

Where in the world? Chennai, Tamil Nadu, India

Several of Pentland's footwear brands source from this area of India



Tamil Nadu children ©www.bbc.co.uk

The state of Tamil Nadu is in the southeast of India on the Bay of Bengal. Chennai, the state capital (formerly known as Madras), is the fourth largest city in India and a major port on the Bay of Bengal.

History

In 1639, the British East India Company was granted land as a base for a permanent settlement. By the late 18th century, the British had conquered most of the region around Tamil Nadu and

the northern states of Andhra Pradesh and Karnataka to establish the Madras Presidency. When the railway arrived in the late 19th century, it was connected to cities such as Bombay (now Mumbai) and Calcutta (Kolkata). After independence in 1947, Chennai became the capital of Madras State, which was renamed Tamil Nadu in 1968.

Culture

Chennai is known for its classical dance shows and Hindu temples. It is also the base for the Tamil movie industry, dubbed Kollywood after Kodambakkam

where many studios are located. Vimanas (storeys) and Gopurams (towering gateways) characterize the temples of Tamil Nadu. In the ancient Dravidian culture of South India people paint their gods in bright colours.



Interesting things about Tamil Nadu

- Tamil cuisine is one of the oldest vegetarian cuisines in the world; tamarind, coconut and asafoetida are the distinctive flavours.
- Sivakasi produces 90% of India's fireworks.
- Tamil and Sanskrit are the two classical languages of India.
- The Chola kings, from the 9th to the 13th century, ruled to most of the peninsula, Burma, Sumatra and Java.

Tamil Nadu Facts and figures

State capital: Chennai

Population: Tamil Nadu 62 million; Chennai 6.4 million
Area: 130,058 sq. km
Languages: Tamil, English, Hindi, Urdu
Religions: About 80% Hindu; substantial minorities follow Christianity and Islam.
Climate: Tropical throughout the year. The monsoon period is from October to mid-December.
Main industries: Many heavy engineering and manufacturing industries are located around Chennai, one of India's most important ports. 70% of Tamil Nadu's population depend on agriculture. The main crops are rice, pulses and oil seeds, sugarcane, tea, rubber, cotton, cashew and coconut. The long coastline and tropical climate permit year-round fishing and farming.

Sources

www.bharatonline.com/tamilnadu
www.chennai.org.uk/facts
www.incredibleindia.org

NEW HEALTH AND SAFETY DVD AVAILABLE IN VIETNAM

Pentland has supported the foundation and work of the Vietnam Business Links Initiative (VBLI) for eight years. The VBLI brings together government, business associations, national and international organisations and brands to improve working conditions in the footwear and clothing export sectors.

Many workers come from rural areas for work in the factories. There was a need for audio-visual materials to raise awareness about safety issues. The DVD shows some of the dangers, how to protect yourself, and the rights and responsibilities of workers under the law. It has been produced to show on induction.

For more information and copies, contact vbli@hn.vnn.vn or iroberts@pentland.com

POLICIES TRANSLATED INTO HINDI

If you are sourcing from India, don't forget that the Group Business Standards Policies are now available in Hindi. You can download them from the Business Standards intranet or from www.pentland.com/workhardplayfair/our.policies.



NEW BUSINESS STANDARDS MANAGER IN PENTLAND ASIA

Henry Chow joined us in June and is based in Hong Kong. His background is in chemical engineering. He brings a great deal of experience of manufacturing in the Asian region, as well as social compliance and sustainability. He has just completed a Masters programme in environmental management.

UN GLOBAL COMPACT MEETING IN GENEVA: BUSINESS LEADERS CALL FOR ACTION ON CLIMATE CHANGE

Pentland's Chairman Stephen Rubin was among the 153 business leaders worldwide who have committed to speeding up action on climate change.

We have committed:

- to take practical actions to increase the efficiency of energy usage and reduce the carbon burden of products, services and processes;
- to set voluntary targets for doing so, and

- to report publicly on the achievement of those targets annually.

We have committed to working with others, working along the supply chain and taking joint initiatives to reduce climate risks.

