



## **Brand Performance Check**

# **Continental Clothing Company Ltd**

This report covers the evaluation period 01-01-2023 to 31-12-2023

## 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# Scoring overview

Total score: 160

Possible score: 190

Benchmarking Score: 84

Performance Benchmarking Category: Leader



Foundational system's criteria

100%



Sourcing strategy

73%



Identifying continuous human rights risks

100%



Responsible purchasing practices

85%



Quality and coherence of prevention and remediation system

80%



Improvement and prevention

77%



Communication, transparency and evaluation

100%

## Summary:

Continental has shown advanced results on performance indicators and has made exceptional progress. With a total benchmarking score of 84, the member is placed in Leader category.

Continental's sourcing strategy focuses on increasing influence through consolidation and long-term relations.

Continental conducts risk scoping and includes the following risk factors: country, sector, business model and product level. The member has yet to include sourcing model risks in its risk scoping. Continental used the risk scoping tool in the Member Hub for its risk scoping exercise, and a gender lens and input from workers, suppliers and stakeholders are included.

Continental has a systematic approach to identifying human rights risks in its supply chain and has supplier risk assessments in place for all its production locations. It has identified the right monitoring tool and frequency per country. Next to its systematic approach, the brand ensures it uses different tools that include input from workers, suppliers, and other stakeholders. These tools are: Fair Wear full assessments, supplier questionnaires on freedom of association and worker representation, monitoring worker committee meeting minutes and, where possible, engaging in dialogue with workers. Continental engaged the support of local trade union Tamil Nadu Textile and Common Labour Union (TTCU) in India to support them by including worker's voices in its due diligence work and to get more insights into gendered risks and risks related to freedom of association (FoA).

During 2023, Continental focused on Freedom of Association, strengthening internal social dialogue mechanisms at its suppliers. The member is coordinating training on strengthening internal social dialogue mechanisms and knowledge about FoA and social dialogue which includes a gender lens, as well as on violence and harassment prevention which includes the setting-up or strengthening of a worker committee. Continental also checks the internal management systems and social dialogue mechanisms at all its suppliers to ensure they support social dialogue, and monitors worker awareness regarding social dialogue and FoA rights.

Fair Wear advises Continental to continue working on its living wage projects which it focused on in the previous Brand Performance Check, and to carry out the time-bound plans to enable the systemic increase of wages at its suppliers. It is also highly encouraged to update the living wage premium it pays at one of its suppliers in line with inflation, as it has not updated the premium since 2016.

Continental sourced from one production location in Bangladesh with a production volume of 11% of its total FOB. The member started exiting the supplier in June 2023 due to changes in production. It is still in regular contact with the supplier and is monitoring an ongoing complaint and training programme at the factory. Continental has not signed the International Accord. Continental only sourced from factories that are covered under the RMG Sustainability Council (RSC).

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for member brands. Because of this transition, Fair Wear temporarily lowered the scoring threshold.



## 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.

# Company Profile Continental Clothing Company Ltd

## Member company information

Member since: 1 Jan 2006

Product types: Garments, clothing, fashion apparel, Promotional wear and accessories, Bags and Aprons, Headwear

Percentage of turnover of external brands resold 0%

FLA Member No

Member of other MSI's/Organisations GOTS, Fairtrade, PETA, OEKOTEX,

Number of complaints received last financial year 1

## Basic requirements

Definitive production location data has been submitted for the financial year under review? Yes

Work Plan and projected production location data have been submitted for the current financial year? Yes

Membership fee has been paid? Yes

## Production countries, including number of production locations and total production volume.

| Production Country | Number of production locations | Percentage of production volume |
|--------------------|--------------------------------|---------------------------------|
| India              | 2                              | 76.64%                          |
| Türkiye            | 1                              | 12.2%                           |
| Bangladesh         | 1                              | 10.93%                          |
| China              | 1                              | 0.23%                           |

# Layer 1 Foundational system's criteria

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**Possible Points: 8**

**Earned Points: 8**

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1.1 Member company has a publicly shared Human Rights Due Diligence policy that has been adopted by top management.: [Yes](#)

1.2 All member company staff are made aware of Fair Wear's membership requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: [Yes](#)

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements, in particular the Fair Wear's HRDD policy and Fair Wear's Code of Labour Practices.: [Yes](#)

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.: [Yes](#)

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: [Yes](#)

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: [Yes](#)

**Comment:** [Continental discloses 100% of production locations internally through Fair Wear's information management system.](#)



**1.7 Member company discloses externally on Fair Wear's transparency portal, in line with Fair Wear's Transparency Policy.: Yes**

**Comment:** Continental discloses 100% of production locations externally on Fair Wear's transparency portal.

**1.8 Member complies with the basic requirements of Fair Wear's communication policy.: Yes**

## Layer 2 Human rights due diligence, including sourcing strategy and responsible purchasing practices.

**Possible Points: 78**

**Earned Points: 68**

### Indicators on Sourcing strategy

| Performance indicators  | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|---|----------|---|---|-------|-----|-----|
| 2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions. | Advanced | Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices. | Strategy document; consolidation plans, examples of implementation. | 6     | 6   | 0   |

**Comment:** Continental has a sourcing strategy addressing influencing labour conditions. The member has five active suppliers. 89% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. Less than 1% of the production volume comes from suppliers where Continental buys less than 2% of its total FOB. This is an improvement compared to the previous year. Continental's sourcing strategy explicitly focuses on increasing influence through consolidation and active cooperation with other clients.

| Performance indicators   | Result | Relevance of indicator   | Documentation   | Score | Max | Min |
|--|--------|--|---|-------|-----|-----|
| 2.2 Member company's sourcing strategy is focused on building long-term relationships. | Basic  | Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions. | Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting. | 2     | 6   | 0   |

**Comment:** Continental has a sourcing strategy that focuses on maintaining long-term relationships. 100% of the member's total FOB volume comes from suppliers with whom Continental has a business relationship for at least five years. Continental has contracts with all its suppliers, but these do not specify dates or terms for ending the business relationship.

