

# COMMUNICATION ON PROGRESS 2017

GLOBAL COMPACT

OUR SOCIAL RESPONSIBILITY POLICY





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# 1. COMMITMENT

## BRUNO CERCLEY

On December 3, 2015, Skis Rossignol SAS joined the United Nation's Global Compact in the name of the entire Rossignol group, committing to support the ten Global Compact principles in the areas of human rights, international labor standards, environmental protection and anti-corruption.

Last year, we published our first Communication on Progress report on the state of play regarding our CSR actions. Since then, our CSR program has been pursued at every level of the company. Our scope for action has even evolved over the last few years, with the progressive integration of new companies in our Group. The same expectations for social responsibility apply to the new additions.

Today's Communication on Progress report outlines the status quo of our commitments. We are proud of some of the achievements you will find in the following pages. But we would have liked to take these subjects - now essential - even further.

Constantly striving for further improvement, we are pleased to renew our commitment to the 10 principles of the Global Compact and participate in their promotion.

So that every day continues to be "another best day".

Bruno Cercley



2.

# THE ROSSIGNOL GROUP

EVOLUTION, ACTIONS  
AND COMMITMENTS





## THE HISTORY OF A FRENCH INDUSTRIAL CHAMPION

**1907**

The first wooden skis in the world are made in Voiron by the carpenter Abel Rossignol



**1956**

Laurent Boix-Vives buys Rossignol to create an international group



**1967**

Acquisition of Dynastar



**1970**

**Rossignol becomes the world's no.1 ski manufacturer**



**1989**

Acquisition of Lange and creation of the first Rossignol ski boot



**1994**

Acquisition of Look, binding specialists



**2005**

Laurent Boix-Vives leaves the company which is bought out by Quiksilver

**2008**

**New management team, led by Bruno Cercley after sale by Quiksilver to the company Chartreuse & Mont Blanc**



**2009-10**

Major plan to relaunch and turn around the Group

**2010-11**

**A ski production line returns to Sallanches from Taiwan.**



**2012**

Refurbishment of ski factories in Sallanches and Artès (€10M investment). "Origine France Garantie" (country of origin) certification

**2014**

A new phase of development begins Norwegian investor Altor becomes majority shareholder alongside French shareholders, including Bruno Cercley and the Group's management team.

**2015**

Sandbridge Capital joins the Rossignol group shareholders to reinforce the apparel strategy.

**2016**

**Acquisition of Time Sport International**

**Acquisition of Raidlight-Vertical.**



**2017**

**Acquisition of Felt Bicycles**





## WORLDWIDE

### › DISTRIBUTION IN 51 COUNTRIES

The Rossignol Group has its roots in the French Alps but our activity is international.



Our turnover  
is distributed as follows

**EUROPE: 36%**

**NORTH AMERICA: 36%**

**FRANCE 22%**

**JAPAN - ASIA: 6%**

## SUBSIDIARIES

### NORTH AMERICA

- › Park City (Utah - USA)
- › Montreal

### EUROPE

- › France
- › Italy
- › Germany
- › Austria
- › Switzerland
- Norway - Sweden

### JAPAN

- › Tokyo
- + distribution in  
42 countries

## INDUSTRIAL SITES

The Group has five plants in Europe, including two in France.

- › **Sallanches**: Production of high-end skis for Rossignol and Dynastar and low- and mid-range injected skis.
- › **Artés** (Spain): this site is dedicated to the production of wood core alpine skis, traditional technology skis for Rossignol and Dynastar and high-end cross-country skis.
- › **Nevers** (France): bindings for the Look brand and pedals for Time
- › **Montebelluna** (Italy): premium alpine boots for Rossignol and Lange and high-end Risport skates
- Conception & Design center for footwear, including Rossignol footwear
- › **Gajary** (Slovakia): carbon frame production using RTM (Resin Transfer Molding) technology.

The Group also has a central logistics warehouse in Saint-Etienne-de-Saint-Geoirs.

## INTERNATIONAL HEADQUARTERS SAINT-JEAN-DE-MOIRANS (GRENOBLE)

The headquarters in the heart of Isère is the site for:

- › Rossignol Group management
- › R&D teams
- › Racing ski workshops
- Rossignol and Dynastar and prototypes
- › Support services: legal, financial, human resources and IT
- › Marketing and sales teams
- › Industrial teams: computer graphics, safety and environment, quality and procurement
- › Rossignol Apparel teams

## ROSSIGNOL APPAREL

The showroom and some of the clothing teams are based in Italy, in **Milan**.



Rossignol Group headquarters in Saint-Jean-de-Moirans, Isère, France



## TURNOVER

**TO**  
**320M**

euros  
March 31 2017)



**78%**

of the activity is  
outside France.

**32%**

32% increase in turnover compared with the previous period, thanks to external growth provided by recent acquisitions, and internal organic growth in our core activities.

