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1. ABOUT THIS REPORT

The 2017 CSR Report provides a detailed review of the Corporate Social Responsibility (CSR) priorities and actions undertaken by the MANE Group, as well as any progress made towards achieving its 2021 objectives.
**SCOPE OF CONSOLIDATION**

The scope of consolidation for social, environmental and societal information referred to in this report concerns all of the Group’s sites in France - including its headquarters - and in Switzerland, America, Indonesia, India, South Africa, Mexico, China, Brazil, Spain, Thailand, Colombia and Japan. These sites contributed 97% of the Group’s consolidated turnover in 2017. Entities that are not included in the reporting are tertiary buildings.

**REPORTING PERIOD**

The extra-financial information included in this report covers the period from 1 January to 31 December 2017.

**REPORTING METHODOLOGY**

The aim of this report is to communicate clearly the evolution of Group CSR activities and the progress achieved in implementing its commitments. In order to reinforce the relevance of our CSR report, it has been prepared in accordance with ISO 26000 and the G4 guidelines of the GRI*.

This report is also our way of complying with the French requirement to declare extra-financial performance as set out in Decree no. 2017-1265 of 9 August 2017, and the requirement for a yearly Communication on Progress (COP) as part of the United Nations Global Compact.

To make our report easier to read, a correlation table has been supplied at the end of this document that links the information contained within to the information required by the following benchmarks: GRI G4, ISO 26000, decree no. 2017-1265 of 09/08/2017 and the 10 principles of the Global Compact. The table lists the topics covered and their location in the 2017 CSR report.

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* The Global Reporting Initiative (GRI) is an independent, international, non-profit organisation that supports companies, NGOs and other stakeholders. GRI was created in 1997 in partnership with the United Nations Environment Programme (UNEP). It has developed sustainable development reporting guidelines that are widely used around the world. These provide companies with an international benchmark to help them present an account of their economic, environmental and social performance.

**CONTACT**

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carine.hazebroucq@mane.com
It was in 1871 that my great-grandfather, Victor, founded the company MANE in Bar-sur-Loup, where it still has its head office today. Five generations have succeeded each other to lead the eponymous MANE Group. As a family business, we are committed to maintaining our independence, financial stability, and responsibility to our customers and collaborators. This governance allows us to maintain long-term relationships with all our partners.

The MANE Group is dedicated not only to the global distribution of a range of products from across the flavour and fragrance sector, but also to developing an international presence, allowing us to be closer to our customers.

For many years, we have been reinvesting a considerable proportion of our profits in research and development, enabling us to provide our customers with countless innovative solutions. MANE is committed to sustainable and profitable development, driven by a long-term vision. With this in mind, we have been developing our Corporate Social Responsibility (CSR) strategy for several years now to find a balance between economic growth, respect for people, and environmental protection, all of which are essential for the long-term prosperity of our company.

Our CSR strategy focuses on the following priorities:

> Ensuring product quality and safety
> Reducing our environmental impact
> Guaranteeing the health, safety and well-being of our collaborators in the workplace
> Developing our collaborators’ skills throughout their careers
> Integrating CSR into our purchasing policy

This is how we see sustainable development at MANE.

In addition to our corporate social responsibility, we also aim to contribute to society, particularly within the communities in which we do business, in order to promote their development.

The aim of this report is to communicate clearly the CSR challenges we have faced, the practices and actions put in place to deal with them, and the progress made by the Group in meeting its CSR objectives.

I hope you find it interesting.
3. GROUP PROFILE
**KEY FIGURES**

- **Group Founded In:** 1871
- **+5,500 Collaborators**
- **47 Research and Development (R&D) Centres**
- **38 Countries**
- **25 Manufacturing Sites**
- **79,500 Tonnage of Shipped Product**

**CONSOLIDATED TURNOVER FOR 2017**

- **€1,155 million**

**2017 Turnover by Product Category**

- **35% Fragrances**
- **57% Flavours**
- **8% Ingredients**

**8.3% of Annual Revenue Invested in R&D**
In 1871, Victor Mane started producing fragrances from flowers and plants from the Pays de Grasse. Since then, the small distillery has grown successfully to become one of the leading Flavours and Fragrances companies in the world and has been continually run by the Mane family for almost 150 years.

Victor’s sons Eugene and Gabriel modernised and developed the business internationally. Maurice Mane took over from his father, Eugene, in 1959.

Under his leadership, the company increased its production capacity, set up research and analysis laboratories, diversified into flavours for the food industry and developed its network of international subsidiaries.

In 1995, Maurice Mane retired to become Chairman of the Supervisory Board, while his eldest son Jean was appointed Group President, and his other son Michel, President of the Americas Region. His daughter Françoise is secretary of the board of Directors. The three siblings are the sole members of the board of Directors.

In 2016, Samantha Mane, from the fifth generation of the family, took over as Director of the EMEA region for the flavours, fragrances and ingredients divisions.

The uncontested legitimacy of MANE is based on experience and the transfer of fundamental values through the years.
MANE’s activities consist of extracting natural raw materials, manufacturing synthetic products and manufacturing flavour and fragrance compositions.

NATURAL RAW MATERIALS

Several processes are used to extract natural raw materials:

» Hydrodistillation, a process for preparing volatile essences using steam. After the steam has cooled and condensed, the volatile essences settle and can thus be separated from the aqueous phase, called ‘floral water’;

» Volatile solvent extraction, used for fresh flowers that cannot be distilled using steam;

» Extraction using non-polluting solvents, such as supercritical fluids. These make it possible to obtain extracts that are closer to natural products and do not contain solvent residues;

» Aqueous enzymatic extraction, which makes it easier to obtain animal or plant extracts used in human food.

SYNTHETIC PRODUCTS

Synthetic products, or products that come from chemically altered substances, are obtained by the following techniques:

» Hemisynthesis, chemical synthesis of a molecule made from natural compounds that already possess part of the target molecule;

» Chemical synthesis, a sequence of chemical reactions used to convert a petroleum industry product into a flavour product;

» Biotechnology and enzyme extraction, enabling natural raw materials to be converted into natural flavour substances and extracts.
The Group is involved in various local and international associations and organisations that develop its economic framework to encourage sustainable development in partnerships with various company stakeholders. Examples of international commitments:

**GLOBAL COMPACT**

Since 2003, MANE has been a signatory to the United Nations Global Compact. Launched in 1999 by the then Secretary General to the United Nations, Kofi Annan, the Global Compact calls on organisations around the world to voluntarily align their operations and policies to 10 universally accepted principles relating to human rights, labour standards, the environment and anti-corruption.

**CARING FOR CLIMATE**

In 2007, MANE signed the Caring for Climate (C4C) declaration. Launched in 2007, Caring for Climate was jointly convened by the United Nations Global Compact, the United Nations Environment Programme (UNEP) and the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) with the aim of promoting the role of companies in fighting against climate change.

**FRENCH DIVERSITY CHARTER**

In 2008, MANE signed the French Diversity Charter. Launched at the end of 2004 by Claude Bébèar and Yazid Sabeg, the Diversity Charter is an undertaking that can be signed by any company that condemns discrimination in the workplace and decides to work towards supporting diversity.

**PARIS PLEDGE FOR ACTION**

In 2015, MANE signed the Paris Pledge for Action on climate change. Launched by the French presidency of the COP21, the pledge invites organisations, companies, regions, towns and investors, to commit to ensuring the implementation of the Paris Agreement on climate change approved on 12 December 2015.

**BUSINESS AND BIODIVERSITY PLEDGE**

In 2016, MANE signed the Business and Biodiversity Pledge, an agreement from the Convention on Biological Diversity (CBD) that allows economic leaders to give value to the importance of biodiversity and ecosystem services in their activities and to express their commitment to supporting biodiversity.

**OUR EXTERNAL COMMITMENTS**

MANE is involved in several professional trade federations and associations through collaborators who hold positions in their governing bodies, or who participate in projects and committees. Due to the number of collaborators involved, we have listed the associations with which MANE is strategically involved:

- International Fragrance Association (IFRA)
- Flavor & Extract Manufacturers Association (FEMA)
- National Union of Flavour Manufacturers (PRODAROM)
- International Organization of the Flavor Industry (IOFI)
- European Flavour Association (EFFA)
- European Federation of Essential oils (EPEO)
- Professional organisation for food flavouring manufacturers (SNIAA)
- Parfums Arômes Senteurs Saveurs competitive cluster (Pôle PASS)
- European Research Institute on Natural Ingredients (ERINI)
- National Research and Technology Association (ANIA)
4. 2021 OBJECTIVES AND 2017 RESULTS

In order to provide a summarised overview of the Group’s progress in each of its sustainable development undertakings, we set ourselves quantified objectives for 2021, when the Group will celebrate its 150th anniversary. Target achievement is measured using specific performance indicators compared to a 2009 baseline. The table below displays the target achievement rates at the end of 2017.

**ENVIRONMENT**

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>PARTIALLY ACHIEVED</th>
<th>OBJECTIVE PARTIALLY ACHIEVED</th>
<th>OBJECTIVE ACHIEVED AND EXCEEDED</th>
<th>OBJECTIVE NOT ACHIEVED</th>
<th>OBJECTIVE ACHIEVED AND EXCEEDED</th>
<th>OBJECTIVE PARTIALLY ACHIEVED</th>
<th>OBJECTIVE ACHIEVED AND EXCEEDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective 1</td>
<td>Increase to more than 80% the quantities of natural extracts and synthetic molecules produced with a GREEN MOTION™ score ≥50/100</td>
<td>Increase to more than 80% the percentages of product (in tonnes) shipped by ISO 14001 certified sites by 2021</td>
<td>Reduce energy consumption per tonne of product by 20% compared to 2009</td>
<td>Reduce CO2 emissions (Scopes 1 and 2) per tonne of product by 15% compared to 2009</td>
<td>Increase the proportion of total energy consumption from renewable sources to more than 10%</td>
<td>Reduce water consumption per tonne of product by 15% compared to 2009</td>
<td>Reduce hazardous waste produced per tonne of product by 33% compared to 2009</td>
</tr>
<tr>
<td>2017 RESULTS</td>
<td>70% of natural extracts and synthetic molecules produced with a score of 50/100 at the end of 2017</td>
<td>47% of our shipped product tonnage was from ISO 14001 certified sites at the end of 2017</td>
<td>22% decrease in energy consumption since 2009</td>
<td>0.4% decrease in CO2 emissions since 2009</td>
<td>15% of our energy consumption is from renewable sources at the end of 2017</td>
<td>9% decrease in water consumption since 2009</td>
<td>28% decrease in hazardous waste produced since 2009</td>
</tr>
</tbody>
</table>

* Recovered: recycling and energy recovery
## SOCIAL

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>2017 RESULTS</th>
<th>2017 RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain absenteeism at less than 4%</td>
<td>Reduce the frequency rate for accidents at work with leave by 33% compared to 2009</td>
<td>Increase the proportion of collaborators benefiting from training over the course of the year to 80%</td>
</tr>
<tr>
<td>(indicator being reset in order to harmonize the method of calculation within the Group)</td>
<td>49% decrease in frequency rate for accidents since 2009</td>
<td>87% of collaborators received training in 2017</td>
</tr>
<tr>
<td></td>
<td>93% of significant suppliers committed to a CSR policy to more than 90%</td>
<td>80% of collaborators were interviewed or assessed in 2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### RESPONSIBLE PURCHASING

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>2017 RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase our purchasing volume from suppliers committed to a CSR policy to more than 90%</td>
<td>Ensure 50% of significant suppliers undergo a CSR evaluation (CSR audit performed on-site by MANE, EcoVadis evaluation or SMETA audit)</td>
</tr>
<tr>
<td>93% of our purchasing volume was from suppliers committed to a CSR policy at the end of 2017</td>
<td>27% of significant suppliers underwent a CSR evaluation at the end of 2017</td>
</tr>
</tbody>
</table>

### OBJECTIVE ACHieved and Exceeded

- 87% of collaborators received training in 2017
- 80% of collaborators were interviewed or assessed in 2017
- 80% of collaborators were interviewed or assessed in 2017

### OBJECTIVE ACHieved

- 49% decrease in frequency rate for accidents since 2009
- 93% of our purchasing volume was from suppliers committed to a CSR policy at the end of 2017
In order to incorporate Corporate Social Responsibility into its strategy, the MANE Group has implemented an internal CSR management system allowing it to define its commitments in line with its own interests and those of its stakeholders, and to integrate them operationally across all its activities.

The Group’s CSR strategy is under the direct responsibility of the Chairman of the Board of Directors. It is managed by the Group’s Sustainable Development Coordinator, who is responsible for drawing up, coordinating and promoting the CSR policy within the Group’s various departments and subsidiaries. To achieve this target, the Coordinator relies on a dedicated CSR Committee (comprising representatives from the Purchasing, Environment, Human Resources, Quality, Product Safety and Internal Audit departments) and a network of around twenty CSR correspondents from the main manufacturing sites abroad.

A CSR management review is performed once a year with the participation of the Chairman of the Board of Directors and members of the CSR Committee. During the review, the Group’s CSR performance and target achievement rates are analysed in detail in order to assess the effectiveness of the internal CSR management system and, if necessary, to identify opportunities for improvement.

