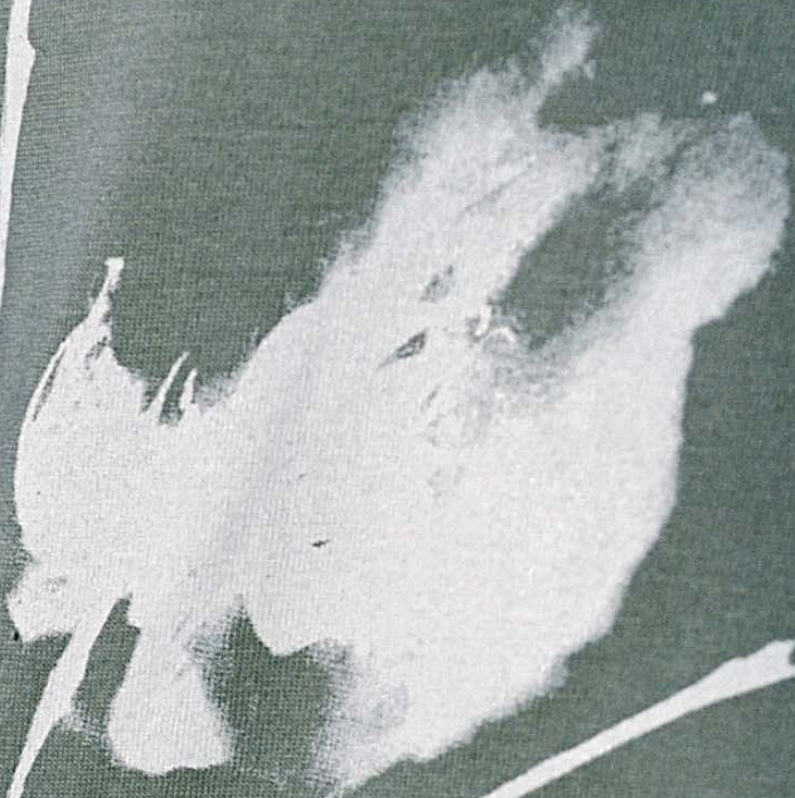




lafuma
group



sustainable Development
Report
2006





I A WORD FROM THE PRESIDENT

From the launch of the Greenbag in 1993 to all of the measures and actions implemented for “Sustainable Development” in 2006, our Group, and consumers, have come a long way.

This is the 3rd report we have published. It not only sums up the work we have achieved and the work yet to come, but symbolizes a commitment that we consider as strategic and collective.

Strategic, because we are pursuing a path of innovation in ideas and in products to confirm both our uniqueness and our advance in the field of “eco-design”.

Collective also, because this long-term approach is a cornerstone in building our Group and establishing our role in serving others.

It is also a subject that unifies all of the different teams in the LAFUMA Group, as well as the market itself. Indeed, we believe the major economic players (industrialists, distributors and consumers) will be the ecological catalysts of the future.

A handwritten signature in black ink, reading "Philippe Joffard-Lafuma". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Philippe JOFFARD-LAFUMA

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KEY EVENTS 2005-2006

February 2006

- Set up of a shuttle bus for employees, between the LAFUMA headquarters to the closest SNCF train station

May 2006

- Installation of solar panels at the LAFUMA headquarters restaurant
- Organization of a field day excursion: clean-up of unauthorized dumping area by a group of volunteer employees in cooperation with the WWF and the FRAPNA

June 2006

- Recycling of ropes collected by MILLET for its “Recycle-Save” operation

June > August 2006

- Operation “Clean Beaches” initiated by OXBOW in cooperation with the Surfrider Foundation

September 2006

- Launch of the first line of eco-designed jeans by OBER
- The manufacture of hangers in our factory; Lallemand (Le Balmay 01, France) using recycled material from MILLET ropes

October 2006

- Participation in the exhibition Changer d’Ere (a Change in Eras) at the Cité des Sciences in Paris at the Villette spotlighting 3 eco-designed products from the LAFUMA Group
- The Observateur du Design label with distinction from the ADEME for the Eco 40 LAFUMA backpack

November 2006

- Inauguration of an Eco-restaurant at the LAFUMA Group headquarters
- Nomination for the “Environnement & Entreprises” award by the ministry for Environmental Protection and Sustainable Development for the Eco 40 LAFUMA backpack

THE PROFILE OF THE GROUP

/ MARKET AND STRUCTURE

The LAFUMA Group is a major player in the outdoor market that is organized into 4 strong brands, with an offer that is wide-ranging and very complete. These 4 divisions are both very distinct yet complementary, in terms of products, customers and know-how:

Lafuma, the Outdoor division

the leading brand, and major intersection for the Group through its low pricing and low offering. Its clients are hikers, trailers and campers.

Oxbow, the Boardsports division

a brand that is symbolic of athletic customers that are young and trendy. This brand attracts all of the board sports enthusiasts.

Millet, the Mountain division

this brand is symbolic of the technical and demanding world of mountaineers, skiers and climbers.

Le Chameau, the Country division

a reference brand for loyal and authentic customers. Its focal point is a country lifestyle for hunters, riders and all other general and traditional outdoor enthusiasts.

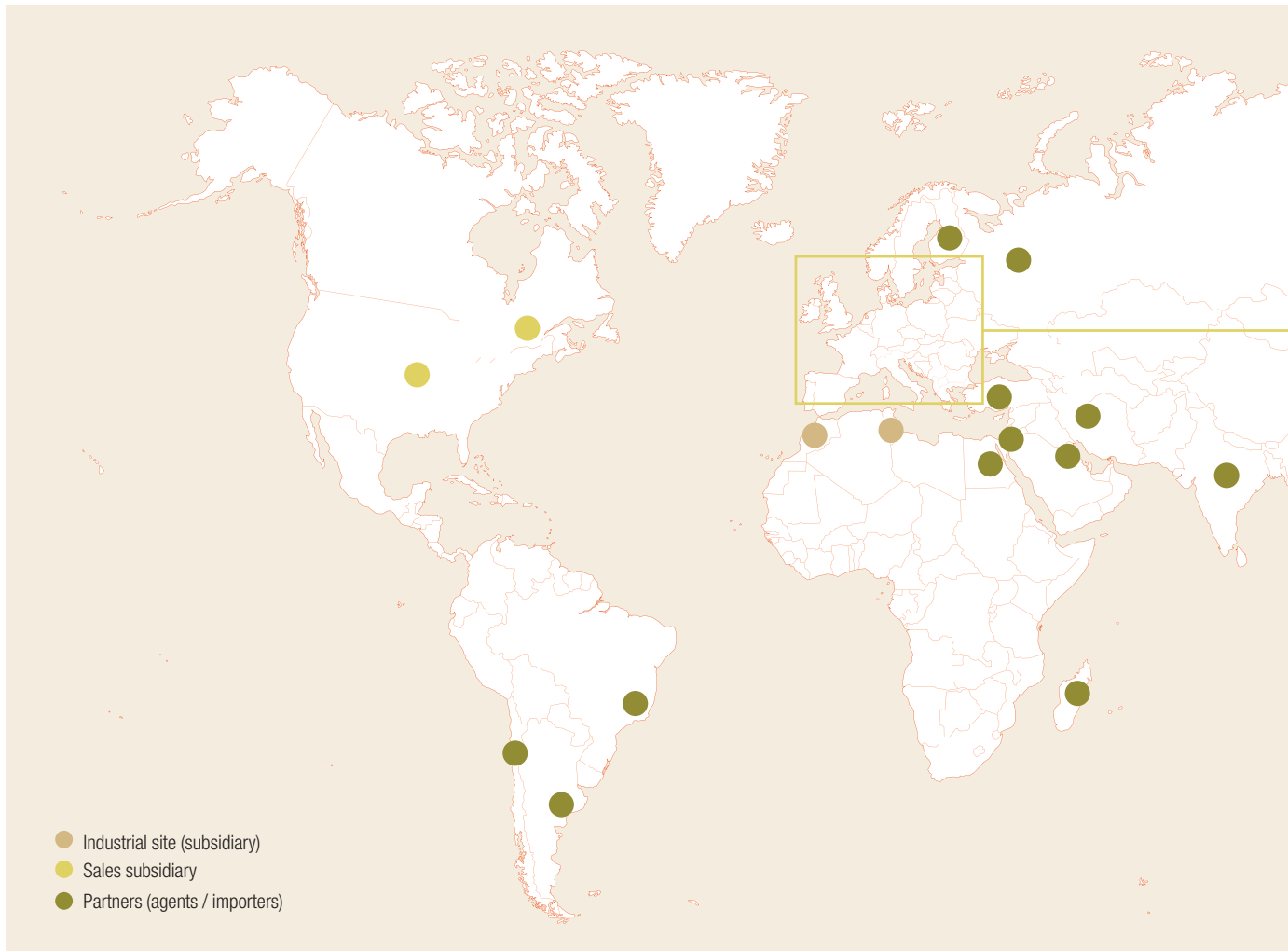


Our Sustainable Development approach is international and involves all 4 brands of the Group.

The LAFUMA Group is leader in Europe with sales of 243 million euros. The addition of OXBOW strengthens and confirms the strategic importance of our approach to Sustainable Development.

For more information please see the Group organization chart in the 2006 annual report at (www.groupe-lafuma.com).

/ ACTIVITY AND GEOGRAPHICAL SET-UP



Breakdown of the Group activity in 2006 throughout the world:

France	Europe <small>(excluding France)</small>	Asia	North America	Rest of the world
61 %	26 %	7 %	3 %	3 %

Products manufactured for the Group are designed in its own Research and Development departments mainly in France, but also in Hong Kong and in Japan.

