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## SUPPLY CHAINS: THE L'OCCITANE COMMITMENT

#### PRIORITIES: LOCAL, TRACEABILITY, SUSTAINABILITY AND EQUITY

**L'OCCITANE** takes a committed approach to the supply of its ingredients and forges long-term partnerships with high added value, built on trust and respect.

Priority is given to **short**, **integrated supply chains**, in order to have control over the traceability and quality of the raw materials right up to their delivery.

Since 2008, a dedicated team has guaranteed the quality of the Group's supplies. It takes steps to develop sustainable supply chains, working directly with producers.

OVER **70** traceable supply chains

OVER **130** farmers and

**15,000** pickers working in partnership with L'OCCITANE in France

NEARLY **40** contracts

The story of the L'OCCITANE Group is intimately linked to plants, but also to the men and women who grow them.

Third Bassan.
Founder of L'OCCITANE



## 20 | 2-20 | 3

### Five-year production contracts: unprecedented in this industry

L'OCCITANE has strengthened its partnership with the local lavender industry by guaranteeing a minimum purchase volume and purchase price for a five-year period.

#### Two awareness-raising events

to make people more aware of the challenges facing the lavender industry:

- Support for an exhibition dedicated to lavender at the Rencontres d'Arles photography festival in 2013
- Participation in the "Culture lavande" (lavender cultivation) event, within the framework of the Marseille-Provence 2013 cultural events.

#### The creation of an endowment fund to preserve and protect lavender

L'OCCITANE has contributed €50,000 to this fund, aimed at finding ecological solutions to sustainability issues with regard to lavender cultivation.

### Participation in five olfactory commissions

to evaluate the quality of batches of essential oil entitled to carry the PDO label.

#### Over 250 hectares

of lavender cultivated specially for L'OCCITANE.



# BLUE GOLD: a symbol of PROVENCE

Lavender arrived in Provence some 2,000 years ago with the Romans, who used it for its scent, as well as its relaxing and purifying properties.

Perfectly adapted to the arid conditions of the region, it thrived in the wild, on the hills and plateaux. Soon it became a defining element of the landscape, pharmacopoeia and economy of Provence.

Lavender was originally picked by hand up in the hills. It wasn't until the beginning of the 20<sup>th</sup> century that small farmers began to cultivate it.

Today, lavender is an aromatic tribute to Provence. Also known as "blue gold", it is the fragrant soul of the region, the fruit of respectful labour. Every summer, visitors from all over the world come to discover this natural heritage.



## AN INDUSTRY OF SIGNIFICANT ECONOMIC IMPORTANCE

IN ACCORDANCE WITH TRADITION, PEOPLE OF PROVENCE WOULD GO BACK AND FORTH ALONG THE SUNDRENCHED MOUNTAIN SLOPES IN JULY, USING A SICKLE TO GATHER THE WILD LAVENDER. DURING THE HARVESTING PERIOD, THEY WOULD LIVE OUTSIDE FOR SEVERAL DAYS. IN THE EVENINGS, THEY WOULD GET TOGETHER TO SHARE THE SECRETS OF THIS SUMMER FLOWER.

This traditional activity gave rise to an emblematic industry, which makes good use of the agricultural lands and the dry and stony mountain areas. Lavender and lavandin are now essential elements of the local economy. Products made with these plants are exported all over the world, and many secondary activities have also been developed (lavender honey, cosmetics and perfumery, tourism, etc.).



### KEY FIGURES FOR THE PROVENCE SUPPLY CHAIN

The region that produces the most lavandin essential oil in the world.

3,500 HECTARES of lavender and 16,000 hectares of lavandin

26,000 jobs

Turnover of **50** MILLION EUROS

# the magic of DISTILLATION

BETWEEN THE MONTHS OF JUNE AND AUGUST, THE FIELDS OF LAVENDER FLOURISH UNDER THE CLEAR BLUE SKIES OF THE COLOURFUL, AROMATIC GARRIGUE. THE LANDSCAPE BECOMES A MOSAIC OF BLUE, MAUVE, VIOLET AND LILAC THAT RIPPLES WITH THE WIND.

Once the lavender has been harvested in mid-July, distillation is used to extract the precious essential oil from the plant — an oil that contains the very quintessence of its scent and properties.

Perfumery, aromatherapy, beauty care... Lavender essential oil is used in many luxury and well-being sectors.

L'OCCITANE offers this Provençal treasure through the products in its relaxing lavender range.



# LAVENDER AND L'OCCITANE: over 30 years of HISTORY

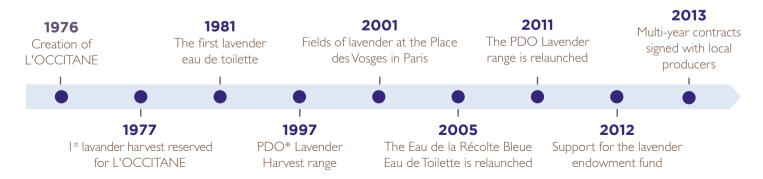
Ever since its earliest days, L'OCCITANE has had strong ties with this icon of the Provençal flora. Together, they have captured and spread a vision of the Mediterranean art of living throughout the world.

The story began in 1976, when Olivier Baussan acquired an old distillation still and carried on an ancient tradition by distilling some of the essential oils of Provence: rosemary, thyme and lavender:

Since then, the Lavender range has continued to grow, as has our involvement in the local lavender industry.



1st lavander harvest reserved for L'OCCITANE



\* Protected Designation of Origin

## AN EXCEPTIONAL QUALITY that carries the PDO label

SINCE 1981, THE EXPERTISE OF THE PRODUCERS OF HAUTE-PROVENCE LAVENDER HAS BEEN PROTECTED BY THE PDO (PROTECTED DESIGNATION OF ORIGIN) LABEL – THE EUROPEAN EQUIVALENT OF THE AOC (APPELLATION D'ORIGINE CONTRÔLÉE) LABEL.