The Sustainable Development Coordinator also performs internal communication, awareness-raising and employee training activities focusing on CSR challenges and promotes good practices within the Group.
Our CSR strategy is based on identifying and taking into account the expectations of Group stakeholders. Our aim is to listen to their concerns and their expectations in order to provide an appropriate response, within a context of dialogue and partnership.

### Stakeholders

**Main Expectations and Preoccupations**
- Protecting consumer health and safety
- Duty of care
- Sustainable and equitable use of biodiversity
- Fair practices
- Innovation
- Communication and transparency

**Information and Dialogue Methods**
- Satisfaction surveys
- Information exchange meetings
- Client audits
- Sharing our CSR information (e.g., ECOVADIS, SEDEX, CDP, etc.)
- Publishing the CSR report (yearly)

**Responses Provided by the Group**
- Evaluating product safety (toxicology)
- Quality and health safety policies
- Certifying management systems (ISO 9001, IFS & BRC, FSSC 22000, etc.)
- Monitoring customer satisfaction
- Collaborative partnerships
- Responsible purchasing
- Green Motion™ by MANE

### Local Communities, NGOs and Associations
- Job creation
- Social investments
- Preventing significant industrial hazards
- Preventing pollution
- Sustainable use of natural resources
- Protecting consumer health and safety

### Public Authorities
- Compliance with regulations
- Communication and transparency

### Neighbouring Residents
- Preventing significant industrial hazards
- Odour and noise nuisance
- Preventing pollution

### Competitors and Professional Associations
- Knowledge sharing
- Fair competition
- Respecting intellectual property
KEY CHALLENGES

In order to reinforce the relevance of our strategy and our CSR reporting, we have performed a materiality analysis to identify our key challenges. Initially performed in 2008 (using the AFNOR diagnostic tool SD 21000), we updated our methods in 2012 to incorporate the G4 guidelines from GRI and to develop some of the more significant challenges to our stakeholders and in our strategies.

Our materiality matrix represents a subject's level of relevance in relation to their impact for MANE (horizontal axis) and their importance to our stakeholders (vertical axis).

MATERIALITY MATRIX

<table>
<thead>
<tr>
<th>IMPACT ON MANE</th>
<th>IMPORTANCE TO STAKEHOLDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW</td>
<td>HIGH</td>
</tr>
<tr>
<td>Dialogue with stakeholders</td>
<td>Social dialogue</td>
</tr>
<tr>
<td>Odour pollution</td>
<td>Anti-corruption</td>
</tr>
<tr>
<td>Sustainable consumption</td>
<td>Development of human capital</td>
</tr>
<tr>
<td>Community involvement and local development</td>
<td>Eco-design</td>
</tr>
<tr>
<td>Internal communications</td>
<td>Sustainable and fair use of biodiversity</td>
</tr>
<tr>
<td>Water consumption</td>
<td>Effluent</td>
</tr>
<tr>
<td>VOC emissions</td>
<td>Waste</td>
</tr>
</tbody>
</table>

OUR COMMITMENTS

This exercise was used to define key CSR commitments for MANE and to formalise them in the Group Sustainable Development Policy.

OUR SUSTAINABLE DEVELOPMENT POLICY

- Answer for the impact our company has on society and the environment in a transparent manner.
- Always behave in an ethical manner in areas concerning good business practices, particularly in the fight against corruption.
- Take into consideration the interests of stakeholders and work to respect them.
- Comply with all local laws and regulations in effect as well as international behavioural standards by respecting the principle of legality.
- Promote and respect the protection of rights set out in the Universal Declaration of Human Rights within the company’s sphere of influence.
- Integrate CSR in our management system.
- Develop products and processes that are more respectful of the environment and humankind.
- Preserve and ensure the sustainable and equitable use of biodiversity.
- Reduce greenhouse gas emissions and improve the energy efficiency of processes.
- Continue to improve product quality and safety.
- Ensure the health, safety and well-being of collaborators in the workplace.
- Promote and respect diversity in the workplace and fight against all forms of discrimination.
- Develop human capital by favouring the employability of collaborators through training and strategic workforce planning.
- Apply a responsible purchasing policy that aims to make suppliers aware of CSR and to evaluate their environmental and social performance.
ASSESSMENTS AND EXTERNAL RECOGNITION

Evaluations and recognition from experts in sustainable development improve the credibility and transparency of the Group’s CSR strategy for its stakeholders. Our commitment and success in this field have been recognised by independent organisations. Here are some examples.

ECOVADIS EVALUATION
ECOVADIS provides a platform for companies to evaluate the CSR practices of their suppliers. MANE completes their questionnaire every year at the behest of several key customers. The evaluation score is calculated using 21 indicators across 4 areas: environment, social, business ethics and responsible purchasing. In 2017, MANE achieved an overall score of 76/100, an increase on the previous year, placing the Group once again in the “Advanced” CSR performance category, with a “Gold” commitment level. This score places us in the top 1% of suppliers evaluated by ECOVADIS in our sector.

CDP EVALUATION
MANE completes the CDP (known as the Carbon Disclosure Project until 2012) questionnaire that evaluates and ranks companies according to their environmental performances. The Group achieved a B grade for the CDP Supply Chain, Climate Change and Water questionnaires (scale from A to E, with A being the best). This score places us in the top 11% of suppliers evaluated by CDP in our sector.

CAP 26000 ASSESSMENT BY BUREAU VERITAS
In 2014 we voluntarily had our CSR policy assessed by BUREAU VERITAS CERTIFICATION. The CAP 26000 assessment evaluates the 4 fundamental dimensions of CSR: societal responsibility integration, stakeholder involvement, communication and transparency, results and progress. MANE was awarded an overall score of 71/100 as a result of “a complete and structured CSR policy with a solid foundation built over several years of efforts, strategic aims and an action plan”. As part of its process of continuous improvement, MANE has integrated the results of this external assessment.

SMETA AUDITS
SMETA is an independent ethical audit process which the MANE Group applies to its key sites. The audit programme using the 4 pillars of the SMETA benchmark, developed by SEDEX, includes the following areas: health and safety, working standards, environment and business ethics. All our manufacturing sites have been subject to at least one SMETA audit, and each site has shared its audit report and any corrective measures with customers who express an interest, through the SEDEX platform.

TROPHÉES DÉFIS RSE 2017
Created in 2012, the Trophées Défis RSE (CSR Challenge Awards) aim to add value to the commitments, results and sustainability of a company’s CSR approach. The awards are sponsored by BNP Paribas, Ethifinance, Harmonie Mutuelle and Suez, all recognized for their CSR policies, and the judging panel includes professional network experts in their fields. In 2017, 52 companies were nominated for the 5th edition of the ceremony. MANE was awarded the Trophée Défis RSE 2017 for the Environment category.

2016 GLOBAL COMPACT BEST COMMUNICATION ON PROGRESS AWARD
The French network of the United Nations Global Compact presents an award each year for the Best communication on progress. This competition rewards businesses and non-profit organisations that produced an exemplary Communication on Progress (COP) the previous year. In 2016, the MANE Group won the Best Communication on Progress Award in the “ETI” category for the relevance and quality of its reporting.

2017 HR INNOVATION AWARD
Two years after being honoured with the Generation Contract trophy, MANE was awarded at the 2017 HR Innovation award by the BHM Group. The management guide developed at MANE, which is the cornerstone of this approach, has been recognized as a major social innovation: because it allows every manager to know exactly what the company expects of them and, beyond set targets, provides a path to achieving them, and because it focuses on cooperation between managers and collaborators to foster ongoing progress and positive reinforcement.

As such, this approach, rewarded by the ‘HR Innovation 2017’ trophy, differs from generally existing company guidelines.
For MANE, being a responsible company is about ethical conduct and practices. In all countries where MANE has a presence, our aim is to carry out our activities with honesty, fairness and integrity.
THE GROUP’S CODE OF ETHICS

The MANE Code of Ethics is the Group’s benchmark document setting out the values and principles that govern the Group’s activities and those of its partners. The Code of Ethics helps MANE collaborators adopt, support and apply while carrying out their duties, a set of fundamental values in the fields of human rights, work and environmental standards and the fight against corruption. It is available in 18 languages. In France, each employee personally receives a copy of the code when they are hired.

Published for the first time in 2013, the Code of Ethics was reviewed in 2017, following a consultation and validation by the MANE FRANCE employee council and occupational health and safety committee. This latest version introduces the idea of conflicts of interest and an ethical warning process allowing any employee faced with a difficult situation or infraction to notify the Group’s Ethics Committee and receive advice and support on how best to proceed. There are also variations of the Group Code of Ethics specific to collaborators involved in purchasing (Purchasing, Technical, IT, Design Office, Travel Assistants, etc.) as well as for subsidiary directors and Group financial directors who are particularly exposed to the risk of corruption. These codes of ethics have been signed by the relevant collaborators. Internal training and a quiz have been made available to these collaborators to raise awareness and train them in preventing and managing corruption risks.

ETHICS COMMITTEE

The Group’s ethical direction is managed by the Ethics Committee. Set up in 2017 by the Group’s Executive Committee, its members report directly to the Chairman of the Board of Directors. The aim of the Ethics Committee is to examine any issue relating to ethics: preventative analysis of ethical risks, recommendations, investigations and disciplinary measures linked to warnings received through the ethics hotline. Group collaborators can contact the Committee directly using the following email address: ethics@mane.com to notify them of any known or suspected violation of the Code of Ethics. The Group undertakes to guarantee the anonymity of the whistleblower* and shall ensure that anyone who reports, in good faith, a known or suspected violation of the code of ethics does not suffer reprisals, harassment or discrimination in the workplace as a result of reporting a violation.
With the "Sapin II" law relating to transparency, anti-corruption and economic modernisation of 9 December 2016, France introduced into its anti-corruption legislation the requirement to implement measures to prevent and detect corruption in companies with more than 500 collaborators and a turnover of more than 100 million euros.

In order to comply with this legal requirement, MANE strengthened its ethical systems in 2017. Thus, the Group implemented an anti-corruption process that uses policies and procedures to formalise MANE’s commitment to fighting corruption. It focuses on the following measures:

ANTI-CORRUPTION SCHEME

- The Group’s Code of Ethics and its variations that define and illustrate the different types of behaviour to be banned as likely to characterise corruption. The Group’s Code of Ethics is integrated into existing regulation;
- An internal ethics warning system designed to allow the collection of alerts from collaborators relating to conduct or situations that violate the Group’s Code of Ethics;
- A cartography of corruption risks designed to identify and prioritise the Group’s risk of exposure to corruption, particularly in relation to the geographical areas in which the Group operates (taking into account the corruption perception index from Transparency International);
- Procedures to evaluate the situation of business partners in relation to the risk map (e.g. suppliers);
- Accounting control procedures;
- An internal training programme and quiz for executives and collaborators most exposed to the risks of corruption;
- A disciplinary system allowing Group collaborators to be sanctioned if they violate the Group’s Code of Ethics;
- An internal monitoring and evaluation system for the measures implemented.

By the end of 2017, most of the Group’s collaborators involved in its subsidiaries, foreign finance and purchasing departments had signed their specific Codes of Ethics.
RESPECTING HUMAN RIGHTS AND WORKING STANDARDS

MANE is committed to supporting and respecting the protection of internationally proclaimed human rights and the fundamental conventions of the International Labour Organisation (ILO) both internally and in its sphere of influence. This means that the Group respects freedom of association, recognises the right to collective negotiation, will contribute to eliminating all forced or compulsory work and child labour, and will fight against any type of employment or professional discrimination.

For many years, this commitment has been taken as far as possible by the Group’s Senior Management, through MANE’s commitment to the United Nations Global Compact (in 2003), signature to the French Diversity Charter (in 2008), and the development of a Sustainable Development Policy (2008), Purchasing and Sustainable Development Charter for suppliers (2009) and the Group’s Code of Ethics (2013).

For an international group like MANE, this requires constant vigilance over both partner and supplier relationships. The Group uses Human Resources policies and procedures as well as internal audits and internal monitoring to ensure that these rights are respected internally, and in all its subsidiaries. In terms of purchasing, these issues are monitored as part of our responsible purchasing policy (asking suppliers to sign up to MANE’s Purchasing and Sustainable Development Charter, a CSR self-evaluation questionnaire, on-site audits).
COMMITMENT TO THE UNITED NATIONS GLOBAL COMPACT

In 2003, MANE was the first company in the flavours and fragrances industry to sign up to the United Nations Global Compact. By subscribing, MANE voluntarily committed to integrating the following 10 principles into its policy:

10 PRINCIPLES

HUMANS RIGHTS
1. Businesses should support and respect the protection of internationally proclaimed human rights, with the scope of their influence;
2. Businesses should make sure that they are not complicit in human rights abuses;

LABOUR STANDARDS
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Businesses should uphold the elimination of all forms of forced and compulsory labour;
5. Businesses should uphold the abolition of child labour;
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation;

ENVIRONMENT
7. Businesses should support a precautionary approach to environmental challenges;
8. Businesses should undertake initiatives to promote greater environmental responsibility;
9. Businesses should encourage the development and diffusion of environmentally friendly technologies;

ANTICORRUPTION
10. Businesses should work against corruption in all its forms, including extortion and bribery.

