

The background of the entire page is a close-up photograph of several shea nuts. The nuts are dark brown with a rough, cracked, and textured surface. They are piled together, with some in sharp focus and others blurred in the background, creating a sense of depth. The lighting is warm, highlighting the natural imperfections and organic shapes of the nuts.

# FAIR TRADE SHEA BUTTER

SUPPLY CHAIN REPORT

JULY 2016

GROUPE  
L'OCCITANE



# CONTENTS

## INTRODUCTION

- p 04. Supply chains: the L'OCCITANE Group commitment
- p 05. Key events for our shea butter supply chain

## A SUSTAINABLE, FAIR TRADE PARTNERSHIP

- p 06. A tree symbolic of life
- p 07. A historic partnership
- p 08. The basic principles of our commitment
- p 09. Fair trade certification

## A PARTNERSHIP THAT CONTRIBUTES TO THE DEVELOPMENT OF BURKINA FASO

- p 10. Economic impacts
- p 11. Social impacts
- p 12. The actions of L'OCCITANE foundation
- p 13. An exemplary supply chain

## CHALLENGES FOR THE FUTURE

- p 15. A sustainable shea butter community



# THE L'OCCITANE Group COMMITMENT

## GIVING PRIORITY TO LOCAL, TRACEABILITY, SUSTAINABILITY AND EQUITY.

The L'OCCITANE Group 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 **direct, integrated supply chains** in order to have control over the traceability and quality of the raw materials right up to their delivery.

A dedicated team guarantees the quality of the Group's supplies and takes steps to develop sustainable supply chains, working directly with producers.

**71** traceable supply chains  
Over **17000** partner producers and pickers  
**52** contracts, including  
**29** multi-year contracts

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

*Olivier Baussan.*

Founder of the L'OCCITANE brand

## SHEA BUTTER

The L'OCCITANE Group gives priority to local supply chains for most of its supplies.

As the biggest purchaser of traditional shea butter processed in Burkina Faso, L'OCCITANE has built up a **fair trade industry** over the long term that guarantees the creation of added value on site and enables local communities to reap the benefits.

See behind the scenes of our shea butter network in Burkina Faso in this first supply chain report.



## KEY EVENTS FOR OUR SHEA BUTTER supply chain

### A 100% fair trade\* supply chain:

the purchase of a processed product –shea butter – with 100% local added value.

### 750 tons of shea butter

were ordered in 2015: a record amount!  
The L'OCCITANE Group is the largest direct purchaser of shea butter in Burkina Faso.

### Multi-year contracts

signed with the five unions of women's cooperatives that work in partnership with L'OCCITANE, gathering shea nuts and producing shea butter.

### Development of ecotechnologies with the NGO RONGEAD

to reduce the environmental impacts of shea butter production.

### Three people on the ground and 90 missions throughout the year to:

- follow up on orders
- ensure traceability and conduct audits
- develop the supply chain.

### The L'OCCITANE Group

recognized by the United Nations Development Programme (UNDP) as exemplary for its activities in relation to the shea butter industry.

### Strengthening our commitment via a strategy focused on three areas:

- the protection of shea trees
- the sustainability of production
- women's leadership and increased added value in Africa.

THE L'OCCITANE GROUP IS COMMITTED TO ACHIEVING THE GOAL OF 100% ORGANIC PRODUCTION BY 2018.

# A TREE SYMBOLIC of LIFE

JUST AS THE OLIVE TREE DOES IN THE MEDITERRANEAN, THE SHEA TREE (OR KARITE TREE) PLAYS A KEY ROLE IN THE CULTURE OF WEST AFRICA. HENCE THE NAME "KARITE", WHICH MEANS "LIFE-GIVING". IN BURKINA FASO, WOMEN USE SHEA BUTTER FOR COOKING, AS WELL AS TO PROTECT AND NOURISH THEIR SKIN — AND THAT OF THEIR CHILDREN.



