



L'OCCITANE A COMMITTED BRAND

Corporate Social Responsibility

2010 CSR
ANNUAL REPORT



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AT THE HEART OF OUR BRANDS: RESPECT FOR MAN AND THE ENVIRONMENT



Emmanuel OSTI,
Managing Director,
L'Occitane Group

When Olivier Baussan created L'OCCITANE in 1976, he gave our brand its values: Respect for the environment, Authenticity and Sensoriality. Ever since then, respect and continual progress have been an integral part of our daily actions, so that we might make products that are even more natural, sensorial and respectful of Nature and Man. We took this commitment one step further through the creation of the «Couvent des Minimes» brand and the acquisition of Melvita – a leading organic beauty brand.

Our actions have naturally shaped our Corporate Responsibility and, most recently, the L'OCCITANE Sustainable Development project. By acting with sincerity, we encourage CSR (Corporate Social Responsibility) initiatives, while also encouraging everyone to take pride in getting involved. In the pages that follow, you can learn all

about our CSR commitment through the projects that have been launched and developed by L'OCCITANE departments. This goes from the design of products to the sale of products in our stores, and includes accommodating workers with disabilities, responsible purchasing procedures, environmental impact studies, and the choice of transport solutions to deliver products to our points of sale.

Finding solutions involves constantly taking measurements, evaluating, finding alternatives, making sensible choices, and – above all – taking action. Thanks to the behaviour of each individual and the actions we take, every day, we will become increasingly more socially responsible. For this is consistent with our vision and our constant focus on respect for man and nature.

CSR STEERING COMMITTEE

WHO IS INVOLVED?

- Made up of members of the General Management team
- Presided by Emmanuel Osti, Group Managing Director

WHAT DOES IT DO?

- Defines objectives and monitors the progress of CSR projects

CSR DEPARTMENT

WHO IS INVOLVED?

- One department manager, three project managers: Environment & Products, Environment & Activities, Social

WHAT DOES IT DO?

- In charge of CSR projects at a Group level and awareness-raising programmes for employees

CSR COMMISSIONS

WHO IS INVOLVED?

- Representatives of all the sectors involved in CSR projects (approximately 35 people)

WHAT DOES IT DO?

- Eight commissions, each focused on a specific theme: Ingredients, Eco-packaging and Suppliers, Clean Premises and Factory, Transport, Stores, People with Disabilities, Well-Being in the Workplace, Community

GOVERNANCE CSR

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Two key conditions must be met to guarantee the coherence, durability and effectiveness of an ambitious Sustainable Development policy: the commitment of the Management and the involvement of all employees. The L'OCCITANE CSR model is therefore based on these two pillars.

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Katia MICHIELETTO,
Sustainable Development Manager



SOCIAL RESPONSIBILITY: EMPLOYEES

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The first social body that a company must be seen as responsible towards is its employees. This responsibility is illustrated not only through the importance attached to the development of human resources, but also to improving working conditions.



Marc FIORI,
Human Resources Director for Industry

ACTIONS

✓ The development of human resources

The Group sees the development of human resources as key to its growth, while also allowing each person to express his/her potential and professional aspirations. In France, 100% of employees are given an individual performance evaluation interview once a year. In 2010, almost all employees at the Manosque site attended at least one training course. In 2010, 5% of payroll was spent on training for those working at the L'OCCLTANE industrial site (the legal obligation is 0.9% of payroll).



Free bus for the employees, Manosque

✓ New, more comfortable premises

In 2010, the departments based in Paris and Geneva moved to new offices. Among the criteria taken into account when choosing the new premises were greater visual comfort for users. Each office benefits from natural daylight.

Similarly, further choices and investments were made for the offices in Paris and Geneva, in particular to improve acoustic comfort and, in doing so, improve the workplace atmosphere. This included reinforcing the

sound insulation of partition walls and false ceilings, limiting the size of open-space areas, etc.

**In 2010,
5% of payroll
was spent on
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industrial site**

In 2010, a working group, composed of workers from the production and logistics departments and offices in Manosque, renovated the staff room on the site to make it more convivial, more comfortable and more relaxing. It now has a living wall, a more «zen» decor, new, more comfortable furniture and sound proofing.

✓ Easily accessible services

Several initiatives, launched in 2009 and continued in 2010, have been made, particularly at the Manosque site. These are aimed at allowing employees to use services available at the workplace so that they do not have to make an additional car journey during the day – or simply making these services more accessible to them.

✓ A balance between professional and private life

— In October 2009, a long-planned project, which involved our local community and particularly the town of Manosque, finally became a reality: an inter-company child day-care service, based in

SOCIAL RESPONSABILITY: EMPLOYEES

Manosque. This project, led by L'OCCITANE and overseen by the specialised company «La Maison Bleue», has resulted in the creation of a day-care centre for children with 35 places available, 14 of which are reserved for L'OCCITANE employees. 2010 was a year of rapid growth for this establishment, which provided precious assistance and offered much peace of mind for all those parents able to benefit from this initiative.

— Practising a physical or relaxing activity can contribute greatly to a sense of balance. This is why, since 2009 and in 2010, L'OCCITANE has allowed for fitness classes to be held within the company premises (in Manosque), as well as yoga classes (in Paris) and Ayur-

vedic massages (in Lagorce). To do this, it has made rooms available to skilled professionals, who come during the lunch hour to give the classes. The company partly pays for these activities, thus making them more accessible to everyone.

