ICS HANDBOOK FOR FACTORIES
ICS SOCIAL REQUIREMENTS

Table of content

ICS Presentation

ICS Structure

Initiative Clause Sociale (ICS) is a multi-sector initiative that conducts social audits in the textile, clothing, bazar, leisure, furniture, fixtures, equipment, appliances and food sectors with the aim of improving working conditions along global supply chains. ICS members join efforts by rolling out a shared audit framework in their production plants and by exchanging information on their common factories within the ICS database. On the internal ICS database, ICS members share the results and all documents related to the audits (Audit questionnaire, Factory Profile, CAP etc.) only with the members working with the audited factories. The ICS initiative enables brand to collaborate, mutualize audits and to contribute to the reduction of the audit 'fatigue'. The ICS is not a sourcing platform as member retailers can only access information on the factories they are linked to.
The list of ICS member companies is available on ICS website www.ics-asso.org.

ICS common methodology

Due diligence is the way forward advanced transparency and responsibility across global supply chains. A combined approach of social audits and 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 almost 50 countries. ICS actions are based on a common methodology applied by all ICS members and securing a complete control of the audit process by brands.
- ICS audits can only be requested by an ICS member and not by a supplier, a factory or any intermediary. The aim is to ensure the impartiality of the audit process.
- ICS audits are performed only by third party audit companies accredited by ICS.
- ICS members share common monitoring rules when critical non-compliances are identified in the factories.
- ICS audits are semi announced or unannounced.

Our partners on the ground

Audit quality is monitored by ICS through statistical indicators and comparative analysis as well as by ICS members' collaborative feedback and review.

The nine audit companies are: API, AQM, Arche Advisors, Asia Inspection, Bureau Veritas, Intertek, SGS, TUV Rheinland, and UL.

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 Bengali and Hindi, Chinese, English, French, Spanish and Turk.
- The ICS Code of Conduct directly refers to International conventions on fundamental human rights, Fundamental international labour standards, Applicable international labour standards, OECD guidelines for Multinational enterprises and Applicable national and/or local legislation. The complete list of reference documents is available in Annex.
- The Code of Conduct covers the 9 chapters of the ICS audit questionnaire:
  - Chap. 0 - Management system, transparency and traceability
  - Chap. 1 - Minimum age, Child labour and Young workers
  - Chap. 2 - Forced labour
  - Chap. 3 - Discrimination
  - Chap. 4 - Disciplinary practices, harassment or ill treatments
  - Chap. 5 - Freedom of association and grievance mechanism
  - Chap. 6 - Working hours
  - Chap. 7 - Wages and benefits
  - Chap. 8 - Health and safety.

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 results are confidential and not accessible to ICS members not linked to the audited factory. ICS members must reference their supplying factories or factories under referencing process in the ICS database 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 social compliance of factories.

ICS audit documents shared with the supplier

The ICS audit report cannot be shared with the supplier in order to protect data confidentiality that employees might have shared with the auditors. The supplier will receive the following documents:

- The **Factory Profile** is sent 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 **Corrective Action Plan (CAP)** is signed in local language during the audit closing meeting by the facility management. The CAP reports the non-compliances identified during the audit and their associated recommended corrective actions.
- The **Summary of Content (SOC)** indicating the rating of each chapter of the audit and the global rating (a letter and a percentage) is sent to the factory.

ICS audit

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 report the best practices observed by the auditors in the facility.

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

- Production areas, and
- Storage areas, and
- Living and eating areas of employees if applicable, and
- All associated buildings near the site of production.

In the case of shared buildings, the auditors will access the whole building as risks can originate from shared premises.

ICS audit process

The ICS audit process consists of six steps:

The auditors are the persons in charge of the audit process. The actual audit may or may not follow this order. However, all steps as 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:
- Most of the ICS questions are evaluated against local legal requirements.
- If the audit question and guideline do not refer to compliance with local legal requirements, the facility's practices are evaluated against ICS requirements.
- However, 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. an object in an emergency path), auditors will report the non-compliance in the report but might, if appropriate, indicate in the Corrective Action Plan that the non-compliance has been immediately closed.
- If the auditors are unable to confirm the full compliance, the observation will be reported as non-compliance.

