

A close-up photograph of a hand holding a bouquet of yellow flowers, likely a type of Yarrow, in a field of similar flowers. The background is a soft-focus field of yellow flowers and green foliage.

L'OCCITANE *Group* CARES

.....
**FY2019 ENVIRONMENTAL,
SOCIAL AND GOVERNANCE
REPORT**

L'OCCITANE
EN PROVENCE

Melvita



erborian
KOREAN SKIN THERAPY



L'OCCITANE
AU BRÉSIL



LimeLife by Alconé

ELEMIS

The information contained in this report covers all activities of the L'OCCITANE Group and its five brands L'OCCITANE en Provence, Melvita, Erborian, LimeLife and L'OCCITANE au Brésil, in respect of the financial year started 1 April 2018 and ended 31 March 2019.

The brand Elemis, which has been part of the Group since March 2019, is not included within the scope of this report.

The majority of the data presented here concerns Laboratoires M&L, a French subsidiary of the L'OCCITANE Group with responsibility for the formulation, manufacturing and primary logistics of L'OCCITANE en Provence, Melvita and Erborian products. Any information provided that exceeds this scope will be indicated clearly. Throughout the report, the term "Group" will be used to refer to the L'OCCITANE Group.



.....

SUMMARY

Editorial

Introduction

Our Group and sustainable development

01 Promoting sustainable sourcing and purchasing

02 Formulating responsible products

03 Reducing our environmental footprint right
throughout our value chain

04 Ensuring the well-being and professional
development of our employees

05 Committing to projects that deliver a positive impact

Appendices

EDITORIAL**REINOLD GEIGER**

CEO of the L'OCCITANE Group

The 2019 financial year marks a turning point in Corporate Social Responsibility (CSR) for the L'OCCITANE Group. By strengthening our actions to preserve biodiversity and combat plastic waste, we are determined to address two of this century's major challenges.



I am proud that L'OCCITANE en Provence has been leading the way by defining its six pillars of commitment, in order to embed sustainable development at the core of its strategy. Our sustainable development policy is now supported and embodied by all Group employees.

To ensure the relevance of our commitments, we have updated our materiality analysis. We have re-prioritized the issues to which we must respond, in order to adjust our CSR policy as closely as possible to the current expectations of all our stakeholders.

The year was also marked by the launch of several flagship projects such as a multi-year partnership with Loop Industries, which consolidates our efforts to adopt a circular economy model in our use of plastic. This partnership will support our transition towards 100% sustainable PET¹ plastic. Our ambition is clear: to achieve 100% recycled plastic in L'OCCITANE en Provence bottles by 2025.

In addition, our teams are working to help preserve 1,000 plant species and varieties through various partnerships, as well as through our supply chain for plant-based ingredients (immortelle, lavender, shea butter, etc.).

In a context where the sector is undergoing deep transformations, the Group is consolidating its employee training programmes. It is important for us to ensure that our employees can develop and update their skills throughout their careers.

Lastly, beyond its corporate responsibility actions, the Group continues its philanthropic activities: for instance, we support women's entrepreneurship and empowerment as well as the fight against avoidable blindness, a historic cause for L'OCCITANE en Provence.

¹ PET is a plastic, also known as polyethylene terephthalate.

INTRODUCTION

With presence in nearly 90 countries, the Group designs, manufactures and distributes high-end cosmetic products. It consists of six brands, following the acquisitions of LimeLife (formerly LimeLight by Alcone) in January 2018 and Elemis in March 2019:

- **L'OCCITANE en Provence**, created in 1976, offers fragrances as well as skincare, bodycare and haircare products containing natural ingredients and the majority of which are produced in the South of France.
- **Melvita** was founded by a beekeeper thirty years ago. The brand provides 100% organic beauty products that have been awarded the Cosmebio organic label and certified by Ecocert.
- **Erborian** develops hybrid products that bridge the gap between skincare and makeup, inspired by traditional Korean pharmacopoeia and product formulation technology.
- Established in 2013, **L'OCCITANE au Brésil** offers a range of fragrances as well as haircare and bodycare products that promote the natural wealth and cultural richness of Brazil.
- **LimeLife**, an American cosmetics and make-up brand, sells products through its website and "Beauty Guides".
- **Elemis** is a premium skincare brand that was created in 1990. Its cosmetics combine cutting-edge technologies with powerful natural ingredients. The brand sells products through its websites and wholesalers to various distribution channels (e-commerce, retail, QVC, professional spas and cruises). The acquisition of Elemis allowed the group to strengthen its distribution capacity across all channels including the Internet and to expand its product range, particularly in skincare.

