



BRAND PERFORMANCE CHECK

Continental Clothing Company Ltd

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this report covers the evaluation period 01-01-2018 to 31-12-2018

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation 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. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF'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 FWF 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 FWF 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 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 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: 01-01-2018 to 31-12-2018

MEMBER COMPANY 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:	N/A
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	79
Category	Leader

Summary:

Continental Clothing Ltd. (Continental) has shown progress and met most of FWFs' performance requirements. 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 monitors 100% of its purchasing volume, which, in combination with a benchmarking score of 79, means that Continental comfortably maintains its Leader status.

In 2018 Continental has improved its internal system to follow up systematically on complaints and audit findings. Continental works towards resolution of corrective actions with all of its suppliers. After audits, remediation steps were taken and follow up is closely monitored

Continental 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 entire leverage Continental has at its suppliers, rather than for selected 'fair share' products.

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 FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF 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.	92%	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 five production locations in India, China, Bangladesh and Turkey. In 2018, 92% (up from 79% in 2017) of Continental's purchasing volume came from 4 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%	FWF 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 FWF.	4	4	0

Comment: None of Continental's production volume comes from production locations where it buys 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 a long-term business relations with 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.	2nd years + member and no new production locations selected	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.	N/A	2	0

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 did not start a business relationship with any new production locations in 2018. However, it did to start to explore the potential of working with a new supplier in China. It is taking a very careful approach here, with first discussions starting in the summer of 2018. This also included a visit by one of Continental's senior managers. 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.

Several audit reports were collected from the potential new supplier in China. Findings from these audits include things like incomplete documentation, overtime and health and safety issues, which are common findings in China. Continental did not ask questions regarding the status of remediation of the violations found, which it considers sensitive as it did not engage in a formal business relationship yet.

Eventhough 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. The lack of a systematic approach may in part be due to the small number of suppliers and the nature of the relationship it has with them, which is based on trust and (long-term) cooperation.

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. FWF 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 five suppliers, it does contiously monitor the performance of the suppliers in terms of production, delivery, quality, as well as social compliance. The management also discusses this internally every 2 months. All suppliers diligently follow-up on social compliance issues. 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 change in mindset of the factory management, which is more cooperative now. The supplier agreed to a FWF audit, and is follow-up seriously on the corrective actions. This prompted Continental to reconsider and it has decided to continue its business relation.

Recommendation: FWF 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. In fact, capacity is booked based on a 48 hours working week.

Continental announced production plans at the beginning of the year and communicated with suppliers regularly to update itself on the status of production (planning). Suppliers always have sufficient leadtime 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: FWF audits done in 2018 confirm excessive overtime at suppliers in Bangladesh and China. In discussions with its suppliers, Continental learned that workers generally demand to conduct overtime in order to make sufficient wages, which partially explains why suppliers systematically plan production capacity based on a 60-hours workweek. This means that when unexpected things happen, e.g. fabric arrives late or (other) customers put pressure on delivery deadlines, factories quickly feel compelled to do excessive overtime.

Continental mitigates against these risk by having stable business relations, advance production planning, and working with its suppliers to ensure that overtime is voluntary. Also, Continental plans production and delivery deadlines based on pre-booked capacity which is based on a 48-hours working week. As a result, Continental's supplier in Turkey is no longer conducting overtime. Furthermore, Continental has taken concrete steps to improve wages at its supplier in India and is planning to adopt a similar approach at its supplier in Turkey.

Recommendation: FWF recommends to do a root cause analysis of excessive overtime at Continental's production locations and to cooperate with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

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 calculate exactly whether the prices effectively suffice to pay legal minimum wages.

Recommendation: FWF 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. 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, FWF 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, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: In 2018, during the audit at Continental's production location in China, payment of LMW could not be verified because the attendance records were not complete. Continental followed this up with the factory, which confirms that it will install a new clocking machine. Proof of the attendance records and the clocking machine is still pending.

