources of ODS and F-gases emissions)
	Air treatment equipment maintenance records
	Advanced level
	Objectives, Targets and action plan to reduce the air pollution and/or the quantity of ODS / F-gases emissions generated
	Ambient air quality test report
	Training for relevant workers in relation to emissions to air and ODSs (ex: Maintenance operator)
WASTE MANAGEMENT	Core requirements level
	Waste inventory
	Register of sludge quantities generated by the ETP (can be included in the inventory)
	Agreements with waste contractors (for all types of waste)
	Waste management procedure/policy
	Agreements with waste contractors mentioning the final disposal/treatment methods (for all types of waste, except sludge)
	Agreement with contractor for sludge collection mentioning what is the final disposal/treatment of the sludge
	Training for all relevant workers about waste management (ex: for workers in charge of collecting the waste)

Type	Document
WASTE MANAGEMENT	Advanced level
	Evidences the factory audits the waste contractors
	Objectives, Targets and action plan to reduce the waste generation and improve the waste final treatment/disposal
	Evidences of waste recycling
POLLUTION PREVENTION, HAZARDOUS AND POTENTIALLY HAZARDOUS SUBSTANCES	Core requirements level
	Bulk tanks inventory (including contents, capacity etc.), if any bulk tank onsite
	Bulk tank inspection logs/reports and bulk tank integrity testing logs/reports, if any bulk tank onsite
	Chemical inventory
	MSDS/SDS original versions with 16 sections
	Trainings for relevant workers in relation to the management and use of hazardous substances (ex: workers handling chemicals...)
	System of the factory to monitor the compliance with the MRSL
	Chemical handling and storing procedure
	Advanced level
	Objectives, Targets and action plan for chemical use reduction and hazardous chemical substitution & elimination.
EMERGENCY RESPONSE MANAGEMENT	Core requirements level
	Identification of emergency situations / Emergency response plan
	Chemical spill emergency response procedure
	Chemical spill clean-up mock drill report
	Fire emergency response procedure
	Fire emergency mock drills report
	Evidence of a designated team of emergency response workers
	Health and safety training for new workers
	Health and safety training for existing workers
	Spill/incident log and remedial steps taken including correspondence with authorities regarding e.g. spills, leaks, odor, noise, etc.
	Advanced level
	Process to review the Emergency Response Plan
NUISANCES AND GRIEVANCE MECHANISM	Advanced level
	Register of received grievances from neighbors, local communities, local institutions, … including but not limiting to: • Date of the complaint and sender • Risk assessment from the factory • If so, remediation action plan • If so, outcomes of the remediation action plan Policy or system presentation for the collection of grievances from neighbours Documentation or Minutes of meetings with stakeholders with complaints received from neighbours Corrective action plans and corrective actions effectiveness tracking

Type	Document
BIODIVERSITY AND LAND PROTECTION	Core requirements level
	Permits or buildings modifications authorizations
	Policy or modus operandi for the application of the Avoid-Reduce-Compensate sequency
	Advanced level
	Example of documented biodiversity impact criteria for purchases
	Sensibilization presentation provided to workers
	Sensibilization presentation provided to workers working in loading/unloading bays on how freight can propagate invasive species
	Documentation with identification of protected areas, areas of high biodiversity value, protected species nearby
	Policy containing biodiversity impact reduction targets

Annex 2: Glossary

Concept	ICS Definition
Apprenticeship / traineeship program	Refers to hiring and employment terms of apprentices, namely, if the apprenticeship scheme is legal, working hours, contracts, type of work, teacher supervision, etc. Apprentices / trainees can be above 18 years of age.
Back-up subcontractor	As per ICS definitions and for ICS tools' implementation: ▪ "Contractors" are workers whose primary working location is the audited site. Contractors are therefore defined independently of their job positions. ▪ "Sub-contractors" are workers who are only present temporarily on-site or are not present on-site. Company(ies) appointed by the audited factory to take over fully or partly either production process(es) or purchase orders that must be handled onsite within the factory's premises. Company(ies) appointed by the audited factory to take over fully or partly either production process(es) or purchase orders declared in the factory profile to be handled within the factory's premises. Back-up subcontractors are divided in two categories: - Process subcontractors: subcontractors that are involved to take in charge part(s) of the production process(es). For example, in the textile industry: spinning, dyeing, printing, embroidery, packaging, etc. - Capacity subcontractors: subcontractors used by the audited factory to allocate surplus of production or purchase orders (that were allocated to the audited factory at first). Components producers will be considered as suppliers of the factory. For example, company(ies) appointed by a factory to provide such kind of components have to be identified as suppliers (non-exhaustive list): yarn, cartons, tags, labels, fabric, zipper, buttons, lining, polybags, lining… Unless specified differently by the ICS member, factory' suppliers should not be included in the scope of questions related to subcontracting matter.
Best practice	A best practice is an issue which the auditor feels is over and above the sectorial standards and applicable law against which the site was audited. The report should also highlight any best practice observed. Best practice refers to areas where the site is exceeding requirements by providing additional benefits or managing issues in a particularly effective way.
Bulk storage tank	This term covers the large size containers that hold liquids in the factory. Pictures to be added.
Childcare factory	Any room in factory designated for non-working children.
Child	According to ILO Convention 182, the term shall apply to all persons under the age of 18. Young workers are still children but may be authorized to work from 15 to 18, according to local law.

Concept	ICS Definition
Child Labor	Child labor consists of work by children that is economically exploitative or likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.
Classification	Status of the worker as per legal definition. Examples of classification are salaried, hourly, overtime exempt, trainee, apprentice, temporary, part-time, and intern.
Collective bargaining	Collective bargaining refers to a voluntary process or activity through which employees and workers discuss and negotiate their relations, in particular terms and conditions of work and the regulation of relations between employers, workers and their organizations. Participants in collective bargaining include employers themselves or their organizations, and trade unions or, in their absence, representatives freely designated by the workers.
Common Effluent Treatment Plant (CETP)	See definition of ETP. "Common" ETP indicates that the ETP is used to collect and treat wastewater flows from different industrial units. The point is to treat effluents by means of a collective effort mainly for a cluster of small-scale industrial units.
Confidential Grievance Process	Grievance cannot be directly associated with the person bringing the grievance as the method of communication does not permit identification of the person, e.g., third party hotline, drop box without surveillance, trusted person who is responsible for maintaining secrecy. The response to anonymous grievances should be posted at locations that can be seen by all workers.
Contractor	As per ICS definitions and for ICS tools' implementation: ▪ "Contractors" are workers whose primary working location is the audited site. Contractors are therefore defined independently of their job positions. ▪ "Sub-contractors" are workers who are only present temporarily on-site or are not present on-site. An entity (e.g., person, company) that a facility hires without establishing a direct employment relationship in order to complete a service or job. A contractor is not a direct employee of the facility. Examples of contractors are contracted electricians, maintenance, canteen, cleaning and security personnel, who can be contracted as individuals or through a company. Contractors may include temporary agency employment where a worker is employed by the temporary work agency and then hired out to perform his/her work at (and under the supervision of) the factory. There is considered to be no direct employment relationship between the temporary agency worker and the factory, although there are legal obligations of the factory towards the temporary agency worker, especially with respect to health and safety. The relevant labour contract is of limited or unspecified duration with no guarantee of continuation.
Deductions	Values subtracted from the wage, the difference between the gross amount of worker earnings and the net amount they actually receive.
Discrimination in employment	Treating people differently or less favorably because of characteristics that are not related to their merit or the inherent requirements of the job.