They are then manufactured in one of its 8 industrial sites or through subcontracting:

- "Made in LAFUMA France" (16%); 4 factories: camping furniture and high-end boots
- "Made in LAFUMA World-wild" (18%); 4 factories: clothes, backpacks and boots
- "Sourcing strategy" (66%)

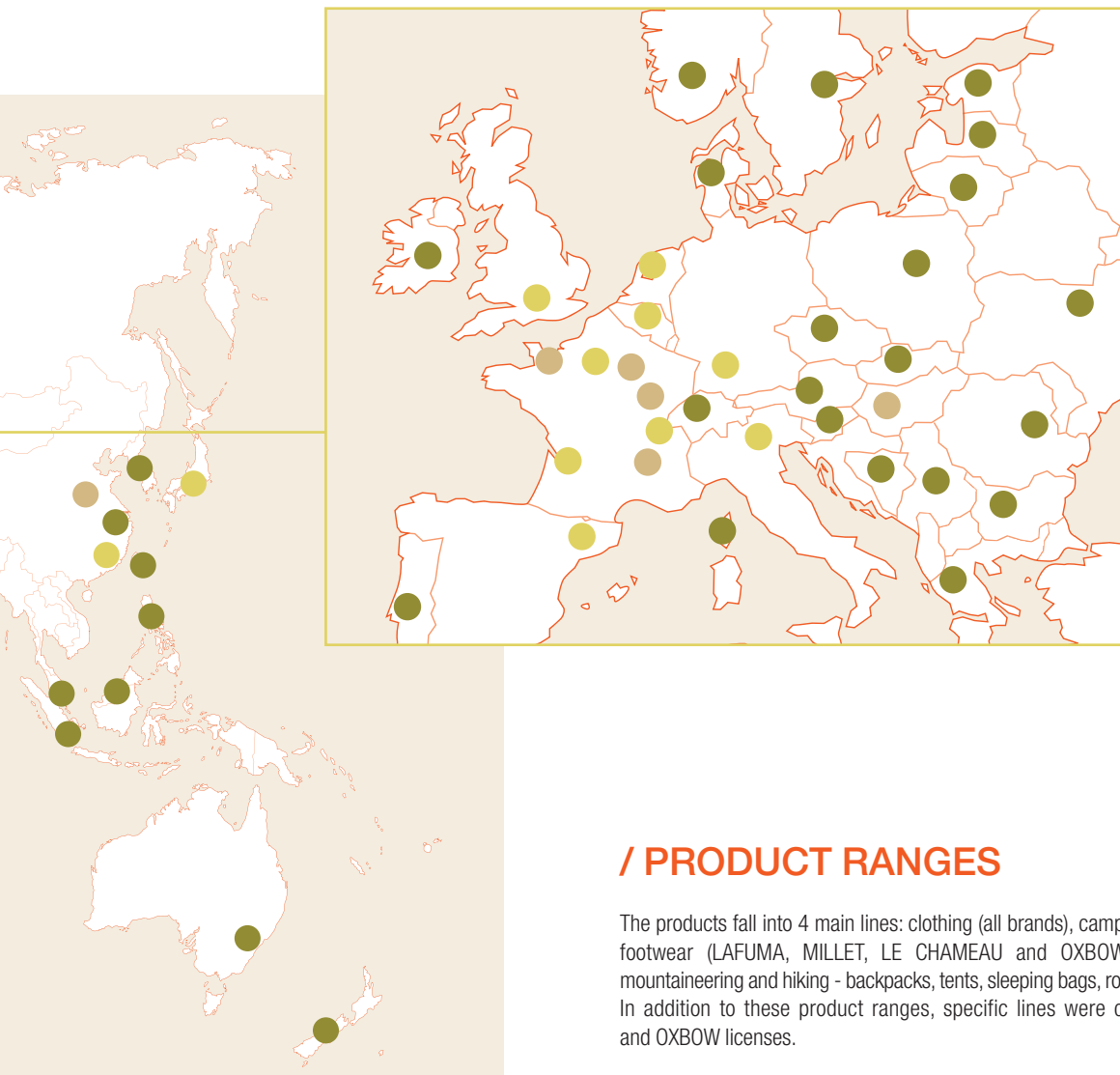
The majority of these products are then shipped to the logistics centers at St Rambert d'Albon (26) and Canéjan (33) before being sent to our customers (distributors).

All told, the different companies of the Group employ 1950 employees.

The Group is present in almost 60 countries, either directly (industrial sites or sales subsidiaries) or indirectly through importing agents.

Our distribution is:

- direct via one of the 59 Group stores (30 OXBOW, 10 LAFUMA, 1 MILLET, 1 LE CHAMEAU) and 17 factory outlets
- indirect via our customers (specialized brand-name stores, multi-brand stores, mail order...).

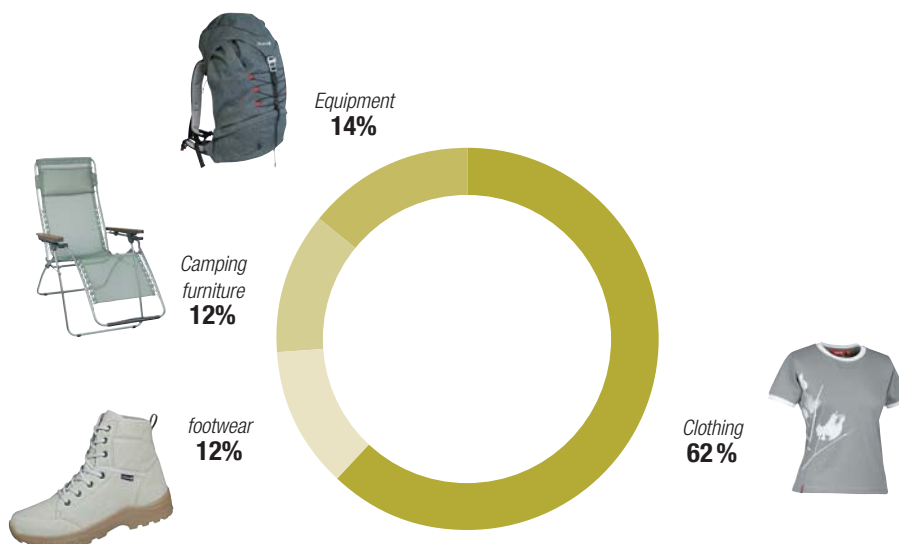


/ PRODUCT RANGES

The products fall into 4 main lines: clothing (all brands), camping furniture (LAFUMA), footwear (LAFUMA, MILLET, LE CHAMEAU and OXBOW) and equipment for mountaineering and hiking - backpacks, tents, sleeping bags, ropes - (MILLET, LAFUMA). In addition to these product ranges, specific lines were created under LAFUMA and OXBOW licenses.

The breakdown of sales within the 4 main product ranges is as follows:

BREAKDOWN OF SALES PER PRODUCT (ESTIMATION 2006-2007)



THE GROUP SUSTAINABLE DEVELOPMENT COMMITMENT

All of these Group activities have different environmental and labor repercussions: the technological choices of designers, the choice of suppliers, the operations on the production sites, the choice of transport modes and even the modes of distribution and advertising choices. Specific improvement measures in all of the activity sectors exist that can reduce this impact.

These improvement paths are part of our approach in offering “more with less” with three major ideas:

/ PHILOSOPHICAL: “be neither a militant nor an opportunist”

The company is not an NGO. However it does have labor and environmental responsibilities, especially in the outdoor sector. Further, our concern is historical and well-structured; it is not based on opportunity or jumping on a band-wagon. The LAFUMA Group goes beyond the stage of observation and awareness by developing its business in harmony with strong environmental ethics. Our eco-designed products truly offer alternative product solutions to consumers.

/ TECHNOLOGIC: Eco-design, a new technology

Eco-design means developing products that reduce the labor and environmental impact throughout their lifecycles. This implies a lateral approach in thinking within the company and involves practically every department as all of our employees in some way impact our products from the drawing board to getting the product out to the customers. Eco-design is an innovative and differentiating characteristic in our company. This global approach affects all of the products in the Group.

/ ECONOMIC: a new approach to value

Our approach involves a new way of analyzing value. We consume fewer materials, less energy and produce less waste in manufacturing products that are long-lasting, versatile, safer and more comfortable, adding improvements both to productivity as well as in labor aspects.

- a corporate partnership with the WWF,
- support from specialists,
- analyses and development projects in partnerships with expert agencies: especially the CTC (French Leather Trade Federation) and the ADEME (French Agency for Environmental Protection and Energy Control),
- raising the awareness of our employees in order to better mobilize efforts.



/ THE HISTORY OF OUR COMMITMENT

1992

Partnership with FNE (France Nature Environnement)

1993

Development of recycled cotton "Greenbag" pack

1998

Beginning of partnership with WWF (World Wildlife Fund)

1998-2000

Set up of a SD charter and labor audits of our sub-contractors and the 1st eco-designed schoolbag, the "Protect 25"

2002

In-house "Sustainable Development" organization (Ethicity, O2 France)

2004-2005

Development of eco-designed lines in footwear, clothing and camping furniture

2005

Sustainable Development Excellence Award from the ASMEP (French Association for owner managed and family enterprises)

2006

Development of eco-designed products under all of the LAFUMA Group brands

Recognition of Lafuma's eco-design offering with the "Observateur du Design" prize and the company's participation in the "Changer d'Ere" (A Change in Eras) exhibition at the Cité des Sciences in Paris.

/ CONCRETE COMMITMENTS

The Group's commitments are formulated in an internal charter called the "Pure Leaf Project" that is communicated to all of our employees around the world (see appendix).