L'OCCITANE en Provence accounts for 87% of the Group's turnover, LimeLife for 6% and the other brands (Melvita, Erborian, L'OCCITANE au Brésil) for 7%.

The Group's business structure is divided into two main areas:

- Sell-in sales (25% of all sales) is dedicated to products that are designed and manufactured by the Group and sold to operators such as multi-brand beauty stores, hotels and airport terminal outlets.
- Sell-out sales (75% of all sales) involves the direct sales of the Group's products to consumers through its own network of stores and online distribution channels.

2019 FINANCIAL YEAR KEY FIGURES

- 6 brands
- 1,426.9 million euros in consolidated revenue
- 1,572 stores owned by the Group
- 10,845+ employees, over 9,000 full-time equivalents
- Present in around 90 countries

CORPORATE SITES

- Luxembourg: head office
- Switzerland: headquarters
- Hong Kong: stock exchange listing

As the Group is listed on the Hong Kong Stock Exchange, it is required to publish certain social, environmental and governance information each year. The Group is also required to comply with the provisions of the EU Directive 2013/34/EU regarding the publication of non-financial information and information relating to diversity, and its transposition into Luxembourg law in July 2016.

The purpose of this report is to fulfil both of these non-financial reporting obligations. A cross-reference table listing the requirements of the Hong Kong Stock Exchange is provided as an appendix at the end of this report.



L'OCCITANE GROUP CARES

THE L'OCCITANE GROUP AND SUSTAINABLE DEVELOPMENT

Sustainable development strategy of the Group and its brands

The Group's sustainable development policy is based on three major axes:

- **Respecting the environment and biodiversity:** we want to reduce our environmental impact throughout the entire value chain (from formulation to distribution) and to protect biodiversity in the regions where we operate.
- **Supporting communities:** developing sustainable and local supply chains in partnership with producers.
- **Promoting safety and quality** in our products.

These strategic priorities are supported by our **Corporate Responsibility Policy**, which was created in 2017. It is based on the following key principles:

- **Ethics:** apolitical activities, integrity, protection of privacy and personal data², prevention of corruption, responsible sourcing of raw materials, protection of intellectual property, compliance with tax obligations.
- **Respectful working conditions:** appropriate working hours, freedom of association and right to collective bargaining, elimination of insecure jobs, fight against discrimination, and a ban on forced labour and child labour.
- **Health and safety:** safeguarding consumer health and occupational hygiene, preventing work-related illnesses and accidents in the workplace.

The Corporate Responsibility Policy is being rolled out to all stakeholders (employees, suppliers and partners) and can lead to audits to ensure compliance with the Group's policy.

United Nations Global Compact

Laboratoires M&L, the French subsidiary in charge of the formulation, production and primary logistics of the brands L'OCCITANE en Provence, Melvita and Erborian, has been a signatory to the United Nations Global Compact since 2011. Under this programme, the company has pledged to respect ten core principles relating to human rights, working conditions, environmental protection and the fight against corruption.

Analysis of non-financial risks and stakeholder dialogue

During the 2019 financial year, the Group updated its materiality analysis in order to reassess the issues it faces and the expectations of its internal and external stakeholders. This update will enable the Group to adjust its CSR policy during the 2019-2020 financial year.

The issues identified as high priority are the following:

- **Products:** safety of the formulas, eco-socio-conception of products, responsible communication and information of consumers.
- **Environmental footprint:** environmental impact of the formulas, protection of biodiversity.
- **Supply chain:** responsible supply chain, responsible sourcing of raw materials.
- **Human resources:** development of human capital.
- **Ethics:** ethics and fight against corruption, dialogue with stakeholders.

These issues, all addressed in this report, will inform the evolution of the CSR strategy as well as the dialogue with stakeholders. They will also serve to update the analysis of non-financial risks presented below.

² Concerning confidentiality, the Group and its employees undertake to keep all information obtained within the scope of their activities confidential, including personal data and information passed on by customers and suppliers, in accordance with local and international laws.



