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V. MANE FILS

COMMUNICATION ON PROGRESS

2009-2010



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**Time Period Covered**

7/2009 - 6/2010

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About Mane

Mane is one of the worldwide leaders in the fragrance and flavor design industry. The Group's industrial network consists of more than 40 sites, including 15 production units and 17 R&D or Creative centers located in the United States, France, Indonesia, Mexico and China to mention only the most important.

The family-owned company dates back to 1871 when Victor Mane started producing fragrant materials from regional orange and olive trees.

Today, Mane develops tomorrow's technologies and dedicates itself to manufacturing fragrances, flavors, ingredients and oral care products.

News - 2010

In March 2010, Mane won "Le Grand Prix de l'Entreprise Patrimoniale et Familiale 2010" (First Prize for Family-owned and Patrimonial Company) awarded by ASMEP-ETI, the association of intermediate-sized enterprises. The Mane Group's innovation capacity and its sustainable development strategy have convinced the jury.

MESSAGE FROM THE PRESIDENT

We at Mane reaffirm our continued support for the UN Global Compact and renew our ongoing commitment to the initiative and its ten principles in the areas of human rights, labour, the environment and anti-corruption.

All the four principle issue areas are transposed by the Group's subsidiaries into local actions, presented in this Communication on Progress for 2009-2010.

Mane Group has been a signatory of the UN Global Compact since 2003 and through our Sustainable Development Policy, we carefully conduct our business in a socially responsible manner, in line with the ten universally accepted principles of the UN Global Compact.

Our commitment to Sustainable Development covers the following:

- Taking stakeholders' expectations into account
- Integrating corporate social responsibility (CSR) into our management systems
- Guaranteeing products and processes respectful of territories, people and the natural resources
- Continuously improving quality and safety of our products
- Endorsing Caring for Climate policies
- Respecting and enforcing the protection of human rights, international labour norms and the principles of the International Labour Organisation conventions within our sphere of influence
- Providing safe and healthy working conditions
- Ensuring diversity and non-discrimination in personnel practices
- Providing personal and professional development to promote employability
- Added value sharing throughout the supply chain
- Implementing a responsible purchasing policy

I am pleased with our achievement as a member of the UN Global Compact and am glad to share our communication in this respect.



Jean Mane, President.

COMMUNICATING PROGRESS

Integrating sustainable development into our purchasing policy

At Mane, we work with suppliers to improve CSR performance, extending responsibility down the supply chain.

Through the Mane Group's Sustainable Development Management Program, the Purchasing Department seeks to integrate social and environmental criteria in purchasing activities. Their efforts include a **responsible purchasing program**, which integrates a methodology for CSR follow-up of suppliers along with the diagnostic of the Group's purchases with regard to sustainable development.

→ Approval of a Purchasing and Sustainable Development Charter by our suppliers

Mane has designed a Purchasing and Sustainable Development Charter, which describes how we expect our suppliers to ensure adherence to our CSR commitments in the areas of human rights, labour standards and the environment.

To begin with, we have sent it to our most significant suppliers who make up 80% of our purchases.

→ Evaluation of supplier CSR risk

In addition, we have provided our suppliers with a self-assessment questionnaire, which is made up of about twenty questions used to heighten supplier awareness about CSR and evaluate their ability to take into account the major stakes of sustainable development.

The suppliers' responses to the questionnaire are noted. In case the rating does not fulfil our expectations, suppliers are required to answer an individual questionnaire and shall be audited for further on-site inspection. The objective is to initiate, where appropriate, interactions through partnerships or measures for improvement in CSR.

→ Highlights (as of June 28, 2010)

- 72 suppliers listed as significant (80% of our purchases) out of 346 referenced with the Purchasing Department.
- 47% of our significant suppliers are signatories of our charter, which makes up more than one third of our global purchases.
- 53% of our significant suppliers have replied to our questionnaire.
- 76% of suppliers assessed have a CSR rating of above 3/5.
- Design of a supplier CSR audit questionnaire, which consists of a set of questions that can be used to identify suppliers' strengths and areas for improvement with regard to human rights, labour and the environment.