Concept	ICS Definition
Effluent (see also wastewater)	Liquid waste flowing out of a factory, farm, commercial establishment, or a household into a water body such as a river, lake, or lagoon, or a sewer system or reservoir.
Effluent Treatment Plant (ETP)	It describes the processes used for treating industrial wastewater from wet processes that is produced by industries as an undesirable by-product. After treatment, the treated industrial wastewater (or effluent) may be reused or released to a sanitary sewer or to surface water in the environment.
Equal pay for equal work	The principle of equal pay for work of equal value means that rates and types of remuneration should be based not on any discrimination base –see list above- but on an objective evaluation of the work performed. Disparities in remuneration that reflect differences in years of education and work experience are acceptable.
Emergency exit	Exit door or window identified as emergency exit in evacuation plan.
Emergency exit pathway	A continuous and unobstructed way of travel from any point in a building or structure to a public way (i.e. assembly point).
Emergency exit stairs	Stairs used for evacuation from building, according to the evacuation plot plan.
Emergency exit window	Windows identified as emergency exit in evacuation plan.
Emissions to air	There are three main sources of emissions to air: 1) Point source emissions: emissions from stationary and identifiable sources such as the emissions from the stack of a generator (emitted through a single point source into the atmosphere – vent or stack); 2) Fugitive emissions: fugitive source air emissions refer to emissions that are distributed spatially over a wide area and not confined to a specific discharge point. They originate in operations where exhausts are not captured and passed through a stack. 3) Mobile source emissions: emissions from vehicles; similar to other combustion processes, emissions from vehicles include CO, NOx, SO2, PM and VOCs.
Employment terms	The conditions that an employer and worker agree upon for a job. Terms of employment include wage, benefits, working hours, job responsibilities, and probation periods.
Environment	Surroundings in which an organization operates, including air, water, land, natural resources, flora, fauna, humans and their interrelationships. Note 1: Surroundings can extend from within an organization to the local, regional and global system. Note 2: Surroundings can be described in terms of biodiversity, ecosystems, climate or other characteristics. (ISO 14001:2015 definition)

Concept	ICS Definition
Environmental aspect	Element of an organization's activities or products or services that interacts or can interact with the environment. Note 1: An environmental aspect can cause (an) environmental impact(s). A significant environmental aspect is one that has or can have one or more significant environmental impact(s). Note 2: Significant environmental aspects are determined by the organization applying one or more criteria. (ISO 14001:2015 definition)
Environmental committee	A group of responsible workers who are chosen or elected to make decisions about the environmental values, activities and strategies of the organization. The workers can be from different levels of the hierarchy (managers, key workers and workers).
Environmental impact	Change to the environment, whether adverse or beneficial, wholly or partially resulting from an organization's environmental aspects (ISO 14001:2015 definition).
Environmental Management System (EMS)	An EMS is a set of practices and processes helping organizations to manage their environmental impacts and improve environmental performance caused by their products, services and activities. An environmental management system provides structure to environmental management and covers areas such as training, record management, inspections, objectives and policies.
Environmental manager	A member of the management appointed to hold the overall responsibility of the implementation of the environmental management system (EMS). It doesn't mean this person is in charge of every single task related to the environmental issues but he or she needs to make sure the system works and in particular, this person has two important responsibilities: 1) Communicate and report to the top management the status of implementation of the EMS; 2) Coordinate with other members of the management and subordinates the implementation of the EMS.
Environmental objective	Result to be achieved set by the organization and consistent with its environmental policy (ISO 14001:2015 definition).
Environmental policy	Intentions and direction of an organization related to environmental performance, as formally expressed by its top management (ISO 14001:2015 definition).
Factory Profile	Questionnaire completed by the factory prior to the audit with data needed by the audit company in order to prepare for the audit. Factory profile includes such data as workforce profile, factory size, production processes, etc.
Falsification	Process of making, adapting, or imitating documents with the intent to deceive in order to appear in compliance with local laws, international standards or client's Code of Conduct. E.g. Falsified business license.
Freedom of association	Freedom of association implies respect for the right of employers and workers to freely and voluntarily establish and join organizations of their own choice, free from outside interference or monitoring.

Concept	ICS Definition
GHS	The Globally Harmonized System of Classification and Labelling of Chemicals (GHS) is a system developed by the United Nations for standardizing and harmonizing the classification and labelling of chemicals globally.
Greenhouse Gases (GHGs)	Greenhouse gases (GHGs) are gases in the Earth's atmosphere that absorb/trap some of the earth's outgoing radiation, causing the atmosphere to warm up (called the 'greenhouse effect'). This process is the main cause of the change in the earth's weather, called 'climate change'. The main GHGs are carbon dioxide (CO2) from burning of fuels, methane (CH4) from agriculture, landfill sites), nitrogen dioxide (N2O) associated with fertilizer production and use and fluorinated (F) gases, e.g. refrigerants. The most significant environmental impact of energy use is the generation of GHGs. (Source: GSCP Environmental Implementation Guidelines)
Grievance	A statement of a complaint over something believed to be wrong or unfair.
Grievance Process	Formalized way to accept, assess and resolve complaints.
Hazardous substance/material	Hazardous materials: are those materials that represent an excessive risk to property, the environment or human health because of their physical and/or chemical characteristics. Materials (including mixtures and solutions) can be classified according to the hazard they present, as follows: flammable, corrosive, toxic, explosive, etc. (source: IFC Hazardous Materials Management Guidelines).
Homeworker	A homeworker is a person who for a fixed rate of remuneration (can be by piece) carries out work at his or her home for the factory and the factory is not the final consumer of the product or service provided.
Indoor air quality	Refers to the air quality within and around buildings and structures, especially as it relates to the health and comfort of building occupants. The indoor air quality includes fugitive emissions, particulate maters, VOCS, gas...
Industrial waste gas treatment	All techniques employed to reduce or eliminate particulates (such as dust) and/or gases from industrial exhaust streams. The aim is to decrease the emission into the atmosphere of substances that can harm the environment or human health. Example: Wet scrubber, cyclone and multicyclone, bag filters...
Integrity test (for bulk storage tank)	The integrity testing is a process to verify the integrity of a bulk container for storing liquid products. The objective is to check if the container is in good conditions, strong enough, resistant to shocks, not rusted, etc.
Language understood by concerned workers	Local language or reported language(s) spoken by workers.
Language understood by majority of workers	Local language or reported language(s) spoken by more than 50% of workers.

