The information provided in this report relates mainly to the Group’s French entities, and especially Laboratoires M&L, French subsidiary of the L’OCCITANE Group, responsible for product formulation and production. Indicators and information relate to the financial year 2017 (April 1, 2016 to March 31, 2017). When information does not relate to this period, this will be indicated.
Respect for the environment, employee development and support for our communities are at the heart of what we do. We are determined to take our commitments even further not just by pursuing the actions we have already taken, but also by embarking upon new projects.

This year, the Group signed a three-year partnership with the IUCN France*. The partnership aims to identify the impact of our activities on biodiversity and implement an action plan so that we can do more in this area. All of our activities – from designing to distributing products – are covered by an ISO 14001-certified management system. This guarantees that we work in a logical way so as to limit our most significant impacts on the environment. Furthermore, we are continuing our efforts to develop the naturality of our formulae. In 2016, over 89% of the new products launched by L’OCCITANE en Provence contained at least 90% naturally-derived ingredients.

We are also dedicated to making our Group an inspiring, stimulating and enjoyable workplace. This year, once again, several Group subsidiaries got involved in the “Great Place to Work” survey. As a result of this survey, we have been able to identify strong points in terms of well-being at work, while also highlight areas for improvement.

Finally the Group believes that contributing to communities is fundamental. In December 2016, within the framework of the L’OCCITANE Foundation’s “Union for Vision” programme, an international partnership was signed with UNICEF. Through this partnership, we are contributing to the prevention of childhood blindness by providing them with Vitamin A supplements. The programme should benefit 1.7 million children across the world between now and 2020.


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THE GROUP IN FIGURES

**Consolidated turnover**

€ 1.32 billion

**Growth (constant exchange rate)**

1.7%

**Outlets including 1,514 company-owned**

3,037

**Over 8,500 employees in the world**

**OUR ACTIVITY WORLDWIDE**

Net sales (%) by geographic areas

- **Total shops**
- **Sales (M)**
- **Owned shops**

**OUR ACTIVITY WORLDWIDE**

Net sales (%) by geographic areas

- **United States** 13%
- **United Kingdom** 5%
- **France** 8%
- **China** 11%
- **Japan** 18%
- **Russia** 4%
- **Taiwan** 3%
- **Hong Kong** 9%
- **Others countries** 25%

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A MESSAGE FROM THE CEO

The L’OCCITANE Group has been built around strong values and is committed to developing products that are increasingly respectful of both man and his environment.”

– Reinold Geiger
Our environmental commitments

01

OUR ENVIRONMENTAL COMMITMENTS

ASSESSING THE IMPACT OF OUR ACTIVITIES ON BIODIVERSITY

In 2016, the Group entered into a three-year partnership with the IUCN. This partnership focuses on:

• identifying the impact of our activities on biodiversity and implementing an action plan to reinforce our commitments;
• supporting the IUCN project in France to produce a red list of ecosystems for France’s Mediterranean coastlines and forests so as to increase knowledge about biodiversity and raise awareness of the challenges involved.


EVALUATING THE SUSTAINABILITY OF OUR KEY SUPPLY CHAIN

The department responsible for the Group’s key ingredients has set up a tool to evaluate its natural ingredient supply chains based on essential sustainability criteria. These criteria focus mainly on environmental matters and include:

• water management;
• energy sources;
• waste management;
• cultivation techniques;
• biodiversity-friendly practices (planting hedges, grazing).

AN ORGANIC IMMORTELLE SUPPLY CHAIN

The organic immortelle plantation programme, launched in 2004 in Corsica, has enabled us to address several challenges:

• reduction of the impact on the natural environment by providing an alternative to picking wild immortelle;
• provision of a sustainable supply of organic immortelle essential oil;

PRESERVING BIODIVERSITY

The “Mediterranean Basin” is an exceptional, albeit fragile environment. It has been identified as one of the world’s 34 most sensitive areas in terms of biodiversity. The L’OCCITANE Group is committed to both promoting biodiversity and reducing the impact of its activities on biodiversity.

NATURALITY

89% OF NEW PRODUCTS LAUNCHED by L’OCCITANE on Provence contained at least 90% natural ingredients

CO2 EMISSIONS

14% REDUCTION IN CARBON INTENSITY between 2010 and 2016 for all of our activities (excluding used and discontinued products)

REDUCTION IN THE USE OF AIR TRANSPORT

1.6% OF OUR PRODUCTS TRANSPORTED BY AIR

WASTE RE-USED OR RECYCLED

70% OF WASTE RECYCLED from our industrial sites

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Our environmental commitments

SUSTAINABLY MANAGING THE HARVESTING AND PROCESSING OF SHEA NUTS

The Group has set itself the goal of a 100% organic supply of shea butter by 2018. To do this, it has developed a project to secure the certified-organic shea parklands.