Development of environmentally friendly technologies

Mane's co-patented an alcohol-free design and manufacturing process of fine fragrances, called "**Aquafine**", which considerably reduces the greenhouse gas (GHG) emissions in comparison with the classic alcoholic fine fragrance process.

→ Achieved results: The Mane Group's Aquafine process emits 22 times less GHG in comparison with the still prevailing alcoholic process.

This difference can be mainly explained by the fact that the classic alcoholic process requires the use of a refrigerant gas contributing to emissions of GHG, a Freon, to chill macerated alcoholic solutions to ensure that the fragrance oil is soluble and the finished product clear after the filtration step. The Aquafine manufacturing process does not require a specific explosion proof workshop. It can be performed in any fragrance oil blending operation with no energy required to chill and filter the solution, which can be delivered in bulk.

Moreover, the alcoholic process requires the use of ethanol as the fragrance carrier, a volatile organic compound (VOC) responsible for increased emissions compared to the synthetic products used in the Aquafine formulation.

Finally, the use of distilled water in Aquafine also constitutes a major difference in terms of GHG emissions. Water is the main ingredient of the Aquafine formulation with an emission factor far lower than any synthetic chemical.

Mane partnered with Coty Prestige to incorporate the Aquafine technology in their men's fragrance Oceans under the Nautica franchise.

On behalf of the industry and in recognition of the benefits and relevance of this innovation, Mane received from the Fragrance Foundation the 2009 FiFi "Technological Breakthrough of the Year" Award.



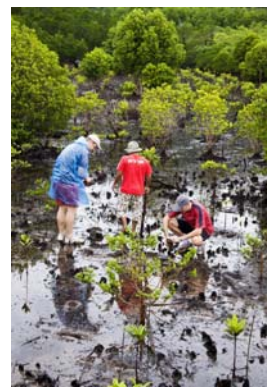
Environmental activities

Mangrove restoration in Thailand:

With our intention to protect the environment, Mane recognizes the major ecological importance of mangrove forests. The area of mangrove forests in Thailand has been decreasing continually due to rapid industrialisation, urbanization, agriculture and aquaculture expansion.

Therefore, in September 2009 Mane Thailand was involved in the Salak Phet “**Mangrove restoration project**” in Koh Chang (Trat province). There were 94 Mane employees joining this project.

Totally, there were 500 mangrove trees planted along the seaside. This activity aimed at reducing land erosion effect in Trat province and also recreating the missing ecosystem habitat vital for endangered species.



Community Involvement

Medical check-up for Mane Indonesia's neighbours:

Most of the residents living near the Jababeka Industrial Estate where our Indonesian plant is located have no access to medical care. Therefore, in 2009 Mane has cooperated with the Jababeka Industrial Estate to implement a medical check-up program aiming at checking the health status of each individual.

There were two doctors and three pharmacists joining this program. 500 residents were provided diagnostic and treatment services. This medical check-up program will be organized every year.



Initiatives to promote greater environmental responsibility

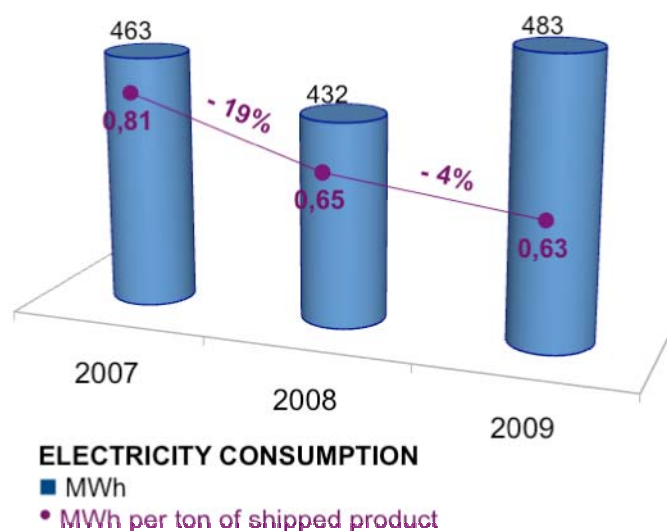
Energy Reduction in Mane Thailand:

Mane Thailand has implemented a set of energy reduction actions at the same time with a campaign aiming at raising staff awareness of how energy is used in the workplace and how they can help reduce consumptions by using energy wisely.