Concept	ICS Definition
Legal register	The legal register is a tool to help the factory to remain up to date with the legal obligations and to accurately track its compliance performance and status for each legal requirement.
Manipulation	Modification of data in the documentation using unfair means to serve one's purpose. E.g. Manipulation of time records to hide excessive working hours.
Migrant workers	Include both internal and foreign workers who have moved from their original home (in country or foreign) to a new home at the workplace.
Mixture	A mixture is a mix or solution of two or more substances. Under most chemicals' legislation, mixtures are not considered substances.
MSDS (Material Safety Data Sheet) / SDS (Safety Data Sheet)	A Material Safety Data Sheet (MSDS) / Safety Data Sheet (SDS) is a document that contains information on the potential hazards (health, fire, reactivity and environmental) and how to work safely with the chemical product. It is an essential starting point for the development of a complete health and safety program. The MSDS/SDS should be translated in local language (at least the sections 1 - Identification (substance & supplier) 2- Hazard identification 3- Composition/information on ingredients 4- First-aid measures 5- Fire-fighting measures 6- Accidental release measures 7- Handling and storage 8- Exposure controls/personal protection, should be translated). For chemicals used in the production, the MSDS/SDS must be located nearby. The worker must be able to know where to find the MSDS/SDS and to reach it in few minutes.
MRSL (Manufacturer Restricted Substances List)	The MRSL is a list of hazardous chemicals that are restricted below a certain threshold in textile, apparel and footwear manufacturing. The MRSL establishes concentration limits for substances in chemical formulations used within manufacturing facilities. The MRSL addresses ANY chemical used within the four walls of a manufacturing factory (cleaners, detergents, dyes, solvents, textile preservatives, sizing agents, etc.). See the definition of RSL in the glossary to avoid the confusion between those two lists. **IMPORTANT: See definition of RSL to understand the difference between these two lists.**
Non-working children	Persons under the age of 18 that are present at the factory but not employed by the factory to perform work.
ODSs (Ozone depleting substances) and F-gases	ODS (Ozone Depleting Substances) are responsible for the ozone layer depletion. Widely used ODS are gases such as chlorofluorocarbons (CFCs) and hydrofluorocarbons (HCFCs) used as refrigerants in air conditioning, chillers, etc. and halons used in firefighting equipment, for example. Note that other refrigerant gases used in refrigerant systems called F-gases such as HFCs are also damaging the environment (powerful greenhouse gases) so they should be controlled as well.
Overtime waiver	Document issued by local authorities allowing the factory to work in excess of legal limit of working hours within a set period of time (e.g. per month) as long as the hours worked are equal to or below the average allowable work hours for the entire period of the waiver (e.g. 6 months, 1 year etc.).

Concept	ICS Definition
Permanent Obstruction	Access is obstructed by immovable machinery, items stuck to ground, etc.
Policy	A set of principles of action or rules and standards in writing that the factory and/or its workers must abide by.
Possibility to recover	The worker should have free access to these documents and does not have to go through a second party to access documents. The worker has personal access to documents at all times (e.g., a lock box that the worker has the key to and can access 24/7).
PPE (Personal Protective Equipment)	PPE is equipment that will protect the user against health or safety risks at work. It can include items such as safety helmets, gloves, eye protection, high-visibility clothing, safety footwear and safety harnesses. It also includes respiratory protective equipment (RPE). (source: http://www.hse.gov.uk)
Prison employment	Prisoners used as part of the work force. Under prison labour arrangements, prisoners may be brought to the factory, or the production may occur in the prison facilities.
Procedure	A series of actions conducted in a certain order or manner.
Quota	A fixed amount of work (e.g., pieces of goods) that a worker or several workers are required to manufacture, produce, assemble, and/or work on during a specific time frame.
Renewable energy sources	Renewable energy sources are, unlike fossil fuels, energy sources that regenerate such as biomass (wood, landfill gas and biogas, ethanol, etc.), hydropower, geothermal, wind, solar, etc. (source: www.eia.gov)
RSL (Restricted Substances List)	A RSL is a list of hazardous chemicals that are restricted below a certain threshold in finished textile products.
Significant environmental aspect or impact	A significant environmental impact is an aspect or impact which is considered as a more important one for the factory as per the criteria of significance chosen by the factory. The significant environmental aspects and impacts are considered as priorities and should be addressed with major attention. The factory has to be able to explain what the criteria for the identification of significant aspects and impacts are (e.g. if legal requirement related or not, if the potential impact can affect a sensitive area or not, etc.).
Significant water leak	Meaning of "a significant water leak" is: continual flow of water or a drop every second. "Non-significant" is, for example, only few drops per minute. See the pictures of examples of significant water leaks in the guidance of chapter 3.
Skilled worker	A skilled worker has special abilities, experience or/and training to do a particular job. It can include semi-skilled and highly skilled workers
Sludge (from Effluent treatment plant)	Sludge is a residual, semi-solid material left from industrial and municipal wastewater and sewage treatment processes. It looks like a thick, soft or wet mud or a similar viscous mixture of liquid and solid components produced from a wastewater treatment process. Sludge can be highly hazardous.
Supplier	An entity who supplies goods or services to the factory.

Concept	ICS Definition
Temporary Obstruction	Access is obstructed by movable items, storage boxes, etc.
Substance	A substance is a chemical element and its compounds in the natural state or the result of a manufacturing process. In a manufacturing process, a chemical reaction is usually needed to form a substance.
Triangulation	Triangulation techniques are observation, documentation review, and interviews.
Unskilled worker	Unskilled workers are people who have no particular work skills
Volatile organic compound (VOCs)	The most common sources of fugitive VOC emissions are associated with industrial activities that produce, store, and use VOC-containing liquids or gases where the material is under pressure, exposed to a lower vapor pressure, or displaced from an enclosed space. Typical sources include equipment leaks, open vats and mixing tanks, storage tanks, unit operations in wastewater treatment systems, and accidental releases.
Hazardous fumes	Hazardous fumes refer to potentially harmful gases or vapors that are generated as byproducts of various industrial processes. These fumes can pose serious health risks to workers and the surrounding environment due to their toxic, flammable, or reactive nature. The composition of industrial hazardous fumes varies widely depending on the type of industry and the specific processes involved.
Waste management	It encompasses the management of all processes and resources for proper handling of waste materials; the actions and activities to manage all types of wastes from its generation to its final disposal. It includes the collection, the handling, the storage, transportation and the final disposal method.
Wastewater	Wastewater (or wastewater) is any type of water that has been affected by human use. Wastewater is "used water from any combination of domestic, industrial, commercial or agricultural activities, surface runoff or storm water, and any sewer inflow or sewer infiltration".
Workers	Workers include employees and employers, as well as persons working for a business enterprise independently of their function. **Workers covered by the scope of the audit are all workers holding a job on the factory's site whatever is their employment contract (permanent worker, temporary, contractors, apprentices…).** Employers are workers who, working on their own account or with one or a few partners, in a self-employment job have engaged one or more persons to work for them in their business as employee(s) or workers more generally as described above.
Workers' organization	Any organization of workers for the purpose of furthering and defending the interests of workers regarding working conditions and terms of employment.
Young workers	Workers below 18 years old with a minimum age that should not be inferior to 15 years old. If, however, the local legal minimum age is set at 14 years of age in accordance with ILO Convention 138 developing country exceptions, this lower age may apply.

Concept	ICS Definition
ZDHC (Zero discharge of hazardous chemicals)	"Zero discharge of hazardous chemicals" is a brands initiative, with a dedicated team based in Amsterdam, willing to assist brands, their supply chains and the broader industry to adopt a harmonized approach to the control and gradual elimination of 11 hazardous substances classes used to process textile and trim materials in apparel and footwear.
Grievance	A statement of a complaint over something believed to be wrong or unfair
Grievance Process	Formalized way to accept, assess and resolve complaints.
Soil Artificialization	Any modifications having introduced artificial elements to previously natural terrain. Identify changes in land use, such as construction, paving, or other alterations, leading to artificialization.
Avoid-Reduce-Compensate sequency	Strategy for managing environmental impacts. Firstly, avoid negative effects wherever possible. Secondly, minimize impacts that can't be avoided. Lastly, compensate for any remaining impacts through measures like restoration or offsetting, aiming for overall sustainability.

