

Omaré

2008 COMMUNICATION ON PROGRESS REPORT FOR THE U.N. GLOBAL COMPACT

In 2007, MACLEAY S.A.R.L. / NOGATEC INTERNATIONAL (NI), worked actively to make progress in two areas concerned by its commitment to the U.N. Global Compact and its objectives:

1. The expansion of their "Reach Out to the Children Programme" created in 2004 to accompany the global development of our Omaré brand of spa and thalassotherapy products & treatments.
2. Changes in promotional material and product packaging that contribute to improving the environment.

Omaré's "Reach Out to the Children Programme" is designed to provide support for non-profit organisations that seek to improve the daily well-being of children, particularly in the fields of health, education and the environment (including HIV/AIDS prevention, actions to abolish child labour, social work for orphaned or abandoned children, human rights questions related to children's rights in general and educational work designed to make children aware of the importance of environmental protection).

Based directly on the annual sales of the Omaré professional products and treatments and set up in collaboration with Omaré distributors in those countries where exclusive distribution agreements are in place and fully operational. In these countries, MACLEAY S.A.R.L. / NI, owners of the Omaré brand, make an annual contribution to selected organisations equal to 1% of annual export sales of the previous year. This year, in collaboration with Omaré distributors in Singapore, Thailand and Russia, donations were made to the Chinese Red Cross to help the victims of the earthquake in China's Sichuan province.

As of the end of August 2008, donations were made to :

- **Children's Earthquake Fund** set up by **Half the Sky Children's Earthquake Relief Fund** and **China's Ministry of Civil Affairs**: donation made in collaboration with Omaré's Singaporean distributor Heritage 21 PTE, Singapore, Omaré's Thai distributor, Tiger Eyes Trading (Thailand), Ltd., and Omaré's Russian distributor, Line of Beauty.
- **The Eastern Social Welfare Society** (adoption, post-adoption services and care-giving) in S. Korea: donation made in collaboration with Omaré's Korean distributor Aro-Cosmetics, Seoul.
- **The Rugute Childhood Cancer Fund** in Lithuania (assistance for children suffering from cancer, for their families and support for the development of oncology science): donation made in collaboration with Omaré's Lithuanian distributor UAB Grozio Technologies, Vilnius
- **The St Rita's School for the Deaf** in Cincinnati, Ohio, USA: donation made in collaboration with Omaré's U.S. distributor Jolie Visage, California, KY, U.S.A. St. Rita's works to meet the needs of hearing impaired and deaf children in the community.

In addition to its charitable work, Omaré also made major changes in its promotional material and packaging policies that illustrated our commitment to improving the environment. In September 2007, Omaré France announced that all branded plastic carrier bags (used in conjunction with purchases of the brand's retail cosmetics products), would be manufactured using oxo-biodegradable plastics. This environmentally friendly commitment was made possible thanks to the incorporation of Totally Degradable Plastic Additives ("TDPA™") technology into the bag production process. It is now widely known that traditional plastics are very stable and not readily degradable and biodegradable in the environment. For this reason, plastic waste represents a major environmental problem. Developed in Canada by EPI Environmental Technologies Inc., TDPA™ based technology enables products made from various types of plastics (including the material used to make Omaré bags) to degrade into environmentally harmless products. EPI indicates that research demonstrates that composts made from TDPA™ treated plastics have no toxic effect on plant or animal life. These bags replaced all paper and ordinary plastic bags previously used by the brand.

Lastly and still on the environmental theme, since June 2008, Omaré has replaced the use of PVC flacons employed for the packaging of its well-known and popular professional massage oil, Ocean Oil, by a PE plastic product that is compatible with the product's rich algae content and specific packaging requirements. Given the recent expansion of Omaré products to include two new massage oils, this change represents a major packaging move. As a professional spa brand, Omaré felt it was important to make impact of their brand slogan "RENEWAL, HARMONY, WELL-BEING" felt not only in the spa face and body care programmes that they develop, but also in a much broader social sense via their product development policies worldwide. This obviously includes making choices that contribute to an improved environment.

In the coming year, MACLEAY S.A.R.L. / NI will continue its actions to improve its environmental record as well as enlisting the support of new distributors in Vietnam, the Gulf states, Portugal and N. Africa to allow the Reach Out to the Children Programme to expand its horizons worldwide. We are determined to see the programme flourish and hope to inspire our distributeurs to make matching contributions annually. We also hope to incite other small companies operating nationally and internationally to take up the challenge of taking concrete action to promote the principles of the Global Compact.

R. Scott MacLeay - Managing Director, MACLEAY S.A.R.L.