Main non-financial risks

RISK CATEGORY	EXAMPLE OF RISK	POLICIES AND ACTIONS IMPLEMENTED	PERFORMANCE INDICATORS
RISKS ASSOCIATED WITH OUR PRODUCTS	<ul style="list-style-type: none"> Use of ingredients that have an undesirable effect on a person's health or the environment Product recalls for reasons relating to consumer health and safety Loss of CSR certification (Cosmebio organics label, ESR standard, etc.) 	<ul style="list-style-type: none"> Monitoring of regulations Quality control checks Raw materials charter L'OCCITANE Nature Lab Sustainable development of formulas Cosmebio organics label obtained for the Melvita brand 	<ul style="list-style-type: none"> Number of product recalls for reasons relating to consumer health and safety Formula biodegradability Percentage of product ingredients of natural origin (currently being redefined)
RISKS ASSOCIATED WITH THE ENVIRONMENTAL IMPACT OF OUR FACTORIES	<ul style="list-style-type: none"> Pollution generated by factories 	<ul style="list-style-type: none"> Environmental management system and ISO 14001 certification Checks carried out on waste matter discharged into the air and water Reduction and recycling of waste RE100 commitment (100% renewable energy) 	<ul style="list-style-type: none"> Water and energy consumption Waste generation and processing types (landfill, incineration, recycling) Greenhouse gas emissions Percentage of sites using renewable electricity
RISKS ASSOCIATED WITH THE SUPPLY CHAIN	<ul style="list-style-type: none"> Non-compliance with human rights obligations by suppliers or subcontractors Pollution generated by suppliers or subcontractors Unavailability of a key raw material 	<ul style="list-style-type: none"> Group CSR policy Auditing of supply chain risks Evaluation of suppliers in terms of CSR Multi-year contracts with producers Organic and fair-trade certifications for key raw materials 	<ul style="list-style-type: none"> Percentage of suppliers evaluated in terms of CSR Number of producers covered by multi-annual contracts Percentage of key raw materials certified as organic or fair trade
RISKS ASSOCIATED WITH HUMAN RESOURCES	<ul style="list-style-type: none"> Behaviour that infringes human rights (discrimination, bullying, etc.) Accidents in the workplace Redundancy plan 	<ul style="list-style-type: none"> Group CSR policy Diversity charter OHSAS 18001 certification Accident prevention and workplace safety plan Internal job board 	<ul style="list-style-type: none"> Absenteeism rates Absenteeism frequency and severity
RISKS ASSOCIATED WITH ETHICS	<ul style="list-style-type: none"> Fraudulent behaviour (corruption, tax fraud, etc.) 	<ul style="list-style-type: none"> Ethics charter Code of ethics for purchasing 	<ul style="list-style-type: none"> Number of legal proceedings for corruption



The commitments of the L'OCCITANE en Provence brand

Following the work carried out specifically for the CSR strategy of L'OCCITANE en Provence, the Group has announced **6 commitments** for the brand with specific objectives:



Respecting biodiversity:

contribute to the protection of 1,000 plant species and varieties by 2025.



Supporting producers:

create fair trade relations with all producers working as direct suppliers by 2025.



Reducing waste:

use 100% recycled plastic for 100% of bottles and to offer a recycling service in 100% of Group-owned shops around the world by 2025.



Combating avoidable blindness:

reach 10 million eye care patients by 2020.



Supporting female leadership:

support 33,000 women in their socio-economic development by 2020.



Promoting crafts:

support artisans and share their skills.



Business ethics and the fight against corruption

In 2009, the Group adopted an Ethics Charter that is still in place, setting out action-based and behaviour-based principles for all its employees.

A dedicated code of ethics has been formally established for the purchasing team in 2019.

During the 2019 financial year, the Group was not involved in any legal proceedings relating to corruption.

L LimeLife by Alcone • Paraben Free • Cruelty Free • Worry Free Skin Care





PROMOTING SUSTAINABLE SOURCING AND PURCHASING

01

RESPONSIBLE PURCHASING POLICY

Presentation of the Group's policy

The Group constantly strives to ensure the traceability, sustainability and quality of all the raw materials and products it purchases. Beyond securing its supply chain, the Group aims to identify the most relevant suppliers to innovate and strengthen its commitments.

In 2018, the Group created a responsible purchasing position. Its primary mission is to manage CSR risks in terms of purchasing for the categories and countries most exposed to CSR risks, as well as to consolidate the Group's global sustainable purchasing policy.

All employees in the purchasing teams of Laboratoires M&L and of the Group's major distribution subsidiaries signed off the Corporate Responsibility Policy and were trained in the integration of CSR issues into purchasing process.

The purchasing team has a dedicated code of ethics, which specifies how to apply the ethical principles of the Corporate Responsibility Policy.

In three years, 100% of L'OCCITANE en Provence and Melvita buyers have received training on responsible purchasing and ecodesign.

