



Brand Performance Check

Continental Clothing Company Ltd

Publication date: October 2020

This report covers the evaluation period 01-01-2019 to 31-12-2019

About the Brand Performance Check

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

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company 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 product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location 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 product location 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 Fair Wear'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 member company 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: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	London , United Kingdom
Member since:	2006-10-01
Product types:	Garments, clothing, fashion apparel;Promotional wear and accessories;Bags;Other (specify)
Production in countries where Fair Wear is active:	Bangladesh, China, India, Turkey
Production in other countries:	None
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
Scoring overview	
% of own production under monitoring	100%
Benchmarking score	84
Category	Leader

Disclaimer

This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.

While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.

This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.

Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.

Summary:

Continental Clothing Ltd. (Continental) has shown progress and met most of Fair Wear's performance requirements. Continental monitors 100% of its purchasing volume, which, in combination with a benchmarking score of 84, means that Continental maintains its 'Leader' status.

Continental sources from seven 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. At one new location in China where the member has started trial orders, besides the manufacturing capability and quality, Continental assessed whether the factory is willing to be open, transparent and share existing audit reports. The brand engaged with multiple Fair Wear members sourcing at this factory to develop a better understanding of the factory situation and seek feedback on performance pertaining to Fair Wear requirements. However, the brand has not been able to visit the factory before placement of orders. Given that the factory is highly automated and requires skilled workers, and aside from the potential issue of overtime, the brand feels it has been able to mitigate risks pertaining to sub-contracting and low wages. This is in comparison to if they would have gone for a smaller factory with more leverage.

Continental continued to work towards addressing audit findings with all its suppliers. After audits, remediation steps were taken, and follow up is closely monitored. The brand has a strong production planning system with stable orders throughout the year, which does not put pressure on suppliers to conduct overtime.

Continental is implementing a living wage project at its main supplier in India. It is also initiating steps to implement a similar approach at its supplier in Turkey. This is commendable. However, Continental is advised to work with its suppliers and expand its living wage approach proportional to the overall leverage Continental has at the suppliers, rather than for selected 'fair share' products. Fair Wear also encourages Continental to work together with another Fair Wear member that has an active living wage project at a shared supplier to expand its living wage efforts to more suppliers.

That apart, Fair Wear recommends the brand ensure policies relating to its efforts to improve purchasing practices and working conditions in its supply chains are properly documented.

Performance Category Overview

Leader: This category is for member companies 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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—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 member companies will receive a 'Good' rating.

Needs Improvement: Member companies 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. Member companies 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: Member companies 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. Member companies 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
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	100%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: Continental has a very consolidated supplier base. It sources from six production locations in India, China, Bangladesh and Turkey. In 2019, 99% (up from 92% in 2018) of Continental's purchasing volume came from 5 production locations where Continental is responsible for more than 10 % of the respective locations' production capacity.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	0%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	4	4	0

Comment: At one new location where the member has started trail orders, Continental's production volume is less than 2% of its total FOB, meaning that Continental has a relatively compact and consolidated supply chain.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	100%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: Continental enjoys long-term business relations with almost all its suppliers. All of its production comes from production locations where a business relationship has existed for at least five years.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: The brand has one new production location in China, and has received the signed questionnaire with the Code of Labour Practices before first orders were placed.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: Continental Clothing started a new business relationship with one production location in China. Besides the manufacturing capability, and quality, Continental assesses whether the factory is willing to be open and transparent and share existing audit reports. It also tried to understand how progressive the factory is and where it stands environmentally, for example, whether it has GOTS certification. The brand engaged with multiple Fair Wear members sourcing at this factory to develop a better understanding of the factory situation and seek feedback on performance pertaining to Fair Wear requirements. The brand has collected existing audit reports (including Fair Wear audits), reviewed findings, and has understood the status of remediation from other Fair Wear members following up on the CAP. However, the brand has not been able to visit the factory before placement of orders. Given that the factory is highly automated requiring skilled workers, apart from overtime that could be an issue, the brand feels it has been able to mitigate risks pertaining to sub-contracting, low wages if they would have gone for a smaller factory with more leverage.