Moreover, by signing the Global Compact initiated by the UN, the Group manifests its commitment to follow the following 10 principles:



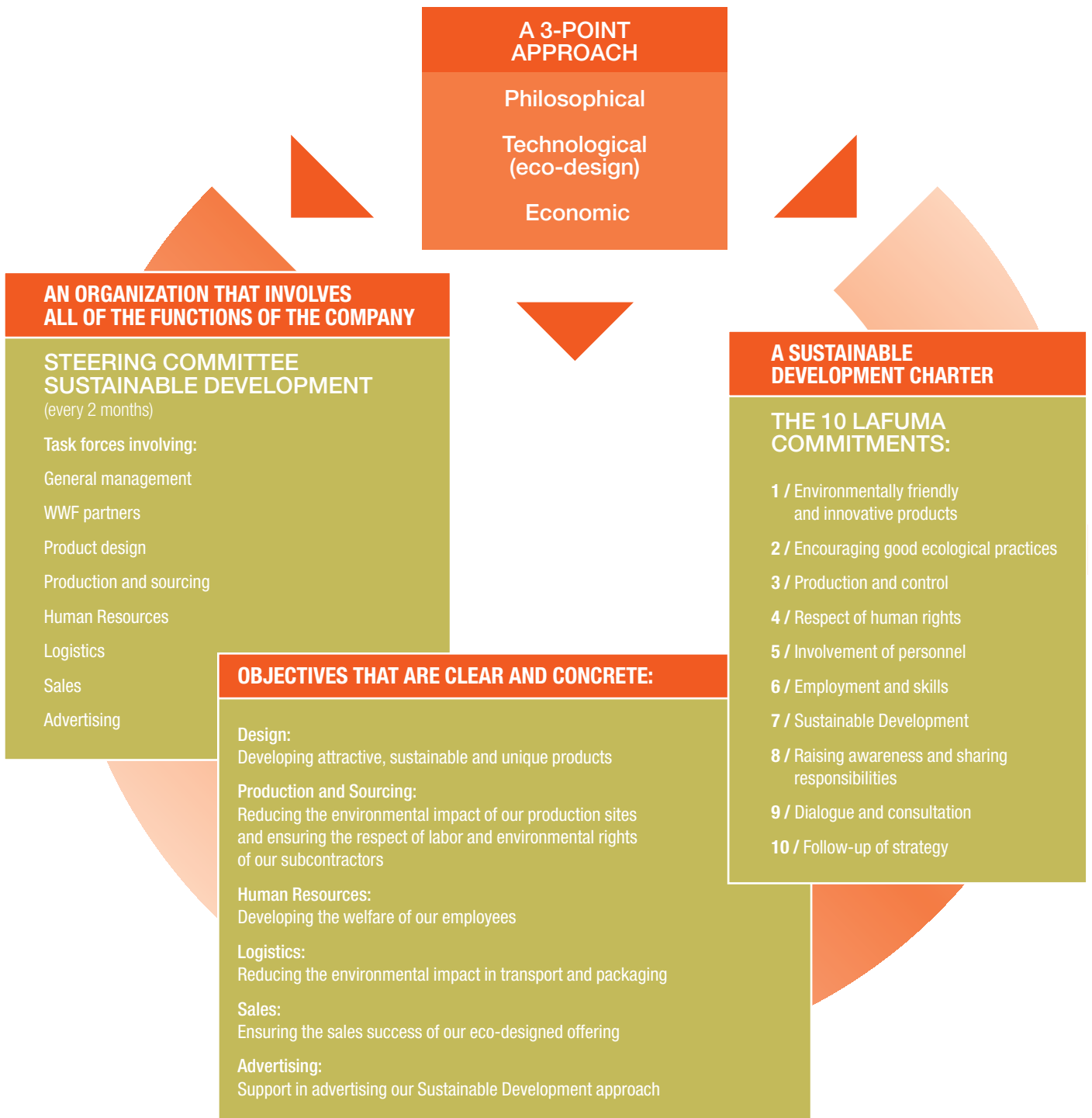
- 1 /** The support and respect of the protection of international human rights.
- 2 /** The refusal to participate or condone human rights abuses.
- 3 /** The support of freedom of association and the recognition of the right to collective bargaining.
- 4 /** The abolition of compulsory labor.
- 5 /** The abolition of child labor.
- 6 /** The elimination of discrimination in employment and occupation.
- 7 /** The implementation of a precautionary and effective program to environmental issues.
- 8 /** Initiatives that demonstrate environmental responsibility.
- 9 /** The promotion of the diffusion of environmentally friendly technologies.
- 10 /** The promotion and adoption of initiatives to counter all forms of corruption, including extortion and bribery.

The implementation of these commitments is made possible through a company structure that allows for the required communication and training throughout the Group and in all of its business domains. Potential for improvement is constantly identified and implemented wherever and whenever possible.

Six specific task forces implement improvements.

A Sustainable Development steering committee meets every other month with representatives from the WWF in order to evaluate progress, coordinate actions and set new objectives

The LAFUMA Group Ambition: *“Offering more with less”*

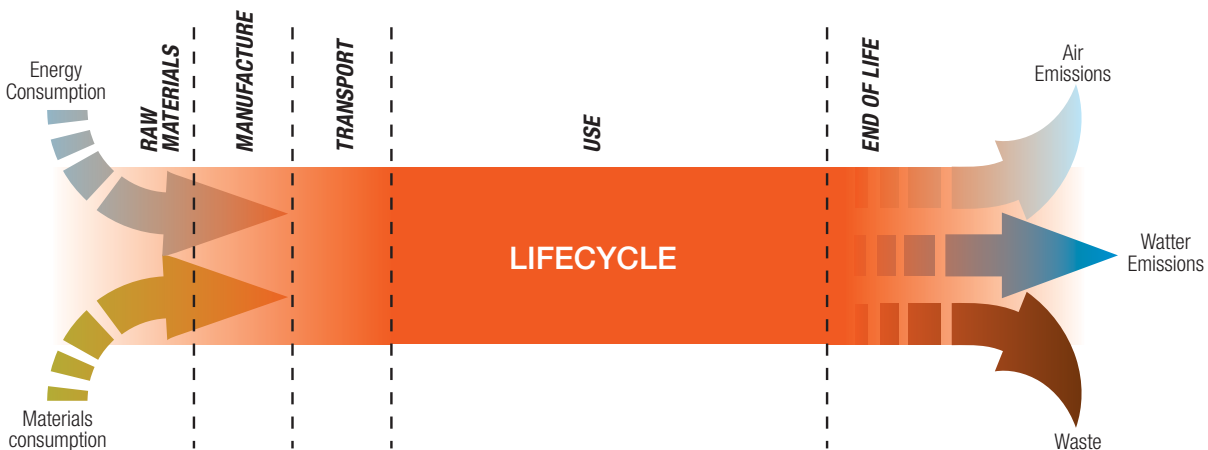


ACCOMPLISHMENTS 2006 AND OBJECTIVES 2006-2007

/ WHAT IS ECO-DESIGN ?

An eco-designed product is one that was designed in order to reduce its impact on the environment all throughout its lifecycle and according to a multi-criteria approach (taking into account the impact on air, water, energy consumption, the use of non-renewable resources...). This approach is based on a method: the analysis of the lifecycle. This means that at every stage in the life of a product, the impact on the environment is identified, and encompasses raw material, manufacture, transport, use of the product and the end of the life of the product. It also allows us to understand the connection between one stage to another and the resulting impact. The global approach of eco-design encourages innovation and mobilizes company employees.

In addition to this global approach of eco-design, the LAFUMA Group has added the “rule of 3 D’s”: products that are Desirable, Durable and Different.



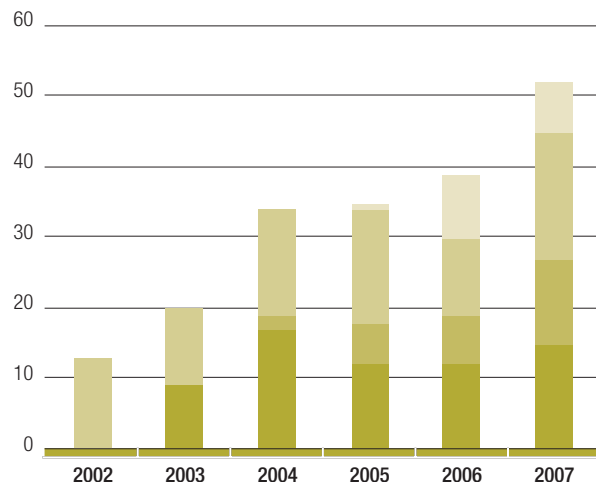
I / GROUP DESIGN

OBJECTIVE: Maximum reduction in the environmental impact of our products.

The Pure Leaf LAFUMA line due to be launched in summer 2007 will mean an eco-design offering in each product range.

NUMBER OF ECO-DESIGNED PRODUCTS WITHIN THE LAFUMA COLLECTIONS

- Camping furniture
- Equipment (Rucksacks schoolbags and gear)
- Footwear
- Clothing



Textile line



Pure Leaf LAFUMA offering that is desirable and durable

For the summer 2007 collection, the Pure Leaf line has expanded to include complete ensembles for men and women, and t-shirts for children. This new collection includes attractive prints that are inspired by nature, and expertly combines attractive and practical cuts in line with the needs of outdoor comfort and fashion trends. All of the clothing presented is manufactured in organic cotton or hemp.

The Pure Leaf collection also includes specific products that were designed for sales operations organized in collaboration with the WWF. These additional models were designed by an independent artist.