Opening Meeting

- **Attendees:** auditors, facility management and workers' organization representatives.
- **Purpose:** to introduce the auditors, to review the audit scope, 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 in the audit report documents and shared with ICS client members only. Pictures taken will be treated as confidential data.
- **Notification from the facility:** The facility should inform the auditors if any other visit or audit (social audit, inspection etc.) is performed in parallel of the current audit.

Documentation Review

- **Purpose:** auditors will review facility's documents and records such as wage records, time cards, employment contracts and security training reports 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.

Employees and Management Interviews

- **Attendees:** auditors conduct interviews with management personnel, e.g. Human Resources Manager, EHS Manager and employees. Interviews with employees are to be conducted in private, without the presence of management staff, to assess working conditions including remuneration, working hours, type of contract, wage deductions and social benefits. Interviews will be conducted individually and in groups and should include different employee categories (e.g. permanent, temporary, full-time, part-time, young workers, migrant workers, etc.). For additional information on interviews sampling, please refer to the section on Methodology of the present Handbook.

Facility Tour

- **Attendees:** auditors and facility's representatives who accompany the auditors.
- **Purpose:** to evaluate health and safety conditions 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, 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 employees.
- **Photos are taken** during the walkthrough of the outside (facility's gate, buildings and name etc.), of the inside (its work floors, etc.), of the canteen, of the warehouse and the dormitory.

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 counter-arguments 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 take action and solve non-compliances. The Corrective Action Plan (CAP) will contain a clear description of all non-compliances identified. A specific target date will be set for every non-compliance and the last CAP target date (i.e. the target date of the last action to be completed) will be clearly stated in the CAP. **The CAP should be issued on-site in the local language, signed and agreed to by the facility's management representative, the workers' organization representative and the lead auditor.** A copy of the CAP will be kept by the facility. An English version of the CAP will be issued later off-site by the auditors. The ICS member will receive both versions (local language and English).
- **Notification from the facility:** The facility should indicate to the auditors if any other visit or audit has been performed in parallel of the current audit (if not mentioned during the opening meeting and in case the audit has been conducted during several days).

ICS audit content

The ICS audit questionnaire is composed of 9 chapters divided in sub-sections and questions. A non-exhaustive list of the sections analyzed by auditors is provided below for each chapter:

Chapter 0 - Management system, transparency and traceability
- Existence and communication of policies set by the factory on child labour, forced labour, discrimination, disciplinary practices, harassment, abuse, freedom of association, work hours and overtime, remuneration and benefits, health and safety and anti-bribery.
- Hiring and termination terms.

- Supply chain and sub-contracting practices.
- Specific employment categories (e.g. homeworkers, migrant workers).
- Transparency and accessibility of the documents.

Chapter 1 - Minimum age, Child labour and Young workers
- Child labour legislation and international standards.
- Employment conditions of young workers.

Chapter 2 - Forced labour
- Employees' access to their personal documents and belongings.
- Freedom of movement.
- Recruitment practices.

Chapter 3 - Discrimination
- Treatment of workers in terms of hiring, compensation, access to training, promotion, termination and retirement.
- Existence of anti-discrimination procedures.

Chapter 4 - Disciplinary practices, harassment and abuse
- Absence of forms of harassment, mental, physical and/or verbal abuse, corporal punishment and disciplinary practices.

Chapter 5 - Freedom of association and grievance mechanisms
- Collective bargaining and unions.
- Modalities of workers representatives' meetings with factory management.
- Existence and communication of factory's grievance mechanisms.

Chapter 6 - Working hours and overtime
- Regular working hours (per week, month and year).
- Overtime working hours (per week, month and year).
- Rest breaks and days off.

Chapter 7 - Remuneration and benefits
- Wage payment and payment methods for all employees' categories.
- Payroll records modalities.
- Overtime payment for all employees' categories.
- Social insurance and benefits.
- Wage deductions.

