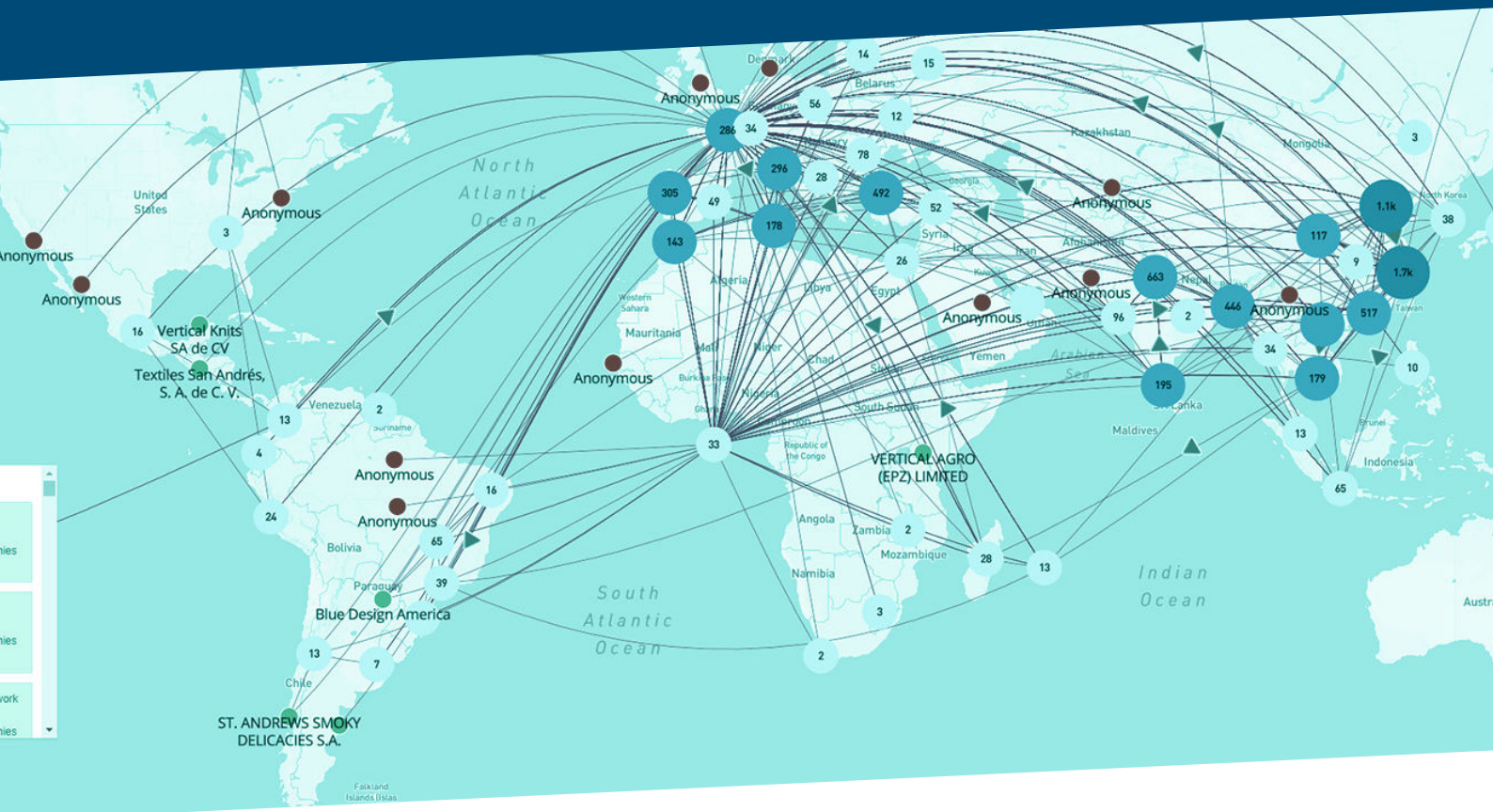




Initiative for Compliance
and Sustainability

ANNUAL ACTIVITY REPORT 2025



ICS Roads to Compliance and Sustainability



« PREHISTORIC HUMANS

were threatened in ways we can hardly conceive today. They had similar bodies, but primitive technology gave them only minimal protection from the environment and predatory animals, and virtually no remedies for injury or other health problems. A toothache could end in death.

They lived short, hard, and probably terrifying lives. And yet they survived.

Why?

One important reason is a trait that early Homo sapiens shared with many other successful animal species :

their bodies and brains had evolved to encourage cooperation.»



R. Waldinger and M. Schulz, The Good Life, "lessons from the world's longest scientific study of happiness", Simon and Shuster, 2023



Join ICS Governance as
a retailer

or

Join the ICS
All Tiers members
for suppliers

or

Become an
ICS Partner

Write us at:
contact@ics-asso.org

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ICS 2025-2026

3 PAGEN



EDITORIAL



LET'S POOL OUR RESOURCES TO TAKE ACTION; LET'S TAKE ACTION TO MAKE A DIFFERENCE

This 2025 Activity Report, like the previous edition, aligns ICS's actions and KPIs with the specific requirements of the duty of vigilance. It enables readers to understand how these requirements are addressed within the common ICS framework, which is continuously defined and reviewed by its more than **40 member groups, representing nearly 100 brands that pool their expertise and audit results.**

Due diligence begins with knowledge of supply chains. In terms of mapping, by the end of 2025, ICS had identified **45,481 (+23%) active production sites**—either already in a business relationship or on the verge of entering one. In 2025, brands continued to contribute to supply chain mapping, identifying **8,257 new production sites worldwide**. Suppliers, for their part, reported **10,477 new sites**.

Depending on their internal risk assessment policies and the definition of their on-site inspection campaigns, the brands conducted **4,401 social and environmental audits across 70 countries in 2025**, covering sites ranging from factories to raw-material fields.

Far from being a “passport” to entering into a business relationship, the audit initiates and drives the sustainable transformation of production chains through **CAPs (Corrective Action Plans)**, digitized and managed via the ICS platform. Following these audits, as

well as the follow-up audits and re-audits that assess progress, the proportion of production sites rated A or B reached **79% in social performance**, representing an increase of 29 percentage points over six years. Environmental audits also recorded **75% rated B and 4% rated A, the same results as in 2024. One in two factories improves its overall compliance between an initial audit and a follow-up audit (percentage score), while one in three moves up by at least one grade (letter rating).**

In 2025, ICS also launched two new initiatives: one dedicated to **renewable energy companies** seeking to manage social risks in their supply chains, and the other bringing together **suppliers wishing to directly audit their factories without relying on a retailer**, under the direct supervision of ICS, which oversees the planning and validation of audit reports.

The growing importance of due diligence policies is supported within ICS by a strong ecosystem: in addition to its members, in 2025 ICS relied on the renewed accreditation of its **11 international audit firms**, as well as on its French and UN institutional partners. **In this respect, in 2025, as in 2024, ICS continued its policy of meeting with auditors and assessing audit firms**, in France, Bangladesh, Türkiye and Portugal, notably during the annual APSCA conference.

SUMMARY

An abstract graphic in the top right corner of the page. It features a large white circle that is partially cut off by the right edge. Overlapping this white circle is a red arc. Below the white circle, there is another red arc. The background of the entire page is a solid teal color.

Below is the 2025 timeline of the major actions carried out throughout the year across the following five themes:

	Governance and cooperation
	Human rights
	Environment
	Training for brands, factories, and auditors
	Risk monitoring and common leverage



SA: Number of social audits



EA: Number of environmental audits



New ICS members

JANUARY



198
SA



41
EA

Steering Committee 1

Members training 1

Social WG 1

APSCA CPWG 1

FEBRUARY



240
SA



54
EA

GPA Membership 

Members training 2

OECD Due Diligence Forum

MARCH



313
SA



49
EA

APSCA CPWG 2

Homeworkers WG 1

APRIL



293
SA



62
EA

Steering Committee 2

APSCA CPWG 3

Social WG 2

Members training 3

MAY



324
SA



83
EA

Steering Committee 3

ENR Conference Panel

Audit Monitoring WG 1

Plenary Meeting 1

Members training 4

Social WG 3

JUNE



239
SA



59
EA

Steering Committee 4

APSCA CPWG 4

AFD Conference Panel

Social WG 4

Audit Firm Summit

Global Compact Panel

SMCP Membership 

Homeworkers WG 2

JULY**318**
SA**82**
EA

All Tiers Pilot Launch

APSCA CPWG 5

ICS Members Tour 1

Environmental Checklist WG 1

ICS All Tiers Pilot Launch

ENR WG Renewal

AUGUST**253**
SA**38**
EA

ICS Members Tour 2

ICS ILO Course

Members training 5

SEPTEMBER**239**
SA**61**
EA

Steering Committee 5

Plenary Meeting 2

FAGUO Membership ★

Members training 6

Social WG 5

APSCA CPWG 6

OCTOBER**312**
SA**69**
EA

Turkey: Audit Monitoring

Audit Monitoring WG 2

APSCA CPWG 7

NOVEMBER**301**
SA**49**
EA

Steering Committee 6

Bangladesh: Audit Monitoring

APSCA AMMF

Assai Membership ★

Members training 7

Social WG 6

Environmental Checklist WG 2

DECEMBER**272**
SA**52**
EA

AFD Partnership Launch

Plenary Meeting 3

Environmental Checklist WG 3

APSCA CPWG 8

Annual activity report 2025

READING GUIDANCE

Throughout this report, pictograms are used to highlight key information.



FOCUS : this icon encourages readers to explore the section related to social and environmental compliance technicity.



METHODOLOGY : this icon signals readers to delve deeper into the section that explains the ICS' compliance methodology. It's an invitation to understand the processes and procedures.



2025 ACHIEVEMENT: this icon draws attention to a specific achievement or accomplishment related to the ICS in the year 2025.



ASTONISHMENT: this pictogram invites you to take a closer look at social and environmental compliance counter-intuitive facts.



All photos of workers and production sites in this report were taken by the ICS after receiving their written consent.

1

COOPERATE

- 1.1. The ICS: brands and CSR officers united
- 1.2. ICS missions and processes
- 1.3. Memberships growth and sectors diversity
- 1.4. The ICS partners: interexperts cooperation

2

MAP

- 2.1 Understanding tiers 1 to 4 and their ranks
- 2.2 Building a reliable global supply chain map

3

ASSETS

- 3.1 Turning regulations into assessments tools and processes
- 3.2 Assessing Production Area Risks
- 3.3 Cross-checking assessments
- 3.4 Assessing specific risks

4

CONTROL

- 4.1 From supply chain mapping to supply chain assessment: audits
- 4.2 ICS audit methodology and its updates
- 4.3 Audits statistics 2025: consolidated volume data
- 4.4 Audits statistics 2025: consolidated results' data

5

CHANGE

- 5.1 Training sustainability stakeholders
- 5.2 Transform production cultures
- 5.3 Conforming global supply chains

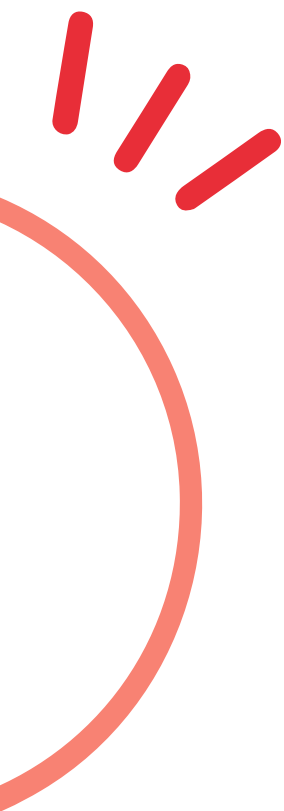
Part

1

COOPERATE

Competing
peers united
by common
standards





-
- 1.1. The ICS: brands and CSR officers united
 - 1.2. ICS missions and processes
 - 1.3. Memberships growth rate and sectors diversity
 - 1.4. ICS partners: inter-experts cooperation
-

1.1 | ICS : BRANDS AND CSR OFFICERS UNITED

Before delving into the analysis of the ICS figures (as outlined in sections 4 and 5), it's worth highlighting **the remarkable cooperation among competing companies**, as they come together to share their time and resources in support of human and environmental rights.

The ICS is a non-profit multisectoral initiative (MSI), a collaborative effort established to promote and enforce social and environmental compliance and sustainability throughout the global supply chain. By enabling companies to work together, it helps reduce the costs associated with compliance requirements related to the protection of people and the environment.

More importantly, as the urgency of driving the sustainable transition of our global economy continues to grow, and as the scale of the transformation required expands, collaboration among peers has proven to be one of the most effective ways to achieve meaningful impact.

The inter-peer cooperation multiplying effect is at the heart of unprecedented international recognition in recent years. Both the OECD and the European Union have acknowledged the role of MSIs in their policy frameworks, assessing their impact and encouraging companies to join collaborative initiatives as part of their responsible business conduct.

44

Member Groups

1223

CSR Managers





FOCUS 1

OECD BACKGROUND NOTE 2022
THE ROLE OF SUSTAINABILITY INITIATIVES IN
MANDATORY DUE DILIGENCE

«These initiatives play a critical role in promoting collective action to solve problems, scaling up responsible and sustainable practices, and driving best practices that go beyond legal requirements.»

FOCUS 2

EU Directive on Corporate Sustainability Due Diligence: sectoral and multi-stakeholder initiatives as a key lever for supporting the implementation of due diligence and contributing to the identification, mitigation and prevention of adverse impacts.



Article 10.2 et 10.5 :

“companies may develop their action plans in cooperation with industry or multi-stakeholder initiatives”

“For the purposes of verifying compliance, the company may refer to independent third-party verification, including through industry or multi-stakeholder initiatives.”

Article 20.4 :

companies may participate in industry and multi-stakeholder initiatives to support the implementation of the obligations referred to in Articles 7 to 16 to the extent that such initiatives are appropriate to support the fulfilment of those obligations.