— In 2010, at the Manosque site, a social worker comes twice a month to answer employees' questions.

✓ Safety and ergonomics

— Safety guidelines are displayed on the different buildings and staff are made familiar with them. Some employees are trained in what to do in the case of an emergency, and this is the case for all of the group's sites in France. At the

Manosque site, there are 86 people who are trained in first aid, i.e. 11% of the workforce.

To make sure that employees obey the safety rules at the Manosque site (where the number of employees has grown dramatically), a film has been made about hygiene rules, safety and the environment. It was shown to all employees in late 2010 and is shown to all new factory operators via the temping agencies we work with. After watching the film, a questionnaire about it must be answered before the decision is made whether or not to hire the person.

— In 2008, a green transport plan was developed with the aim of reducing individual car trips for employees. This



Casual lunch, Manosque

transport plan, which was still in place in 2010, is based on three key actions:

1. The provision of a free bus service
2. Encouraging carpooling
3. Promoting public transport

(See «Putting a stop to individual car trips» in «The Environment and Logistics» chapter.)

This green transport plan does not only benefit the environment. It also reduces the risk of road accidents and the risk of falling asleep behind the wheel. In this regard, in 2010, L'OCCITANE SA signed a Road Safety Charter with the regional health authority, aimed at further developing road safety plans over the next two years.

— Various actions began in 2009 and continued in 2010 at the industrial site in Manosque, with a focus on ergonomics and improving working conditions:

— «Kaizen en Provence»: this is the code-name for a project aimed at allocating a budget to each department and workshop to carry out actions to improve working conditions, as decided by the department/workshop team itself. A «Kaizen en Provence» steering committee ensures

that this project, based on the principles of continuous improvement, advances smoothly.



Yoga session, Paris

SOCIAL RESPONSABILITY: EMPLOYEES

— Since 2010, the involvement of an ergonomist has been systematic whenever

new equipment has arrived or when a change in production organisation has been envisaged.

— Training sessions focused on movement and posture, and led by the company nurse at the Manosque site, also involve all operators in the plan to improve workstation ergonomics.

— « Bienvenue à votre poste » [Welcome to your workstation]: when employees in Paris and Geneva moved to their new offices, all were given a leaflet providing ergonomic workstation guidelines.



Free bus, Manosque



SOCIAL RESPONSIBILITY: PEOPLE WITH DISABILITIES

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Ever since its creation, L'OCCITANE has had strong values, including respect and openness towards others. Respect for employees and being open to diversity, and particularly to people with disabilities, are important aspects of the Human Resources policy. This policy is further strengthened by the actions carried out by «Mission Handicap», overseen by the CSR Department.



Aurélie URICHER,
Mission Handicap Manager

ACTIONS

✓ Strengthen the company's reputation as one that encourages the employment of people with disabilities

— For over three years, all of our job vacancies have been advertised on job-search websites for people with disabilities. Our policy in favour of people with disabilities is also clearly indicated on our recruitment website: www.loccitane-carrieres.com.

— Every year, we take part in employment forums specifically for people with disabilities. In 2010, we took part in four



Training in Sign Language. Manosque

forums, in Paris, Nice, Marseille and Lyon. The Human Resources teams, as well as the CSR department, are involved in these events.

— At the industrial site in Manosque, we have built up strong links with various regional players involved in occupational integration, including the integration of people with disabilities: Cap Emploi, temping agencies (including temping agencies that help people with disabilities/special needs, and people who want to get back into the workplace), associations such as Emergences PACA, ESATS (vocational centres for people with disabilities), etc.

✓ Workplace Disability Study

— In early 2010, we conducted a study into the employment of people with disabilities, with the help of Thompouss consultants. This survey allowed us to identify the areas in which L'OCCITANE has succeeded, as well as the areas that need more improvement with regard to the professional integration of people with disabilities.

✓ A partnership convention signed with AGE-FIPH, for a 2-year period, in September 2010

— The Workplace Disability Survey also allowed us to establish – with the General Management and Human Resources

Management – our approach for the next two years in terms of the L'OCCITANE Group Disability Policy for all of France. We have formally declared our commitment to employing people with disabilities by signing a convention with AGE-FIPH (a French agency that promotes the employment of disabled workers). Signed in September 2010 and covering a 2-year period, it sets objectives in terms of resources and results, and in terms of quantity and quality.

— Today, the Group has a «Mission Handicap» service, managed by one of our workers from the CSR department. It also has a «Relais Handicap» (disability support service) for the different sites in France, and a Disability Steering Com-

SOCIAL RESPONSIBILITY: PEOPLE WITH DISABILITIES

mittee, which will be responsible for ensuring that the commitments made in the Convention with AGEFIPH are followed through.

✓ A partnership with ARPE-JEH since October 2010

L'OCCITANE works with ARPEJEH (Accompagner la Réalisation des Projets d'Études de Jeunes Élèves et Étudiants Handicapés – an organisation that promotes the employment of disabled young people). This new partnership has led us to contribute to establishing professional projects for disabled young people through tutoring or job skills workshops

✓ Involvement in the «Semaine pour l'Emploi des Personnes Handicapées» (a week devoted to disability in the workplace).

