

# **Continental Clothing** Social Report 2022



Reporting period 1/1/2022 - 31/12/2022 Fair Wear member since October 2006 www.ContinentalClothing.com



## Important acknowledgments

Continental Clothing would like to acknowledge and thank all the hundreds of workers throughout the supply chain, including:

- the cotton farmers and their families
- the ginners, including those who look after the farm animals and the machinery
- the yarn spinners
- the knitters and weavers
- the dye house workers
- the fabric spreaders and cutters
- the tailors
- the printers and embroiderers
- the pressers
- the packers
- the checkers and quality controllers
- the storeroom supervisors, the multitude of drivers, fork lift operators
- loaders and security guards
- and the essential but often forgotten cleaners, sweepers and helpers
- the people who make our clothes.

## **#PeopleFriendlyFashion**





## About us

Continental Clothing Company Limited is a multi-award-winning designer and manufacturer of superior quality, ethically made and sustainable ready-to-print blank apparel products.

The Company has developed four unique ethical consumer apparel brands – Continental<sup>®</sup>, EarthPositive<sup>®</sup>, Salvage<sup>®</sup> and Fair Share<sup>™</sup> - which are among the most up-to-date value-driven clothing brands in the world.

Continental Clothing began in 1998 in London as a B2B wholesaler and distributor of ready-to-print T-shirts, sweatshirts, and childrenswear. Over the course of 25 years, Continental Clothing has acquired a reputation as the pioneer in the evolution of ethical and sustainable fashion, first as a result of its work supporting the development of organic cotton farming, and in 2004 being the first company to produce certified organic cotton garments in commercially bright colours, beyond ecru; in 2006, for advocating and supporting the banning of child labour in the cotton fields of Uzbekistan, by being the first clothing company to publicly commit to tracing the country of origin of its cotton; and as early as 2007, for achieving a 90% reduction in the carbon footprint of its EarthPositive® cotton garments, while also managing to produce all its clothing in an ethical and sustainable manner.

The company's focus has always been and will continue to be on creating high quality, expertly styled garments for fashion retail, music merchandise and corporate promotions, and with its hard won ethical and sustainable values woven into every garment.

Our Mission is to continue to inspire and accelerate an Earth-positive future, by building ethical retail apparel brands with values and authenticity to drive sustainable business growth for the benefit of our people, our planet, and the future.

Continental Clothing - accelerating an Earth-positive future.



The original superior quality, ethically made ready-to-print blank t-shirts. Continental<sup>®</sup> has been the favourite printable t-shirt brand for musicians, artists, graphic designers and screen printers since 1998. The Continental<sup>®</sup> Collection is our signature collection of premium quality fashion-orientated T-shirts, hooded sweatshirts and printable athleisurewear. The majority of Continental<sup>®</sup> products are made from organic cotton, recycled polyester, as well as other sustainable fibres.



Organic, Ethical, Climate Neutral<sup>®</sup> - the most progressive sustainable clothing on Earth. Born in 2009, EarthPositive<sup>®</sup> has reduced the carbon footprint of cotton garments by over 89% while also managing to produce all the clothing in an ethical and sustainable manner. EarthPositive<sup>®</sup> was created to prove that it is possible to produce cotton clothing without any detrimental effects to the Earth's soil, water or inhabitants, whether they be animals, plants or people, or to its climate. EarthPositive<sup>®</sup> is a multi-award-winning consumer brand of low carbon apparel created to help combat the climate crisis.



