

**CONTINENTAL  
CLOTHING CO.**

THE HOME OF  
**EARTH  
POSITIVE**

# Social Report 2025

Reporting period: **1st January - 31st December 2024**

Fair Wear member brand since October 2006

[www.continentalclothing.com](http://www.continentalclothing.com)



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# ABOUT US

**Continental Clothing Company is a multi-award-winning designer and manufacturer of premium-quality, ethically produced, and sustainable blank apparel for printing.**

Through our core ethical apparel brand, **Earth Positive®**, we lead the way in value-driven clothing that reflects our commitment to sustainability and ethical practices. From the very beginning, we've sought to reduce the carbon footprint of our garments, incorporating organic cotton and sustainable practices at every stage of production. **Earth Positive®** takes these efforts to new frontiers, embodying our mission to create fashion that is not just environmentally conscious, but Earth-positive.

We are proud that social responsibility is ingrained in our company's DNA and takes a front seat in all our decisions. As a relatively small company, we benefit from a short chain of decision making that allows us to integrate our social aspirations into all operations of the company. We also value our concise supply chain, only sourcing from a handful of factories with which we share close and longstanding relationships.

Since our founding in 1998 in London, our journey as pioneers of ethical and sustainable fashion has been shaped by several key milestones, including our early support for organic cotton farming. In 2004, we became the first company to produce certified organic cotton garments in vibrant colours beyond the natural ecru hue. In 2006, we led the charge in advocating for the end of child labour in Uzbekistan's cotton fields by publicly committing to trace the origin of our cotton. Additionally, by 2007, we were

among the first to achieve a 90% reduction in the carbon footprint of our **Earth Positive®** cotton garments—all while maintaining the highest standards of ethical and sustainable production.

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. We remain dedicated to crafting high-quality, expertly designed garments for fashion retail, music merchandise, and corporate promotions—ensuring that ethical and sustainable values are embedded in every piece.

## CONTINENTAL CLOTHING IS ACCELERATING AN EARTH-POSITIVE FUTURE.

### OUR PHILOSOPHY

**We acknowledge that our business activities have an impact on the communities and environments in which we operate, and we are committed to conducting our operations in a responsible and ethical manner.**

Social responsibility is deeply embedded in our company's DNA, guiding every decision

we make. Our streamlined decision-making process enables us to integrate our social values into all aspects of our operations. Additionally, we take pride in our carefully managed supply chain, working exclusively with a select group of factories with whom we maintain close, long-term partnerships.

Since 2006, Continental Clothing Co. has actively pursued a proactive social responsibility program as a committed member of the Fair Wear Foundation. Our social standards apply to all suppliers, ensuring ethical practices across our supply chain. All our suppliers undergo regular social compliance audits in line with the eight core labour standards set by the **International Labour Organization (ILO)**, the **Organization for Economic Cooperation and Development (OECD)**, and the **United Nations' Declaration on Human Rights**.

#### **Eight Core Labor Standards/ Fair Wear code of labour practices**

Originally established by the International Labour Organization (ILO) through eight fundamental conventions, these core labor standards define basic rights at work across four key principles: freedom of association and collective bargaining; elimination of forced labor; abolition of child labor; and elimination of discrimination. Over time, these standards have been adopted and promoted globally by organizations like the Fair Wear Foundation, OECD, and the United Nations as the foundation for ethical and fair labor practices worldwide.

# YEAR IN REVIEW

## GOALS AND ACHIEVEMENTS

Expanding on our history of proactive due diligence, the year was marked by significant developments in our activities.

## ENGAGING LOCAL EXPERTS ON GBVH PREVENTION AND SOCIAL DIALOGUE

Building on a project highlighted last year, we've made significant progress in our ongoing collaboration with a local trade union in Tirupur, India, to develop and implement a factory-wide training program on the prevention of gender-based violence and harassment (GBVH) while strengthening social dialogue mechanisms at our primary supplier.

## A FAREWELL TO POLYESTER

We are excited to share that 2024 marked the full removal of polyester from all our fabrics.

Polyester is a plastic, and its widespread use in clothing has a significant impact on the environment and workers who produce it. To address this, we've made the decision to eliminate polyester and focus on natural fibres. By using 100% organic cotton, we ensure that our products don't contribute to microplastic pollution or put workers at elevated health risk. While natural fibres do shed over time, they are biodegradable and do not contain plastic, meaning they won't contribute to the growing microplastic problem. This move marks an important step in our commitment to social and environmental justice, helping to reduce our environmental footprint and support a healthier, fairer, Earth-positive future.

## COLLABORATING AT SHARED SOURCING LOCATIONS

We collaborated where possible with fellow Fair Wear member brands at shared sourcing locations. A common health and safety risk in India is the lack of comfortable standing and sitting materials for workers that remain in these positions for long periods of time, leading to unnecessary fatigue related harm. This year, together with Nudie Jeans from Sweden, we shared the cost for providing anti-fatigue mats to all workers in standing positions at a shared Indian supplier. This initiative started through in-person collaboration with workers representatives at the factory. Through sampling and feedback consultations of the options provided, we jointly financed the large-scale provision of mats and have since actively monitored their use and quality over time.