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

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: Continental is implementing 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, 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 (approx 10%), while Continental's entire leverage at the supplier is close to 60%. 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 2018. Continental thus contributes a larger amount than what was calculated based on the initial percentage of the production capacity used for the two Fair Share collections.

Furthermore, Continental has started a new initiative to move towards payment of living wages at its supplier in Turkey. In 2018 Continental took steps to collect wage data from all the workers, as well as the family composition of the workers. 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 is considering to join a living wage project at its second supplier in India, which is initiated by another FWF member brand also sourcing there.

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.	4	4	0

Comment: At its supplier in India Continental is implementing the Fair Share approach with 2 collections, accounting for some 10 % of the factory's production capacity. For these collections Continental asks customers to pay a Fair Share premium. However, though the sales of the Fair Share collections picked up in 2018, 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 own internal resources. Continental is of the view that it cannot apply the Fair Share premiums to all the collections, as it would negatively affect the sales.

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	6%	FWF 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.	1	3	0

Comment: Continental pays its share of a target wage at its main supplier in India, accounting for 36 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 (approx 10%), while Continental's entire leverage at the supplier is close to 60%. Continental is starting to calculate a target wage at its supplier in Turkey, but this has not yet led to actual wage increases in 2018 yet.

PURCHASING PRACTICES

Possible Points: 45

Earned Points: 36

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	100%	
% of production volume where monitoring requirements for low-risk countries are fulfilled		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.)
Meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	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 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

Comment: Continental Clothing's Head of Product and Sustainability is responsible to follow up on problems identified by 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 FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

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: 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

Comment: Continental shares the audit report with factories concerned upon receipt; set deadlines for remediation of specific CAPs and follows up diligently by sending reminders ahead of the deadlines concerned. It has also improved its internal system, audit reports are stored systematically, CAPs are colour coded depending on the status of CAP findings, and a warning system was built into the CAPs in order to follow up timely when deadlines for remediation of pending CAP findings are coming up.

Recommendation: Before an audit takes place, Continental 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	FWF 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: Continental Clothing's Head of Product and Sustainability visits factories several times a year to raise awareness, discuss implementation and encourage factories to make improvements. CAP follow up is also discussed whenever the management of the respective factories visit Continental's office in London, which happens some three times a year (for all factories). 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 have 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 significant improvements on occupational health and safety and other issues. Though improvements were observed during re-audits, issues regarding overtime, worker awareness and wages are more persistent and require more time.

Recommendation: FWF encourages Continental to continue strengthening its system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices. FWF also recommends Continental to involve worker representatives in monitoring and remediation of findings.

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: Continental visits all factories several times a year.

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 FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	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 FWF, as well as the Accord with remediation almost completed (only one finding is pending verification). Continental has detailed knowledge on the status of implementation of the Accord CAPs. It has also participated in FWF safety workshops, and has been enrolled in FWF's violence prevention Workplace Education Programme.

Continental also produces at one supplier in Turkey. Since publication of FWF 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 FWF on the issue. So far, however, there has not been an official policy drafted and implemented.

The risk of abrasive blasting is not relevant for Continental as it produces no denim items.

Continental produces at two factories in India. It is aware of the risk of Sumagali at spinning mills in India, which is complex and deeply-rooted problem. In fact, one of its suppliers, which is shared with another FWF 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 FWF brand, is working since 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 one factory in China. Continental is aware of the specific risks of producing in China, including illegal wage deductions (e.g. for missing attendance), withholding wages before public holidays, health and safety issues. Continental managed to convince the supplier to agree to a FWF audit (which it resisted hitherto) and is trying to address issues concerned through CAP follow-up. During frequent discussions with the supplier, Continental is also advocating for more positive solutions, e.g. rewarding good behaviour rather than punishing negative behaviour, such as providing an attendance bonus rather than an (illegal) wage deduction in order to address the problem of absentism.

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, Continental has actively engaged with FWF and other FWF members to follow-up on complaints. Verification of remediation of CAP findings is shared between the FWF 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. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	N/A	3	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).	No	FWF 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 FWF and recent Audit Reports.	N/A	2	0

Comment: As Continental does not have any 'tail-end' production locations their minimum monitoring threshold is 100% and thus this indicator is not applicable.