The brand tracks country studies and has drafted a short guidance (bullet points) suggesting what to specifically look for in the country study documents - for example home working, gender issues etc. Continental includes Fair Wear requirements (summarised as steps) in its sourcing policy for adding new production locations. Even though Continental has a good understanding of country-specific risks, it does not have a systematic process to continuously appraise/monitor new and existing suppliers on these risk areas and take this into account in its sourcing decisions.

Recommendation: A risk analysis as part of the decision-making process of selecting new suppliers is an important step to mitigate risk and prevent potential problems. Fair Wear recommends Continental to define preventive actions for identified risks clearly and implement them accordingly. This also includes strategies to tackle structural risks such as low wage levels in the country, limited freedom of association, and restricted civil society that are beyond the brand's individual sphere of influence.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	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

Comment: Continental does not have a formalized system to evaluate its suppliers and thus does not document the results of supplier evaluation in accordance with some sort of system. However, as it only has six suppliers, it does continuously monitor the performance of the suppliers in terms of production, delivery, quality, as well as social compliance. The brand is in contact with suppliers on a daily basis and all suppliers diligently follow-up on social compliance issues. In the past, the only exception was a supplier in China, which was less cooperative and interested to improve working conditions. Continental then took a decision to gradually phase this supplier out. This led to a change in the mindset of the factory management. Continental worked with local Fair Wear teams to engage with the supplier, who is more cooperative now. The supplier also agreed to a Fair Wear audit, and is willing to work on the corrective actions.

Recommendation: Fair Wear recommends Continental to devise a system to record the outcomes of the supplier evaluation and share these with its suppliers for cross-learning and encouragement.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: Generally Continental guarantees to fill a certain production capacity at its suppliers. It aims to maintain a steady production at the factories with dedicated lines producing continuously for Continental throughout the year.

It does not push its suppliers when they are not able to meet the production deadline, does not impose penalties, and does not impose pressure to do overtime.

Continental announces production plans at the beginning of the year and communicates with suppliers regularly to update itself on the status of production (planning). Suppliers always have sufficient lead time before production starts and volume is known well in advance. Any changes, which do not happen often, are communicated at least 3 months in advance.

As Continental's products are not so much influenced by seasons, Continental does not place rush orders. In addition, Continental has a relatively large stock, which allows them to place even orders through the year and respond to customer requests quickly, without asking suppliers to work additional hours.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: Fair Wear audits done in 2019 confirm excessive overtime and inconsistencies in recordkeeping at a production location in Turkey and in India.

For Turkey, the brand closely engaged with the supplier and has established that the overtime was due to another brand orders (as Continental does not have any deadlines), but nevertheless, Continental has emphasized that the supplier should not engage in excessive overtime. At the same time, the brand believes that this is a one-off situation given the location of the factory (dependency on a bus for workers to reach home) and the preference of workers to reach home in regular hours. That apart the brand also followed-up on the time record-keeping issue (linked to malfunctioning of the record-keeping machine and manual entry) and believes that this has also been sufficiently addressed as the factory has moved to a new location with new record-keeping machines. The brand also checked with workers to verify if indeed that all-time entry is done automatically and not manually.

For India, the brand has been able to discuss in detail and address the finding pertaining to unrecorded work on Sunday. The factory confirmed that this was a one-off situation where the cutting department had to work on Sunday, due to fabric delay, to get the fabric ready for work the following week. The brand emphasised that the factory should follow standard procedures and formal processes and not have unrecorded work hours. The brand is still working on addressing the time record inconsistencies at the factory.

Recommendation: Fair Wear recommends continuing to track the progress of both the Indian and Turkey suppliers to ensure that inconsistencies pertaining to record-keeping are fully remediated and overtime is within legally allowed limits.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member’s pricing policy and system, buying contracts.	2	4	0

Comment: Continental does not put pressure on its suppliers regarding prices. Generally, it requests a price quotation from its suppliers for a new style. If the quoted price is too high, Continental first assesses with its customers whether they can sell it at a higher price. If not, they will look at the cost breakdown to determine whether they can make savings somewhere. According to Continental, the price is never based on order quantity and Continental will also not lower the price for repeat orders.