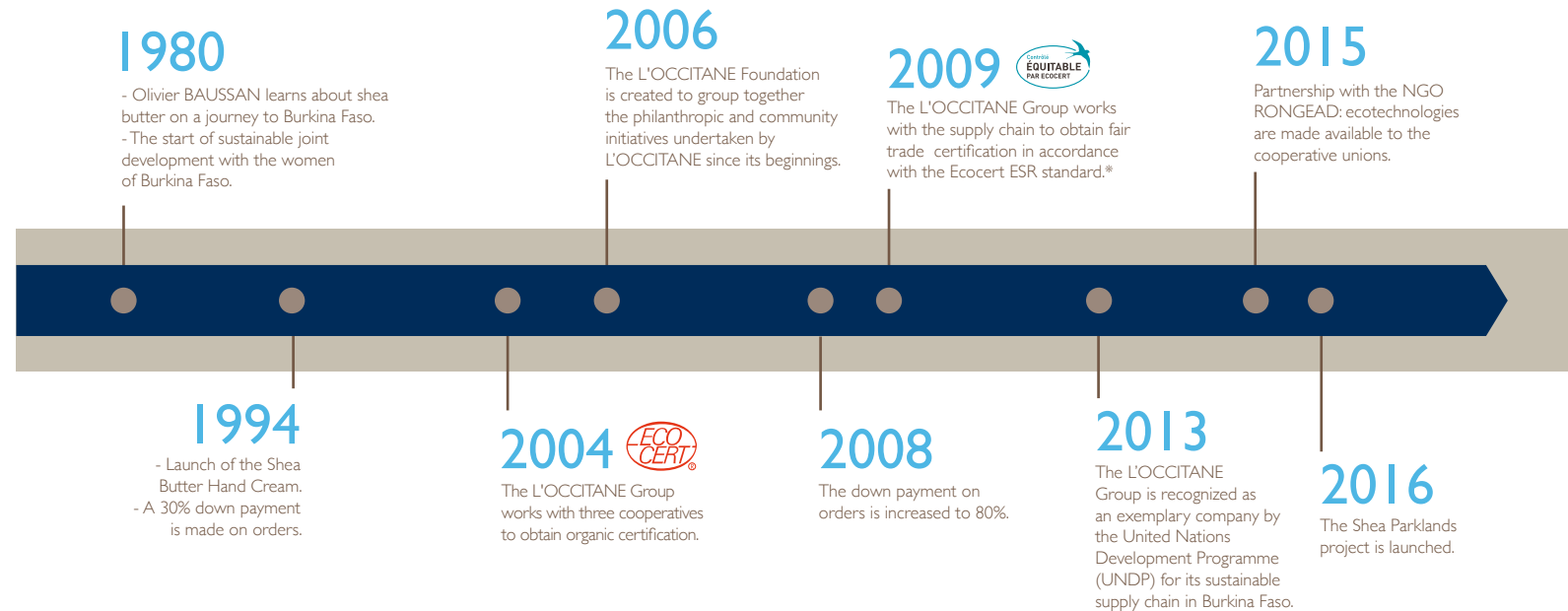
Also known as "Women's Gold", shea butter provides a precious source of income for the women involved in collecting the nuts and producing the butter.

Organized into cooperatives, these women are the only ones who know the secret to how this butter is made. They can use the income they earn from shea butter to pay for household needs and the education of their children.



# A HISTORIC PARTNERSHIP

The story with the women of Burkina Faso began in the 1980s, when Olivier Baussan, founder of L'OCCITANE, heard about shea butter for the first time on a journey to Dakar. He decided to postpone his return and meet the women who made it.



\*According to the ECOCERT Environnement ESR standard (Fairness, Solidarity and Responsibility), available at [www.ecocert.com](http://www.ecocert.com).



# THE BASIC PRINCIPLES OF our COMMITMENT

## Partnership/ Trading relationship

- **Five multi-year contracts**, to ensure supply volumes and an income for the women's unions each year.
- The purchase price is decided each year by a committee of women and independent observers. This price covers the production costs and ensures that a significant margin remains for all players in the industry.
- Nine months before the order is delivered, the L'OCCITANE Group makes an **80% down payment** so that the cooperative unions have the cash flow they need during the harvest.