## TURNOVER BY ACTIVITY



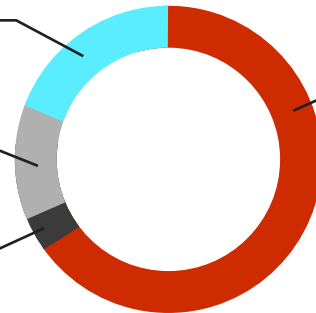
Cycling  
**18.5%**



Apparel  
**7%**



Trail running  
& other  
**2.5%**



Winter sports  
equipment  
**72%**

## WORKFORCE

> permanent workforce on Sept 1 2017



**1,315**  
World



**702**  
France



### ESTIMATED WORLDWIDE MARKET SHARE

- > ALPINE SKIS: **23%**
- > ALPINE BOOTS: **20%**
- > NORDIC: **18%**

### ESTIMATED ALPINE SKIING MARKET SHARE 2016-2017

FRANCE: **52.5%**  
NORTH AMERICA: **24%**  
ITALY: **19%**  
SWITZERLAND: **16%**  
GERMANY: **14%**  
JAPAN: **21%**  
AUSTRIA: **9%**



### ESTIMATED BOOTS MARKET SHARE 2016-2017

FRANCE: **29%**  
NORTH AMERICA: **22%**  
ITALY: **20%**  
SWITZERLAND: **17%**  
GERMANY: **13%**  
JAPAN: **13%**  
AUSTRIA: **10%**



“



Winter sports are in the Rossignol Group's DNA. Quality and performance are what make us tick, to give our customers' unforgettable experiences and extraordinary sensations. The 2018 Olympic Games in South Korea were an opportunity for us to push cutting technology even further, approved by the world's greatest champions.”

**François Benaben, Vice President, Sales Marketing & Communication**

## ONGOING HIGH-PERFORMANCE IN THE WORLD MARKET

Due to our location, history and values, skiing is at the core of the Rossignol Group's DNA. **In 2017, the Group retained their position as world leader in value for alpine and nordic skiing with the Rossignol brand, and consolidated their place as number two worldwide for ski boots with Rossignol and Lange.** The Group continues to progress with their core activity and to win market share with an increasingly solid base. In a generally stable market, results were positive: with nearly 5% growth worldwide, the Rossignol Group surpassed world performance once again.

With alpine and nordic ski ranges and snowboards, the Rossignol Group develops four main product lines - skis/snowboards, footwear, bindings and technical equipment (helmets, masks, poles, safety gear and luggage) and a ski-wear range with clothing and accessories.

## BRANDS WITH STRONG IDENTITY

With their brands: Rossignol, Dynastar, Lange, Look and Kerma, the Group offers the best experience possible to skiers of all levels. Each brand has its own identity, but excellence and performance are common elements of their DNA.



### ANOTHER BEST DAY

Rossignol is the emblematic winter sports brand. With gear for all levels - from beginners to experts - the brand proposes equipment, clothing and accessories for alpine and nordic skiing and snowboarding.

Rossignol benefits from over 110 years of innovation and expertise. The brand works closely with the greatest champions to develop both technical and intuitive products, making it possible for everyone to share a fulfilling and accessible snow experience. Premium technology for thrilling emotions.



### BE ONE WITH YOUR GOAL

A specialist premium ski boot brand, Lange targets fervent skiers. With their DNA historically anchored in alpine competition, Lange develops a premium, technical range for all disciplines from piste to freeride. Lange boots have an anatomical fit for better skiing performance and comfort for everyone.



**DYNASTAR**

### WE LIVE SKIING, JOIN US

Dynastar, specialist in alpine skiing, provides enthusiasts with technical products perfectly adapted to mountain sports. Established in 1963 at the foot of Mont Blanc in the Chamonix valley, Dynastar is instilled with genuine values and is committed to their passion for skiing.

Consistent with their multi-specialist approach to skiing, Dynastar is active in each and every one of the market's segments: racing, piste, freeride - all mountain, ski touring and a women's range. Dynastar products are known for their "skiability" - lightweight and agile for performance and unique sensations on the snow.



### SAFETY, PERFORMANCE, PROTECTION

Look, binding manufacturers based in Nevers, have been constantly innovating since their creation in 1951. Synonymous with safety, performance and precision, the brand has accompanied the greatest alpine skiing champions to success year after year, as well as freeride and freestyle, particularly thanks to the legendary "Pivot" binding.



The exemplary manufacturer of ice skates for almost fifty years is based in Montebelluna, Italy. Technology, passion and professionalism are the characteristics that make this an emblematic brand for sports on ice.



#### RIGHT PLACE RIGHT TIME

An emblematic premium French cycling brand and pioneers in manufacturing automatic pedals, then carbon frames, the brand now represents innovation, technology and traditional French expertise.

## VERTICAL

#### VERTICALITY IS A QUEST

Launched in 1984, Vertical is the ski touring and treklight specialist with a range of apparel and backpacks.

Located in the heart of the Chartreuse area in the French Alps, Vertical designs lightweight, ergonomic and hard-wearing products. With the breathable and waterproof MP+ membranes, hydrophilic technology and twenty-year-old reputation, Vertical provides the best protection for the most extreme sports.



KERMA

The specialist alpine ski pole brand is behind many innovations, such as the safety wrist strap.



#### PUSHING LIMITS

The Californian brand designs and manufactures premium bikes, frames, components and accessories for road, cross, triathlon, urban, mountain and electric bikes.



