



BRAND PERFORMANCE CHECK

Continental Clothing Company Ltd

PUBLICATION DATE: JULY 2016

this report covers the evaluation period 01-01-2015 to 31-12-2015

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on factory conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices. They evaluate the parts of affiliate supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own factories, and most factories work for many different brands. This means that in most cases FWF affiliates have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of affiliates. Outcomes at the factory level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF affiliates cannot guarantee results.

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with affiliate employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Continental Clothing Company Ltd

Evaluation Period: 01-01-2015 to 31-12-2015

AFFILIATE INFORMATION	
Headquarters:	London, United Kingdom
Member since:	02-10-2006
Product types:	Fashion, Promotional, Private label, Bags & Accessories
Production in countries where FWF is active:	Bangladesh, China, India, Turkey
Production in other countries:	
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	91%
Benchmarking score	81
Category	Leader

Summary:

Continental Clothing Ltd. (Continental) meets most of FWF's management system requirements and goes beyond some of them. Continental has a relatively small number of suppliers. It sources from five suppliers in India, China, Bangladesh and Turkey. High leverage and long-term relationships with suppliers give the company a strong basis for effectively improving working conditions.

Continental has monitored 91% of its 2015 purchasing volume and therefore meets FWF's monitoring threshold required of brands in 3+ years of membership. This, in addition to a benchmarking score of 81, places Continental in the Leader category.

Continental has started a living wage project at its main supplier in India. Continental is piloting the approach with 2 so called 'fair-share' collections, accounting for 5-10 % of the factory's production capacity. When the pilot is successful, Continental plans to expand the living wage project to a higher percentage of the factory's production capacity, which would allow the factory to make further steps towards reaching the living wage benchmark for all workers.

Continental systematically works towards resolution of corrective actions with all of its suppliers. After audits, remediation steps were taken and follow up is closely monitored. However, its supplier in China, accounting for 9% of Continental's 2015 purchasing volume, is not covered under a proper monitoring system. It has not been audited by FWF and the worker information sheet has not been posted there. FWF expects Continental to effectively address this during 2016. In addition, FWF expects Continental to enroll more suppliers in FWF's Workplace Education Programme.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

Good: It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of affiliates will receive a 'Good' rating.

Needs Improvement: Affiliates are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Affiliates may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

Suspended: Affiliates who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Affiliates may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	84%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	4	4	0

Comment: Continental has a limited (5) number of suppliers. In 2015, 84 % of Continental's purchasing volume came from 3 suppliers where Continental is responsible for more than 10 % of the respective suppliers' production capacity.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	75%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	4	4	0
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Comment: Continental enjoys a long-term business relations exceeding five years with 4 (out of 5) suppliers. Combined these suppliers account for 75 % of Continental's purchasing volume.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	No new suppliers	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	N/A	2	0
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Comment: Continental did not add any new suppliers in 2015. However, its main supplier in China, which produces for Continental for over 10 years, did not yet return a duly completed and signed questionnaire. Following the brand performance check this was addressed by Continental.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	No new suppliers	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	N/A	4	0
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1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0
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Comment: Due to the limited number of suppliers, which remain stable throughout the years, Continental has no need for a formal evaluation system to systematically evaluate its suppliers. However, generally Continental allocates more orders to suppliers that are more open to new ideas and willing to invest in improving working conditions. Similarly, orders are gradually reduced when suppliers are less open and willing to improve.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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Recommendation: A good production planning system needs to be established based on the production capacity of the factory for regular working hours.

Comment: Generally Continental guarantees to fill a certain production capacity at its suppliers. It does not push its suppliers when they are not able to meet the production deadline and does not impose pressure to do overtime. Continental aims to maintain a continuous production output throughout the year at its principal factories and produce 3-4 times a year at the other factories. Continental announced production plans at the beginning of the year and communicated with suppliers weekly to update itself on the status of production (planning). Suppliers always have at least 2 months leadtime before production starts and volume is known well in advance. Nonetheless, overtime (OT) does occur at Continental's suppliers in different countries. Some suppliers consistently plan some 2 hours of OT per day, or up to 60 hours per week. However, overtime is voluntary, which is evidenced by the fact that at Continental's supplier in India 50-60% of workers do not perform OT and at a supplier in Bangladesh one production line is reserved for workers that do not want to conduct OT.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
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Recommendation: Continental could discuss with factory management on the causes of excessive overtime and provide support to manage overtime.

