

## Comments and Corrections to Swedwatch report

Immediate actions that has been taken due to the information in Swedwatch report.

The information in Swedwatch report is something that Martinson Konfektion has taken in all seriousness. It leads to that we have contacted an SA8000-certified Indian auditor who has a lot of experience to make social audits in clothing industry. Martinson Konfektion will soon, most likely already in the next week with the help of the auditor make a social audit at our supplier in India. The purpose of the audit is to find facts how the supplier acts regarding questions in fields like working environment, security, fire drills, freedom of association, environment, legal salaries, child labour etc.

When we get a status report from the social audit we then as quickly as possible want to set up an action plan from today and forward. The professional support and help we get from the auditor in these questions will also ease and help us to look after that our supplier corrects those lacks that are not following those ethical requirements we want our supplier to follow.

### **Correction: Martinson Konfektion makes since December 2005 ethical demands upon the supplier in India and has since then had a dialogue with the supplier**

As early as December 2005 Martinson Konfektion sent a contract suggestion to the supplier in India where we had included ethical demands according to UN principles for social accountability, UN Global Compact.

In the beginning of 2006 we initiated a work to make sure that our supplier in India will fulfil our requirements in our quality system (ISO 9000) and become an approved supplier. Martinson Product manager visited the factory in February (week 7) in order to form an opinion of how the requirements in quality, ethics and environment were fulfilled in the production. The purpose of this visit was also to get a dialogue with the supplier regarding our ethical demands and how the supplier can fulfil the requirements in working environment, security, fire drills, environment, freedom of association, environment, legal salaries, child labour etc.

Since our first contact with Swedwatch for little less than a year ago Martinson Konfektion has on its own followed up those problems that Swedwatch has indicated exist at our supplier factory in India. The first step was to send documents that settle what we as a company expect from our supplier. Martinson Konfektion has chosen to send those principals that the Swedish government supports in these questions and is also used by several multinational Swedish companies in their international supplier contacts, UN Global Compact. Those policies were also a part of the supplier contract that was sent to the supplier in December 2005.

During spring 2006 we also sent current standard on social accountability, SA8000, to our supplier. The purpose with this was that the supplier management would get guidance how they shall act to fulfil the requirements established in our supplier contract with reference to UN Global Compact. We have asked our supplier to give comments to these requirements and inform us what they do not reach up to.

Our opinion is that our supplier has had difficulties to understand Global Compact and SA8000 which is a rather complex document containing guidelines for social accountability for companies. This has also led to that the supplier has not yet signed the contract where Martinson Konfektion requests social accountability according to UN Global Compact.

To ease up the reporting how the supplier acts up to the ethical requirements in Global Compact and SA 8000, Martinson Konfektion has asked the supplier in the summer of 2006 to make a report of their work based on two question forms that Martinson Konfektion had made based on SA 8000, *Supplier information* and *Environmental information*. Also we have asked the supplier to fill in the question form from Tekoindustrierna, *Environmental Declaration*.

Based on the answers from the supplier Martinson Konfektion has devoted time to have a dialogue regarding ethical requirements we want our supplier to follow. This procedure is according to several expert organisations in ethics the best way to act.

It was planned that the supplier would visit Sweden during autumn 2006 and one of the issues for that visit was to sign the supplier contract including ethical requirements. The visit was postponed since there were problems with the construction of the new factory building and the management needed to take care of that in India. Our expectation is that the contract with ethical requirements will be signed in a short time. This is a question that we are going to discuss during the social audit that is planned to be done in the end of March 2007 at our supplier.

When the supplier has signed the contract including the ethical requirements from Martinson Konfektion, is the next planned step to summarise the lacks and the needs of improvement into an action plan.

Other Corrections:

Correction: Martinson Konfektion started to co-operate in 2001 with the supplier, named in Swedwatch report as supplier A, not during 1990 as it is stated in the report.

Correction: Martinson Konfektion co-operates with a sewing factory in Latvia, not in Lithuania as the report states.

Correction: Martinson Konfektion pays a lot more for a T-shirt than the fourteen Swedish Kronas that is given as the highest price for a T-shirt in the Swedwatch report.

Correction: Swedwatch report insinuates that our products would have contributed to poison the water of Tirupur. The dying unit that Martinson Konfektion supplier uses has a water purifying process that ensures that the water is cleaned from the factory. The method that is used is called for Reverse Osmosis Process (R.O. Process) and fulfils according to our supplier, those environmental requirements that the authorities in Tirupur have. Martinson Konfektion is more than happy to share pictures from the water purifying process.

Contribution: We will follow up the information that Swedwatch has presented and will discuss it with our supplier during the performance of a social audit. We want to wait with comments on the content of the report that is based on interviews, until we have got more information.

## **Production facts Martinson Konfektion**

Martinson Konfektion has 14 employees. In the office works three persons that take care of customer contacts, sales, purchase, marketing, economics, quality system, employees, product development, distribution etc. Eleven persons work with production in our one and only own factory that is located in Gällstad, Sweden. Our production employees work with pattern construction, sewing, cutting, packing and quality control. Martinson Konfektion co-operates with a sewing factory in Latvia where ready cut pieces are sent for sewing from Sweden. Ready made products are purchased from a supplier in India ( in the report called supplier A). It is knitted products that are purchased from this supplier.

Those of Martinson Konfektion customers that are part of the public procurement have to follow the law regarding public procurement. In connection with the procurement Martinson Konfektion has been checked and controlled before the company has been approved as a supplier. Martinson Konfektion has reported and answered to all questions and supplements from customers that have to follow the law of the public procurement. The customers have judged that we are fulfilling the requirements and terms that are put as a conditions of the procurement.