In Burkina Faso, we are working on setting up agreements between the cooperatives of women shea butter producers and local authorities so that access to the harvesting areas can be sustainably managed. These are often protected areas where biodiversity is an important issue.

Furthermore, the Group has been working in partnership with the NGO[1] RONGEAD + Etc Terra[2] in order to reduce the environmental impact of processing shea nuts to make the butter. Through R&D, technologies have been designed that make it possible to stop using wood for heating, reduce wastewater discharge by 30% and make use of 100% of waste materials. These new technologies are currently being deployed within the shea butter cooperatives.

PALM OIL: COMMITTED TO RSPO CERTIFICATION

The Group neither purchases nor uses palm oil directly in its formulae. However, our soap flakes and certain derivatives may contain it. Since 2011, the Group has been committed to the RSPO process, with the aim of ensuring that the palm oil it sources is sustainably produced.

At present, 94.5% of our soap flakes are RSPO[3]-certified, segregated[4]. In 2016, we started to reformulate our products that contain palm oil derivatives.

Our objective is to use 100% RSPO[3]-certified derivatives by 2020.

SAFEGUARDING THE FUTURE OF BEES WHILE HELPING TO BUILD COMMUNITIES

Since 2010, MELVITA has been supporting projects to protect nature and biodiversity. More recently, MELVITA has developed flagship programmes that aim to protect bees, but which also have benefits for society.

An example of this is MELVITA’s support for the “Argan Bees” programme in Morocco.

Successive droughts and intensive farming have had an impact on ecosystems and, particularly, on bee populations in the Sahara. In the past, bees were hugely abundant in this area. Today, however, they are in decline.

Since 2015, working in partnership with the NGO Man & Nature, MELVITA has allocated €30,000 every year to projects focused on setting up new beehives in the “Arganeraie” – Morocco’s argan tree region.

200 hives, providing a home for 10 million bees, have been set up at the heart of the argan oil cooperatives in the regions of Essaouira and Taroudant. Committed, determined and trained in beekeeping, the Berber women in our partner argan oil cooperatives contribute to maintaining the balance of local ecosystems by keeping these bees.

Furthermore, by developing beekeeping, they are able to generate an additional source of income.

Through this project, 240 Moroccan women are helping to protect both bees and biodiversity.

PROTECTING THE NATURAL HERITAGE OF PROVENCE

The land that inspires L’Occitane boasts an exceptional biodiversity. It is for this reason that the brand – through its L’Occitane Foundation – is committed to protecting the natural heritage of Provence. In 2016, L’Occitane strengthened its partnerships with local players. €125,000 was allocated to the following public interest projects and organisations.

• IUCN: to draw up the red list of ecosystems for France’s Mediterranean coastlines

• The Conservatoire d’Espaces Naturels de Provence-Alpes-Côte d’Azur and the Fédération des Conservatoires Botaniques Nationaux et Alpins (FCBN & CBNA) nature conservation organisations so as to implement a joint project that protects aromatic and medicinal plants, as well as meadow plants, and to promote the “Végétal local” and “Vraies messicoles” quality labels for local and meadow plants.

• The Parc Naturel Régional du Verdon (Verdon National Park) so as to lead a project that plants hedges and trees on 11 farmlands on the Valensole plateau (4,216 trees, 3.3km of hedges planted).
Our environmental commitments

PRODUCING SUSTAINABLY

Aware of the environmental impact of its business and its role as a company in the fight against climate change, the Group works to reduce its CO2 emissions. In 2016, the Group extended its carbon footprint analysis so that it covered all activities.

In addition, our production sites have been awarded ISO 14001 certification (international environmental management standard).

REDUCING OUR EMISSIONS AND PROTECTING RESOURCES

MEASURING OUR EMISSIONS

Since 2010, the Group has conducted a carbon footprint analysis of its production and supply chain activities.

In 2016, the scope of the analysis was extended to include all activities: industrial activities, logistics, administration and distribution, from the extraction of the raw ingredient through to its delivery to the customer, excluding discontinued products and out-sourced activities.

The conclusion of this evaluation is that carbon intensity is 87 tCO2e*/€ million revenues.

Three main sources of carbon emissions have been identified: inputs (raw materials, packaging), freight and energy.

* tCO2e: metric tons of carbon dioxide equivalent.

By 2020, the Group aims to reduce its carbon intensity by 30% compared with 2010 levels.

OPTIMISING OUR LOGISTICS CHAIN

Our aim is to optimise the logistics and the loading of goods, in particular by:

• optimising large storage facilities across the world
• optimising the fill rate of shipping containers, notably by the stacking of pallets
• reducing the use of air transport for the delivery of goods throughout the production chain
• switching to modes of transport that have a lower environmental impact, such as intermodal rail/road transport.

During the 2017 financial year, just 1.6% of volumes were transported by air.