Assessment of social and environmental risks in the supply chain

Over the last three years, the Group has focused on three at-risk categories in the assessment of social and environmental risks in its supply chain: merchandising, furniture and promotional items.

The objective of zero high-risk supplier for these categories of purchases was almost reached at the end of 2018. Of the 105 suppliers deemed to be high risk in terms of CSR in 2017-2018, only three were not excluded from the supplier panel. The approach chosen for these partners is to support them in a plan to improve their CSR risk management. Targeted action plans may be required of moderate risk providers.

CSR assessment of Laboratoires M&L suppliers

18% of direct purchases are covered by a detailed CSR evaluation, i.e. 6 points more than in 2017.

98% of suppliers in target area are committed to complying with the Corporate Responsibility Policy.



Supplier evaluations are based on a literature review and on a framework for the analysis of key indicators. In regions where legislative requirements are different from Europe, suppliers may also be required to have social and environmental audit reports conducted by third-party organisations based on internationally recognised standards (such as BSCI, SMETA or SA 8000). In the view to identify and mitigate CSR risks in the whole Group supply chain, a CSR risk mapping will be conducted in 2019.

L'OCCITANE en Provence stores

In 2018, the retail and concept teams were made aware of responsible purchasing practices in stores (eco-designed furniture, modularity, environmental footprint of materials, etc).

A guide listing the environmental impact of materials has been put in place, and workshops aimed at integrating ecodesign into the store concept will be organized in 2019.

Distribution of Laboratoires M&L's direct purchases by geographical region (in purchase amounts) for the 2019 financial year

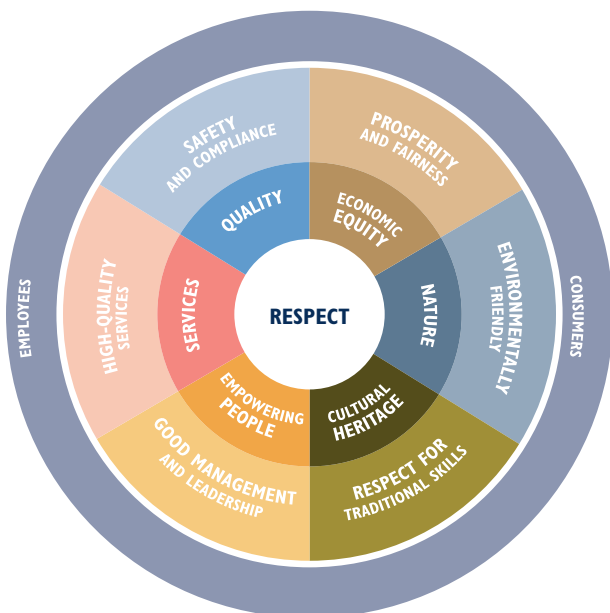
73% in Europe

25% in Asia

2% in Africa



SUSTAINABLE SOURCING OF KEY RAW MATERIALS



Sustainable sourcing, a dedicated department

One of the Group's strategic challenges is to preserve and enhance its supply of plants. This implies on the one hand protecting plant species and biodiversity and, on the other hand, establishing long-term partnerships with producers based on sharing added value, promoting local supply channels, preserving traditional skills and developing local communities and territories.

A team of nine employees is solely dedicated to the managing key natural supply chains for the L'OCCITANE en Provence, Melvita and L'OCCITANE au Brésil brands. The objectives of this internal strategy, known as the "Sustainable Communities" strategy, are as follows:

- to enable the Group to innovate responsibly, using natural ingredients;
- to secure key supply chains in the long term while also ensuring maximum traceability;
- to preserve biodiversity;
- to play a role in developing of producer regions.

Key raw materials (KRM) are the ingredients for which the need for traceability is extremely important, as are the main active ingredients in our ranges and products. To assess the sustainability of these key ingredients, the Group has developed an evaluation tool on the basis of criteria that focus on safety and quality, economic fairness, respect for the environment, respect for traditional skills and cultural heritage, governance and management, and business relationships with producers.

66 strategic supply chains

were developed by the Group
by the end of March 2019.





Key raw materials are the object of significant commitments by the Group:

- For raw materials classed as sensitive i.e. rare plants and plants for which there are uncertainties in the supply chain, the Group ensures end-to-end traceability, and enters into commitments with producers with respect to purchase volumes prior to the plants being harvested. A special set of requirements may be defined with the relevant producers, with regards to the cultivation of plants, processing methods used or specific quality criteria for individual ingredients. For example, such specifications have been set for myrtle and peonies.
- For key raw materials that constitute the flagship ingredients of the Group's product ranges, multi-year partnerships based on fixed purchase volumes and prices are agreed with producers in advance. Down-payments and zero interest loans can also be made available to producers. This category includes lavender from Haute Provence (recorded as a protected denomination of origin), organic immortelle from Corsica or fair trade organic shea butter from Burkina Faso.