1.2 | ICS: MISSIONS AND PROCESSES

To proactively mitigate and address risks related to human and environmental rights violations within their global supply chain, ICS members **pursue four primary missions:**

Mapping the supply chain

Embracing tiers 1 to 4 traceability challenge is **ICS Database, Traceability and Transparency Working Group's task** (see part 2)



Defining risks

Converting the numerous international regulations into assessable and practical on-site checklists falls under the purview of the **ICS Social, Environmental and Primary Production Working Groups' task** (see part 3)



Assessing production sites

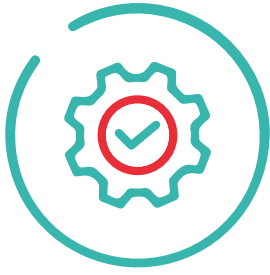
Monitoring vast social and environmental audit campaigns and monitoring the audit firms conducting these campaigns is entrusted to the **Audit firms Working group task** (see part 4)



Comply and engage the sustainability journey

The sustainability journey starts with Corrective Action Plans, follow-up audits and re-audits, and gain momentum through acculturation and learning, facilitated by global training programs designed for factories and auditors.





ICS MEMBERS DECISION PROCESS

2

weeks dedicated
to CSR
collaboration

34

meetings

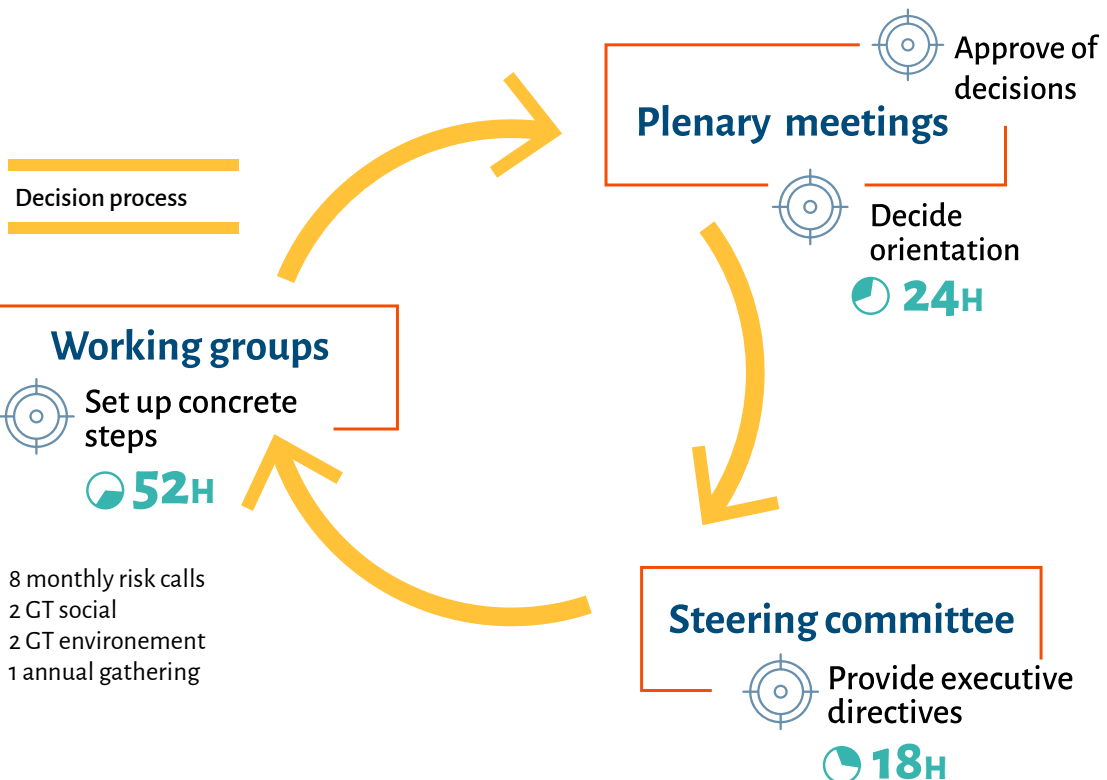
70

hours of
collective
thinking

The plenary sessions (equivalent to a general assembly) decide on the main directions, while the Steering Committee (equivalent to a board of directors) translates them into guidelines for the working groups, who are tasked with proposing methodologies and tools to achieve them, which the next plenary will then approve definitively. Their implementation is then the responsibility of the ICS management.

The working groups and Steering Committee meet as needed, depending on priorities, while the plenary sessions take place on average five times a year. In 2024, ICS members met **34 times**, amounting to nearly seventy hours of **collective intelligence** or the equivalent of two weeks dedicated to CSR cooperation, serving as an unparalleled accelerator of solutions.

In addition to the senior CSR executives involved throughout operational and strategic decision-making processes, 1,223 procurement and CSR professionals connect to the ICS platform every day. Working with a unified methodology and a shared approach, they assess risks, request audits, and ensure the implementation of corrective actions across a supplier base covering nearly 45,000 factories in 75 countries.



LET'S SURPRISE OURSELVES



Indeed, let's surprise ourselves and celebrate a member's courageous decision, made after thorough deliberation, to embark on the remarkable journey of cooperation.

These brands have chosen to open their internal processes and subject their long-standing suppliers to a fresh and rigorous standard. They dare to challenge themselves through peer review and, with a mix of enthusiasm and apprehension, commit to the changes that the pursuit of human and environmental rights sustainability demands of them.



1.3 | ICS MEMBERSHIP GROWTH RATE AND SECTORIAL DIVERSIFICATION

More companies from more sectors joining the ICS

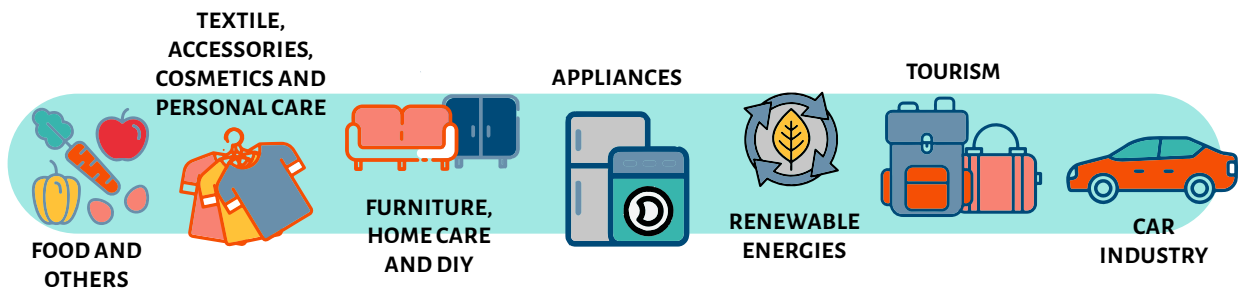
When it was established in 1998 as a working group within the FCD, ICS counted three retailers as members. Following the adoption of the French Duty of Vigilance Law in 2017, ICS membership grew by an average of nearly 15% per year, reaching 82 brands in 2024. In 2025, membership increased by nearly 7%, reaching 44 groups, with GPA, Assai, Faguo and SMCP joining the initiative.

This growth has also broadened the range of sectors represented within ICS. Its members now span **textiles, accessories and cosmetics; food retail and consumer goods; furniture, home improvement and DIY; household appliances; renewable energy; automotive; and tourism.**

The ICS thus covers an increasingly broad spectrum of the retail industry, long at the forefront of the consumer economy and connected to some of the world's largest and most complex supply chains.

+7%
members
growth rate

44
groups
or single
companies



The ICS is open to all companies and sectors



The more inter-sectoral and international cooperation increases, the stronger and faster the application of international standards on human and non-human rights becomes. Since there is no reason to have different standards across sectors, international labor and environmental rights must be the same everywhere, the ICS is open to any company, regardless of its size or sector.

Therefore, it is not necessary to be subject to French or European standards regarding the Duty of Vigilance in order to join the ICS. In fact, many ICS members are companies not subject to the Duty of Vigilance law. Their membership thus helps to meet the expectations of investors, insurers, consumers, business partners, and civil society organizations.

Sector-Specific Working Group for Renewable Energy

Since July 2024, ICS has been leading a pilot working group in the renewable energy sector, bringing together **13 developers and 1 investor** with the aim of pooling Duty of Vigilance data within the same business sector. In 2025, the pilot was renewed for a second year.

The working group has **three main objectives**:

Deploy immediate and ongoing social audits across individual and shared supply chains;

Innovate, by developing new, enhanced control methodologies adapted to high-risk areas, where traditional approaches are no longer effective;

Conclude, on the basis of factual and documented evidence, on the feasibility of conducting credible audits within renewable energy supply chains, particularly in the photovoltaic sector.

190

production sites identified, including 100 solar panel manufacturing facilities (modules, cells or wafers).

32%

of solar panel manufacturing facilities are shared by at least two developers.

25

ICS audits conducted, including 15 at solar panel manufacturing sites.



All Tiers Program: A Pilot Initiative for Supply Chain Partners

5

Companies participating in the pilot program during its first year.

25

ICS audits carried out through the pilot program.

Since July 2025, the ICS has been running an All Tiers pilot program, enabling suppliers, B2B brands, sourcing agencies, importers and manufacturers to take a more active role in preventing, assessing and addressing supply chain risks under the supervision of ICS.

To protect the integrity of the ICS audit program, participation is governed by strict eligibility criteria and operating procedures, ensuring that audits remain independent even when requested by participating companies.

The program enables participants to build and manage their own risk management programs independently of their retail customers, while strengthening their due diligence capabilities through dedicated training and peer working groups.



TEXXTISS



1.4 | ICS PARTNERS: INTER-EXPERTS' COOPERATION

Collaboration is at the core of the ICS. As part of its commitment to responsible business, ICS works closely with external experts and organizations while actively contributing to broader industry initiatives. These partnerships take the form of joint projects, expert contributions and knowledge sharing.

APSCA Events

In 2026, the ICS took part in the **APSCA Annual Member Meeting & Symposium (AMMS)** in Portugal, bringing together leading audit firms, auditors, industry initiatives and other stakeholders. The event provided an opportunity to discuss key developments in the social compliance industry, exchange best practices, identify emerging challenges and strengthen relationships across the sector.



ICS Audit Summit 2025 in Paris

The ICS also hosted its Audit Firms Annual Summit, bringing together ICS-approved audit firms to strengthen dialogue, share best practices and gather feedback from both field auditors and technical experts. These discussions help ensure that ICS continues to develop its methodology in a collaborative way while remaining closely aligned with industry practices and operational realities.

Partnership with the French Development Agency (AFD)

In 2025, the ICS also launched a partnership with the French Development Agency (AFD) to strengthen public-private cooperation in transforming supply chains across developing countries.



We extend our sincere thanks to all the organizations and experts who place their trust in ICS, inspire our work, and help us advance human rights and environmental protection worldwide.

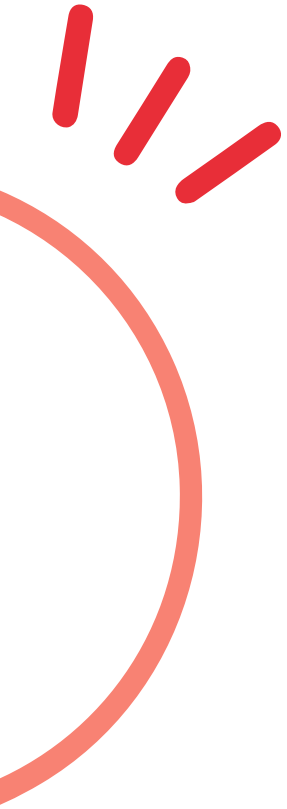
Part

2

MAP

Collecting
production sites
data to map the
value chain





-
- 2.1. Understanding tiers 1 to 4 and their ranks
 - 2.2. Building a reliable supply chain map
-

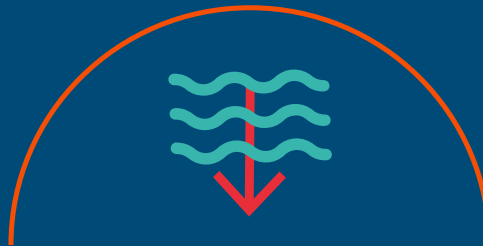
UNDERSTANDING TIERS 1 TO 4 AND THEIR RANKS



The history of globalization has not been characterized by transparency or direct relationships between producers and retailers.

Historically, suppliers valued their confidential knowledge of production sites around the world.

The call for transparency from retailers, however, shifted this paradigm, thanks to extensive discussions and negotiations. Gradually, the «supplier screen» of secrecy was lifted, and ICS's members first requirement is to integrate and continually update all their production site data in the ICS database.



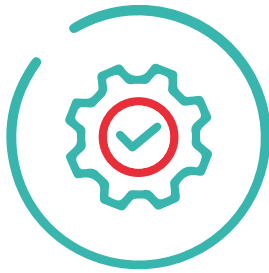
Mapping then just begins, for known producers are only but the last link of a very long supply chain.

It is first necessary to trace the various stages of the production chain, referred to as tiers. Tier 1 is the final stage of production before the product is shipped to the distributor: this includes the assembly of a garment or the packaging of a product. Tier 2 covers the processing of finished materials (for example, the dyeing of a garment), while Tier 3 involves the transformation of raw materials (such as the weaving of cotton). Tier 4 corresponds to the harvesting or extraction of raw materials (including farming and fishing).

Each tier may involve additional production subcontractors, for example to address operational requirements based on production capacity at a given point in time. Each tier and each subcontractor may, in turn, rely on their own subcontractors, mapping whom represents the Herculean task that ICS undertakes on an ongoing basis. Production sites are, by their very nature, constantly evolving: they expand, relocate, are duplicated or consolidated, change their names and strategies and, inevitably, their addresses. At the same time, retailers' sourcing strategies evolve in response to changing economic and geopolitical conditions around the world.

"The Herculean task undertaken by ICS is the continuous mapping of Tiers 1, 2, 3 and 4, together with their respective layers of subcontracting."

To ensure highest level of reliability, the ICS continuously update, cross and double-cross its data.



Building a reliable supply chain map through double-crossing brands data

When an ICS member uploads a producer profile into the ICS database, a matching algorithm is employed to determine whether the declared production site is already known or could be found in the database under a similar or different name, address, or production unit. This algorithm is designed to identify production sites that may have relocated, split into multiple locations, or undergone name changes over time.