BREAKDOWN OF CARBON EMISSIONS PER CATEGORY

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freight</td>
<td>33%</td>
</tr>
<tr>
<td>Raw materials</td>
<td>8%</td>
</tr>
<tr>
<td>Energy</td>
<td>11%</td>
</tr>
<tr>
<td>Packaging</td>
<td>17%</td>
</tr>
<tr>
<td>Commuting</td>
<td>18%</td>
</tr>
<tr>
<td>Professional trips</td>
<td>5%</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
</tbody>
</table>

Total tCO2e* = 111,786
Our environmental commitments

Our environmental commitments

REDUCING ENERGY CONSUMPTION
Throughout the 2017 financial year, our industrial sites reduced their energy consumption for each unit consumed:
11% reduction in electricity (kWh/unit produced) and 6% reduction in gas (kWh/ton manufactured) in comparison to 2016.

DEVELOPING THE USE OF RENEWABLE ENERGY
The Group already uses 28% renewable energy. Our goal is to bring this figure to 100% step-by-step.

Step 1: France
For this initial phase, the objective has already been met:
• 100% of company-owned stores in France function on 100% renewable energy;
• All the Group’s industrial sites are also supplied with 100% renewable energy.

Step 2: the main subsidiaries
• The L’OCCITANE Group is investigating solutions that could enable its stores and main distribution subsidiaries (excluding transportation) to receive electricity that comes from a renewable source;

• given that those subsidiaries consume 80% of the Group’s total electricity.

Step 3: Rolling out the approach in other distribution subsidiaries.

REDUCING WASTE

RECYCLING IN OUR STORES
We are working on ways to recycle our products in partnership with Terracycle – an innovative company specialising in processing difficult-to-recycle materials.

In 2014, a programme to recycle our empty containers was launched in our L’OCCITANE and MELVITA stores in France.

In 2016, the programme was extended to include stores in Australia. The aim of this partnership is to encourage our customers to recycle. Since its launch, some 53,000 containers have been collected and recycled.

Our objective for 2018 is to involve more subsidiaries in this programme.

WATER DISCHARGES
The water discharged from our Laboratoires M&L* industrial sites are compliant with industry standards and regulations.

*Laboratoires M&L, French subsidiary responsible for products formulation and production.

CREATING ECO-FRIENDLY FORMULAE AND PACKAGING

ECO-FRIENDLY FORMULAE
Our formulae are developed in accordance with rigorous guidelines that demonstrate respect for man and the environment. We always give priority to natural ingredients.

89% of the new products launched by L’OCCITANE en Provence contain over 90% natural ingredients.

MORE SUSTAINABLE PACKAGING
Efforts continue to be made to reduce the environmental impact of our packaging. Much of our packaging is made with recycled materials, using resources that are renewable or from sustainably managed forests.

We design our packaging so that it is easy to recycle, and we also make eco-refills.

Eco-refills are available for 13 products, representing an overall saving of 153 tons of material.

L’OCCITANE brand packaging contains 19.4% materials with a reduced environmental impact (recycled or renewable).

We aim to continue our efforts to increase the amount of waste recycled and hope to reduce the amount of landfill waste to zero between now and 2020.

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REDUCING WASTE

RECYCLING IN OUR FACTORIES
As part of the measures that were taken so as to obtain ISO 14001 certification, the Group’s industrial sites committed to reducing waste.

To manage its waste as efficiently as possible within the production framework, the Group monitors levels of waste per disposal method (landfill, incineration and recycling) on a monthly basis.

This year, two additional recycling systems were set up: one for our packing straps and the other for our label backing paper. Overall, during the 2017 financial year, 70.1% of waste produced on our industrial sites was recycled; 27.2% was used as an energy source and 2.7% was buried as landfill.

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INFORMING, AUDITING AND TRAINING

Being a responsible business partner for subcontractors and suppliers is one of the Group’s priorities. The Group’s purchasing policy combines several elements: a code of ethics; requesting of certifications and auditing of suppliers when necessary; providing training for purchasing staff; and building long-standing relationships with our key suppliers.

AN ETHICAL COMMITMENT

With a focus on transparency and continuous improvement, Laboratoires M&L has been a signatory to the United Nations Global Compact since 2011. Consequently, fair practices and fighting corruption are included in the company’s concerns.

A Code of Ethics has existed since 2009.

It is based on standards of practice (respect for the law, fair treatment and transparency, health and safety in the workplace, respecting the rights of employees, respect for the environment) and standards of conduct (professional responsibility, confidentiality, conflicts of interest, relationships with clients and suppliers, political activities).

PURCHASING PROCESS

The Group has set up a process to select suppliers who share our CSR* priorities in order to have greater control over traceability and quality, from the raw materials to the finished products.

Suppliers and subcontractors must meet social, ethical and environmental requirements. For areas where the national and regional legal frameworks are less restrictive, recognised international references – such as the Business Social Compliance Initiative (BSCI) and SA 8000 certification – are requested of suppliers. In this way, we can ensure that they adhere to standards relating to working conditions, the environment and business ethics.