**Recommendation:** Fair Wear recommends Continental to commit to long-term contracts which stipulate terms for ending a business relationship.

| Performance indicators  | Result       | Relevance of indicator  | Documentation   | Score | Max | Min |
|---|--------------|---|---|-------|-----|-----|
| 2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy. | Intermediate | Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners. | HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations. | 4     | 6   | -2  |

**Comment:** Continental conducts risk scoping and includes the following risk factors; country, sector, business model and product level. The member has yet to include sourcing model risks in its risk scoping.

In its risk scoping, the member has assessed the impact and prevalence of the risks correctly. The risk scoping includes a gender lens as Continental uses the Fair Wear risk scoping tool in which a gender lens is embedded in every potential harm. The member particularly looks at the gender pay gap and discrimination. Input from workers, suppliers, stakeholders is included in the risk scoping by using the Fair Wear risk scoping tool in which worker-, supplier- and stakeholder input is embedded.

The member adjusts its sourcing strategy based on the risk scoping, as outcomes of the scoping are included in decision-making regarding its supplier base. The member decided to stop production at one factory due to high country risks and low leverage to prevent, mitigate or remediate potential harms. Additionally, Continental's sourcing strategy privileges countries where workers can freely form or join a trade union and/or bargain collectively.

**Recommendation:** Fair Wear recommends Continental to include all risk factors in its risk scoping, also sourcing model risks.

| Performance indicators   | Result   | Relevance of indicator   | Documentation   | Score | Max | Min |
|--|----------|--|---|-------|-----|-----|
| 2.4 Member company engages in dialogue with factory management about Fair Wear membership requirements before finalising the first purchase order. | Advanced | Sourcing dialogues aim to increase transparency between the member and the potential supplier, which can benefit improvements efforts going forward. | Process outline to select new factories; Material used in sourcing dialogue; Documents for sharing commitment towards social compliance; Meeting reports; On-site visits; Reviews of suppliers' policies. | 4     | 4   | 0   |

**Comment:** It is the standard process for Continental to inform new suppliers about its HRDD policy and Fair Wear membership by sharing the Fair Wear questionnaire and Worker Information Sheet. The member did not onboard new suppliers in the previous financial year. Additionally, the brand started a dialogue with suppliers about human rights and how the supplier and Continental can cooperate on this topic.

| Performance indicators  | Result   | Relevance of indicator   | Documentation   | Score | Max | Min |
|---|--|--|---|-------|-----|-----|
| 2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order. | 2nd+ year member and no new production locations selected. | Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders. | Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers. | N/A   | 6   | 0   |

**Comment:** In the previous financial year, Continental has not added any new suppliers.

| Performance indicators   | Result   | Relevance of indicator  | Documentation  | Score | Max | Min |
|--|--|---|--|-------|-----|-----|
| 2.6 Member actively ensures awareness of the Fair Wear CoLP, the grievance mechanism, and social dialogue mechanisms within the first year of starting business. | No production locations in the first year of business. | This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level. | Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP. | N/A   | 6   | 0   |

**Comment:** In the previous financial year, Continental has not added any new suppliers.

## Indicators on Identifying continuous human rights risks

| Performance indicators   | Result   | Relevance of indicator   | Documentation   | Score | Max | Min |
|--|----------|--|---|-------|-----|-----|
| 2.7 Member company has a system to continuously assess human rights risks in its production locations. | Advanced | Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation. | Use of risk policies, country studies, audit reports, other sources used, how often information is updated. | 6     | 6   | 0   |

**Comment:** Continental has a systematic approach to assessing human rights risks in its supply chain and has assessed the risks for each production location. It has identified the right tool and frequency per country. For instance, the brand assesses human rights risks in its production locations in India and Türkiye by enrolling them in full onsite assessments, organising monitoring visits at the factories, conducting supplier questionnaires and monitoring training reports.

The member brand had an appropriate system to identify risks related to the Fair Wear Code of Labour Practices (CoLPs) at its Bangladeshi supplier which is covered by the RMG Sustainability Council (RSC), but Continental is not a signatory of the International Accord nor follows up on the assessments of the RSC. The member decided to exit the Bangladeshi supplier and is therefore not in breach with Fair Wear's Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh. The brand also exited its Chinese supplier at the beginning of the previous financial year and, therefore, did not update its factory risk assessment for that factory.