— The L'OCCITANE Group took part in this national event in November 2010. Many initiatives were launched at the Group's different sites (Manosque, Lagorce, Paris) with the aim of raising disability awareness among all employees.

— Some examples:

- Disabled job seekers were able to spend a day in some of the L'OCCITANE stores and at the Lagorce site, to learn all about a new profession. They were guided by employees as part of the AGEFIPH «Un jour, Un métier, En Action» operation (One day, One profession,

In action). 15 job seekers were able to benefit from this operation.

- A quiz and an exhibition about the sites in Paris, Manosque and Lagorce on the theme of disability informed staff about this subject. Ensuring that people are better informed is also a way to challenge the many preconceptions about disability.

✓ Training in French Sign Language

A hearing-impaired person has worked in the production workshop since 2000. To help this person integrate the team, since 2005 we have allowed some of his colleagues to take a training course to learn French sign language (a 120-hour training module for each person). Since



Training in Sign Language. Manosque

then, new production operators with hearing difficulties have joined the company and new initiatives have been taken to help them integrate the workplace: raising awareness about hearing impairment among co-workers, presence of a sign-language interpreter at each staff meeting and workshop meeting, etc. In 2010, French sign-language training was provided for six more employees, to follow through on these actions.

✓ Relations with sheltered environments

- Among the subcontractors who have long worked for L'OCCITANE are three «ESATs» (sheltered work centres).
- A remarkable experiment was carried out in the Logistics department at

the end of 2009, when a person from a sheltered working environment came and worked at the company. This experiment was made possible – and was a success – thanks to close collaboration between the department in question, the ESAT work centre, and the Médecine du Travail (in charge of health matters in the workplace). A specific work situation was defined, ensuring that the tasks could be managed by the person in question, based on their individual skills and diffi-

culties. The situation was regularly monitored to ensure that the mission continued to run smoothly.

— Similarly, an HR position in Paris was created to take into account existing needs, but was also tailored to the profile of an individual from a sheltered environment. This type of experiment – which can only happen if there is a real determination to make it happen – illustrates the increasing commitment of the management team with regard to this subject.

**PERCENTAGE OF REGISTERED-DISABLED PEOPLE EMPLOYED
BY THE INDUSTRIAL SITES (i.e. percentage of registered-disabled
people in the workforce at the end of 2010): 5.93%**

SOCIAL RESPONSABILITY: THE COMMUNITY

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The company is just one part of a whole, and one of the foundations of sustainable development is the responsible relationship between the company and its community. L'OCCITANE is a key player in the social and economic development of the Provence – Alps – French Riviera region. Beyond the Mediterranean, L'OCCITANE has also built up very strong links with the community of Burkina Faso for over 20 years, through shea butter. These links have been further strengthened by some of the actions of the L'OCCITANE Foundation in Burkina Faso, in particular.

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Olivier BAUSSAN,
Fonder of L'OCCITANE

ACTIONS

✓ L'OCCITANE and the foundation

Since 2006, and thanks to a budget of over 4 million euros over a period of 5 years, the L'OCCITANE Foundation has selected, financed and supported community projects covering three fields of action:

— Support for the visually impaired: in France, it promotes the integration of visually impaired people into the workplace; abroad, it supports projects that aim to eradicate avoidable blindness.



Esther N, 5 year old, Ouganda

— The economic emancipation of women: the Foundation continues the joint-development actions led by L'OCCITANE by supporting community projects to improve literacy, to provide micro-credits, and to give professional training to women in Burkina Faso.

— Preservation of the knowledge of nature in Provence

✓ Examples of actions : key projects in 2010

- Further action to improve literacy in Burkina Faso by signing a partnership, based on providing €600,000 over three years, with the NGO «Aide et Action», which coordinates the running of all the literacy centres supported by the Foundation.

- The establishment of grants to support the employment and professional training of visually impaired people. The first grants will be awarded to seven people, who will receive sums of between €1500 and €2800.

- Over €172,000 were raised in October by selling fund-raising soaps in L'OCCITANE stores, with proceeds going to the NGO ORBIS. These funds make it possible to continue the projects run with ORBIS with the aim of improving the ocular health of communities living in rural isolated areas in developing countries.



Researcher

SOCIAL RESPONSABILITY: THE COMMUNITY

✓ Corporate patronage at a local level

— L'OCCITANE has made the choice to distribute some of its downgraded products to charitable organisations. This represents about 50 palettes of products.

— Every year, we support regional events that promote a positive image of Provence and which are in line with our values of respect, sensoriality and authenticity. Examples of some of our partnerships are the La Roque d'Anthéron piano festival, the Prieuré de Salagon ethnobotanical museum, and the European University of Flavours and Scents in Forcalquier.

✓ Industrial projects and the community

In Manosque, two major industrial projects are under preparation for the three years ahead: the construction of a 12,000 m² logistics platform and the extension of the existing industrial site. We decided that we wanted to work with our community on these projects at a very early stage – during the initial thinking process. In June 2010, a two-day seminar was held with the aim of bringing together everyone who would be involved in this project – both internal and external parties. This included representatives from the Luberon National Park, the Communauté de Communes (federation of municipalities) and

the Médecine du Travail, with the purpose of drawing up the functional specifications for the future industrial site. These specifications are the Sustainable Development road-map for the future Manosque site and take into account the requirements of our community: a site that blends in with the landscape, that showcases the region, the development of workplace integration, limiting the environmental impact of the site, etc.



