

Date: Fri, 27 Jul 2007 11:45 AM
From: "Alex Abrams (Madison Hosiery)"
To: "Martin Hearson"
Subject: RE: Let's Clean Up Fashion 2007

Dear Martin,

Thank you for your very detailed and thorough email regarding progress of updating your "Let's Clean Up Fashion" report.

Since you last contacted us, Madison has continued moving forward under our membership of ETI and has again exceeded expectations as shown in last year's ETI annual report. The NGO and TU members have reported back that Madison is one of the leading suppliers in ETI and has achieved this in spite of its size and with only 5 years of membership.

Madison has liaised with NGOs and have been working closely with the National Group of Homeworkers (NGH) in the use of homeworkers and ensuring that they are paid a living wage. We have performed several time and motion studies utilising an independent management consultant along with NGH to ensure rates of pay meet a living wage. All our employees that work at home have the same recognised rights as that of our office employees. When applying a piece rate to specific work the homeworkers' views regarding timings are taken into account to ensure that a living wage is more than achievable based upon our research and methodology.

Prices are checked yearly and time/motion studies are repeated as and when necessary and timings are carried out on new methods of packing.

We have also increased the level of third party auditing of our supply factories abroad, in conjunction with our own supply chain auditing. When we visit our suppliers we audit against the ETI base code and where we have a long term relationship with a supplier we have made real progress on the "easy" code violations (e.g. H&S, overtime, etc). Madison is now focussing on Freedom of Association/Collective bargaining and finding out more information regarding these issues within our supply chain. An example of the progress achieved is where there is a union representative in the factory they have been invited to the audit closing out meetings.

We now have plans in place that during future audits we will include local TU and NGOs to assist in the validation and monitoring of third party auditing as we feel this to be the way forward to make the third party companies more accountable and to raise levels and auditing skills.

I hope this further expands and explains Madison's commitment and as always our ETI annual is available for your inspection.

Kind regards
Alex