Chapter 8 - Health and safety (factory's production sites and dormitories)
- Documentation on building safety and fire safety.
- Health and safety risk assessment management.
- Trainings on health and safety for all employees.
- Trainings for emergency response personnel.
- Modalities of fire drills.

- Existence and communication of accident and emergency plans and procedures.
- Emergency exit paths visibility and accessibility.
- Emergency exit doors and windows visibility and accessibility.
- Fire equipment visibility and accessibility (fire extinguishers, smoke detectors, fire hydrants etc.).
- Electrical equipment (electrical panels, wires and outlets).
- Production machinery safety.
- Hazardous, Flammable and Combustible Materials.
- Personal protective equipment (PPE).
- Sanitation (washing areas, toilet areas and potable water).
- Medical care and first aid kit.
- Trainings of employees on medical care administration.

Methodology

ICS audit types

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 social compliance of a factory and report observed non compliances and best practices at a given date.

There are 3 types of ICS audit:

- Initial audit: it is an audit carried out for the first time in the factory or more than 2 years after a previous audit. 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 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). It should be initialized no later than 24 months after the completion of the previous ICS initial audit or re-audit. The duration of the re-audit is defined according to the size of the factory.

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 ICS-accredited audit firms can perform ICS audits).

ICS audit announcement types

ICS process allows either **semi-announced audits** within a window of a minimum of two weeks or **fully unannounced** audits. In line with their due diligence process, ICS members select the audit announce type and the ICS-accredited audit firm.

▪ In the case of semi-announced audits: the factory will be informed by one of the ICS-accredited audit firm 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.

▪ In the case of unannounced audits: the factory will not be informed about the ICS audit.

Audit duration

The audit duration for a follow-up audit is always 1 man-day and the audit duration for initial audits and re-audits is set between 1 and 4 man-days according to the following sliding scale:

Number of facility's workers and staff	Number of auditor man-days
up to 150	1
151 - 500	2
501-1200	3
1201 plus	4

Employees interview sampling size

Depending on the number of workers and staff at the audited facility (as stated in the Factory Profile), 8 to 32 employees representing the main functions and levels will be interviewed. Out of the interviewed employees, approximately 2/3 will be interviewed in focus groups of 3 to 4 employees for approximately 30 minutes and 1/3 will be interviewed individually for approximately 15 minutes. The confidentiality of the information obtained during these interviews will be ensured by the auditors and the ICS members. **Employees' data protection is the main reason why ICS audit reports are not fully shared with the factories.**

Number of facility workers and staff	Number of interviews
up to 150	8
151 - 500	13
501-1200	20
1201 plus	32

Documentation sampling size

The above sliding scale is also applicable when determining the sample size of documents to be checked: a set of documents should be analyzed for each selected employee out of 3 selected months that will be determined by the auditors from different periods such as the current/previous month, peak and low production periods.

ICS audit rating

ICS double rating system

The ICS social 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, 60% C etc. The percentage indicates the degree of compliance of the factory and the letter indicates the degree of criticality related to defined major non-compliances.

The ICS rating system is grounded on a thresholds table coupled to the finding of critical non-compliances which require immediate attention and action. For instance, if an Alert Notification is raised, the facility rating can be 85% E: the facility is mostly socially compliant but one major issue has been identified and has raised an alert notification (i.e. an emergency exit locked). The ICS audit system is designed to report 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 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 social audit system.

Example of a summary of audit results by chapter

AN	AUDIT SUMMARY	Rating		Best Practices
		%	Code	
YES	0. Management System, Transparency and Traceability	16%	E	
NO	1. Minimum age, Child labour and Young workers	33%	E	
YES	2. Forced labour	20%	E	
NO	3. Discrimination	100%	A	
NO	4. Disciplinary Practices, Harassment and Abuse	100%	A	
NO	5. Freedom of association and Grievance Mechanisms	100%	A	
NO	6. Working hours and Overtime	60%	C	
NO	7. Remuneration and Benefits	64%	C	
NO	8. Health and Safety	78%	B	1
	RATING (Automatic calculation)	**63%**	E	1

Nota bene: The left-hand column reports the Alert Notifications (AN) triggered in each chapter. 'YES' 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
- Cause or might cause the loss of life or limb due to a risk of fire and non-existent or limited means of evacuation and firefighting, or
- Can influence the audit results due to fraud, or
- Involve a lack of transparency about the production processes or the use of homeworkers for the production of ICS member's goods, or
- Include cases of child labour, abuse and harassment, wage withholding, illegal and excessive disciplinary measures, not providing legal minimum wage and no payment for overtime work.