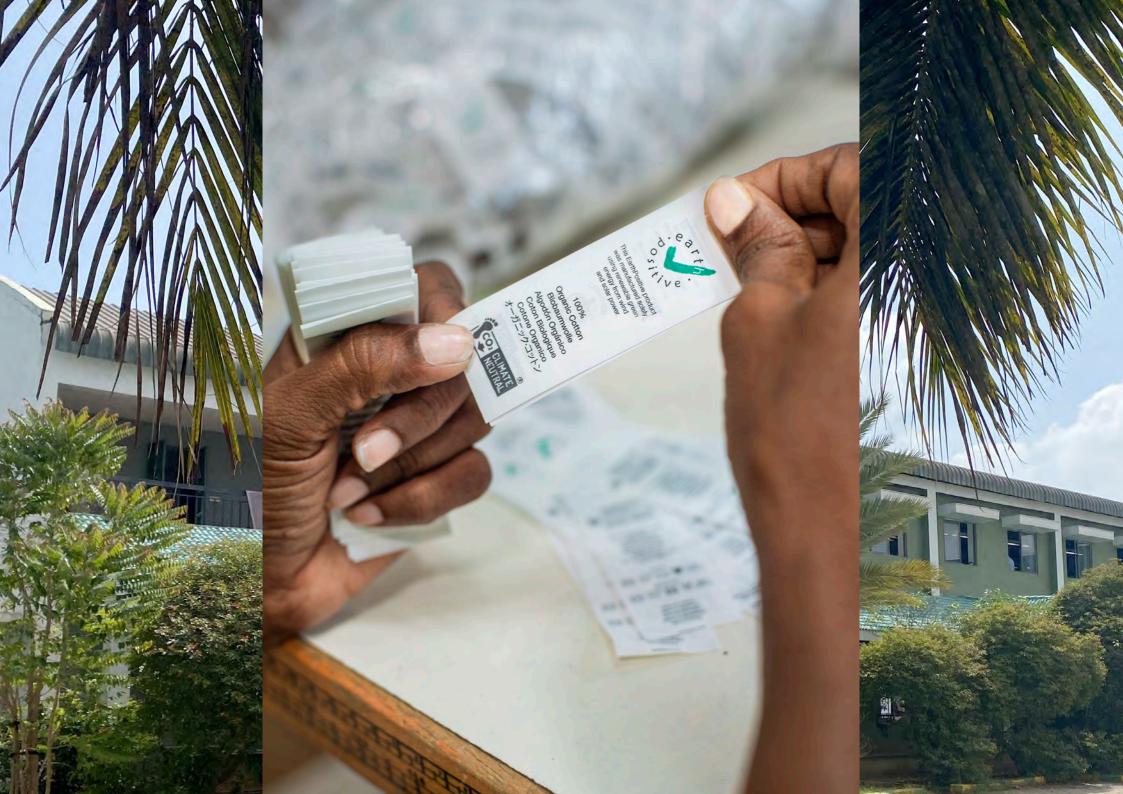
SALVAGE® clothing is made from 100% recycled materials. Organic cotton waste is "salvaged" from off-cuts and shredded until broken into individual fibres. These fibres are blended with locally recycled plastic bottles to create a yarn composition of 60% recycled organic cotton and 40% recycled polyester, perfect for our line of fashionable 100% recycled T-shirts and hoodies.

All SALVAGE<sup>®</sup> products are certified under the Global Recycle Standard (GRS) and carry the certification marks, licensed by Control Union Certifications.



We believe a living wage is a basic human right. FAIR SHARE<sup>™</sup> clothing carries a small price premium that is passed directly on to the garment workers in India towards their Living Wage. Adding as little as 10 pence (or 14 cents) to the price of a T-shirt results in a 50% increase in the wages of the poorest workers. This demonstrates how "A small change makes a big difference".





## Our philosophy

We all have a right to a safe and healthy work environment, a living wage, a legally binding contract. We all have a right to be free from discrimination and harassment, to join - or not to join - a labour union, to choose our work freely. We all have a right to fair and reasonable working hours. And our children have a right to go to school.

Continental Clothing Co. has been running a pro-active social responsibility programme as a member of Fair Wear Foundation (Fair Wear) since 2006.

Our social standards apply to each supplier, regardless of the sourcing country. Each manufacturing facility is regularly audited for social compliance in accordance with the eight core labour standards advocated by the International Labour Organisation (ILO) and the UN's Declaration on Human Rights.

Slavery, servitude, forced labour and human trafficking (modern slavery) are issues of increasing global concern, affecting all sectors, regions and economies.

Modern slavery is fundamentally unacceptable within our business and supply chains, and is an important element in our overall approach to business and human rights. Continental Clothing Co. is not legally required under current legislation to produce the modern slavery statement. However, we are committed to respecting, protecting and championing the human rights of all those who come into contact with our operations, including employees, stock and non-stock supply chain workers, customers and local communities.

We believe that the key to real progress is collaboration - across industries, and with NGOs, state and trade union partners. This statement is an expression of our commitment to further collaboration with all the actors in order to deliver a world free of slavery.





## Year in review

2022 was the year of post-Covid recovery for both, our production locations and our sales markets.

Trading conditions remained challanging across the global markets with national economies feeling the burden of the pandemic. Our year-on-year sales grew in the reporting year by a healthy 20%.

The year marked a development and the begining of implementing of a comprehensive human rights due dillingence processes, touching on every aspect of our operations and business conduct.

### HUMAN RIGHTS DUE DILLIGENCE

In 2022 we commenced the development of a comprehensive Human Rights Due Dilligence (HRDD) framework that would encompass every aspect of our activities within our own operations and our supply chain, in line with the FWF policy, UN Guiding Principles, OECD Guidelines and the ILO Triaptraite Declaration of Principles.

What the Continental Clothing HRDD policy does:

- Step 1: Embed Human Rights Due Diligence in Policy and Management Systems
- Step 2: Identify actual and potential harms in your supply chains

Step 3: Cease, prevent or mitigate harm in own operations and supply chain Step 4: Track progress

- Step 5: Communicate about human rights due diligence
- Step 6: Provide for or co-operate in remediation when appropriate

As part of the formulation of the policy, the following have been brought about: - Responsible Business Conduct Policy demonstrating our committment to HRDD

- Risk assesment system to evaluate potentail harms at country, region, factory and product level

- Supplier Agreements embedding HRDD compliance and strengthening our relationships and mutual support.

### LIVING WAGE

This was the fifth year of running our Fair Share living wage programme. We increased our direct voluntary contribution towards the workers' living wage fourfold, compared to the year in which it commenced. The number of workers benefiting financially from the Fair Share scheme increased from the initial 260 to a peak of over 900.