“For the 15th consecutive year, MANE is supporting the Global Compact and renewing its commitment to implementing and promoting the 10 universally recognised principles into its strategy, organisational culture and operations, within a framework of continuous improvement.”

Jean M. Mane

In order to demonstrate our commitment clearly, we publish a yearly Communication of Progress (COP). All our COP reports are available on the Global Compact website through the following link:
https://www.unglobalcompact.org/what-is-gc/participants/6328-Mane

This year, our CSR report is also our COP for 2018.
We are convinced that the success of the MANE Group is built above all on the expertise of its collaborators. Collaborators are the Group’s main source of wealth and enable it to be a major participant in the flavour and fragrance industry. Our aim is to encourage them to thrive in the workplace whilst offering them a safe and healthy working environment.
The MANE human resources policy is based on the four following directions that are applied from recruitment and for the duration of each employee’s stay within the company.

**GUARANTEE AND ENCOURAGE A CULTURE OF PROFESSIONAL EXCELLENCE**

The expertise of its collaborators is the main source of wealth in a creative and manufacturing company such as ours. MANE aims to recognise their commitment and worth by helping them grow through their work. We support internal professional and geographical mobility, individualised development plans and a fair salary policy in order to provide the motivation for personal and professional development.

**ASSERTING OUR ROLE AS A COMPANY THAT CARES ABOUT ITS ENVIRONMENT AND ITS PEOPLE**

As a diverse and outward looking company, MANE ensures that close local ties are a key part of its Human Resources policy. As part of this important commitment, we respect diversity, support our more fragile collaborators and encourage social dialogue. The dissemination of social standards supports equality of opportunity for all our collaborators, wherever the company is located, by ensuring they have access to adequate living and working conditions and an access to basic knowledge.

**DEVELOPING OUR COLLABORATORS’ PROFESSIONAL SKILLS**

Due to the initial and continuous training policy we have for our collaborators and our customers, we can predict and support the evolution of our professions and the specific needs of our community. The MANE Academy Campus will soon offer motivating professional training courses. From the moment they are hired, our collaborators are provided with a personalised integration strategy, adapted to their profile, the diversity of their roles and organisations as well as the specific nature of the tasks they need to perform. This strategy can take several forms.

**PROVIDING LIVING CONDITIONS THAT SUPPORT WORK QUALITY**

It is in the field, by continuously imagining new solutions to improve working conditions for our collaborators, that we demonstrate our excellence. In creating a good working environment for our collaborators, by preventing accidents at work and occupational diseases, empowering our collaborators and their managers in occupational health and safety and balancing private and professional life, we ensure they are able to commit efficiently to serving our industrial customers as well as the millions of consumers we serve indirectly each day across the world.
EMPLOYMENT

TOTAL WORKFORCE
As of 31 December 2017, the Group’s total workforce (permanent and contract) consisted of 5,992 collaborators, compared to 5,105 on 31 December 2016, an increase of 17% between 2016 and 2017. This increase is due in large part to the acquisition of the DELI SPICES plant in South Africa as well as an increase in employee numbers in France and the United States.

31 December 2016
5,105 COLLABORATORS

+17%  

31 December 2017
5,992 COLLABORATORS

Geographically, the three countries with the largest number of collaborators are France with 1,614 collaborators, the United States with 875 collaborators and India with 580 collaborators. Together, these three countries account for more than half the Group’s total workforce. MANE continues to increase its presence in the rest of the world and specifically in Indonesia, South Africa, Mexico and China, representing over 30% of the total workforce at the end of 2017.

<table>
<thead>
<tr>
<th>Country</th>
<th>Collaborators</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1,614</td>
</tr>
<tr>
<td>United States</td>
<td>875</td>
</tr>
<tr>
<td>India</td>
<td>580</td>
</tr>
</tbody>
</table>

SCOPE
The scope of consolidation for the social data set out below relates to collaborators as of 31 December 2017 across all MANE sites in the following countries. This sample represents 90% of the Group’s total workforce.

DISTRIBUTION OF GEOGRAPHICAL AREAS

<table>
<thead>
<tr>
<th>Geographic Area</th>
<th>Collaborators</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
</tr>
<tr>
<td>ASIA</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
</tr>
<tr>
<td>SOUTH AMERICA</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td></td>
</tr>
<tr>
<td>Colombia</td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
</tr>
<tr>
<td>NORTH AMERICA</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td></td>
</tr>
<tr>
<td>(MANE Inc. and MANE USA)</td>
<td></td>
</tr>
</tbody>
</table>

Geographically, the three countries with the largest number of collaborators are France with 1,614 collaborators, the United States with 875 collaborators and India with 580 collaborators. Together, these three countries account for more than half the Group’s total workforce. MANE continues to increase its presence in the rest of the world and specifically in Indonesia, South Africa, Mexico and China, representing over 30% of the total workforce at the end of 2017.
### Distribution by Gender and Geographical Location

<table>
<thead>
<tr>
<th>Region</th>
<th>EMEA</th>
<th>Asia</th>
<th>South America</th>
<th>North America</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>59%</td>
<td>65%</td>
<td>59%</td>
<td>58%</td>
<td>60%</td>
</tr>
<tr>
<td>Female</td>
<td>41%</td>
<td>35%</td>
<td>41%</td>
<td>42%</td>
<td>40%</td>
</tr>
</tbody>
</table>

### Distribution by Age and Geographical Location

<table>
<thead>
<tr>
<th>Region</th>
<th>Under 30</th>
<th>30-50</th>
<th>Over 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>28%</td>
<td>52%</td>
<td>20%</td>
</tr>
<tr>
<td>Asia</td>
<td>35%</td>
<td>60%</td>
<td>5%</td>
</tr>
<tr>
<td>South America</td>
<td>24%</td>
<td>64%</td>
<td>12%</td>
</tr>
<tr>
<td>North America</td>
<td>22%</td>
<td>52%</td>
<td>26%</td>
</tr>
<tr>
<td>World</td>
<td>28%</td>
<td>56%</td>
<td>16%</td>
</tr>
</tbody>
</table>

### Distribution by Type of Contract and Geographical Location

<table>
<thead>
<tr>
<th>Region</th>
<th>Permanent contracts</th>
<th>Fixed-term contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>89%</td>
<td>11%</td>
</tr>
<tr>
<td>Asia</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>South America</td>
<td>99%</td>
<td>1%</td>
</tr>
<tr>
<td>North America</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>World</td>
<td>89%</td>
<td>11%</td>
</tr>
</tbody>
</table>

89% of the Group's collaborators have permanent contracts.

The high level 22% of fixed-term contracts in the Asia region reflects the practices of the Chinese market where contracts cannot exceed 3 years.

However, it should be noted that in China, collaborators who have been with the company for more than 10 years will be able to benefit from a permanent contract, as will collaborators who have completed more than two temporary contracts.
### RECRUITMENT AND DEPARTURES

<table>
<thead>
<tr>
<th>Region</th>
<th>TOTAL NUMBER OF HIRINGS</th>
<th>TOTAL NUMBER OF DEPARTURES</th>
<th>TURNOVER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NORTH AMERICA</td>
<td>SOUTH AMERICA</td>
<td>EMEA</td>
</tr>
<tr>
<td>MEN</td>
<td>214</td>
<td>66</td>
<td>472</td>
</tr>
<tr>
<td>WOMEN</td>
<td>60</td>
<td>26</td>
<td>159</td>
</tr>
<tr>
<td></td>
<td>79</td>
<td>29</td>
<td>73</td>
</tr>
<tr>
<td>MEN</td>
<td>17%</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>WOMEN</td>
<td>12%</td>
<td>6%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Methodological note: We are committed to publishing next year the number of layoffs among the total number of departures.

The MANE Group hired 997 collaborators in 2017 (an increase of 45% compared to 2016), primarily due to the constant growth of activities in France and the United States as well as the acquisition of DELI SPICES in South Africa in 2017. The EMEA and Asia regions are the biggest recruiters in the Group, with 47% of recruitment occurring in the EMEA region and 25% in Asia. Next are North America (21%) and South America (7%).

There were 568 departures in 2017. On a Group scale, staff turnover is 11%. Despite the average rate, there are large differences between countries, with a 4.7% rate in France (76 departures) and a 20% rate in China. Employee retention and constant wage inflation are problems that our recruitment teams in China must now deal with. It should be noted that in France, of the 76 departures counted, only 26 were dismissals.

### SALARIES

MANE believes that the Group’s future depends on its ability to attract and retain talent. A fair, motivating and equitable salary system is one way of achieving this. Our salary policy has two aims:

- Offer appealing, stimulating and competitive wage system and working conditions that are in line with market practices;
- Ensure internal fairness to motivate and involve collaborators.

We do not discuss salary amounts or increases as we believe this information should remain confidential. However, in all the countries in which the Group is present, we respect the minimum wage set by local legislation. For example, in 2016 in France, the Group’s management signed a collective agreement with employee representative organisations to ensure a minimum general increase in salary that is significantly higher than inflation, in order to strengthen purchasing power and provide a rewarding salary policy for all collaborators.

In France, MANE also links its collaborators to the company’s results through a salary savings scheme (participation, incentives). The company then returns a share of any profit to its collaborators as a yearly bonus. The amount of the bonus and its distribution are decided by an internal agreement between managers and employee representatives. A Company Savings Scheme (CSS) has also been set up in France. This is a collective savings scheme, allowing collaborators to build a securities portfolio within the company. Voluntary employee contributions are topped up by company contributions (subscriptions).
Ensuring quality of life at work is a challenge that not only involves preventing psychosocial risks and decreasing absenteeism but also developing the appeal of the company and improving creativity, commitment, motivation and employee loyalty. The Group undertakes many activities to improve the working environment and conditions. MANE’s quality of life at work policy aims to help every employee balance their professional and private life and is built on the following principles:

- Develop support for employee organisations by implementing remote working and reinforcing the right to disconnect;
- Start a new phase of occupational risk prevention;
- Increase managerial capacity so that managers can be even more involved in managing their teams (ensuring appropriate training and support methods and tools are available);
- Support collaborators in managing illness: extending the transfer of leave days for child illness provided by the company, implementing a family carer policy and creating part-time jobs for family carers;
- Make daily life easier for collaborators by implementing ma.conciergerie.MANE (overall management by a partner/provider offering high added value services to improve daily life) as well as optimising meeting times and improving social spaces.

Our goal is to keep employee absenteeism at less than 4% by 2021. This year, a review of the definition of absenteeism and the method of calculating absenteeism is in progress to harmonize reporting practices within the Group and provide a reliable indicator. We are committed to publishing the Group absenteeism rate in our next CSR Report.
ORGANISING SOCIAL DIALOGUE

The Group is committed to encouraging social dialogue in all countries where it does business. Freedom of assembly and the right to collective bargaining are key principles in our Group Code of Ethics. We believe that social dialogue can play a productive part in negotiations, consultations or simply information exchange between the company and employee representatives to encourage cooperation to increase the positive social impact of the company.

Across the Group’s sites in France, social dialogue occurs with the following employee representative organisations:

- Employee representatives (DP) authorised to represent collaborators to the employer to manage individual requests;
- Union representatives who represent collaborators during collective agreement negotiations with Management;
- Employee Council (CE) authorised to consult collaborators on the organisation and operation of the company as well as projects suggested by the employer;
- Occupational Health and Safety Committee (OHSC) authorised to deal with issues relating to health, safety, hygiene and working conditions.

SUMMARY OF COLLECTIVE AGREEMENTS

All MANE collaborators in France are covered by the National Collective Agreement for Chemical and related Industries dated 30 December 1952. In 2017, six collective agreements were signed:

- Agreement relating to human resources planning (GPEC) and generation contract dated 27 February 2017
- Agreement relating to the required yearly negotiation of "salary, working time and value sharing" dated 4 April 2017
- Agreement on remote working methods dated 21 September 2017
- Agreement relating to the management of paid leave, public holidays and overtime to implement GAMA dated 11 October 2017 and its addendum dated 23 November 2017
- Agreement relating to professional equality and work-life balance dated 7 November 2017
- Agreement to extend DP, CE and, consequently, OHSC mandates dated 17 November 2017

No occupational health and safety agreements were signed in 2017.
PREVENTION POLICY

In order to prevent occupational hazards in the workplace, including those linked to stress, MANE is prepared to work with all relevant stakeholders. Managers and supervisors drive the policy and any resulting actions. Employee representatives, the OHSC and occupational health department are also stakeholders in the process, along with all our collaborators, whose role is to identify any risks and develop and implement the preventative action plans.

MANE’s management of health and safety is based on risk analysis using the following principles:

- Occupational risk assessment to identify, assess and classify risks in order to implement relevant preventative measures. The results of this occupational risk assessment are recorded in a ‘single document’ made available to members of the OHSC, employee representatives and the occupational physician;
- Analysis and processing of accidents and near-accidents to identify the various contributing elements and implementation of appropriate corrective and preventative measures;
- Safety behaviour visits.

Noise, manual handling of loads and alternating shifts have been identified as being the main causes of stress in our company. MANE therefore takes all appropriate measures to prevent stress, such as, for example, adapting or developing affected workstations or attenuating noise levels for certain machines.