## Tracability

- **Training** in traceability tools.
- Audits in the field to ensure that our basic principles are observed.

## Quality

- Training in good practices in gathering the nuts, producing the shea butter, and dispatching the produce.
- **Establishment of specifications**, with quality and governance requirements.
- Support to obtain **organic certification**.

## Additional actions

- **3% of the price of the shea butter is transferred** to a community development fund.
- Support for the development of additional income-generating activities through literacy programmes, microcredits and training, thanks to the L'OCCITANE Foundation.



# FAIR TRADE CERTIFICATION



IN 2009, THE L'OCCITANE GROUP PROFESSIONALIZED THIS SUPPLY CHAIN AND WORKED TO OBTAIN FAIR TRADE CERTIFICATION FROM ECOCERT ENVIRONNEMENT IN ACCORDANCE WITH THE ESR STANDARD\*. THE WOMEN'S COOPERATIVES CAN NOW USE THIS LABEL TO MAKE THEIR PRODUCE MORE ATTRACTIVE TO INTERNATIONAL CLIENTS, THUS HELPING TO SECURE THEIR LONG-TERM EMANCIPATION.

## WHAT ARE THE GUARANTEES FOR PRODUCERS FROM THE SOUTH?

**ETHICAL:** producers are assured of selling their produce at a guaranteed minimum price; workers are assured of a decent wage.

**SOCIAL:** decent working conditions, a collective organization and the setting up of a development fund for the communities of producers.

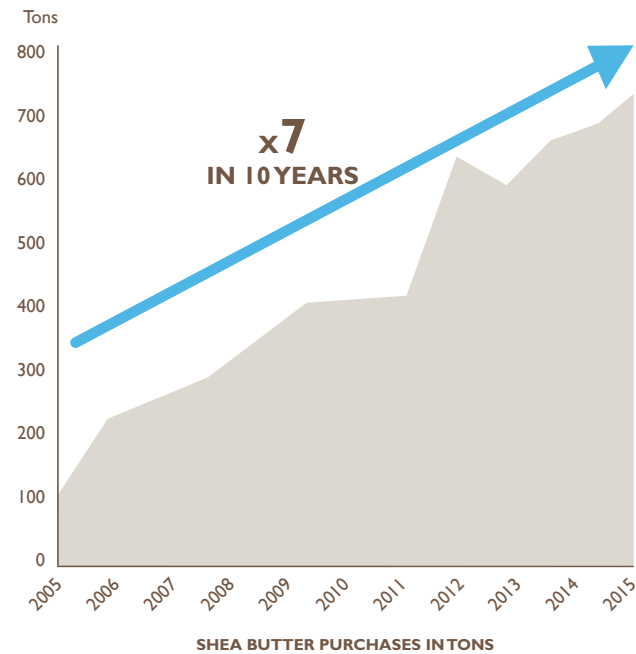
**HEALTH AND ENVIRONMENT:** production methods that respect both natural resources and the health of producers and workers.

**DEVELOPMENT:** the approach involves a sustainable partnership with purchasers and gives greater autonomy to producers.

\*According to the ECOCERT Environnement ESR standard (Fairness, Solidarity and Responsibility), available at [www.ecocert.com](http://www.ecocert.com).

# CLEAR ECONOMIC IMPACTS

THE L'OCCITANE GROUP IS THE BIGGEST PURCHASER OF TRADITIONAL SHEA BUTTER PROCESSED IN BURKINA FASO.



A Shea Butter Hand Cream is sold every 3 seconds somewhere in the world!

We purchase shea butter that has already been processed by the women, rather than purchasing the nuts, in order to:

- create value within Burkina Faso,
- ensure better distribution of wealth.

**+60%** A woman can sell her fair trade shea butter to the L'OCCITANE Group at a price that is 60% higher than the export market price.