Further, we have explored opportunities for working together with non-Fair Wear member brands on other goals such as possibly reducing the number of annual audits and aligning efforts on social goals such as raising worker wages.

## ENSURING RESPONSIBLE ONBOARDING OF NEW SUPPLIERS

This year, we successfully onboarded a new supplier in India, ensuring the process aligned with Fair Wear standards for responsible onboarding, as well as **Human Rights Due Diligence** (HRDD) principles and our **Responsible Business Conduct** policy (RBC). From the outset, we worked closely with the supplier to thoroughly assess their adherence to ethical practices. Further, we have scheduled comprehensive onboarding trainings to take place in the coming year.



# OUR MONITORING SYSTEMS

## Human Rights Due Diligence

In 2024, we continued to strengthen and build upon the Human Rights Due Diligence (HRDD) framework established in recent years. This is in line with the 6-step process promoted by industry organisations such as the Fair Wear, the International Labour Organisation (ILO), the Ethical Trade Initiative (ETI) and the Organisation for Economic Cooperation and Development (OECD).

### STEP 1: THE RBC POLICY

We have further aligned our operations with the HRDD approach through updates to our **Responsible Business Conduct (RBC)** policy, clearly stating our commitment to maintaining the highest ethical standards in business.

This policy remains publicly available on our company website, providing transparency and accountability to all our stakeholders.

### STEP 2: RISK SCOPING AND ASSESSMENT

In 2024, we continued our comprehensive approach to risk scoping and assessment at various levels of our operation, ensuring that we identify both actual and potential risks in our supply chain. These assessments result in detailed “risk-profiles” for each supplier that inform and define subsequent action plans and prioritisation.

#### COUNTRY LEVEL:

Risk-scoping begins at the country level by analysing how political, economic, legal, and cultural factors could influence the likelihood of particular harms occurring. This data is gathered from a variety of sources, including Fair Wear country studies, and is utilised in the development of risk profiles that guide our decisions. Our

identification of country-based risks – such as heightened potential for GBVH in India, has led us to take measures such as engaging local experts and stakeholders to enhance awareness and hold preventative trainings.

#### INDIA:

We scope country-level risks in India by using the tools and country studies available through resources such as those provided by the Fair Wear Member Hub. These resources help to identify key issues like gender-based violence, low wages, restrictions on freedom of association, and health and safety concerns.

#### TÜRKIYE:

Although only working with one supplier in Türkiye, accounting for a small share of our annual production, we conduct country level risk scoping using country studies and Fair Wear tools. These helped us identify key concerns such as freedom of association, informal employment, migrant worker vulnerability and wage issues.

#### FACTORY LEVEL:

By nature of our concise supply chain, we have been able to conduct our risk assessments by drawing on a long history of monitoring resources at nearly all of our sourcing locations. This means we are aware of each supplier’s history and performance on indicators of social wellbeing among the workforces.

We continue to update supplier level risk assessments by collecting audit schedules of each supplier and organising them in our company database. Through this, we have a systematic approach to continually updating the likelihood and severity of potential harms at each location.

#### PRODUCT LEVEL:

We have taken a focused approach to assessing the risks associated with specific products, like our **Earth Positive®** T-shirts, hoodies, tote bags, etc. We

continue to evaluate unique risks associated with factors such as fabric types, design technologies and manufacturing methods.

#### BUSINESS MODEL LEVEL:

We have kept our commitment to mitigating risks associated with our wholesale B2B model by ensuring responsible purchasing practices. The most significant risk within our business model remains the potential for irresponsible sourcing, and we have worked to further reduce this risk through continuous engagement with our suppliers and the adoption of best practices such as transparent annual production planning in collaboration with direct, long-term suppliers.

#### SOURCING MODEL LEVEL:

Further, we reflect on risks arising from sourcing models in the garment industry. Our sourcing model is characterised by direct relationships with long-term suppliers and no involvement of intermediaries, agents, or subcontractors. Frequent site visits and regular (daily) communication with suppliers ensure strong oversight and collaboration. We focus on consolidating our supply base and avoid working with a large number of occasional suppliers—commonly referred to as the “tail end suppliers”. This approach helps us maintain leverage, improve transparency, and reduce sourcing-related risks. Accordingly, our sourcing model exemplifies a low-risk industry best practice.

#### OUTCOME OF RISK ASSESSMENTS:

The risk assessments conducted in 2024 resulted in updated and refined risk-profiles for each of our suppliers. These profiles guided our follow-up actions, ensuring that we prioritise preventative measures and corrective steps as necessary.