Our manufacturing sites in Mexico, China and India (KANCOR) are OHSAS 18001 certified (occupational health and safety management standard) which represents 17% of the Group’s total shipped product tonnage and 20% of the Group’s collaborators.

MANAGING INDUSTRIAL HAZARDS

The work carried out in our manufacturing units generates industrial hazards that can have an impact on collaborators, the external environment and neighbouring communities. Our French sites located in Bar-sur-Loup (Notre-Dame and La Sarrée) are registered environmental facilities (ICPE - Classified Installation for Environmental Protection) and are subject to the European Seveso directive. We developed our Major Accident Prevention Policy, defining our industrial risk management pathway, as part of this context. We make particular use of training, awareness and employee accountability as well as incorporating industrial safety as early as possible into site design, planning regular exercises to understand emergency situations and regular internal audits. Finally, and most importantly, we strive to communicate as transparently as possible in the area about industrial safety, both internally and externally, in order to maintain trust with collaborators, local residents and local authorities.
**PSYCHOSOCIAL RISKS**

Psychosocial risks are also incorporated into the prevention process in the same way as other occupational hazards. These are risks that may be caused by the activities themselves, or caused by the organisation and working relationships (excessive workloads, confrontational relationships, management styles, intensity and complexity of work, etc.) As exposure to these work situations can affect the health of our collaborators (depression, anxiety, occupational exhaustion), psychosocial risks must be taken into account. It is therefore necessary to assess them, plan suitable preventive measures and prioritise collective measures to avoid these risks as early as possible.

In 2011, in partnership with occupational health, MANE consulted an independent consultant to get help in measuring employee stress levels in order to rank the main causes of stress and draw up a plan of corrective and preventative measures. In order to continue this process, MANE continues to raise awareness and provide training on stress prevention for our managers and executives. We also provide training for medical staff on how to support people who may be experiencing difficulties.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUMBER OF ACCIDENTS IN THE WORKPLACE</td>
<td>69</td>
<td>80</td>
<td>54</td>
<td>76</td>
</tr>
<tr>
<td>NUMBER OF OCCUPATIONAL ILLNESSES</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NUMBER OF DAYS LOST</td>
<td>/</td>
<td>1030</td>
<td>1205</td>
<td>1370</td>
</tr>
<tr>
<td>NUMBER OF HOURS WORKED</td>
<td>4536499</td>
<td>7743848</td>
<td>8216045</td>
<td>9729703</td>
</tr>
<tr>
<td>FREQUENCY RATE</td>
<td>15,2</td>
<td>10,3</td>
<td>6,6</td>
<td>7,8</td>
</tr>
<tr>
<td>SEVERITY RATE</td>
<td>/</td>
<td>0,13</td>
<td>0,15</td>
<td>0,14</td>
</tr>
</tbody>
</table>

**TREND 2009 - 2017:** - 49 %

76 accidents with leave were recorded in 2017 across the various MANE sites. The main causes were linked to risks involved in carrying and manual handling of loads, particularly dorsal and lumbar injuries. Due to a collaborative effort, the Group has recorded a continuous drop in the incidence of workplace accidents with leave since 2009. In 2017, the frequency rate across the Group decreased from 15.2 accidents per million hours worked in 2009 to 7.8 in 2017. For the second year in a row, we have achieved and exceeded our target to reduce incidence rates.

In France, the frequency rate was 9.1 in 2017, significantly below the national French average of 16.6 in the chemical, rubber and plastic industries (source: national statistical data on accident rates in 2016 from CNAMTS/DRP).
TRAINING AND EDUCATION

TRAINING POLICY

Given the highly competitive environment in which it finds itself, MANE believes that developing its workforce is essential to strengthen the employability of its collaborators as well as its competitiveness and appeal as a company. A successful company is one that knows how to maintain and enrich its knowledge and expertise.

In order to identify the continuous needs of each of our collaborators and the expectations of the Group, procedures have been defined to:

» Identify the knowledge our collaborators already have and the gaps between this and the knowledge required by their role;
» Establish specifications for future training;
» Develop the professional skills of our collaborators.

In-house training is also encouraged to support teaching and activities that use information specific to the company to address relevant issues.

In France, we systematically offer all our new recruits - regardless of their employment contract (intern, apprentice, temporary, permanent or fixed-term) - induction training for at least one day to introduce any key regulations that need to be followed for safety or quality, environmental, energy and occupational chemical risk management.

The Human Resources Department at MANE France has also implemented a strategic plan for employment and skills (GPEC) in order to anticipate short and medium-term human resource needs. The aim is to better anticipate the effects on employment of economic, technological, social and demographic changes. The GPEC will offer collaborators the opportunity to acquire new skills and adapt to changes in job requirements and expectations, often due to changes and developments on the job market and strategic corporate decisions.

OUR RESULTS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL TRAINING HOURS</td>
<td>68 603</td>
<td>87 784</td>
</tr>
<tr>
<td>- PER COLLABORATOR</td>
<td>15,1</td>
<td>16,9</td>
</tr>
</tbody>
</table>

TREND 2016 - 2017: +12 %

Methodological note: The training courses counted cover external and internal training.

» 2021 OBJECTIVES

Increase to 80% the proportion of collaborators benefiting from training over the course of the year

2021 objective achieved and exceeded in 2017

80 % 87 %

Across the Group, 4,513 collaborators participated in at least one training session in 2017 (87% of the total workforce), an increase of 6% from 2016. We have therefore achieved and exceeded our 2021 target five years earlier than expected. In addition, the average number of training hours per employee also increased by 13% from 2016 to 2017, when the average training hours per employee was 17.

The Group spends 2% of its payroll on training. In 2017, the training plan focused on the following areas: improving management of supervising teams, preventing and managing corruption risks, training for return to work interviews, yearly appraisal practice, preventing psychosocial risks, social management and relationships, supplier CSR audit, the environment, time management, stress management, project management, etc.
YEARN APPRAISALS

A yearly review of progress and targets allows collaborators to review the year and discuss their training needs with their line managers. This interview is a valuable discussion between managers and their collaborators, an exchange which aims to see lasting improvement in professional practices, results and behaviour.

Proportion of collaborators benefiting from an appraisal

- 2013: 77%
- 2015: 77%
- 2016: 76%
- 2017: 80%

In 2017, 80% of the Group’s collaborators participated in an interview or evaluation during the year, an increase of 4% in relation to the previous year. We have therefore achieved our 2021 target five years earlier than expected.

>> 2021 OBJECTIVES

- Increase to 80% the proportion of collaborators benefiting from an interview or assessment over the courses of the year.

EQUALITY BETWEEN MEN AND WOMEN

The Group is careful to ensure men and women are treated equally. In 2017, the Board of Directors signed an agreement relating to professional equality and work-life balance with the following aims:

- Take action to encourage gender equality in recruitment and to address any workplace bias by encouraging both gender and disability diversity;
- Encourage better work-life balance;
- Ensure both women and men can access professional training;
- Take action to encourage gender equality in recruitment and to address any workplace bias by encouraging both gender and disability diversity;
- Encourage better work-life balance;
- Ensure both women and men can access professional training;

Equal Treatment

Equality between Men and Women

Proportion of women benefiting from an interview or assessment over the courses of the year

2021 OBJECTIVES

Increase to 80% the proportion of collaborators benefiting from an interview or assessment over the courses of the year.

2021 objective achieved in 2017

In 2017, 80% of the Group’s collaborators participated in an interview or evaluation during the year, an increase of 4% in relation to the previous year. We have therefore achieved our 2021 target five years earlier than expected.

Average gender pay gap

<table>
<thead>
<tr>
<th>Country</th>
<th>France</th>
<th>USA</th>
<th>Indonesia</th>
<th>India</th>
<th>Mexico</th>
<th>South Africa</th>
<th>China</th>
<th>Brazil</th>
<th>Thailand</th>
<th>World</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN % OF DISADVANTAGE TO WOMEN</td>
<td>14%</td>
<td>5%</td>
<td>3%</td>
<td>3%</td>
<td>5%</td>
<td>1%</td>
<td>24%</td>
<td>3%</td>
<td>1%</td>
<td>7%</td>
</tr>
<tr>
<td>WAGE EQUALITY INDEX*</td>
<td>24%</td>
<td>28%</td>
<td>32%</td>
<td>32%</td>
<td>30%</td>
<td>24%</td>
<td>32%</td>
<td>31%</td>
<td>30%</td>
<td>32%</td>
</tr>
</tbody>
</table>

* Source: Global Gender Gap Report - World Economic Forum

Across the Group, women were, on average, paid around 7% less than men. However, in all the countries in which the Group is present, it performs better than the gender gap indices calculated by the World Economic Forum.

We are proud of our performance based over several years, which for example has resulted in a 5% decrease in the gender pay gap in France between 2010 and 2017 (from 10% to 14%). In comparison, women in France earn on average 24% less than their male counterparts.
The Board of Directors of MANE France has committed to a policy to support people with disabilities through employment. One of the major aspects of this commitment is to implement actions necessary for integration by, where necessary, adapting workstations in the company in order to create conditions that enable people with disabilities to remain in employment.

In 2012, a collective agreement was signed with employee representative organisations for the implementation of a workstation adaptation process. This agreement was renewed in 2015 for 3 further years and will be renegotiated during 2018.

Since the agreement was signed in France in 2012, 83 individual workstations have been significantly adapted while 10 flexible working time arrangements have been approved and 20 reserved parking spaces have been created near the workstations.

Our company is also committed, as far as possible, to commissioning services from ESATs (French organisations that help disabled people into work), examples of which include; maintenance of green spaces, bottling of perfume, removal, dismantling, processing and recycling of Waste Electrical and Electronic Equipment (WEEE), packing boxes, etc.

In 2017, for the 7th consecutive year, MANE Bar-sur-Loup participated in National Disability Week and organised a disability quiz. The site’s 1,600 collaborators were able to test MANE’s "disability culture", individually or in teams, over 13 questions. The winners received food hampers selected by the European Institute of Blind Tasting and Testing as well as a gourmet experience at the “Dans le Noir” (dark dining) restaurant.
ANTI-DISCRIMINATION POLICY

To formalise its commitment to fighting discrimination, the Human Resources Department of MANE France signed the Diversity Charter in 2008. Since its launch in 2004, this Charter has encouraged companies to guarantee the promotion of and respect for diversity among collaborators. In this way, MANE undertakes to fight against any form of discrimination and to implement measures to promote diversity.

In accordance with the charter, we undertake to:

- Raise awareness among and train managers and collaborators involved in recruitment, training and career management in issues of non-discrimination and diversity.
- Respect and apply the principle of non-discrimination in any form and at all stages of human resource management, specifically recruitment, training, professional advancement or job promotions for collaborators.
- Attempt to reflect the diversity of French society and particularly its cultural and ethnic diversity within the workforce, across all qualification levels.
- Keep all our collaborators informed of our commitment to promote non-discrimination and diversity and ensure they are up to date on the practical results of this commitment.
- Ensure the development and implementation of the diversity policy is a topic for debate with staff representatives.
- Include a chapter describing the company's commitment to non-discrimination and diversity in the annual report: actions taken, practices and results.

In 2017, MANE went even further by updating its Human Resources Policy to allow collaborators to inform the Ethics Committee of any failings in terms of diversity, discrimination or equality of opportunity.

INTERGENERATIONAL CONTRACT

Since 2013, MANE has been committed to the sustainable integration of young people and the transfer of knowledge between generations, with the aim of transferring the key skills required by the company. In September 2015, we received the 2015 generation contract award from French President François Hollande. The MANE Group won in the 300 or more collaborators category. The main elements that caught the attention of the judging panel were the clear voluntary commitments in the area of recruitment and retention, the pragmatic nature of initiatives - particularly in terms of professional risk prevention - and the willingness to transfer the key skills required by the company.

In 2017, MANE renewed its collective agreement for France for a further 3 years. The agreement includes measures promoting:

- Sustainable integration of young people into employment;
- Employment of experienced workers;
- Transfer knowledge and skills.

MANE set itself an ambitious target of awarding 40 permanent contracts under this agreement. After 1 year of the agreement, 48 people were recruited on permanent contracts.
At MANE, we are convinced that reducing the environmental impact of our activities and protecting the communities in which we do business are an integral part of our company’s performance and social acceptability.
MANE is working to reduce its environmental impact across all its sites, through the following specific actions:

- Develop products and processes that are more respectful of the environment and humankind;
- Design and distribute environmentally friendly technologies;
- Improve energy efficiency and the use of renewable energy sources;
- Prevent and reduce air emissions and effluents;
- Prevent, reduce and recycle waste;
- Optimise the consumption of water and raw materials;
- Conserve and ensure the sustainable and equitable use of biodiversity.

**GREEN MOTION™ BY MANE**

Research and Development (R&D) has always been at the heart of MANE’s innovation strategy. Currently, the Group invests 8.3% of its yearly turnover in R&D activities. MANE’s commitment to sustainable innovation involves designing environmentally friendly products and chemical processes in order to reduce or eliminate the use of dangerous substances.