#### SHARE THE TRAIL RUNNING EXPERIENCE

In Saint-Pierre-de-Chartreuse at 1,000-meter altitude, Raidlight develops a complete range for passionate trail runners, including shoes, clothing, backpacks and accessories. Lightweight products are central to the brand's DNA, with ergonomics and innovation as priorities.

The brand has been practicing open-innovation for many years now. With a team of tens of thousands of runners open to all, and as initiator of Trail Stations, Raidlight fully lives their baseline "Share the trail running experience".



## OUR VALUES

World leadership based on three pillars:

## COMPETITION INNOVATION PASSION

The Rossignol Group has a dynamic and positive vision of outdoor sports, focused on well-being, fulfillment, harmony with nature, and the beneficial and energizing virtues they generate.

Each of the Group's brands has its own specific identity, but they all share the same DNA: innovation, performance goals and passion.





3.

# GLOBAL COMPACT

A VOLUNTARY POLICY FOR  
CONTINUED IMPROVEMENT

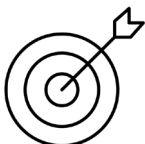


# GLOBAL COMPACT EXPLAINED IN FOUR QUESTIONS



## What is Global Compact?

- › An international voluntary initiative of commitment to CSR (Corporate Social Responsibility), launched in July 2000 by the UN.
- › A commitment to ongoing improvement based on a sense of responsibility, transparency and common good.



## What are the Global Compact goals?

- › Unite voluntary companies, UN organizations, the professional sector and members of civil society around the ten universal principles detailed below.
- › Reinforce companies' societal responsibility, initiating reflection about CSR themes
- › Promote good practices by mobilizing companies through voluntary and collective action.
- › Communicate about good practices so stakeholders benefit from annual progress.



## What are the advantages for participants?

- › Participate in an internationally-recognized initiative in a simple, voluntary system.
- › Establish a CSR approach with a formal procedure for continued improvement.
- › Benefit from assistance and many practical tools to support the progressive approach.
- › Mobilize teams and subsidiaries through shared goals.
- › Communicate with stakeholders about a commitment with good practices.



## What does the commitment involve for participants?

- › Integrate the ten principles in their strategy and operations.
- › Progress in their commitment to these principles every year.
- › Communicate results and good practices via the annual "Communication on Progress" (COP) report .



# THE 10 GLOBAL COMPACT PRINCIPLES

Businesses are invited to:

## Human Rights



1. Support and respect the protection of internationally proclaimed laws for human rights.



2. Ensure they are not complicit in human rights abuse.

## International labor standards



3. Uphold the freedom of association and the effective recognition of the right to collective bargaining.



4. Contribute to the elimination of all forms of forced and compulsory labor.



5. Contribute to the effective abolition of child labor.



6. Contribute to the eradication of discrimination in employment and occupations.

## Environment



7. Support a precautionary approach to environmental challenges.



8. Undertake initiatives to promote greater environmental responsibility.



9. Encourage the development and diffusion of environmentally-friendly technology.

## Anti-Corruption



10. Work against corruption in all its forms, including extortion and bribery.

## OUR CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS



*The Rossignol group contributed to the SME Tour de France, organized by Global Compact France. The event, which took place in Grenoble in April 2017, focused on SDG no.8: decent working conditions and sustainable economic growth.*

On September 25, 2015, the United Nations proposed a new sustainable development agenda, based on a set of **17 Sustainable Development Goals (SDG)** together with an international climate change agreement).

This set of goals for sustainable development aims to end poverty, protect the planet and ensure prosperity for all. Each goal has specific targets to be achieved over the next 15 years.

For the goals to be reached, everyone needs to participate: governments, the private sector and civil society.

Through the implementation of our CSR we contribute in our own small way to several of the 17 Sustainable Development Goals defined by the UN:





## OUR COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our participation in Global Compact is a tangible way to advance our CSR policy. In 2017, we transformed our HSE committee into a CSR committee to enable us to take our commitment to social responsibility themes further.

Our action focuses on the following five themes:



This is our Communication on Progress report on the implementation of the United Nations Global Compact principles.

We would appreciate your comments on its contents.

## TESTIMONIALS

“



The procurement department plays an important role in any CSR program. They are the key contact for some of the most important stakeholders in the company's activity - the suppliers.

Via their activity: external social audits, visits, ensuring the supplier respects ethical regulations defined by the Group through signing contracts and engagements, the Procurement service carefully applies the engagement made by the Rossignol Group's President for respecting human rights and working conditions, protecting the environment and anti-corruption.”

**Antoni Jimenez, Purchasing Manager**



“Safety is an important theme for the Rossignol Group. It covers a wide range of issues from machine operation to ergonomic workstations, essential to sustainable competitive progress. It is closely linked to our social responsibility actions, such as the effective integration of disabled people in our workforce.

I am personally very proud of these actions, the teams working in this area and the results, despite a negative context in 2017/18 for the rate of accidents leading to absence, with important increases in our production and dispatch activities.”

**Jean-Laurent Nectoux, Vice President, Operations and Finance**



“We are aware that manufacturing sports equipment has an impact on the environment; and that our dedication to the protection and preservation of natural resources is essential to our long-term survival.