The risk profiles continue to inform our specific action plans at each supplier. These plans are integral to our approach, as they direct our ongoing follow-up and monitoring activities, ensuring that the actions we take align with our long-term ethical goals.

### STEP 3: CEASE, PREVENT, MITIGATE HARM

Following risk scoping and assessment, we prioritized actions to tackle issues based on their severity and likelihood. In instances where our assessments revealed the presence of harm, we took immediate steps to provide or contribute to effective remediation. This involved working closely with affected stakeholders and implementing corrective measures to not only address the harm but also prevent its recurrence.

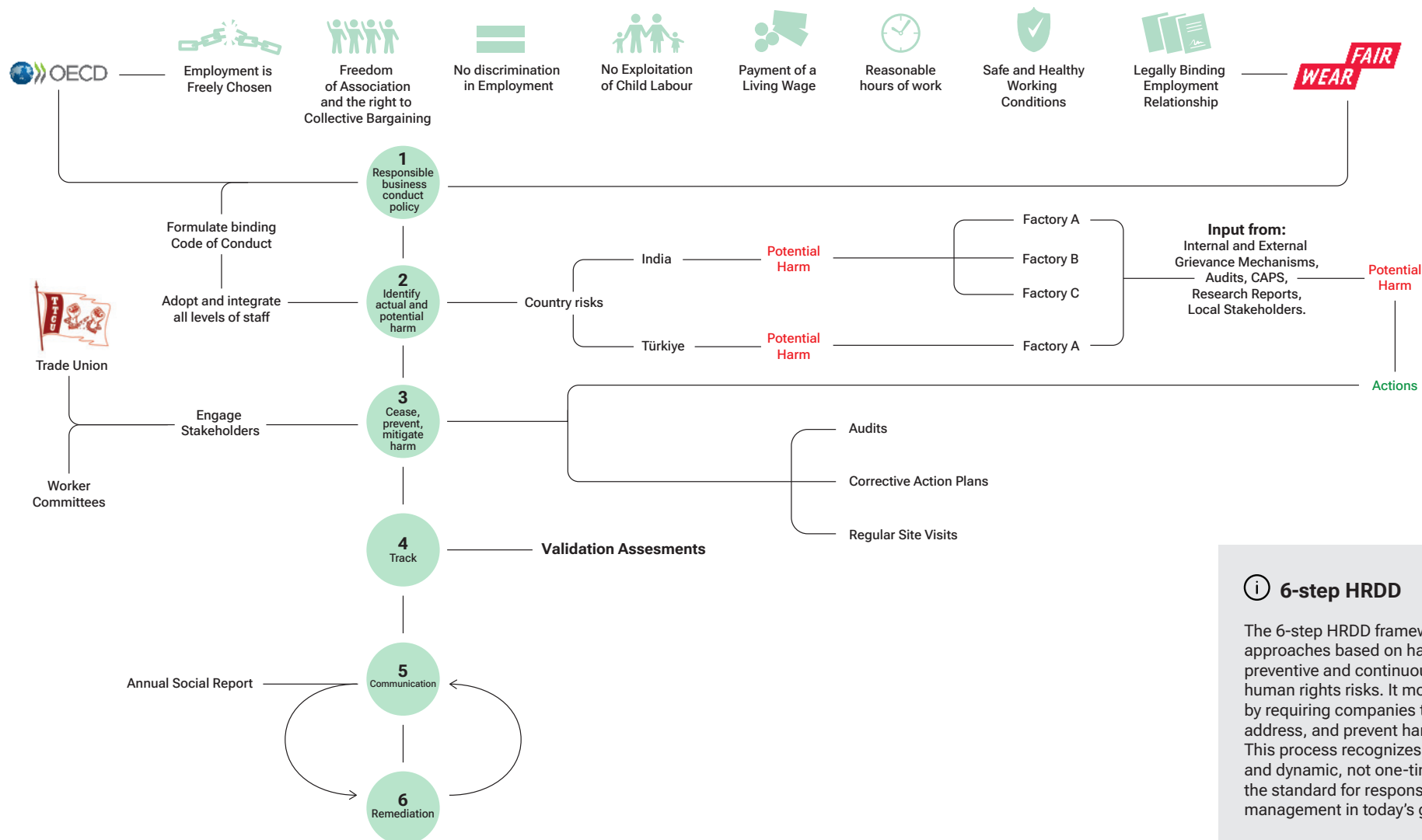
### STEP 4: TRACK

In 2024, we continued to monitor and track the effectiveness of our actions. We continue to use Corrective Action Plans (CAPs) and supplier evaluations as key tools to ensure that our actions are having a lasting positive impact. The periodic supplier evaluations, which were updated and formalised in 2023, remain an important aspect of our strategy to foster open, transparent communication with suppliers. We continue to engage with them as partners in our collective effort to create high-quality products in a responsible manner.