Up to the end of December 2022, our contibutions to the workers' living wages totalled around £150,000 sterling.

Through our Fair Share living wage programme, we pay a premium of 25 Indian rupees to every worker for every basic 8-hour shift they work, regardless of their skill level or pay grade. It represents a substantial increase for the workers on the lowest pay grades.

### PERIOD DIGNITY

For the fifth year running, we've been providing free sanitary towels to all female workers in our prinicpal factory in India.

Personal hygine products are frequently considered a luxury, which means many women are confined to their homes during their menstrual cycles, unable to go to work thus losing important income.

In 2022 we handed out over 49 thousand disposable pads so the women don't miss out on work, and can enjoy good health and dignity.





## **Our sourcing practices**

We choose our manufacturing partners very carefully. We look for a meeting of minds, common ideas about technical excellence and responsible business conduct. When we find them, we stick together for a long time.

From the outset, the sourcing strategy of Continental Clothing has been characterised by establishing and developing long-term partnerships with a select number of suppliers.

We ensure that both sides are able to acquire knowledge, gain understanding and genuine trust, based on common values, and commit to mutual long-term planning, in order to evolve and grow together.

### Our factories

We are proud of our partnerships with the current supplier base in Asia. We have worked with only five factories for many years; the length of the relationships ranging from 8 to 25 years.

Over the time, they have not only proven themsleves reliable but also highly conscientious, progressive and readily willing to engage to make a change wherever it was needed.

Their openness to new challanges enabled us to push the boundries on sustaniable and resposible manufacturing practices, eliviating negative impacts on the environment and improving the livelihoods and working conditions of the people who work for us. We are all intensely aware of the evolving realities of the world and the various risks being posed, and so the work continues relentlessly. The sourcing decision-making rests with three senior managers within the Company.

Daily product development and production management is led by two people, each responsible for two factories, but the overall control is carried out collectively. Five staff members deal with orders, technical, quality, CSR, logistic and financial matters.

The Company does not engage any sourcing intermediaries.

### Recently added factory

The existing production base was proven sufficient and effective for our current needs and the immediate future growth of our product range, however, in 2019 we decided to add a new type of product - headwear, which meant we had to look for a new partner with the specialist technical expertise.

We chose the new partner after a lengthy search and careful consideration, in accordance with our Responsible Sourcing Policy. We were lucky in that the factory had already been audited by Fair Wear for other member brands, who readily shared the audit reports and corrective actions, as well as their valuable comments. Equally, the factory also responded in an exemplary way to our requests for information relating to their environmental and social compliance policies.

Initial orders have been followed by bulk production, and although the volumes are still relatively low, there is a good outlook for future growth.





## **Our production cycle & planning**

We understand that production planning can have a significant impact on the working conditions and excessive overtime at a factory.

We maintain a steady, continuous production output throughout the year at the four principal factories and produce three or four times a year at the supplementary factory.

We agree with each factory the production timelines and delivery dates for every production batch, based on a standard working week without any overtime.

The Company recognises that unrealistic demands for short delivery lead times without advance planning is the main root cause of excessive overtime in the garment industry, and consequently the pre-planned output capacity, without the need for overtime, is strictly adhered to.

## We don't place or change orders at short notice, and do not ask for quicker deliveries than pre-planned.

The main annual collection was finalised in the autumn of the previous year and put into production in time to achieve initial deliveries in the first quarter of 2020. Repeat and continuity orders, and mid-season additions were manufactured on an on-going basis throughout the year as allowed by the changed circumstances.

Lead times varied at different factories and depending on styles - between 6 and 20 weeks. However, we accept delayed deliveries without imposing any form of penalties.

Production planning (capacity planning) in 2022 was done, as always, through discussions with the suppliers early in the annual cycle.

There were very slight variations in the daily production output throughout the year but overall the daily volumes remained constant at the main sites as forecast.

Some new products were developed with a long lead time for sampling prototypes, colour lab dips, and approvals, before being put into production within the pre-planned schedule.

Overtime was voluntary for those workers who specifically requested extra hours, and was always limited to the number of extra hours allowed by law, maintaining the provision for adequate periods of rests between shifts and a weekly day off work.

## Continental Clothing Co. does not use any external production or intermidiaries.





## **Our pricing approach**

The overriding principle guarding the setting of prices is to ensure that all parties are content with the contracted price, and that the profit margins allow for stable and sustained growth throughout the supply chain reflecting the real costs of materials and allowing the payment of negotiated wages.

We have done extensive work in the last few years on calculating the cost of labour that goes into the making of every product. This is to ensure that there is never a squeeze on the cost price that could result in pressure on workers' wages.

### The cost of labour for every product is fixed and non-negotiable.

When developing new products, their price points and commercial viability are controlled by the design and construction of the product, the choice of materials and any refining of finishing techniques. If the resulting development is deemed too expensive for the market, it is re-worked or abandoned.