That is why sustainable development has been a high priority for us for a long time.

We work constantly to reduce pollution and energy consumption in all the Group's sites. Also, finding innovative solutions for managing the end-of-life of all our products is one of our major challenges.

**Laure Jarlaud, HSE Manager**



“Due to new additions to the Sapin law and the General Data Protection Regulation (GDPR) which add ethical issues, respect of payment terms and other legal and regulatory articles, the Group has implemented audits and procedures to apply the vigilance these steps require. The legal department works constantly with all the other departments, such as finance and IT, to manage these projects and help the Group to reach compliance as soon as possible.

**Nathalie Bonnaigue, Legal Department Manager**



A male worker with a beard is shown in profile, working in a factory. He is wearing large black earmuffs, safety glasses, and blue gloves. He is using a hand tool to grind a metal piece, which is held in a large industrial machine. Bright sparks are flying from the point of contact. The background is a blurred industrial setting with lights and machinery.

4.

# HUMAN RIGHTS

RESPECTING A  
FUNDAMENTAL PRINCIPLE



## HUMAN RIGHTS

All our subcontractors, wherever they are located, must respect fundamental human rights.

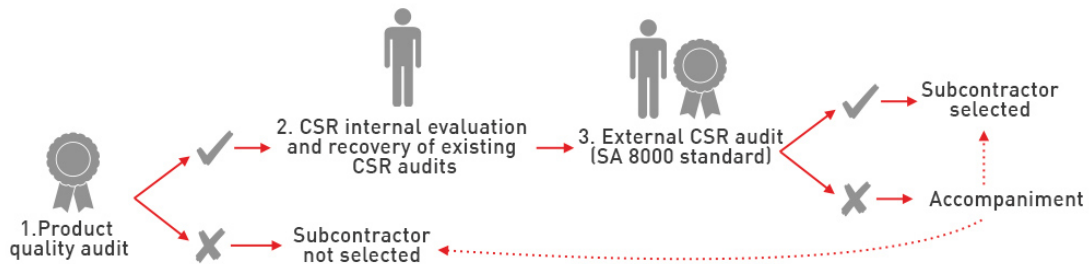
To be sure they do so:

- the Rossignol teams carry out CSR assessments,
- we work with SA 8000 certified subcontractors,
- we have independent CSR audits using the SA 8000 referential carried out by external bodies.

At the end of December 2017, these actions applied to ten of our subcontractors.

Until now, audits were only carried out on the Winter Sports Equipment branch. After the acquisition of numerous companies in other fields such as Bike, Apparel and Footwear, we have defined a supplier control procedure that will be applied to all the Group's companies. An inventory of all the Group's suppliers is underway for the consequent overall application of CSR audits.

**The following approval process is applied to all new subcontractors:**



## RESPECTING OUR EMPLOYEES' AND CUSTOMERS' PRIVACY

### General Data Protection Regulation (GDPR)

The Parliament and Council of Europe's General Data Protection Regulation (GDPR), dated April 27th 2016, obliges all European companies to have stricter, more homogeneous data protection practices (for private individuals) that they handle for their professional activity. The GDPR gives people new rights and companies more responsibilities, particularly with the change from declarative logic to ongoing self-regulation for companies. Also, companies must be able to demonstrate at any time that they have implemented appropriate technical and organizational measures for compliance with the GDPR.

To comply with this new regulation, the Group began a project in September 2017 which started with an internal audit of the existing practices for handling data in order to develop the now obligatory Unique Register. Each process is then analyzed from beginning to end to understand the exact flow, to assess data security measures, to check compliance with the GDPR (particularly for people's consent), and to improve the process where necessary. The implementation of suitable technical means and a complete review of legal tools (credits, data subcontractor contracts) will complete this thorough analysis of the Group's data processing procedures for compliance with the GDPR by the end of 2018.



### The right to disconnect

Digital tools are first and foremost an opportunity to review how the company works and operates on a daily basis. But they can also increase risks for employee's health with "over-connection" which makes it difficult to make a distinct limitation between private and professional life. The Rossignol Skis company signed an agreement, in effect since the end of 2017, about the right to disconnect: for the appropriate use of emails, recommendations and responsibilities regarding the use of digital tools, etc.



### DID YOU KNOW?

At RaidLight we collect data via the RaidLight brand and the Saint-Pierre-de-Chartreuse trail running station. These are two distinct activities, even if the same team manages both databases.

But it is important to underline that they are completely separate and that no information is transferred between them without prior agreement from the person concerned.



### PROJECT FOR 2018

Development of an internal ethical code of conduct, taking inspiration from our supplier ethical code of conduct



## EDUCATION

As is the case every year, in 2017 we received many senior high-school interns. The Saint-Jean-de-Moirans headquarters alone received 39 high-school interns.

We do our utmost to make sure that observation internships are as instructive as possible. This requires an important commitment from our employees, but we consider it to be our responsibility to show the younger generations the diversity of professions they have to choose from.

## REGIONAL ROOTS

The RaidLight and Vertical sites are regularly open to school visits for meeting the team, for presentations about professions, and for visiting the workshops, offices and store. We also hire out our meeting rooms for team-building activities to other companies who are looking for a breath of fresh air.