### STEP 5: COMMUNICATE

We have continued to prioritize clear and transparent communication about our progress in **Human Rights Due Diligence (HRDD)**. In 2024, we built on our previous efforts to make our initiatives publicly available and easily accessible to all stakeholders. Our ongoing reporting, including this document, ensures that we maintain transparency about our efforts and commitments, following the guidance of **Fair Wear’s HRDD policy**, the **OECD Due Diligence Guidance** and the **Corporate Sustainability Reporting Directive (CSRD)**.

# OUR MONITORING SYSTEMS AND GUIDING STANDARDS



## i 6-step HRDD

The 6-step HRDD framework marks a shift from approaches based on harm-reaction toward a preventive and continuous approach of assessing human rights risks. It moves beyond ticking boxes by requiring companies to proactively identify, address, and prevent harm before it occurs. This process recognizes that risks are ongoing and dynamic, not one-time events. HRDD sets the standard for responsible supply chain management in today's global garment industry.

# GENDER LENS AND INITIATIVES

## 1. CONSULTING LOCAL EXPERTS ON GENDER-BASED VIOLENCE PREVENTION

As of March 2024, we are in regular contact with a local women-led textile workers' trade union in Tamil Nadu, India, and have launched a large-scale initiative at our primary **Earth Positive®** manufacturing facility.

Our relationship with the trade union began as part of our commitment to engaging local stakeholders and experts to deepen our understanding of workplace risks beyond traditional auditing and remote monitoring. Recognising the limitations of standard compliance approaches, we sought to establish direct connections with worker representatives who could provide firsthand insights into the realities on the ground. In particular, we aimed to better understand Gender-based Violence and Harassment (GBVH) risks in the workplace and identify meaningful ways to address them.

This effort led to our initial collaboration with the organisation's president, who was given unrestricted access to our primary Earth Positive® facility in Tamil Nadu. Through direct engagement with workers, including private interviews and discussions beyond formal assessments, we were able to identify key areas of concern and opportunities for intervention.

Building on these insights, we launched a large-scale, ongoing initiative in 2024 to

implement a comprehensive GBVH program at the factory. This initiative includes targeted training for all levels of the workforce, from shop-floor workers to mid-level management and senior leadership, ensuring that everyone understands their role in creating a safer work environment. To further strengthen prevention efforts, we are also seeking to introduce "shop-floor monitors"—selected workers who are trained to identify and address risks in real time.

We maintain a regular contact with the trade union, continuously refining and expanding our collaboration to drive meaningful and lasting change. Our engagement with the leadership of the union reflects our broader commitment to long-term partnerships and proactive approaches to improving labour conditions in our supply chain.

## 2. WOMEN'S CAREER DEVELOPMENT

We have initiated programs to break the glass ceiling and increase the proportion of women in supervisory and managerial roles, consisting of training programs and factory-wide education initiatives.

## 3. PERIOD DIGNITY

In 2024, we continued our longstanding initiatives of providing and monitoring systems of provision for free women's hygienic products at sourcing locations. We ensure that these systems are still functional, anonymous, and available to all workers, in

furthering our goal of ending social stigmas surrounding women's health.

## 4. ACCOUNTING FOR GENDER RISKS IN ON-SITE ACCOMMODATIONS

2024 saw the construction of new on-site hostel building expected to provide accommodation for female workers that would otherwise face gender-based risks relating to long-distance commuting. We oversaw and monitored the construction of this building, ensuring the final plans were up to ethical standards, as well as the processes for its opening. This initiative directly addresses such risks by providing safe, high-quality accommodation—mitigating personal safety concerns associated with commuting. The hostel is free of charge, and residents receive four cooked meals per day at greatly subsidized costs, further supporting their well-being and security.

## 5. SHARING BEST PRACTICES

Our best practices in incorporating a gender lens throughout our business activities have been recognised by the Fair Wear, and we are proud to have been invited to share them with other clothing brands in a presentation at the annual member stakeholder meeting in Gothenburg, Sweden, in November 2024.

### Period Dignity Initiative

Social stigma around women's health remains a significant challenge, often causing women to miss work regularly. Analysis of attendance data at our factories revealed recurring monthly absences linked to menstruation. To break this stigma and support women's dignity and health, we provide free menstrual products and disposal machines onsite. We continuously monitor these systems to ensure women can access the products they need comfortably and confidentially.

# OUR SOURCING MODEL AND PRACTICES

We recognise that responsible pricing, purchasing, and sourcing practices are among the most significant ways businesses impact the social contexts in which they operate. Irresponsible sourcing has been directly linked to severe violations of social welfare and labour standards, such as excessive overtime, child labour, workplace violence and harassment, hazardous working conditions.