Comment: Continental has strong relations with its suppliers, which enabled it to verify the clock cards when visiting suppliers. It therefore has a good understanding of the working hours at its suppliers, other than only from FWF audit reports. Continental is of the opinion that other brands, sourcing at Continental's suppliers, being strict on deadlines is the primary reason for factories to perform overtime. Another reason is that suppliers systematically plan production capacity based on a 60-hours workweek.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	4	4	0
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Comment: Continental does not put pressure on its suppliers regarding prices. It applies open book costing with the majority of its suppliers. At its main supplier in India, it calculated in detail what premium on the FOB price levels is required to enable this supplier to pay living wages to its workers (provided 100% of the production capacity is covered).

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	2	2	-2
1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Advanced approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	8	8	0

Comment: Continental started a living wage project as its main supplier in India. As part of the approach, Continental investigated the cost of living and family situation of workers and used this to establish a living wage benchmark. It then calculated what the lowest-earning worker would need to receive additional to reach the benchmark living wage. Following consultation with workers, it was decided that all the workers would receive the same nominal wage increase. Continental is piloting the approach with 2 collections, accounting for 5-10 % of the factory's production capacity. When the pilot is successful, Continental plans to expand the living wage project to a higher percentage of the factory's production capacity, which would allow the factory to make further steps towards the living wage benchmark or expand to more workers in the supply chain (e.g. dyeing house owned by the same owner).

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
1.13 Percentage of production volume from factories owned by the affiliate.	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 34

Earned Points: 31

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	91%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	N/A	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	91%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2
2.2 Degree of progress towards resolution of existing Corrective Action Plans	Advanced	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	8	8	-2

Comment: Continental tracks progress on all CAPs from all audits, including FWF audits and audits by other initiatives, such as BSCI. The product and sustainability manager of Continental visits factories several times a year to raise awareness, discuss implementation and encourage factories to make improvements. The status of findings is monitored in a systematic approach and status updates are requested every month. Efforts are coordinated between different staff that have influence over supply chain conditions. Proof of remediation work is collected. Documents and pictures are filed in the CAP and the status of findings is monitored during visits. Continental's suppliers had made significant improvements on occupational health and safety and other issues. Though improvements were observed during re-audits, issues regarding overtime and wages are more persistent and require more time.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	100%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
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2.4 Existing audit reports from other sources are collected.	Yes and quality assessed	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	2	3	0
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Comment: Continental has one supplier in China, which has thus far refused to be audited by FWF. Continental received a BSCI audit from this supplier and tried to follow-up on the corrective actions. The factory however was not very responsive.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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Comment: Continental shared the audit report in a timely manner; set deadlines for remediation of specific CAPs and follows up by sending reminders ahead of the deadlines concerned. Remediation is discussed via email, Skype and during missions. Pictures are collected of remediated CAPs.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Advanced Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	6	6	0
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Recommendation: Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Continental can agree on additional commitments that are required to mitigate risks. Continental is recommended to motivate its suppliers in China and Bangladesh to participate in the Workplace Education Programme.

Comment: All of Continental's production takes place in high-risk countries. Continental demonstrates high awareness of the specific risks in countries concerned in its wider supply chain, including cotton cultivation and spinning mills.

In India, Continental's two suppliers participated in FWF's Workplace Education Programme to increase workers' knowledge on their rights and communication skills with management. At a spinning mill in India, where high risk of restriction of movement is found, Continental cooperates with FWF and other members to work on an improvement plan. The risk of Syrian refugees at Continental's supplier in Turkey is considered low due to the geographical location of the factory. Unauthorized subcontracting has been an issue which has been addressed by Continental following a FWF audit.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Advanced Capacity	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	3	3	0
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Recommendation: Continental is advised to address potential risks upstream in the supply chain; especially spinning mills carry a higher risk for non-compliances.

Comment: Continental is aware of the specific risks in Bangladesh related to building safety, excessive overtime, lack of effective grievance mechanisms, unauthorized subcontracting and child labour. Continental's supplier in Bangladesh has been inspected by FWF, as well as the Accord on fire and building safety with remediation ongoing. It has also participated in FWF safety workshops, and has been enrolled in the Workplace Education Programme during 2015.

2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0
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2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1
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Recommendation: Cooperation among customers increases leverage, the chances of successful outcomes and long term improvements.

Comment: At a factory in India, Continental has actively engaged with FWF and other members to handle the high risk issue of freedom of movement, which is a typical issue for migrant workers in Tirupur. Consistent follow-up has resulted in significant improvements.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	No production in lowrisk countries	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	N/A	2	0
2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

MONITORING AND REMEDIATION

Possible Points: 30

Earned Points: 29

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	2	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved		
Number of worker complaints resolved since last check	2	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	No	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	0	2	0

Requirement: Continental must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. Continental should check by means of a visit whether the Worker Information Sheet is posted in all the factories.