Continental applies open-book costing with the majority of its suppliers and has a good understanding of the labour minutes needed for its products. However, as CM costs include overhead and worker output is unclear, it is still not able to exactly link the buying prices to wages in production locations.

Recommendation: Fair Wear recommends Continental to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. The first priority would be to make sure this level of transparency can be achieved with their suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: In 2019, during the audit at Continental's production location in Turkey, payment of Legal Minimum Wage could not be verified because of inconsistent records. Continental followed up with the factory and believes that this has also been sufficiently addressed as the factory has moved to a new location with new record-keeping machines. The brand also checked with workers to verify if indeed that all-time entry is done automatically and not manually. That apart, as the brand also collected wage data and payroll information from the factory to verify wage levels.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations 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 production location and member company financial documents.	0	0	-1

Comment: There has been no evidence of late payments to suppliers by Continental.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Advanced	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	6	6	0

Comment: While Continental is yet to link the buying prices to wages in production locations, the brand is implementing a living wage project at its main supplier in India, based on insights that wage levels are below the Living Wage estimates of stakeholders. 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, which was slightly below the living wage benchmark of the Global Living Wage Coalition. 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. However, it should be noted that Continental's contribution to the wage increase is proportional to the production capacity needed for two 'fair share' collections (now less 10%), while Continental's entire leverage at the supplier is close to 68%. Nonetheless, as the number of workers at the supplier increased three-fold, and all workers were entitled to the same nominal living wage premium, also the contribution from Continental towards the living wage premium increased accordingly in 2019. Continental thus contributes a larger amount than what was calculated based on the initial percentage of the production capacity used for the Fair Share collections.

Furthermore, Continental has started a new initiative in 2018 to move towards payment of living wages at its supplier in Turkey. So far, the brand has taken steps to collect wage data from all the workers, as well as the family composition of the workers. The next step will be to set a target wage level, in consultation with the factory management and worker representation, and to reach out to other customers sourcing at the factory.

Continental discussed joining a living wage project at its second supplier in India, which is initiated by another Fair Wear member brand also sourcing there. But after review felt it might want to expand its own approach at this factory which is different from the approach of the other member but would like to do this in cooperation with the other member.

Recommendation: Continental is advised to work with its suppliers and expand its living wage approach proportional to the entire leverage Continental has at its suppliers, rather than only for 'selected' products.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	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 member company's score.	Supplier information provided by member company.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	Advanced	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	6	6	0

Comment: At its supplier in India Continental is implementing the Fair Share approach with 2 collections, accounting for less than 10 % of the factory's production capacity. For these collections, Continental asks customers to pay a Fair Share premium. However, the sales of the Fair Share collections has comparatively reduced (now at 4%), the Fair Share Premiums on the two collections did not create enough revenues to support the agreed-upon wage increase, especially as the number of workers increased threefold and all workers are entitled to the same nominal increase. As a result, Continental had to absorb a substantial amount, paid towards living wages of workers, from its other collections.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	49%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	4	6	0

Comment: Continental pays its share of a target wage (payout of INR 25 per shift for all workers) at its main supplier in India, accounting for 49 percent of its total purchasing volume. However, it should be noted that Continental's contribution to the wage increase is proportional to the production capacity needed for two 'fair share' collections (around 10%), while Continental's entire leverage at the supplier is close to 68%. Continental is starting to calculate a target wage at its supplier in Turkey, but this has not yet led to actual wage increases in 2019 yet.

Recommendation: Fair Wear recommends Continental to expand the production for which it contributes to the target wage in the Indian factory, to increase its contribution to ensure the wages increase towards the target wage. Also, Fair Wear recommends the brand to improve its efforts also in other facilities.