Eco-design is becoming more and more important in the LAFUMA textile collection. For the Winter 2007/2008 collection, the brand will launch an offering in polar fleece made from recycled materials. The Lifestyle line will be mainly eco-designed for Summer 2008. For this same season, our Research and Development division is presently working on the development of its first eco-designed high-protection jackets.



Eco-design at OXBOW

OXBOW joined the Group in 2005. It is progressively integrating a Sustainable Development approach in its Research and Development methods.

The first example is the use of the SEACELL® material. In its mens' Spring/Summer 2007 collection, OXBOW will include the use of a new fiber fabric for the jersey in its t-shirts: SEACELL®. This fiber is made up of 85% cellulose (Lyocell®, made from a recyclable organic solvent) and includes algae powder (15%).

Besides its softening and mineralizing properties, the fiber SEACELL® also makes the clothing very comfortable and absorbs perspiration, while repeated washing does not alter the fabric.

This fabric is in line with the values of the OXBOW world and has considerable environmental advantages.



The first eco-designed jeans at OBER

Based on the wealth of experience of the LAFUMA Group in eco-design, OBER launched its first eco-designed jean collection in Autumn 2006. The project began with an analysis of the lifecycle carried out in close collaboration with the ADEME (French Agency for Environmental Protection and Energy Control) which presented the most important stages of the life of a pair of jeans as far as environmental impact is concerned. For example, as regards impact on climatic change, 50% is due to production and 50% is due to use (the way it is cleaned).

This analysis enabled OBER to offer products that are attractive while reducing environmental impact:

- The denim is composed of 30% organic cotton and certified Oeko Tex® label (standard on the toxicological and dermatological risks of components),
- The treatment aspect of the jeans is not polluting, the softening process is mechanical and pre-washing is limited thanks to the use of a natural laccase enzyme.
- It is designed to be long-lasting thanks to the double top-stitching and steel riveting in key spots for better resistance.
- To limit pollution in transportation, manufacturing is carried out in a confined area, the material comes from Turkey and the sewing process is carried out in Tunisia.
- The labelling reuses jean scraps and the printing process is carried out with the Oeko Tex® standard. The advice given on the label offers solutions to reduce pollution. Some examples: think differently about how you wash your jeans: wash them inside out to preserve their colour, use a class A washing machine and dry them on a hanger to avoid ironing.

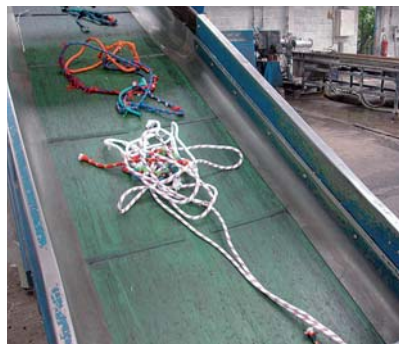


OBER has three models that use the best cuts of the brand and are reasonably priced, thus offering an ecological alternative for a mass produced product that is used by a wide number of people. The success of this product will also benefit the other brands of the Group. LAFUMA and OXBOW will present their eco-designed jeans in their next collections.

Manufacture of coat hangers using “recycled rope” for MILLET textiles

The “Recycle/ Save” operation allowed MILLET to collect a certain number of used ropes, and a specialized recycling process was put into place. Firstly, the polyamide in the ropes was crushed then melted, before being re-granulated. These granules of 100% recycled material allowed for the manufacture of high-quality coat hangers with an innovative design. It takes about 1 metre of used rope to manufacture 1 coat hanger.

The participants in this recycling process (developed specifically for this project) are all French and mainly from the Rhone-Alps region.



Equipment line

LAFUMA will launch the first eco-designed hiking backpack in Spring 2007: the Eco 40. This backpack was developed after an analysis of the lifecycle of a similar model in cooperation with the ENSAM (Institute of Design, Mechanical Engineering and Environment) in Chambéry, France. This study showed that the environmental impact for this type of product was essentially due to its materials and accessory parts (77%).

The Research and Development department and its partners developed a new material that has the same technical advantages as associating polyester and polyamide, but with far less environmental impact. The mixture of natural hemp (65%) and recycled polyester (35%) is TPE coated (without heavy metals) for waterproofing. During the dyeing stage, only the hemp fabric is dyed, avoiding another processing stage and 35% of dyeing chemicals.

All of the entire development process is planned according to an eco-design approach. The cuts are simple, limiting the need for excess material. The camera pocket is designed so its volume will be with only one piece of fabric. The 2 side pockets are stored under integrated removeable flaps in the cap of the backpack so that the use of zips is eliminated. The buckles are metallic and therefore without any synthetic materials, and they are strong and hardwearing, all of which gives the backpack an original look.

This work in Research and Development has now allowed LAFUMA to offer a technical backpack for hiking that is as light and high-performing as other backpacks on the market, at a comparable price but with half as much impact on the environment.



This innovation was selected for the Observateur du Design label from the APCI (French Agency for the Promotion of Industrial Design) with special distinction of the ADEME (French Agency for Environmental Protection and Energy Control). This product allowed LAFUMA to be nominated for the Entreprise et Environnement prize awarded by the French Ministry of Environmental Protection and Sustainable Development, along with 7 other projects out of 44 candidates. The Eco 40 backpack is presently on display for 10 months at the Changer d'Ere exhibition (A Change in Eras) at the Cité des Sciences in Paris (see "Communication and partnerships" on the following pages).

The knowledge and advantages gained from developing the Eco 40 backpack will enable the Research and Development team for equipment to multiply these innovations on a full line of products, offering products of different sizes, volumes, designs and uses in order to have a wide diversity of product offering for the range of outdoor activities.

TESTIMONIAL OF M. CORNIER,

Director of the l'ENSAM Institute of Design, Mechanical Engineering and Environment:



The cooperation between the ENSAM (Institute of Design, Mechanical Engineering and Environment) in Chambéry, France, and LAFUMA started 3 years ago in the framework of an internship in a specialized masters degree program in Eco-design. The goal was to set up a global approach to Eco-design in the company based on the preliminary work carried out by LAFUMA. The idea was to base this research on a concrete case in the form of a hiking backpack. The project team that was set up was able to develop a new eco-friendly high-performance product, by crossing the expertise of ENSAM in eco-design and related tools and the market knowledge and design know-how of LAFUMA for hiking material. A backpack consumes little energy from the person who wears it, which obviously is not of concern for environmental impact, however, the margin for improvement was in the manufacturing stages and to a lesser degree in the end of the products lifecycle. In order to better evaluate the sources of impact, a detailed ACV (Analyse de Cycle de Vie - Analysis of the lifecycle) was carried out. It enabled us to precisely and scientifically quantify the different impacts. These analyses then allowed us to understand ways of making improvements that we did not even imagine could exist, in terms of material for frames, accessories and in textiles used. Further, in collaboration with the designers, we found ways to optimise the quantity of pieces to be assembled as well as the assembly process itself, which also resulted in financial savings.

This is one of the strongholds of eco-design; it combines technical, environmental and financial performance, even if the ambitious choice of LAFUMA was from the onset to develop textiles that lessened the environmental impact, which are more expensive but somewhat offset by this last point.

Today the backpack is out on the market and now other R&D projects are in the works for other product lines that include developing new tools in this industrial sector. This is being organized by the former masters student, who was given the responsibility for this activity sector at LAFUMA. In terms of partnership, it is a great achievement for us to be able to put our previous results in parallel with devising future projects.

The footwear line:

Since 2004, LAFUMA has been offering eco-designed footwear. In January 2005, the ADEME (French Agency for Environmental Protection and Energy Control), in cooperation with the CTC (French Leather Trade Federation), collaborated and financed a global project with us for eco-design. As a result of this project, the first eco-designed technical hiking boot came into being, and in Summer 2006, the Kenema boot was launched.

The success of this new approach in Research and Development allowed LAFUMA to expand eco-design to all of its lines. In 2007, the Pure Leaf offering has practically doubled.

The hiking lines also expanded to include new alternatives with products for trekking and a knee-length boot model. The leisure line offers products that are more technical for generalist sports enthusiasts. The "lifestyle" line corresponds to different types of customers, with leather models for citywear, casual models with trendy designs for younger customers, and sandals and flip-flops for summer travelling. LAFUMA thus has a global offer for all different kinds of needs.

As far as environmental impact is concerned, the improvements in all of our eco-designed footwear have the following 4 factors in common:

An upper in hemp or in vegetable tanned leather

Foam in recycled polyester

A lining in hemp or in vegetable tanned leather

A sole in natural rubber



The camping furniture line:

The main innovation for the 2007 camping furniture lines in terms of eco-design is the development of a new canvas, the GREENOLENE®, in collaboration with a French regional industrialist. With a decreased impact on the environment, this is a true sustainable development project. It is the fruit of intense research on ecological footprints and their components: glass wire (from mining products such as silica and kaolin) in combination with an acrylic polymer that excludes halogens and heavy metals. This aerated canvas offers an extended life-span with no environmental impact, while having a high performance and being emblematic of the environmental implication of LAFUMA. The GREENOLENE® is washable, odourless and fireproof. It is incorporated in a full line of products and appeals to the different tastes and needs of customers.



The schoolbag line:

Since 2004, all of the products in the LAFUMA schoolbag line include a specially developed coating that reduces environmental impact: TPE coating (Thermal Plastic Elastomer). This new process eliminates the need for PVC (Polyvinyl Chloride) in all of the schoolbag collection. PVC is presently a problem substance in the environment as during the end of life of the product when it is incinerated, it emits many toxic substances into the air. TPE has the same waterproofing, resistance and stiffening properties but without the same toxic and dangerous substances.