**Open Days** for friends and families of our employees are being organized for all the Group's companies. In 2017, 139 people visited the Saint-Jean-de-Moirans headquarters, and roughly 480 people visited the RaidLight/Vertical site in Saint-Pierre-de-Chartreuse (company and school groups).



Group headquarters visit as part of the "Job in the town" program



### DID YOU KNOW?

As part of the "Job in the town" association's activities, 8 young Grenoble residents visited the Group's headquarters to learn about certain professions: catering, prototyping and racing workshop, IT, sales and graphics. The aim of the visits is to help them develop their professional project.



## PHILANTHROPY

Nepal was hit by a devastating earthquake in 2015. RaidLight has joined forces with the "Les chevaliers du vent" association to help spread their message and raise money by selling pass-mountains. The result surpassed all expectations with over €50,000 collected for the association in 2 years.

After hurricane Irma hit the Caribbean islands in September 2017, the association "SOS Attitude" and RaidLight Vertical united to help the occupants of the island of Saint Martin. Pass-mountains bearing the colors of the island were sold for this operation. Half the retail price went to the association to support targeted, constructive work on Saint Martin.

Following the success of these operations, we decided to open this project to anyone wanting to change the world. To that end, we have created new humanitarian partnerships with several associations, including SOS Attitude, Hespéranges and Vaincre Parkinson. The principle is the same: half of the retail price goes to the association, i.e. about €7.50 per item.



*Over the last few years, the Rossignol Group has worked with Sport2Job, organizing challenges mixing sport, employment and disability all year round! Talentéo organizes exciting events - open to all, sporty or not, with a disability or not - where candidates and companies can meet.*



## DID YOU KNOW?

For 15 years, Rossignol Skis has made an annual donation of skis and other equipment to the French national sport association, the UNSS (Union Nationale du Sport Scolaire).

We have also joined forces with the French Disabled Ski team, providing them with skis, bindings, boots and luggage. All our athletes have been selected for the 2018 Olympic Games.



*Arthur Bauchet, French disabled skier for the Rossignol Team.*





5.

# WORKING CONDITIONS

PROVIDING A HEALTHY, SAFE  
AND PLEASANT  
ENVIRONMENT





**Frequency \***  
**at the end of March**  
**2017**  
 (accidents with absence)  
**9.52**

**Severity \*\***  
**at the end of**  
**March 2017**  
**0.64**

\*Number of accidents with absence \*1,000,000/no. hours worked

\*\*Number of days of absence for workplace accidents \*\*1,000/no. hours worked



## DID YOU KNOW?

€830,000 will be spent on the sprinkler installation over the next three years.

## OCCUPATIONAL HEALTH AND SAFETY

There is one result we are not proud of - that's workplace safety. Despite being a priority for our Group, we unfortunately suffered from a high rate of accidents in 2017. Half of the accidents took place in our Artès and Saint-Jean-de-Moirans sites. Results in our other sites met the objectives we set at the beginning of the period.

Several causes of this increase in accidents have been identified and corrective action put in place.

- > operators lacking attention: falls, insufficient PPE  
 -> Training for new team leaders for safety control visits.
- > Unsafe machines  
 -> Machine refit for compliance and organization of more regular safety controls.
- > The number of temporary employees was doubled  
 -> Decision to recruit permanent employees in 2018 to increase the number of trained personnel for supervising temporary employees.

Furthermore, the increased rate of severity can be explained by the number of long absences disputed. Obviously an accident is never disputed, but the length of absence is questioned. We are currently awaiting the verdict concerning these disputes.

Each year we try to reduce the gap between the different sites' results. After acquiring the company Time, in 2017 we refitted all their machines to ensure compliance with safety standards. We also trained our R&D teams who also use workshop machinery for testing when designing new products.

## FIRE SAFETY

For many years now, our own sites and our subcontractor sites have been assessed for fire safety by our insurance company which carries out audits. Two of our sites have reached the highest score possible. This means that all the preventive and protective actions required have been accomplished. The other sites have been given priority according to the degree and risk and severity. Prevention is the first priority: thermography, electricity contract, etc.

We hope to take this further with major sprinkler installations (not obligatory). These installations will take place gradually in our sites over the next three years to increase our fire safety.



Stand-up workstation trial for better ergonomics

## ERGONOMIC WORK STATIONS

We have conducted a stand-up desk trial. Ergonomists are unanimous: static positions are not the best solution, so we installed stand-up desks for testing. They are suited to working with portable computers, but unfortunately cannot be adapted to other situations. Nevertheless, employees who have tested them appreciate the new posture.

One headquarter employee chose to keep their stand-up desk after the trial and uses it for short periods of time, alternating with a traditional desk. Another stand-up desk is also available for the whole team.

We are also conducting trials for the Activebase seat which naturally stimulates and adapts the muscles in the top of the body (abdominal, lumbar muscles, cervical vertebrae, etc.) and the lower members (quadriceps, hamstrings, calves, etc.). This subject is currently under reflection.



## AUTOMATING REPETITIVE TASKS

We have installed an automated box former which will reduce the number of repetitive motions for making boxes, hence reducing the risks of musculoskeletal disorders (MSDs).