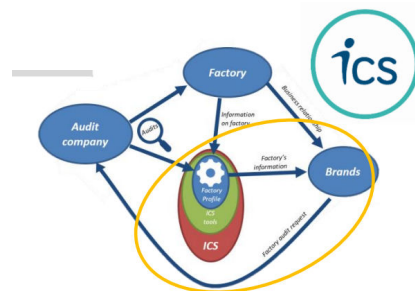
Factory	Name match score (%)	Common with	Address	Address match score (%)	City	Audit history	Business license
- Auchan - Beaumanoir - Camaieu-Former member Camaieu - Casino AMC - Casino Monoprix - Fashion3 Grain de Malice - Fashion3 Jules - Fashion3 Pimkie - Groupe Dram - Groupe Omnium Drened - U Enseigne	54.2			92.1		20/04/2022 (A 100%) Social : Groupe Omnium 20/10/2020 (E 96%) Soc. Small : Casino 10/08/2020 (E 72%) Soc. Small : Casino	
Adeo ADEO Platform France	33.3			38.5		21/01/2021 (C 85%) Social : Adeo	There is no actual business opening and operating license at the facility.

Declaration example

The algorithm is tasked with evaluating whether the new producer profile should be merged with an existing one or if it warrants the creation of a new producer profile. However, if the matching rate falls short of the desired level of accuracy or satisfaction, the database system notifies the ICS team to conduct a manual and more extensive research to ensure the accuracy of the database.

Auditors and producers data crossing

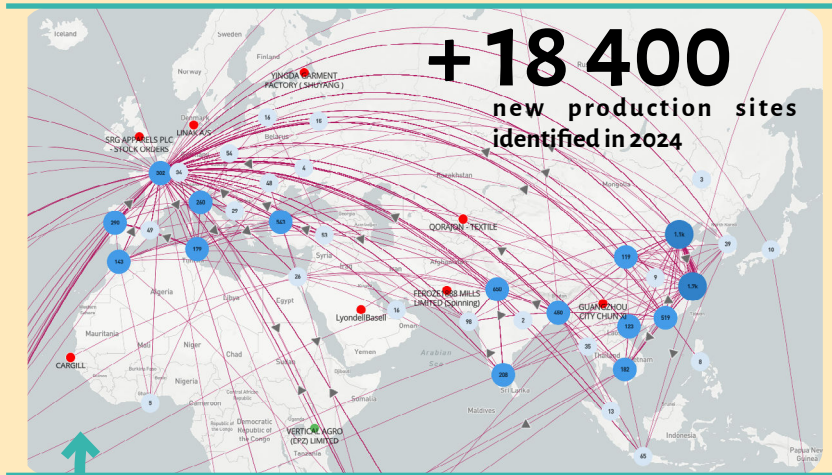
After a producer has been integrated into the ICS database for the first time, it is required to complete a factory profile form that consists of 81 traceability questions. This factory profile form serves as a comprehensive data collection tool. During on-site audits (as described in Part 4), the auditor's responsibility includes verifying the accuracy of the information provided in this factory profile. The Factory Profile is indeed a fundamental component of the ICS data collection process.



What is a factory profile?

It is a Questionnaire completed by the facility prior to the audit with data needed by the audit company to prepare for the audit. Factory profile includes data such as workforce profile, facility size, production processes, etc.

In 2022, ICS introduced a Cascade Traceability System to accelerate supply chain mapping. Under this system, every production site is required to disclose the contact information of its suppliers and subcontractors. The ICS then contacts these upstream partners in turn, requesting information about their own supply chains, thereby extending traceability throughout the production network. This creates a cascading effect contributing to enhance transparency and traceability.



In 2025, 8,257 production sites were declared by retailers and more than 10,477 by suppliers through the Cascade traceability system, bringing the total number of active factories at the end of 2025 to 45,481, representing a 23% increase...

Each ICS member is thus able to generate its own sustainability map

BEHIND THE MAPS



Through its audit program alone, ICS now helps protect **millions of workers** each year by supporting the prevention, identification and remediation of human rights and environmental risks across global supply chains.

8 257
Production sites
mapped by **ICS**
members

10 477
Production sites
mapped by
ICS members
suppliers

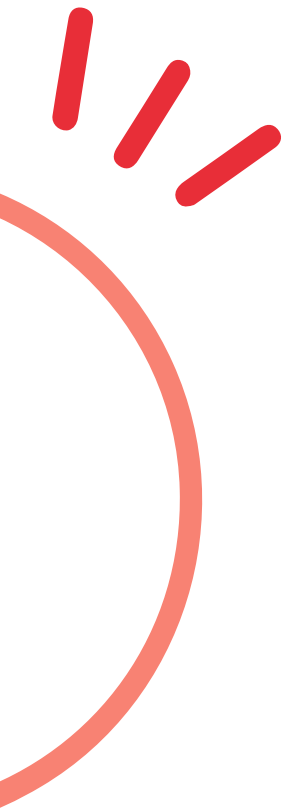
Part 3

ASSESS

ON MARCH 27TH 2017, FRANCE ADOPTED A LAW

(Code of Trade L. 225-102-4-I), defining the Duty of Vigilance as a set of measures meant to identify and prevent serious risks of violations to human rights, freedom, health and security (which we refer to as “social risks”) as well as the environment (which we refer to as “environmental risks”), stemming from a company activity including its subsidiaries’, as well as the one of its suppliers and subcontractors provided they share an established business relationship. The European Union Directive Proposal (see part 1) widens these broad principles in its article 4 to 7.





-
- 3.1 Turning regulations into assessments tools and processes
 - 3.2. Assessing production areas
 - 3.3. Cross-checking assessments
 - 3.4. Assessing specific risks
-

3.1 | TURNING REGULATIONS INTO ASSESSMENT TOOLS



One of the key missions of the ICS is to identify and specify the regulations that fall within the broader scope of «preventing harm to human and environmental rights.» This involves translating these regulations into concrete requirements and practical processes that can be used to assess the effectiveness of these rights on the ground. For instance, if a convention or regulation requires the assurance of health and safety at work, the ICS would work to clarify and define what constitutes compliance. This might involve specifying details such as the proper distance between a workstation and an emergency eyewash station, among other practical requirements.

Regarding **social** risks, the ICS refers - mainly but not limited to - to the UN Guiding principles, the OECD recommendations and ILO international Conventions on Responsible Business Conduct and International Labor standards and structure them into 9 categories – chapters – of risks to be assessed :

- 1 MINIMUM AGE, CHILD LABOR AND YOUNG WORKERS
- 2 FORCED LABOR
- 3 DISCRIMINATION
- 4 DISCIPLINARY PRACTICES, HARASSMENT AND ABUSE
- 5 FREEDOM OF ASSOCIATION AND GRIEVANCE MECHANISMS
- 6 WORKING HOURS AND OVERTIME
- 7 REMUNERATION AND BENEFITS
- 8 HEALTH AND SAFETY

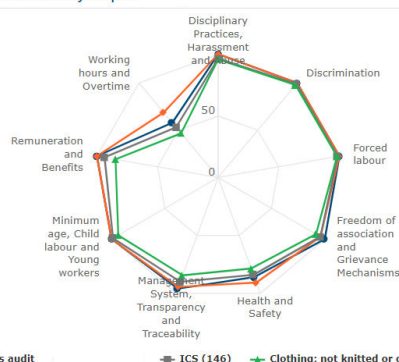
To these chapters is added a **chapter 0** meant to assess the Management system, Transparency and Traceability, whose compliance or non-compliance impact all other chapters' assessments.

> Letter and % rating by chapter

AN	Chapter	Letter and % rating
Q	0 Management System, Transparency and Traceability	B 96%
Q	1 Minimum age, Child labour and Young workers	A 100%
Q	2 Forced labour	A 100%
Q	3 Discrimination	A 100%
Q	4 Disciplinary Practices, Harassment and Abuse	A 100%
Q	5 Freedom of association and Grievance Mechanisms	A 100%
Q	6 Working hours and Overtime	D 58%
Q	7 Remuneration and Benefits	A 100%
Q	8 Health and Safety	B 86%

Example of a summary of content of an ICS social audit per chapters.

> Average results of ICS audits by chapter



Regarding **environmental** risks, the ICS assesses the below risks structured as followed:

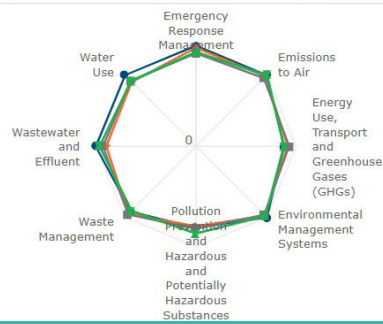
- 1 ENVIRONMENTAL MANAGEMENT SYSTEM
- 2 ENERGY CONSUMPTION, TRANSPORTATION AND GREENHOUSES GAS EMISSION(GHGS)
- 3 WATER CONSUMPTION
- 4 WASTEWATER AND EFFLUENTS
- 5 AIR EMISSIONS
- 6 WASTE MANAGEMENT
- 7 POLLUTION PREVENTION AND HAZARDOUS SUBSTANCES
- 8 EMERGENCY RESPONSE MANAGEMENT
- 9 NUISANCES AND GRIEVANCE MECHANISM
- 10 BIODIVERSITY AND LAND PROTECTION



> Letter and % rating by chapter

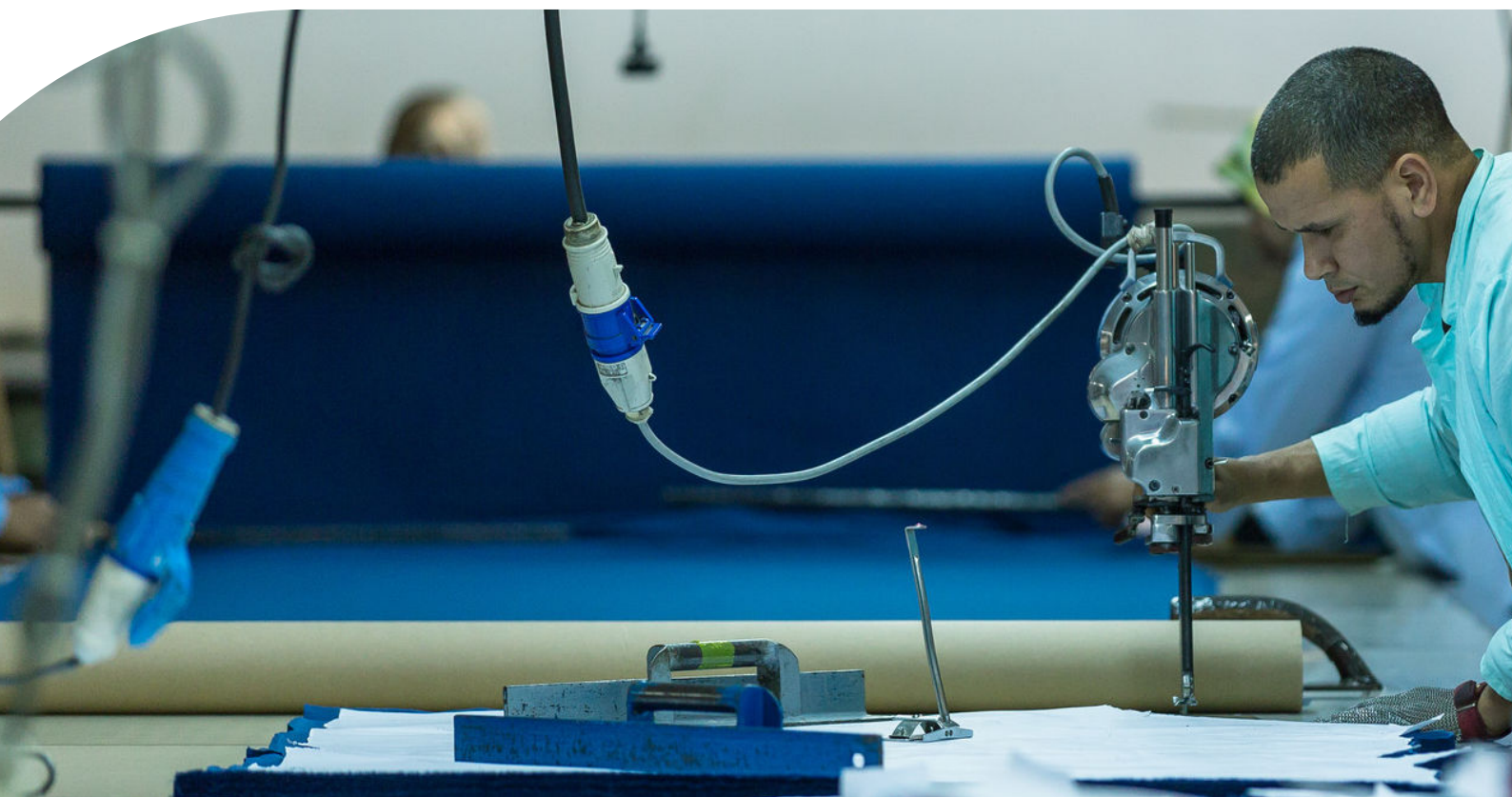
AN	Chapter	Letter and % rating	Advanced requirements
Q	1 Environmental Management Systems	A 100%	
Q	2 Energy Use, Transport and Greenhouse Gases (GHGs)	B 88%	
Q	3 Water Use	A 100%	
Q	4 Wastewater and Effluent	A 100%	
Q	5 Emissions to Air	A 100%	
Q	6 Waste Management	B 92%	
Q	7 Pollution Prevention and Hazardous and Potentially Hazardous Substances	B 81%	
Q	8 Emergency Response Management	A 100%	

> Average results of ICS audits by chapter



3.2 | ASSESS PRODUCTION AREAS

To effectively allocate resources at the appropriate level, whether it be at the country, industrial zone, factory, or field level, for the purpose of preventing and correcting risks related to human and environmental rights, the ICS equips its members with a suite of tools and data. These resources are structured within a meticulously cross-checked methodology.



STRUCTURAL RISK

Structural risk refers to production zones national drivers: public institutions, ILO Conventions ratification processes, social and democratic background, legal and political stability, public investments and infrastructure quality, CSR maturity etc. In 2022, ICS members' sourcing countries underwent assessments based on world public institutions' indicators and ICS consolidated audit results (as outlined in Part 4). These assessments were summarized and integrated into an advanced risk matrix for CSR and buying officers to make informed decisions regarding their sourcing strategies.

3 items selected

AllNone

KPI for all ICS members

Worldwide Governance Indicators

SDG Index

ITUC

US Department of State

Environmental Performance Index

ILO

Freedom in the World

Score Risk

With score

With factory

With audit

Yes

Yes

Yes

No

No

No

members or Worldwide Governance Indicators or SDG Index or US Department of State or ILO.