Next to its systematic approach, the brand ensures it uses different tools that include input from workers, suppliers, and other stakeholders. These tools are: Fair Wear full assessments, supplier questionnaires on freedom of association and worker representation, monitoring worker committee meeting minutes and, where possible, engaging in dialogue with workers. Continental engaged the support of local trade union Tamil Nadu Textile and Common Labour Union (TTCU) in India to support them by including worker's voices in its due diligence work and to get more insights into gendered risks and risks related to freedom of association (FoA).

| Performance indicators  | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|---|----------|---|---|-------|-----|-----|
| 2.8 Member company's human rights due diligence process includes an assessment of freedom of association (FoA). | Advanced | Freedom of association and collective bargaining are 'enabling rights.' When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear's Code of Labour Practices - often without brand intervention. | Use of supplier questionnaire to inform decision-making, collected country information, and analyses. | 6     | 6   | 0   |



**Comment:** Continental has mapped the risks to freedom of association (FoA) in all its sourcing countries and can explain the main risks per country, including the risks to women workers. The risks identified are for example 'The existing Trade Unions or worker representatives are not involved in improving working conditions' and 'Worker / union representatives are not chosen by workers or not democratically elected'. Continental uses this information to understand what the risks at its suppliers are and inform itself how to engage with its suppliers on this topic.

The member has supplier-level monitoring in place to assess and understand the risk at suppliers. Continental uses a supplier questionnaires on FoA and worker representation and full assessments to ensure supplier-level monitoring of the risk of violations to FoA. Continental can explain what the main risks of violations to FoA are at all its suppliers, including the risks specific to women workers. The member knows which suppliers have trade unions and CBAs in place.

| Performance indicators  | Result   | Relevance of indicator   | Documentation  | Score | Max | Min |
|---|----------|--|--|-------|-----|-----|
| 2.9 Member company includes a gender analysis throughout its human rights risk identification, to foster a better understanding of gendered implications. | Advanced | Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment. | Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets. | 6     | 6   | 0   |

**Comment:** Continental has included gender in its human rights risk identification. The member could show it understands the basic gender risks for its sourcing countries, and for instance, identified a gender pay gap and the Sumangali scheme as important risks prevalent in India.

Additionally, Continental actively collects gender data per factory. Data that it collects are the ratio of male/female lineworkers, the ratio of male/female workers in managerial positions and whether worker committees have female representation. For its suppliers with which it has active menstrual product projects, it also monitors the use of menstrual products. This information is collected through supplier questionnaires and/ or requesting information from HR.

Continental has analysed the collected gender-disaggregated data at the factory and country levels. The main conclusions (so far) are that cultural practices have the most influence on gender risks in factories. For example, the member found that patriarchal values in India make it so that even when women are represented in worker committees, there is still a risk that women do not speak up when male supervisors are present in the room.

The member also specifically looked into how its business practices affect gender at its suppliers. Continental encourages gender equality by actively discussing this with suppliers and promoting this in their action plans. They vocalise how gender equality is an important core value for them and actively work towards having male/female ratios in higher positions comparable to the male/female ratio in the entire workforce.

| Performance indicators  | Result   | Relevance of indicator   | Documentation  | Score | Max | Min |
|---|----------|--|--|-------|-----|-----|
| 2.10 Member company considers a production location's human rights performance in its purchasing decisions. | Advanced | Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making. | Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy. | 4     | 4   | 0   |

**Comment:** Suppliers' human rights performance is evaluated systematically every year. Continental assesses its suppliers on sustainability, as well as other business aspects like product quality, time-delivery and communication. Sustainability metrics that the brand looks at are, for example, performance regarding the eight Code of Labour Practices and follow-up of factory onsite assessments. The different teams of Continental are all involved in the supplier evaluation and assess the suppliers on the processes they work on. Afterwards, Continental sends out the evaluation to its suppliers and requests their input to start an open dialogue about their collaboration.

The brand systematically integrates the outcome of this evaluation into its purchasing decisions. For example, the member decided to discontinue its business relation with its Chinese supplier due to an inability to improve on CAPs and overall low responsiveness.

Continental shares the outcome of the evaluation with its suppliers but not yet with worker representatives as they do not have any direct communication channels with worker representatives yet.

**Recommendation:** Fair Wear recommends Continental to share and discuss the outcome of the supplier evaluation with worker representatives as well.

| Performance indicators   | Result   | Relevance of indicator   | Documentation   | Score | Max | Min |
|--|----------|--|---|-------|-----|-----|
| 2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting. | Advanced | Subcontracting can decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights violations. Therefore, when operating in higher-risk contexts where it is likely subcontracting occurs, the member company should increase due diligence measures to mitigate these risks. | Production location data provided to Fair Wear, financial records from the previous financial year, evidence of member systems and efforts to identify all production locations (e.g., interviews with factory managers, factory audit data, web shop and catalogue products, etc.), licensee contracts and agreements with design collaborators. | 4     | 4   | 0   |

**Comment:** Continental uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations or subcontractors in the database.

Supplier Agreements guarantee suppliers that Continental fills the capacity of a certain number of production lines, so the brand is well aware of the supplier's capabilities, machinery and capacity. Continental knows fairly accurately which production lines focus on the brand's production. Additionally, the member actively prevents unauthorised subcontracting by discussing with its suppliers that subcontracting cannot happen without informing the brand (this requirement is addressed in the Supplier Agreement, and verbally communicated). Moreover, the brand is certified under the Global Organic Textile Standard (GOTS) meaning all its products require transaction certificates when they move from one production location to the next. Continental inspects these transaction certificates with random traceability checks, which it compares to its own supply chain data. Moreover, the member carries out multi-point quality control, where it receives quality control factsheets from its suppliers two to three times a week throughout production, which it compares to its own quality control which they do on arrival of the goods.