To achieve this, in 2011 MANE designed its own evaluation tool, GREEN MOTION™, based on the 12 principles of green chemistry introduced by P. Anastas and J. Warner. The tool is based on a global and multi-criteria approach that calculates the overall impact of manufactured ingredients on the environment on a scale of 0 to 100. It is a simple yet relevant method that uses a range of criteria grouped into seven basic concepts, such as the E factor, atom economy, mass of the chemical reaction, source of raw materials and risks and toxicity of reagents, solvent types and manufactured products.

In 2013, we extended the methodology to flavour and fragrance formulas using an internal software program that encourages and supports perfumers and flavourists to develop ‘greener’ products.

The tool is available at the following link: [https://greenmotion.mane.com/login](https://greenmotion.mane.com/login) following registration.

To receive the GREEN MOTION™ evaluation results published in the Journal of Green Chemistry, send a request to tony.phan@mane.com


**>> 2021 OBJECTIVE**

Over 80% of quantities of natural extracts and synthetic molecules produced with a GREEN MOTION™ score of more than 50/100
ISO 14001 CERTIFICATION

In order to reduce the environmental footprint of its business as far as possible, the Group is working to implement an ISO 14001 certified Environmental Management System (EMS) for its main production sites. Our target is to ensure that more than 90% of our total shipped product tonnage is from ISO 14001 certified sites by 2021.

>> 2021 OBJECTIVE

Over 90% of shipped product tonnage from ISO 14001 certified sites

All of the Group's manufacturing sites in France have been ISO 14001 certified for a number of years. These represent 29% of the Group's total tonnage.

Abroad, MANE's manufacturing sites in Mexico, Thailand and China and its KANCOR sites in India (Angamaly and Byadgi) have all achieved ISO 14001 certification. These sites account for 18% of the Group's total shipped tonnage.

Across the Group, the drop in certification from 53% to 47% between 2016 and 2017 can be explained by the acquisition of DELI SPICES in South Africa, as this site is not currently ISO 14001 certified. However, with four years until our target date of 2021, we are putting all our efforts into achieving our environmental certification targets. The next sites to be certified during 2018 will include MANE activities in Indonesia and Colombia.

MANE has invested in training programs designed to integrate environmental protection into all its activities. These training policies are an integral part of the environmental and energy management systems being implemented.

For example, in France, all new collaborators participate in a two-day training session covering safety, environment, energy and occupational risk prevention, as soon as they start working for the company. Collaborators are then encouraged to follow training modules chosen according to their responsibilities and the risks linked to their roles, throughout their professional career.

Elsewhere, as regulatory pressure on environmental issues intensifies, especially in terms of nomenclature for Classified Installations for Environmental Protection (ICPE) and the Seveso 3 directive, the Group has initiated training and information sharing activities for collaborators affected by CLP regulations on classification, labelling and packaging substances and mixtures.

Dedicated poster, communication and IT system campaigns are also being developed internally in order to ensure collaborators are aware of efficient actions, labelling regulations, chemical hazards, policies, indicators etc.

ENVIRONMENTAL PROTECTION TRAINING

Our Results

Proportion of shipped product tonnage from ISO 14001 certified sites

2013 2015 2016 2017

34% 46% 53% 47%

OUR RESULTS

Environmental Protection Training

MANE has invested in training programs designed to integrate environmental protection into all its activities. These training policies are an integral part of the environmental and energy management systems being implemented.

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Dedicated poster, communication and IT system campaigns are also being developed internally in order to ensure collaborators are aware of efficient actions, labelling regulations, chemical hazards, policies, indicators etc.
The budget allocated to preventing environmental hazards have been incorporated into the investment and operational expenses used to implement the Group’s environmental policy. It is therefore detailed in the environmental management programmes that list the significant environmental impacts, targets and associated methods.

Investment and operational expenses for preventing environmental hazards and pollution are linked to the following priorities:

- Decreasing water consumption (implementing closed systems, Clean in Place (CIP) automatic systems, etc.);
- Ensuring continuous, effective operation of internal effluent treatment systems (replacing membranes, preventative maintenance, repairs, etc.);
- Decreasing air emissions (installing or replacing VOC traps, vent condensers, smoothing filters, dust extractors, etc.);
- Improving understanding and monitoring of energy consumption (information tools, computers, energy diagnostics, installing detection/timer systems, etc.);
- Improving energy performances (renovating or replacing production equipment, refrigeration units, heating rooms, lighting, energy recovery, etc.);
- Decreasing noise pollution (installing silencers on air extractors, soundproofing, etc.);
- Ensuring industrial safety of sites (using specialised external companies, CCTV monitoring, fire detection systems, storage for certain agents next to sites, etc.).

Studies and monitoring services acquired from independent organisations have also been funded to ensure the sites comply with standards and regulations and to identify areas for improvement.

During 2017, the Group spent over 7 million euros on investment and management expenses to protect the environment.

Controlling Volatile Organic Compound (VOC) emissions resulting from the use of organic solvents is a priority in the Group’s environmental policy. MANE is focusing its efforts specifically on its manufacturing sites in France, where VOC emissions are the greatest due to the synthesis and extraction activities performed. To effectively reduce our VOC emissions, we are taking action at several levels.

**VOC EMISSIONS**

Our manufacturing sites in France have set out a solvent management plan to identify VOC emission sources and quantify the atmospheric output in order to find solutions for improvement adapted to the emission sources involved.

Incorporating one or more of the twelve principles of green chemistry when setting up a chemical process or synthesis makes it possible to reduce VOC emissions at their source. For example, supercritical CO₂ is an alternative to organic solvents. This is a clean technology which can be used for extractions without the need for organic solvents and without generating effluent.

**ON-SITE REDUCTIONS**

Where substituting VOC emissions is technically or economically impossible, we are capturing and treating the emissions to reduce the various pollutants contained within. Our processes include biofilters, gas scrubbers, condensers, cold traps.

**OUR RESULTS**

The two sites in Le Bar-sur-Loup are subject to local authority decrees fixing their annual emissions targets at 8% of the quantity of solvents used during the year for the Notre-Dame site, and 5% and 10% for new and old installations respectively at the La Sarrée site.

In 2017, we were significantly below these regulatory limits with an average of 5.8% at Notre-Dame and 4.9% at La Sarrée.
Industrial effluents generated by activity on our manufacturing sites may contain pollutants. For this reason, all our effluents are systematically treated or pre-treated before being released into local sewage systems or the environment, in accordance with current legislation. Each site is responsible for defining its own effluent management programme depending on its activity levels, materials produced and products used.

The Group has two objectives with regard to effluent management:

- Improving purification yields for our treatment plants;
- Reducing as much as possible the volume and pollutant load of released effluent.

In Bar-sur-Loup, the effluent from our production sites at Notre-Dame and La Sarrée are released into the environment following purification in our internal waste water treatment plant. This is the Group’s only site that releases its purified effluents into the environment. To this end, we have put in place a system to monitor and control the quality of the effluent before it is released. Chemical Oxygen Demand (COD) is the main indicator of effluent quality.

Measurements taken at MANE have already led to specific and positive changes to the workshops. One example is the use of smaller containers in order to minimise volatilisation during transfer operations, as well as reducing handling for the most dangerous substances at the end of the weighing and mixing stages.

This evaluation tool was discussed in the PLoS ONE journal.


Over the last few years, we have invested significantly to improve the purification yield of our wastewater treatment plant at Bar-sur-Loup. As a result, we have reduced the pollutant load of our effluent by 65% from 2009 to 2017. This result also reflects strict ongoing upstream checks on our releases, particularly around our encapsulation plants, with, for example, better separation and recovery of edible oils. In 2017, the pollution reduction rate was 98.6% for COD, 99.2% for Biochemical Oxygen Demand (BOD5) and 99.8% for Suspended Matter (SM).

Elsewhere, our sites in Indonesia (Cibitung) and India (Byadgi) have also built on-site wastewater treatment plants to treat their effluent before it is released into local sewage systems. The plant in Byadgi can even be used to treat effluent to a level of quality acceptable for the internal reuse of treated water, leading to water savings.
WASTE

The Group generates various types of waste while manufacturing its products: paste-like residue, organic waste, sludge from the internal treatment of effluent, used edible oils, packaging waste (paper, cardboard, metal, plastic), glass, solvents, etc.

The Group’s waste management policy aims to:

- Reduce the volume of hazardous waste generated;
- Recover an increasing proportion of generated waste;
- Ensure collaborators are aware of selective waste sorting.

SPECIFIC EXAMPLES:

Our Indian manufacturing sites (Angamaly and Byadgi) extract spices and condiments. The resulting plant waste is locally treated and thermally recovered before being used as fuel for on-site boilers.

With help from our suppliers in Indonesia, we have changed the packaging and delivery methods for some large volume products to reduce the quantity of metal waste (by asking for deliveries in 20-tonne ISO tank containers rather than 200 litre metal drums).

In France, vegetable waste from extraction activities and sludge from the wastewater treatment plant are sent to an external partner to be converted into compost. All our paper and cardboard waste is sorted and recycled as are our metal drums and non-soiled plastic packaging. As long as they are in good condition, our wood pallets are reused before being recycled.

In Mexico, improvements in waste sorting in recent years led to an increase in the proportion of waste recovered from 63% to 98% between 2009 and 2017.

In the United States, our manufacturing site in Lebanon, Ohio, has increased its waste recovery rate from 45% to 60% between 2016 and 2017 by directing part of its waste to a local incineration plant with energy recovery.

MANE has also set up a centralised Intranet site to make all used industrial and laboratory equipment that is still in good condition and not being used, available to the technical departments, R&D and production teams from across the Group. In this way, the equipment can be reused internally, wherever it is needed, giving the used equipment a second life.

Although it does not involve our primary industries, several measures have been implemented at the staff canteen in Bar-sur-Loup in order to reduce food waste: offering “standard” plates with average portions to limit the amount of food that is not eaten and wasted; using a computer tool to calculate the daily take-up rate; re-offering meals that have not been eaten the first time, subject to compliance with health and safety requirements (this amount is then deducted from the number of meals calculated for the next day); implementing partial self-service, allowing each employee to create their own meal by choosing what they want (for salads and fruit); systematic re-filtering of frying oil in the kitchens after each use, thus reducing consumption; sorting and putting to the fore foods with short use-by dates (cheese, for example) to encourage consumption of these products and reduce waste.

OUR RESULTS

ON-SITE REDUCTIONS

<table>
<thead>
<tr>
<th>WASTE</th>
<th>2009</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN TONNES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HAZARDOUS WASTE (HW)</td>
<td>2228</td>
<td>4097</td>
<td>3986</td>
<td>4059</td>
</tr>
<tr>
<td>NON-HAZARDOUS WASTE (NHW)</td>
<td>3477</td>
<td>8253</td>
<td>12565</td>
<td>14903</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5705</td>
<td>12350</td>
<td>16550</td>
<td>18961</td>
</tr>
<tr>
<td>IN KG PER TONNE OF PRODUCT (DD)</td>
<td>71</td>
<td>62</td>
<td>57</td>
<td>51</td>
</tr>
</tbody>
</table>

TREND 2009 - 2017: -28%
Hazardous Waste (in kg/t)

71 62 57 51

>> 2021 OBJECTIVE
Reduce by 33% the quantity of hazardous waste per tonne of product compared to 2009

2017 2021
-28% -33%

Reduce hazardous waste produced per tonne of product by 33% compared to 2009. We have already achieved a 28% reduction in 2017. We are therefore on track to achieve this target.

Proportion of waste recovered (hazardous and non-hazardous)

69% 71% 80% 83%

>> 2021 OBJECTIVE
Over 80% of waste (hazardous and non-hazardous) recovered*

2021 objective achieved and exceeded in 2017

The Group generated 18,961 tonnes of waste in 2017. Our target for 2021 is to recover over 80% of all our waste generated, both hazardous and non-hazardous. In 2017, we have already achieved 83%, an increase of 3% compared to 2016. We have therefore exceeded our 2021 target four years earlier than expected.

WASTE TREATMENT

<table>
<thead>
<tr>
<th>DISTRIBUTION BY TREATMENT METHOD (IN TONNES)</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECYCLED WASTE</td>
<td>10,968</td>
<td>8,519</td>
</tr>
<tr>
<td>INCINERATED WASTE WITH ENERGY RECOVERY</td>
<td>2,330</td>
<td>7,205</td>
</tr>
<tr>
<td>INCINERATED WASTE WITHOUT ENERGY RECOVERY</td>
<td>450</td>
<td>457</td>
</tr>
<tr>
<td>LANDFILLED WASTE</td>
<td>2,589</td>
<td>2,340</td>
</tr>
<tr>
<td>OTHER (DESTROYED, PHYSICOCHEMICAL TREATMENT, ETC.)</td>
<td>213</td>
<td>442</td>
</tr>
<tr>
<td>TOTAL</td>
<td>16,550</td>
<td>18,961</td>
</tr>
</tbody>
</table>

*recyclés et incinérés avec valorisation énergétique
MANE activities do not lead to any significant noise pollution. Nevertheless, certain activities can be the source of noise pollution, particularly for collaborators working close to our industrial machinery. This problem has therefore been taken into account in the context of stress at work. MANE works to identify the workstations and collaborators affected by noise exposure and implements appropriate preventative and protective measures, including personal protective equipment, installing silencers on air extractors, installing systems to absorb the noise of hammering to the ceilings of maintenance workshops, implementing noise protection around cooling towers, adding timers to air extractors so they do not run overnight when possible, improving the fittings for rain water gratings, etc.