Questions Requiring Alert Notification	
0.1 **Critical AN**	Have all of the reviewed documents been found free from any manipulation or falsification?
0.22 **Critical AN**	Is client informed of homeworker use?
0.27 **Critical AN**	Are labour contracts of migrant workers in accordance with local law?
1.1 **Critical AN**	Does the facility currently employ only workers above the age of 15 or the legal working age?
2.1 **Critical AN**	Is there objective evidence that facility does not retain any document (e.g. passport, work permit, birth certification, official ID card, driver's license) without written agreement and without the possibility to recover them?
2.2 **Critical AN**	Does the facility avoid withholding wages during the employment relationship?
2.10 **Critical AN**	Is the facility free from any prisoner employment?

3.1 **Critical AN**	Are employees free from discrimination in terms of hiring, compensation, access to training, promotion, termination, or retirement?
4.1 **Critical AN**	Are employees free from any form of harassment, mental, physical and/or verbal abuse, and corporal punishment?
4.2 **Critical AN**	Are disciplinary measures implemented by the facility legal and non-excessive (e.g. lock outs, forced days off)?
Chapter 6 **Critical AN**	Alert Notification is triggered for Chapter 6 if the total amount of hours worked per week (regular + overtime) exceeds 84 hours. If the total amount of hours worked per week (regular + overtime) exceeds 72h then chapter 6 is E.
7.1 **Critical AN**	Is the legal minimum wage guaranteed to employees in accordance with local law?
7.11 **Critical AN**	Is overtime paid?
8.27 **Critical AN**	Is there a secondary emergency exit on every floor of the facility?
8.33 **Critical AN**	Are emergency exits unobstructed and unlocked?
8.43 **Critical AN**	Is there a fire alarm present at the facility?
8.48 **Critical AN**	Are there fire extinguishers on every floor of the facility?
8.91 **Critical AN**	Is the dormitory not located next to hazardous material storage or production building where hazardous work is performed?

Access denied to the facility

The facility should allow auditors into the facility's buildings to perform the ICS social 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 explains the purpose of the visit and the procedure of the audit to the facility's representative or the point of contact.
- Auditors take notes of all details of the situation to report to the ICS member.
- In case of refused access by the facility, the management of the facility can contact its vendor/client to verify the validity and importance of the ICS social audit.
- 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".

Annex 1: Documentation review

Type	Document
Operation license	Business License
	Insurance policy/certificates (building)
	Building fire safety certificate
	Tax registration number
	Building structure safety certificate / legal real estate certificate
	Building approval plan / Building construction certificate
	Building layout plan
Facility rules	Employees handbook
	Recruitment guidelines / policy / advertisement
	Factory rules including disciplinary policy
	Dormitory rules (if applicable)
	Promotion system / record
	Complaint procedures and systems
	Organization chart
	Anti-discrimination policy (if available)
Health & safety	Health & safety policy
	Fire inspection report
	Fire drill program & records and fire evacuation plan & procedure
	First aid certificate
	Register and annual inspection certificate of boilers.
	Register and annual inspection certificate of pressure vessels, ...
	Machines' maintenance / repair plans and records
	Special equipment operator permit / certificate (including electrician)
	Accident and injury register & records/recurrence avoiding measures
	Firefighting equipment list and inspection record
	Training record (include occupational health and safety)
	Fire officer certificate
	Register and annual inspection certificate of elevators, forklifts, other special appliances
	Test report of power generator
	Noise and temperature monitoring