Moreover, part of the line is composed of co-branded LAFUMA-WWF packs and schoolbags. These products make children more aware of how to protect the environment. They are designed to have a limited impact on the environment and 10% of their sale price is donated to the WWF in support of their mission to protect nature and biodiversity.



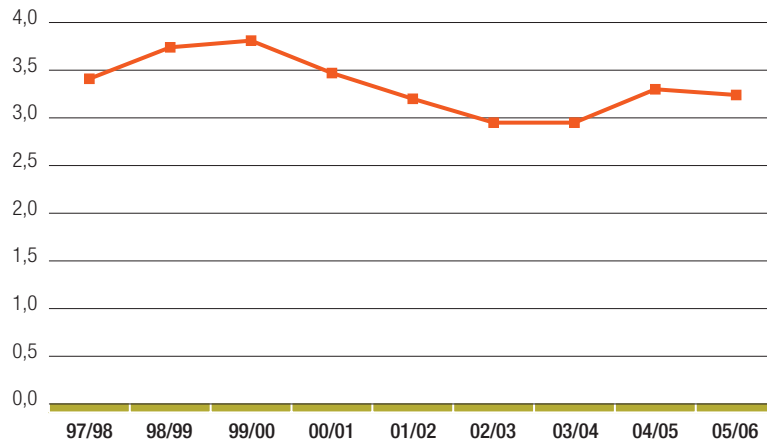
II / PRODUCTION

1. Industry

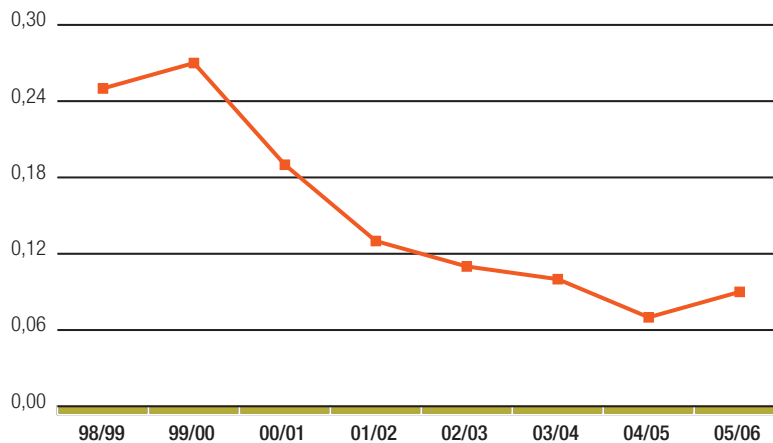
OBJECTIVE: Reduce the environmental impact of our production sites

The eight production sites of the Group, located in France (4 sites), Morocco, Tunisia, Hungary and China are monitored in order to control water and energy consumption, as well as (ordinary and special) industrial waste. These indicators help us measure the way these sites impact the environment in terms of absolute value and relative value (impact in correlation with production volume).

ELECTRICITY CONSUMPTION BY WORK UNIT AT THE ANNEYRON SITE

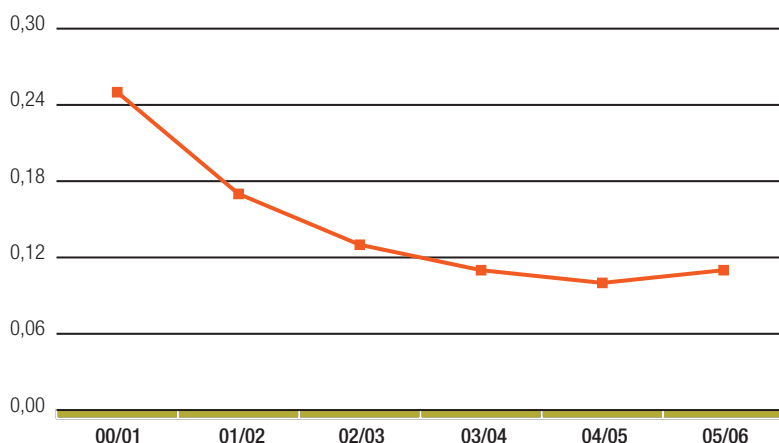


INDUSTRIAL WASTE BY WORK UNIT AT THE ANNEYRON SITE





ORDINARY INDUSTRIAL WASTE BY WORK UNIT AT THE ANNEYRON SITE



The charts show that this site has had considerably less impact on the environment in the period between 2000 and 2005, when measures were implemented to reduce energy consumption and waste production. Even though we have reached a maximum threshold, the downturn in the camping furniture business means that the Anneyron plant produces

fewer articles while absorbing the same impact from non-compressible operations inherent in headquarter and production plant activities, a fact that explains the increase in the work unit ratio.

Each site devises its own strategy to match its business activity and takes steps to reduce environmental impact. A number of initiatives provide proof of the Group's commitment to this strategy:

Think-tank on recycling special waste at Anneyron:

Metal structures in furniture need to be specially prepared in the "washing tunnel". Since 2001, wastewater created during this production stage is decontaminated in a treatment plant, a process that has helped halve the special waste produced at the Anneyron site. This year, chemical analysis carried out on sludge from the station proved that it contained only minute traces of metal particles and could not therefore be recycled at the end of its lifetime.

PEFC certification project for relax armrests

LAFUMA camping furniture uses a large quantity of wood to produce the armrests on its high-end models, consuming an annual volume of 28 metric tons. For a number of years now, the beech wood used has come from sustainable forestry programs in France. In 2006, LAFUMA went a step further by applying for PEFC certification (Program for the Endorsement of Forest Certification schemes) for the entire manufacturing chain used to produce armrests.

Widespread installation of new assembly stations for LE CHAMEAU boot factories

A major study was carried out in cooperation with Médecine du Travail (Occupational Medical Services), INRS (Institut National de Recherche et de Sécurité - National Research and Safety Institute) and our boot assembly workers with the aim of installing more ergonomic work stations. The study concluded with the development of special machines that not only improve working conditions but also retain our traditional manufacturing methods. The new stations help to significantly reduce worker fatigue and the incidence of work-related injuries.

2. Sub-contracting:

OBJECTIVE: Ensure that sub-contractors comply with required labor and environmental conditions

In order to ensure that its products are manufactured in satisfactory conditions from both labor and environmental viewpoints, the LAFUMA Group took the decision to set up a commitment, regulation and verification charter with its sub-contractors.

Commitment

Sub-contractors sign a labor charter and an environmental charter to demonstrate their commitment to adhere to professional codes of practices. The first charter is essentially based on international texts such as ILO (International Labor Organization) conventions, whereas the second, introduced in January 2005, allows sub-contractors to adopt measures to limit environmental impacts. These charters are included in the general purchasing terms and conditions. Failure to respect these commitments can lead to the termination of business relations between the defaulting sub-contractor and the Group.

Regulation

An independent auditor from the purchasing department, reporting directly to the general management, carries out audits to ensure that sub-contractors comply with their social and environmental obligations. A report done on completion of these audits grades the social and environmental performance of the sub-contractors in three categories:

- Green to show that they comply with their commitments and all audit criteria;
- Orange to signify that some failures have been noted: a progress plan is drafted and the sub-contractor informed of the improvements to be made;
- Red is assigned if the failures observed are deemed too numerous and/or too serious: a progress plan is drafted for the sub-contractor but the extent of the work to be done may lead the Group to sever these business ties.

To ensure that the audits are even more effective, in September 2005, the Group's social auditor completed an SA 8000 certified training course created by the American association SAI (Social Accountability International). The norm is modeled on ILO conventions and the Universal Declaration of Human Rights.

Verification

The monitoring of progress plans is the responsibility of the Group's traveling staff in contact with the particular sub-contractor or on assignment to visit the latter (buyer, developer, quality controller...).

In 2006 two training programs were organized in Hong Kong and at headquarters for this Group of employees with a view to instructing them in internal verification procedures and in the practices relating to labor audits.

The rule of the Group is to conduct "Human Rights" verification at each plant at least every three years. All suppliers receiving a "non-green" audit shall be audited again within six months to ascertain that the required improvements have been implemented.

Results

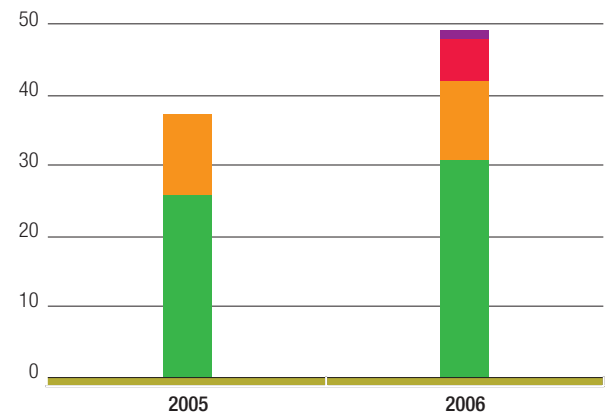
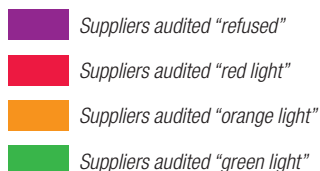
Social grading of sub-contractors is done according to three categories:

- "green light": plant approved;
- "orange light": minor improvements required;
- "red light": improvements to be made without delay in order to continue business relations.

Based on the verifications carried out, 80% of suppliers who were "orange" in 2005 have been upgraded to "green". The list of new suppliers has lengthened considerably with the integration of OXBOW and the acquisition of Schumacher and Bishoes.

An analysis of the social and environmental performance of new sub-contractors is underway. The results of the audits carried out could result in the termination of business relations with those who do not comply with the social and environmental commitments of the Group.