### We do not sell on price. We never put orders out to tender.

Forward purchasing of raw materials in bulk ensures the stability of prices and allows planning of required production capacity; this results in optimised and controlled production costs while maintianing commercial viability of the products.

We always pay factories according to agreed terms.

We monitor the wages that are actually being paid to workers by requesting sight of the factories actual monthly payroll. The wage levels are also checked during Fair Wear audits, and the findings are presented within the wage ladder graphs. Those are produced to ensure the effective payment of at least the legal minimum wage, however in the vast majority of cases the wages comply with the garment industry rates that are negotiated periodically between the employers' organisations and workers' unions, and are significantly higher than the national legal minimum.

## A living wage is a human right.

Even though our factory workers are paid at least the negotiated minimum wages, we are well aware that in many cases they do not meet the levels that would afford a decent standard of living as defined by international standards. Since 2016 we have been taking steps to improve the earnings of workers by initiating a living wage programme and voluntarily adding a price premium that goes directly to the pay packets. However, the financing of such an initiative is not easy, and there are many complexities, and so we still have some way to go before all the workers reach the full living wage benchmark levels.

We do not use agents or intermidiaries.





## Our monitoring systems

We actively engage with our suppliers on a regular basis to ensure that social standards are implemented and monitored. We achieve this through: communicating these standards to our partners, conducting regular audits, providing training sessions and seminars, and implementing the Fair Wear Code of Labour Practices (CoLP) and the complaints procedure in order to continuously improve the working conditions.

#### Communication

Our suppliers are well versed in our social standards having worked with most of them for many years. Each site has received a Fair Wear Worker Information Sheet which is posted in the factory in well-visible areas in the native languages. This sheet contains our social standards but also the Fair Wear hotline for complaints. We ensure this is visible to the workers through site visits or request photographic evidence.

### Non-compliance

Continental Clothing has established long-term partnerships with its supply base and has not had to end any of these relationships. We believe our success is a result of our investment into our suppliers by building trust, establishing guidelines and encouraging training. This allows for better production output and more stable quality levels, higher transparency and improved working conditions.

If a supplier is found to be non-compliant during our monitoring activities, we do not cease trading with them. Instead we use our business relationship with the supplier to improve conditions and provide support in remediating the violation.

We would only terminate a contract with a supplier if: they had shown structural unwillingness to cooperate; we had exhausted all options for improvement; demonstrated to Fair Wear that we had actively tried to resolve the noncompliance and there were no other options; and we had Fair Wear's approval to end the business relationship.

### Audits

Our production sites are regularly audited by Fair Wear which is able to identify key risks or issues on our behalf. The audits usually involve several parts. Firstly, interviews with management about working conditions and management systems on-site, as well as off-site interviews with workers. Secondly, a health and safety inspection assessing fire safety, first aid measures etc. Thirdly, a review of employment contracts and other documentation relating to the payment of wages, working hours, annual leave and overtime records, purchasing and any third party audits and inspections.

### **Corrective Action Plans**

Once the audit is complete, a Corrective Action Plan (CAP) is finalised between the auditor and the factory management highlighting the areas that need improvement. Implementing recommendations and requirements that come out of a Corrective Action Plan are continuously in process.

We work closely with the factory management and workers' representatives to assist with implementing the corrective actions. We regularly request from our suppliers to report on their status within the agreed time frame. Followup inspections during factory visits or photographic/documentary evidence is requested to validate improvements.

## **Continental Clothing**





## **Our factories**

Factory name [Fair Wear code]	AKM [5825]	APK [2385]	SKCL [5601]	SSG [2388]	ASI [11301]
Country	India	Türkiye	Bangladesh	India	China
Location	Tirupur	Denizli	Habiganji	Tirupur	Jiangsu
Relationship since	2008	1998	2013	2007	2019
Other Fair Wear members	1	0	0	0	5
Total workforce	720	176	6120	794	1198
Female workers	64%	72%	45%	48%	86%
Share of annual production	6.79%	14.24%	15.99%	62.87%	0.11%
No. of visits in 2022	1	0	0	1	0
Most recent FWF audit	July 2019	May 2021	Dec 2020	Nov 2020	June 2020
Most recent other audits	April 2021	Nov 2021	Oct 2022	March 2022	Nov 2022
Next planned audit	June 2023	Feb 2023	Aug 2023	May 2023	not set
Leverage*	10.9%	26.8%	5.3%	72.7%	0.01%

\*) Leverage is the monetary value of the Company's production as a percentage of the factory's total annual turnover.





## Factory: SSG, Tirupur, India

Fair Wear code: 2388 Relationship since: 2007 Worforce: 794 Female workers: 48.4% Share of annual production: 62.87% Leverage: 72.7% Last Fair Wear audit: 4/11/2020 Last other social audit: 10/3/2022 (WRAP Gold)

This is our principal manufacturing facility, fully vertically integrated, making the EarthPositive<sup>®</sup> range of Climate Neutral<sup>™</sup> organic certified products, and the Fair Share<sup>™</sup> range in organic Fairtrade cotton since 2007 and 2015 respectively.