We also measure noise levels on the edge of the property from time to time to control any noise pollution that neighbouring residents may experience. At each of its sites, the Group is committed to dealing promptly with any complaints that could be made by its immediate neighbours.

GROUND POLLUTION

Each of MANE’s sites have implemented systematic retention methods and adapted maintenance programmes to ensure its effluent collection networks remain sealed and to collect any accidental spills in areas where potentially hazardous products are stored or handled, in order to avoid any ground contamination.

Spillage simulation exercises are organised throughout the year to ensure collaborators are adequately trained in case a major accident should occur and to highlight developments and adaptations that need to be made to safety plans to reinforce their validity.

ODOUR POLLUTION

MANE manufactures aromatic products that can occasionally result in odour pollution for its neighbouring residents. Sometimes, when manufacturing flavours using garlic, blackcurrant or durian (a tropical South-East Asian fruit known for its peculiar smell), strong odours can be produced that, if conditions are not appropriate, can be detected by neighbouring residents. Some chemical synthesis activities can also produce noticeable odours for neighbouring residents. MANE has therefore implemented a range of measures to limit the olfactory impact of its activities. These include using bleach and/or caustic soda traps that can capture certain smells. As a last resort, certain by-products are treated in specialised centres.

The Quéven site in France mainly manufactures savoury flavours. Several years ago, in response to complaints from its neighbouring residents, it carried out an odour dispersion study to improve its evaluation of odour pollution. This targeted study helped us to focus our actions appropriately to reduce the odour impact of the site’s activities. For example, a new treatment system for the drying unit was installed. Additionally, the site improved its treatment of waste gases using a spray tower (air scrubber) by implementing an innovative process that destroys molecules before the air is released without the use of chemicals.

The problem of odour pollution can also be linked to our internal wastewater treatment plants. At Bar-sur-Loup, for example, we store treatment sludge for as short a time as possible as these can occasionally generate unpleasant odours. We have also installed an activated charcoal trap system to treat emissions from the belt press filter and the thickener.

In our new manufacturing site in Indonesia (Cibitung), odour emissions from the production unit are processed using a biofilter in which the filter material is made up of compost, peat and wood bark. This facility is the largest biofilter used by the Group and can treat all extracted air from weighing stations in the flavour and fragrance production unit to reduce odour pollution.

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SUSTAINABLE USE OF RESOURCES

WATER

WATER CONSUMPTION

Water is a vital component of MANE’s processes and is used in several production phases. We use it for natural raw material extraction processes (steam distillation and hydrodistillation), but it is also crucial to the operation and cleaning of production tools in order to comply with strict hygiene standards in the area of food safety in the manufacturing of flavours.

Water management is a key issue for MANE’s manufacturing sites with many efforts undertaken each year to reduce and optimise their water consumption. Our target for 2021 is to reduce water consumption per tonne of product by 15% compared to 2009. To achieve this, our activities have been focused on the following measures:

- Implementing specific measures and awareness-raising among staff to reduce water consumption (restraint, recycling, closed circuits, automatic Clean-in-Place (CIP) systems, etc.);
- Monitoring the consumption of equipment with remote meter reading to detect leaks and abnormalities in real time;
- Improving the effectiveness of effluent treatment, so that the treated water can be reused internally.

In 2017, 764,255 m³ of water was used across all of our sites to feed our manufacturing processes and meet hygiene and food safety standards. The Group’s sites in Bar-sur-Loup in France (31%), Lebanon in the United States (31%) and Angamaly in India (16%) are the main consumers of water. These sites mainly consume water to produce steam (boilers), in cooling circuits (cooling towers) and to clean manufacturing equipment in the flavour manufacturing workshops.

Across the Group’s manufacturing sites, we were able to reduce our water consumption by 9% (in m³/tonnes of product) from 2009 to 2017. We must therefore continue to provide targeted activities to achieve our target of 15% reduction for 2021. It should be noted that in Bar-sur-Loup, since 2009, the absolute value of our water consumption in our factories has increased by 4%, although production has increased by 64% over the same period. This is equal to a 36% reduction in water consumption per tonne of product by the end of 2017.

TREND 2009 - 2017:

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>m³</td>
<td>10,5</td>
<td>10,2</td>
<td>9,9</td>
<td>9,6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>m³/tonne</td>
<td>10,5</td>
<td>10,2</td>
<td>9,9</td>
<td>9,6</td>
</tr>
</tbody>
</table>

OUR RESULTS

Water consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>m³</td>
<td>729</td>
<td>675</td>
<td>694</td>
<td>764</td>
</tr>
<tr>
<td>m³/tonne</td>
<td>10,5</td>
<td>10,2</td>
<td>9,9</td>
<td>9,6</td>
</tr>
</tbody>
</table>

TREND 2009 - 2017:

-9 %

>> 2021 OBJECTIVE

Reduce by 15% water consumption per tonne of product compared to 2009

2017

- 9 %

2021

- 15 %
All our manufacturing sites get their water supply from local municipal networks. None of our sites take water directly from the natural environment. In order to take local water supply constraints into account, MANE undertakes and updates yearly water risk mapping to evaluate the level of water stress of its reservoirs. To do this we use the Aqueduct Water Risk Atlas tool from the World Resources Institute (WRI) which publishes a global water stress index (consumption vs. resource) for around one hundred river basins located in over 180 countries. The index ranges from 0 to 5 (with 5 being the highest level of risk).

None of the Group’s production units are located in areas of very high water stress (level 5). Five of our manufacturing sites, representing 10% of the Group’s total consumption, are located in high risk areas (level 4): the manufacturing sites in Indonesia (Cibitung and Cikarang), the DELI SPICES factory in South Africa (in Cape Town), one of the MANE sites in the United States (in Wayne) and the MANE site in Rio de Janeiro in Brazil. We do not believe that our local consumption (69,000 m³ in Cibitung/Cikarang, 4,588 m³ in Wayne, 3,347 m³ in Cape Town and 1,944 m³ in Rio de Janeiro) has a significant impact on the water resources available in these basins. However, if one of these areas were to suffer from regular droughts, the sites affected would have to implement priority water reduction and conservation actions.

**WATER SUPPLY SOURCES**

**CONSUMPTION OF RAW MATERIALS**

The raw materials consumed by the Group are generally naturally sourced (essential oils, flowers, fruits, rubber and resin, cocoa, vanilla, sugar, seafood, etc.) or chemical synthesis products, including solvents primarily used to synthesise active products.

**OUR RESULTS**

<table>
<thead>
<tr>
<th>Consumption of raw materials</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>IN TONNES</td>
<td>78,464</td>
<td>89,109</td>
<td>101,945</td>
</tr>
<tr>
<td>IN TONNES PER TONNE OF PRODUCT</td>
<td>103</td>
<td>102</td>
<td>99</td>
</tr>
</tbody>
</table>

**ENERGY**

**ENERGY CONSUMPTION**

MANE’s industrial activities use energy in different forms: natural gas (47% of total consumption), electricity (42%), energy produced internally from biomass (9%) and domestic heating oil (2%). Natural gas is mainly used for steam boilers that allow heating and creep of reactors and fractionating columns, and for the burners of atomization towers.

Due to their energy intensive extraction and encapsulation activities, MANE’s manufacturing sites in Bar-sur-Loup account for 39% of the Group’s total energy consumption in absolute terms, despite accounting for only 20% of total shipped tonnage. We have therefore naturally focused our energy management efforts on Bar-sur-Loup. To this end, we have implemented an ISO 50001 certified energy management system in both Bar-sur-Loup and Quéven. Our energy management process is based on the following measures:

- Develop a policy for more efficient energy use;
- Perform energy reviews to better understand energy use and consumption and to make relevant decisions;
- Monitor energy consumption closely and continuously.
Our site in India (Angamaly) is also ISO 50001 certified. It represents 8% of the Group’s total energy consumption.

Elsewhere, yearly investments are made on our manufacturing sites to acquire more energy efficient equipment (replacing refrigerated units with newer models, lighting, automating heating systems, installing thermostats, etc.), and to adapt our manufacturing equipment to decrease its consumption.

### OUR RESULTS

#### ENERGY CONSUMPTION

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IN GIGAJOULES (GJ)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Natural Gas</td>
<td>196,989</td>
<td>286,702</td>
<td>298,765</td>
<td>321,191</td>
</tr>
<tr>
<td>- Electricity</td>
<td>135,571</td>
<td>248,782</td>
<td>264,446</td>
<td>290,029</td>
</tr>
<tr>
<td>- Self-Generated Energy</td>
<td>0</td>
<td>62,506</td>
<td>62,687</td>
<td>58,579</td>
</tr>
<tr>
<td>- Domestic Heating Oil</td>
<td>10,708</td>
<td>6,794</td>
<td>17,677</td>
<td>13,209</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>343,068</td>
<td>604,784</td>
<td>643,574</td>
<td>685,007</td>
</tr>
</tbody>
</table>

#### IN GJ PER TONNE OF PRODUCT

<table>
<thead>
<tr>
<th></th>
<th>11,0</th>
<th>9,1</th>
<th>9,1</th>
<th>8,6</th>
</tr>
</thead>
</table>

### TREND 2009 - 2017:

-22 %

Energy consumption (in GJ/t)

-20 % -22 %

The reduction measures we have implemented over several years have helped improve the energy efficiency of our manufacturing sites. In 2017, the Group reduced its total energy consumption by 22% (in GJ/tonne of product) compared to 2009. We have therefore already exceeded our target of 20% by 2021.

### CO2 EMISSIONS

Conscious of the challenges linked to climate change and its responsibility as a manufacturing company, MANE is working to reduce its greenhouse gas emissions. The Group has formalised its position in the fight against climate change by supporting two initiatives. In 2007, MANE signed the Caring for Climate (C4C) declaration, a joint initiative from the United Nations Global Compact, UNEP and the Secretariat of the UNFCCC. In 2015, MANE took its commitment further by signing the Paris Pledge for Action, encouraging support for the Paris Agreement by bringing together a large number of participants in support of a collective declaration:

“We welcome the adoption of a new universal climate agreement at COP21 in Paris, which is a critical step on the path to solving climate change. We pledge our support to ensuring that the level of ambition set by the agreement is met or exceeded.”

As part of this commitment, we have set ourselves a target of reducing our CO2 emissions (scopes 1 and 2) by 15% per tonne of product between 2009 and 2021. Our main areas of action are improving energy efficiency, as discussed previously, and researching alternatives to fossil fuels for our manufacturing sites.

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OUR RESULTS

GREENHOUSE GAS EMISSIONS (SCOPES 1 AND 2)* 2009 2015 2016 2017

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tr>
<td>IN TONNES OF CO2 EQUIVALENT</td>
<td>20,682</td>
<td>40,227</td>
<td>47,936</td>
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<tr>
<td>IN TONNES OF CO2 EQUIVALENT PER TONNE OF PRODUCT</td>
<td>0,660</td>
<td>0,608</td>
<td>0,681</td>
<td>0,658</td>
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</tbody>
</table>

TREND 2009 - 2017 :

-0,4 %

* excluding industrial CO2 and non-fuel oil

The Group’s greenhouse gas emissions were around 52,300 tonnes of CO2 equivalent in 2017 for scopes 1 and 2. Half of these emissions are generated by our sites in Bar-sur-Loup (France) and Lebanon (United States). This is primarily due to the use of natural gas for steam boilers, gas burners for spray-drying towers and heating, as well as electricity consumption in the United States and India where electricity is generated from fossil fuels. We are therefore focusing our efforts on these sites to reduce our carbon footprint.

Although MANE Bar-sur-Loup managed to reduce its greenhouse gas emissions for scopes 1 and 2 (tCO2e/tonne of product) by 30% between 2009 and 2017, it is not enough for the Group to achieve its 2021 target of an overall reduction of 15% for greenhouse gas emissions per tonne of product.

Methodological note: The emission factors used to calculate the CO2 emissions attributable to energy consumption come from:

(1) For electricity: the ADEME Base Carbone Version 1.02 - November 15, 2013 for all countries (excluding USA) and from the Environmental Protection Agency (EPA) site for the United States
(2) For natural gas: the ADEME Base Carbone Version 1.02 - November 15, 2013 for France, the Environmental Protection Agency (EPA) site for the United States and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories for other countries.
(3) For heating oil: the ADEME Base Carbone Version 1.02 - November 15, 2013 for France and 2006 IPCC Guidelines for National Greenhouse Gas Inventories for other countries.
USING RENEWABLE ENERGY

To compensate for its difficulties in achieving significant reductions in greenhouse gas emissions, MANE is focusing on reducing global warming by reducing its consumption of fossil fuels in favour of renewable energy. MANE aims to increase the proportion of total energy consumption from renewable sources to more than 10% by 2021.

Our KANCOR sites in India recover the plant waste produced by their extraction processes thermally, allowing them to self-produce 82% of the energy used by the Angamaly site and 67% of the energy used by the Byadgi site.