CONTACT US

We welcome your comments or feedback. Feel free to contact us at:

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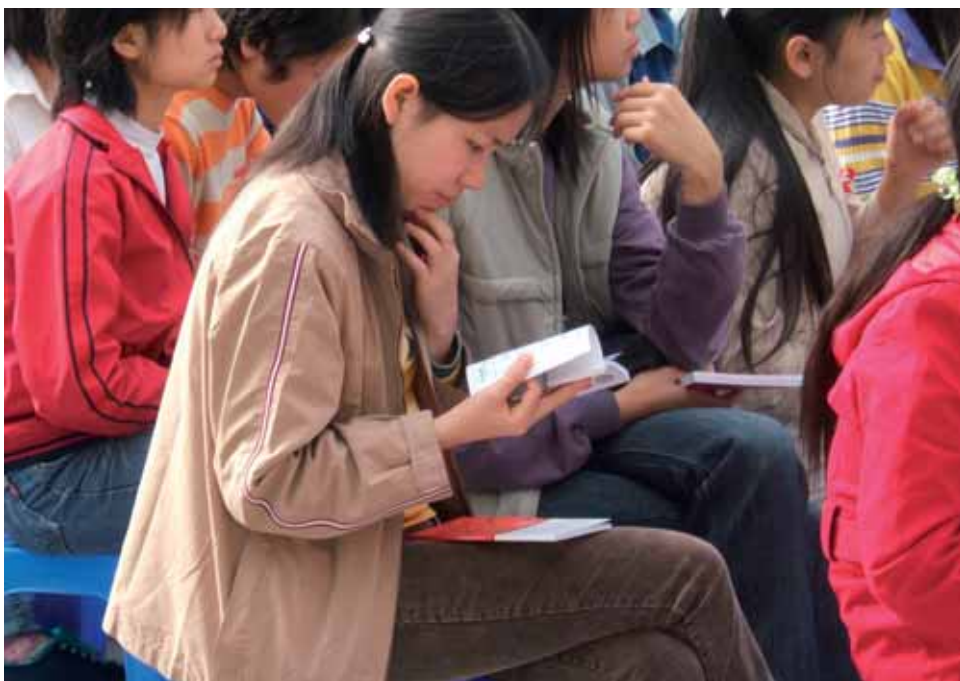
New booklets help managers and workers in South China

Although the labour laws in China are generally very good, their enforcement in practice has been rather problematic.

For the past 3 years, Pentland's Group Business Standards team has been working with the Guangdong Human Resources Management Association (GDHRMA), which is part of the Labour Department. The project's aims were to improve factory management systems, to promote employers' rights and responsibilities and, by improving a factory's internal rules and procedures, to improve the overall labour relationship. The research involved 15 factories making toys,

footwear and garments in South China. Three booklets have now been published:

- **For management:** *Guidelines for Formulating Rules and Regulations with Enterprises and Enterprise Rules and Regulations: Staff Handbook Sample Version*
- **For workers:** *What do you need to know? Staff self-protection manual*



Worker reading booklet.



New booklets designed to help managers and workers in South China.

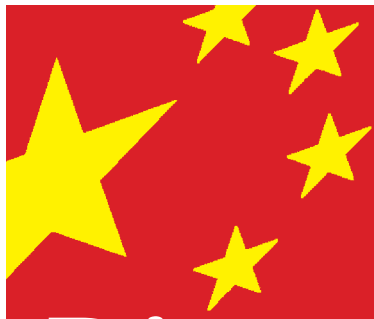
The management booklets give a readable version of the labour law and the workers' booklet gives easy-to-understand messages about workers' rights on pay, hours, etc. The booklets have been widely distributed over recent months. For example, on World AIDS Day in December 2006, workers in Guangdong received the booklets during an Employee Red Ribbon Action Campaign. In January 2007, a training workshop was held for Pentland Asia's suppliers in Guangdong to learn about the booklets and get consultancy from GDHRMA. The booklets have also been

introduced to members of the Ethical Trading Initiative (ETI) and the World Federation of the Sporting Goods Industry (WFSGI).