Purchasing Practices

Possible Points: 52

Earned Points: 43

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	0%	
% of production volume where Fair Wear audits took place.	100%	
% of production volume where an audit took place.	100%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	0%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	100%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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 Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: Continental Clothing's Head of Product and Sustainability is responsible to follow up on problems identified by the monitoring system.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

Comment: Member makes use of Fair Wear audits and/or external audits only (N/A)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: Fair Wear 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

Comment: Continental shares the audit report with factories concerned upon receipt, sets deadlines for remediation of specific CAPs and follows up actively. The brand's internal system is well organized, audit reports are stored systematically, CAPs are colour coded depending on the status of CAP findings. The brand also asks the factory to share the CAPs with the factory representatives and has observed that works committee meetings at some locations include discussions related to CAP findings.

Recommendation: Before an audit takes place, Continental Clothing Company Ltd is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting. Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: Fair Wear audits were done at three supplier locations in 2019, two in India and one in Turkey. Continental Clothing's Head of Product and Sustainability visited the 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 regularly. Efforts are coordinated between different staff within the company that has influence over supply chain conditions. Proof of remediation work is collected during visits. Documents and pictures are filed in the CAP and the status of findings is monitored during visits. Continental's suppliers had made improvements on occupational health and safety and other issues. For the audit in India, though improvements were observed during re-audits, issues regarding overtime, worker awareness, and wages are more persistent and require more time. For Turkey, while the brand staff discussed the findings with the supplier, it did not have updated information on the status of remediation.

Recommendation: Fair Wear encourages Continental to continue strengthening its monitoring system, track and review the status of remediation.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	100%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: Except for the new location in China, the brand visited all factories several times a year. During these visits, Continental reviews the remediation of CAP findings meets worker representatives (with translators where needed) to improve its understanding of issues and working conditions at the supplier.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	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.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	4	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: Continental has one supplier in Bangladesh. Continental is aware of the specific risks in Bangladesh related to building safety, excessive overtime, low wages, gender-based violence and lack of effective grievance mechanisms. Continental has not signed the Bangladesh Accord on Fire and Building Safety. Continental's supplier in Bangladesh has been inspected by Fair Wear as well as the Accord with remediation fully completed. It has also participated in Fair Wear safety workshops, and has been enrolled in Fair Wear's violence prevention Workplace Education Programme.

Continental also produces at one supplier in Turkey. Since the publication of Fair Wear guidance on risks related to Turkish garment factories employing Syrian refugees the company has discussed the topic with its production location. Given the location of the factory within Turkey, the risk of employing Syrian refugees is considered low. The factory also participated in a webinar organized by Fair Wear on the issue. So far, however, there has not been an official policy drafted and implemented.

Continental produces at two factories in India. It is aware of the risk of Sumagali at spinning mills in India, which is a complex and deeply-rooted problem. In fact, one of its suppliers, which is shared with another Fair Wear member, is a vertically integrated factory. At the spinning mill Sumagali does exist and the freedom of movement of women at the dormitory is being restricted. Continental, together with the other brand, is working for many years to gradually improve the situation, including allowing mobile telephones, an ATM machine at the premises of the dormitory, and free movement in and out of the dormitory (subject to parent's consent).

Continental is also producing at two factory locations in China. Continental is aware of the specific risks of producing in China, including overtime, illegal wage deductions (e.g. for missing attendance). The new production location has not been visited by the brand, but Continental developed a better understanding of the factory by consulting with other Fair Wear members sourcing there.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances 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

Comment: At a factory in India, and China Continental has actively engaged with other Fair Wear members. Verification of remediation of CAP findings is shared between the member brands whenever visits take place.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	Yes	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	2	2	0

Comment: A Fair Wear audit was done at the new production location in China before the brand started sourcing there. Continental actively engaged with two other Fair Wear members to understand the status of remediation of audit findings.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

Monitoring and Remediation

Possible Points: 25

Earned Points: 22

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	1	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.	0	
Number of worker complaints resolved since last check.	3	

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 Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: Continental Clothing's Head of Product and Sustainability is designated to address worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: Continental staff visiting the production locations always check on the presence of the Worker Information Sheets. That apart, for a supplier in India where Fair Wear audit indicated low awareness among new workers on Fair Wear CoLP the brand asked the factory to include worker information sheets in worker induction and reiterate the content during training.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	23%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: One supplier of Continental participated in the Gender-Based Violence module that Fair Wear offers in Bangladesh. The FOB volume of this supplier is counted towards this indicator. That apart, one supplier in China underwent a WEP Basic module of Fair Wear.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location 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. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: In 2019, Continental received one new complaint and also followed up on two complaints from 2018. One complaint in China related to a factory policy leading to illegal deductions. The brand actively followed up to ensure that the policy was discontinued and affected workers were duly reimbursed. The other two complaints at production locations in India related to a single worker and accessing social benefits.