The factory is certified under the Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Oeko-Tex 100 Class 1 Standard, Oeko-Tex Detox To Zero, BSCI, SA8000 and ISO9001, and is licensed by the Fairtrade Labelling Organisation (FLO).

We successfully implemented a living wage project at this factory, with living wage premium payments to all the workers starting in January 2016. In September 2017 Continental Clothing trialled a project involving the free distribution of sanitary products to female workers in order to tackle the problems of female health, dignity and absenteeism. There was a noticeable difference even after a few months, with female workers no longer being forced to take unwanted leave every month. In addition, signs of improvements in general health as well as self-esteem among the female workers were observed. The cost of the scheme was funded solely by Continental Clothing. In 2019, in partnership with Eco Femme, a local initiative for empowerment of women, we initiated a trial of resuable washable sanitary pads and menstrual cups.

A Fair Wear audit was carried out in November 2020, and a WRAP Gold audit in March 2022, with a Corrective Action Plans established and agreed between the auditors, management, workers' representatives and ourselves. Issues raised at the factory mostly related to improvements in documentation and record keeping of overtime work, induction and training of new employees during probation period, updating worker information sheets, etc. The outstanding requirements have been resolved and verified by video calls, photographic and documentary evidence and during factory visits. Factory: AKM, Tirupur, India

Fair Wear code: 5825 Relationship since: 2008 Worforce: 720 Female workers: 64.3% Share of annual production: 6.79% Leverage: 10.9% Last Fair Wear audit: 10/7/2019 Last other social audit: 8/4/2021 (Intertek Carter's)

This is our second factory in India for certified sustainable products, mostly organic cotton and recycled fibres. In 2013, we developed with the factory, and put into bulk production, a new product range under the brand name Salvage<sup>®</sup> – made from 60% pre-consumer recycled organic cotton and 40% post-consumer recycled polyester.

The factory is certified under the Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Global Recycle Standard (GRS), Oeko-Tex 100 Class 1 Standard, BSCI, and is licensed by the Fairtrade Labelling Organisation (FLO).

This is a fully vertically integrated factory with four production sites including two factories, a dye house and a spinning mill.

Continental Clothing shares sourcing responsibility for this factory with one other Fair Wear member - Nudie Jeans from Sweden. Together we split the responsibility for managing social audits and implementing the Corrective Action Plan.

All production sites were audited by Fair Wear, with the most recent audit in July 2019. There was a third-party audit by Intertek for Carter's CSR in April 2021. Key areas for improvement were around educating the workforce on Fair Wear's CoLP, their rights and their pay structure as well as ensuring health and safety standards are enforced.

The factory was last visited on 28<sup>th</sup> November 2022.

The factory was last visited on 2<sup>nd</sup> December 2022.

## **Continental Clothing**





## Factory: APK, Denizli, Türkiye

Fair Wear code: 2385 Relationship since: 1998 Worforce: 176 Female workers: 72.2% Share of annual production: 6.37% Leverage: 26.8% Last Fair Wear audit: 27/5/2021 Last other social audit: 29/11/2021 (Smeta)

Our suppliers in south-west Türkiye have produced our signature Continental<sup>®</sup> collection since 1998, however a majority of the production was moved to Bangladesh in 2013.

The factory has been certified under the Global Organic Textile Standard (GOTS), Organic Conten Standard (OCS) and Oeko-Tex 100 Class 1 Standard for over 12 years.

Most recent Fair Wear audit was in May 2021, and a SGS Smeta audit in November 2021. Issues highlighted in the audit reports needing corrective action related to the provision of more specific medical testing of employees, specialist training relating to risk of using certain new machinery, provision of breastfeeding facilities and sanitary equipment for female workers. More shaded outdoor ares with adequate sitting should be provided for workers to enjoy during breaks.

The auditors note positive findings relating to the factory's response to the Covid-19 pandemic and the prevention of the spread of the virus, as well as good practice in terms of financial support for the workers during the pandemic lockdowns and restrictions.

The corrective action plan has been followed up with the factory management to ensure and monitor progress towards resolution of the issues.

There were no visits to the factory in 2022 but the owners met with us in London on a number of occasions to discuss, among other, issues arising from the audits and ways to progress towards living wages.

## Factory: SKCL, Habiganji, Bangladesh

Fair Wear code: 5601 Relationship since: 2013 Worforce: 6152 Female workers: 45.0% Share of annual production: 15.99% Leverage: 5.31% Last Fair Wear audit: 23/12/2020 Last other social audit: 19/10/2022 (Smeta)

Located in the Sylhet district of Bangladesh, our suppliers have been the principal manufacturing facility for the Continental<sup>®</sup> collection since 2013.

The factory has been built to the highest design specification, receiving a Social and Environmental Excellence Award for the best factory in health & safety, and a Silver LEED award for Green Factory Building from the U.S. Green Building Council. In 2019 the award was upgarded to Platinum.