The PDO label is governed by strict specifications

#### A specific terroir (climate, soil...)

- An altitude of between 800 and 1,500 m
- 284 municipalities in the Alpes de Haute-Provence, southern Drôme, Vaucluse and Hautes-Alpes regions

#### **Genetic diversity**

- No cloning: the seedlings are grown from open-pollinated seeds
- Every lavender plant is unique. This guarantees an essential oil that is both richer and better balanced

#### A specific variety: fine (or true) lavender

Lavandula angustifolia, yields the purest lavender essential oil, which is much sought after for the subtlety of its scent.

#### A guarantee of quality

To vouch for the authenticity and purity of this essential oil, each batch undergoes:

- olfactory testing
- physico-chemical characterisation

## L'OCCITANE SELECTS THE VERY BEST: PDO fine LAVENDER

#### A CHOICE MOTIVATED BY:

- the guarantee of traceability and quality
- an economic support for the local lavender industry
- the desire to underline the exceptional work of local producers and distillers

L'OCCITANE = OVER...

4

tons of PDO fine lavender essential oil every year, i.e. approx. 40% of local production

20

partner lavender growers

250

hectares of production

#### **DID YOU KNOW?**

Lavandin is a hybrid of two species of lavender that grow in the wild: fine (or true) lavender and spike lavender. The plant is more productive and its scent less subtle; lavandin tends to be used for mass-produced industrial goods, such as washing powder, household products, etc.

KG
of PDO lavender
essential oil

approx.

= 150 KG
of lavender

KG of lavandin essential oil

approx.

= 50 KG
of lavandin



# A COLLECTION OF PRODUCTS with relaxing PROPERTIES

Fine lavender essential oil lies at the heart of these products and gives them their beneficial properties. This essential oil:

- has a unique, very balanced, floral scent: to meet the PDO specifications, there can only be a limited amount of camphor and cineol, as these "devalue" the lavender aroma.
- is particularly rich in linalyl acetate, with calming and soothing properties\*.

In 2011, to celebrate the 30<sup>th</sup> anniversary of its Lavender range, L'OCCITANE created a new, modern and authentic design, drawing inspiration from Provence's heritage.

The design is based on a new interpretation of the "estagnon" bottle – a metal bottle used in the past to preserve fragrant essences.



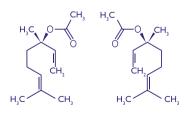


500 ML FOAMING BATH

the star product

in the range

The Hand Cream and Eau de Cologne are among the best-sellers



A linalyl acetate



## SUSTAINABLE Iocal PARTNERSHIPS

L'OCCITANE sources its lavender directly from the producers and distillers in this industry. Over the years, we have built up very strong partnerships with them.

In 2013, we formalized our commitment over the long term by signing unique contracts with the Sault and Simiane la Rotonde cooperatives and the Bleu Provence distillery.

#### FIVE-YEAR CONTRACTS, WHICH GUARANTEE

- A minimum purchase volume
- A price agreed by all parties and renegotiated every year



#### POSITIVE IMPACTS FOR THE SUPPLY CHAIN:

- A guaranteed sales outlet and income for the 23 producers
- A stabilized price
- A transparent, sustainable and equitable relationship

Through this commitment, L'OCCITANE directly supports the fine lavender supply chain in Haute-Provence.



Contracts signed with supply chain partners on February 1st, 2013.

## L'OCCITANE AND ITS COMMITMENT to RESEARCH

### LAVENDER IS FACING MAJOR CHALLENGES AS A RESULT OF CLIMATE CHANGE

To save this wonderful heritage, L'OCCITANE supports the lavender endowment fund, set up by CRIEPPAM in 2012.\* Olivier Baussan, founder of L'OCCITANE, presides over this fund, which aims to find ecological solutions to preserve this flower:

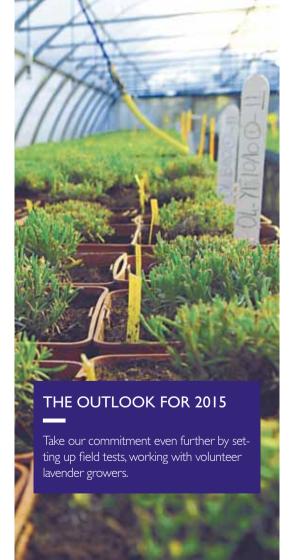
- varietal research and production of healthy seedlings
- development of new cultivation techniques
- research into new preventive methods to combat the leafhopper, an insect that carries bacteria.



€50,000

contributed since 2012







#### RAISING AWARENESS

## about the plight of LAVENDER

USING PATRONAGE AND COMMUNICATION CAMPAIGNS, L'OCCITANE HELPS TO MAXIMIZE AWARENESS THROUGH UNIQUE SENSORIAL EXPERIENCES.

### The 2014 lavender challenge: employees get involved

For every €5 donated by employees, L'OCCITANE contributes an additional €5 to the lavender endowment fund.

Protecting and preserving lavender is a major challenge for both the industry and the region. L'OCCITANE continues to make every effort to meet this challenge through its activities and an exceptional product range.

Every year: awareness- raising actions with **I 20 journalists** from the international press.



Fields of lavender at the Old Port of Marseille as part of the Marseille Provence 2013 cultural events



Sponsor of the 2013 Rencontres d'Arles photography festival, with an exhibition by Paulo Nozolino dedicated to lavender.



Routes de la Lavande 2013: a travelling photo exhibition that celebrates skills and techniques related to the world of lavender.



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