											Worldwide Governance Indicators								
											2020								
% audit at 100%	% audit between 99% > % > 76%	% audit between 75% > % > 61%	% audits between 60% > % > 41%	% audits less than or equal to 40%	% audits with AN	% Initial audits	% Follow-up/Re-audits	Representativity of ICS audits	Total		Global Index Score (0-100)	Poverty headcount ratio at \$1.90/day (%)	UHC Tracer Index (0-100)	Female labor force participation (% male)	Slavery Score (0-100)	Unemployment rate (%)	Production-based SO2 emissions (kg/capita)		
25.0	0.0	100.0	0.0	0.0	0.0	25.0	87.5	12.5	32.0	61.9	48.0	72.8	0.9	76.0	70.6	1.3	11.7	22.2	
23.5	6.1	89.7	3.5	0.6	0.0	22.9	75.2	24.8	0.0	60.8	45.7	71.3	3.9	79.0	74.1	1.8	13.7	11.4	
13.8	0.0	96.6	0.0	3.4	0.0	13.8	44.8	55.2	0.0	58.9	34.4	64.5	0.5	60.0	87.8	16.8	0.3	11.0	
30.8	0.0	84.6	7.7	0.0	7.7	23.1	84.6	15.4	52.0	49.4	47.4	66.3	2.4	57.0	65.5	4.7	4.1	10.9	
100.0	0.0	100.0	0.0	0.0	0.0	66.7	0.0	100.0	12.0	18.3	58.7	70.9	0.0	73.0	66.3	6.9	4.6	37.5	
40.0	0.0	90.0	10.0	0.0	0.0	40.0	60.0	40.0	80.0	41.5	30.8	64.9	0.6	61.0	60.7	11.0	1.8	3.2	
5.7	0.0	94.3	5.7	0.0	0.0	5.7	25.7	74.3	0.0	64.6	53.3	57.7	2.0	45.0	26.5	0.0	4.7	5.5	
50.0	0.0	50.0	50.0	0.0	0.0	50.0	25.0	75.0	16.0	35.0	48.9	64.5	6.2	61.0	64.3	7.7	3.4	9.2	



Structural risk may also apply to a specific industrial zone identified through ICS local monitoring as failing to meet social and environmental standards, or through consolidated audit findings revealing systemic deficiencies in areas such as workplace safety or management practices.

A risk may also be considered structural at the production site level when, over time, a facility consistently fails to implement the corrective action measures required by an ICS member. This topic is discussed further in Part 5.

CYCLICAL RISKS

At the national level, situational risks may arise from recent political instability with uncertain outcomes, as well as economic, public health, migration or natural crises.

At the regional or production-site level, risks may stem from local economic pressures or isolated management practices that fall short of legal or ethical standards rather than reflecting systemic issues. While situational risks can ultimately become structural, this distinction is primarily analytical. These localized risks are identified through the ICS audit cycle described in Chapter 4, as well as through innovative monitoring tools, including the remote assessment tool developed during the COVID-19 pandemic and worker surveys

The ICS also identifies emerging risks through weekly monitoring of local, regional and national media across its members' sourcing regions worldwide.

Using information from the media, NGOs and local stakeholders, ICS investigates reports of potential human rights and environmental violations. When reports do not provide enough detail to identify the supplier, ICS uses geolocation techniques and other available information to pinpoint the production site involved. Once a site has been identified, ICS notifies member retailers with an established business relationship with that supplier.

In 2025, the ICS issued **1063 alerts** flagging potential or confirmed risks of serious human rights or environmental harm, enabling member companies to engage with suppliers and take the necessary preventive and corrective actions.



Media alert

Incident date

DD/MM/YYYY

Incident type *

-

Level of risk

-

Related ICS chapter

-

☐ Factory can deny
 ☐ Denied by retailer

Extract of article

Link of article

Type in to add a new comment

3.3 | CROSS-CHECKING ASSESSMENTS

To assess the risks of its own supply chain, each ICS member is granted an access to its producers data history, made of social and environmental information of different reliability:

Assessment level 1

Factory data filled by the supplier in the factory profile.

Factory certifications history.

Factory media alerts.

Assessment level 2

Country-based consolidated audit results.

Audit history results, specific risk and level of seriousness.

Corrective Action plans, factory negotiations and follow-up audits history.

Inter-brand discussions regarding a production site history.



Database available

Common with

Retailer	Subsidiary	Factory status	CAP follower	
Beaumanoir	Beaumanoir	Referenced		
Galeries Lafayette - BHV		Referenced	✓	🔴
Groupe Omnium	Devred	Referenced		
La Redoute		Prospect		

Damart - API
Social Initial audit
87% D
22/03/2018

Damart - API
Social Partial followup
97% B ↗
12/02/2019

Lacoste - Bureau Veritas
Social Re audit
91% B =
26/06/2020

Lacoste - Bureau Veritas
Env. Initial audit
Waiting for planification

Audits & Certifications

Audit type	Certification	Valid until
Environmental	amfori BEPI	26/06/2021
Environmental	Environmental certification	25/06/2017
Environmental	Gots	01/02/2020
H&S	OHSAS18001	31/01/2022
H&S	Veterinarian approval reference	05/06/2021
Product	Fair Trade	01/01/2022
Product	Celutex	30/11/2021
Product	Responsible Mohair Standard (RMS)	23/10/2021
Quality	ISO9001	29/06/2013
Quality	ISO/TS16949	26/06/2017
Social	amfori-BSCI	16/09/2021
Social	ICTI	23/06/2021
Social	SEDEX-SMETA	17/01/2019

THE ICS DATABASE : ROOM FOR CONSTANT DIALOGUE



Each user of the ICS database is therefore part of a network of configurable daily notifications covering mapping, audits, media alerts, questions, responses, certificates, supporting evidence, comments and

updates. In 2025, a total of 412,610 notifications were issued to the nearly 72,509 users registered on the platform at the end of the year, representing a level broadly stable compared with 2024.



This stabilisation reflects, on the one hand, the increasing maturity of CSR requirements, which are becoming more sophisticated, better integrated and supported by operational tools, and, on the other, the consolidation of a core group of companies committed to ICS.

412 610

**notifications issued by
the ICS database**

3.4 | ASSESSING SPECIFIC RISKS

In the event of a cyclical or emerging structural risk, the response from brands must be analyzed and proportionate, so as not to abruptly or unfairly penalize a producer's business, and, by extension, the livelihoods of workers and their families.



COLLECTIVE INTELLIGENCE: SPECIFIC RISK WORKING GROUPS

Whenever a new risk emerges—or an existing risk becomes more complex without yet providing sufficient evidence to justify measures such as ending a business relationship, ICS members with operations in the affected country or business relationship with the supplier come together to share information, exchange perspectives and develop a common understanding of the situation. These «**Specific Risk**» **working groups** (10 in 2025) may also bring together external experts, including NGOs, diplomatic representatives and specialized consultants, to provide additional local insight.

The goal is always the same: to develop a responsible response to risk. Whenever possible, the ICS seeks solutions that preserve local economic and social stability while supporting suppliers and managers in strengthening their CSR practices through continuous improvement rather than punitive measures. This approach helps reduce the risk of unintended consequences, such as job losses or production being redirected to domestic markets where oversight and due diligence mechanisms may be more limited.



SPECIFIC RISKS 2025

15/01	13/02
19/03	09/04
21/05	11/06
11/09	09/10
13/11	11/12

COLLECTIVE THINKING : AUDIT FIRMS RETEX

When confronted with regulatory changes in a country or region, or when emerging risk patterns become more widespread, the ICS takes a proactive approach to gather insights and expertise. This involves reaching out to its network of audit partners and regional offices.

Relying upon 11 audit partners, the ICS can consolidate its field experience and technical expertise to adapt or explicit its standards and recommendations to specific situations, in a fast and appropriate manner, in order to share it to all ICS members.



SEEING IT FIRSTHAND : THE ICS ON THE FIELD

In 2025, ICS conducted several audit monitoring campaigns across different countries

As part of its annual audit monitoring programme, in addition to monitoring the implementation of its standard in France, ICS travelled to Bangladesh and Türkiye for two-week inspection and social auditor engagement campaigns in each country. In Bangladesh, the team observed the conduct of social audits in the industrial areas of Gazipur and Savar, near the capital, Dhaka. In Türkiye, ICS observed both social and environmental audits in the regions of Istanbul, Çorlu, Bolu and Bursa. In total, 12 shadow audits were conducted in Bangladesh and 9 in Türkiye, primarily covering the textile and home goods industries.

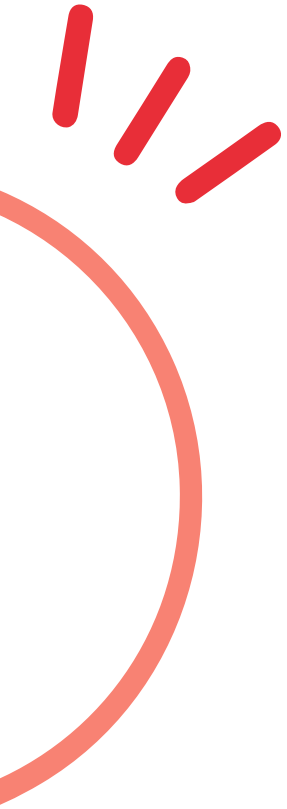


Part

4

CONTROL



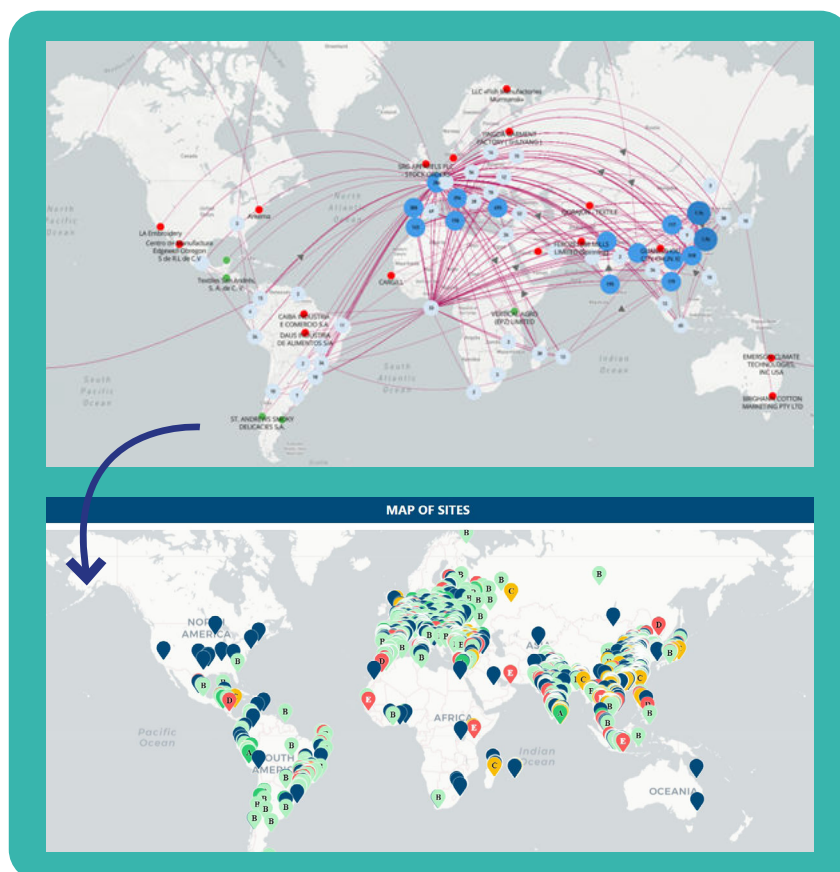


-
- 4.1. From supply chain mapping to supply chain assessment: audits
 - 4.2. ICS audit methodology and updates 2025
 - 4.3. Audits statistics 2025: consolidated volume data
 - 4.4. Audits statistics 2025: consolidated results' data
-

4.1 | FROM SUPPLY CHAIN MAPPING TO SUPPLY CHAIN ASSESSMENT: AUDITS

To move from mapping production sites to assessing their compliance, one tool stands above all others: the audit. An audit involves sending a trained professional through the doors of a production site to observe, first-hand, the reality of production processes and to hear directly from workers about their working conditions and their employer's environmental practices.

More than models, reports or monitoring systems, on-the-ground presence is the most reliable way of understanding what is really happening. This requires robust processes, methodologies and safeguards to ensure the highest possible level of confidence in the work carried out by auditors. This section presents the results of audits and the methods deployed by ICS to ensure their reliability.



Caption : From site mapping to risk mapping

In 2025, ICS worked with **11 audit partners**, whom we would like to acknowledge here for their valuable collaboration:



ICS AUDIT METHODOLOGY AND STANDARDS ARE:

RIGOROUS

Why doesn't the ICS simply ask the audit firms to conduct their own standards and methods? Due to the 2017 Duty of Vigilance law requirements, first of their kind, and its 25 years long history, the ICS has gained the reputation of a stringent and specific initiative regarding method, content and framing regarding the UN, OECD and ILO guidelines, standards, recommendations and regulations, as well as regarding national and local ones.

HARMONISED

To ensure their understanding of social and environmental world standards is secured in a harmonised way across the globe, the ICS members continuously discuss, establish, and update their unique processes and standards that will ensure the same quality regardless of the selected audit firm as well as the audited industrial sector.



4.2 | ICS AUDIT METHODOLOGY AND UPDATES

ICS standards are meticulously framed by methodological application processes and are subject to daily monitoring by the ICS team and its audit partners' management. This continuous oversight ensures that auditors worldwide adhere to the ICS requirements effectively, with attention paid to the feedback they provide. Among the significant ICS methodological requirements, which total around a hundred, are **the following principles that both ICS members and ICS audit partners are expected to follow:**



Audit campaigns are driven and ordered by ICS members and not by suppliers

for the latter not to choose the audit firms and exert a pressure on the audit result.



The auditor visit date can not be announced to the factory for social audits

They are unannounced or semi-announced (the factory is provided a window period).



Suppliers and producers are not provided with the ICS standards details nor full audit report

for them not to get familiar with the methodology de notation.



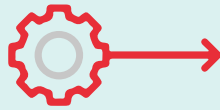
ICS is allowed by its audit partners to shadow audits

of their auditors on-site and to conduct ICS standards trainings.