AUDITS OF SUB-CONTRACTORS AND RESULTS



III / HUMAN RESOURCES

OBJECTIVES:

Implement an employee-oriented policy commensurate with our Sustainable Development commitments

Develop a sense of belonging and ensure employability of our staff

Ever since its creation at the end of 2005, the Human Resources working Group has continued to strive towards improving employee well-being and helps ensure that everyone is involved in the Sustainable Development action of the LAFUMA Group.

Initiatives in 2006:

Shuttle bus to consume less

LAFUMA started a shuttle service between the SNCF rail station of Saint Rambert (Drôme) and the headquarters in Anneyron. Every day since the beginning of 2006, a shuttle carries LAFUMA employees living in Lyons and Valence. Apart from the savings in fuel and time, the system reduces the risk of accidents and helps cut gas emissions. The shuttle also offers a terrain for employee exchange and interaction.

“Eco-Restaurant” to promote best lunch breaks with greater concern for the environment

In an effort to improve the eating experience and employee interaction, LAFUMA engaged in a long period of reflection with service provider Sodexho, while drawing on consultative assistance from the Institut Paul Bocuse. The project came to a close in the autumn of 2006 with upgraded dining facilities for staff at the Anneyron site and reduced environmental impacts from the structure.

As part of the major refurbishing work undertaken to complete the project, solar panels were installed, providing a renewable energy source that satisfies 50% of the needs in hot water and cutting pollutant emissions. The project also received funding from the Conseil Général de la Drôme (Regional Council) and ADEME (French Environment and Energy Management Agency). New kitchen appliances were also installed to increase efficiency and reduce consumption.

The culinary aspect was transformed through the involvement of students from the Institut Paul Bocuse, training programs offered by Sodexho, as well as the appointment of a chef with a gastronomic background. Emphasis was placed on the quality of the products used with a preference for local and organic food suppliers. The menus are now more varied, more nutritious. Employees can choose between an organic menu and a menu by the Institut Paul Bocuse each week.

This new service for employees provides yet another opportunity to raise their awareness of the Sustainable Development action so that they are awoken to the impacts of their daily consumption. A special space on selective sorting and disposal has been created so that employees can all play an active part in the initiative. An awareness drive on waste is relayed through all the information boards.

The Eco-restaurant portrays the LAFUMA campaign as a responsible undertaking, with three vital components of Sustainable Development: the efforts to reduce pollution, build staff awareness and develop well-being in the workplace.



In-house newsletter to provide a worldwide link between employees of the Group

The in-house journal “La Feuille” has now revamped its distribution formula, becoming a newsletter that has replaced the hardcopy version and optimizing its delivery frequency. It is relayed by production site displays and reaches every member in the Group. It is a way to inform every employee of the strategic projects and of important events in the different subsidiaries. Not only does this improve internal communication but it improves cohesion within the Group and promotes a sense of belonging. The newsletter is a key factor in the development of our corporate culture.

Organization of SD excursions to promote employee interaction and concern for the environment



On 13 May last, LAFUMA employees organized a joint SD field day excursion with members of WWF, FRAPNA Ardèche and the Bois Païolive association to save the Païolive woodland, a NATURA 2000 classified site. After a programmed visit and a consciousness-raising session on the cohabitation of the environment and sporting practices, followed by an organic picnic, participants turned their attention to cleaning up an illegal dumpsite in the La Blachère commune, a typical village in the Ardèche. In the end, several metric tons of waste were removed from the site and the excursion helped develop interaction between employees, an initiative that the associations and LAFUMA employees intend to repeat on a regular basis.



In 2007, the Group Human Resources department will continue to investigate two principal avenues of development: employability and a sense of belonging.

IV / LOGISTICS

OBJECTIVES:

Reduce the environmental impact of transport and packaging

Increase the share of clean modes of transport

Implement solutions to reduce packaging

The flow of merchandise linked to the Group's logistics activity is channeled primarily through the logistics warehouse of Saint Rambert d'Albon (26). There are, in essence, two types: "upstream" flows between production sites and logistics warehouses and "downstream" flows between the logistics warehouse and the distributors customers.

Energy consumption and the resulting greenhouse gas emissions are related to the weight of the transported merchandise and to the number of kilometers covered. With regard to intercontinental transport, maritime transport generates less impact as compared to air transport and it is always the preferred means of transport because of evident reasons of cost. The primary focus is on continental transport where river or rail transport effectively lessens the environmental impact.



The most representative example of this course of action is the exclusive use of clean transport modes used for shipments to North America. All our shipments to the United States go by multimodal transport, first by barges between Lyons and Marseilles, then by boats to Houston and finally by train to our storage platforms in Los Angeles and Denver. **More than 6000 m³ of goods are moved in this way by clean transport modes that produce far less greenhouse gases.**

Rail-road transport has not yet demonstrated that it is ready to meet our commercial needs with regard to deadlines, organization and a diverse offering of destinations. LAFUMA is currently using specific operations to evaluate piggyback services on the Lyon-Lille link and some 600m³ of goods have already been moved this year by rail. Two projects in 2007 will form the development of clean transport modes, with piggyback transport being widely implemented to supply our biggest French customer with annual deliveries totaling 2500m³ and to deliver more than 4000m³ of merchandise to our English subsidiary.

One of the main sources of packing waste stems from the repackaging of merchandise done at our supply and distribution center. This has prompted LAFUMA to adopt new organizational procedures to ensure that articles are packaged in our production sites directly for distribution customers, thus eliminating the waste created by repackaging at our distribution platform. **With this system, the saving in raw materials has exceeded 13 % during fiscal year 2006/2007.**

In the same context, the elimination of tightening straps from 80% of our furniture products will allow us to **save 2500kg in plastic material in 2007.**

In 2007, our supply chain services will be re-evaluated and renegotiated to give preference to partners who are fully committed to Sustainable Development and are able to offer satisfactory multimodal services for our shipments.

V / COMMERCE

OBJECTIVES:

Ensure the commercial success of our eco-designed products
Raise the awareness of distributors and consumers by setting up SD operations

Training sales teams

Sales seminars provide us with the opportunity to train sales teams in the principles of eco-design and Sustainable Development. During collection presentations, the focus on eco-designed products is relayed by specific actions at these seminars. By way of example, at the most recent meeting with partners of the LAFUMA brand, a special area was dedicated to Sustainable Development, with an interactive terminal added as a special feature to calculate individual ecological footprints so as to raise personal awareness.

Raising the awareness of distributor-customers

A variety of targeted communication aids are used to raise the awareness of our distributors to our actions. Professional catalogues, corporate presentations, industry trade fairs of the Group and its brands reaffirm our commitments and continually provide added-value to our innovative eco-designed products.

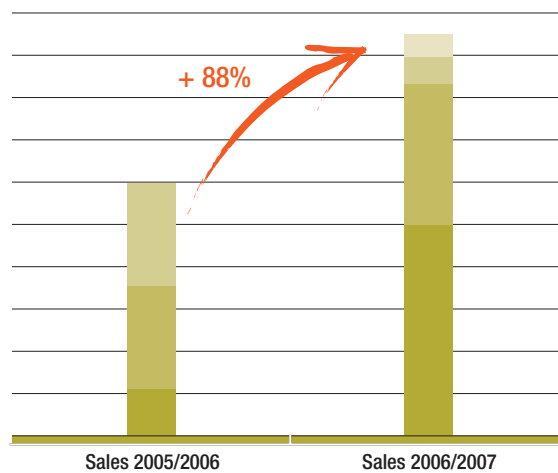
Raising the awareness of end-users

End-users are made aware by communication aids targeting the general public; catalogues, the Internet site, information on points of sale, press releases, product labels (see communication and partnerships in later pages).

These initiatives have a real impact on LAFUMA business. The Pure-Leaf collection has met with enormous commercial success and sales are expected to double in fiscal year 2006/2007 (figures taken from forecast orders).

SALES OF PURE LEAF COLLECTIONS

Net sales in %



Furthermore, commercial and factual operations are specially organized to allow end-users to rally to the efforts made by the Group:

OXBOW “Clean Beaches” Campaign

OXBOW launched its “Clean Beaches” campaign this summer in association with the Surfrider Foundation. From 10 June to 30 August, the brand’s boutiques and Internet site made 1000 tee-shirts available, with 10€ of the sale price paid to the association.

This was a true joint endeavor managed by OXBOW and the French branches of the Surfrider Foundation. The aim of the operation was two-fold: to raise awareness by organizing the clean-up of signature “pilot” beaches in the French tourism landscape (Lacanau, beaches in the Basque country, Port-Bacarès and Palavas les Flots.), and secure funding for a long-term project with the implementation of a quantification process for macro waste.

The result is that five beaches were cleaned this summer and the campaign was instrumental in sensitizing the general public to the problem of maritime waste. The information collected is the first stage of the quantification process and the development of the first database on floating waste.



Repeating the “Recycle - Save” Campaign by MILLET

The year, the campaign launched in 2005 developed an international flavor, with 120 points of sale in Germany, Italy, Spain, Switzerland and France. Over 100 kilometers of rope were brought in by customers, in other words more than six metric tons of material, in addition to the four metric tons of rope cutting recovered during fabrication...

The MILLET campaign helps raise the level of safety of sports activities for they encourage consumers to renew their old equipment and obtain a reduction on new equipment when they deposit their old gear. This eliminates the environment impact of non-recycled ropes at the end of their lifespan.

When the ropes are recycled by one of our industrial partners in northern France, the material is re-used in an injection process to make hangers for products of the brand. The clean lines of the hangers highlight their practical design. They are made in a factory of the Group; Lallemand (Le Balmay, 01, France). The MILLET campaign allows each individual to accomplish their personal, civic duty by endorsing waste recycling within the global context of Sustainable Development and to support the economic growth of local players.