A non-certified supplier may be subject to a specific social and quality audit conducted either by our in-house teams or by an authorised independent auditor.

Chosen suppliers are required to sign the L’OCCITANE Group CSR Charter (based on the principles of the UN Global Compact).

*CSR: Corporate Social Responsibility

RESPONSIBLE PURCHASING AND QUALITY

TRACEABILITY

47 traceable ingredient supply chains representing almost 235 hectares of cultivation (Laboratoires M&L)

PARTNERS

We work directly with over 140 producers and over 10,000 pickers

RESPONSIBLE PURCHASING TRAINING

Over 170 people have been given training in responsible purchasing and product eco-design since 2012

02

RESPONSIBLE PURCHASING AND QUALITY

OVER 170 PEOPLE have been given training in responsible purchasing and product eco-design since 2012

We work directly with over 140 PRODUCERS and over 10 000 PICKERS

47 TRACEABLE INGREDIENT SUPPLY CHAINS representing almost 235 hectares of cultivation (Laboratoires M&L)
AUDITING AND SELECTING SUPPLIERS

Our Internal Auditing department regularly carries out audits to test that existing purchasing rules are applied within the Group’s main entities.

At present, the Group is working on ways to:

• systematically take into account social risks in countries where there is less awareness of these issues due to the country’s regulations;

• optimise information gathering (legal, social, environmental, etc.) from the first contact with suppliers and enable entities to join forces and share information, thereby increasing their knowledge and giving them more control;

• raise competition between suppliers as standard practice, as a means to continuing to improve the social and environmental performance.

Along with other companies, the Group contributes to the SEDEX® collaborative platform, which allows for greater transparency of information relating to the CSR performance of suppliers.

This type of tool helps companies to make their decisions in terms of selecting and maintaining suppliers, and demanding corrective actions if necessary.

* SEDEX: a global not-for-profit membership organisation home to the world’s largest collaborative platform for sharing responsible sourcing data on supply chains.

TRAINING IN RESPONSIBLE PURCHASING

The Group trains its teams and works with its subsidiaries in the areas of responsible purchasing and eco-design.

Since 2012, in-house training sessions have been organised for a large number of staff across our subsidiaries in order to provide them with knowledge, tools and an understanding of the Group’s vision of responsible purchasing and eco-design. (This training is organised within the framework of our ISO 14001 process).

In all, from 2012 until the end of 2016, over 170 people received training in these areas.

We give recommendations to all of our subsidiaries spread across the world to help them select environmentally friendly materials and suppliers who ensure correct working conditions during the production process.

SUSTAINABLY SOURCING OUR INGREDIENTS

The Group has chosen nature as its source of inspiration and draws on the natural properties of plants for the well-being of its customers. A team of agricultural experts is dedicated to sustainably securing plant supply chains and works directly with producers on the continuous improvement of our supply chains.

COMMITTING TO LONG-LASTING AND SUSTAINABLE RELATIONSHIPS WITH OUR SUPPLIERS

For our key ingredients, the Group builds long-term, trusting partnerships that are strengthened, whenever possible, by multi-year contracts with our producers.

These contracts guarantee suppliers a minimum purchase volume with a price that is agreed by all parties.

The price is set based on research and ensures that it generates a fair income. We make a down payment of up to 80% so that producers have the cash flow needed for the harvest.

- 47 traceable sourced ingredients, including 28 multi-year contracts.
Responsible purchasing and quality

IMMORTELLE: A SUPPLY CHAIN THAT BEGAN OVER 10 YEARS AGO

The large-scale organic immortelle plantation programme was launched in 2004. Help on the ground and funding from the L’OCCITANE Group, along with the support of local organisations, encouraged farmers to get involved in the adventure.

They were particularly motivated by the possibility to form multi-year contracts, which provide producers with the guarantee of a lasting outlet for their produce.

- More than 50 hectares of cultivated natural immortelle.

FAIR TRADE SHEA BUTTER SUPPLY CHAIN IN BURKINA FASO

Through multi-year contracts and the provision of technical support on the ground throughout the year, we have been forging strong relationships in Burkina Faso for the past 30 years.

In 2009, the Group helped this supply chain by providing the finances required to obtain Ecocert ESR certification*, as well as technical support. The women’s cooperatives can also use the Fair Trade label to make their produce more attractive to international clients, which in turn helps to secure their long-term emancipation.

The shea butter purchase price is the subject of a study conducted by an NGO. Every year, the price is revised at a pricing committee meeting with the women, in the presence of an independent observer.

On the ground, three people are in charge of working with the cooperatives on traceability, orders and projects.

* According to the ESR standard (Fairness, Solidarity and Responsibility), available on www.ecocert.com.

- Several tons of shea butter ordered every year.
- Over 10,000 women involved.

FAIR TRADE ARGAN SUPPLY CHAIN IN MOROCCO

We have worked with our two local suppliers to obtain ESR Fair Trade* certification.