Literacy center, Burkina Faso

RESPONSIBLE PURCHASES & INGREDIENTS

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The history of L'OCCITANE is intimately linked to the plants of Provence and the Mediterranean, but also the men who grow them. Our quality and traceability criteria are rigorous and demanding. We support local producers and we choose, when possible, certified, organic and/or PDO productions. We give preference to small, integrated production networks. If a wild plant becomes overexploited, we set up controlled cultivation programmes. Finally, we work with all organisations at a regional level to help preserve endangered crops or to revive long-forgotten cultivations. Since 2008, the Sustainable Ingredients unit, which was created as part of the R&D department, has worked to consolidate these commitments.



Maud REBOUL,
Sustainable Ingredients Manager

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ACTIONS

✓ IMMORTELLE

The organic immortelle plantation programme, started up in 2004 in Corsica, is bearing fruit. Through a contract with eight immortelle growers and three distillers from Corsica, an area covering 44 hectares yielded over 100 tons of immortelle flowers in 2010.

Thanks to these cultivations, there is no longer any need to pick the wild plants.



Organic Immortelle fields, Corsica

✓ SHEA BUTTER

L'OCCITANE is a key player in the shea butter business in Burkina Faso. For the women's groups who produce shea butter, it represents a real added value and is much more beneficial to them than the simple purchase of unprocessed shea nuts.

The partnership with shea butter producers is becoming more and more professional. For the second year now, the women's unions have been audited by the independent body ECOCERT, to obtain fair trade certification. Based on social, economic and environmental criteria, the ECOCERT EFT label (Ecocert Fair Trade in the spirit of solidarity and responsibility) allows our partners to underline the product quality, to have

better traceability, and to have concrete sustainable development actions. Almost all of the several hundreds of tons purchased directly from women's groups are certified fair trade.

In addition to this partnership with the women who make shea butter, we also wish to further develop local added value in Burkina Faso.

- The Ingredients unit oversaw the production of 40,000 L'OCCITANE soaps made in Burkina Faso by a small soap factory run by women. It took over four months of work to meet this objective!

- We welcomed Caroline Ouédraogo to Manosque for an 8-week «industrial accompaniment» course, so that she could learn about our expertise in making soaps and beauty products. Thanks

to this training, this young woman could go on to launch her range of «Cosmeline» products in Burkina Faso.

✓ LAVENDER

The re-launch of the Lavender range has led to a considerable increase in the amounts of PDO Haute-Provence lavender essential oil purchased by L'OCCITANE. This reflects the brand's determination to support lavender growers and others involved in the production of lavender, who must face up to a decline in lavender cultivation. A contract, valid for a number of years, is presently being signed with lavender cooperatives in Sault and Simiane la Rotonde. Financial aid will also be provided for several years to fund experimentation and

RESPONSIBLE PURCHASES & INGREDIENTS

research projects to tackle the decline of lavender – the ingredient that truly symbolizes Provence.

✓ ALMOND

Thanks to the 10,000 almond trees belonging to the Jaubert family, in Valensole, the region has been able to rediscover the skills and traditions of its past! The almonds used by L'OCCITANE are all gathered on the Valensole plateau. They are then pressed in a traditional oil mill in the Gard region.

✓ OLIVE

L'OCCITANE uses organic A.O.C. olive oil from Haute-Provence produced by the olive mill in Luberon, which is managed by Olivier Chertier. We have recently signed a contract – valid for several years – with this partner, to make a lasting commitment and to guarantee a minimum order.

✓ ANGELICA

L'OCCITANE chose to work with angelica – a plant with moisturising and revitalising properties. Frédéric Nivon is a producer of organic angelica, based in the Drôme region of France. Following in the footsteps of his father and grandfather, Frédéric has carried on the family business. Today,

he is one of the experts in angelica cultivation. A new true story has just begun, and a new partnership is being built...

✓ PALM OIL

The cultivation of palm oil trees has had disastrous consequences in Malaysia and Indonesia: intensive deforestation, destruction of the habitats of endangered species of animals, social impact on local communities, etc. Our consumption represents just 0.003% of global palm oil production, but despite this small figure, we are still taking action. Since 2008, we have worked on the development and rehabilitation of several existing village palm groves in Africa, in accordance with the principles of fair trade and biodynamics. In 2010,



**“
Angelica is an astonishing plant that never ceases to
amaze me, even after growing it for 12 years.”**

Frédéric NIVON, producer of organic Angelica

we purchased several tons of organic palm oil to get this production network started and begin work on reformulating our soaps, using this new quality of oil.

✓ PEPPERMINT

In 2010, for the launch of its new Verdon range for men, L'OCCITANE combined three organic ingredients in ultra-fresh formulas: sea-buckthorn, genepi and peppermint.

The sea-buckthorn is harvested in the valley of the Drac, while the genepi is harvested in the Vars region, and both are grown organically.