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	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	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	FWF 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 FWF's information management system. Documentation of sales volumes of products made by FWF 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	FWF 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: 24

Earned Points: 20

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

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 FWF 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. If sheets are missing, Continental will ensure they will be posted immediately.

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.	28%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: FWF audits conducted in 2018 at Continental suppliers indicate that most of the workers are not aware of the FWF Code of Labour Practices or the complaints helpline. One supplier of Continental participates in the Gender Based Violence module that FWF offers in Bangladesh. The FOB volume of this supplier is counted towards this indicator.

In order to raise awareness of workers, Continental advised its suppliers to prepare an infosheet that explains the various workers' committees in the factory. This infosheet is to be given to all the workers. In addition, new workers are to receive an induction package, which explains the Code of Labour Practises, complaints helpline and internal workers committees.

Recommendation: FWF recommends members to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline among a larger portion of its suppliers. The member should ensure good quality systematic training of workers and management on these topics. To this end members can either use FWF's Workplace Education Programme (WEP) basic module, or implement training related to the FWF CoLP and complaint hotline through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

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	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.	3	6	-2

Comment: In 2018 Continental received two new complaints; also some follow up on complaints from 2017 took place. The complaints all related to a single worker and were mostly wage/payment related (e.g. illegal deductions). All the complaints have been closed (sometimes because the complainant were no longer reachable) or resolved.

Recommendation: FWF recommends Continental to work together with the factory, monitor and take further action to prevent the problem of illegal wage deductions.

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 FWF 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 2018, there was one new complaint, and following-up on complaints received in 2017, at a shared supplier in India. Brands shared the responsibility to follow-up and verify remediation.

COMPLAINTS HANDLING

Possible Points: 17

Earned Points: 12

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 FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

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

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 FWF requirements and advocate for change within their organisations.	FWF 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 are well informed on FWF membership requirements.

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, FWF 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.	64%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

Comment: One supplier of Continental in Bangladesh participated in FWF's WEP module 'violence prevention capacity building' which is aimed at establishing a functional Anti Harassment Committee in the factory. One of Continental's factories in India participated in FWF'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.	No 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.	0	2	0

Comment: Continental could not demonstrate that it actively follows up on the WEP violence prevention module that is implemented at its supplier in Bangladesh.

Recommendation: FWF recommends Continental 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: 9

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 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.	3	6	-2

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.

Because of the size of the company, 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 at one of its suppliers in India in 2018 for which it considers the risk of subcontracting relatively higher. Continental cannot rule out that unauthorized subcontracting does occur. In fact, Continental confirmed that unauthorized subcontracting did occur at its supplier in Turkey. It also considers that the risk is there at its supplier in China.

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: 4

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	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: Continental communicates about FWF through the company website, social report, catalogues and on-garment communication. Membership is described in correct wording.

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 FWF'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 FWF's communication policy.	Social report that is in line with FWF'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 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 and sees no other credible alternatives.

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.	100%	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.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: During the last Performance Check, one requirement was indicated related to the involvement of Continental in addressing worker complaints in accordance with the FWF Complaints Procedure. FWF considers that this requirement was met.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

1. FWF is requested to arrange a FWF member day in the UK for UK-based FWF member companies.
2. FWF should be more visible on the UK market, and actively work to have FWF audit reports recognized by some of the big UK-based retailers.
3. FWF Audit reports should be delivered within 3-4 weeks following the audit date.
4. When FWF organizes a meeting for member companies, it should ensure the dates do not clash with other industry events.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	36	45
Monitoring and Remediation	20	24
Complaints Handling	12	17
Training and Capacity Building	9	11
Information Management	4	7
Transparency	5	6
Evaluation	6	6
Totals:	92	116

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

79

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

10-05-2019

Conducted by:

Koen Oosterom

Interviews with:

Mariusz Stochaj

Mark Zeegan

Karin Gill