Since 2014, the Group has also been working with the women who collect the argan nuts to help them develop a beekeeping activity. This enables them to generate an additional income and, more generally, encourages young people and the most isolated local communities to get involved in beekeeping.

* Fair Trade approved by ECOCERT Environment according to the ESR standard (Fairness, Solidarity and Responsibility), available at www.ecocert.com.

- More than 50 tons ordered;
- 250 women involved.
GUARANTEEING THE SAFETY AND QUALITY OF OUR PRODUCTS

The quality and safety of our products are among our key priorities. Tests are carried out throughout the different stages of product development and regular checks are conducted during the manufacturing process. If, despite all the efforts and care taken during these stages, we are unable to achieve customer satisfaction, we carefully follow up and do our best to resolve any complaints made about the quality of our products or relating to their safety (cosmetovigilance).

TRACEABILITY OF OUR KEY INGREDIENTS

Precise specifications apply to our key raw materials, focusing on:

- how the plant is grown and processed – for example, it might be a specific variety of plant or extraction method distillation, etc.;
- ingredient quality criteria, such as a specific active molecule content.

Our team of agronomists regularly conducts audits with our suppliers. The aim of this is to ensure that our practices comply with industry standards, and to work with suppliers on the continuous improvement of our supply chains.

MAKING INFORMATION ACCESSIBLE

Key ingredients are rigorously monitored. One of the ways we do this is by setting up indicators that are regularly communicated internally and externally.

REGULARLY MONITORED PRODUCTS, THROUGHOUT ENTIRE DESIGN CYCLE

For advertising, labeling and privacy matters relating to our products and services, we ensure that appropriate measures and clear procedures are put into place and that these are followed by relevant personnel.

Statutory requirements are strictly adhered to and employees are required to retain in confidence any and all information obtained in connection with their employment, including but not limited to trade secrets, client personal data and information, supplier information and other proprietary information.

For the year ended 31 March 2017, the Group is not aware of any incidents of non-compliance with laws and regulations concerning advertising, labeling and privacy matters relating to our products and services and methods of redress that could have a significant impact on the Group.
EMBRACING TALENTS AND MANAGING CAREERS

The Group employs over 8,500 people across the world and offers numerous opportunities for young and aspiring candidates.

Within Laboratoires M&L, 909 people received training during the 2017 financial year, with training expenditure representing 3.3% of total payroll.

In total, Laboratoires M&L has invested 1.4M € in training.

HELPING EMPLOYEES TO DEVELOP THEIR CAREERS

One of the priorities of the Group’s Human Resources department is to build solid, committed teams by developing their skills with the help of an ambitious career development plan. The Group offers its employees training and professional development opportunities, enabling them to improve both their performance and their employability.

INTEGRATING DISABLED WORKERS

The staff at our industrial sites include disabled workers. During the 2017 financial year, the percentage of disabled workers at Laboratoires M&L was 8.1%.

TRAINING
909
PEOPLE TRAINED
From Laboratoires M&L benefitted from at least one training course in 2017

DIVERSITY
Laboratoires M&L has employed the equivalent of 8.1% DISABLED WORKERS
A “GREAT PLACE TO WORK”

ENSURING THE HEALTH AND SAFETY OF OUR EMPLOYEES

The health and safety of our employees on our sites is of utmost importance. The “Santé & Environnement au Travail” (health and the environment at work) prevention policy is implemented at each production site so that any problems or malfunctions can be dealt with directly.

Within the framework of its commitment to meeting occupational health and safety management requirements, Laboratoires M&L obtained OHSAS 18001* certification for its two production sites this year.

Laboratoires M&L includes actions and preventative measures in its annual Prevention and Safety at Work plan, which it shares with social partners during the HSWC (Health, Safety & Working Conditions) committee meetings.

Working in consultation with the occupational health team, various preventative measures (noise, position and posture, psychosocial risks, etc.) are implemented.

These measures are regularly covered during HSWC meetings, and by specific and multidisciplinary working groups.

*OHSAS 18001: Occupational Health and Safety Assessment Series 18001 is an international standard for occupational health and safety management systems.

“GREAT PLACES TO WORK” SURVEYS

This year, for the second year running, the Group launched the “Great Place to Work” (GPTW) survey in several of its subsidiaries. Through this employee and company culture survey, we have been able to identify our strong points in terms of ensuring employee well-being at work, while also highlighting areas for improvement.

In addition to being a useful evaluation tool, the GPTW enables the Group to exchange regularly with other member companies and, where suitable, to share best practices.

As such, we continue to work on ways to make improvements where needed.
Our contribution to the community

Our contribution to the community

WOMEN LEADERSHIP
13,000 women have been given support to help them develop their business

UNION FOR VISION
10 BY 20

Through its flagship programme, UNION FOR VISION 10 by 20, the L’OCCITANE Foundation focuses on fighting preventable blindness by improving access to quality eye care throughout the world. Our objective is to provide eye care to 10 million people by 2020.