In order to achieve its 2021 target, MANE has also signed several renewable electricity supply contracts (by buying Guarantees of Origin certificates) to provide 35% of the electricity consumption for its two sites at Bar-sur-Loup, 21% for MANE Quéven and Sablé-sur-Sarthe, 25% for MANE Inc. at Milford and Woolllawn and 16% for MANE USA at Wayne. This represents about 11,900 MWh of electricity from renewable sources.

MANE has also built new high environmental performance buildings that are being LEED® certified in Colombia and La Sarrée at Bar-sur-Loup. LEED certification (Leadership in Energy and Environmental Design) evaluates projects according to several key categories. Energy efficiency, water management, site layout, material choices and innovation or design are scrutinised in order to ensure the building’s construction or refurbishment has a neutral or positive impact on the environment.

In 2017, 15% of the Group’s total energy consumption was from renewable sources. This is a 5% improvement on our 2021 target.

ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

The Group has not identified any immediate or significant risks to its activities due to climate change. Nevertheless, we are aware of the risks linked to the impact of climate change on our ability to source natural raw materials. In the first instance, climate change may have an agricultural impact on these raw materials. Changes in yield due to climate irregularities will also impact the prices at which we can buy these materials.

Additionally, extreme climate events such as cyclones, floods or storms also present a risk for our supply streams. For all these reasons, MANE is working to implement recovery plans for sourcing its most vulnerable and strategic raw materials.

CONSERVATION OF BIODIVERSITY

MANE IS A SIGNATORY TO THE “BUSINESS AND BIODIVERSITY PLEDGE”

During the Business and Biodiversity Forum held by the United Nation’s Convention on Biological Diversity (COP13-CBD) held in December 2016 in Cancun (Mexico), MANE signed the Business and Biodiversity Pledge. This pledge provides an opportunity for business leaders to highlight the importance of biodiversity and ecosystem services for their respective companies and to affirm their commitment to taking positive measures to support it. Signing the pledge indicates a commitment to providing solutions for the conservation of biodiversity, its sustainable use and the fair and equitable sharing of benefits arising from the use of resources.
At MANE, we believe growth is only sustainable if it is shared. Contributing to the local development of the areas in which the Group operates is a responsibility MANE takes very seriously.
SOCIETAL COMMITMENTS SUPPORTING SUSTAINABLE DEVELOPMENT

REGIONAL, ECONOMIC AND SOCIAL IMPACT OF OUR ACTIVITIES

MANE not only contributes to the sustainable socio-economic development of the regions in which it operates through direct and indirect job creation and skills development (recruitment and training of local collaborators, knowledge transfers, purchasing local goods and services, revitalising local manufacturing networks) but also through the social investment decisions it makes (e.g. developing infrastructure, improving access to healthcare, drinking water and appropriate sanitary facilities).

We aim to: ensure that our activities and our social commitment create value for the communities with whom we are involved.

PARTNERSHIP OR SPONSORSHIP ACTIVITIES

In addition to the social responsibility linked directly to its manufacturing activities, MANE’s involvement in local regional development includes support for general interest initiatives. Here are some examples:

INDONESIA

For over 10 years, MANE Indonesia has supported the NGO Yayasan Emmanuel’s Outreach programme, which provides sponsorship and study grants launched by the organisation. To date, 250 children have been sponsored by MANE. Not only do we pay their school fees, we also provide social support to help the children succeed and make the most of their studies. We have, for example, organised factory visits for some of the children to introduce our professional world and broaden their horizons to include new employment possibilities. We have also helped some of the children go on to complete university degrees. Some will be offered jobs with us.

In September 2017, several MANE Indonesia collaborators participated in the Run to Give event, an annual 5K charity run in Jakarta. Our collaborators ran on behalf of Yayasan Emmanuel’s Food Rescue programme.

Also in 2017, and for the fourth year in a row, MANE Indonesia continued to organise our free medical consultation days for neighbouring residents (health checks and treatment). Each year, over 500 people from 6 villages benefit from this medical programme in a country where access to healthcare is difficult for poorer members of society.
THAILAND

MANE Thailand’s manufacturing site is located in the Ladkrabang industrial area, near Bangkok. In 2017, MANE worked in partnership with the District Environment and Sanitation Department to improve the environment surrounding the site. A neglected, unhealthy and swampy area was converted into a pleasant garden to improve access paths, providing a safe and comfortable space for pedestrians.

In 2017, MANE Thailand organised an internal auction of office furniture that was still in good condition but no longer used. The funds raised were used to fund external lighting (high bay LED system) for the courtyard of a primary school near the factory. Thanks to the lighting system, the courtyard can now be used in the evenings by neighbouring residents for a variety of events.

BRAZIL

Since 2016, MANE Do Brasil and the Brazilian NGO Onda Verde have participated in a forestry project aimed at restoring areas degraded by agricultural activities by planting trees indigenous to Nova Iguacu on the banks of the Ana Felicia river. As part of this partnership, MANE will financially support the planting of seedlings along with their maintenance for at least 3 years.

CHINA

Since 2013, MANE Shanghai has supported The Children of Madaifu association. This association looks after children from poor families in the impoverished Chinese provinces of Gansu and Shaanxi whose parents have disappeared or passed away. As part of a 5-year commitment, MANE provides The Children of Madaifu with the financial support needed to fund living expenses and tuition for 15 students until they enter the job market. MANE also offers internships to those students who are interested. Every year, MANE Shanghai also runs the Love Apples operation, in partnership with The Children of Madaifu. MANE buys apples from the association and the profits from this sale are used to fund the association’s activities, especially the Orphanage without walks programme allowing children to go to school and continue their studies while staying with close family.

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COLOMBIA

Each year, MANE Colombia donates money received from the sale of recycled waste and packaging to several foundations that support education and food for disadvantaged children.

FRANCE

MANE makes yearly donations to several organisations, such as:
QSolidarSport, which promotes respect in all its forms through sport and cultural activities with schools;
QLa Fondation Matrice, which supports research into Cerebral Palsy;
QCEW, whose beauty centres provide free beauty treatments to hospital patients;
QLes Amis Des Enfants (ADE), who support children in Sudan;
Qthe congregation of the Petites Soeurs des Pauvres;
QGrasse hospital, to support aromatherapy workshops for chemotherapy patients.
**INDIA**

Our KANCOR joint venture has implemented a CSR policy focusing on social engagement and investment in the communities where the company does business. This policy is focused on the three following measures:

1. Supporting sustainable procurement through programmes that aim to support farmers and suppliers in improving farming practices and post-harvest processing in order to minimise the carbon footprint of their supply chain (training, awareness, supply of clean packaging);

2. Supporting access to key health services and clean water as well as appropriate sanitary facilities to improve hygiene conditions and comfort for local populations (e.g. in schools and neighbouring villages);

3. Supporting education through funding to meet the needs of schoolchildren (books, shoes, school kits, uniforms) in the areas in which KANCOR is located.

In 2017, KANCOR was involved in installing sanitary facilities in a school in Byadgi and in a market in Bareilly. KANCOR also provided funding for the planting of 1000 saplings in villages near Byadgi. In Angamaly, KANCOR has participated in several initiatives in partnership with local authorities to fill gaps in public health provision. Examples include installing a refrigerated mortuary with an emergency generator at the local public hospital and donating a kidney dialysis machine to the Angamaly Little Flower hospital.

**SOUTH AFRICA**

For the past 5 years, MANE South Africa has supported the Children's Hospital Trust, which raises funds for the War Memorial Children's Hospital, the largest children's hospital in sub-Saharan Africa. A child requiring intensive care is a harrowing experience for the whole family. It is therefore important for hospitals to create a comfortable and welcoming space for families, and just as important to create an environment that complies with the highest standards so that the intensive care service can provide advanced treatments for children whose symptoms require careful monitoring. Since its creations, the Trust has helped the hospital modernise its buildings, buy vital equipment and fund essential research and training programmes. After several years in planning and construction, the first of three intensive care units opened its doors in August 2016, while a second unit providing facilities for patients, families and staff was opened in November 2017 and a third unit providing neonatal intensive care will open in February 2018.

In December 2017, MANE South Africa collaborators gifted toy animals to children hospitalised over the Christmas period.
RESPONSIBLE PURCHASING

INTEGRATING CSR INTO PURCHASING

Our activities are mainly linked to the purchasing of raw materials and packaging. The quality of MANE’s relationships with its suppliers helps to sustain its supply chains in the long term. In this way, MANE is committed to building lasting relationships with suppliers all around the world based on balancing individual interests, trust, and reciprocal CSR commitments.

The Group believes it has a responsibility to influence the actions of its suppliers in terms of both environmental and socio-economic impact. This ambition aims to incorporate CSR as a key selection criterion for our suppliers, alongside aspects such as quality, cost and deadlines.

For this reason, our responsible purchasing policy is an integral part of our CSR strategy. We expect our suppliers to adhere to the Group’s ethical and CSR principles. To achieve this aim, we ensure suppliers are linked to a CSR policy and provide support to evaluate their practices and carry out on-site audits (for suppliers identified as being at risk).

MANE’s responsible purchasing policy involves:

- a **Code of Ethics** for Group buyers that commits buyers to behaving in an ethical manner to build fair relationships with our suppliers, not engage in discriminatory practices and ensure the transparency of any transactions;

- a **Purchasing and Sustainable Development Charter** for MANE suppliers, to present our sustainable development policy and encourage them to respect our six basic principles of human rights, labour standards, environment, responsible purchasing and anti-corruption;

- a **supplier risk analysis method**. We have developed an in-house risk mapping process, resulting in a regularly updated document designed to identify potential CSR risks by product category and country;

- **training for MANE’s internal auditors and buyers** to perform on-site CSR audits for suppliers;

- a **CSR evaluation process for suppliers** (self-evaluation questionnaire sent to suppliers, on-site audits, evaluation of a number of suppliers outsourced to ECOVADIS, using the SEDEX platform to access SMETA audits performed by our suppliers).

**>> 2021 OBJECTIVE**

Over 90% of MANE Bar-sur-Loup purchasing volume coming from suppliers committed to a CSR policy

![Proportion of MANE purchasing volume from suppliers committed to a CSR policy](image1)

**2021 objective achieved and exceeded in 2017**

Over 50% of significant suppliers will have been evaluated on their CSR (audit performed on-site by MANE, EcoVadis evaluation or SMETA audit)

![Proportion of significant suppliers who have been evaluated on their CSR](image2)

**2017**

![2021](image3)

2021 objective achieved and exceeded in 2017

As part of our supplier CSR monitoring process, a supplier is considered to be “significant” if they meet at least one of the following criteria: (i) one of the suppliers providing 80% of our total purchases; (ii) one of the suppliers providing 80% of the total quantity purchased; (iii) a supplier displaying at least one of the potential CSR risks identified in our cartography of potential CSR risk; (iv) one of the Group’s global suppliers. At the end of 2017, over 280 suppliers had been identified as “significant” and were subject to CSR monitoring. Together they represent over 96% of the total purchases made at MANE Bar-sur-Loup.
At the end of 2017, 93% of the purchases made at MANE Bar-sur-Loup were from suppliers committed to a CSR policy (either by signing MANE’s Purchasing and Sustainable Development Charter, or by communicating a CSR report verified by an independent third party).

70% of our significant suppliers have, with our support, performed a self-evaluation of their CSR practices.

Since 2013, 80 suppliers have undergone CSR assessment (on-site audits by MANE, ECOVADIS evaluation or on-site audit by an independent third party using the SMETA standard), representing 27% of all significant suppliers. Our target is to achieve a CSR evaluation for 50% of all significant suppliers by 2021, with priority given in our audit schedule to suppliers identified as potentially most at risk (e.g. with a low self-evaluation score and presenting a potential CSR risk linked to their product or country of origin).

SUSTAINABLE SOURCING PROJECTS
CLOSE RELATIONSHIPS WITH LOCAL PRODUCERS OF PERFUME PLANTS

MANE’s headquarters are located at Bar-sur-Loup, near the birthplace of the perfume industry, Grasse. Flower production in the Grasse region is part of our history and heritage. These are the flowers, expertly showcased by perfumers, that have written our history, sculpted our landscape and contributed to the economic success of Grasse and the perfume industry. However, this specific French feature has tended to vanish, overtaken by urbanisation, relocation of plantations and competition from cheaper synthetic materials. For this reason, MANE decided to become involved in preserving and restoring its plantations in the Grasse region. For several years now, as part of its responsible purchasing policy, MANE has been committed to building special relationships with small growers of perfume plants from Grasse and Provence (narcissus, jasmine, Centifolia rose, mimosa, lavandin, cypress, etc.).

VIRTUOUS VANILLA SUPPLY (MADAGASCAR)

Vanilla beans processed by MANE come from Madagascar. Our supply chain, in place for over forty years, was reinforced twenty years ago with the creation of a local structure to help producers improve their farming practices and export the vanilla beans. Our partner, FLORIBIS, represents MANE’s interests locally with farmers, cooperatives and gatherers. For example, FLORIBIS’s extension agents teach farmers how to improve cultivation and preparation. These efforts significantly improve the quality of the vanilla beans. Farmers are encouraged by the results. MANE also deals directly with cooperatives to guarantee a minimum purchase price and with NGOs aiming to protect biodiversity.