Annex 3: ICS Environmental Audit Questions

ICS questions do not all have the same rating, and the rating is automatically calculated by the ICS system.

Chapter 1. Environmental Management Systems
Information on local laws
Is the factory subject to national, regional or municipal environmental laws or codes?
Core requirements - Environmental Management Systems
Is the factory required to hold environmental-related documents such as permits, licenses, official contracts and certificates?
Have the required permits, licenses, official contracts and certificates been found valid and consistent with the current situation?
Does the factory have a policy defining its approach to environmental management?
Has the factory set up a mechanism to remain up-to-date with applicable environmental legal requirements?
Is a person of the management designated to coordinate environmental management activities?
Implemented practices
Does the factory assess the significant environmental aspects and impacts associated with its activities?
Has the factory documented its objectives and action plans to address the main environmental impacts?
Does the factory have a process to periodically review its environmental performance (as per local law or at least every year)?
Is there a site environmental committee?
Has the factory implemented a mechanism to remain up to date with applicable chemicals and industrial processes legal restrictions?
Advanced requirements.
Does the factory evaluate defined standards for suppliers (e.g., suppliers of services, subcontractors, raw material suppliers) that prescribe expected levels of environmental performance?
Are the trainings in relation to environmental matters and factory's environmental procedures repeated on a regular basis?
Chapter 2. Energy Use, Transport and Greenhouse Gases (GHGs)
Information on local laws
Is the factory required to monitor or calculate energy, stack air emissions or air emissions / emissions of pollutants and/or GHG emissions to demonstrate compliance with applicable permits?
Information on the factory
What energy sources does the factory use (e.g. mains electricity, locally generated electricity, coal, oil, gas etc.)? Please provide any comment in cell J 90 if any other energy sources used/produced.
Does the factory produce or consume any energy from renewable sources (e.g. solar, wind, etc.)? Please provide comments in cell J 91 if any other energy sources used/produced or select "NA" if no renewable energy source produced or consumed.
Is the factory part of a recognized compliance scheme for greenhouse gas (GHG) emissions trading?
Core requirements - Energy Use, Transport and Greenhouse Gases (GHGs)

If the factory produces energy (steam, electricity, heat...) does the factory require permits, licenses or official authorizations for this activity?
If yes, have the permits, licenses or official authorizations been found valid?
Is the factory aware of the applicable legal requirements to monitor and track energy consumption?
Does the factory have power consumption meters in place or any other means to measure the entire factory power consumption?
Does the factory monitor on a regular basis (every month) its overall energy consumption?
Based on observation, is the factory free from any steam/compressed-air leak?
Implemented practices
Does the factory estimate its energy consumption at a department, section and/or process level?
Does the factory conduct internal inspections, at least every 6 months, to identify and avoid common situations where energy is wasted in the production (e.g. steam leaks, useless lighting, etc.)?
Does the factory conduct trainings for relevant workers in relation to energy, transport and greenhouse gases (GHGs)?
Advanced requirements.
Does the factory have power consumption meters in place to measure and analyse the energy consumption at a department, section and/or process level?
Does the factory measure and analyse its energy consumption by energy source?
Does the factory monitor or routinely assess emissions of GHGs associated with factory's processes/activities, fuel use for on-site or off-site transportation, agricultural activities etc.?
Does the factory have targets and action plans that seek to reduce its environmental impact and increase efficiency from: energy, transport, greenhouse gases (GHGs)?
Chapter 3. Water Use
Information on the factory
What water sources does the factory use (e.g. mains drinking water, mains process water, borehole abstraction, surface water abstraction etc.)? Please provide any comment in cell J 125 if any other water sources used.
Core requirements - Water Use
If the factory uses water abstracted from on-site boreholes or from rivers, streams, lakes etc., does the factory require permits, licenses or official contracts for this activity?
If yes, have the permits, licenses or official contracts been found valid?
Is the factory aware of the applicable legal requirements to monitor and track water consumption?
Does the factory have water flow meters in place at the raw or freshwater extraction/source point to measure the entire water consumption?
Does the factory monitor every month its overall water consumption?
Based on observation, is the factory free from any significant water leak from the machines and pipelines for the water supply in the production?
Based on observation, is the factory free from any significant water leak from the toilets, offices, canteen, water taps?
Is the factory free from any discharge point for domestic wastewater directly into the environment?
Implemented practices
Does the factory estimate its water consumption at a department, section and/or process level?
Does the factory conduct internal inspections to identify and avoid common situations where water is wasted in the production (e.g. water leaks, useless excessive water consumption for a given operation, etc.)?
Does the factory conduct trainings for relevant workers in relation to water use?
Advanced requirements.

Does the factory have water flow meters in place to measure and analyse the water consumption at a department, section and/or process level?
Does the factory have targets and an action plan to achieve water savings?
Does the factory monitor its dependency to the used water resources?
Does the factory monitor its impacts on the used water resources?
Chapter 4. Wastewater and Effluent
Information on local laws
Is the factory required to sample/test wastewater discharges in accordance with local law?
Information on the factory
Does the factory generate wastewater? Please note that this chapter will only be assessed if the factory generates industrial wastewater.
Does the factory have an Effluent Treatment Plant (ETP)?
Does the factory have a Common Effluent Treatment Plant (CETP) or another type of treatment (not being an ETP)?
What kind of CETP is this factory in contract with?
What wastewater/effluent streams are generated at the factory?
Is the factory required to treat its wastewater before discharging it?
Where does the wastewater from the site discharge go to after treatment?
What is the monthly average volume of industrial wastewater generated from wet processes by the factory for the last 12 months (in m3/month)?
Is there satisfactory evidence that there is no visible color of the water at the ETP outlet point?
Does the factory take measures to avoid the risk of electricity shortage (second power source for the ETP)?
Core requirements - Wastewater and Effluent
Does the factory require permits, licenses or official contracts for discharging wastewater/effluent in accordance with local law?
If yes, have the required permits, licenses or official contracts been found valid?
Is the factory in compliance with the law regarding the installation of an on-site ETP or a pre-treatment if required by the permits, licenses or contracts?
Based on observation, is there quantitative evidence the treatment plant processes of ETP are effective?
Does the factory have a drainage plan to identify all the industrial wastewater flows and discharge points?
Is the factory free from any discharge point for industrial wastewater directly into the environment?
Have the contracts with the CETP for the treatment of industrial wastewater been found valid?
Are the required wastewater parameters after treatment controlled by a third party or external laboratory on a regular basis (as per law or as per the frequency defined in the agreement with the CETP or at least every 6 months)?
Are wastewater parameters after treatment within the limits as per legal standard or as per the CETP standard according to the last test report issued by a third party or external laboratory?
Does the factory have an internal procedure to control and monitor the wastewater parameters after treatment (including testing instruments, maintenance of instruments, list of required tests)?
Does the ETP operator understand and know the factory's testing procedures?
Does the factory regularly conduct internal tests and maintain records?
Are wastewater parameters after treatment within the limits as per legal standard or as per the CETP standard according to the last test report issued internally by the factory?
Are water flow meters installed at on-site ETP inlet and outlet points?
Based on the water consumption data for the production processes and readings from the ETP inlet and outlet meters, is the entire wastewater treated?