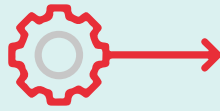


To further strengthen the independence and integrity of its audit program, ICS members introduced several measures :

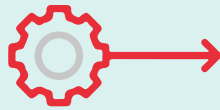
|||||



New protocol for verifying environmental performance data: retailers can now request an assessment of the reliability of quantitative environmental data as part of environmental audits, in addition to the environmental audit standard itself.



Full digitalization of social audit processes, alerts, and integrity reports, streamlining and accelerating investigation procedures.



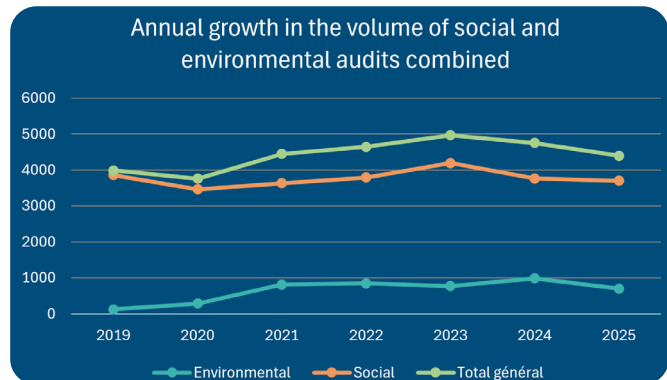
Introduction of a **preliminary step to produce a Findings Report** prior to issuing the corrective action plan, in order to reduce pressure on auditors during the closing meeting.



4.3 | AUDITS STATISTICS 2025 : CONSOLIDATED VOLUME DATA

1 Annual Trend in Social and Environmental Audits

In 2025, a total of 4,401 social and environmental audits were conducted. This represents a 7% decrease compared with 2024, primarily due to a 29% decline in the 2025 environmental audits, reflecting the audit cycle and the exceptionally high volumes recorded in 2024. Social audits remained broadly stable at 3,701, down 2%.



4 401
audits

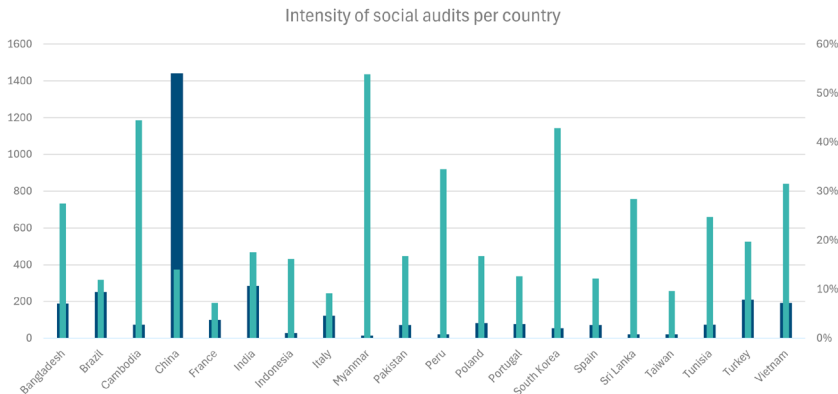
7% fall of
compared to 2024

2 Social audit volume per country

For the highest volumes, China remained the most audited country in 2025, followed by India, Brazil and Türkiye. Italy, Spain and Portugal continued their positive momentum, recording higher audit volumes than in previous years. The most significant increases were seen in South Korea and Cambodia, which now rank among the most frequently audited countries. Bangladesh, Morocco and Tunisia also recorded higher audit activity than in 2024, while Brazil experienced the sharpest decline, with audit volumes down 34%.

Note: These figures reflect the total number of audits conducted in each country and should not be interpreted as audit intensity. Audit intensity refers to the number of audits conducted relative to the number of production sites in a given country.





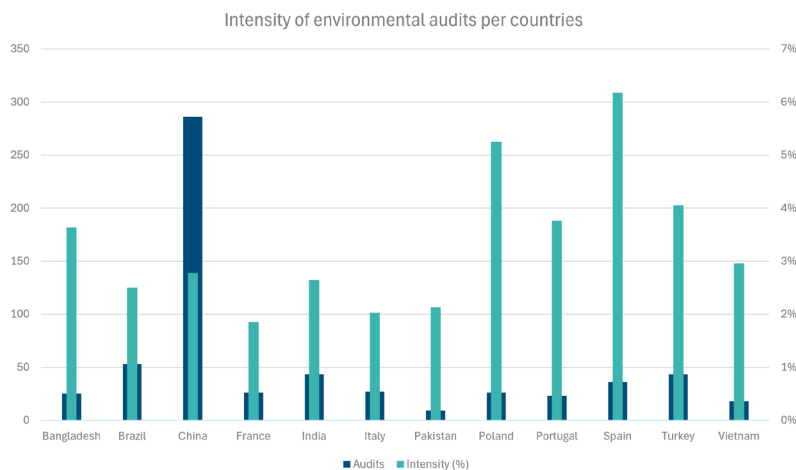
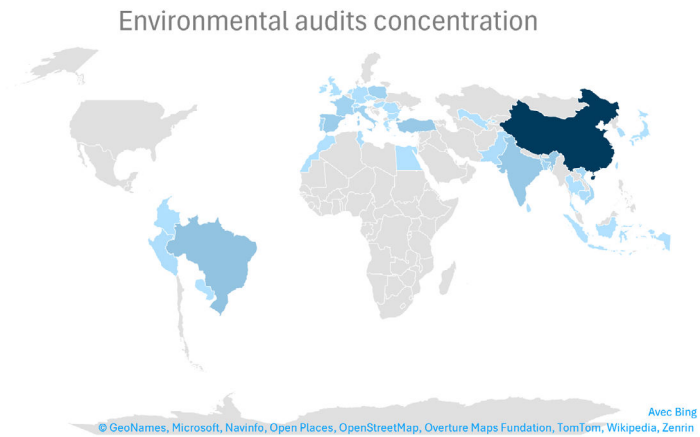
3 Intensity of social audits by country

China remains the most audited country in absolute terms, with 1441 social audits conducted in 2025. However, when adjusted for the total number of registered production sites, Myanmar records the highest audit intensity among high-production countries, with 54% of its registered production sites audited.

4 Environmental audit distribution per country

For the highest volumes, China remains the most audited country in 2025, followed by Brazil, India, and Turkey. Portugal recorded the strongest increase in audit activity, while Spain and Vietnam continued to gain momentum. Brazil, after a significant increase in 2024, saw audit volumes decline.

Note: These figures reflect the total number of audits conducted in each country and should not be interpreted as audit intensity. Audit intensity refers to the number of audits conducted relative to the number of production sites in a given country.

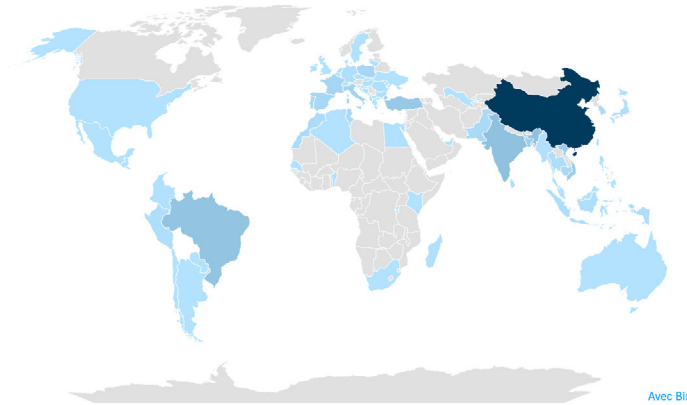


5 Intensity of environmental audits

China remains the most audited country in absolute terms.

However, once these figures are compared with the total number of registered production sites, Poland, Turkiye, and Spain recorded the highest environmental audit intensity. Among high-production countries, Bangladesh and Vietnam also stand out for their audit intensity relative to the number of registered production sites.

Audits concentration (social and environmental)



Avec Bli

6 Volume of Audits (All Types) by Country

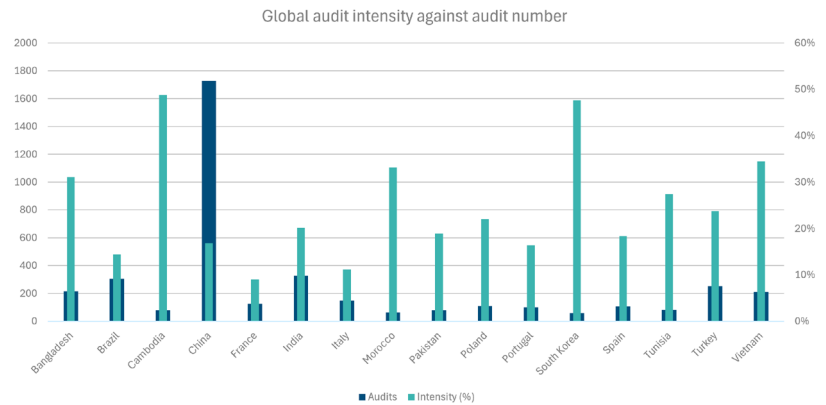
China remained the most audited country in 2025, followed by India, Brazil and Türkiye.

Portugal, Morocco and Tunisia continued to gain momentum in 2025, with audit volumes increasing compared with 2024. The strongest year-over-year growth was recorded in Sri Lanka, Cambodia and South Korea. Brazil, by contrast, saw audit volumes decline by 36% after several years of sustained growth, while Türkiye experienced a slight slowdown, although audit activity remained strong.

Note: These figures represent total audit volumes and should not be interpreted as audit intensity. Audit intensity measures the number of audits conducted relative to the number of production sites in each country.

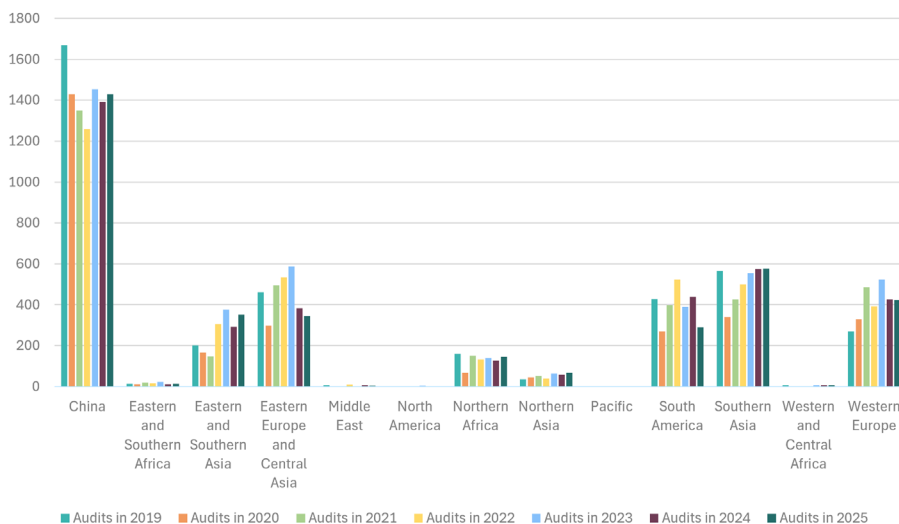
7 Audit Intensity by Country

While China continued to account for the largest number of ICS audits, Cambodia recorded the highest audit intensity among the major sourcing countries, followed by South Korea and Vietnam.



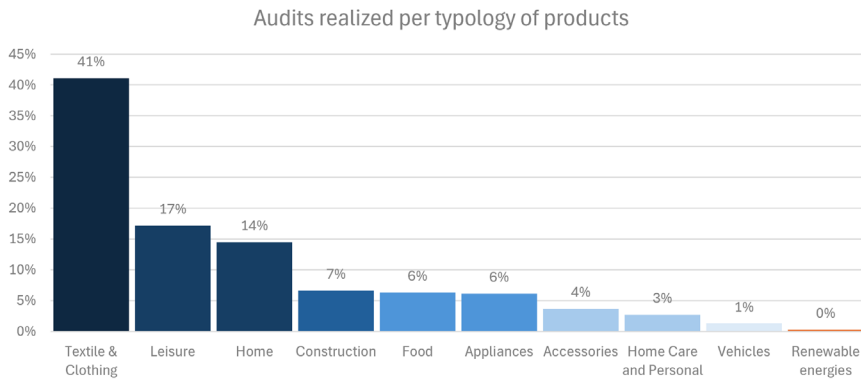
8 Spotlight: average growth in social audit volumes by area since 2019

Volume of social audit by zone



Between 2019 and 2022, the global pandemic accelerated a geographic shift in audit activity away from China and South Asia toward other sourcing regions, particularly North and East Asia and Western Europe. In 2025, this pattern began to reverse. Audit volumes increased slightly in China and across East and Southeast Asia, while South Asia stabilized. Western Europe maintained relatively high audit volumes despite easing from its 2023 peak, and Eastern Europe also saw audit activity moderate after several years of continuous growth.

9 Distribution of social audits by sector



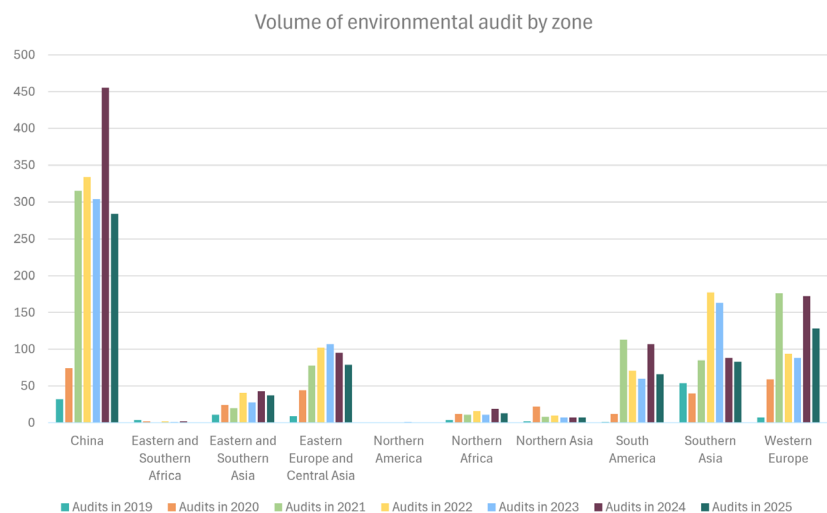
Textiles remained the most audited sector in 2025, with more than twice the audit volume of the second-largest sector, home and living. This was followed by leisure, electrical appliances, construction, food and accessories, all of which recorded broadly similar audit volumes.