Comment: One factory in China, with which it has a business relation exceeding 10 years and which accounts for 9 % of Continental's purchasing volume, has not posted the Worker Information Sheet.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	40%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	2	4	-2
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Recommendation: Continental is recommended to work with its suppliers to provide awareness raising training to workers in the factories concerned.

Comment: Continental's suppliers in India participate in the FWF Workplace Education Programme.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	6	6	-2
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Comment: Child labour was found at a subcontractor in Bangladesh used for printing of Continental's labels. With the support of Continental, suitable education was found for the child worker and wages were compensated. Steps were taken to avoid a recurrence of the situation. At a supplier in Turkey, a complaint was received regarding unauthorized subcontracting. This was addressed by Continental and the supplier took measures to avoid subcontracting in the future.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	-2
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Comment: Active cooperation takes place with other FWF member companies on a 2014 complaint at a supplier in India related to restriction of movement of young women workers living in a dormitory. The situation of the workers has since improved.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 11

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff is made aware of FWF membership requirements	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: The second day of employment of all new staff focuses on sustainability, including FWF membership requirements.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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Comment: The head of product and sustainability is in frequent contact with the suppliers. He is at the same time responsible for compliance. The production manager is also familiar with FWF and its membership requirements.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Affiliate does not use agents	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	N/A	2	-2
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4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	38%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	4	6	0
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Recommendation: In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. Continental should motivate its suppliers in Bangladesh and India to join WEP trainings.

Comment: Continental's suppliers in India participate in the Workplace Education Programme.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	N/A	4	0
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TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 7

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require affiliates to first know all of their production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	3	6	-2

Requirement: After the end of each financial year, FWF member companies must confirm their list of suppliers and provide relevant financial data. A complete suppliers list means ALL suppliers (including subcontractors) are included.

Comment: Continental has a very limited number of suppliers. Agreements are made which guarantee suppliers that Continental fills the capacity of a certain number of production lines. It therefore knows fairly accurately which production lines focus on Continental production. It also has long-term relations with most suppliers based on trust and transparency. Based on this, it has a good understanding of the potential risk of subcontracting. However, Continental cannot rule out that unauthorized subcontracting does occur, as it only visits the suppliers 2-3 times per year. This is also evidenced by the fact that a FWF audit revealed that its supplier in Turkey uses several (in-house) subcontractors.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
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Comment: Information about suppliers, including audits and CAP status updates, is shared between all staff responsible for product development, sustainability, quality control and production.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

Recommendation: Continental should control better how its customers communicate about the sustainability credentials of Continental products, e.g. some re-sellers communicate that products are “certified” by FWF.

Comment: Continental communicates about FWF through the company website, social report, catalogues and on-garment communication. It also displays the Fair Wear formula animated movie on its website. Membership is described in correct wording. However, it remains a challenge to control how some of its customers communicate about FWF as some promote products with incorrect or misleading statements. It has taken some measures to mitigate this risk, provide clearer guidance to resellers and limited the download of logos to a customer login page.

6.2 Affiliate engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF’s work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	1	0
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Recommendation: FWF recommends Continental to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the affiliate and FWF's work.

Comment: Continental's website links to the brand page of Continental on the FWF website, where the brand performance check report is published.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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TRANSPARENCY

Possible Points: 4

Earned Points: 3

7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: Continental considers FWF membership as part of the company's DNA.

7.2 Changes from previous Brand Performance Check implemented by affiliate	0%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	-2	4	-2
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Requirement: It is required to work towards remediation of previous requirements from the last Brand Performance Check.

Comment: In the previous brand performance check it was indicated that Continental must ensure that the Worker Information Sheet is posted at its supplier in China in a location that is accessible to workers. This has not been done to date.

EVALUATION

Possible Points: 6

Earned Points: 0

RECOMMENDATIONS TO FWF

FWF should consider to also cover spinning mills as this is where the largest risks of CoLP violations occur.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	31	34
Monitoring and Remediation	29	30
Complaints Handling	11	15
Training and Capacity Building	7	9
Information Management	4	7
Transparency	3	4
Evaluation	0	6
Totals:	85	105

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

81

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

22-06-2016

Conducted by:

Koen Oosterom

Interviews with:

Mariusz Stochaj, Head of Product and Sustainability

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data.