## SUSTAINABLE EMPLOYMENT AND WORKING CONDITIONS

The acquisition of Time by the Group has significantly improved working conditions for their employees: workstation ergonomic trials, workstation compliance, an active occupational health and safety committee, on-site canteen, etc.

Working time has also been reorganized and compressed to four days as requested by the employees.



### DID YOU KNOW?

Following positive trials, an agreement for telecommuting is being prepared for Rossignol Skis. More about that next year!

### Stop job insecurity!

Number of people with insecure contracts (short-term contracts, temp contracts, sandwich training) recruited with permanent contracts (Rossignol Skis 2017)

**18**

## ANTI-DISCRIMINATION INTEGRATING WORKERS WITH A DISABILITY

All the Group's companies, except Rossignol Skis, comply with the regulatory quota for employees with a disability. For Rossignol Skis, we are currently preparing an agreement for disabled employees (2018-2020 agreement). As part of this agreement, we will be able to implement more actions to improve the employment and integration of workers with a disability.

We believe that sheltered workshops are a positive solution, but that does not solve the problem of the separation of workers with a disability and insufficient integration in the professional world. The Rossignol Skis race workshop has formed a partnership with the company LMDES to recruit two or three people with a disability, directly integrated in the teams as permanent employees. Positions are modified accordingly and the teams made aware: as a result, integration is much more successful!

## SOCIAL LINKS BETWEEN EMPLOYEES

At the beginning of 2017, we created an internal social network for all the Group's employees. With this tool - similar to Facebook - themed groups can be created (such as R&D or yoga) to publish professional or personal information, to share articles, etc. At the end of 2017, the network already had 500 members. Awareness and use of the tool need to increase to improve communication between the Group's services and companies.



### PROJECT FOR 2018

Create a new intranet in 2018! This tool will contain a document collection where all the Group's agreements, amongst other things, will be available.

## ACCESS TO TRAINING

Since their acquisition, companies which had no training program now benefit from the force of a major Group, and their employees now enjoy access to this type of service.

**46%**  
of Rossignol Skis employees  
participated in a training course  
in 2017

**265 hours**  
of training for Time employees  
in 2017

## WELL-BEING IN THE WORKPLACE

### Work areas

On "Cleaning Day", we all worked together to reorganize and clean all the work areas at our headquarters. Sorting, tidying, cleaning and reorganization of the offices to optimize the work areas, improve the flow around the offices and the ergonomics of the workstations.

The work areas have also been reorganized at RaidLight/Vertical with the creation of a mezzanine for more space and a better quality of life in the workplace.

### Sport and work

Sport is what makes us tick, so it goes without saying that we encourage our employees to do sport with flexible working hours, showers in all our sites, free bibs for participation in races the Group sponsors, amongst other initiatives.



*The RaidLight team is open to all for participating in trail running races.*



## PROJECT FOR 2018

In 2018, we are going to launch a major survey about the quality of working life (QWL) to reduce psychosocial risks (PSR) in the plants with the creation of QWL contacts, use of official INRS PSR questionnaires, field surveys and the development of action plans.



*The construction of a mezzanine increased the area for a more comfortable workplace for Raidlight teams*





6.

# ENVIRONMENT

A PLAYGROUND AND  
RESOURCES TO PRESERVE



## ADAPTING TO CLIMATE CHANGE

### Acquisition of the Felt company

In 2017, the Group acquired a new company as part of our pursuit for increased resilience and diversity outside our core winter sports activity. Felt, created in California in 1991, designs and manufactures high-quality bikes, frames, components and accessories for road, cross, triathlon, urban, mountain and electric bikes.



An internationally renowned brand whose bikes and products are sold in over 30 countries, the Felt headquarters are in the town of Irvine in California, US.

Athletes using Felt products have won many national and international competitions, including world championships, the ESPN X-Games and the Olympic Games.

### Creation of a Trail Running Stations® network

At RaidLight, we think running to discover our environment is healthy for the body and the planet. That is why we created the Trail Running Stations® network for trail runners.

There are now roughly thirty stations in France, including one at our headquarters in Saint-Pierre-de-Chartreuse. About 20 trail running and ski touring courses leave from the headquarters where we have created a station with a gym, showers and locker rooms.



*Saint-Pierre-de-Chartreuse trail running station*



### DID YOU KNOW?

Our Saint-Pierre-de-Chartreuse trail running station also proposes a trail running equipment testing center. It's free and benefits everyone.

## BIODIVERSITY

Since we moved into our new international headquarters in 2009, we have chosen not to mow some of the outdoor area to allow the natural development of the environment for both flora and insects.

## COMMITTED EMPLOYEES



The employees at the Saint-Jean-de-Moirans headquarters, committed to voluntary actions to reduce the impact of the site on the environment, has once again created several flagship actions.

### No more plastic cups!

Metal cups, personalized with the name of each employee at the Saint-Jean-de-Moirans headquarters, were distributed for free. Cardboard cups are made available to visitors.

This program follows a prior project which had been aimed towards zero waste. These efficient and sustainable cups - insulated, unbreakable and personalized - were offered by the works council. A fun, hard-hitting communication campaign with lots of images was distributed at the same time as plastic cups were removed from the drinks machines. It is a great success!