Accessories, health and personal care, and vehicles accounted for significantly lower audit volumes, while renewable energy represented only a small share of total social audits.

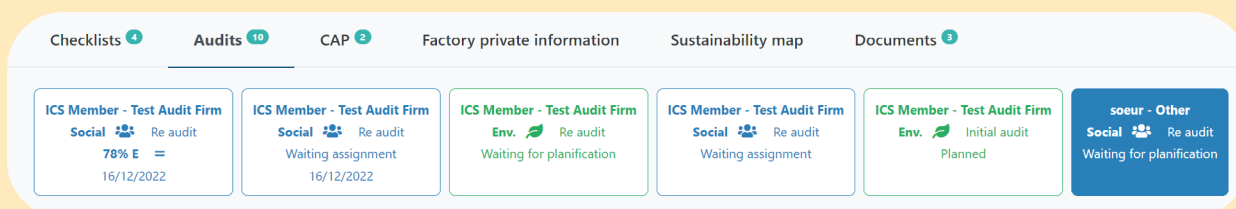
10 Volume of environmental audits by zone since 2019

China remained the leading country for environmental audits in 2025, as it has every year since 2021, despite a 38% decline compared with 2024.

Audit activity also eased across East and Southeast Asia, although volumes remained above 2022 levels. South Asia followed a similar trend. Western Europe likewise recorded lower audit volumes in 2025 but remained well above the levels seen in 2022 and 2023.



4.4 | AUDITS STATISTICS 2025: CONSOLIDATED RESULT'S DATA



ICS audit results combine both initial audits and follow-up audits. As a result, they reflect the level of compliance with human rights and environmental standards across production sites at different stages of their improvement journey. This includes newly audited sites that have not yet benefited from an ICS Corrective Action Plan and may have been identified by ICS member

companies as presenting a higher level of risk before the business relationship began.

These results should therefore not be interpreted as a measure of the impact of the ICS program on supplier improvement. That impact is assessed in Part 5 of this report through the analysis of follow-up audit results.



The ICS dual rating system

The result of an ICS audit is expressed by a letter (A to E) and a percentage (from 0% to 100%). The percentage increases with the overall level of compliance of the audited site, while the letter indicates the level of criticality (urgency and severity) of the observed non-conformities. 'E' indicates a maximum risk of violation of rights. The rating system is actually more complex than this, as the letter and the percentage influence each other: certain letters can never correspond to a certain percentage level and vice versa. This allows for an initial assessment based either on the percentage rating or the letter rating. part 4

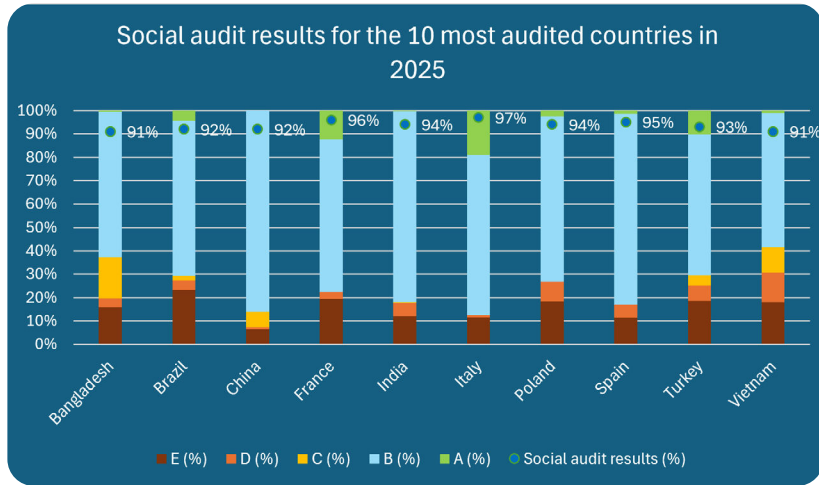


Anything that cannot be proven compliant is presumed non-compliant.



A rating of A-B typically indicates a low level of risk, while ratings C-D-E are more likely to be considered as requiring monitoring, being at risk, or being at severe risk. The ratings are indicative, designed to help CSR managers navigate the report. Responsibility for Due Diligence always lies with the brand, which decides how to assess a factory, and not with the initiative that established the rating system.

CONSOLIDATED SOCIAL AUDITS RESULTS

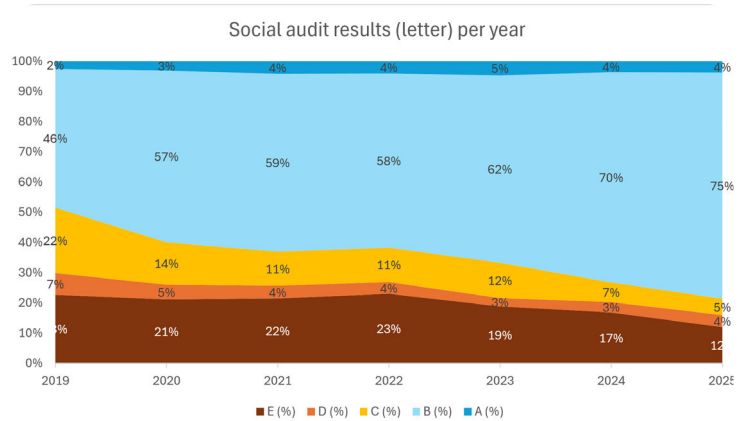


11 Social audit results for the 10 most audited countries in 2025

It can be observed that, with the exception of Vietnam and, to a greater extent, Bangladesh, where respectively nearly half and more than 30% of production sites have non-conformities indicating a risk level of at least C, despite an overall score of more than 91% in both countries, more than two-thirds of the audited production sites are rated A or B on average. Approximately 20% of audited sites worldwide have non-conformities indicating a high level of risk (at least C).

12 Trends in social audit compliance, 2019-2025

Across the most audited countries, social compliance improved significantly between 2019 and 2025. The share of production sites receiving an A or B rating increased from 48% to 79%, a gain of 29 percentage points over six years. Compliance reached its highest level to date in 2025, with 75% of production sites receiving a B rating and 4% achieving an A rating. Compared with 2024, the combined share of A and B ratings increased by a further 5 percentage points. This positive trend was accompanied by a continued decline in higher-risk ratings, particularly E, while the share of production sites receiving a C rating also continued to decrease.

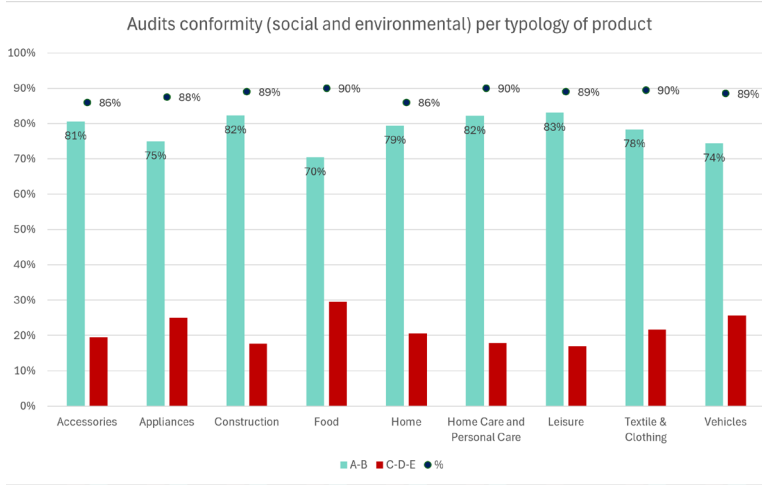


13 Compliance by sociale audit chapter



Working hours remained the chapter where non-conformities were identified most frequently, with more than 50% of audits reporting findings rated C or higher. This was followed by health and safety, management systems, and transparency and traceability, each accounting for around 15% of identified non-conformities. Wage-related issues and disciplinary practices, harassment and abuse came next, with non-conformities identified in approximately 5% and 7% of audits, respectively. Overall, the most critical findings remained relatively uncommon. Non-conformities related to child labor affected fewer than 2.5% of audited production sites, while those involving forced labor accounted for approximately 0.2%.

14 Compliance rate by sector



All nine sectors covered by the ICS standard achieved an average compliance score above 85%, with four sectors : Home, Food, Textiles and Apparel, and Health and Beauty, exceeding 90%.

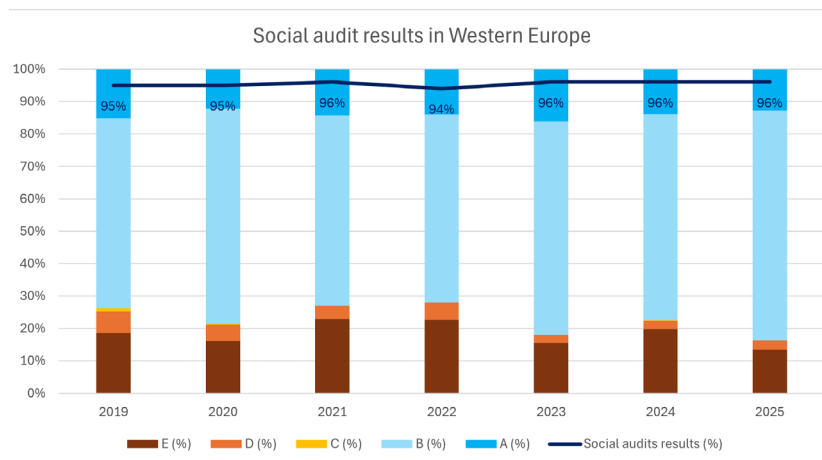
Overall, 78% of audited production sites received a final A or B rating. This highlights the importance of assessing the urgency and severity of non compliances in the ICS rating system: a result may show a very high percentage but still be considered “high risk” due to a single severe non-compliance.



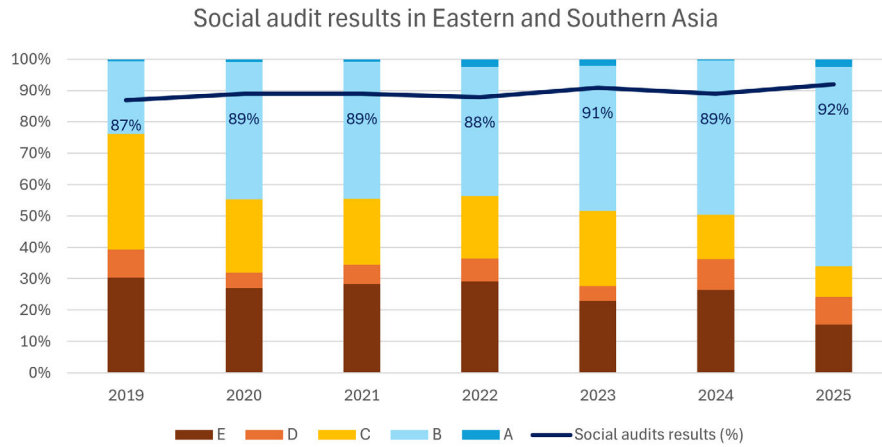
FOCUS SOCIAL AUDITS RESULTS IN COUNTRIES UNDERGOING INCREASING AUDIT DEMAND

15 Distribution of social audit ratings in Western Europe 2019-2025

The average score of social audits in Western Europe remained stable in 2025, at 96%, a level identical to that of 2024 and 2023. The distribution of criticality levels improved slightly compared with 2024, with a majority of sites rated A or B, and very few critical non-conformities.



16 Distribution of social audit ratings in East and South Asia

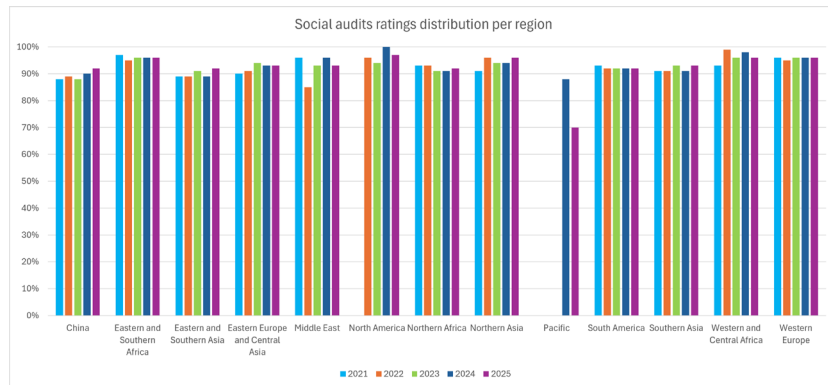


The average score of audits in East and South Asia increased to a record level in 2025, with an average of **92%**, compared with a historical range between **87% and 92%**.

Compliance levels have remained stable since 2020, despite some variations. In 2025, there was a decrease in **level C non-conformities**, in favour of **level B assessments**.

17 Regional distribution of overall social audit scores

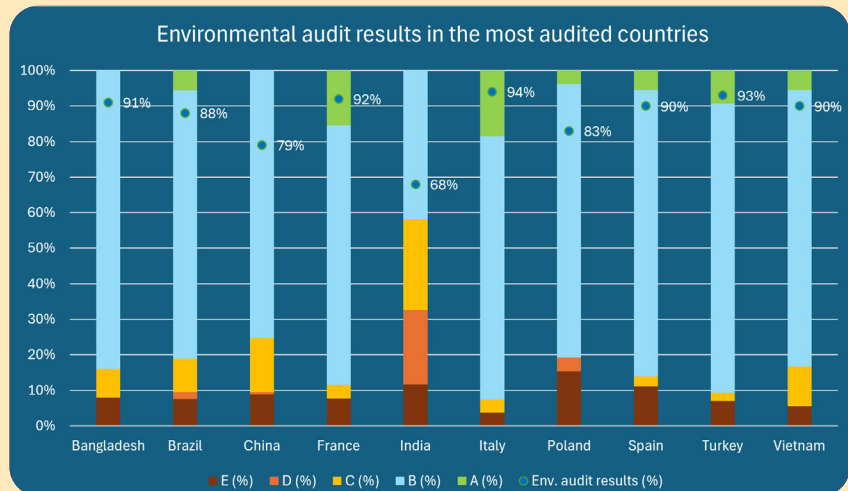
In 2025, North America recorded the highest average social audit score in 2025, followed by West and Central Africa, North Asia, East and Southern Africa, and Western Europe. The Pacific region recorded the lowest average score.