The most recent full Fair Wear audit in December 2020 found several areas for improvement, including trainee workers not receiving minimum wage, overtime rate was not paid to electricians, smoke detectors were not installed in chemical store, chemical storage permits were missing for two substances, some passageways were obstructed, men's dormitory had insufficient fire-fighting equipment and inadequate electrical wiring. During the closing meeting, the management was receptive and showed commitment to taking corrective and preventive actions.

Subsequent third-party social audits, the most recent an Intertek Smeta in October 2022, showed the issues raised have been resolved.

Considering the size of the workforce and our small leverage, we decided our most effective contribution to improving the standards at the factory would be to help develop an advanced training programme for all the workers, supervisors and middle management.

There were no visits to the factory in 2022 but the owner met with us in London on a number of occasions to discuss, among other things, how best to initiate and implement the training programme.





## Factory: ASI, Jiangsu, China

Fair Wear code: 11301 Relationship since: 2019 Worforce: 1206 Female workers: 86.5% Share of annual production: 0.11% Leverage: 0.01% Last Fair Wear audit: 11/6/2020 Last other social audit: 1/11/2022 (WRAP)

This factory is the latest addition to our supplier base. The factory specialises in technically sophisticated products, which allow us to extend our Continental<sup>®</sup> range with new lines in organic cotton.

The onboarding process was carried out in line with our Responsible Sourcing Policy. The factory was last audited by Fair Wear on behalf of other member brands (Engelbert Strauss) in June 2020. The factory is unionised, and the union chairman, committee members and 114 worker representatives were democratically elected by the workforce. Normal working hours were 60 hours per week with one day off per week.

After receiving the audit reports and the Corrective Action Plan, we contacted two of the member brands for their opinion about the factory's openness and willingness to cooperate and improve in matters relating to the labour standards and worker wellfare. Following the appraisal, we decided to begin production trials.

A third-party WRAP audit was carried out in November 2022. The findings and the corrective action plan were shared among all five FWF member brands to decide on and coordinate follow up communications with the factory.

Our production levels remaind relatively low, but we are committed to grwoing the volumes of business with teh factory.

We did not visits the factory in 2022 but have received reports from other member brands after their visits.





## **Complaints & remediation**

We encourage workers to make use of the internal complaints system to report on any incidents or grievances. We ensure that information on how to report is displayed in the native language and with a freephone number to local complaint handlers appointed by Fair Wear.

If we do receive a complaint, we take immediate action, working with Fair Wear representatives, members of the complaints team, the factory management and workers' representatives to resolve the issue. We will then follow up with our suppliers with continued correspondence and factory visits, until the matter is satisfactorily resolved.

In 2022 we did not receive any complaints. All complaints received in previous years were investigated, evaluated, resolved and closed.





## **Training & capacity building**

### Our Staff

We recognise the importance of keeping our staff fully informed about our social standards. Staff members are made aware of the eight core labour standards on joining Continental Clothing. In addition, the merits of the Company's membership of Fair Wear are communicated through the Company's Employee's Manual and during regular staff briefings.

Those members of staff that are in contact with our suppliers such as our Quality Control Supervisor and the Production Manager are provided with additional training. This is to help support their monitoring activities during site visits and ability to follow up on corrective actions.

### **Our Suppliers**

The management and workers of the manufacturing facilities are informed about our membership with Fair Wear and the Code of Conduct through model letters, original leaflets, questionnaires in their native languages, and direct contact.

In accordance with Fair Wear procedures, information sheets for workers, including the Code, complaints procedures and contact details of the complaints' handlers, are posted in English and native languages in appropriate locations within communal areas.

Since 2012, our suppliers have participated in Fair Wear's Workplace Education Programme (WEP) which aims to increase awareness of social standards. These training sessions are performed by Fair Wear's qualified trainers throughout the year and can range from understanding the Fair Wear complaints procedure to how to improve labour standards in the workplace or increase worker participation and representation.

#### Additional Training

In addition to WEP sessions, our suppliers organise training for their workers and management using their own in-house teams experienced in social standards. These training days will cover topics such as grievance handling, anti-harassment, worker awareness and mid-level management. This will be performed in the local language to ensure better understanding and avoid any miscommunication.