**+20% VS LOCAL MINIMUM WAGE FOR FARM WORKERS** A producer of fair trade shea butter earns, on average, 20% more per hour than the guaranteed minimum wage for farm workers.

# SIGNIFICANT SOCIAL IMPACTS

**Over 200,000** people in rural areas are indirectly impacted by the L'OCCITANE Group orders

**3%** of the price of the butter is transferred to a community development fund, which helps to finance social and technical development initiatives.

**Over 17,000** women collecting and processing shea butter are direct beneficiaries

BROKEN DOWN INTO:





# THE L'OCCITANE FOUNDATION IN BURKINA FASO

IN BURKINA FASO, THE L'OCCITANE FOUNDATION FOCUSES ON TWO AREAS. IN 2015, ITS BUDGET WAS OVER €580,000.

## PROMOTING WOMEN'S LEADERSHIP

The Foundation chose to support the women of Burkina Faso through training programmes (literacy programmes and training to develop income-generating activities), access to finance (microcredits, subsidies) and by assisting women entrepreneurs in their projects.

In 2016, it launched a new programme, called "L'OCCITANE pour Elles", aimed at Burkinabé women who want to create or develop their business.

**Over 13,000 women** have benefited from the support of the L'OCCITANE Foundation.

## FIGHTING AVOIDABLE BLINDNESS

At present, some 285 million people across the world are visually impaired, and yet 80% of these cases could be avoided.

In Burkina Faso, the Foundation is working to fight avoidable blindness by improving access to good-quality eye care, training medical staff, offering vision-screening sessions that are available to all, and organizing awareness campaigns.

**Over two million people** in the world have been able to receive eye care thanks to the actions of the Foundation.

Fondation  
L'OCCITANE



# AN EXEMPLARY SUPPLY CHAIN



IN 2013, FOLLOWING A STUDY BY AN INDEPENDENT BODY, THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) DECIDED TO RECOGNIZE THE L'OCCITANE GROUP AS AN EXEMPLARY COMPANY FOR ITS ACTIONS IN BURKINA FASO, WITHIN THE FRAMEWORK OF ITS 2013 "GROWING INCLUSIVE MARKETS" INITIATIVE.

*"Today, this recognition of our action by the UN is proof of the value of the partnership set up with the women of Burkina Faso.*

*The shea tree is what binds us to these women, but it has also paved the way for their economic emancipation."*

*Olivier Bauxan*

Founder of the L'OCCITANE brand



Since September 2013, the L'OCCITANE Group has been a **member of Business Call to Action (BCTA)**. This platform was launched by the UNDP and brings together companies that contribute to the **Millennium Development Objectives** set by the UN.

Within this framework, we have been conducting a study in 2016 to evaluate the social impact of our projects in Burkina Faso.



# A SUSTAINABLE SHEA BUTTER COMMUNITY



## Protect the resource

### 100% organic

The L'OCCITANE Group is committed to the goal of a 100% organic supply of shea butter by 2018.

### Shea parklands

Working in partnership with a consulting firm, this project aims to ensure that women can access certified-organic land to source shea nuts. Within these parklands, biodiversity will be maintained and developed.

## Produce sustainably

### Environmentally friendly, modernized, traceable processes

While still calling on traditional skills, the L'OCCITANE Group is committed to reducing the environmental impacts of shea butter production and helping women to move towards mechanization.

The Group continues to work with the NGO RONGEAD on a new research and development mission. The aim of this mission is to perfect a mechanized production tool that the women are able to use and can be reproduced on a large scale with a low environmental impact.

## Provide added value

### Developing the industry in Africa

The L'OCCITANE Group wishes to diversify and increase the sources of income for Africa. Within this framework, we are working to develop the missing links in this industry in Africa.

### Women's leadership

The L'OCCITANE Foundation is helping the women who produce shea butter to diversify their income-generating activities. With the help of literacy programmes, training and access to microcredits, they can develop additional activities, thus helping them to achieve even greater economic emancipation.



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