**For this reason, we continue to place the highest priority on sourcing, pricing, and production planning that align with internationally recognized best practices.**

## **SOURCING MODEL: CONCISE SUPPLY CHAIN, LONG-TERM PARTNERSHIPS**

Our sourcing strategy continues to focus on building long-term partnerships with a small group of carefully selected suppliers that align with our high standards for social responsibility. This approach, while not the industry norm, is recognised as “best practice” by global garment industry organisations and stakeholders for two main reasons:

- 1) it reduces the risk of adverse social impacts, and
- 2) it enables us to build leverage and influence with our suppliers, creating meaningful, positive change.

## **PRODUCTION CYCLE PLANNING – REALISTIC TIMELINES WITHOUT REPERCUSSIONS**

As always, we prioritise steady and continuous production output throughout the year at our principal factories. We agree on timelines and delivery dates based on a standard working week with no overtime. Our production planning also aligns with the commitments made in our **Responsible Business Conduct (RBC)** and Sourcing policies, ensuring that our practices remain in line with our values.

## **PRICING**

The guiding principle for setting prices in 2024 remained unchanged, ensuring that

all parties were satisfied with the contracted price, and that profit margins allowed for stable, sustained growth throughout the supply chain. This includes covering the real costs of materials and enabling the payment of negotiated wages, ensuring a fair and responsible pricing structure that supports workers and businesses alike.

## **MANAGEMENT SYSTEM INTEGRATION**

We are proud that social responsibility is ingrained in our Company’s DNA and takes a front seat in all our decisions. As a relatively small company, we benefit from a short chain of decision-making that allows us to integrate our social beliefs and aspirations into all operations of the Company.

Owing to our relatively small number of employees, we benefit from the ability to rapidly communicate and agree on organisational changes. This allows us to circulate information and policies related to social responsibility to all individuals and departments of the Company. For instance, the RBC policy is circulated and is recognised as central to our organisational behaviour. This policy is binding for all Continental Clothing employees and suppliers, and is available to view on our shared server database.



# OUR FACTORIES

| Factory                    | AKM [5825] | APK [2385] | SSG [2388] | SSPK [36568] |
|----------------------------|------------|------------|------------|--------------|
| Country                    | India      | Turkey     | India      | India        |
| Location                   | Tirupur    | Denizli    | Tirupur    | Tirupur      |
| Relationship since         | 2008       | 1998       | 2007       | 2007         |
| Other FAIR WEAR members    | 1          | 0          | 0          | 0            |
| Total workforce            | 730        | 159        | 845        | 413          |
| Female workers             | 57%        | 72%        | 49%        | 46%          |
| Share of annual production | 4.39%      | 8.70%      | 81.10%     | 5.81%        |
| No. of visits in 2024      | 3          | 1          | 3          | 2            |
| Leverage*                  | 5.287%     | 20.541%    | 75.188%    | 11.483%      |

# OUR FACTORIES

## SSG, TIRUPUR, INDIA

|                            |         |
|----------------------------|---------|
| FAIR WEAR CODE             | 2388    |
| RELATIONSHIP SINCE         | 2007    |
| WORKFORCE                  | 845     |
| FEMALE WORKERS             | 49%     |
| SHARE OF ANNUAL PRODUCTION | 81.10%  |
| LEVERAGE                   | 75.188% |
| MOST RECENT SOCIAL AUDIT   | 02/2024 |

### RELATIONSHIP

SSG Green Factory is our principal manufacturing facility, fully vertically integrated, making the **Earth Positive®** range of organic certified products since 2007. Being our largest supplier, and with our business relationship growing ever closer, we have directed considerable focus and resources toward scoping and monitoring the conditions at this otherwise socially advanced factory. We have used our leverage and influence as an opportunity to enact impactful preventative measures that correspond with the factory risk profile. In particular, we initiated a training program in conjunction with a local stakeholder organisation intended to improve the representative functions of the workers committees, and increase worker education topics. These initiatives correspond to the outcomes on gender-based violence and harassment (GBVH) of our risk assessment which flag social dialogue and gender issues as carrying elevated risk.

### ENVIRONMENTAL SUSTAINABILITY

SSG Green Factory operates entirely on renewable energy, utilising both solar panels and windmills, with any excess energy supplied back to the grid. The factory has also implemented a zero liquid discharge system, meaning all water used in production is treated and reused, preventing pollution. The factory

also prioritises chemical safety, holding **OEKO-TEX Detox-to-Zero** and **STeP** certifications, ensuring zero discharge and residue of hazardous chemicals.

### NOTABLE PROGRAMS AND INITIATIVES:

- Since 2016, we have actively supported and monitored a living wage project by financing the payment of wage premiums.
- We have started a training program in collaboration with a local trade union to improve effectiveness of elected workers representatives and the number of women in managerial and supervisory positions.
- We have overseen the provision of free menstrual products for women at the factory and ensured there is an adequate system in place for obtaining them privately and discretely.

### AUDITS AND CAPS

In 2024 SSG Green Factory participated in a new Fair Wear validation assessment which evaluated progress and remediation of findings from earlier audits and their associated CAPs. The results of this assessment included verification of many closed findings while also highlighting room for improvement in areas related to health and safety and company policies. These findings are continually being addressed utilising Fair Wear's new joint CAP platform which allows factories to participate directly in the follow-up process.