Working in partnership with expert NGOs, this programme aims to support research, training for medical teams, vision screening, treatments and surgical operations, as well as awareness campaigns.

In December 2016, the Foundation signed an international partnership with UNICEF* so as to contribute to the prevention of childhood blindness by providing them with vital Vitamin A supplements.

Between now and 2020, 1.7 million children across the world should benefit from the programme. In order to have a greater impact on the ground, the L’OCCITANE chose to focus on three countries where there is a high prevalence of Vitamin A deficiency: Papua New Guinea, Bolivia and Myanmar.


ZOOM

UNION FOR VISION
10 BY 20

In 2016, the L’OCCITANE Foundation also presented two €50,000 awards to fund research and support innovation in the field of ophthalmology:

- The L’OCCITANE Sight Award for Research, to fund research into fighting preventable blindness in developing countries. This award was presented to Doctor Wondu Alemayehu for his research into the behavioural and environmental determinants affecting the prevalence of trachoma in Ethiopia.

- The L’OCCITANE Sight Award for Innovation, that recognises innovative solutions and approaches in the field of eye care. The award was attributed to Doctor Zareen Khair for her project to improve vision in rural areas of Bangladesh for the benefit of 135,000 people.

BEING A SOCIALLY RESPONSIBLE AND PHILANTHROPIC COMPANY

The L’OCCITANE Group is dedicated to being a socially responsible and committed company. Every year, we give our support to various initiatives and public interest projects, working with organizations and philanthropy programmes that are supported by the Group.

HELPING PEOPLE

500,000 people have received eye care

The Group’s subsidiaries are also involved in this international programme and support local projects in their respective markets.
OUR SUSTAINABLE COMMUNITIES POLICY

Our team of agricultural experts is dedicated to sustainably securing plant supply chains. We work directly with producers to continually improve our supply chains and we forge long-term partnerships based on trust and respect so as to build sustainable “communities”. We give priority to local purchasing to help develop the social fabric of the region and support its traditional crops.

Whenever possible, we use short, integrated supply chains to provide more added value for the producers and to have control over the traceability of extracts.

SUPPORTING TRADITIONAL CROPS

ALMOND

Some of the scents and flavours of Provence are simply unforgettable. Almonds have long been associated with Provence and the almond tree is a strong symbol of the Provençal landscape. Yet it has almost disappeared from the region, making way for more profitable crops.

Jean-Pierre Jaubert is an almond farmer on the Valensole plateau where he has planted over 15,000 almond trees since 2002. By purchasing all his reject almonds*, the Group helps to support this traditionally grown crop. The Group is also involved in a project to boost the cultivation of almond trees in Provence, led by the PACA (Provence-Alpes-Côte d’Azur) Regional Chamber of Agriculture.

*SUPPLEMENTARY: While reject almonds cannot be sold to confectionery manufacturers, they still contain the same properties as whole almonds.

SHEA BUTTER

We purchase shea butter that has been produced by the traditional method. By doing so, we improve the end value for our shea butter women by 40% in comparison to the basic business of trading shea nuts. This use of traditional techniques keeps a close link with local society and helps to maintain the passing of information from one generation to another, integrating modern adaptations as required.

LAVENDER

The L’OCCITANE Group sources its lavender supplies directly from Provence cooperatives in Sault, Simiane la Rotonde and from the Bleu Provence distillery. As such, our purchases provide valuable support for the local economy.

L’OCCITANE also supports an endowment fund to save Provence’s lavender heritage, set up in 2012 by the CRIEPPAM* – an agronomic research centre.

The fund is dedicated to finding ecological solutions to protect this plant which faces the challenges of climate change.

*CRIEPPAM: Centre Régionalisé Interprofessionel d’Expérimentation en Plantes à Parfum Aromatiques et Médicinales.

REGION THAT EXCELS IN NATURAL PRODUCTS

Since late 2016, Laboratoires M&L has been involved in the Opérations d’Intérêt Régional (Operations of Interest for the Region) project. Headed by the PACA (Provence-Alpes-Côte d’Azur) region, it aims to make the area a centre of excellence in the field of natural products, to create jobs and attract businesses.

- 3 multi-year contracts.
- Approximately 170 hectares of cultivation.
PROMOTING WOMEN’S LEADERSHIP

Since the 1980s, L’OCCITANE has committed to a lasting partnership with the women who produce shea butter. As an extension of this commitment, the L’OCCITANE Foundation works to promote women’s leadership throughout the world.

PARTNERSHIP WITH UN WOMEN

On an international level, the L’OCCITANE Foundation works directly with UN Women – the United Nations entity for gender equality and the empowerment of women.

More specifically, in March 2016, we contributed €200,000 to the UN Women Fund for Gender Equality. This fund is dedicated to the political and economic empowerment of women by providing technical and financial support to innovative strategic initiatives.