Does the factory take measures to avoid the risk of overflow (spare pumps available and security distance between the surface of the water and the top of the tank)?
If required by law, are regular inspection of surroundings water bodies performed for tracing of pollutants?
If the surrounding water bodies shows signs of deterioration, does the competent authorities have been notified?
Implemented practices
Is the ETP capacity suitable and sufficient for the volume of wastewater to be treated?
Are factories required by local law to have their storage tanks inspected by an outside entity to evaluate their condition?
If so, are storage tanks inspections by a third body reports available?
Are storage tanks complying with local law regarding their condition?
Based on auditor observation, are the tank free of signs of deterioration?
Are maintenance operations for the ETP undertaken, documented and registered?
Does the factory conduct trainings for relevant workers in relation to ETP management?
Advanced requirements.
Does the factory have targets and an action plan in relation to reducing the volume of wastewater generated or reducing level of water pollution or improving the wastewater treatment process?
If the factory is planning to increase the production, is the current ETP capacity sufficient to treat the additional amount of wastewater that will be generated?
If not, is the factory able to explain how the additional amount of wastewater will be treated?
If the factory produces or uses plastics, derivatives of plastics, or plastic fibres, does the factory monitors its microplastics' production and release into the environment?
Chapter 5. Emissions to Air
Information on the factory
Has the factory installed heavy machines (boiler, generators...)?
Is the factory using refrigerant equipment?
Core requirements - Emissions to Air
Does the factory require permits, licenses or official contracts for emissions to air in accordance with local law?
If yes, have the required permits, licenses or official contracts been found valid?
Is the factory aware of the applicable legal requirements to monitor and track emissions to air?
Are all the heavy machines (boilers/generators) regularly inspected internally and externally according to local law?
If the site releases toxic substances into the air from stack or diffuse emission, does the factory have filters and / or systems to control the air emissions in accordance with local law limits?
Are the stack air emissions tests conducted on a regular basis (as per law or at least every year)?
Are the stack air emissions within the limits as per law or as per international standard based on the last third-party test report?
Has the factory identified and documented all its potential sources of emissions to air (point and fugitive sources emissions to air)?
Implemented practices
Does the factory have in place measures to detect ODS/ F Gases leaks and maintain ODS/ F Gas containing equipment?
If any industrial gas treatment process is installed, is it properly monitored and controlled?
Does the factory conduct trainings/and or sensibilization for relevant workers in relation to emissions to air and ODSs?
Is the air quality monitored by a third-party?
Is the air quality monitored on a regular basis (as per law or at least once a year during high season)?
Are the air quality test results within the limits as per law or as per international standard?

Does the factory provide respiratory, or any other adequate masks to the workers when the MSDS/SDS of substances used or the factory's activities and processes require them?
Are all working posts or machinery free of hazardous fumes emissions?
If not, is there a sequestration system that prevent fumes diffusion to the exterior?
Advanced requirements.
Does the factory have targets and action plans in relation to reducing emissions to air or the quantity of ODSs used on-site?
Chapter 6. Waste Management
Information on the factory
Does the factory generate non-hazardous waste? If yes, please indicate the different types of waste.
Does the factory generate hazardous waste? If yes, please indicate the different types of waste.
Is sludge generated on-site?
If yes, has the factory identified the best environmentally friendly final disposal method for the sludge generated on-site?
Core requirements - Waste Management
Is the factory required to be registered as a waste producer with the regulatory authorities?
If yes, have the required registration permits, licenses or official contracts been found valid?
Is the factory aware of the applicable legal requirements to monitor and track waste generated?
Does the factory collect and store all the waste generated in separated dedicated areas?
Does the factory keep an inventory of waste including types and quantities (including sludge)?
Is the inventory updated on a regular basis (according to the waste collection frequency for example)?
Does the factory separate hazardous wastes from non-hazardous waste streams?
Is the hazardous wastes storage area(s) access restricted to only authorized workers?
Is the sludge or generally other types of hazardous waste/substances temporarily stored on-site in a dedicated area (on hard-surfaced floor, in a secondary containment, with a roof) and without possible contact with the rain or soil?
If the waste is not properly stored, is it due to a manutention event?
In case of a manutention event, are appropriate contingency measures implemented to prevent leakages and contamination of the hazardous waste?
Are agreements/contracts with entities handling hazardous wastes signed for all hazardous wastes generated on-site?
Are agreements/contracts with the entities handling non-hazardous wastes signed for all non-hazardous wastes generated on-site?
If entities handling hazardous/non-hazardous wastes are required to be licensed by a regulator or local authority, does the factory hold copies of these entities' licenses and permits?
Are actions taken by the factory to prevent the potential environmental and health negative impacts from its hazardous wastes when disposed of (empty drums washed on-site, sludge fully dried, etc.)?
Is the factory free from any on-site waste burning and/or uncontrolled landfilling?
Implemented practices
Did the factory appoint a manager to be in charge of the waste management?
Does the factory have a waste management procedure in place for waste collection and temporary storage that is complete and compliant?
Do the agreements/contracts with the entities handling hazardous wastes include the waste disposal method (incineration, landfill, recycling) of all hazardous wastes?
Do the agreements/contracts with the entities handling non-hazardous wastes include the waste disposal method (incineration, landfill, recycling) of all non-hazardous wastes?
Does the factory conduct trainings for all relevant workers on waste management?
Advanced requirements.

If external entities for waste management/disposal are used, does the factory undertake regular checks/audits of those entities?
Does the factory have any targets and action plans in relation to reducing the volume of waste generated?
Are waste materials recycled (either on-site or off-site depending on the local waste sub-contractor)?
Chapter 7. Pollution Prevention, Hazardous and Potentially Hazardous Substances
Information on the factory
Does the factory store, use or handle chemical substances?
Does the factory store, use or handle hazardous or potentially hazardous substances?
Are there any above ground or underground bulk storage tanks present on-site? If yes, please describe number, size and substance stored
Does the factory conduct integrity testing of bulk storage tanks?
Core requirements - Pollution Prevention, Hazardous and Potentially Hazardous Substances
Is the factory required to hold licenses, permits or official contracts for the hazardous substances present on-site in accordance with local law?
If yes, have the permits, licenses or official contracts been found valid in accordance with local law?
Is an experienced/qualified manager designated to be in charge of the chemical management in the factory?
Does the factory maintain a reliable and complete chemical inventory with the following basic information: area of use, chemical name, CAS Numbers of the chemical components, chemical supplier, MSDS/SDS availability and quantities stored?
Is the chemical inventory updated on a regular basis?
Has the factory implemented a system to monitor MSDS/SDS' validity?
Are MSDS/SDS in local language available and accessible to all workers close to the areas where chemicals are used and stored?
Does the factory keep the complete (16 sections) original version of the MSDS/SDS of all chemical used and stored on-site?
Does the factory keep the original label compliant with the GHS requirements in all chemical containers stored on-site?
Are the hazardous substances stored in separated dedicated storage closed off area(s), safe, sheltered, clean and well ventilated with an appropriate temperature maintained?
Are incompatible chemicals properly segregated?
Is the chemical storage area(s) access restricted to only authorized workers?
Does the factory prevent the risk of chemical spill or leakage with appropriate measures in the storage areas and production areas?
Implemented practices
Does the factory have chemical handling and storing procedures documented and implemented for a proper chemical management?
Does the factory conduct trainings for relevant workers in relation to the management and use of hazardous substances?
Are the trainings conducted regularly according to local law?
Is the factory from any legally prohibited chemicals?
Is the factory free from any legally prohibited production process that would currently be in use?
Advanced requirements.
Does the factory have targets and action plans in relation to eliminating or reducing hazardous substances used on-site?
Does the factory have a process to request its chemical suppliers to comply with the MRSL?
Does the factory have a system to monitor, for each chemical product/formulation received on-site, the compliance with the MRSL?