Furthermore, in 2024 we worked together with the factory on an internal CAP that was informed by observations and discussions held during an on-site visit in March 2024. Findings addressed within this included the provision of adequate lighting in certain working areas, reduction of the maximum speed limit for vehicles in pedestrian areas, and improvement of the systems in place for the provision and distribution of feminine hygiene products.

## SSPK, TIRUPUR, INDIA

|                            |         |
|----------------------------|---------|
| FAIR WEAR CODE             | 36568   |
| RELATIONSHIP SINCE         | 2007    |
| WORKFORCE                  | 413     |
| FEMALE WORKERS             | 46%     |
| SHARE OF ANNUAL PRODUCTION | 5.81%   |
| LEVERAGE                   | 11.483% |
| MOST RECENT SOCIAL AUDIT   | 11/2024 |

### RELATIONSHIP

While our formal relationship with SSPK only began this year, it in fact dates back to 2007 when SSPK and SSG were a single company prior to internal reorganisations, which led to the division of the various units into separate entities. In 2024 we decided to bring this state-of-the-art, newly built production unit back into our supply chain. While SSPK may be a new supplier on paper, our close personal relationship with the owners, knowledge of their values and social compliance history makes for a strong bond and fully aligned priorities.

The factory's location is in close proximity to our other Indian suppliers, which means it corresponds with local context specificities of our county level risk scoping in India.

### NOTABLE PROGRAMS AND INITIATIVES

#### Responsible Supplier Onboarding

While our knowledge of SSPK's operations preceded our decision to return to the production location, we spared no concerns in ensuring that the official onboarding conformed to responsible practices. Prior to placing our first orders we collected the latest audit information and held discussions with the factory management to ensure they understood the high importance we place on cooperation,

transparency, and compliance with the **Fair Wear CoLP**. Further, we collected information about the language and migration background composition of the workforce to provide adequate translations of worker information sheets which were posted around the factory. In the initial stages of our re-engagement, our supplier level risk-assessments were conducted in accordance with the country level risks identified for India, focusing on the functioning worker committees, child and juvenile labour, and access to grievances and remediation. Throughout all these activities we included a gender lens by considering how gender-differences can affect their likelihood and severity.

### Scheduled Onboarding Trainings

In addition to the monitoring and preventative activities initiated in our first year of business, we have scheduled onboarding training to take place in the first half of 2025 which will provide the factory with a deeper understanding and familiarity of the **Fair Wear CoLP**.

### AUDITS AND CAPS

Two audits were conducted at SSPK in 2024 against SEDEX-SMETA and SA-8000 standards. The resulting CAPs from these assessments highlighted a need for awareness training among the workforce related to health and safety and improvements in factory communication, documentation and policies. Additionally, certain worker information postings around the factory were not posted in languages spoken by a significant portion of the workforce. Each of these findings were addressed through document review and closed upon receiving photographic and communicative evidence stored in our company database.

# OUR FACTORIES

## AKM, TIRUPUR, INDIA

|                            |         |
|----------------------------|---------|
| FAIR WEAR CODE             | 5825    |
| RELATIONSHIP SINCE         | 2008    |
| WORKFORCE                  | 730     |
| FEMALE WORKERS             | 57%     |
| SHARE OF ANNUAL PRODUCTION | 4.39%   |
| LEVERAGE                   | 5.287%  |
| MOST RECENT SOCIAL AUDIT   | 01/2024 |

### RELATIONSHIP

AKM is our third Indian supplier providing certified sustainable products. The factory is fully vertically integrated with four production sites including two factories, a dye house and a spinning mill. In 2013, we developed a product range under the brand name **Salvage®** – made from 60% pre-consumer recycled organic cotton and 40% post-consumer recycled polyester. As of 2024, we have discontinued the **Salvage®** line, seeking to fully eliminate plastics from our products and supply chain out of environmental concerns. In 2024 our production here only consisted of our **Earth Positive®** tote bags.

We share our social responsibility for the AKM unit with fellow Fair Wear member brand Nudie Jeans from Sweden. Together, we split the responsibilities for managing social audits and implementing the Corrective Action Plans.

### Provision of mats in collaboration with fellow brand

A common health and safety risk in India is the lack of comfortable standing and sitting materials for workers that remain in these positions for long periods of time. In 2024, we financed the provision of anti-fatigue mats to all workers in standing positions at AKM. This initiative started through in-person collaboration with worker representatives who sampled a selection we

brought to the factory and gave feedback on their preferences in terms of comfort and quality. Based on their votes, we jointly financed the large-scale provision of mats and have since actively monitored their use and quality over time.