In addition, audits are gradually conducted for all other plant or plant-based raw materials in order to improve their traceability down to their country of production or even to the plot of land where they have been cultivated, whenever this information can be provided by our partners.

For the brands L'OCCITANE en Provence and Melvita, as of the end of March 2019, key raw materials accounted for:

9.8% of the total volume of raw plant-based materials

12% of the total value of ingredient purchases



Supporting producers and local communities

The Group's sourcing strategy for key raw materials has enabled it to support the economic development of producers as well as the local regions in which they are located. The Group supports family farming, which contributes to preserving territories and traditional skills. We favour local sourcing, draw up multi-year contracts with producers and engage in fair trade initiatives.

Five ingredients of the L'OCCITANE en Provence and Melvita ranges are certified as fair trade and have been awarded "Fair for Life" certification³: shea butter, argan, orange blossom, sesame oil and coconut oil.

The brands L'OCCITANE en Provence and Melvita have pledged for all their key raw materials to be certified as fair trade by 2025.

For key raw materials, the brands L'OCCITANE en Provence, Melvita and L'OCCITANE au Brésil agree multi-year contracts with their key materials producers so that they are guaranteed a fixed income over a period that can extend between two and ten years.

These contracts set a minimum purchase price and/or volume, which effectively marks a commitment on the part of the Group to prefund harvests so that producers have access to the cashflow they need during these periods. For the 2019 financial year, prepayments represented more than 40% of the overall budget for key raw materials for the brands L'OCCITANE en Provence and Melvita.



One flagship ingredient that illustrates this approach can be seen in the immortelle programme in Corsica: L'OCCITANE en Provence has signed contracts ranging between five and seven years with nine immortelle producers and distillers, and has prefunded up to 80% of all harvest costs. For shea butter, prepayments can cover 80% of the price of the butter before harvest; for argan, they cover 50% of the price of the oil.

In addition, the Group promotes non-exclusive contracts that allow producers to maintain their independence and diversify their income sources. The Group also supports producers in converting to more environmentally friendly and organic farming practices.

In 2019, the Group initiated a reflection on the creation of a solidarity fund to support producers in exceptional events, for example when they are hit by natural disasters.



95% of the land

used for key raw ingredients (or 4,731 hectares) is certified as organic.



L'OCCITANE au Brésil: sharing benefits



As part of the implementation of the Nagoya Protocol, L'OCCITANE au Brésil is committed to sharing the benefits arising from the use of Brazil's biodiversity. Projects have been conducted to share these benefits with local communities, in the form of environmental or development initiatives. Since 2014, local and organic crops have been developed, as well as a fund for the structuring of agroforestry areas. Initiatives also included the creation of a bookstore for children, assistance with the production and marketing of local handicrafts, and a ceramics making project for children.

³ The "Fair for Life" standard is based on a number of core commitments, classified under the following headings: fairness (fair prices to ensure that producers receive a decent wage); social aspects (respect for human rights, decent working conditions, right to collective bargaining); the environment (sustainable farming practices); sustainable local development (development projects tailored to the local context); and the fostering of strong, long-term commercial partnerships.

Preserving biodiversity

• Biodiversity study with the IUCN in France

For the third consecutive year of the Group's collaboration with IUCN France⁴, Laboratoires M&L has signed the collective pledge "Act for Nature", created in partnership with the IUCN (International Union for the Conservation of Nature) in France.

The objective of this partnership is twofold: to determine the impact of the activities of the L'OCCITANE en Provence brand on biodiversity; and to support IUCN France with its projects.

This partnership allowed L'OCCITANE en Provence to implement an action plan for the protection of biodiversity.

Over three years, the study has shown that the main impact of the activities of L'OCCITANE en Provence on biodiversity was due to its sourcing of raw materials. This led the brand to put in place an action plan to improve the traceability of raw materials, to ensure that its supply does not threaten biodiversity.

Today, IUCN France continues to advise the Group on various projects, such as the Resource Management Plan for cade juniper⁵.