Since organic peppermint cultivation is a very complex affair, it has tended to fade out in Provence. Working with the Bleu Provence distillery and a motivated

peppermint grower, L'OCCITANE is supporting the cultivation of a hectare of peppermint in the region of Allemagne-
en-Provence.

NO BIOPIRACY

The patents registered by L'OCCITANE are based on therapeutic or cosmetic developments that are the result of research carried out by its internal R&D department.

L'OCCITANE does not patent applications based on traditional knowledge (biopiracy), but it carries out new effectiveness tests and research into different blends of ingredients to meet beauty needs. Its patents do not prevent another company from using the same plant.

THE ENVIRONMENT & OUR FORMULAS

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We try to limit environmental impact from the start of the creative process to the end of our products' lifetime, and this resolve is reflected in various choices that are made with regard to product formulation.

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Jean-Louis PIERRISNARD,
Scientific Director, L'OCCITANE

ACTIONS

✓ No phthalates in fragrances since 2005

The beauty industry only uses one phthalate: DEP (diethyl phthalate). Its function is to make alcohol unfit for drinking, in accordance with the rules and regulations of health authorities. It has been considered to present a low risk of toxicity, and strict guidelines have been issued regarding the maximum amount that can be used in fragrances (eaux de toilette, eaux de parfum, etc.). Since 2005, L'OCCITANE has removed phthalates from its fragrances and now uses pure alcohol derived from plants.



Angelica flowers from our organic-certified plantations, in Lapeyrouse Mornay in Drôme

✓ Gradual withdrawal of parabens

Parabens are preservatives, i.e. molecules that prevent the microbiological contamination of cosmetic formulas. Formulas need to include preservatives so that they can be used in normal conditions (kept in a bathroom, exposed to daily contact with the hands of the user).

A study questioned the safety of parabens – a study that was refuted by the European Union Scientific Committee. And yet these preservatives have been approved for use by regulators, are considered to be safe, and are permitted (at certain levels of concentration) by the various cosmetic regulatory authorities worldwide. Some are also used in medicines and food products. L'OCCITANE has always used parabens in

very low doses, below those authorised by international legislation. However, since we prefer to err on the side of caution, we replace parabens whenever possible with other preservatives. Since 2005, our new products have been formulated without parabens. Today, over 95% of our products are paraben-free.

BHT is a chemical antioxidant that can potentially disrupt the endocrine system. To avoid using this preservative, all our beauty products that are exposed to oxidation are developed with a rosemary extract.

✓ The use of plant oils rather than mineral oils

We prefer to use plant oils rather than mineral oils. These plant oils are produced from seeds or fruits, and are the result of a biological process. Mineral oils are made up of hydrocarbon chains, derived from petroleum (particularly paraffin), and cannot be absorbed by the skin, so they form an occlusive film on its surface. Plant oils, however, have a perfect affinity with the skin and are active substances, due particularly to their rich fatty acid content.

✓ Limited use of silicones

We limit the concentration of silicones to 5% maximum in our skincare formulas, with the exception of suncare products. These synthetic substances are derived

THE ENVIRONMENT & OUR FORMULAS

from silicon and are not readily biodegradable. However, they make a texture glide more easily over the skin and also improve the feel of the product on the skin.

✓ The launch of certified-organic products or products that are 100% natural origin

Since 2006, L'OCCITANE has offered certified-organic products, thus underlining its commitment to respect both man and the environment.

We take a realistic approach to organic beauty products.

We would like to develop this product offering, working with Ecocert – an independent certification body – to further

strengthen our commitment to mankind and the planet. We do this while taking into account existing constraints: the availability of resources from organic agriculture, the ability to maintain a product's cosmetic and sensory qualities, and obtaining the most effective formula and highest level of safety. Suffice it to say, our entire product range will always live up to the highest standards in terms of effectiveness and naturalness.

We are continuing our research so that we can offer the very best natural or certified-organic products.

Ever since the creation of L'OCCITANE in 1976, we have chosen not to test our products on animals throughout their development. Consistent with this approach,

we have never used animal-derived ingredients, with the exception of beehive products (honey, royal jelly, propolis) and the carmine pigment, derived from cochineal, in certain make-up products.

We were among the first companies to state this commitment on our products. We use – and encourage the development of – alternative tests for both the company and our suppliers.

More than
20 certified-
organic
products



To further reinforce this commitment, in late 2007, L'OCCITANE joined the PETA animal rights organisation. In doing so, it joined the list of 600 companies that are committed to not testing either their finished products or the ingredients they contain on animals.



L'OCCITANE supports One Voice association, which values products that are not tested on animals and that do not use animal-derived ingredients, with the exception of beehive products.



To ensure an environmentally friendly cosmetic product, the Ecocert standards require:

1. The use of ingredients derived from renewable resources, manufactured by environmentally friendly processes. Ecocert therefore checks:

- The absence of GMO, parabens, phenoxyethanol, nanoparticles, silicone, PEG, synthetic perfumes and dyes, and animal-derived ingredients (unless naturally produced by them: milk, honey, etc.).
- The biodegradable or recyclable nature of packaging.

2. A minimum threshold of natural ingredients from organic farming to be reached to obtain certification.

In all cases, a minimum of 95% of the total ingredients must be natural or come from a natural origin.