### AUDITS AND CAPS

The main areas identified in external audits of AKM and associated CAPs in 2024 dealt with minor safety infractions such as general untidiness, living wages, and awareness of workers representatives. Most issues were remediated through document review. Those that could not be remedied immediately were discussed during remote meetings with factory management. Regarding living wage calculations, we held meetings with the factory management to encourage and discuss the possibility of their using a tool known as the Fair Price App for calculating costs.

In addition to the external audits, we also formulated an internal CAP based on an in-person visit to the site in March 2024. Through this sheet we remediated findings on issues such as illegibly posted living wage calculations, systems in place for providing and obtaining hygienic products, and the quality and use status of the jointly provided anti-fatigue mats.

## APK, DENİZLİ, TÜRKİYE

|                            |         |
|----------------------------|---------|
| FAIR WEAR CODE             | 2385    |
| RELATIONSHIP SINCE         | 1998    |
| WORKFORCE                  | 159     |
| FEMALE WORKERS             | 72%     |
| SHARE OF ANNUAL PRODUCTION | 8.70%   |
| LEVERAGE                   | 20.541% |
| MOST RECENT SOCIAL AUDIT   | 05/2024 |

### RELATIONSHIP

As our longest-running relationship, APK historically produced our signature Continental Collection starting in 1998. Due to unprecedented economic uncertainty in Türkiye combined with our shifting focus toward **Earth Positive®** products, our turnover at APK has unfortunately decreased gradually in recent years. Despite limited immediate commercial benefit, we continue to make efforts at maintaining production, to a large extent for the purpose of keeping this longstanding relationship alive. We believe doing so is emblematic of our unique sourcing model based on trust and longstanding relationships. As such, in 2024 we continued to monitor social conditions on the ground and consider ways of retaining the business relationship at our longest-running partner.

### AUDITS AND CAPS

The main audit forming the basis of our 2024 CAP communications with APK was conducted by SEDEX-SMETA in 05/2024. This Report highlighted minor instances related to health and safety, equipment documentation, and practicalities of training offered by external organisations. These findings have since been closed and further monitoring will be conducted based on more recent audits.

# COMPLAINTS AND REMEDIATION

We actively encourage workers to utilize the internal complaints system for reporting any incidents or grievances they might encounter. Information on how to lodge a complaint is readily accessible, prominently displayed in each facility in the native language of our workers and includes a free phone number connecting them directly to local complaint handlers. This ensures that every worker has the necessary tools and feels empowered to voice their concerns without barriers.

Upon receiving a complaint, our immediate priority is to take prompt and effective action. Our response involves communication and collaboration with factory management, and representatives of the workers to ensure a comprehensive and fair resolution process. Following the initial response, we maintain ongoing communication with our suppliers and conduct follow-up visits to the factories involved. This sustained engagement helps us ensure that the resolution is not only implemented but also effective in addressing the underlying issues, reaffirming our commitment to continuous improvement and ethical practices within our supply chain.

## COMPLAINTS IN 2024

In 2024 one complaint was submitted to the Fair Wear helpline by a worker in India who claimed to have been wrongfully terminated. Upon receiving the information from Fair Wear about the previous employee's experience, we reviewed the details and shared them with the factory management. The latter disputed the claim stating proper procedures had been followed. Upon further investigation and cooperation with the Fair Wear complaints handler, the case did not result in a clear finding of wrongful dismissal. However, the process did highlight gaps in communication between workers and management.

As a result, the factory implemented various actions across the following areas: improved communication channels, increased frequency of staff training, random internal audits and inspections, enhanced feedback mechanism, and are actively supporting these efforts through further trainings.

# TRAINING AND CAPACITY BUILDING

**We believe that education, awareness, and skill development are essential for effective responsible business conduct at both the brand and supplier level. This means we take measures to inform our employees as well as the workers at our factories.**

## STAFF MEMBERS

With socially responsible practices ingrained in our company culture, we ensure that all staff members are adequately trained and understand the importance of our ambitions for the company and society. This is done through circulating CSR-related policies and information, such as our Responsible Business Conduct and Sourcing policies. We also include CSR-specific performance indicators and criteria in employee job descriptions.

## SUPPLIERS

We believe that education and skill development are essential for empowering workers, improving workplace conditions, and fostering effective social dialogue. As a result, we have implemented training programmes at all our current suppliers at some point in our business relationships. The need for training at a factory is decided based on the information we receive through our monitoring systems and communication with the factory. By providing comprehensive training programmes, we aim to enhance workers' understanding of their rights and equip them with tools for effective advocacy.