ENVIRONMENTAL AUDITS RESULTS 2025

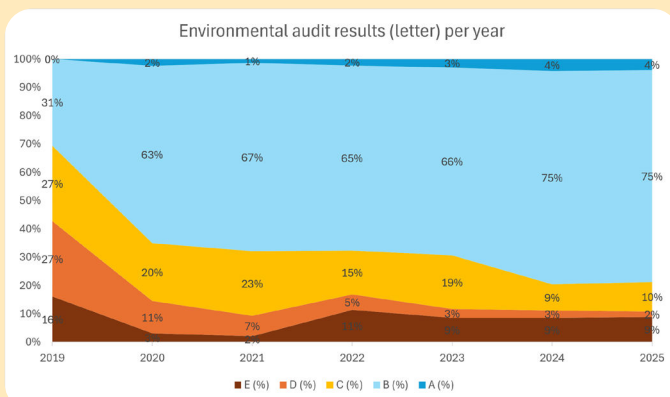
18 Environmental audit results for most audited countries

Among the countries assessed, India recorded the lowest average social audit score at 68%, followed by China at 79%. Meanwhile, Italy achieved the highest average score, followed by Türkiye and France. Spain, Bangladesh and Vietnam also recorded average scores above 90%.



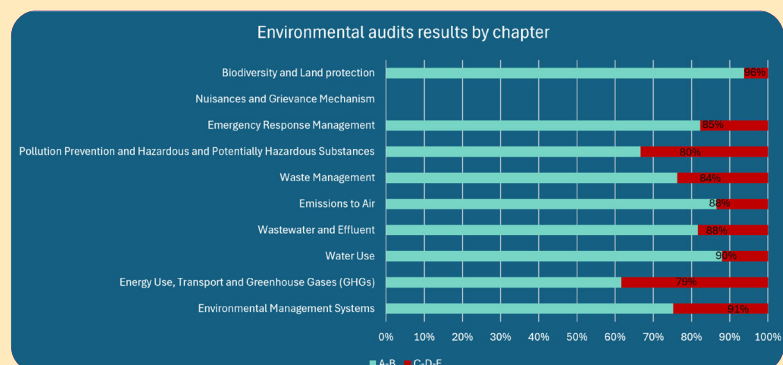
19 Environmental audit results for all audited countries, 2019-2025

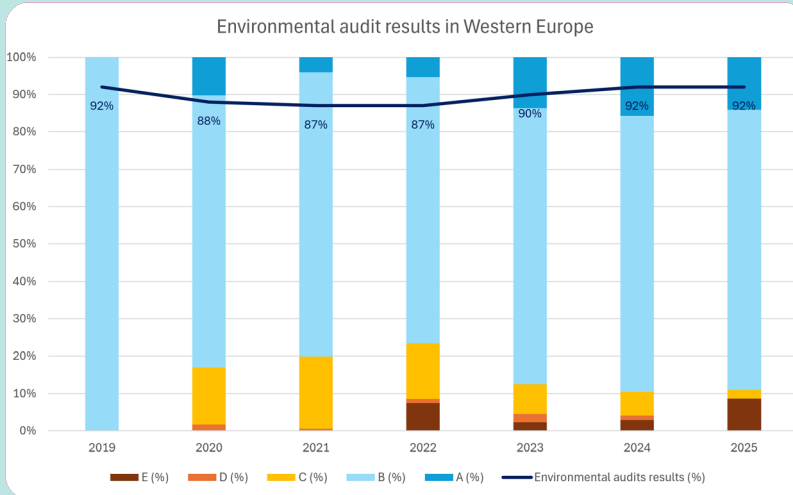
A clear improvement in environmental audit compliance can be observed between 2019 and 2020, followed by a stabilisation between 2020 and 2022, although with a slight decrease in “A” ratings and an increase in critical non-conformities in 2022. In 2023, this trend improved and was confirmed in 2024, with an overall reduction in audits presenting critical non-conformities, in favour of compliant audits. This trend stabilised in 2025, with 75% of audits rated B and 4% rated A, the same results as in 2024. At the same time, critical non-conformities (E and D) remained stable, while level C non-conformities saw a slight increase, from 9% to 10%.



20 Compliance by environmental audit chapter

The highest rates of non-conformity were identified in energy use, transportation and greenhouse gas emissions and pollution prevention and hazardous materials management, with findings reported in just over 33% of audits. These were followed by environmental management systems and waste management. Across all other environmental audit chapters, average compliance remained close to 87%.





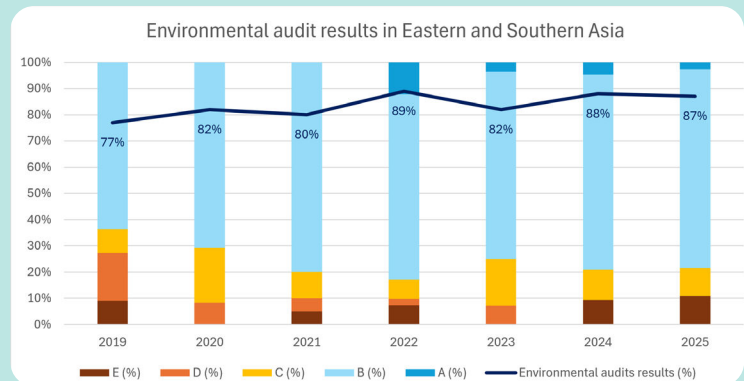
21 Distribution of Environmental Audit Ratings in Western Europe 2019-2025

In 2025, audited sites in Western Europe showed overall compliance levels that remained stable compared with the previous year. The average score for environmental audits reached the same level as in 2024, the highest level over the period, confirming the continuous improvement that began in 2023. It can be observed that the compliance levels (A and B) remain confirmed, while the most critical non-conformities (E) saw a

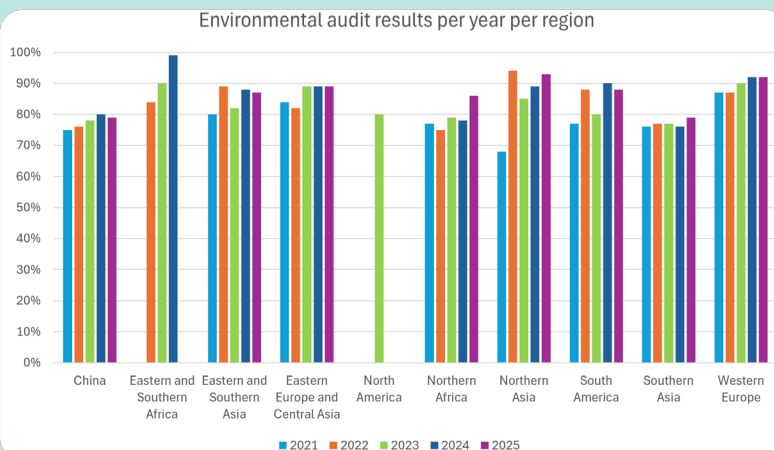
significant increase compared with previous years, exceeding the level recorded in 2022, the most critical year. This increase may be explained by an update to the environmental standard in 2024, which introduced a new assessment of certain critical non-conformities.

22 Distribution of Environmental Audit Ratings in East and South Asia

In 2025, audited sites in South and East Asia showed stable compliance compared with the previous year. Following a decline observed in 2023, the overall score rose significantly, returning to a level close to that of 2022, which marked a peak in environmental performance in the region. Compliance levels A and B stabilised in 2025, without returning to the scores recorded in 2022. The most critical levels (E) increased in 2025, exceeding the level reached over the entire period.



23 Regional distribution of overall environmental audits



In 2025, North Asia ranked first with the highest average score, returning to its 2022 level, followed closely by Western Europe, which has maintained its level of compliance since 2023. South America and Eastern Europe also recorded high scores, as did South and East Asia, which stabilised its level of compliance. North Africa rose to become one of the highest-rated regions, with an increase of nearly 10 points. China remained the region with the lowest average score, joined in 2025 by South Asia, which nevertheless recorded a slight improvement.

Part

5

CHANGE

Unite, trace, assess, monitor... to what end?
Audits would be nothing more than a tool for managing legal risk, rather than a means of driving profound transformation at production sites around the world, if they were an end in themselves. For ICS and its member retailers, there is an “after the audit”—the purpose and ultimate goal of everything presented in this report.
To sustainably align the response to our economic needs with human and non-human rights.

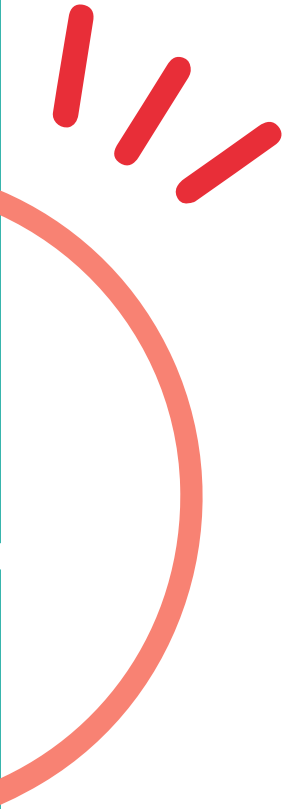
THREE TOOLS TO BRING ABOUT SUSTAINABILITY TRAINING

Educating: production sites’ managers, auditors, and ICS members on international organization social and environmental

Transforming: by patiently instilling an understanding of human and environmental rights in production site managers, by conveying concepts and requirements raising awareness among all producers, whether or not their sites have been audited.

Complying: through corrective action plans, the ICS cornerstone to ensure audited factories change.





-
- 5.1. Training sustainability stakeholders
 - 5.2 Transform production cultures
 - 5.3. Conforming global supply chains
-

5.1 | TRAINING ACTORS

TRAINING RETAILERS

ICS database trainings

The digital ICS database brings together all functionalities related to information collection, audit launching (except payments), audit management, audit result tracking, risk management, media alerts, and statistical extractions. Mastering this digital tool is therefore a prerequisite for the successful implementation of compliance, even on the other side of the world. As a result, ICS regularly offers training sessions (five in 2023). ICS thus reaches over 900 CSR and purchasing managers worldwide, all of whom are daily users of the database



The stakeholder training catalogue

The ICS takes a proactive approach by sharing pertinent training materials from international organizations. This sharing ensures that ICS members and factories have access to continuous and in-depth knowledge about social and environmental standards. Given that these standards are numerous, continually evolving, complex, and often specific to individual countries, maintaining an up-to-date catalog of ongoing and ad-hoc training courses is essential. In 2022, the ICS shared the following training opportunities with its members :



OECD's e-learning Academy on Responsible Business Conduct

- OECD Due diligence in agricultural and maritime supply chains
- OECD Due diligence in textile supply chains
- OCDE Due diligence in electronic supply chains



ILO-International Training Center for labor conditions

- The e-learning course on Labour inspection
- Training of trainers on building inspections systems
- Webinair on ILO Global Busniess network on forced labour



The International Trade Centre (UN-ITC), such as :

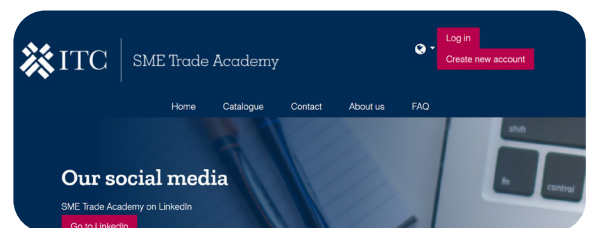
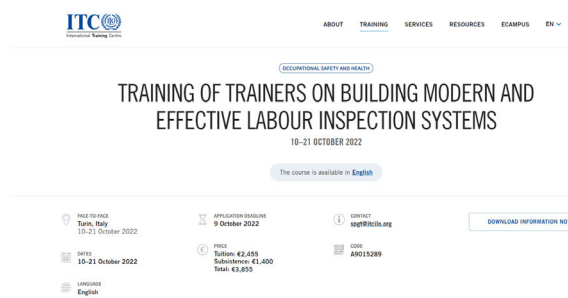
- Introduction to the international cocoa industry
- Respecting standards in the food industry
- Introduction to CSR
- Introduction to Standards and sustainability
- Becoming a climate-resilient SME
- Standards and technical requirements in the leather industry
- Measuring and monitoring social impact
- Business competitiveness through sustainability



The UN Food and Agriculture Organisation (FAO)

- Communicate effectively to eliminate Child labour in agriculture
- Transparency and Forest in the context of the Paris Agreement → ntroduction to the links between water and forests
- SDO 15.1.1 and 15.2.1
- Introduction to Child labour in agriculture

The ICS takes a comprehensive approach by **combining international standards and methodological training with the efforts of its working groups**, which are tasked with translating regulations into practical assessment tools. This integrated approach plays a vital role in continuously improving the skills of ICS CSR officers, whether they are newcomers to the field or experienced professionals adapting to the evolving landscape of CSR regulations and practices worldwide.



TRAINING AUDITORS



Like the CSR managers of ICS member retailers, auditors are among the leading CSR professionals. ICS contributes to their ongoing professional development in two ways:

The efficiency, smooth running and speed of audit campaigns and the corrective actions that follow also depend on audit firms' effective use of the database (planning teams, review teams and auditors), as well as, naturally, on their thorough understanding of the ICS standards, which are known for being highly prescriptive and stringent.

ICS teams also had the opportunity to hear feedback from the field, share the challenges encountered, and work with auditors to co-develop concrete areas for improvement.

These meetings also provided an opportunity to present developments in ICS tools and share relevant updates with all stakeholders.

As part of this same approach, ICS also organised the Audit Firm Summit on 23 June, a full-day event dedicated to audit firms authorised to conduct ICS audits



Auditor Training: Purpose and Practical Application of CSR

: In 2022, ICS, the ILO Training Centre, and ITC met in Turin to outline a groundbreaking training program on Due Diligence, tailored to the needs of social auditors. Letters of intent were signed in 2023, and in 2025, an unprecedented survey was sent to 1,500 international auditors to gather insights on disparities in practices, expectations, and workplace well-being of social auditors, who work daily in the field to assess and support the sustainability of global production chains.