| Performance indicators   | Result   | Relevance of indicator   | Documentation  | Score | Max | Min |
|--|----------|--|--|-------|-----|-----|
| 2.12 Member company extends its due diligence approach to homeworkers. | Advanced | Homeworkers should be viewed as an intrinsic part of the workforce, entitled to receive equal treatment and have equal access to the same labour rights, and therefore should be formalised to achieve good employment terms and conditions. | Supplier policies, evidence of supplier and/or intermediaries' terms of employment, wage-slips from homeworkers. | 4     | 4   | 0   |

**Comment:** Continental has identified whether homework is prevalent in its sourcing countries. According to the member there is a very low risk of homeworkers being used by its suppliers because they do not have products or supporting processes in their product range which cause a higher risk of homeworkers. Continental's products are all reliant on machinery and likewise sorting is automated. Sticking does not happen at its Tier one production locations and its products are not individually bagged. Continental produces products that do not require manual processes like embroidery or beading. Supplier Agreements guarantee suppliers that Continental fills the capacity of a certain number of production lines, so the brand is well aware of the supplier's capabilities, machinery and capacity. Continental knows fairly accurately which production lines focus on the brand's production.

Since audits have not identified homeworkers, Continental assumes that homeworkers are not used for its orders. The member discusses homeworkers with its suppliers, and generally analyses the capacity of its suppliers to identify potential risks including the risk of homework.

## Indicators on Responsible purchasing practices

| Performance indicators  | Result       | Relevance of indicator  | Documentation   | Score | Max | Min |
|---|--------------|---|---|-------|-----|-----|
| 2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms. | Intermediate | Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain. | Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals. | 2     | 4   | 0   |

**Comment:** Continental uses contracts with its suppliers. The member has agreements in the form of Supplier Agreements that stipulate terms of payment, lead times and penalties. For example, the contracts stipulate currency, pre-payments and timeline of payment. Moreover, the contracts stipulate 'there should be no late payments' but does not specifically stipulate what is considered a late payment. However, the member does not make late payments and pays its suppliers within one day to a maximum of three weeks via direct bank transfer.

Moreover, the agreements include the Code of Labour Practices (CoLP). For example, living wages are explicitly mentioned in the Supplier Agreement. The Supplier Agreement states that Continental and its supplier will work towards living wage targets and that the supplier is bound to pay at least in accordance with legal wage requirements. Moreover, it states that labour costs should be ringfenced and that price negotiations must never negatively affect the payment of wages. It also stipulates that the supplier must commit to open costing processes to work towards living wages. The contracts do not specify prices, as prices are product specific and agreed on in collaboration with suppliers during product development. Continental examines prices once a year to cover increased material costs and wage levels, this is not stipulated in the contract. The contract stipulates that in case of damages/ warranty claims, the member and supplier must agree on who is responsible before financial action is taken.

Moreover, it explicitly addresses the need for reasonable lead times, which are to be determined by the supplier at the time of ordering and agreed to by the member brand. The lead time should not lead to the need for irregular working hours, excessive or involuntary overtime, or subcontracting. The member also commits to supporting its suppliers' production planning by ensuring stable and predictable business for the supplier. However, the agreements do not specify lead times or order quantities necessary for stable and predictable business, this is also discussed with suppliers during product development.

The agreements also discuss shared responsibilities of CoLP implementation, but it does not discuss who is financially responsible for covering costs related to CoLP implementation (for example training, factory onsite assessments or corrective action plan remediation).

The Supplier Agreements are meant to be long term, but do not stipulate a specified timeline or terms for ending the business relationship.

**Recommendation:** Fair Wear recommends Continental to be more explicit about payment terms, financial responsibility for CoLP implementation and terms of ending the business relationship in its contracts so that the contracts have strong legal standing.

| Performance indicators   | Result   | Relevance of indicator   | Documentation  | Score | Max | Min |
|--|----------|--|--|-------|-----|-----|
| 2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in its decision-making processes. | Advanced | Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company. | Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information. | 6     | 6   | 0   |

**Comment:** Continental shares relevant CSR information with other departments. There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The member includes responsible business practices in job role competencies. For instance, adherence to the Code of Labour Practices and responsible purchasing practices is included in the job description of the purchasing manager, specifically outlining the responsibility to ensure production planning does not include or necessitate overtime at any time.

| Performance indicators   | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|--|----------|---|---|-------|-----|-----|
| 2.15 Member company's purchasing practices support reasonable working hours. | Advanced | Members' purchasing practices can significantly impact the levels of excessive overtime at factories. | Proof that planning systems have been shared with production locations, examples of production capacity knowledge that is integrated into planning, timely approval of samples, and proof that management oversight is in place to prevent late production changes. | 6     | 6   | 0   |

**Comment:** Continental has specific production capacity at all of its suppliers which it agrees on in collaboration with its suppliers prior to starting production. The brand plans according to the known production capacity. Continental does not work with standard lead times, but a standard production cycle is either six or eight weeks, depending on whether dyeing is part of the process. The delivery date is suggested by its suppliers, as Continental does not work with deadlines. The brand aims to maintain a steady production at the factories with dedicated lines producing continuously for Continental throughout the year.