### Local produce

All year round, employees have had access to direct sales of walnuts, potatoes, apples, apple juice, cider and more by local producers. Delicious produce from healthy local agriculture.

### Recycling bins in coffee areas

Clearly marked recycling bins have been installed for separating recyclable waste like cans and plastic bottles from other standard industrial and household waste.



*New recycling bins installed in our headquarters coffee areas by Ecocorico.*



## PROJECT FOR 2018

The Ecocorico group was awarded a budget for a 2018 action plan.

The aim is to encourage employees to get more involved in participative projects. Each employee will be able to select their preferred project!

### A week for sustainable development

Once again, the annual Sustainable Development Week was the occasion to promote one good practice each day:

- › Monday: free coffee for all employees who arrived with their own mug (this was before the metal cups were distributed).
- › Tuesday: used batteries, light bulbs and electronic equipment collection for sorting and recycling.
- › Wednesday: bike repair workshop and lessons in mechanics with Naturavélo for all employees, with or without their bike. Labor costs were free and special prices were offered on parts when required.
- › Thursday: participation in the Rhône-Alpes Challenge Mobilité, an event to promote alternative green transportation. "Alternative ways to get to work!" And a 100% local menu in the canteen with a choice of two main courses, two side dishes and two desserts.
- › Friday: local produce delivery



## HARMLESS RAW MATERIALS

Our HSE team continues to be attentive to the use of raw materials in our products. Our Restricted Substances List (RSL) is more restrictive than regulatory requirements and is inspired by constraints proposed by REACH, Biocide, POP, food contact and the State of California's Proposition 65.

In 2017 we tested new products for their compliance: RaidLight boots and Time pedals. Two of our Group's flagship products which were found to meet our high standards.



### PROJECT FOR 2018

Our 2018 goal is to reach compliance with the reinforced requirements of the American Distributor REI: Fairtrade code of conduct, RDS (Responsible Down Standard) label.



### A GREEN-DESIGN BACKPACK

The RaidLight Responsiv backpack is almost 100% produced and manufactured in France at our Saint-Pierre-de-Chartreuse site. Unfortunately, we were unable to source certain small parts, such as buckles, in France.

## CLOTHING THAT IS HARMLESS TO THE PLANET, ANIMALS AND HUMAN BEINGS



### Fur

We have decided to completely stop the use of real fur, starting from the Autumn/Winter 2018 collection. It was a radical but inevitable decision now that alternatives exist which are just as technical and aesthetic, using synthetic or fur-free design.



### Down

We have decided not to stop using down completely, because we think it is possible to use "responsible" down. Only 13% of our insulated, lined products use down (collection Autumn/Winter 2018).

We have now been working with the Duvet du Faubourg brand for about four years. They provide us with reclaimed feather down, gathered not plucked in France.

We also use synthetic down in some of our products. This has the added advantage of not being hydrophobic.



### Breathable waterproof membrane

Our next range will include a 100% Made in France model using Sympatex. This breathable, wind protective and waterproof material is less toxic for the environment than equivalent materials, such as Gore-Tex.

It is made of recycled polyester, rather than PTFE which is extremely toxic for our health and the environment because it contains perfluorooctanoic acid (PFOA) and fluorocarbons (PFC). PFCs are persistent and accumulated in living beings, causing problems in development and reproduction such as metabolism disorders. They are carcinogenic and affect thyroid hormones.



### DID YOU KNOW?

The worldwide demand for **merino wool** is rocketing. Our entire range uses this wool which has very technical qualities: temperature control, soft, breathable, odor control and quick drying.

We make sure we work with the best suppliers on the market, with OEKO-TEX certification for example. That said, we are conscious that an increase in demand can cause production problems and animal mistreatment. We need to remain vigilant about this!



Reclaimed and recycled skis for the Rental New Deal operation with our partner Tri-Vallées.

## MANAGING THE END-OF-LIFE OF OUR PRODUCTS

### Rental New Deal

Working with the company Tri-Vallées in Albertville, our ski-recycling operation Rental New Deal functions well and has been continued. In 2017, we collected 4.21 tonnes of material: skis, snowboards, ski boots and poles. This operation concerns our ski product ranges in all the alpine skiing countries: France, Switzerland, Austria and Italy.

### Upcycling: a new life for our waste

In 2017, we organized the reuse of 2,300 ski poles destined for destruction: 33% for Les Jardins de la Solidarité for stakes for tomatoes and other vegetables; 63% were given to a company which organizes sports events; and the remaining 4% were given to the Grenoble art and design college (Ecole Supérieure d'Art et Design de Grenoble).

NoK Boards, skateboards made with snowboard rejects.



### PROJECT FOR 2018

We propose to salvage your old pedals, regardless of their brand, in exchange for a purchase of new Time pedals at a reduced price.

Reclaimed pedals will be recycled if enough are collected.

### NoK Factory

A project with the start-up NOK Factory is under discussion. In any case, we supplied them with a large quantity of reject material in 2017 - roughly 400 snowboards. A way to give a second life to our products and support a young local company!