THE ENVIRONMENT & PACKAGING

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As part of our focus on eco-design, we use all modern analysis tools, as well as tools to measure the environmental impact of packaging. Reduce, reuse and recycle are the three key factors that we must always have in mind to stop unnecessary exploitation of the environment. We also want to provide essential consumer information, to make products simpler and more authentic, and to give consumers a breath of Provence.

”



Philippe DE BRUGIERE,
Packaging Design Manager
International Production and CSR

ACTIONS

✓ Packaging Eco-design Charter

L'OCCITANE can refer to the detailed guidelines in its Packaging Eco-design Charter to ensure that coherent choices are made when designing packaging. This Charter focuses on four key criteria.

1. A focus on reducing

- The use of unnecessary packaging components that are not required for basic product use.
- Packaging weight, by offering certain products for daily use in large sizes, which use proportionally less packaging.



Eco-refills for the Shea Butter range

— The volume of product wasted, by ensuring that the packaging allows the consumer to use the correct amount of product and that at least 95% of the product is used.

— Environmental impact, by only using paper and card from sustainable forests (FSC), by reducing decorative details that are produced through polluting processes or that have high VOC emissions, but also by substituting traditional lacquers and varnishes (heat-set polyurethane or epoxy) with water-soluble (glass) varnishes or UV varnishes, which are less polluting.

2. A focus on recycling

— By striving to use materials that can

be sorted for recycling (PET plastic, recyclable polypropylene, aluminium, glass, paper and card, steel).

— By refusing to use materials (such as PVC) that are not compatible with waste recovery systems.

— By limiting metallic decorative finishes, which disrupt the sorting and recycling of components (metallic inks, hot-stamped gold or silver, metallic labels, etc.).

— By designing packaging that allows the consumer to separate the components.

— By providing consumers with practical information, via our website, about sorting and recycling packaging

3. A focus on reusing

— By using recycled materials for our packaging or inner packing whenever possible (100% PCR PET for Aromachologie shampoos, fallen wood from the Landes forests for the wrapping on the shea butter soaps, recycled cardboard for packing material, etc.).

— By developing eco-refills.

4. A focus on monitoring

— The ecological performance of our suppliers, based on their certification (ISO 14001, PEFC/FSC certified wood, plant-based inks, etc.), or based on their CSR policy.

— The eco-design of our products, by putting in place an internal evaluation

THE ENVIRONMENT & PACKAGING

checklist called «Grille Eco Conception» (eco-design checklist). The aim of this checklist is to identify the least ecological components of our products. By taking into account indicators regarding the recyclability of materials, how easy it is to sort the packaging, and material-production processes, an eco-design rating can be established for each new product. This rating is included in the project concept presentation, which the management team will see before the project is launched.

The objective is to reduce the proportion of the least environmentally friendly components in the final packaging design.

— The relationship between packaging weight and product volume, by using the

WCR (weight/content ratio), based on the Ecolabel™ evaluation criteria. The WCR is calculated for all products that are in the process of validation.

— The overall impact of our products on the environment, using the Life Cycle Assessment method.

✓ An CSR project manager dedicated to eco-design

In 2010, the SCR team grew bigger. A project manager was recruited to measure and promote actions aimed at reducing the environmental impact of our products, and particularly product packaging.

A specific Life Cycle Assessment computer program was purchased so that this person can help our packaging-design

departments to make choices based on the real environmental impact of the proposed options.

✓ Training in packaging eco-design

In 2010, all teams involved in packaging development (Marketing, Packaging Development, Purchasing and Graphic Design departments) followed a training course on packaging eco-design, which was given by the CSR department.

The objectives of this training course were the following:

— To remind participants of the environmental challenges that can be addressed through eco-design.

— To take another look at the concept of eco-design: materials used, sorting, recy-

cling, reusing, etc.

— To inform everyone about the Eco-Design tools available to L'OCCITANE, including its Eco-Design Charter.

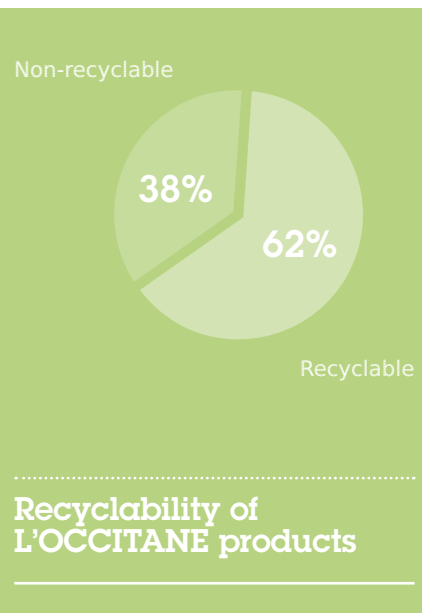
— To look at successful examples of eco-designed packaging and discuss the difficulties encountered with regard to existing ranges.

— To establish shared and concrete objectives to improve ranges in terms of eco-design. 45 people were given this training in 2010.