The brand keeps fabric stock on hand for all its suppliers to avoid putting pressure on the factory in case of delays. Moreover, it does not place or change orders at short notice, nor asks for quicker deliveries than pre-planned. When Continental wants to increase production capacity, the brand discusses this with its factory and collaboratively plans the setting up of extra production lines which they then commit to filling over time. The brand does not push its suppliers when they cannot meet the production deadline, does not impose penalties, and does not impose pressure to do overtime.

| Performance indicators  | Result       | Relevance of indicator  | Documentation  | Score | Max | Min |
|---|--------------|---|--|-------|-----|-----|
| 2.16 Member company can demonstrate the link between its buying prices and wage levels at 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, cost sheets including labour minutes. | 4     | 6   | 0   |

**Comment:** Continental has a strong understanding of the wage levels at its suppliers and connects this understanding to its own buying prices. Continental has a basic insight into the labour component of its prices and works with form of open costing with all its suppliers who know the labour component of the prices. The labour component of the prices are fixed in price setting as per the Supplier Agreements. None of its suppliers use the FairPrice App yet and the suppliers Continental has introduced the App to show reluctance to work with it.

The member requests monthly payrolls to generate a clear oversight of wage levels at its suppliers. It knows the wage levels for lower paid positions as well as higher paid positions. Continental knows the number of actual sewing minutes needed for a style. Continental knows the labour minute value at most of its suppliers. Continental includes changes in legal minimum wage or inflation in its buying prices. Continental examines prices once a year to cover increased material costs and wage levels.

**Recommendation:** Continental is recommended to investigate why some suppliers are reluctant to work with Fair Price or any other form of fact-based costing, if needed, with the support of Fair Wear's local teams.



| Performance indicators  | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|---|----------|---|---|-------|-----|-----|
| 2.17 All sourcing intermediaries play an active role in upholding HRDD and Fair Wear's Code of Labour Practices and ensure transparency about where production takes place. | Advanced | Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP. | Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc. | 4     | 4   | 0   |

**Comment:** Continental's sourcing model purposely excludes the use of sourcing intermediaries.

## Layer 3 Prevention, mitigation and remediation

**Possible Points: 90**

**Earned Points: 70**

### Indicators on the quality and coherence of a members' prevention and remediation system

| Performance indicators   | Result   | Relevance of indicator  | Documentation  | Score | Max | Min |
|--|----------|---|--|-------|-----|-----|
| 3.1 Member company integrates outcomes of human rights risk identification (layer 2) into risk prioritisation and creates subsequent action plans. | Advanced | Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes. | Overview of supplier base with accompanying risk profile and follow-up programmes. | 6     | 6   | 0   |

**Comment:** Continental has prioritised risks and created action plans per supplier, counting for 100% of the total FOB. These match the risk profile. The member company could show it created an action plan for its supplier in Bangladesh but does not work on joint prevention, mitigation and remediation with the RSC and signatories of the International Accord. The member started exiting the supplier in June 2023 due to changes in production. It placed its last order in August 2023. It is still in regular contact with the supplier and is monitoring an ongoing complaint and training programme at the factory.

Though the action plans detail the different approaches to prevent, mitigate and remediate the prioritised risks, they do not yet all include a budget or timeline. Deciding on timeline and budget happens on an opportunity and need-by-need base.

| Performance indicators                                   | Result       | Relevance of indicator  | Documentation   | Score | Max | Min |
|--|--------------|---|---|-------|-----|-----|
| 3.2 Member company's action plans include a gender lens. | Intermediate | The prevention and improvement programmes should ensure equitable outcomes. Thus, a gender lens should be incorporated in all programmes regardless of whether or not the programme is specifically about gender. | Proof of incorporation of the gender lens in follow up programmes, including stakeholder input. | 4     | 6   | 0   |

**Comment:** Continental included a gender lens in its improvement and prevention steps for most of its factories. It implemented three Violence and Harassment Prevention Programme training at its Indian and Bangladeshi suppliers based on its factory risk assessments. At one of its Indian suppliers, Continental also implemented a training on social dialogue, gender sensitisation and gender-based violence and harassment for the members of the different worker committees. It discussed concerns with female workers as part of this training and after concerns were shared about safety and a work/life balance, it started planning to build another dormitory. Another concern that was shared was that it was unclear how to get promoted. This was shared as a root cause for why female workers did not apply for managerial positions, after which the member discussed with the supplier that it should specify a process regarding promotion. At its other Indian supplier, the brand has been running a period dignity project for six years. Moreover, in its work on social dialogue and freedom of association, the member ensured that all worker committees at all of its suppliers included female members.

By actively discussing gender topics and vocalising how gender equality is an important core value for Continental, as well as actively requesting male/female ratios in worker committees and managerial positions, the member encourages gender equality in its supply chain.

**Recommendation:** Continental is recommended to extend its gender lens to all action plans.

| Performance indicators   | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|--|----------|---|---|-------|-----|-----|
| 3.3 Member company's action plans include steps to encourage freedom of association and effective social dialogue. | Advanced | Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas. | Available prevention and improvement programmes, including stakeholder input. | 6     | 6   | 0   |

**Comment:** Continental included comprehensive steps to encourage FoA and effective social dialogue in all its action plans. The member is coordinating training on strengthening internal social dialogue mechanisms and strengthening knowledge about FoA and social dialogue which includes a gender lens, as well as on violence and harassment prevention which includes the setting-up/ strengthening of a worker committee. Continental also checks the internal management systems and social dialogue mechanisms at all its suppliers to ensure they support social dialogue, and monitors worker awareness regarding social dialogue and FoA rights. The member has implemented these steps. The member has applied a gender lens and ensures its steps to promote FoA and effective social dialogue address the specific risks for female workers.

| Performance indicators  | Result   | Relevance of indicator  | Documentation  | Score | Max | Min |
|---|----------|---|--|-------|-----|-----|
| 3.4 Member company actively supports a factory-level grievance mechanism. | Advanced | Fair Wear's complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers. | Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue. | 6     | 6   | 0   |

**Comment:** Continental actively supports and monitors the effectiveness of factory-level grievance mechanisms. It knows that all of its suppliers have factory-level grievance mechanisms and checks the functioning of these by checking and discussing the process and usage of it during monitoring visits and through monitoring onsite assessment reports. It also discusses the factory-level grievance mechanism with workers during monitoring visits and discusses training the workforce with its suppliers regularly.