LAFUMA / WWF Christmas Campaign



A line of products with the WWF logo was specially developed for the 2006 Christmas period. The prints on eco-designed products were designed by a freelance artist. The operation is offered by two partner store networks, the brand’s boutiques and Internet site, and is backed by an extensive advertising campaign on the points of sale as well as by press reports. Ten percent of all sales will be given to the WWF in support of the association in its missions to protect the environment and its biodiversity. The idea, albeit a simple one, gives consumers the chance to fully enjoy the festive season, acquire a cool gift and make a statement in support of the environment.



VI / COMMUNICATION

OBJECTIVES:

Support Sustainable Development by spreading the information
Strengthen the WWF / LAFUMA partnership through concrete actions
Accompany our eco-designed collections with the creation
of SD communication aids

Meaningful partnerships

LAFUMA supports different associations that uphold values important to the Group: cohesion and social integration, professional integration, environmental protection.

Socio-economic support

... by LAFUMA



In 1998, the association “Sport dans la Ville” was created to offer children living in difficult neighborhoods an opportunity to integrate and find fulfillment through sports on a long-term basis. It has set up and now runs 11 sport centers (soccer and basketball) that are used every week by more than 1000 children between the ages of seven and eighteen. To help young people see beyond their neighborhood and give them a wider vision of their environment, “Sport dans la Ville” has organized outings, winter and summer camps and trips abroad (to Brazil and the USA).



In 1995, when mountaineer Marc Batard created “En passant par la Montagne”, he intuitively felt that the mountain environment would be a perfect way to help social workers motivate young people to get through very difficult periods in their lives. The association has been pursuing the same mission for ten years: enabling two worlds, the mountains and the difficult world of some young people to coexist and thrive. The mission has taken the form of learning projects in the mountains and involving three phases for participants: preparation through participation, realization and evaluation. Last summer, the association took along 80 young people to participate in mountain projects, of which four were environmental projects, giving them the opportunity to raise their awareness of current ecological problems and play a direct role in protecting the planet.



In 1992, LAFUMA created the association “Rhône-Alpes Entreprendre” in cooperation with other industrial firms and later a departmental branch with “Drôme-Ardèche Entreprendre”. The mission of this association is to help create new businesses. Since its inception, it has secured the assistance of more than 300 company heads from the region and has helped create more than 1500 jobs.

... by OXBOW



OXBOW began its collaboration with “Surf Insertion” in May 2005. The Bordeaux-based association is affiliated to the French Surfing Federation and coordinates actions to promote water sports as well as eco-civic activities along the French coast for underprivileged young people from inner cities and rural zones. Outings organized by the association bring together 4500 young people every year in a mix of pleasurable and engaging activities, enabling them to leave their neighborhoods to surf and participate in tasks to safeguard the environment, such as waste collection and awareness campaigns. This collaborative venture is designed to promote the OXBOW brand through actions consistent with the Sustainable Development policies of the Group.

-Environmental support

... by LAFUMA

LAFUMA and the WWF entered into a partnership in 1998. Together, “shared products” were created whereby, for each co-branded LAFUMA-WWF product, LAFUMA contributed part of the sale price to the foundation. Schoolbags, shirts, pants and footwear now sport the famous Panda. Furthermore, WWF participates in certain “Sustainable Development” steering committee meetings and supplies invaluable information about nature and the different factors of pollution relevant to our business activities. The WWF is very much involved in our approach and maintains a very critical yet constructive eye on proceedings.

... by OXBOW

OXBOW supports the association “**Surfrider Foundation Europe**”. It is dedicated to protecting and highlighting the ocean, the waves and the coastline. The association was set up in 1990 by a number of surfers, including triple world champion, Tom Curren. Today, the association has more than 3,500 members, with local branches in France and Europe. “Surfrider Foundation Europe” organizes different actions to combat pollution of our oceans, improve public information on water quality, legislation and the real risks of pollution, raising the awareness of the younger generation so that the deciders of tomorrow understand just what is at stake and begin taking steps to protect the ocean from today.

OXBOW is the financial partner of the association and is especially involved in research on water quality and floating waste as well as educational campaigns to raise awareness.



“**Mountain Rider**” was created in 2000 by winter sports enthusiasts and mountain lovers. It promotes practices that respect the open spaces and the pristine purity of the mountains.

In similar fashion to the Surfrider Foundation, it organizes awareness campaigns via events for educational purposes. Its members also include field companions knowledgeable of mountainous environments to assist in creating and preparing environmental charters in resorts.

OXBOW supports “Mountain Rider” and benefits from its know-how and expertise to organize awareness drives, such as for example its participation in the last “TignesAirWaves” competition where both entities managed a joint stand.

INTERVIEW OF DOMINIQUE ROYET

partnership director at WWF



What are the factors that motivated the WWF-LAFUMA partnership?

The practice of outdoor sports, such as hiking and the contact it allows with Nature help to sensitize end-users of LAFUMA products to the need for environmental protection. It is evident that LAFUMA products serve as a mouthpiece to speak to people who are concerned about Nature.

Furthermore, LAFUMA had for many years developed a moral sense of its environmental responsibilities and was committed to applying its values through its processes and its products.

In the final analysis, WWF has chosen to establish a partnership with a company that has a visionary approach to environmental protection.

In concrete terms, how does WWF help LAFUMA in its Sustainable Development initiatives?

WWF keeps a close watch on the work done by LAFUMA to reduce its environmental impact and encourages the company to go even further. In concrete terms, we participate in regular meetings and steering committees to discuss the varying points and proceedings with all the different services in the company. WWF brings its wealth of experience and know-how to address these points and gives its opinion on different matters to help the company move forward in its quest for innovative and effective solutions.

One important pillar in our cooperation is the fact that every individual in the company has embraced the cause of environmental protection and has welcomed this partnership. In that domain too, WWF intervenes in different ways to raise awareness and motivate employees to share the same values. This is done by way of conferences, brochures, field trips...

How does WWF view the evolution of Sustainable Development initiatives engaged by LAFUMA?

LAFUMA is a receptive company continually on the lookout for innovative solutions. The company demonstrates unshakable tenacity. Long-term targets are of utmost importance and we have been partners for seven years.

This is how we are moving forward, together, step by step, to construct a policy for environmental protection that will become reality through the activities and products of the company.



Sharing with other players committed to the same cause: LAFUMA joins Global Compact

The Global Compact is an international initiative launched in January 1999 by the UN. Its goal is to unite companies, UN agencies and civil society organizations in following and promoting 10 fundamental principles in human rights, labor rights, environmental protection and the fight against corruption.

Companies that have voluntarily committed themselves to this cause belong to an exchange network for information and good practices.

LAFUMA joined the Global Compact in December 2003 and is a member of the advisory council.



Institutional communication

Group communication and in particular communication for the LAFUMA brand has to be consistent with its Sustainable Development initiatives and must play a role in raising consumer awareness.

A variety of communication aids is used to outline the Group's positions and share its values:

Product packaging:

Every product is delivered with at least one label bearing legal and standard information (warranty, size, reference...). This is a vital document that can be used to send a direct message to consumers. For example, LAFUMA Pure Leaf product labels outline the brand's philosophy and explain the overriding principles of eco-design. OXBOW labels detail the specific characteristics of organic cotton. OBER uses this medium to deliver a useful message on how to care for jeans.

Concurrent with the arguments developed, our labels were redesigned to be consistent with our ideas, making them fewer in quantity and smaller in size so as to use fewer raw materials.

participation in major Sustainable Development events

Our initiatives are regularly illustrated and discussed at events involving LAFUMA employees (at Chamber of Commerce events in Isère et Drôme, at the Institut de l'entreprise, at events for Entreprendre pour la Cité...).

LAFUMA to take part in this year's Cité des Sciences exhibition

The LAFUMA Group was asked to take part in the "Changer d'Ere" exhibition and share their experience on behavioral patterns, consumption and eco-design. The exhibition covers 900 m² and is an ode to imagination, innovation and a doorway for all to "live better", by respecting our environment. "Changer d'Ere" challenges the visitor to act as an individual and without delay to alleviate the pressures that mankind exerts on our natural environment. The innovative and forward-looking qualities of its products prompted LAFUMA to take part and to present three products that symbolize the Group's environment philosophy: the KENEMA hiking boot, the LAFUMA ECO 40 technical backpack and the OBER eco-designed jeans. The articles will be presented at the exhibition to explain the concept of eco-design. As it is always important to organize major events to sensitize the general public, LAFUMA also elected to provide financial assistance for the exhibition.

For more details, please log on to the website: <http://www.cite-sciences.fr>



METHODOLOGY / SCOPE OF REPORT

For the third straight year the LAFUMA Group has included in this document a description of its economic, social and environmental impact along with plans for improvement.

The present report was motivated from the "Global Reporting Initiative", an international initiative that aims at harmonizing sustainable development reporting in order to improve quality and comparability. Further, in conformity with the group commitments in signing the Global Compact, this document serves for Communication on Progress describing actions carried out to integrate the principles contained in the Global Compact. On page 1, the contents gives a concordance to the GRI indicators available in this report and of the different principles in the Global Compact.