Most of the actions undertaken do not require human control, though. They consist of equipments modifications meant to systematically reduce the use of energy. The following energy reduction methods are used:

- Air conditioning control system with timer
- Air conditioning maintenance procedure (clean filters, cooling units, condensing units...)
- Automatic lighting control systems
- Control hood systems
- Compressor pressure control
- Change motor starting control (regular and increasing energy demand from 0 to 100%)
- Cool fresh air installation, which can reduce about 5-10% electricity per month
- Control air compressor with timer

→ Achieved results: 22% reduction in electricity consumption over the last 3 years



Everest Project at Mane Inc. (Lebanon, United States):

Mane Inc. has built a new manufacturing plant located in Lebanon, New Jersey. This factory has implemented environmentally friendly technologies to reduce its environmental impact.

→ Air Emission Controls

For the health and safety of our employees and the environment various dust and fume collection systems have been installed at the Mane Lebanon facility. A system of articulating collection hoods has been installed in order to offer employees the ability to manipulate the dust and fume collection systems. The employee is thereby able to place the collection hood in a location where it is most effective. Mane Inc. has worked closely with the local authorities to assure that we are meeting all regulatory air emission limits and we submit quarterly and annual reports to the Ohio EPA (Environmental Protection Agency) to assure compliance.



Filter bag house for particulate removal in spray dry



Carbon Scrubber for spray dry operation for odor removal.



Carbon bed scrubber for odor control



Packed bed scrubbers for capsule operation voc control



Venturi scrubber for particulate removal capsule operation.



Wet scrubbers for voc control capsule operation.

→ Wastewater treatment

All process wastewater is initially discharged to two holding tanks where the water is allowed to cool, settle, and separate. Sediment that has settled to the bottom of the tanks is pumped out as necessary thereby reducing the amount of solids that are discharged to the municipal wastewater treatment facility.

After the settlement tanks, the water is put through an oil water separator. The oil is collected and disposed through our waste vendor. After the separator, the water is discharged to the Lebanon Wastewater Treatment facility.

Process improvements have also been implemented in order to reduce the volume of oils that are discharged to the wastewater system.



Oil water separator for wastewater treatment

Waste sorting implementation at Mane Mexico:

Mane's subsidiary in Mexico has monitored and measured waste generation for more than 15 years but recently they have implemented new strategies for its management and control, which have been the key to make a difference.

Since they have been performing sorting and separation of some specific recyclable waste, the amount of urban solid waste sent to the municipal dump has decreased by 53%.