Continental supports and monitors the mechanism and responds when it is ineffective. For example, it collaborated with one of its suppliers to reposition a camera after it found that it was positioned across an internal dialogue box.

| Performance indicators  | Result | Relevance of indicator  | Documentation                              | Score | Max | Min |
|---|--------|---|--|-------|-----|-----|
| 3.5 Member company collaborates with other Fair Wear members or customers of the production location. | Basic  | Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers. | Communication between different companies. | 2     | 6   | 0   |

**Comment:** Continental cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and sharing information before and after monitoring visits. The member company cannot demonstrate it works on joint prevention, mitigation and remediation with the RSC and signatories of the International Accord. Continental has not yet cooperated with customers that are not Fair Wear members. Continental has yet to start cooperation on taking preventive measures such as living wages or training.

**Recommendation:** We recommend Continental to also work together on preventing human rights violations. Even though Continental already works together with other Fair Wear members, Fair Wear recommends to also collaborate with other customers.

### Indicators on implementation: improvement and prevention

| Performance indicators          | Result | Relevance of indicator  | Documentation                               | Score | Max | Min |
|---------------------------------|--------|---|---|-------|-----|-----|
| 3.6 Degree of verified actions. | 93%    | Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem. | Progress reports on improvement programmes. | 6     | 6   | -2  |

**Comment:** During the performance check Continental could demonstrate it has followed up 93% of actions out of all outstanding actions. These actions are linked to CAPs of full assessments conducted in the previous three financial year. Most resolved actions pertain to health and safety and factory communication, while actions on living wages are still outstanding. Examples of improvement actions that were taken include training the workforce on the functioning of worker committees and on health and safety measures, for example providing workers with anti-fatigue mats.

| Performance indicators   | Result                | Relevance of indicator  | Documentation                    | Score | Max | Min |
|--|-----------------------|---|----------------------------------|-------|-----|-----|
| 3.7 Degree of progress towards implementation of prevention programme. | Intermediate progress | Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe. | Update on prevention programmes. | 4     | 6   | -2  |

**Comment:** Continental has identified some root causes of the CAP issues and discussed these with its suppliers. The member has implemented some preventive steps. Examples of the discussed root causes are lack of education on workers' rights, lack of funding for increasing wages, long travel times to work, no clear processes for career advancement (especially for women) and workers staying home while they are menstruating. The member developed preventive steps and implemented most of these such as training workers, discussing internally how to finance price increases, building another dormitory and working on a process regarding promotion and distributing free menstrual products to address these root causes.

**Recommendation:** Fair Wear recommends Continental to translate all its root cause analysis into concrete, time-bound preventive actions as part of the risk profiles.

| Performance indicators  | Result                                      | Relevance of indicator  | Documentation   | Score | Max | Min |
|---|---|---|---|-------|-----|-----|
| 3.8 Member company validates risk profile and maintains regular dialogue with factories where no action plan is needed. | No factories in the respective risk profile | When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses. | Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo. | N/A   | 6   | 0   |

**Comment:** Continental does not have suppliers where improvement or prevention steps are not needed.



| Performance indicators  | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|---|----------|---|---|-------|-----|-----|
| 3.9 Degree to which member company mitigates root causes of excessive overtime. | Advanced | Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays. | This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc. | 6     | 6   | 0   |

**Comment:** In the previous three years, one factory onsite assessment report of the total eleven factory onsite assessment reports mention excessive overtime. Continental analysed the root causes of these findings. According to the member, cultural practices and attitudes regarding working overtime is a significant cause for excessive overtime in China. Continental did not have the influence to convince the supplier to remediate the findings as the member had very low leverage at the supplier, which weighed in on its decision to ultimately exit the supplier.

At its other suppliers, there are no findings related to excessive overtime.

| Performance indicators  | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|---|----------|---|---|-------|-----|-----|
| 3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid. | Advanced | Fair Wear members are expected to actively verify that all workers receive legal minimum wage. If a supplier does not meet the legal wage requirements or is unable to show they do, Fair Wear member companies are expected to hold the management at the production location accountable for respecting local labour law. | Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show the legal wage issue is reported/resolved. | 4     | 4   | -2  |

**Comment:** In the previous year, one complaint included findings regarding legally required wage elements. The complaint noted that, amongst other things, pregnant workers are forced to resign after 8-10 months of service and no workers are given maternity benefits before having been employed for one year. Continental responded immediately to these findings by meeting with Fair Wear to discuss remediation efforts. The member used a Fair Wear training programme to monitor the follow-up of the complaint.

| Performance indicators   | Result | Relevance of indicator  | Documentation   | Score | Max | Min |
|--|--------|---|---|-------|-----|-----|
| 3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations. | Basic  | 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. | Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc. | 2     | 6   | 0   |

**Comment:** Continental discusses the topic of wages with 100% of its suppliers. Continental understands which suppliers pay wages below living wage estimates as a consequence of the member’s policies and actions. Continental followed up on this and reviewed internally how the member could gather the funds to support wage increases and has yet to implement this.