LITERACY AND MICROCODETS IN BURKINA FASO

In Burkina Faso, the L’OCCITANE Foundation supports the economic emancipation of women and their education.

Literacy: since 2010, the Foundation has worked with “Aide et Action” – an NGO that oversees the building and running of literacy centres, in collaboration with nine local organisations.

Microcredits: L’OCCITANE supports the Entrepreneurs du Monde project. The project aims at promoting women’s self-sufficiency and entrepreneurial spirit by making it easier for those who are unable to raise capital to have access to microcredits.

RÊV’ELLES AND THE LA FLAMME MARIE CLAIRE CAMPAIGN

In 2016, L’OCCITANE France once again supported the “La Flamme Marie Claire” campaign, an operation that is organised by the women’s magazine, Marie Claire.

The brand donated the profits from the sale of fund-raising candles in L’OCCITANE stores and, by doing so, the L’OCCITANE Foundation supported (among others) the “Rêv’Elles” not-for-profit organisation in France.

Created in 2013, “Rêv’Elles’ works to promote gender equality and equal opportunities. To do this, it helps young women (14 to 22 years old) from disadvantaged backgrounds to build careers. In addition to providing financial support to “Rêv’Elles”, in April 2016 and February 2017, L’OCCITANE also held two “Rêv’Elles moi L’OCCITANE” information days at its site in Paris. Young women from the organisation were able to meet and chat with employees, learn about different professions and get an insight into the world of work.

SUPPORTING WOMEN’S UNIONS IN BURKINA FASO

In Burkina Faso, the Group has committed to supporting the NGO RONGEAD + Etc Terra* with a new R&D project. The aim of the project is to further improve the mechanical tools that the women use to produce shea butter, making it possible to duplicate the tools on a large scale with minimum impact of the environment.

When necessary, L’OCCITANE calls in external trainers to treat specific subjects. Furthermore, the team in Burkina Faso has reinforced its efforts to support the financing of the unions’ projects in order to complete the funds brought in by L’OCCITANE.

Finally, so as to develop the diversification of the way in which the women can earn a living, L’OCCITANE has financed a study that has been conducted by an NGO. The study looks at opportunities to develop new remunerable activities and analyses potential market.
## APPENDIX 1: HONG KONG STOCK EXCHANGE ESG SUBJECTS AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS – CORRELATION TABLE

