



# OUR COMMITMENT

The Pentland Group has had an Environmental Policy since 1995. It is available in 12 languages. It encompasses legislation, procedures, suppliers, safer working, design, impacts, communications, end users and local communities.



## ENERGY & WASTE

WE HAVE 10 YEAR OBJECTIVES TO REDUCE ENERGY AND WASTE GOING TO LANDFILL ON UK SITES

Percentage change in carbon emissions per m2 since 2003 for our offices in the UK

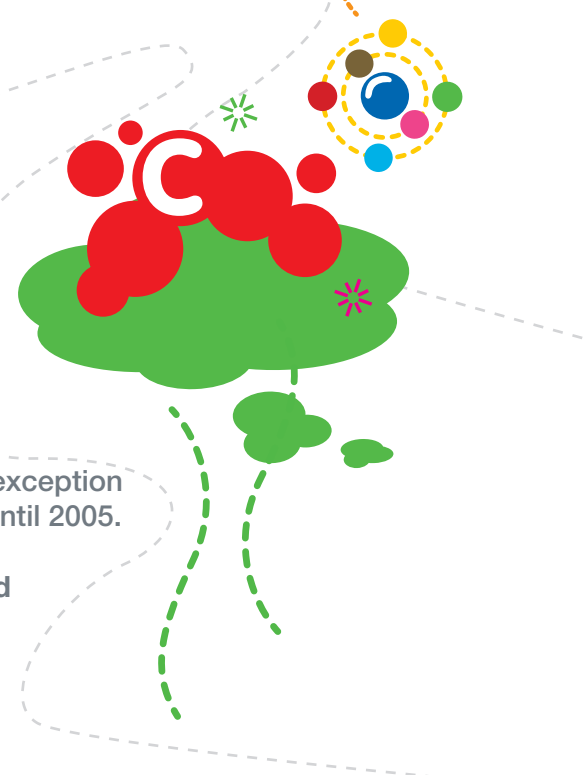
SITE	% CHANGE
Sunderland	-16.0
Nottingham	3.7
Finchley	-9.3

The figures above represent all main office sites, with the exception of one major site, whose baseline data was not available until 2005.

Percentage change in carbon emissions per hour worked since 2003 for our warehouses in the UK

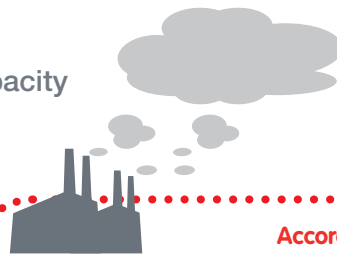
WAREHOUSES	% CHANGE
Glover*	26.0
Great Harwood	-12.0
Walker Park Unit 2	-4.0
Walker Park Units 3,4 & 7	-17.8

\*Glover is currently working under operational capacity



70% of Lacoste footwear is made using water-based adhesives

In 2006 we had two initiatives: Lacoste developed with others an environmental protocol for tanneries; Pentland developed an environmental module for our suppliers with a user guide.



According to the World Bank, 16 of the 20 most polluted cities in the world are in China.

## NASTY CHEMICALS

A wide variety of raw materials are used to make our products and a wide variety of chemicals are used to ensure that products are attractive, wearable and durable. Some of the chemicals or dyes should not be present in the final product above certain levels.

The Restricted Substances Handbook sets out what all these are, their purpose and the legal or recommended maximum levels, as well as test methodologies. There is an annual testing programme. Since 2003, Speedo has reduced the use of PVC in goggles from 50% to 7% and is heading for 0% by 2008.

## PASSIONATE ABOUT DESIGN

Environmental design forums are conducted across the brands; footwear is a particular challenge because of the number of different components in many shoes. Work has begun on a handbook for designers. This not only looks at product but also packaging, labelling, washing instructions and point of sale merchandise.

## SUPPLIERS



Volatile organic compounds (solvents) are used extensively in factories. VOCs are a major health, safety and environmental hazard.

- ✿ We have good practice manuals in English, Chinese and Vietnamese
- ✿ We test air quality in factories
- ✿ We conduct training
- ✿ We work with local institutions to improve statutory testing
- ✿ We have financed moulds for glue pots which limit air emissions.



### REDUCE, RE-USE, RE-CYCLE.

A hiking boot can contain up to 15 different raw materials, making it almost impossible to recycle. **BAD.** However it might last several years. **GOOD.**

# PENTLAND'S FOOTPRINT AROUND THE WORLD



## Our Drops in the Ocean

**PROBLEM?** A return flight for two from London to Phuket in Thailand produces more CO2 than the average new car does in a whole year.

**SOLUTION:** Pentland introduced video conferencing facilities in 2003. We can have face-to-face communications between London, Sunderland, Nottingham, Sri Lanka, Hong Kong and Shenzhen in China without getting on a plane.

**PROBLEM?** A tube of toothpaste lasts several weeks. The packaging will last around a century. Over 40% of the waste in our bins is retail packaging.

**SOLUTION:** Lacoste, Berghaus and Brasher use shoe boxes made of 100% recycled paper.



Group companies\* employ approximately 15,000 people directly  
 Our suppliers and vendors employ many more than this  
 We produce over 5,000 new products every year  
 We sell products in over 200 countries

\* Programmes described in this booklet apply only to Pentland Brands plc.