The member has yet to develop a systemic and time-bound approach to get wages increased towards a living wage.

**Recommendation:** Fair Wear encourages Continental to discuss with suppliers about different strategies to work towards higher wages and develop a systemic and time-bound approach.

| Performance indicators                                      | Result | Relevance of indicator  | Documentation   | Score | Max | Min |
|---|--------|---|---|-------|-----|-----|
| 3.12 Member company determines and finances wage increases. | Basic  | Member companies should have strategies in place to contribute to and finance wage increases in their production locations. | Analysis of wage gap, strategy on paper, demonstrated roll out process. | 2     | 6   | 0   |

**Comment:** Continental has started to address the topic of living wage internally, by discussing how to finance an increase to the living wage premium it is paying at one of its suppliers. Continental has an overview of wages paid in production locations. The member has discussed wage increases with its factories. Continental does not have a strategy on how to finance wage increases at its suppliers yet, but plans to finance these costs from its margins. Continental has started analysing the costs of financing wage increases across its supply chain. Continental has worked with its suppliers to set a new target wage at one selected suppliers. It is planning to increase the living wage premium at the selected supplier from 25 rupees to 40 rupees per worker, as the living wage premium has not been increased since 2016. The member has not implemented this yet. Continental has an ad-hoc plan regarding the finance wage increases across its supplier base.

**Recommendation:** Fair Wear strongly recommends Continental to increase its living wage premiums in line with inflation.

| Performance indicators  | Result | Relevance of indicator   | Documentation  | Score | Max | Min |
|---|--------|--|--|-------|-----|-----|
| 3.13 Percentage of production volume where the member company pays its share of the living wage estimate. | 74%    | Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker. | Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc. | 6     | 6   | 0   |

**Recommendation:** Fair Wear strongly recommends Continental to embed its living wage premiums into structural higher wages.

| Performance indicators   | Result       | Relevance of indicator  | Documentation  | Score | Max | Min |
|--|--------------|---|--|-------|-----|-----|
| 3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear's Access to Remedy Policy. | Intermediate | Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain. | Overview of supporting activities, overview of grievances received and addressed, etc. | 2     | 4   | -2  |

**Comment:** Continental received one complaint in the past financial year related to the labour standards 'No discrimination', 'Living wage', 'Safe & healthy working conditions', and 'Legally binding employment relationship' at its suppliers in Bangladesh.

The member actively responded to this complaint as per Fair Wear's Complaints Procedure. It responded immediately to these findings by meeting with Fair Wear to discuss remediation efforts. The member used a Fair Wear training programme to monitor the follow-up of the complaint. It is still in regular contact with the supplier about the ongoing complaint and training programme at the factory and has since exited the supplier. Continental did not yet include the outcome of this complaint to decide on further preventive actions in its supply chain.

**Recommendation:** Continental could use the outcome of complaints to determine follow-up actions in its broader action plans.

| Performance indicators   | Result       | Relevance of indicator   | Documentation   | Score | Max | Min |
|--|--------------|--|---|-------|-----|-----|
| 3.15 Degree to which member company implements training to address the risks identified. | Intermediate | Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed. | Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc. | 4     | 6   | 0   |

**Comment:** Continental has one CAP finding where training is a recommended follow-up action. The member had already enrolled this supplier with the finding that some workers had no awareness about the factory's internal social dialogue mechanism in the following training module: Violence and Harassment Prevention Programme. Even though it is not part of a CAP, to follow up on its factory risk assessments Continental has implemented the Violence and Harassment Prevention Programme at two other suppliers as well, in India and Bangladesh. Moreover, it implemented two training programmes at its Bangladeshi supplier on the Code of Labour Practices and gender, and one training programme at one of its Indian suppliers on social dialogue, gender sensitisation and gender-based violence and harassment for the members of the different worker committees.

**Recommendation:** Continental is recommended to implement training for all factories, also where this is not part of its action plan.

| Performance indicators   | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|--|----------|---|---|-------|-----|-----|
| 3.16 Degree to which member company follows up after a training programme. | Advanced | Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact | Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts. | 6     | 6   | 0   |

**Comment:** Continental followed up on all training results by going through the training reports and discussing the report with its suppliers. Additionally, the member used the training results as input for its human rights due diligence by using information shared by workers during the training as input for its risk assessments and root cause analysis. For example, during a training programme at one of its suppliers, workers shared that it was unclear how to apply for higher positions and some workers shared that long travel times were an issue for them. Continental responded to this by asking the factory to formulate a clear process for career advancement and by building another dormitory.

| Performance indicators  | Result       | Relevance of indicator  | Documentation  | Score | Max | Min |
|---|--------------|---|--|-------|-----|-----|
| 3.17 The member company's human rights due diligence system includes a responsible exit strategy. | Intermediate | Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy. | Exit strategy policy, examples of supplier communications. | 2     | 4   | 0   |

**Comment:** In the past financial year, the member stopped with two suppliers. The member followed the steps in the responsible exit strategy. At one of the suppliers, the member had decreases its leverage over the course of multiple years, at the other supplier it never had significant leverage. It discussed the exit with both suppliers and checked if this would impact the workforce. Both suppliers communicated that they could easily fill Continental's production capacity with other orders. Continental has shared, but not yet discussed the responsible exit strategy with all its suppliers as it does not want to give its suppliers the idea they are thinking about exiting.