Chapter 8. Emergency Response Management
Information on local laws
Is the factory required to contact local communities and emergency services to develop or review its emergency response plan?
Core requirements - Emergency Response Management
Is the factory required to hold permits, licenses or official contracts to notify the authorities of any major incident?
If yes, have the required permits, licenses or official contracts been found valid?
Has the factory identified and documented all the potential causes of emergency situations related to environment and assessed the levels of risks?
Does the factory have an emergency response plan or procedure in case of chemical spill incidents available?
Does the factory conduct chemical spill incident mock drills?
Are chemical spill incident mock drills conducted on a regular basis (if not defined by law, at least once a year)?
Are chemical spill incident mock drills documented with, at minimum: date, number of participants, description of the actions taken and time it took to clean-up the spill?
Does the factory provide appropriate emergency response equipment and materials everywhere chemicals are used and stored?
Does the factory have an emergency response plan or procedure in case of fire incidents available?
Does the factory have an emergency procedure for the ETP?
Has the factory communicated the emergency response plan to those parties that could be impacted as per law?
Chapter 9. Nuisances and Grievance Mechanism
Chapter 9 is exclusively assessed as Advanced requirements.
Is there an effective grievance mechanism for collecting complaints from the neighbours?
Are all complaints properly documented?
Noise disturbances
Has the factory received any complaints from neighbours regarding noise disturbances?
Has the factory implemented, or is planning to implement, corrective actions to avoid future noise disturbances for neighbours?
Can the factory provide evidence of the effectiveness of the noise disturbances corrective action plan on neighbours?
Odour disturbances
Has the factory received any complaints from neighbours regarding odour disturbances?
Has the factory implemented, or is planning to implement, corrective actions to avoid future odour disturbances for neighbours?
Can the factory provide evidence of the effectiveness of the odour disturbances corrective action plan on neighbours?
Light disturbances
Does the factory light its exterior areas during nighttime (11:00 PM to 04:00 AM)?
Is the factory situated nearby a residential area?
Has the factory received any complaints from neighbours regarding light pollution?
Has the factory already implemented, or is planning to implement, corrective actions to avoid future light pollution for neighbours?
Can the factory provide evidence of the effectiveness of the light disturbances corrective action plan on neighbours?
Dust disturbances
Is the factory free from any outdoor source of dust?
Is the factory situated nearby a residential area?

Has the factory received any complaints from neighbours regarding dust pollution?
Has the factory already implemented, or is planning to implement, corrective actions to avoid future dust pollution for neighbours?
Can the factory provide evidence of the effectiveness of the dust disturbances corrective action plan on neighbours?
Other disturbances
Did the factory receive complaints regarding any other type of nuisances? (Please specify)
Chapter 10. Biodiversity and Land protection
Core requirements - Biodiversity and Land protection
Does the factory require to align with legal requirements regarding biodiversity, land use and conservation?
If yes, have the permits, licenses or official authorizations been found valid?
Has there been recent building modifications on site?" (<18 months)
Does the factory have permits, licenses or official authorizations for these modifications?
Did the modifications resulted in artificializing terrain that was not previously artificialized?
Has the sequence "Avoid-Reduce-Compensate" been properly applied before considering the artificialization of this terrain?
Advanced requirements
Does the factory introduce a biodiversity impact criterion on its purchases?
Is sensibilization on the factory's impacts on biodiversity is provided to workers on a regular basis?
Is sensibilization on how freight transport might propagate invasive species provided to relevant workers?
Has the factory identified protected areas, areas of high biodiversity value, protected species nearby?
Has the factory implemented biodiversity impacts reduction targets?
If yes, are those targets properly monitored and adjusted regularly?
Has the factory implemented a policy aiming at reducing noise disturbance and light pollution to reduce the impact on nearby biodiversity?

Annex 4: ICS' Environmental checklist requirements

ICS' Environmental checklist does not aim at assessing factory environmental performance but rather at collecting data. Checklist revision is aimed at verifying data input to assess the factory, if factory declared appropriate and correct data matching the factory's environmental performance reality.

1 - Introduction		
Factory tier	**Choices:** - Tier 0 - Office, Retail, Distribution Centres - Tier 1 - Finished production assembly (including integrated factories) - Tier 2 - Material production - Tier 3 - Raw material processing - Tier 4 - Raw material extraction	The available choices for tiers are the following: - Tier 0 - Office, Retail, Distribution Centres: Corporate real estate not involved in production process. - Tier 1 - Finished production assembly (including integrated factories): Assembly and manufacturing of final products. - Tier 2 - Material production: Production and finishing of materials (e.g., fabric, trims) that go directly into finished product. - Tier 3 - Raw material processing: Processing of raw materials into intermediate products. - Tier 4 - Raw material extraction: Cultivation and extraction of raw materials from the earth, plants, or animals. If you are an integrated factory, please select all the concerned tiers.
How much pieces are produced on-site annually? (Tier 1, 0)	**Answering matrix:** Year Product Quantity produced	Please answer the question in pieces.
How much goods are produced on-site annually? (Tier 2, 3, 4)	**Answering matrix:** Year Product Quantity produced Unit	No specific guidance provided.
For which production processes are you filling in this checklist?	The list of processes is obtained directly from ICS' database.	No specific guidance provided.
Could you provide information on the ratio of purchase of raw materials (components of the products) to the turnover of the plant?	**Choices:** - In monetary value - In percentage	No specific guidance provided.

Could you provide information on the ratio of purchase of raw materials (components of the products) to the turnover of the plant? (In monetary value)	**Answering matrix:** Year Turnover Purchase Ratio (automatic)	This question aims to evaluate the significance of raw materials in your factory's products by analyzing the ratio of raw material consumption to turnover (revenue). Raw materials, referring to unprocessed substances utilized in manufacturing, is the basis of your industrial production. The objective is to gain insight into the level of factory integration and the characteristics of on-site processes. Here, the question is to be answered in monetary value ($/€/¥/₹/R$/৳/...).
Could you provide information on the ratio of purchase of raw materials (components of the products) to the turnover of the plant? (In percentage)	**Answering matrix:** Year Purchases (%)	This question aims to evaluate the significance of raw materials in your factory's products by analyzing the ratio of raw material consumption to turnover (revenue). Raw materials, referring to unprocessed substances utilized in manufacturing, is the basis of your industrial production. The objective is to gain insight into the level of factory integration and the characteristics of on-site processes. Here, the question is to be answered in relative value, in percentages (Value Purchases / Value Turnover).
2 – Energy consumption		
What energy sources does the factory use?	**Choices:** - Diesel - Natural Gas - Petroleum - Coal - Fuel Oil - Propane - LPG (Liquefied Petroleum Gas) - LNG (Liquefied Natural Gas) - Purchased electricity - Purchased chilled water - Purchased steam - Energy produced on-site	No specific guidance provided.
Could you please precise which energy sources are produced on-site?	**Choices:** - Solar photovoltaic - Solar thermal - Wind power - Hydropower - Geothermal energy - Biomass energy - Biogas	No specific guidance provided.