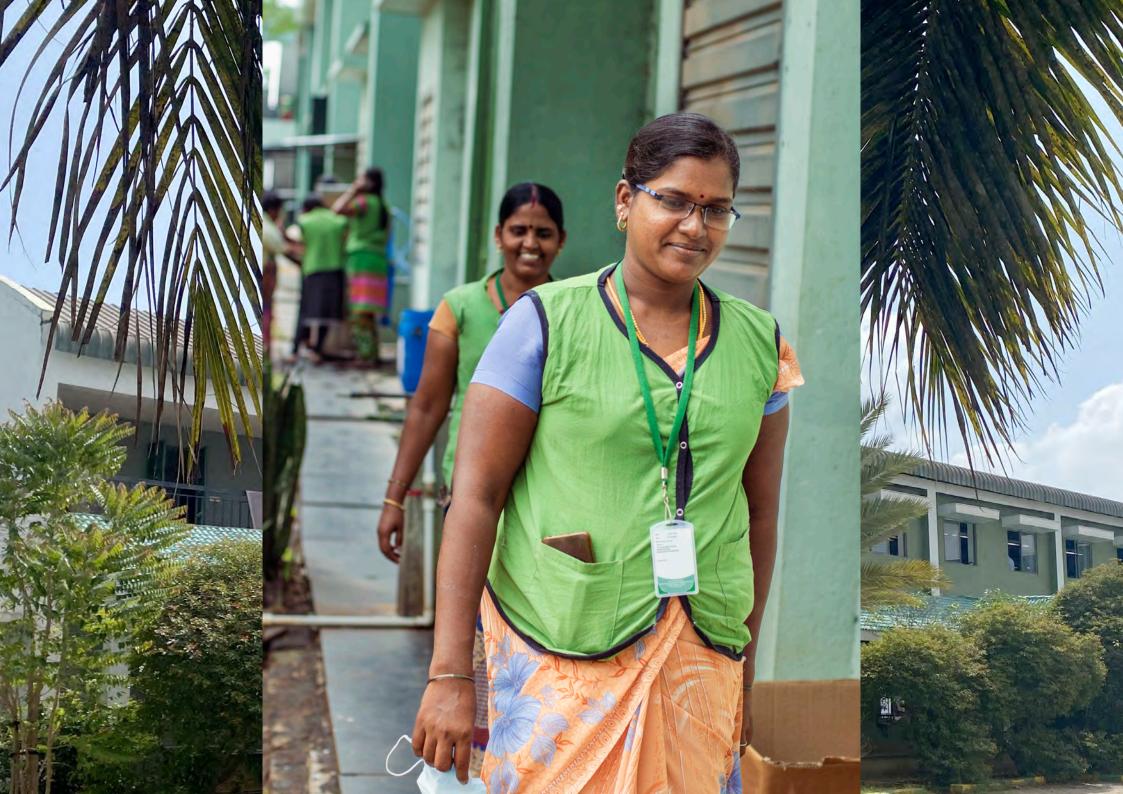
At our factory in Bangladesh, training sessions on social issues occur every month alongside other health and safety topics and environmental protection policies. These sessions are led by several trainers depending on the number of participants and cover a wide scope of subject, such as code of conduct including Fair Wear code of labour practices, grievance procedures and helpline, labour laws, overtime, anti harrassment and gender-based viloence, wages, deduction from pay slips, bonuses and final settlements, occupational health, electrical, mechanical and fire safety. There is an effective performance appraisal programme, which includes a supervisor training for women.

At the principal factory in India, there were 10 training programmes organised in 2021. These included awareness on Fair Wear and its CoLP, general induction training, health & safety at work, social and environmental policies, workers' rights as well as SAVE training on internal worker committees. Furthermore, training was provided on women's rights and gender harrassment, grievance procedures, maternity benefits and the use of the creche facilities.

The Turkish factory also carried out a series of in-house training sessions for workers at monthly intervals, covering labour rights and standards, grievance procedures, workers' benefits and health and safety as well as potential risks relating to the influx of war refugees.

However, in order to comply with Fair Wear requirements for validation of the quality of training, we are putting in place a programme of specialist training for the in-house instructors, so all future training will be carried out by independently accredited members of staff with approved course content.





## Information management

We know where and how our products are manufactured, without exception. We have a full visibility of our supply chains, and we keep records of all the production units involved.

Through our management system we ensure there are no unauthorised subcontractors used in the supply chain.

This is vital for us to be able to assess human rights risks and support improvements.

#### In-house system

In 2019 we introduced a new system of managing all aspects of handling information and records keeping in relation to our supply chains. The aim was to bring together all the various strands of information and records of activities, and provide and easy overview with the ability to drill into each one in depth.

The system encompasses company policy documents, suppliers register, audit reports, corrective action plans and their progress reports, complaints, training records, work plans, social reports and performance checks.

The system has been further developed and enhanced in 2022.

#### Fairforce and Fair Wear Member Hub

We welcomed the introduction of the Fair Wear Fairforce platform as a place to consolidate all records and documents essential for the responsible management of a supply chain. It has proven itself to be a valuable tool that we use frequently, especially in managing audits, complaints and workers training.

In September 2022, Fair Wear announced the imminent launch of a new Member Hub that would further enhance the facilities already provided by the Fairforce by adding a comprehensive system for carrying out and recording risk assessments, and evidencing any resulting actions. We look forward to using this new platform.





## **Transparency & communication**

### Communication

Although we do not sell directly to the consumer, we do recognise that B2B customers and in turn their customers may be interested in learning about our responsible sourcing activities, and where and how the products are manufactured. Thus, we actively promote our membership of Fair Wear through our website in our social responsibility section.

### Marketing materials and website

Full information about Fair Wear, its code of conduct and activities is prominently presented within dedicated pages of the product catalogues, websites, and other publications. Links to the Fair Wear website and other third-party sources are included wherever appropriate.

Furthermore, the Fair Wear logo is prominently displayed, as and when appropriate, on marketing and communication materials, on displays at trade fairs, product catalogues, websites and garment labels. References and links to this social report will be provided for all customers and the general public.