▲ **Manager** 'Income tax and social insurance are deducted from your salary'. **Chef** 'I'm taking home less, but my future is secured'.

▲ **Manager** 'You're in hospital and have had too many absences from work - you're fired!'. **Worker** 'According to the law, a company can't fire me whilst I'm being treated for an accident at work, and should pay me at least the minimum wage during this time.'



Hui minority muslim children in mosque school, Xian, China. © Mark Henley, Panos Pictures.



Discrimination in China

Pentland's policy on discrimination is clear enough. However, application of the policy with our suppliers is not easy.

Discrimination is part of human nature. It is as if we are hard-wired to discriminate, maybe to ensure our group's survival. It takes different forms in different societies and changes over time and place. It is often illegal to discriminate, especially in the workplace. Law can be a rather blunt instrument in this area, but history and case law can certainly help establish the boundaries of acceptable practice.

In the new globalised world, many

migrant workers in many countries are deprived of their rights and are largely invisible. In the host countries they tend to take jobs that the local population no longer want to do, like cleaning, or seasonal jobs like vegetable and fruit picking. Migrant workers are often invisible because they work in homes or in isolated areas. By their nature, migrant workers do not have access to the normal organizations that would, or could, help. They often do not speak the local language or know their rights.

'China's current sex ratio at birth is 117 boys for every 100 girls, compared with a worldwide average of 106 boys to 100 girls.'

UNICEF

Young Chinese women in search of a job. © Sinopictures/CNS/Still Pictures.



DISCRIMINATION IN CHINA

RACISM

Chineseness is defined by blood, not nationality, which leaves China's ethnic minorities in a rather weak position. The issue of nationality recently surfaced in Hong Kong in relation to those who were born in Hong Kong and have Hong Kong passports but are still considered by Beijing as 'foreigners'; Beijing refused to grant citizenship to anyone who was not of 'pure Chinese descent'. This directly affects thousands of Hong Kong-born people from the Indian subcontinent.

WOMEN

Historically, the status of women has been low. Foot-binding ended relatively quickly in the early 1900s, after being practised for millennia. Son-preference generally is taking longer to shift. This is not just in rural areas (traditionally, women could not own land) but also in urban areas. The One Child Policy has exacerbated the problem, allied to the new technology of pre-natal scans. Women attained formal equality in 1949 under the Communist Party. Women make up to 38% of the workforce but 60% of the unemployed workforce.

MIGRANT WORKERS

In China people have a household registration ('hukou') which registers people as rural or urban and give them a permanent place of abode. Historically, it has been difficult for people to change their 'hukou',

but the mass internal migrations which have occurred since the 1970s have severely weakened the institution. Up to 150 million rural residents have since migrated for work to other cities and provinces. Access to employment, housing, education and health services is still very difficult for migrant workers. Public services (and government revenue) are only allocated to local/permanent residents; local government does not take responsibility for the non-local population. Migrant workers in factories generally have one-year contracts and receive no social insurance coverage; their presence in the locality depends on their job and they have no intrinsic right to be there.

HEPATITIS B (HB) DISCRIMINATION

Discrimination against HB carriers is still a severe problem in China. Most factories submit workers to medical tests. Those who carry the HB virus are denied job opportunities. China has 120 million HB carriers, just under 10% of its population; 30 million are active patients. The amended law for Prevention and Treatment of Infectious Diseases, which prohibits companies and persons from discriminating against HB carriers, came into effect on December 1, 2004. Employers are concerned about the potential medical costs when HB carriers become active patients, and also the possibility of the virus spreading among workers.

ETHICAL SOURCING THE PENTLAND WAY – CHINESE EDITION NOW AVAILABLE

This leaflet explains the principles and processes that underlie Pentland's way of working with suppliers to improve standards. Ethical sourcing the Pentland way builds on a strong business relationship with suppliers, trust and respect, working with local institutions, worker representation and building local capacity.

The leaflet can be used with factories, suppliers, customers, distributors and licensees, as well as for staff training.