# PACKAGING

Lacoste, Berghaus and Brasher use shoe boxes made of 100% recycled paper. Extending this across all the brands and to all packaging is the goal.

Berghaus reduced the number of labels on a product from an average of 6 in 2004 to 2 by 2006.



# TRANSPORT

Sea and rail freight is used in preference to air and road freight. A programme to monitor transport suppliers is in progress. Containers from Portugal now go by sea, rather than by land, which results in cost savings as well as enhanced security.

Most UK sites have conducted travel surveys to find out how people travel to work. There are programmes to facilitate the use of public transport (interest-free travel card loans) and car share schemes have been initiated. Where possible, sites have bicycle sheds and shower facilities. Company car policy encourages people to choose cars which have low CO2 emissions.



# ENVIRONMENTAL AWARD FOR EXCELLENCE



The Award, bestowed by the Chairman, has run for three years.

Year	Awarded to	Reason
2003	Berghaus/Brasher	Ecological footprint of Brasher, site recycling, work with suppliers and local charities, car share.
2004	Speedo Australia & Berghaus	Integration of environmental issues into locating a new office, moving and designing layout. Saving energy, accurate measurements of waste, review of raw materials, reducing labelling on product.
2005	Lakeside & Berghaus/Brasher	Major improvements in waste recycling and energy consumption savings. Energy reduction, increased recycling, investigating renewable energy technology.



# HEALTH AND SAFETY



During 2006, we developed a CD containing a training programme for staff on Health, Safety and the Environment. It will be used during induction across UK operations to provide guidance on how Pentland employees can think and act GREEN and work safely.



# COMMUNITY

CONTRIBUTIONS TO WATER AID, WWF, JOHN MUIR TRUSTS, COLLEGE FARM TRUST AND STUDENTS' PARTNERSHIP WORLDWIDE WORLD SWIM FOR MALARIA

**Pentland is the major sponsor of the United Nations Environment Programme (UNEP)'s sport and environmental activities in 2007/8**



UNEP's sport and environment activities began in 1994 when it forged working relationships with the International Olympic Committee (IOC) and other sports organisations. It engages them to incorporate environmental considerations. It supports the organisation of the biennial IOC World Conference on Sport and Environment and regional seminars on sport and environment. UNEP organizes a Global Forum for Sport and Environment every two years.



**Pentland is sponsoring the UK sector of the Earth Charter**



The Earth Charter evolved out of the 1992 Rio de Janeiro Earth Summit. Supported by organisations and individuals, it encourages the evolution of a global society based on a respect for nature, universal human rights and a culture of peace. We are helping to form the UK organisation and set it on its feet.

## DID YOU KNOW?

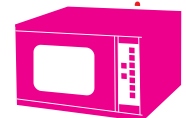
Up to 600,000 litres of water can be polluted by the cadmium in one Ni-Cad mobile phone battery.

A spider plant can remove up to 87% of indoor pollution for 100 sq. ft. space over 24 hours.

Pollution knocks 6.7 months off our lives in Britain; over a year in Belgium; 3 months in Finland.

In its lifetime, the average microwave will use more power illuminating its digital clock than it will for cooking food.

The standby button on appliances is now responsible for 6% of the UK's total domestic electricity consumption.





# MESSAGE FROM THE CHAIRMAN

R Stephen Rubin

As a supporter of the UN Global Compact we are required to communicate yearly on our continued support, describe practical actions we have taken and indicate what we have achieved or plan to achieve. This is our report for 2006. We are proud of what we have achieved but want to do more still. The format and style of our report will hopefully encourage everyone to appreciate the progress but also to do much more to make the world habitable for future generations.



## UNITED NATIONS GLOBAL COMPACT

In 2000 Pentland signed up to the principles of the UN Global Compact, an initiative of the Secretary General. We are obliged to report annually on progress made on the Ten Principles.

This report is focused on the three principles concerning the environment which are:

- Businesses should support a precautionary approach to environmental challenges
- Undertake initiatives to promote greater environmental responsibility
- Encourage the development and diffusion of environmentally friendly technologies.



### THE PAPER USED FOR THIS BOOKLET HAS THE FOLLOWING ENVIRONMENTAL ACCREDITATION:

This booklet is printed on Take 2 Offset paper made from 100% recycled fibres sourced only from post-consumer waste. All inks used in the printing process are soya-based.



#### NAPM

Paper accorded the National Association of Paper Merchants (NAPM) Recycled Paper Mark must be manufactured from a minimum of 75% genuine paper and board waste fibre, no part of which should contain mill produced waste.



#### Mobius Loop

Each arrow represents an aspect of a successful recycling programme: collection; remanufacturing/reprocessing into a new product; purchase by the consumer. If a % figure is shown in the middle this will refer to the percentage of recycled fibre the product contains. A dark background usually refers to recycled content, a clear background that the product can be recycled. If no figure is present in the centre of the logo, it signifies that the product is 100% recycled fibre.



#### EMAS

The Eco-Management and Audit Scheme (EMAS) is a voluntary scheme to recognise and reward those organisations that go beyond minimum legal compliance and continuously improve their environmental performance.



#### ISO

ISO 14000 is an international standard for environmental management systems - a framework to help organisations minimize harmful effects on the environment and to achieve continual improvement of their environmental performance.

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