**Recommendation:** Continental could include the responsible exit strategy as part of its suppliers' agreement or contract.

| Performance indicators  | Result | Relevance of indicator   | Documentation   | Score | Max | Min |
|---|--------|--|---|-------|-----|-----|
| 3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope. | Basic  | Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2. | Overview of Human Right risk monitoring, remediation and prevention activities and processes. | 2     | 6   | 0   |

**Comment:** Continental undertakes activities related to human rights that go beyond Fair Wear's scope, namely conducting monitoring visits at suppliers in its lower tiers and monitoring GOTs factory assessment reports which includes some social criteria. So far, the member notes that no non-compliances regarding social criteria were found.



## Layer 4 External communication, outreach, learning, and evaluation

**Possible Points: 22**

**Earned Points: 22**

### Indicators related to communication

| Performance indicators   | Result   | Relevance of indicator   | Documentation   | Score | Max | Min |
|--|----------|--|---|-------|-----|-----|
| 4.1 Member company actively communicates about Fair Wear membership. | Advanced | Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community. | Member website, sales brochures, and other communication materials. | 4     | 4   | 0   |

**Comment:** Continental communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. By communicating about Fair Wear on-garment and through its social media platforms, press releases and marketing literature, Continental actively spreads the Fair Wear message.

| Performance indicators   | Result                          | Relevance of indicator   | Documentation  | Score | Max | Min |
|--|---------------------------------|--|--|-------|-----|-----|
| 4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable). | No reselling of external brands | Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information. | External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct. | N/A   | 4   | 0   |

**Comment:** Continental does not sell external brands.

| Performance indicators   | Result   | Relevance of indicator  | Documentation  | Score | Max | Min |
|--|----------|---|----------------|-------|-----|-----|
| 4.3 Human rights due diligence reporting is submitted to Fair Wear and is published on the member company's website. | Advanced | The social report is an important tool for member companies to share their efforts with stakeholders transparently. The social report explicitly refers to the workplan and the yearly progress related to the brands goals identified in the workplan. | Social report. | 4     | 4   | 0   |

**Comment:** Because of an early performance check, Continental has not yet submitted its social report. However, in the past years, the member has always submitted and published its social report and therefore full points are awarded.

| Performance indicators                                       | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|--|----------|---|---|-------|-----|-----|
| 4.4 Member company engages in advanced reporting activities. | Advanced | Good reporting by members helps ensure the transparency of Fair Wear’s work and helps share best practices within the industry. This indicator reviews transparency efforts reported beyond (or included in) the social report. | Brand Performance Check, audit reports, information about innovative projects, specific factory compliance data, disclosed production locations (list tier 2 and beyond), disclosure of production locations, alignment with the Transparency Pledge. | 4     | 4   | 0   |

**Comment:** Continental will publish its social report, which includes some factory-level data and remediation results, on its website. The factory level data Continental includes are: the number of workers in the workforce, the ration male/female workers, and the percentage of leverage and FOB it has at its suppliers. Next to that, the member is planning to include the time-bound prevention, remediation and mitigation actions it has supported for each supplier.

| Performance indicators  | Result   | Relevance of indicator   | Documentation  | Score | Max | Min |
|---|----------|--|--|-------|-----|-----|
| 4.5 Member company has a system to track implementation and validate results. | Advanced | Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made. | Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback. | 6     | 6   | 0   |

**Comment:** Continental has a system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations. The internal evaluation system does not involve/ involves top management. In its evaluation system, the member includes triangulated information from external sources, such as supplier documents, picture evidence, visual inspection during monitoring visits and discussions with management.

| Performance indicators   | Result   | Relevance of indicator  | Documentation   | Score | Max | Min |
|--|----------|---|---|-------|-----|-----|
| 4.6 Level of action/progress made on requirements from previous Brand Performance Check. | Advanced | 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 should show documentation related to the specific requirements made in the previous Brand Performance Check. | 4     | 4   | -2  |

**Comment:** The previous performance check included the following requirements:

'Continental is required to ensure that prioritisation in follow-up matches the factory's risk profile.'

'Continental must include the requirements of the new 'Enhanced Human Rights Due Diligence Policy for fire, structural and electrical safety in Bangladesh' in its monitoring system. In accordance with the policy, the member must be able to demonstrate collaboration on prevention, mitigation and remediation with the signatories of the International Accord, as well as proof of actual (financial) contribution to what is required from the RSC activities for all its production locations in Bangladesh.'

'Continental should investigate to what extent its current buying practices affect the working hours at the supplier level. A root cause analysis of excessive overtime should be done to investigate the most effective steps to reduce overtime. The Fair Working Hours Guide can be used as a resource.'

Continental followed up on all requirements.

## 5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: Not applicable

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Not applicable

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: Not applicable

## Recommendations to Fair Wear

Continental recommends Fair Wear to offer more training programs, they are particularly interested in training relevant to the Tamil Nadu and southwest Türkiye regions. For example, Fair Wear could reestablish the female supervisory training program. The member would also like Fair Wear to obtain more funding for organising training pilots, and to organise more social events for its members.

# Brand Performance Check details

Date of Brand Performance Check: **21-05-2024**

Conducted by: **Maaïke Rubenkamp**

Interviews with: **Mariusz Stochaj** – head of product and sustainability

**Adam Gilleece** – CSR coordinator

**Phil Gamett** – CEO

**Neil Jones** – financial director