✓ Pioneering ranges in terms of packaging eco-design: Aromachologie and Verdon

When it comes to packaging eco-design, some ranges have been chosen to pave

the way for others, and have involved making very bold choices. For example, the Verdon range for men, launched in 2010, uses 100% recycled PET for its mono-material packaging. This is a first for L'OCCITANE and remains quite exceptional in the world of beauty care. The development of eco-refills for the shampoos and conditioners in the Aromachologie range led to the production of eco-refills for several ranges. In 2010, refills were available for 30% of products in the Aromachologie hair care range and for 75% of the Shea Butter Liquid Soap products.



ENVIRONMENT & PRODUCTION

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L'OCCITANE markets beauty care products that are made in its own production sites, based in Manosque and Lagorce, in the Alps of Haute-Provence and in Ardèche. Limiting the environmental impact of our production sites is one of the main aims of our environmental policy, with four objectives:

- *Reduce our energy consumption.*
- *Reduce our water consumption.*
- *Improve the quality of our effluents, starting with waste water.*
- *Reduce the amount of waste produced while increasing the amount of waste recycled.*

”



Jean-François GONIDEC,
Manufacturing Deputy Managing Director

ACTIONS

✓ Making efforts to stop wasting energy

For over two years now, at its Manosque site, L'OCCITANE has developed various measures aimed at reducing energy consumption: presence detectors and energy-saving lighting in general staff areas, raising awareness among personnel of energy-saving measures, systematic detection and repair of compressed air leaks, etc.

In 2010, with the aim of refining our energy-consumption indicators for the Manosque site and taking more targeted actions, meters were placed at va-



Visiting sorting offices, Lagorce

rious points in the processing chain in particular, and will very soon be linked to a CTM system (Centralized Technical Management) so that the data can be better exploited.

✓ **Water: a sensitive subject**

Due to the high growth in production by the Manosque site, it has been extended several times and has become an Installation Classée pour la Protection de l'Environnement (ICPE – which refers to a facility that must be declared to the authorities as it may pose risks to the environment). In 2009, it became clear that L'OCCITANE needed to focus its attention on the treatment of wastewater in order to meet the required envi-

ronmental standards. So it was that a programme covering several years was launched in 2010 to control our effluents in terms of both quality and quantity. As part of this project, work is currently being carried out to adapt and equip our networks. This step is necessary so that, in 2011, we can begin our study into the pre-treatment of our wastewater.

✓ **Waste**

Since 2002, efforts to improve the sorting of waste from the production site have continued to progress. By the end of 2010, 60% of waste tonnage was recycled.

One of the key projects in 2010 to reduce the amount of waste produced was based on reducing the number of

palettes thrown away. This joint project, working with the Environment Department and Purchasing Department, focused on making it possible to reuse the palettes of our suppliers to send out our finished products. As a result, the ratio of palette waste to palette production was reduced by approximately 30%.

In more concrete terms, sorting at the Manosque site consists of:

- 10 sorting channels.
- One team of two people who are not only in charge of managing outgoing waste, but who also make sure that production teams respect the sorting guidelines.
- Equipment that makes it easier for everyone to sort waste anywhere: in the staff room, offices and production areas.

ENVIRONMENT & PRODUCTION

— 1,021 tons of waste were sorted from the total of 1,707 tons produced by the site, i.e. 60%.

When waste cannot be sorted, we encourage waste-to-energy options, where the waste is incinerated to produce energy. In 2010, 90% of our waste was recovered, with the remaining 10% destined for landfill. Our objective is to further reduce – and eventually eliminate – waste going to landfill.

**60% of the
plant waste
tonnage is
recycled**

✓ **Everyone working together!**

Many initiatives have been taken to get employees involved in the efforts made at the production site to reduce our en-

vironmental impact:

— To make sure everyone adheres to our Eco-Energy plan, an audit is carried out each month in all of the offices, outside work hours, to identify and indicate any areas that need more effort. This

is meant as an informative approach and is not in any way a «repressive» exercise; rather, it is seen as a challenge between the different departments that encourages healthy competition and praises the most eco-responsible teams. And it works! The number of anomalies detected by these audits has been halved in just one year!

— Each new employee (except for those working in the production rooms) is given a cup made from recycled plastic to use for coffee breaks, rather than disposable cups. The employee goes to the CSR department to receive his/her gift. This is all part of the integration programme and also gives the person the opportunity to become familiar with the eco-steps recommended at L'OCCITANE and the associated actions (sorting, carpooling, energy-saving steps, etc.).

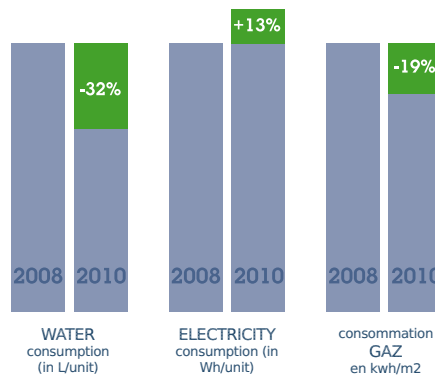
— All internal communication tools for the sites in France are used to regularly inform all staff of the progress of CSR projects and to encourage everyone to get involved: e-mails, posters, TV screens, company newsletter, staff



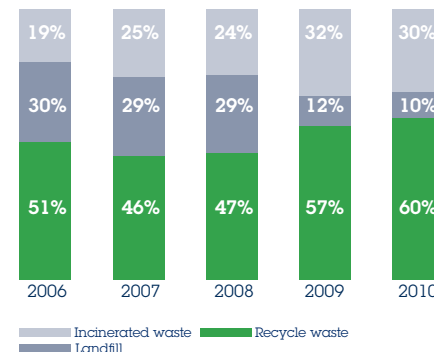
Manosque plant

meetings, etc. In 2010, an Intranet page dedicated to CSR was created for this purpose.

