

In keeping with Pittards' environmental policy this publication has been printed on an environmentally responsible paper.

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Pittards Environmental Update

2006





Chairman's Statement

Our manufacturing operations have undergone significant changes in the last two years. We have ceased manufacturing on the Leeds site and transferred some of that production to Yeovil whilst at the same time parts of the Yeovil operation have been transferred to Ethiopia. We have not lost sight of our environmental responsibilities at any time during this process-indeed we are delighted that our principal partner in Ethiopia is itself ISO 14000 certified. Concern and care for the environment will continue to be at the core of our corporate activities as we develop our operations still further in the coming years.

Stephen Boyd, Executive Chairman



Pittards Yeovil

The Yeovil site has been transformed in the last two years as tanning operations have been transferred to Ethiopia and we have installed new plant and machinery to allow us to produce bovine leather in addition to existing sheep and goatskin products. In consequence square footage produced at Yeovil has increased. However, as a result of the various initiatives that we have undertaken we have succeeded in producing this leather with a reduced amount of energy consumption per unit area and remained well within our current Climate Change Levy targets.

Stuart Lang, Technical Director



Pittards Ethiopia

Ethiopia Tannery Share Company is pleased to announce our company is certified for ISO 14001: 2004 from ETA, Environmental Consulting Company, the first accredited verifier in Austria.

Care for the environment and protection has been a major concern of the company from the date of its establishment. The company has worked consistently on to apply EMS standards in the factory.

Ato Alem Asfaw, General Manager

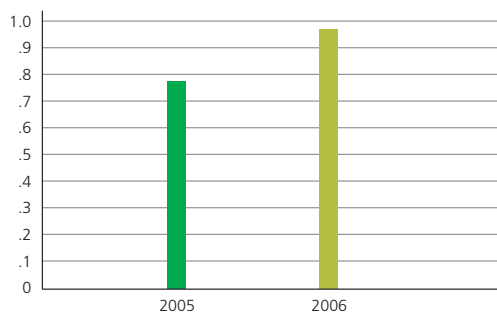


Environmental Highlights 2005/6

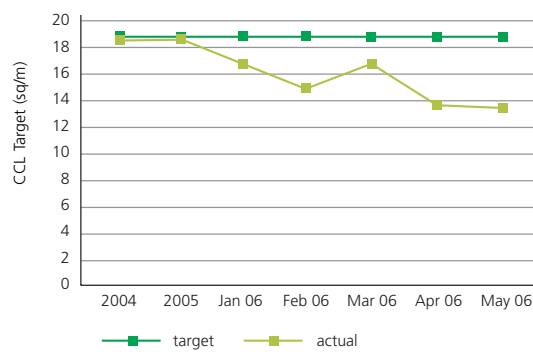
A major focus for the business over the past two years has been the achievement (and where possible bettering) of our Climate Change Levy Targets.

These targets impact most directly in the areas of energy usage per square metre of production-inclusive of gas, oil and electricity-water usage and Emissions to atmosphere. The Yeovil team, under the guidance of Maurice Braithwaite has recorded success in all three areas.

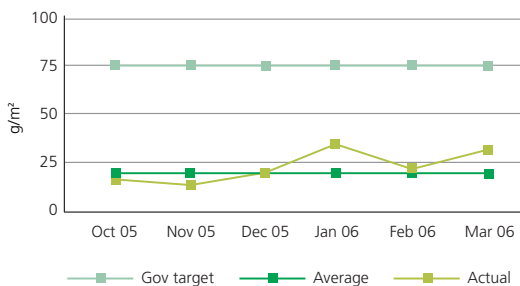
Power Factor improvement



Climate Change Levy Performance



Solvent Emissions



Major components of this performance have been:

- The introduction of more speed controls to electric motors with a consequent reduction in electricity consumption.
- The replacement of Power Factor Correction equipment which has resulted in an improvement from 0.78 to 0.98.

In terms of general environmental improvement the following are the most significant steps forward:

- The cessation of the use of paraffin as a degreasing agent-with additional improvements in Health and Safety performance.
- Improved acoustic insulation leading to a reduction in overall factory noise levels.
- Improved processing of sludge material to reduce anaerobic digestion and avoid nuisance smells.
- Changes of refrigerants(used in vacuum drying) to ones which will not impact the ozone layer.
- Continued reduction in usage and recycling of timber, plastics,cardboard, oils and packaging in general.