5.2 | TRANSFORM PRODUCTION CULTURES

Initiate, strengthen and share the sustainability culture

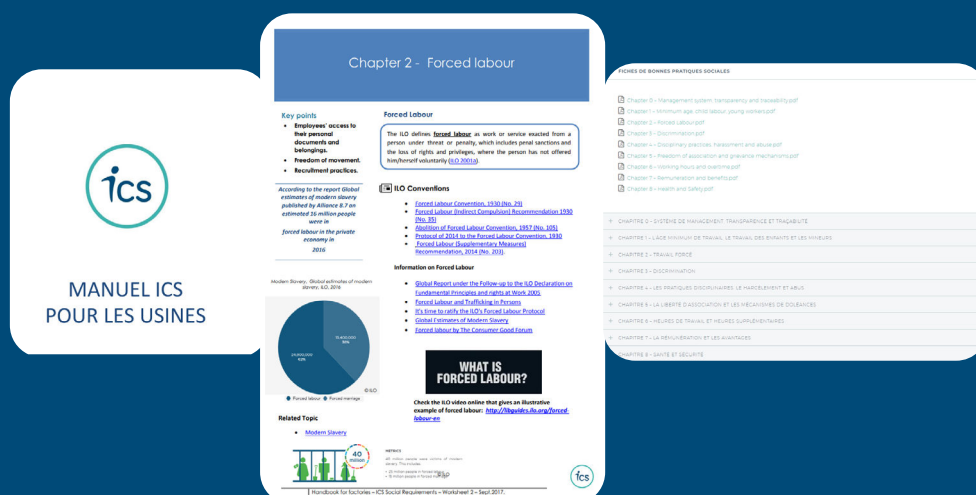
Within the ICS framework, prioritized and targeted audit campaigns are complemented by a gradual and middle-run acculturation to Human and Environmental rights. To foster to this cultural change, the ICS employs a range of tools bridging the gap training and control.



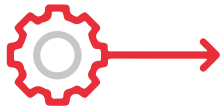
Once a production site is integrated into the ICS database, its management receives an invitation to complete its Factory Profile. This profile includes a total of 81 questions related to compliance, serving as an initial step to raise awareness about human and environmental rights. Additionally, the site is provided with :

- A social handbook
- An environmental handbook
- Thematic memos and focuses

In total, in 2025, 17,124 production sites had received this documentation.



The environmental checklist, opened to all factories and brands in April 2023, serves not only as a complementary data collection tool to audits but also as an opportunity for production site managers to self-assess their environmental maturity, identifying strengths and areas for improvement. By the end of 2025, nearly 1,500 factories had completed their environmental checklist, either at the request of brands or independently.



Lastly, the ICS Team, in collaboration with its audit partners, maintains a continuous assessment of the effectiveness of its standards and methods. This involves monitoring closely audit reports and results on a daily basis. The aim is to identify any discrepancies or inconsistencies in ratings over time, both within a specific audit firm's reports and between different audit firms.

When errors or discrepancies are identified in the ICS process, the ICS team and audit managers engage in discussions and implement appropriate corrective measures.

In 2025, **27 adversarial review procedures of audit reports** were carried out by ICS, followed by the necessary corrective measures. These procedures focused on the most serious cases and the most significant deviations from our processes and procedures.



WHY DO AUDITORS NEED TO BE MONITORED ?



As any profession, auditors themselves are under continuous monitoring by their management, supported by the ICS Team regarding the ICS standards and processes. Auditors are thus audited, either by audit firm internal teams or by the ICS directly, leading to investigations and counter-audits when necessary, followed by the necessary corrective measures.

To this end, the ICS hold a specific and reliable position to support audit firms in their continuous improvement processes: partnering with 11 audit firms conducting the same ICS standards in more than 70 countries, the ICS has the view to identify and question discrepancies.

5.3 | CONFORMING GLOBAL SUPPLY CHAIN: ICS RE-AUDIT RESULTS

Corrective action plans

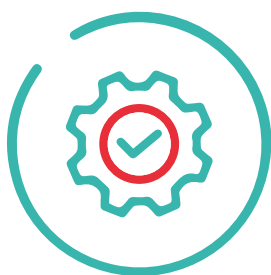
To assess the ICS's performance, one needs to underline the ICS's strong understanding of compliance and sustainability: IICS member's work isn't about solely controlling a supplier or producer risk level to include or exclude it from its supply chain. Much further, and following international recommendations, the ICS's members duty is to onboard suppliers and producers on a lasting compliance process, that is to onboard them on to the sustainable economy journey.

To do so, the ICS unfolds a master tool: **Corrective action plans, set up at the audit's end.**



After the audit, comes the CAP

Following up to several intense days, the audit process typically concludes with a significant and formal event known as the «closing meeting.» It brings the factory management and the workers representatives around the table, to present overall conclusions and list the non-compliant items and best practices. Non-compliant items will be reviewed by the audit firm reviewing team before being sent to the ICS member. The ICS member will in turn then monitor the Corrective Action Plan and set the corrective actions target dates according to their criticality. Through the ICS database, the factory management will be requested to upload compliance evidence (pictures, certificates, licences, detailed explanations) to be further assessed by a follow-up audit or re-audit.



Following the Initial Audit

At the end of an initial audit, regardless of its score, and particularly if it receives a critical rating of C, D, or E, the production site will be offered a corrective action plan by the retailer commissioning the audit or any other retailer wishing to participate in the plan's implementation. Once the plan is completed, based on self-reported data and supporting evidence submitted digitally, a follow-up audit can be requested by the retailer to verify the actual implementation of compliance measures.

The production site will then be re-audited, on average, within two years, covering all chapters of the ICS standards

8 Health and Safety

D 8.30 Are emergency exit paths designated with visible path markings ?

Description of Non compliance It was noted that aisle marking is not marked in Dining hall and Spray Painting section located at Second Floor of Building-1 in which 04 workers are working and total area will be 1500 square feet Local law: In accordance with Factories Act 1948, Chapter IV, Section 38 (1), in every factory all practicable measures shall be taken to prevent out break of fire and its spread both internally and externally and to provide and maintain – (a) safe means of escape in all persons in the event of a fire and (b) the necessary equipment and facilities for extinguishing fire. (2) Effective measures shall be taken to ensure that in every factory, all the employees are familiar with means of escape in case of fire and have been adequately trained in the routine to be followed in such case.

Target date: 22/07/2019

Status: Verified by ICS member

yellow.markins.1.jpg
yellow.markins.jpg

It is recommended the factory to mark aisle marking at Dining hall and Spray Painting section for workers easy identification.

Dear Bruno, could you please upload a file for the Dining hall ? thank you.

Yellow line seems properly marked, ensure it remains unblocked to be used in case of emergency.

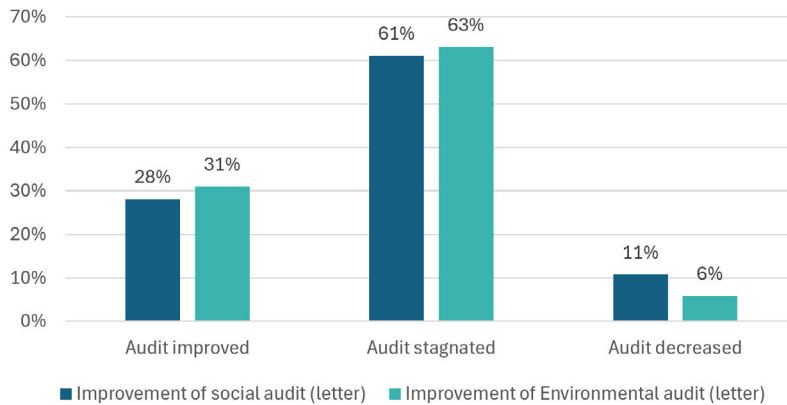
Dear Bruno-please share the evidences for finding closure.

The file yellow marking 1.jpg has been uploaded.

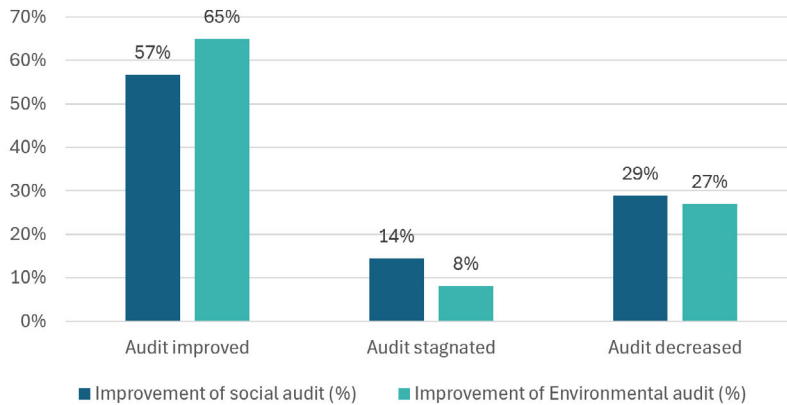
Factory city	Retailer	Category	Visit date	Overall rating	CAP initialization date	Last CAP target date	Nb corrected	Nb to verify	Progress
New Delhi		Social	14/06/19	B 97%	30/06/19	17/06/19	4 / 4	0 / 4	100 %
FUDHOU		Social	31/07/19	D 84%	05/08/19	30/09/19	8 / 8	0 / 8	100 %
YUNAO		Social	27/05/19	B 85%	03/06/19	27/06/19	11 / 11	0 / 11	100 %
Shenzhen		Social	26/05/19	C 92%	07/06/19	26/11/19	6 / 6	0 / 6	100 %
Dongguan		Social	23/05/19	B 98%	03/07/19	30/06/19	1 / 1	0 / 1	100 %
Kul Hu		Social	24/05/19	C 92%	07/06/19	31/12/19	4 / 4	0 / 4	100 %

ICS can then assess the impact of its actions: in the social field, between 2021 and 2025, 57% of production sites that were re-audited recorded **an improvement in their social performance across all chapters**, with this proportion rising to **65% for environmental audits**.

Improvement ratio of audits (Letter)



Improvement ratio of audits (%)



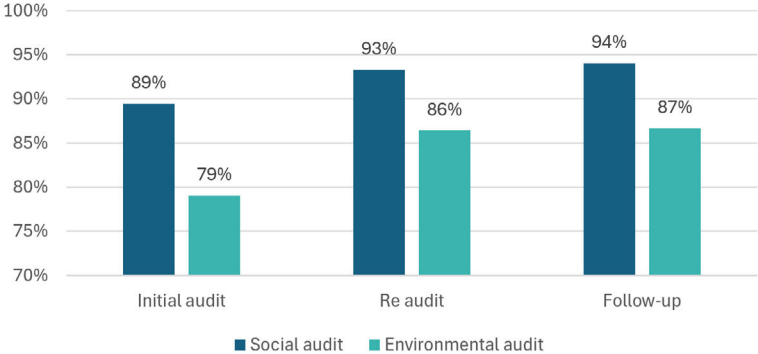
24&25 Distribution of Compliance Improvement of Production Sites Subject to Re-audit or Follow-up Audit Since 2021

Among the sites re-audited under the social standard, 28% saw their letter grade improve, 61% remained stable, and 11% experienced a decline. In terms of percentage scores, 57% of social audits improved, 14% remained unchanged, and 29% decreased.

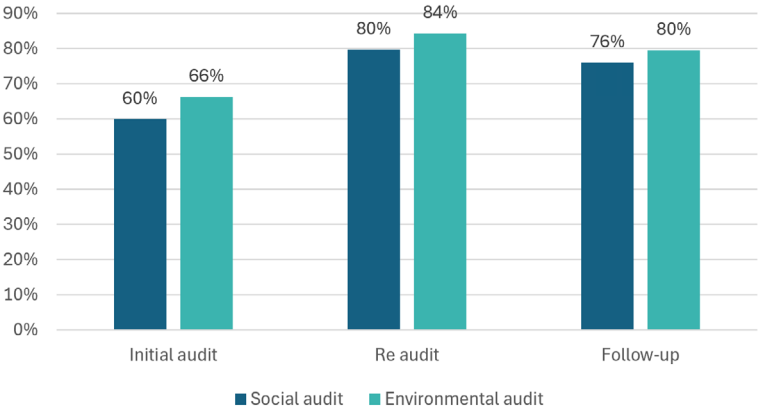
For environmental audits, 31% of sites showed an improvement in their letter grade, 63% remained unchanged, and 6% declined.

In percentage terms, 65% of environmental audits improved, 8% stagnated, and 29% decreased.

Audit conformity level evolution according to audit type



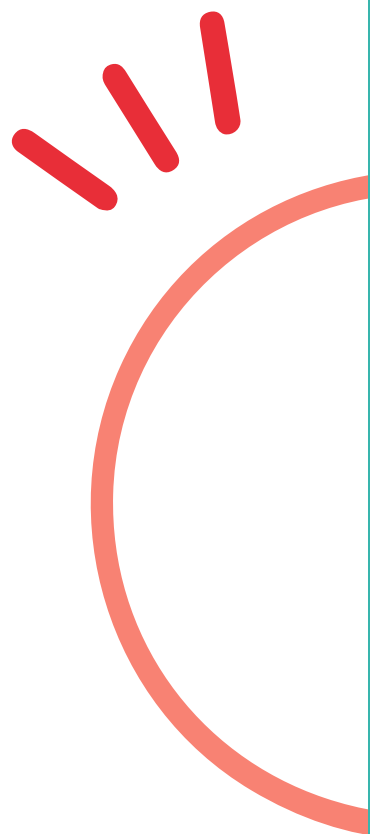
Audit rated A or B evolution according to audit type



26&27 Distribution of Compliance in Follow-up Audits Compared to Initial Audits (2021-2025)

In the social field, it can be observed that between an initial audit and a second audit (follow-up or full audit), the share of audits rated **A or B in terms of criticality** increases by **16 points following a follow-up audit**, and by **20 points following a re-audit**. The overall compliance of an audit increases by **4 points**.

In the environmental field, the share of audits rated **A or B** increases by **18 points** between the initial audit and the re-audit, and by **14 points** in the case of a follow-up audit. The overall compliance rate increases from **79% to 86%, then to 87%**, representing an improvement of **7 and 8 points**, respectively.





WE EXPRESS OUR GRATITUDE TO

International organisations supporting us in implementing their standards, international and local initiatives informing or alerting us, stakeholders sharing their expertise or reaching out to ours, audit partners, their management, scheduling, reviewing and training teams and of course all their social and environmental auditors, our “eyes and ears” in the world supply chains. To all our members, who have made the ICS a world-known organisation for Human and Environmental rights.

This report was produced with the support of the ICS Team.



For more information about the ICS
www.ics-asso.org

You want to start a partnership with the ICS
or start a membership process :
contact@ics-asso.org

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