# TRANSPARENCY AND COMMUNICATION

**We have actively communicated our membership with the Fair Wear Foundation (Fair Wear) since 2006. Our alignment with Fair Wear's transparency requirements is evident in various aspects of our public communications and business practices.**

We proudly and prominently display our Fair Wear membership across our products, marketing materials, and website, ensuring our commitment to ethical practices is visible to consumers and partners alike. Additionally, our website displays detailed, publicly accessible information about our social responsibility programs and Fair Wear membership, including commitments to Fair Wear's code of labour practices, and the results of our annual performance checks. We believe such levels of transparency not only reflect our commitment to ethical practices but also help to educate and inform customers and stakeholders about the importance of fair labour practices in the garment industry. Importantly, we take the harms associated with misrepresenting Fair Wear membership, and ethical conduct in general, very seriously. That means we are extra cautious to avoid miscommunication by giving explicit information about what Fair Wear membership entails and not using the logo in misleading ways.

We are proud to have been a "Leader" brand of Fair Wear continuously since for the past 12 years.

The 2025 brand performance check report provides the following summary:

*Continental Clothing Company Ltd (Continental) has shown advanced results on performance indicators and has made exceptional progress. With a total benchmarking score of 86, the member is placed in the Leader category.*

*2024 was a turbulent year for Continental, with the closure of its German warehouse and the opening of a new warehouse in the Netherlands. This required some changes in its logistics process and impacted its production and sales. In the second half of the year, sales started to get back to normal volumes again.*

*Following a reduction in the number of brands in 2024, the company stopped producing in Bangladesh, where the production locations solely produced one brand. Although Continental had tried to produce other brands in this production location, it was not possible to meet the necessary quality standards. Production had been decreasing over the past years, and Continental had continuous conversations with the production location about its shift in offering, which means the exit procedure was smooth. The production location ensured that Continental's exit would not negatively influence the workers. In addition, Continental continued to support the Violence and Harassment Prevention Programme, even though production had stopped.*

*The brand also onboarded a new production location, linked to its main supplier, as a backup for its main production location. In 2024, it onboarded the factory by collecting human rights information, reviewing existing audit reports and certifications and visiting the production location. All shared information was reviewed to look for red flags regarding the labour conditions in the production location.*

*For this location, no red flags were found, so production could start.*

*In 2024, Continental updated its responsible business conduct policy to explicitly mention its commitment to long-term business relationships and its responsible exit strategy. It also expanded its risk scoping to include all OECD risk levels.*

*It also started cooperating with a trade union representative in Tirupur to provide training on the prevention of gender-based violence and the role of various worker committees.*

# GLOSSARY

## CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE (CSDDD)

EU law passed in 2024 and taking effect in 2027 requiring certain companies to identify, prevent, and address adverse human rights and environmental impacts in their operations. Unlike the CSRD, which is about reporting, CSDDD focuses on taking concrete action.

## CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

An EU regulation standardising how large and listed companies report on sustainability. It requires detailed disclosures about their impact. Reports must follow the EU's new ESRS framework and be digitally accessible.

## CORRECTIVE ACTION PLANS (CAPS)

Action plans developed in response to social audits, complaints, or on-site visits. CAPs outline what needs to be fixed, who is responsible, and timelines for progress.

## FAIR WEAR

An independent, multi-stakeholder initiative founded in 1999 working with member brands, factories, and workers to improve labor conditions in garment supply chains. Continental Clothing has been a member since 2006.

## FAIR WEAR CODE OF LABOUR PRACTICES (COLP)

Foundation of Fair Wear's work, this code is based on the core conventions of the international Labour Organisation (ILO). It sets out clear expectations for decent working conditions across 8 key areas related to fair wages, working hours, safety, and worker representation.

## FAIR WEAR MEMBER HUB

An online platform where member brands access tools and resources to assess risks and facilitate the HRDD steps. The hub also hosts various other shared resources to report progress and collaborate with other member brands.

## GENDER-BASED VIOLENCE AND HARASSMENT (GBVH)

Harmful acts directed at individuals based on gender. In the garment industry, this includes physical, verbal, and psychological abuse, often normalized through unequal workplaces.

## LIVING WAGE

A *living wage* is defined as the minimum income required for a worker to meet their basic needs—such as food, housing, healthcare, and education—while also allowing for discretionary spending and savings. In our primary Earth positive facility, we calculated this by estimating the monthly cost of living for a family of four in Tirupur, India, and dividing it between two earners. Based on these benchmarks, we pay a Fair Share premium – directly funding wage increases with intent to scale the program further.

## OEKO-TEX® DETOX TO ZERO

A verification system designed for textile production facilities to help eliminate hazardous chemicals from the manufacturing process. It supports alignment with the Greenpeace Detox campaign by monitoring chemical use and wastewater.

## RESPONSIBLE BUSINESS CONDUCT (RBC) POLICY

Our internal framework stating and binding our commitments to upholding international human rights standards through responsible supply chain management and due diligence.

## SA8000 STANDARD

A globally recognized social certification developed by Social Accountability International (SAI).

## SEDEX-SMETA STANDARDS

SEDEX is a global platform for sharing responsible sourcing data between businesses. Its SMETA (SEDEX Members Ethical Trade Audit) methodology is one of the most widely used social audit formats in the world.



# CONTINENTAL CLOTHING CO.

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