Scope: The Lafuma Group unless otherwise indicated, in relation to each indicator
Period: FY 2005-2006

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Word from the President	1.2	
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Lafuma and SD		
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HR	LA1 à 11	
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CHART OF ACHIEVEMENTS AND PROJECTS

WORKING GROUPS	OBJECTIVES	ACHIEVEMENTS IN 2005/2006	PROJECTS FOR 2007
Steering Committee	Make the LAFUMA Group a responsible entity by integrating a Sustainable Development charter within the philosophy: "Offer more with less"	<ul style="list-style-type: none"> Setting up of steering committee, with meetings planned every 2 months with different task forces 	<ul style="list-style-type: none"> Creation and input of a global indicators chart: the See Zoom (Social, Environmental and Economical zoom)
Product Design	Minimize the environmental impact of our products <i>Generalize eco-design methods in all of the product ranges.</i> <i>Innovations on the PureLeaf line</i>	<ul style="list-style-type: none"> An eco-designed offering in each Lafuma product family developed for 2007 Distinctive market innovations: Lafuma released its first eco-designed hiking backpack; Ober launched its first eco-designed jeans 	<ul style="list-style-type: none"> Increase the share of eco-designed products by family of products Develop eco-profile to measure the ecological footprint of our products
Production and Sourcing	Reduce the environmental impact of our production sites Ensure that sub-contractors comply with labor laws and environmental requirements	<ul style="list-style-type: none"> Think-tank on special waste recycling at Anneyron PEFC certification for Relax armrest assembly line Audits more widespread at Oxbow suppliers 	<ul style="list-style-type: none"> Develop recycling processes for industrial scraps Identify sources of energy savings and study sources for possible improvements Audit all new suppliers Upgrade and control all suppliers with non-green audits
Human Resources	Implement an employee-oriented policy commensurate with our sustainable development commitments <i>Develop a sense of belonging and promote staff employability</i>	<ul style="list-style-type: none"> Diverse plans to strengthen employee cohesion and support their advancement: <ul style="list-style-type: none"> - Internet newsletter - Shuttle and eco-restaurant at headquarters - First SD day organized for employees 	<ul style="list-style-type: none"> Promote a sense of belonging by organizing events for employees Internal awareness: "Lafuma Attitude 2007" program
Logistics	Reduce the environmental impact of transport and packaging <i>Increase the role played by clean transport modes</i> <i>Implement solutions to reduce the volume of packaging</i>	<ul style="list-style-type: none"> Extensive use of multimodal transport for all shipments to our American subsidiary Spot operations to test piggyback transport Direct packaging on production site to save 13% in materials 	<ul style="list-style-type: none"> Use piggyback services more extensively for deliveries to our biggest French customer and our English subsidiary Renegotiate supply chain services within a context of ecological development Discontinue use of hoop on 80% of our furniture products to save 2500 kg of plastic materials Cut label use by at least 30%
Commercial	Ensure the commercial success of our eco-design products <i>Raise awareness of distributors and consumers via SD campaigns</i>	<ul style="list-style-type: none"> Forecast orders of Lafuma Pure Leaf collection increased by more than 88% Sales operations organized with success at Lafuma, Oxbow and Millet 	<ul style="list-style-type: none"> Implement recycling operation with a large Lafuma customer Convert main distributors to become "awareness relays" during SD week
Communication	Support Sustainable Development initiatives through communication <i>Strengthen the WWF / LAFUMA partnership by means of concrete actions</i> <i>Accompany our eco-designed collections through the creation of SD communication aids and tools</i>	<ul style="list-style-type: none"> The set up of an advertising campaign at the points of sale to support the marketing of our ranges Group participation in the "Changer d'Ere" trade fair at the Cité des Sciences in Paris 	<ul style="list-style-type: none"> Set up interactive terminals to present the plan, ecological footprint and eco-design in-house at our different sites and outside in our boutiques Use on-site systems and special display panels to present the SD offering at point of sale distributor locations

A PHILOSOPHY

Offer more with less. More in versatility, durability, safety and comfort.
Less in materials, energy consumption and waste. Savings in natural,
human and economic resources necessary for Sustainable Development.

LAFUMA CHARTER FOR SUSTAINABLE DEVELOPMENT

10 COMMITMENTS

1. Innovative products that respect the environment:

Develop eco-friendly products with minimum impact on the environment.

2. Encourage better ecological practices:

Initiate new and exemplary actions in terms of environmental responsibility.

3. Control over production:

Insure that our sites outperform minimum legal requirements and include the highest possible standards of safety, health and control over pollution.

4. Respect of Human Rights:

Guarantee and promote labor policies at our sub-contractors that follow universally accepted ethics principles.

5. Involvement of employees:

Integrate all our employees into our responsible set up, reinforcing our company culture.

6. Employment and skills:

Develop the skills of our employees, encourage professional fulfilment.

7. Sustainable growth:

Fit our strategy into the perspective of sustainable growth, hence profitable in the long-term.

8. Encourage awareness and responsibility:

Inform consumer by communicating on the stakes involved for eco-friendly products and sustainable development.

9. Dialogue and concertation:

Foster trust in relations with all parties concerned, based on total transparency.

10. Monitoring our strategy:

Clearly evaluate and follow our economic, social and environmental performance.



As mentioned in our Ethics and Compliance Charter, factories must abide by the following 10 rules to work with the Lafuma group:

ETHICS AND COMPLIANCE CHARTER

Fair Labor Policies for Lafuma Group Suppliers

Third edition, January 2005

No Children Labor

Child under 16, or under the minimum working age according to local laws, must not be employed. If a child has not completed his compulsory schooling, the factory must provide him with the necessary education, or enroll him in an appropriate school.

No forced or compulsory labor

All employment shall be voluntary. No work or services shall be carried out under the menace of any penalty

Safe and healthy work environment

The company must meet basic health and safety standards for the working environment : it must provide safe and sanitary working conditions, and clean dormitories for employees.

Freedom of speech and association

Companies shall respect workers' right to bargain collectively, form labor unions or engage in group negotiating.

Non-Discrimination

No discrimination shall be made based on race, national origin, religion, gender, sexual orientation, disability, health problems, union membership, political affiliation. Distinctions may only be made according to the strict inherent requirements of the job, in particular concerning compensation, promotion and termination.

Disciplinary Practices

Personnel shall not be subject to corporal punishment, mental or physical coercion or verbal abuse by employers.

Working Hours

Employees shall not be required to work in excess of 48 hours per week and 12 hours overtime, or the working hours and overtime limit permitted by local law. Employees have the right to at least one day off for every seven-day period.

Compensation: fair wages and benefits

Wages paid for a standard working week must meet at least minimum legal standards. They must be greater than the minimum vital wage, and provide sufficient income for the basic needs of the personnel.

Management System

The factory should have responsible personnel taking corrective actions when needed and encourage its own suppliers to follow these same principles.

Audits

The factory should accept the rigorous controls made by Lafuma or independent local auditors, consider their remarks and do its utmost to improve its environmental standards.

Working with the Lafuma group means showing social and environmental responsibility, in accordance with the principles of sustainable development.

In addition to the fair labor policies set up in our Ethics and Compliance charter, the supplier hereby agrees to abide by the following environmental rules:

ENVIRONNEMENTAL CHARTER

Sustainable Development Commitment of Lafuma Group Suppliers

First Edition, January 2005

Water consumption

Water consumption must be recorded regularly in order to determine and implement all possible measures to reduce it.

Energy consumption

Energy consumption must be recorded regularly in order to determine and implement all possible measures to reduce it.

Air, ground and water pollution

Any source of air, ground and water pollution must be clearly identified and monitored in order to determine and implement all possible measures to reduce them.

The pollution level must, at least, meet local legal standards.

Waste production

Waste production must be recorded regularly in order to determine and implement all possible measures to reduce it. Waste management must, at least, meet local legal standards and waste recycling must be implemented whenever possible.

Transportation

Transportation should be minimized; sustainable means of transportation must be used whenever it is possible.

Factory environment

The main environmental concerns around the factory must be identified, particularly those concerning the conservation of local culture, landscapes, and biodiversity. All possible measures must be taken in order to insure the successful integration of the factory in its environment.

Management system

The factory must make its personnel sensitive to these concerns and implement the latest available technologies to address these environmental issues; it shall also encourage all its suppliers to abide by these same environmental principles.

Audits

The factory should accept the rigorous controls made by Lafuma or independent local auditors, consider their remarks and do its utmost to improve its environmental standards.



SIGNIFICANT POINTS IN THE 2006 SUSTAINABLE DEVELOPMENT REPORT

The “Sustainable Development” year for the Lafuma Group!

THE GROUP:

- Partner of the “Changer d’Ere” (A Change in Eras) exhibition at the Cité des Sciences in Paris, with the presentation of 3 Group outdoor products.
- Nomination for the “Environnement et Entreprises 2006” prize for LAFUMA hiking backpack, the Eco 40.
- The “Etoile de l’observateur du design 2007” label, with distinction from the ADEME (French Agency for Environmental Protection and Energy Control) for the Eco 40 backpack, which thus confirms its durable and desirable characteristics.
- Achievement of a Lifecycle Analysis for 10 fabric fibers used in our different collections.

THE DIVISIONS:

- MILLET: collection of used climbing ropes, allowing for the manufacture of over 100,000 coat hangers in recycled polyamide.
- OXBOW: Thanks to the operation “Clean Beaches”, 5 beaches were cleaned and 1,000 t-shirts were sold in aid of Surfrider Foundation Europe.
- OBER: The launch of 3 “eco-designed” jean models, with the denim composed of 30 % organic cotton and certified Oeko-Tex.
- LAFUMA: an offering of more than 50 “Pure Leaf” products in the Summer 2007 collection.

Lafuma has been committed to a Sustainable Development operational strategy for fifteen years and in 2005 was awarded a Prix d'Excellence for its concrete initiatives in this field.

From the recycled cotton Green Bag developed in 1993 to the eco-design hiking pack Eco 40 in 2006, this strategy has become reality through the pioneering approaches towards eco-design. Today all the products have reduced environmental impact and the Pure Leaf range, the symbol of our commitment, includes over fifty products based on the principle that **eco-design offers more with less!**