The supply of material helped the start-up make prototypes, propose their first boards to ambassadors, and put several models in partner stores for sale.

## DIGITIZING THE PAPER TRAIL

We have made important progress on digitizing customer invoices. This reduction in the paper trail is now operational in France, Germany, and Scandinavia. In 2018, this practice will be applied in Switzerland and Italy, where it has been longer to implement for administrative reasons.

### Digitized invoices

**38%**

## AIR POLLUTION AND WASTE WATER

In 2017 we tested a new system for ventilation and odor management for laser cutting emissions on the RaidLight site. Permanent deployment is planned for 2018.

Our Nevers plant has reduced the use of solvents by introducing the use of plastic bags in paint cans which need to be cleaned regularly. The mix is put directly in the bags, which once emptied are removed from the can and sent for recycling. Since 2013, this site only uses 5 tonnes, compared with about 12 tonnes in the past.



### PROJECT FOR 2018

A new filter for water waste will be installed in our Sallanches site before the end of February 2018;



## REDUCING OUR ENERGY CONSUMPTION

We have put a range of actions in place at the Saint-Jean-de-Moirans headquarters to reduce our energy consumption.



- > Installation of a free-cooling system in our RG3 server room which uses cold air from outside instead of air conditioning.  
Result: 550 hours out of 600 operating hours used cold outside air.
- > Installation of a valve to cut-off the steam outlet on the boiler, reducing consumption during the night and on weekends.  
Result: reduction in gas consumption = €7,000 per year.
- > Installation of 2 suppressors on the 8-bar compressor network to provide a total of 12 bars.  
Result: reduction in electricity consumption = €7,500 per year.

Our Nevers plant has also put in place a new process for recovering heat produced in the main furnace, which heats constantly at 120° for baking painted components. Until now, the heat was lost. It is now recovered in the chimney and heats the boiler return water, improving the heat production overall efficiency, including the heating of the buildings and workshops.

On the Nevers site, one of the two boilers has been replaced with a new, more efficient model. This new distribution of energy optimizes the production, with savings of 16% on heating and 43% on the process.

## SUSTAINABLE MOBILITY

### Company Mobility Plan

To meet compliance with the legal obligation to adhere to the mobility plan, the Group works with the Pays Voironnais local authority to assess their business and work-home travel practices.

The future plan is to be based on a model shared by all the companies in the Centr'Alp industrial park.

### Conference calls

We have reduced business travel by using Skype Pro for conference calls. Installed for two years now, use of this technology significantly progressed in 2017. For example, the sales teams have cut their travel for new product meetings in half.

And since the beginning of 2017, half of the participants in international meetings attended virtually, without traveling. Avoiding trips from 45 countries!

### Carpooling

Dynastar is member of the association Ecogreen which unites industrial companies in the Arve and Chamonix valley to discuss environmental problems.

Klaxit, the carpooling application has been created as a result of this association, and is available to all members. Awareness-raising meetings will be organized in-house to encourage employees to use the app.



*Klaxit, a work-home carpooling app developed with the association Ecogreen.*



### DID YOU KNOW?

In 2017, our Asian suppliers began proposing to transport our products by train rather than by boat!





7.

# CORRUPTION

ENSURING CONSTANT  
VIGILANCE



## ANTI-CORRUPTION PROGRAM

The Sapin II law dated December 9, 2016 for transparency, anti-corruption and modernization of economic activity makes companies responsible for the prevention and detection of risks of corruption and influence peddling.

To meet these obligations, the Group has conducted interviews with all their subsidiaries and departments, particularly with employees susceptible to being exposed to corruption. At the end of this audit, a map of risks was established.

The Group now strives to put in place the necessary procedures and controls. A Code of Conduct featuring prohibitive behavior is being prepared and will be distributed to all our teams. A internal alert system, a procedure for assessing relations with Group partners, (customers, suppliers etc.), annual control of procedures, and suitable training are planned to reach compliance with the law.

## RESPECTING PAYMENT TERMS

Our Group has always been particularly attentive to respecting regulations regarding payment terms for both our suppliers and our customers, who would prefer longer terms, which is a particularly onerous constraint due to our seasonal activity. We aim to pay our suppliers on time, though late payments do occur due to particular circumstances.

With regard to customer payments, the legal and customer accounts departments work together constantly to avoid problems in a very competitive market where some of our international competitors propose quite different conditions.

## ETHICAL BEHAVIOR

### Our Federation

In 2017, the Sport & Cycles Union developed a CSR Code of Conduct that all member companies must respect. The code covers a wide diversity of social responsibility themes, including social ethics in production sites, animal well-being and environmental protection. A verification procedure of these commitments through mutual audits and investigation has also been implemented.



### Our racers

All our contracts with our racers feature clauses for ethical behavior to ensure their image is consistent with the Group's image, but above all, respect of the ban on drugs, subject to breach of contract. We are proud to be able to say that to date, we have never had a problem.



# 8. ACKNOWLEDGMENTS

We would like to thank all our team members for their daily contributions to our shared progress.

**Our commitment is your commitment!**

We would also like to thank all our customers and partners for their confidence.

Lastly, thank you to the Global Compact organization for the positive movement it spreads throughout the world.









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