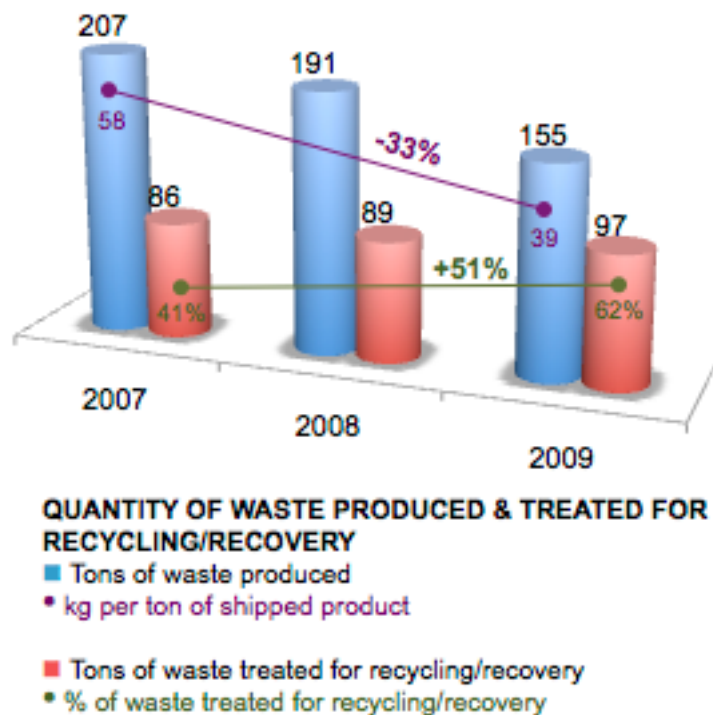




Since 2007, Mane Mexico has pushed up on their segregation program to separate waste from the sources, in order to recuperate paper, paperboard, polyethylene, plastic, PET, Glass, Metals (Aluminium and Iron), and they are selling it now for recycling with a third party contractor.

→ Achieved results:

On one hand, Mane Mexico has decreased by 33% its amount of waste over the last 3 years, from 58 to 39 kg per ton of shipped product; and on the other hand, they have increased by 51% the amount of waste treated for recycling/recovery.



The French Diversity Charter

The Diversity Charter is a written commitment that the Human Resources Director of Mane Bar-sur-Loup has signed in June 2008, to express his commitment to ban discrimination in the workplace and make a decision to work towards creating diversity. It expresses Mane's willingness to improve the degree to which our workforce reflects the diversity of French society.

In accordance to this Charter, we undertake to:

1. Raise awareness of non-discrimination and diversity issues among top management and staff involved in recruitment, training and career development and to educate them in these matters.
2. Respect and promote the application of all aspects of the principle of non-discrimination at every stage of the human resources management, in particular in the recruitment, training, promotion and career development of employees.
3. Endeavour to reflect, the diversity of the French society particularly in its cultural and ethnic dimension at every level of our workforce.
4. Make all our employees aware of our commitment to non-discrimination and diversity, and keep them informed of the practical results of this commitment.
5. Make the development and implementation of the diversity policy a subject of a dialogue with the employees' representatives.
6. Insert a chapter in the annual report describing our commitment to non- discrimination and diversity including details of the measures implemented, our internal procedures and the results achieved.



Fair-trade Namibian Myrrh Project

In a desert region in the North-East of Namibia, near the border with Angola, live the Himbas, a nomadic tribe. These dry and mountainous lands cannot be cultivated. Of the few species that thrive in this region, an endemic bush (*commiphora wildii*, also trivially named omumbiri) produces a resin similar to myrrh (*commiphora myrrha*) that can be harvested from November to February.

The himba tribes blend the resin with their goats' milk cream and with the soil ochre. The resulting paste, which Himba women put on their body, hair, jewellery and babies, gives them this very special skin color and protects them from the blazing sun of Namibia's deserts, where temperatures can rise up to 55°C.



It is mainly the Himba women who collect the myrrh, which naturally oozes from the tree trunk. This is done during the dry season without damaging the trees. The myrrh is then gathered in bags. The quantity collected is approximately 1 kilo per person and per day.

For these Namibian nomadic peoples, myrrh can become a source of income as companies are looking for fairly traded sources of natural raw ingredients. Specialized in the sourcing of essential oils, BeHave works with the Himba tribes via the WWF Namibia NGO with the support of the IRDNC (Integrated Rural Development & Nature Conservation) of Namibia.

The purpose of this project is to help these people to live a better life from their production while protecting their environment, and respecting their customs and lifestyles. Mane demonstrated its support to this initiative and has already bought several hundred kilos of gum from BeHave.

The sale of omumbiri contributes to the welfare of the Himbas, especially during the dry season. Indeed, during this period, their cattle become lean and do not produce much milk. The additional revenues from the omumbiri is managed by the WWF Namibia and mainly used to provide additional food, transportation and health care to the Himba tribes.



Anti-corruption

Mane complies with the United Nations Convention against Corruption. We reject all forms of corruption and do not tolerate use of influence, extortion and bribery. However, our structure does not allow us to introduce anti-corruption policies and programs within our business operations.