All three complaints have been closed (sometimes because the complainant were no longer reachable) or resolved.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Comment: During 2019, continental followed up on one complaint at a shared supplier location, and updated Fair Wear and the other member brand on the progress.

Complaints Handling

Possible Points: 17

Earned Points: 15

4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: Being a small organisation, information is freely shared between employees, including an overview of sustainability efforts, social requirements including Fair Wear membership. Additionally, Fair Wear membership is communicated through employee manual and at regular staff briefing.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: Continental is a small company and there has not been any change in terms of staff that is in direct contact with suppliers. All staff in direct contact with suppliers such as quality control supervisors are well informed and provided with additional training to help support monitoring activities.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Member does not use agents/contractors	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	23%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	2	6	0

Comment: One supplier of Continental in Bangladesh participated in Fair Wear's WEP module 'violence prevention capacity building' which is aimed at establishing a functional Anti-Harassment Committee in the factory. And one other supplier in India participated in Fair Wear's Supervisors Skill Development Training.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	Active follow-up	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	2	2	0

Comment: For Bangladesh, the brand met the Anti-Harassment Committee during factory visits, reviewed the complaints register and status of remediation.

Recommendation: Fair Wear recommends Continental continue to check whether their supplier conducts regular anti-harassment committee meetings, whether an external expert attends these meetings and whether complaints are reported to the committee. The member should also communicate to suppliers that reported incidents will not result in negative consequences (such as withdrawing orders) as long as the factory investigates and remediates them accordingly. The member could also check whether committee members and management are organizing awareness raising activities about sexual harassment and whether re-elections of the committee and/or re-training are needed, e.g. due to worker turnover.

Training and Capacity Building

Possible Points: 11

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.	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: Continental has focussed on establishing a supply chain comprising of a select number of suppliers with whom the brand has long term relationships. Agreements are made which guarantee suppliers that Continental fills the capacity of a certain number of production lines. Continental knows fairly accurately which production lines focus on the brand's production. Based on this, it has a good understanding of the potential risk of subcontracting.

At the same time, Continental does not have any local staff who can visit the factory regularly. Staff from headquarters visits the suppliers 2-3 times per year, including a surprise visit to reduce the risk of subcontracting.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	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

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: 7

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: Continental communicates about Fair Wear through the company website, social report, catalogues and on-garment communication and follows communication guidelines.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: Continental publishes the Brand Performance Check on its website.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Transparency

Possible Points: 6

Earned Points: 5

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 Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: Continental has been a member of Fair Wear for 14 years and considers the membership as part of the company's DNA and sees no other credible alternatives.

Recommendation: Fair Wear advises Continental to organise a meeting with management and sourcing staff to discuss the outcomes of this performance check and use those to formulate future plans.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

Evaluation

Possible Points: 2

Earned Points: 2

Recommendations to Fair Wear

- 1) Fair Wear should be more visible on the UK market, and actively work to have Fair Wear audit reports recognized by some of the big UK-based retailers.
- 2) Audit exit report is good
- 3) Fair force is useful, needs updating
- 4) Curious about the implementation of Transparency policy

Scoring Overview

Category	Earned	Possible
Purchasing Practices	43	52
Monitoring and Remediation	22	25
Complaints Handling	15	17
Training and Capacity Building	7	11
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	101	120

Benchmarking Score (earned points divided by possible points)

84

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

10-08-2020

Conducted by:

Supraja Suresh

Interviews with:

Mariusz Stochaj- Head of products and sustainability