Does the factory has a particular type of electricity contract?	**Choices:** - Green Electricity Agreement - Power purchase Agreement -Guarantee of Origin Agreement - Renewable Energy agreement - No particular contract	No specific guidance provided.
Do you have a meter in place to measure your energy consumption?	Yes / No	No specific guidance provided.
Can you provide annual consumptions of energy per energy source?	Yes / No	No specific guidance provided.
If not, can you provide a ratio breakdown of the electrical mix of the factory?	Yes / No	No specific guidance provided.
Can you divide energy consumption per production process?	Yes / No	No specific guidance provided.
Could you please provide the yearly consumption per energy source?	**Answering matrix:** Year Production process (if available) Energy sources Energy consumption Unit Electricity contract (if available)	The question is based on the full calendar year. Please answer by indicating the consumption associated with each energy source per year.
Could you please provide the consumption ratio per energy source?	**Answering matrix:** Year Production process (if available) Energy sources Proportion in the overall energy consumption Electricity contract (if available)	The question is based on the full calendar year. Please answer by indicating the consumption associated with each energy source per year.
Do you have energy consumption reduction targets?	Yes / No	No specific guidance provided.
Could you please detail energy consumption reduction commitments?	**Answering matrix:** Year Production process (if available) Energy sources Energy consumption Unit Percentage	The question is based on energy consumption reduction targets and previsions for the coming years.

3 – Water use, Wastewater and Effluent		
What water sources does the factory use?	**Answering matrix:** Water source Water consumption per water source (m3) Ratio (%) (automatic)	"Grey water" can be water generated from domestic-style activities, for example washing machines, showers, bathtubs, hand washing, and sinks, together with some industrial processes. If your factory does not use water, please select "N/A: no water used on-site for production purposes"
Does the factory recycle or reuse water on-site?	Yes / No	Please provide details in the Comment cell if you recycle/reuse water or plan to do it in the future. If you do not recycle/reuse water, please indicate the reason why in the Comment cell as well.
Do you have a meter in place to measure your water consumption?	Yes / No	No specific guidance provided.
What wastewater/effluent streams are generated at the factory?	**Choices:** - Wastewater from domestic use - Wastewater from production process	Indicate what kind of wastewater is generated by the factory (e.g. wastewater from domestic use, wastewater from production process)
Do you confirm the factory only generates domestic wastewater?	Yes / No	Appears only if "Wastewater from domestic use" has been selected in the question "What wastewater/effluent streams are generated at the factory?". No specific guidance provided.
Please indicate here the concerned production processes:	The list of processes is obtained directly from ICS' database.	Appears only if "Wastewater from production process" has been selected in the question "What wastewater/effluent streams are generated at the factory?". No specific guidance provided.
How is the wastewater produced treated?	**Choices:** - On-site ETP - Off-site CETP - Both - None	No specific guidance provided.
Can you provide annual water consumptions?	Yes / No	No specific guidance provided.

Can you divide water consumption per production process?	Yes / No	No specific guidance provided.
Provide below the yearly water consumption	**Answering matrix:** Year Production process Water consumption Unit (locked as m3)	The question is based on the full calendar year. Please answer with your overall water consumption over time.
Do you have water consumption reduction targets?	Yes / No	No specific guidance provided.
Could you please detail water consumption reduction commitments?	**Answering matrix:** Year Production process Water consumption Unit Percentage of reduction (%)	The question is based on water consumption reduction targets and previsions for the coming years.
Provide below the total volume of industrial wastewater generated by the factory per year	**Answering matrix:** Year Volume of industrial wastewater Unit (locked as m3)	The question is based on the full calendar year. Please answer with your overall wastewater production over the year.
Do you have wastewater production reduction targets?	Yes / No	No specific guidance provided.
Could you please detail wastewater production reduction commitments?	**Answering matrix:** Year Production process Wastewater production Unit Percentage of reduction (%)	The question is based on wastewater production reduction targets and previsions for the coming years.
4 – Emissions to air		
What are the main point source emissions to air at the factory?	**Choices:** - Boilers - Heavy Machines - Generators - Cooling systems - Acid fumes - Hazardous or toxic air pollutants - Dust emission (e.g., cotton but any other product dust) - Fumes	No specific guidance provided.

Do you monitor your emission to air?	Yes / No	No specific guidance provided.
Which substances are emitted by the factory?	**Choices:** - Halon - HCL - Heavy Metals - Hexafluorure (SF6) - Oxides of nitrogen (NOx) - Oxides of Sulphur (SOx) - Ozone depleting substances (ODS) - PM 10 (Particulate matter with a diameter inferior to 10 µm) - PM2.5 (Particulate matter with a diameter inferior to 2,5 µm) - Refrigerating gas (Please specify below) - Volatile organic compounds (VOCs)	No specific guidance provided.
Please specify which substance is emitted:		This question will appear if the choice 'other' has been selected in the question "Which substances are emitted by the factory?" No specific guidance provided.
Refrigerating gases used on-site?		This question will appear if the choice 'Refrigerating gas' has been selected in the question "Which substances are emitted by the factory?" No specific guidance provided.
5 – Waste		
What are the main non-hazardous waste that the facility generates?	**Choices**: - Plastic - Cardboard - Leftovers (products or pieces of products not used in the production) - Pallets - Materials - Metal - Paper - Glass - Organic Waste	Non-hazardous waste is a waste that could not cause harm to public health and/or the environment because of its chemical, physical or biological characteristics. The questions on waste only target waste generated by the production itself and the associated processes (and not waste related to non-production activities). Hence, non-process waste such as canteen wastes won't be taken into account.

What are the main hazardous waste that the facility generates?	**Choices:** - Empty chemical drums - Sludge - Medical waste - Electrical devices - Electronic waste - Batteries - Contaminated Materials - Empty chemical drums and containers - Film and Printing Frame - Wastewater treatment sludge (Hazardous) - Expired / unused / used chemicals (waste oil, solvents, reactants, etc.…) - Compressed Gas Cylinders (refrigerants, etc.) - Metal sludge - Waste oil and grease (from operations and manufacturing) - Disposal of coolant - Contaminated Organic Waste	A hazardous waste is a waste that could cause harm to public health and/or the environment because of its chemical, physical or biological characteristics. The questions on waste only target waste generated by the production itself and the associated processes (and not waste related to non-production activities). Hence, non-process waste such as canteen waste won't be taken into account. Please refer to local legislation/local list of hazardous waste.
What is the quantity of sludge produced by the ETP?	Number input	This question will appear if the question “How is the wastewater produced treated?” has been answered with “On-site ETP” or “Both”. Please answer this question for annual production in kilograms.
Do you measure your waste generation?	Yes / No	No specific guidance provided.
Is waste recycled, reused or used?	Yes / No	Waste includes product losses. Recycling or reusing can be done in the factory's industry, in another industry, to produce energy etc. Even if the recycling/reuse is done for only a part of the waste, please answer "YES".
If yes, could you please provide the percentage of waste that is collected for recycling/reusing out of the total waste volume?	**Answering matrix:** % of hazardous waste collected for recycling/reusing % of non-hazardous waste collected for recycling/reusing	Waste includes product losses. Recycling or reusing can be done in the factory's industry, in another industry, to produce energy etc.