<table>
<thead>
<tr>
<th>COMPLY OR EXPLAIN PROVISIONS</th>
<th>GROUP L’OCCITANE DISCLOSURES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. ENVIRONMENTAL</strong></td>
<td></td>
</tr>
<tr>
<td>Aspect A1 : Emissions</td>
<td></td>
</tr>
<tr>
<td>General disclosure</td>
<td></td>
</tr>
<tr>
<td>Information on:</td>
<td></td>
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<tr>
<td>- the policies; and</td>
<td></td>
</tr>
<tr>
<td>- compliance with relevant</td>
<td></td>
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<tr>
<td>laws and regulations that</td>
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<tr>
<td>have a significant</td>
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<tr>
<td>impact on the issuer</td>
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<tr>
<td>relating to air and</td>
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<tr>
<td>greenhouse gas emissions,</td>
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<tr>
<td>discharges into water and</td>
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<tr>
<td>land, and generation of</td>
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<tr>
<td>hazardous and non-hazardous</td>
<td></td>
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<tr>
<td>waste.</td>
<td></td>
</tr>
<tr>
<td>KPI A1.1</td>
<td>Ref: Reducing our emissions</td>
</tr>
<tr>
<td>The types of emissions and</td>
<td>and protecting resources</td>
</tr>
<tr>
<td>respective emissions data.</td>
<td>(pages 11 to 13).</td>
</tr>
<tr>
<td>KPI A1.2</td>
<td>Ref: Measuring our emissions</td>
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<tr>
<td>Greenhouse gas emissions in</td>
<td>(page 11).</td>
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<tr>
<td>total (in tonnes) and,</td>
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<tr>
<td>where appropriate,</td>
<td></td>
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<tr>
<td>intensity (e.g. per unit</td>
<td></td>
</tr>
<tr>
<td>of production volume,</td>
<td></td>
</tr>
<tr>
<td>per facility).</td>
<td></td>
</tr>
<tr>
<td>KPI A1.3</td>
<td>We track the quantity of</td>
</tr>
<tr>
<td>Total hazardous waste</td>
<td>that has been recycled,</td>
</tr>
<tr>
<td>produced (in tonnes) and,</td>
<td>incinerated and sent to</td>
</tr>
<tr>
<td>where appropriate,</td>
<td>landfill at our industrial</td>
</tr>
<tr>
<td>intensity (e.g. per unit</td>
<td>sites (page 12).</td>
</tr>
<tr>
<td>of production volume,</td>
<td></td>
</tr>
<tr>
<td>per facility).</td>
<td></td>
</tr>
<tr>
<td>KPI A1.4</td>
<td>We track the quantity of</td>
</tr>
<tr>
<td>Total non-hazardous waste</td>
<td>that has been recycled,</td>
</tr>
<tr>
<td>produced (in tonnes) and,</td>
<td>incinerated and sent to</td>
</tr>
<tr>
<td>where appropriate,</td>
<td>landfill at our industrial</td>
</tr>
<tr>
<td>intensity (e.g. per unit</td>
<td>sites (page 12).</td>
</tr>
<tr>
<td>of production volume,</td>
<td></td>
</tr>
<tr>
<td>per facility).</td>
<td></td>
</tr>
<tr>
<td>KPI A1.5</td>
<td>Ref: Optimising our logistics</td>
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<tr>
<td>Description of measures</td>
<td>chain (page 11); Reducing</td>
</tr>
<tr>
<td>to mitigate emissions and</td>
<td>energy consumption (page 12);</td>
</tr>
<tr>
<td>results achieved.</td>
<td>Developing the use of</td>
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<tr>
<td>KPI A1.6</td>
<td>renewable energy (page 12).</td>
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<td>Description of how</td>
<td>We track the quantity of</td>
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<td>hazardous and non-hazardous</td>
<td>waste that has been recycled,</td>
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<tr>
<td>wastes are handled,</td>
<td>incinerated and sent to</td>
</tr>
<tr>
<td>reduction initiatives and</td>
<td>landfill at our industrial</td>
</tr>
<tr>
<td>results achieved.</td>
<td>sites (page 12).</td>
</tr>
<tr>
<td>Aspect A2: Use of Resources</td>
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</tr>
<tr>
<td>General disclosure</td>
<td>Ref: Reducing energy</td>
</tr>
<tr>
<td>Policies on the efficient</td>
<td>consumption (page 12);</td>
</tr>
<tr>
<td>use of resources, including</td>
<td>Developing the use of</td>
</tr>
<tr>
<td>energy water and other raw</td>
<td>renewable energy (page 13);</td>
</tr>
<tr>
<td>materials.</td>
<td>Recycling in our stores (page</td>
</tr>
<tr>
<td>KPI A2.1</td>
<td>13); More sustainable</td>
</tr>
<tr>
<td>Direct and/or indirect</td>
<td>packaging (page 13).</td>
</tr>
<tr>
<td>energy consumption by type</td>
<td>Ref: Appendices 3 and 4.</td>
</tr>
<tr>
<td>(e.g. electricity, gas or</td>
<td></td>
</tr>
<tr>
<td>oil) in total (kWh in ‘000s)</td>
<td></td>
</tr>
<tr>
<td>and intensity (e.g. per unit</td>
<td></td>
</tr>
<tr>
<td>of production volume,</td>
<td></td>
</tr>
<tr>
<td>per facility).</td>
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</tr>
</tbody>
</table>
APPENDIX 2 : WATER CONSUMPTION IN M3 AT OUR INDUSTRIAL SITES

<table>
<thead>
<tr>
<th>Location</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANOSQUE</td>
<td>97 740</td>
<td>102 448</td>
</tr>
<tr>
<td>LAGORCE</td>
<td>23 179</td>
<td>19 994</td>
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</table>

APPENDIX 3 : ELECTRICITY CONSUMPTION IN MWH AT OUR INDUSTRIAL SITES

<table>
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<th>Location</th>
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<th>FY 2016</th>
<th>FY 2017</th>
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</thead>
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<tr>
<td>MANOSQUE</td>
<td>7 200</td>
<td>6 740</td>
<td>147</td>
<td>121</td>
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<td>LAGORCE</td>
<td>3 354</td>
<td>3 462</td>
<td>52</td>
<td>51</td>
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APPENDIX 4 : GAS CONSUMPTION IN MWH AT OUR INDUSTRIAL SITES

<table>
<thead>
<tr>
<th>Location</th>
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<th>FY 2017</th>
<th>FY 2016</th>
<th>FY 2017</th>
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</thead>
<tbody>
<tr>
<td>MANOSQUE</td>
<td>8 203</td>
<td>8 954</td>
<td>841</td>
<td>751</td>
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<tr>
<td>LAGORCE</td>
<td>1 262</td>
<td>1 224</td>
<td>449</td>
<td>489</td>
</tr>
</tbody>
</table>

APPENDIX 5 : LEVELS OF WASTE PER WASTE DISPOSAL METHOD

<table>
<thead>
<tr>
<th>Location</th>
<th>% waste sent to landfill</th>
<th>% waste recycled</th>
<th>% waste incinerated</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANOSQUE</td>
<td>4</td>
<td>63</td>
<td>33</td>
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<tr>
<td>LAGORCE</td>
<td>8</td>
<td>82</td>
<td>10</td>
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</tbody>
</table>