With FLORIBIS, MANE has developed strong ties with local communities and endeavours to constantly create shared value with all stakeholders involved in the vanilla supply chain. Following initiatives in place since 2009 to support the FITAMA cooperative to produce Fair Trade certified vanilla, MANE renewed its commitment by signing a tripartite agreement with FANAMBY NGO and FLORIBIS in May 2014. The aim was to implement an entirely traceable vanilla supply from pollination to the flavour stage in order to:

- Ensure a stable supply of vanilla beans;
- Guarantee complete traceability along the supply chain;
- Ensure quality control of vanilla beans from farming communities in Vohemar, one of the four main villages in the vanilla-producing region of Sava (Sambava, Andapa, Vohemar, Antalaha) in north-western Madagascar;
- Guarantee sustainable and responsible purchasing that complies with ethical and social standards.

A critical issue for local communities is ensuring food storage and supply for periods where there are no crops to meet basic needs. For this reason, MANE provided funding to build a rice granary and to purchase initial stocks of rice. The first stone was laid in July 2014, and the granary was completed in February 2015.

From a social point of view, the vanilla purchased by MANE impacts 500 workers and 280 farmers, representing a total of around 1900 people, including their families. MANE and FLORIBIS have implemented a payment system for farmers so that they can earn extra income for higher quality vanilla beans. We provide training and guidelines for harvesting the beans that have reached full maturity (good pollination, growing and care practices).

From an environmental perspective, deforestation is a significant cause of biodiversity loss in Madagascar. Plantation areas are often expanded so they encroach on forests. The NGO FANAMBY and FLORIBIS are working on mapping domains to limit forest destruction and have implemented a 5-year reforestation programme in a protected area. FANAMBY is also managing the creation of a national park in Daraina, where farmers who supply vanilla beans to MANE and FLORIBIS are located. This region in Madagascar is unique and precious in terms of biodiversity and the national park will soon be listed as a UNESCO world heritage site.
SUSTAINABLE VETIVER PRODUCTION
(MADAGASCAR)

Vetiver is a remarkable and very undemanding plant currently grown for its roots, which can grow to a depth of 3-4 metres. It is very tolerant of drought and has been used in the past for the construction of roofs, to make brushes, to protect furniture and linen and to protect soil against erosion. Also, vetiver has always been used for perfume, extracted from its roots.

Since the 1980s, the authentic Bourbon type of vetiver had disappeared from the market as a result of more competitive prices from new sources. Devastating hurricanes in Haiti have also led to a bad harvest of this source, causing prices to rocket.

Seven years ago, in collaboration with the communities involved in MANE’s vanilla supply chain in Madagascar, MANE reintroduced the cultivation of Bourbon vetiver in Madagascar. Production of precious roots has now intensified and the quality of the essential oil is stable. This project has two effects on local communities: it generates a second source of income (after vanilla) and, because the crop is grown on a plot at Vohemar airport, it contributes to the maintenance of the regional airport.

Vetiver is grown on poor soil with no additives or additional watering. The crops are planted section by section to allow farmers to harvest all year round. The roots reach maturity after one year, a time period which is very important for ensuring the olfactory quality of the Bourbon vetiver. On our plantation, farmers are trained by FLORIBIS to follow good harvesting practices to ensure constant quality.
Also known as Timut pepper, Timur berries are used as a spice in Chinese, Tibetan, Nepalese and Indian cooking and in traditional Chinese medicine due to their active properties. They develop an unusual aroma, with clear citrus (lemon, grapefruit), vegetal and woody notes, and provide interesting olfactory properties to perfumes.

The berries grow on small thorny trees of the Zanthoxylum armatum species which, in the wild, is native to the mountains of Surkhet in the middle mountains region (known as the hill region) of Nepal, between 1000 and 2000m in altitude. The berries are generally picked by disadvantaged, low-caste, rural communities that depend on farming to survive. Women do the bulk of the production and harvesting while the men go to look for work in India. For this reason, the berries are often their only source of income. Given their place in the value chain, the women are vulnerable to price fluctuations and are therefore unable to guarantee a stable income for themselves.

As part of the HVAP (High Value Agriculture Project) programme created by the Nepalese government, and under the supervision of two local NGOs, MANE is actively participating in the development of a sustainable supply chain for Timur berries with the Kuvindedaha community in the Salyan district. MANE has signed a trade agreement which aims to increase income and stabilise demand for farmers while ensuring quality and traceability for clients.

75 households (around 300 people) will benefit from the economic effects of this supply chain. The sale of Timur berries is an incredible opportunity to empower local women. By increasing their income, the women will now be able to fix their homes, educate their children and send them to good schools. In some cases, it can also help to limit the rural exodus of men from the community who generally travel for several years at a time to the big cities in India or Qatar to find work.

MANE is also investing in the community to encourage social development, specifically by building rain water reservoirs and rolling out an educational programme for the women.

In 2014, a nursery was set up to supply Timur plants to farmers and support the creation of plantations, as a complement to picking wild berries. It will take 5 years for these plants to produce fruit for harvesting.
CONSUMER HEALTH AND SAFETY

FOOD SAFETY FOR FLAVOURS

Consumers today are particularly concerned with food safety, due to increasing concerns caused by various recent health crises. Ensuring the quality and safety of our food flavours is therefore crucial for our food processing clients. The aim is to protect consumer health and safety. Our approach covers the whole logistics chain, starting with suppliers. We incorporate very strict controls in our purchasing and audit processes, enabling us to select safe and high-quality raw materials. Product/process audits are carried out at the supplier’s premises to ensure they are able to meet the MANE Group’s quality and safety requirements and to identify possible areas of weakness.

All our production sites (in France and abroad) have put in place quality and food safety management systems, which set out the procedures and methods to be followed at each stage of production (receipt, quality control during production, final check) to ensure the manufacturing and quality control of our products meets strict standards. Long before the finished products leave our sites, we test them to make sure they can be used safely. The tests carried out on finished products generally include physicochemical, microbiological and organoleptic tests. This ensures that the finished products we supply to our customers are safe and of uniform quality, meeting consumer safety requirements. The majority of the Group’s food flavour manufacturing sites are certified ISO 9001, IFS & BRC, FSCC 22000 or ISO 22000, depending on location.

EVALUATING PRODUCT SAFETY (TOXICOLOGY)

As early as possible, during the development stage for new products, we assess the potential toxicological risks posed by the products we manufacture. The development process for any new research project is subject to a meticulous safety evaluation process. Production cannot begin prior to approval by a scientific committee made up of members with various backgrounds. In addition, the raw materials used to manufacture products must meet strict specifications drawn up by the Group’s product safety and regulatory affairs department.

We are also involved in research projects run by ImmunoSearch, a company developing high quality in vitro toxicology tests to evaluate the potential for irritation, sensitisation or genotoxicity in perfume and cosmetic ingredients, thus avoiding animal testing.

SUSTAINABLE CONSUMPTION

We believe our role in sustainable consumption relates to the products and services we offer, their life cycle and the nature of the information we provide to our customers.

From this perspective, although the first step for MANE is to develop products that provide greater environmental benefits, it is also necessary to give customers all the social and environmental information about our products to enable them to make informed purchases. With GREEN MOTION™, our tool to assess the environmental impact of the ingredients manufactured, MANE gives its customers the possibility to find out about the environmental profile of products and makes them aware of the choice of more ‘green’ formulae.

In terms of nutrition, consumers want healthier and nutritionally beneficial products. Our customers in the food industry are looking to reduce the sugar and salt content of their products. The challenge is to do this without drastically altering the taste consumers are used to. To this end, MANE has developed a range of products, Sense Capture, to help its customers adapt to these behavioural changes and new consumer expectations. To ensure the result meets the taste expectations of consumers in terms of organoleptic quality, MANE offers natural food flavours to decrease quantities of sugar (Sense Capture Stevia) and salt (Sense Capture Salt) without changing the taste of the “lighter” products. A further solution offered to our customers is the inclusion of vegetable proteins in meat products with Sense Capture Protein.
MONITORING CUSTOMER SATISFACTION

Customer satisfaction highlights the level of care taken by MANE to meet the needs and preferences of our customers and is therefore vital for the company’s continued success. In the context of sustainable development, customer satisfaction has an impact on the way in which MANE manages its customer relationships.

Every year, as part of the Quality Management System implemented across the various MANE sites, a customer satisfaction survey is sent to a representative panel of customers. The aim of the survey is to define customer satisfaction in the following areas:

- Promotional offers;
- Order processing and follow-up;
- Meeting delivery specifications and related commitments;
- Quality and CSR monitoring;
- Key expertise and solutions (R&D, Marketing).

Completed customer satisfaction surveys are sent back to the Sales Department and analysed by the Quality Department, who will contact the customer in case of poor results.

The Quality Department will then produce a statistical review of the customer satisfaction surveys, which will be presented on a yearly basis to the Quality Management team for review. Our aim is to achieve a response rate of more than 33% and a satisfaction score exceeding 15/20.

In France, for example, 207 questionnaires were sent out in 2017, with 95 customers returning the completed surveys, or 46% of the surveys sent out. The average score achieved for all customers who completed the survey was 17.6/20.
10. CORRESPONDENCE TABLE WITH CSR REPORTING GUIDELINES
GENERAL STANDARD DISCLOSURES

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- Respect or human rights and working standards

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<td>Relevant pages and chapters in the CSR Report</td>
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<td><strong>Organisation of working time</strong></td>
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<td>Health and safety conditions in the workplace</td>
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<tr>
<td>Organization of social dialogues, specifically information gathering, employee consultation and negotiation procedures</td>
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<td>Summary of collective agreements</td>
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<td>Percent of all employees included in a collective agreement</td>
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<td><strong>Training</strong></td>
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<td>Training policies implemented</td>
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<tr>
<td>Measures taken to support equal treatment for men and women</td>
</tr>
</tbody>
</table>
## General Environmental Policy

- Organisation of the company to take into account environmental issues and, where necessary, environmental evaluation and certification procedures.
- Employee training and information activities relating to environmental protection.
- Methods used to prevent environmental hazards and pollution.

<table>
<thead>
<tr>
<th>GRI G4</th>
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<tr>
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## Pollution

- VOC emissions
- Effluent
- Odour pollution
- Noise pollution
- Ground pollution

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<tr>
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<td>EN31</td>
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## Circular economy

- Waste management and prevention
- Sustainable use of resources
- Water consumption and supply sources in accordance with local constraints
- Consumption of raw materials and measures taken to improve usage efficiency
- Energy consumption and measures taken to improve energy efficiency

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## Climate change

- Greenhouse gas emissions
- Medium to long-term reduction targets set voluntarily to reduce greenhouse gas emissions and the methods used to achieve this
- Use of renewable energies
- Measures taken to adapt to the consequences of climate change

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## Biodiversity

- Measures taken to preserve or restore biodiversity

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## Societal Information

### Societal commitments supporting sustainable development

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### Consumer Health and Safety

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### Customer Satisfaction

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<td>9. Societal information</td>
<td>G4 PR5</td>
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11. EXTERNAL VERIFICATION
REPORT BY THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

For the year ended 31 December 2017

To the Shareholders,

In our capacity as independent third party of V.MANE FILS S.A. (hereinafter, named the Company), certified by COTECIC under number 313194 and member of KPMG International network as one of your Statutory Auditors, we hereby report to you on the consolidated human resources, environmental and social information for the year ended 31 December 2017 included in the management report (hereinafter named “CSR Information”), pursuant to article L.225-101 of the French Commercial Code (Code de commerce).

Company’s responsibility

The Management Board is responsible for preparing a company’s management report, including the CSR Information required by article L.225-101 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the “Guidelines”), summarized in the management report and available on request from the Company’s head office.

Independence and quality control

Our independence is defined by regulatory tests, the French Code of ethics (Code de déontologie) of our profession and the requirements of article L.822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article L.220-2 of the French Commercial Code (attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

However, it is not our responsibility to express an opinion on the compliance with the other relevant legal provisions applicable if necessary in particular those envisaged by article L.220-10 of the French Commercial Code (Duty of care) and by the law n° 2016-1691 of December 9, 2016 known as Sapin II (fight against corruption).

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of our interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company’s sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or progressions arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-9, paragraph 3 of the French Commercial Code. We verified that the CSR Information covers the scope of consolidation, i.e. the Company, its subsidiaries as defined by article L.225-31 and the controlled entities as defined by article L.225-5 of the French Commercial Code within the limits set out in the Methodological Note, presented in the “Scope of consolidation” section of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report

2. Conclusion on the fairness of CSR Information

We specify that, as this is the first year for which the company is subject to the verification of the fairness of its CSR information, the CSR information concerning the year ended 31 December 2016, presented in comparison, has not been subject to such verification.

Nature and scope of our work

We conducted our audit of the CSR Information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and take into account industry best practices when appropriate;
- verify the implementation of data-collection, compilation, processing and control processes to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental and social challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important:

- at parent entity level, we referred to documentary sources and conducted interviews to considerate the qualitative information (organisation, policies, actions) performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified if the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us, on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of detail, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 7% of headcount considered as material data of social issues and between 30% and 70% of environmental data considered as material data of environmental issues.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of expectations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion. A higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques, other limitations, obtained in information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention of that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Philippe Arnaud
Partner Sustainability Services

Philippe Levert
Partner

KPMG S.A.

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92066 Paris la Défense Cedex

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