	Regular potable water tests and certificates
	Special equipment registration / annual examination record
	Electrical installation inspection records
	Environment permit, pollution consents, legal environment related registers.
	Legal hygiene certificate of kitchen/canteen and staff health certificate
	Qualified certificate of doctor or nurse (depending of facility size and if legally required)
	List of operators authorized to handle the chemicals
	List of chemicals + MSDS (including hazardous material list if available)
	Regular pest killing records
	Occupational health check (if legally required)
Employees documents	Employees list
	Personnel files
	Copy of ID cards
	Entrance and annual health examination reports (if legally required)
	Juvenile workers list and programs applicable
	Labor contracts (all staff) including security staff including temporary workers (exhaustive list including all workers with any relationship with the facility)
	Legal official minimum wage document
	Disciplinary records
	Leave request notifications
	Resignation records
	Piece rate production records
	Time cards or attendance records (1 year)
	Comprehensive working hours system approval / extension of overtime hours application with approval
	Payment of social insurance, name list of social insurance, social insurance registration certificate/insured approval
	Wage list with employee signatures as verification
	Pay slips (1 year payroll journal) given to the workers and payment register
	Workers committee records
	Collective Bargaining Agreements (CBA)
	Meeting minutes of Unions / workers' representatives
	Labor union / Evidence of election of workers' representatives
	Working licenses for immigrants & migrants & agency staff

Other workforce	Sub-contractors' list
	Monitoring records on sub-contractors' social responsibilities performance
	Homeworkers' names list / monitoring records on homeworkers performance
Management system	Social accountability policy / Management system / periodic internal audit records

Nota bene: documents listed in *italic* are usually not provided but must be identified if available.

Annex 2: Glossary

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.
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.
Child care facility	Any room in facility 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.
Child Labour	Child labour 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 employee 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.
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 employees.
Contractor	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 employment relationship between the temporary agency worker and the factory, although there could be 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 employee earnings and the net amount they actually receive.
Discrimination in employment	Treating people differently or less favourably because of characteristics that are not related to their merit or the inherent requirements of the job.
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.
Employment terms	The conditions that an employer and employee agree upon for a job. Terms of employment include wage, benefits, working hours, job responsibilities, and probation periods.
Factory Profile	Questionnaire completed by the facility prior to the audit with data needed by the audit company in order to prepare for the audit. Facility profile includes such data as workforce profile, facility 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.
Foreign migrant	Employees who have entered the employment country from another country and do not hold a passport for the country of employment.
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.
Grievance	A statement of a complaint over something believed to be wrong or unfair.
Grievance Process	Formalized way to accept, assess and resolve complaints.
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 facility and the facility is not the final consumer of the product or service provided.
Language understood by concerned employees	Local language or reported language(s) spoken by employees.
Language understood by majority of employees	Local language or reported language(s) spoken by more than 50% of employees.
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.
Non-working children	Persons under the age of 18 that are present at the facility but not employed by the facility to perform work.
Overtime waiver	Document issued by local authorities allowing the facility 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.).
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 facility and/or its employees must abide by.
Possibility to recover	The employee should have free access to these documents and does not have to go through a second party to access documents. The employee has personal access to documents at all times (e.g., a lock box that the employee has the key to and can access 24/7).
Prison employment	Prisoners used as part of the work force. Under prison labour arrangements, prisoners may be brought to the facility, 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 an employee or several employees are required to manufacture, produce, assemble, and/or work on during a specific time frame.
Back-Up Subcontractor	Company(ies) appointed by the audited factory to take over fully or partly either production process(es) or purchase orders that must to be handled onsite within the facility's premise. 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 facility'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.
Skilled worker	A skilled worker has special abilities, experience or/and training to do a particular job. It can includes semi-skilled and highly skilled workers.
Supplier	An entity who supply goods or services to the facility. 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.
Temporary Obstruction	Access is obstructed by movable items, storage boxes, etc.
Triangulation	Triangulation techniques are observation, documentation review, interviews.

Unskilled worker	Unskilled workers are people who have no particular work skills.
Workers	Workers include both employees and employers, then a person working for a business enterprise independently of his/her 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…).** Employees are defined as all those workers who hold the type of job defined as paid employment jobs. 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).
Workers' organization	Any organization of workers for the purpose of furthering and defending the interests of workers with regard to working conditions and terms of employment.