Could you please detail the waste management?	**Answering matrix:** Waste sent to landfill Waste recycled/reused/remployed Waste that is collected for producing energy Waste sent to elimination (for hazardous waste) Waste sent to backfilling/embankment (careers backfilling with dirt, …) For each of the above, the following is asked: Volume Unit Frequency Please specify the product	Please detail the type of waste and what is done regarding the use of waste in the comment box.
Can you provide annual waste production?	Yes / No	No specific guidance provided.
Could you please provide the volume of each type of non-hazardous waste generated by the factory per year?	**Answering matrix:** Year Non-hazardous waste Volume of waste Unit (locked as tons)	Non-hazardous waste is a waste that could not cause harm to public health and/or the environment because of its chemical, physical or biological characteristics. The question is based on the full calendar year. Please detail with each type of waste produced the associated year.
Could you please provide the volume of each type of hazardous waste generated by the factory per year?	**Answering matrix:** Year Hazardous waste Volume of waste Unit (locked as tons)	A hazardous waste is a waste that could cause harm to public health and/or the environment because of its chemical, physical or biological characteristics. The question is based on the full calendar year. Please detail with each type of waste produced the associated year.
Do you have waste production reduction targets?	Yes / No	No specific guidance provided.
Could you please detail waste production reduction commitments?	**Answering matrix:** Year Waste production (Non-hazardous or Hazardous) Unit Percentage of reduction (%)	The question is based on waste production reduction targets and previsions for the coming years.

6 – Carbon footprint		
Have you ever realised a carbon footprint analysis of your factory's activities?	Yes / No	No specific guidance provided.
If a carbon footprint analysis was performed, which scopes were covered?	**Choices:** - Yes, for Scope 1 - Yes, for Scope 2 - Yes, for Scope 3	Scope 1 covers emissions from sources that an organization owns or controls directly – for example, from burning fuel in your fleet of vehicles (if they're not electrically-powered) Scope 2 are emissions that a company causes indirectly when the energy it purchases and uses is produced. For example, for your electric fleet vehicles, the emissions from the generation of the electricity they're powered by would fall into this category. Scope 3 encompasses emissions not produced by the company itself, and not the result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for, up and down its value chain. Example of this is when we buy, use and dispose of products from suppliers. Scope 3 emissions include all sources not within the scope 1 and 2 boundaries.
Scopes covered	**Answering matrix:** Year Scope 1 Scope 2 Scope 3 Unit (Kg CO2 eq./Tons CO2 eq.)	Please detail below your carbon footprint analysis in Kg CO2 eq. or Tons CO2 eq.
Do you have carbon footprint reduction targets?	Yes / No	No specific guidance provided.
Could you please detail carbon footprint reduction commitments?	**Answering matrix:** Year Carbon footprint Unit Percentage of reduction	The question is based on carbon footprint reduction targets and previsions for the coming years.
Do you have ongoing carbon sequestration projects?	Yes / No	No specific guidance provided.

Please detail below the type of carbon sequestration project the factory is involved in	**Answering matrix** Project typology (Land Afforestation and reforestation/Marine afforestation and reforestation/Forest conservation/Soil carbon sequestration/Bionergy with Carbon capture and storage (BECSS)/Direct Air Capture (DAC)) Associated impacts (Tons CO2) Details	Please specify the type of carbon sequestration project your factory is involved in. Carbon sequestration projects aim to capture and store carbon dioxide (CO2) from the atmosphere to combat climate change. This question seeks to understand the specific nature of your factory's involvement in such initiatives.
7 – Chemicals		
Do you wish to share your chemicals' inventory?	Yes / No	No specific guidance provided.

Annex 5: Environmental auditors' qualification requirements

Experience

ICS recommends a bachelor level for auditors.

To perform ICS environmental audits as an auditor, the latter shall have conducted a minimum of 15 environmental audits, including 5 environmental audits as an observer, 3 environmental audits as team member under supervision and 3 environmental audits as team member under evaluation. These audits shall have preferably been conducted in factories of different sizes and sectors. To be taken into account, these environmental audits must cover all the topics and chapters included in the ICS environmental audit.

To perform ICS environmental audits as a lead auditor, the latter shall have conducted a minimum of 30 environmental audits, including 10 environmental audits as lead auditor of an audit team under supervision. To be taken into account, these environmental audits must cover all the topics and chapters included in the ICS environmental audit.

In countries where environmental audits activity is low and where these requirements may be not met, the Audit body must previously identify those countries and declare the list to ICS in order to obtain ICS approval for the accreditation of the Audit body in such countries taking into account the management system defined by the Audit body to ensure auditors' experience.

Training

The Audit body shall train all its auditors, reviewers and relevant teams to the ICS process and tools and ensure that all teams are up-to-date on relevant local and international laws and regulations. Trainings and exams shall be organized internally by the Audit body each time it is necessary.

Environmental auditors should be certified against ISO 14001 or have the equivalent education background that should be previously declared and approved by ICS and the concerned member, within one year after being authorized by their audit company to conduct ICS environmental audits.

Performance monitoring system

The Audit body shall annually communicate to ICS its internal competences and performance monitoring process for auditors and audit-related teams.

Language requirements

Auditors and reviewers shall meet below levels' descriptions. If an auditor does not meet the audit's local language requirements, the audit body can send a translator with the auditor. The translator is under the responsibility of the audit body and shall therefore meet below language requirements (be a proficiency user in the audit's local language and be an upper intermediate English user).

All auditors shall be proficiency users of the audit's local language (official language in the audited region or country). Auditors shall:

- Understand with ease virtually everything heard or read.
- Summarize information from different spoken and written sources, reconstructing arguments and accounts in a coherent presentation.

- Express themselves spontaneously, very fluently and precisely, differentiating finer shades of meaning even in the most complex situations.

All auditors shall be upper intermediate English users. Auditors shall:

- Understand the main ideas of complex text on both concrete and abstract topics, including technical discussions in their field of specialization.
- Interact with a degree of fluency and spontaneity that makes regular interaction with native speakers quite possible without strain for either party.
- Produce clear, detailed text on a wide range of subjects and explain a viewpoint on a topical issue giving the advantages and disadvantages of various options.

All audit report reviewers shall be advanced English users. All reviewers shall:

- Understand a wide range of demanding, longer clauses, and recognize implicit meaning.
- Express ideas fluently and spontaneously without much obvious searching for expressions.
- Use language flexibly and effectively for social, academic and professional purposes.
- Produce clear, well-structured, detailed text on complex subjects, showing controlled use of organizational patterns, connectors and cohesive devices.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