Both the English and Chinese editions are downloadable as pdfs from the Business Standards intranet – or contact a member of the Business Standards team for hard copies.



RED CROSS TRAINING IN SHENZHEN



With the support of the Shenzhen Red Cross and the Shenzhen Medical Education Centre, Pentland organised first aid training for suppliers in Guangdong Province, China. 30 people attended from 8 factories and Pentland's Dongguan and Shenzhen offices. The training included lectures, practical exercises and a test. First aid training is an important step towards building a safer workplace.

DONGGUAN OFFICE DONATES SHOES TO DISABLED PEOPLE



In January, Pentland Asia in Dongguan, China donated over 3000 footwear samples (mainly from KangaROOS, Ellesse, Berghaus, Ted Baker and Kickers) to the Guangdong Province Disabled People's Association. This is a great example of Pentland people 'doing well by doing good'. Not only have the shoes found new homes (and happy owners), but there are environmental benefits too - extending the shoes' life avoids incineration or unnecessary waste going to landfill.



RESTRICTED SUBSTANCES: FORMALDEHYDE

Formaldehyde is widely used in many industries as a disinfectant and preservative. In textiles it can be used to fix dyestuffs and also for 'pre-shrink' and 'pre-crease' applications. It is occasionally used in leather tanning.

It is a colourless, volatile and pungent gas that can easily migrate from one product to another. It is also easily soluble in water. Exposure may cause cancer, respiratory tract problems, allergies, irritation and eczema. Despite these problems, there is no direct EU legislation that restricts levels of formaldehyde in finished products. However, various eco-labels impose more rigorous limits and these are the recommended Pentland standard:

TEXTILES

Maximum 75 mg/kg (ppm*) for adult outerwear. Maximum 20 mg/kg (ppm) for infant wear, underwear and bedding.

LEATHER

Maximum 150 mg/kg (ppm). If the product is in direct contact with the skin this should be 75 mg/kg (ppm) and 20 ppm for babies.

We aim to eliminate formaldehyde from final product by eliminating it from production processes. This not only protects the workforce but should also prevent any cross-contamination from its general presence in factories and warehouses.

For information about other restricted substances, see the full booklet on the Business Standards intranet.

How the Chairman's 2006 Environmental Awards were spent

Pentland Distribution Services shared the Award with Speedo.

PDS Blackburn's award went to two charities: **Oxfam's Trailwalker** campaign - a project to provide clean water for communities in Nepal - and to the **John Muir Trust**. The John Muir Trust promotes preservation of wild land and wildlife through ownership of

land and the promotion of education, activities and conservation.

Speedo's award was donated to **Water Aid**. They work mainly in Africa funding projects to provide clean drinking water.

Apowugo Village, Ghana. WaterAid/Jon Spaul.



John Muir Trust, Sandwood Bay, Northwest Scotland.

FAIRTRADE AND ETHICAL TRADE – WHAT'S THE DIFFERENCE?

Both are measures taken by companies that want to demonstrate a responsible approach to their sourcing and improve the lives of workers and producers in global supply chains.

FAIRTRADE

Products that carry the **FAIRTRADE Mark** are independently certified against internationally agreed standards. These cover a range of social and environmental criteria, and include trading standards to ensure the producers' organisations receive an agreed, stable price and additional premiums to invest in improving life for their communities.

Fairtrade is a tool to promote social development, mainly independent farmers in developing countries, often working in co-operatives. It is not generally applied to products manufactured on an industrial scale, nor is it generally possible to claim that factories have been certified as fair trade.

ETHICAL TRADE

Companies that adopt ethical trade strategies aim to meet minimum international standards (UN and International Labour Organisation) on human rights, labour rights and health & safety. Pentland brands aim to trade ethically. Our business relationships are paramount and we try to improve labour conditions through our business. We are a founder member of the Ethical Trading Initiative. If we come across factories where the conditions are not good we try to work with the owners and workers to improve things.

FURTHER INFORMATION:

www.ethicaltrade.org

www.fairtrade.org.uk

www.pentland.com (for the leaflet 'Ethical sourcing the Pentland way')