### Social media

Fair Wear's information booklets, videos and other materials are made available through different channels including the Company's Facebook pages, Instagram, LinkedIn groups and Twitter.

### "Made Fair" consumer website

In 2021 we launched a new inside garment label with a QR code linking to a microsite 'Made Fair' which takes the consumer on a journey through the supply chain, meeting the workers who produced the garment through all the stages, showing where our clothes are made, who they are made by and what processes are involved in providing the best sustainable clothing. Example: www.madefair.org/COR51P

The Made Fair micro site has been extended by adding more products and updating the supply chain information.

## Communication of Fair Wear membership by third parties

While we very much encourage our B2B customers to communicate the fact their products come from a Fair Wear member's audited supply chains, we have become very strict in monitoring and ensuring there's no misleading communication that implies that products, factories or brands are 'certified' or 'fair', or references to 'Fair Wear-audited' factories implying certification or any references to Fair Wear that might be interpreted as relating to non-member products or non-member brands.

B2B customers are made to understand that the use of Fair Wear logo without the statement 'Continental Clothing is a member of Fair Wear' that can be found prominently on the website and without a link to the website or the text 'www. fairwear.org' is not permitted.

## Campaigns

We actively engage in matters of sustainability and social responsibility with NGOs, parliamentary groups and governmental departments, including:

- International Working Group on the Global Organic Textile Standards
- Sustainable Clothing Action Plan
- Fashion Revolution

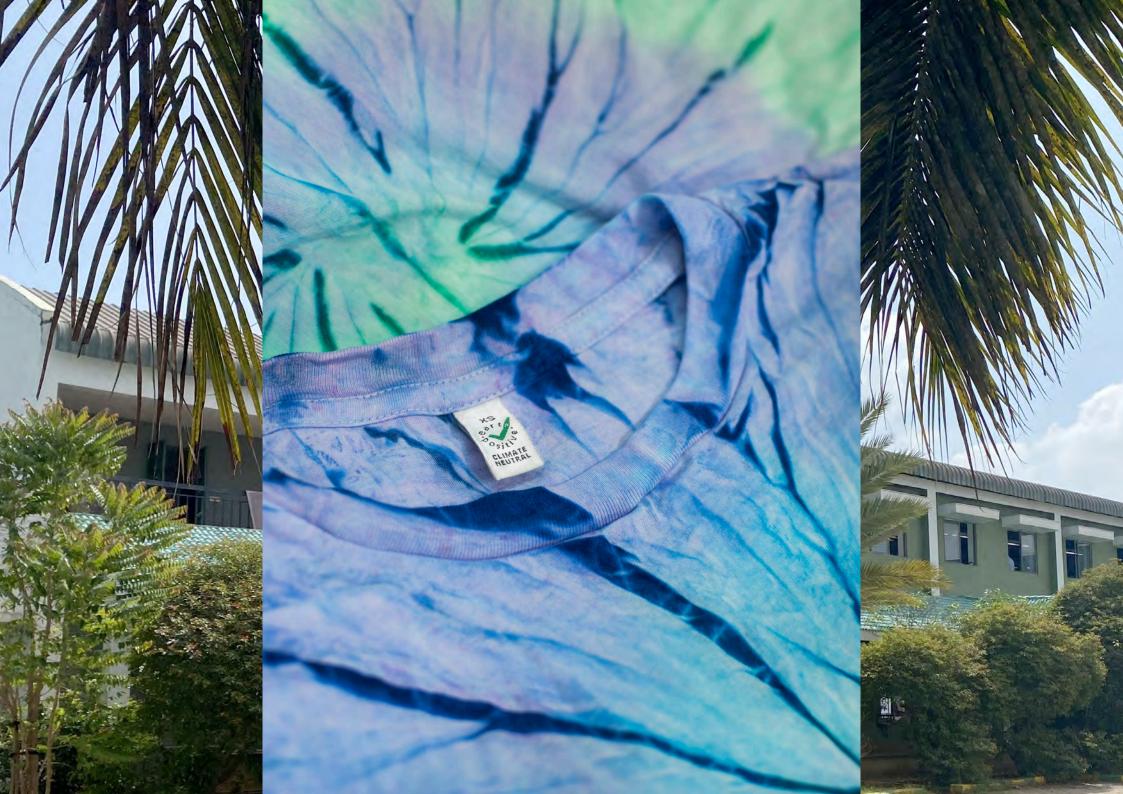
### Fashion Revolution Week

The 9th anniversary of the 2013 Rana Plaza disastrous factory collapse was remembered by a week long campaign hosted by Fashion Revolution in April 2022. We support and participate in the work of Fashion Revolution and used the occasion to reiterate our own commitment to providing safe working conditions and driving positive change in the garment industry.

We participated in the #whomademyclothes campaign by asking our factory workers to volunteer to be photographed with the slogan in order to bring the faces of those behind the products to the consumers, thus connecting the producer and the user in a personalised way. We have published these images on our website, in social media and in specialist publications.

## **Continental Clothing**









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