— In April 2010, the Sustainable Development Week took place in all sites in France (Manosque, Paris and Lagorce), with the aim of raising employee awareness through various different events and activities, such as films, exhibitions, presentations by outside speakers on the theme of Carbon Footprint or Waste, and visits to a sorting centre or the wood-heating plant in Manosque.



Energy consumption indicators for the Manosque industrial site



Breakdown of waste disposal, by method, for yearly waste production

THE ENVIRONMENT & LOGISTICS

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Concerned by the impact of greenhouse gases on the climate, we wanted to know, as far back as 2008, what impact our downstream logistics could have on this phenomenon, and how we could reduce this impact. Why look at downstream logistics? Because, with 85% of our business outside France, and our production tools concentrated in France, we thought that it was important to take an in-depth look at the environmental impact of the transportation involved.

”



Jacques PELLISSIER,
Logistic Director

ACTIONS

The evaluation of our carbon footprint for downstream logistics in 2008 showed that all of the L'OCCITANE downstream flows together produced over 18,000 CO2 equivalent tons, and allowed us to pinpoint the areas that needed improvement: a reduction in air transport, the transport mix, and the filling of transport containers. A carbon reduction action plan, linked to downstream logistics, was put in place in 2009 and continued in 2010.



✓ Objective: optimize filling

A study was commissioned to an outside consultancy to work on updating our range of secondary packaging cartons, with the aim of filling them better and making them more resistant to stacking. This study was completed in late 2010. As a result of the implementation of these new transport containers, all our palletization plans will need to be revised in 2011.

✓ Putting a stop to individual car trips

The Saint Maurice industrial zone in Manosque, where the largest L'OCCITANE site is based, can only be accessed by road, either by car or bus. Having studied all the possible solutions for developing bus

routes with the relevant local and regional authorities, L'OCCITANE finally made the choice, in 2009, to finance a bus service between Forcalquier and the Manosque factory, to transport employees working in teams on the three eight-hour shifts. This free service would allow them to come to work without using their own car. This initiative continued in 2010 and took 60 cars off the road, i.e. saving 68 tons of CO2 emissions a year.

In parallel to this, the CSR team continues to work on ways to encourage carpooling at the Manosque site: in 2010, 100 people were car-poolers, which cut CO2 emissions related to staff travel by 72 tons.

✓ Limiting business trips

Significant investments were made, in terms of both materials and training, to develop video conferencing and long-distance collaboration. All collaborators now have access to these new services via their individual workstations, or by having meeting rooms equipped with video conferencing facilities. By using these new practices, we can drastically reduce the number of business trips and, therefore, their environmental impact.

THE ENVIRONMENT & STORES

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With the aim of limiting the environmental impact of our retail operations, environmental factors are taken into account from the design and fitting of our points of sale, particularly with regard to controlling energy consumption. For every functioning point of sale, waste management and energy-saving techniques are the main environmental considerations.

”



Emmanuel de COURCEL,
General Director, Europe

ACTIONS

✓ Eco-design Stores

— The use of environmentally-friendly materials: the Concept department, responsible for the design of our stores, makes sure that the materials used are environmentally friendly, such as ecological paints, mineral lime, and FSC or PEFC wood, certified as sourced from sustainable forests.

— **Low-energy lighting** : we strive to reduce our energy consumption. Our stores are no longer lit exclusively by halogen spotlights, but with iodide lamps and LEDs. The units in the new-



New Store Concept

concept stores are also lit by LEDs or compact fluorescent lamps, which allow for up to 40% energy savings on lighting.

✓ Eco functioning

— An internal survey on in-store waste-sorting practices : in September 2010, an internal survey was carried out involving all our company-owned stores in France. The aim of this survey was to analyse the types of waste, average quantities, and existing systems to sort/recycle this waste. Based on the results of this survey, a programme to extend selective sorting to all stores throughout France will be launched in 2011.

— Sorting bins integrated into the store concept : all stores in the Paris region, i.e. 16 stores, sort waste using an organized waste-collection service. Since September 2010, four Paris stores have piloted the inclusion of a selective sorting bin in the sales space, visible to customers. This operation is not only aimed at making it easier to sort store waste, but also at making the consumer more aware of good sorting practices. This store feature is combined with a promotional offer: when customers bring back three empty L'OCCITANE containers, they are entitled to a 10% discount on their next purchase. Stores that include

**Illuminated
store signs
switched off
from 10 pm
to 7 am in
France**

these bins benefit from a reliable waste collection service. If this test is conclusive, the sorting bin will be integrated into the new store concept in 2011.

— Putting a stop to wasting energy: guidelines are given to store managers with regard to using the air-conditioning systems as efficiently as possible, to avoid any excessive use of energy. Again, with the aim of saving energy and avoiding light pollution, all of the illuminated store signs for company-owned stores in France are switched off from 10 p.m. to 7 a.m.

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