• Compliance with the Nagoya Protocol

The Nagoya Protocol is an international agreement aimed at ensuring the fair and equitable sharing of benefits arising from the use of genetic resources. Laboratoires M&L works with the Union for Ethical Biobusiness (UEBT) to ensure the compliance of its actions with this protocol and improve the traceability of natural ingredients:

- No new raw material containing ingredients of natural origin is accepted by Laboratoires M&L without a certificate of origin.
- Raw materials are refused if they do not comply with the national regulations of the Nagoya Protocol.
- A database is created to create a record of the geographical origin of the ingredients of each of the 600 natural raw materials used by Laboratoires M&L.

• Actions promoting biodiversity in the supply chain

The preservation of biodiversity is an integral part of the Group's policy on sustainable supply chains. We promote local varieties that are adapted to their territory, favour certified organic ingredients and use the RSPO⁶ certification for purchases of raw materials containing palm oil.

Of the group's 66 key supply chains (excluding Erborian and LimeLife), 42 are certified as organic. The Melvita brand already has full Cosmebio certification, with at least 95% of its raw ingredients certified as organic.

95% of the Group's key supply chains

(excluding Erborian and LimeLife) are certified as organic as of the end of March 2019.

Laboratoires M&L works with its local partners to develop a sustainable harvesting charter, which aims to protect the integrity of certain plants' habitat. To date, this charter has been signed by all our harvesting partners. This is the case for the 17,000 harvesters who work with the Group's brands for the supply of shea, argan, cade juniper, myrtle, rosehip and meadowsweet.

Palm oil has been the subject of controversy in terms of its social and environmental impact, in particular regarding deforestation and the destruction of the habitat of endangered animal species. Laboratoires M&L does not directly purchase or use palm oil in any of its formulas. However, certain products, such as soap flakes and some derivative products, may contain palm oil⁷. Since 2011, Laboratoires M&L has been a member of RSPO, a non-profit organisation aimed at promoting and certifying the sustainable production of palm oil. The goal by 2020 is for all the palm oil contained in raw materials to have achieved RSPO certification.

93% of Laboratoires M&L's

palm oil contained in raw materials are RSPO certified, as of the end of March 2019.

Laboratoires M&L is also committed to reducing its palm oil consumption by 25% by 2025. Options currently being explored include the production of soaps without palm oil.

• Responding to the climate emergency and promoting cultivated biodiversity

There is a close link between the preservation of biodiversity and the climate crisis. Some species such as lavender are affected by drought episodes, while crop pests are no longer regulated by periods of cold in the winter. The Group ensures the resilience of each supply chain by paying particular attention to the territories, by giving priority to local varieties and by preserving the diversity of crops.

In addition, for the year 2019-2020, the Group launched a partnership with PUR Projet to support reforestation projects in each country where the Group operates.

These actions are complemented by the Group's many projects and partnerships:

- Conservatoire méditerranéen partagé (Shared Mediterranean Conservatory), a community of organisations, institutions and producers working for the preservation and promotion of plants and plant varieties in cultivated areas around the Mediterranean.
- France Amande, France's first inter-professional federation of almond-growers, whose goal is to replant 2,000 hectares of almond trees in France to revive sustainable production.
- Fonds de dotation de sauvegarde de la lavande de Provence (Endowment Fund for the Protection of Lavender in Provence), the first programme aimed at fighting against diseases, ended in 2018 and its next stages will be focussing on the reduction of fossil energy consumption and CO₂ emissions.

Les vergers de L'OCCITANE ("The L'OCCITANE Orchards")

In order to raise awareness and involve its employees in the preservation of the biodiversity in its key supply chains, Laboratoires M&L has launched the project "Les vergers de L'OCCITANE": each employee with three years' seniority can have a Provençal almond tree planted in their name alongside local producers.



⁴ French Committee of the International Union for the Conservation of Nature in France (Union internationale pour la conservation de la nature en France, UICN).

⁵ Cade juniper is a small tree or shrub that commonly grows in the coastal regions of the Mediterranean.

⁶ Roundtable on Sustainable Palm Oil.

⁷ Palm oil may be fractionated during extraction to create palm oil derivatives in solid or liquid form.





FORMULATING RESPONSIBLE
PRODUCTS

02

PROMOTING SAFETY AND QUALITY IN OUR PRODUCTS

The Group's primary responsibility toward its consumers is to guarantee the quality and safety of its beauty products. A number of measures have been put in place in order to ensure the quality and safety of all its beauty products, right throughout the value chain.

For each of the countries and geographic regions in which the Group's products are sold, a proactive monitoring system has been put in place to track changes to regulations that concern ingredients, cosmetics and food products.

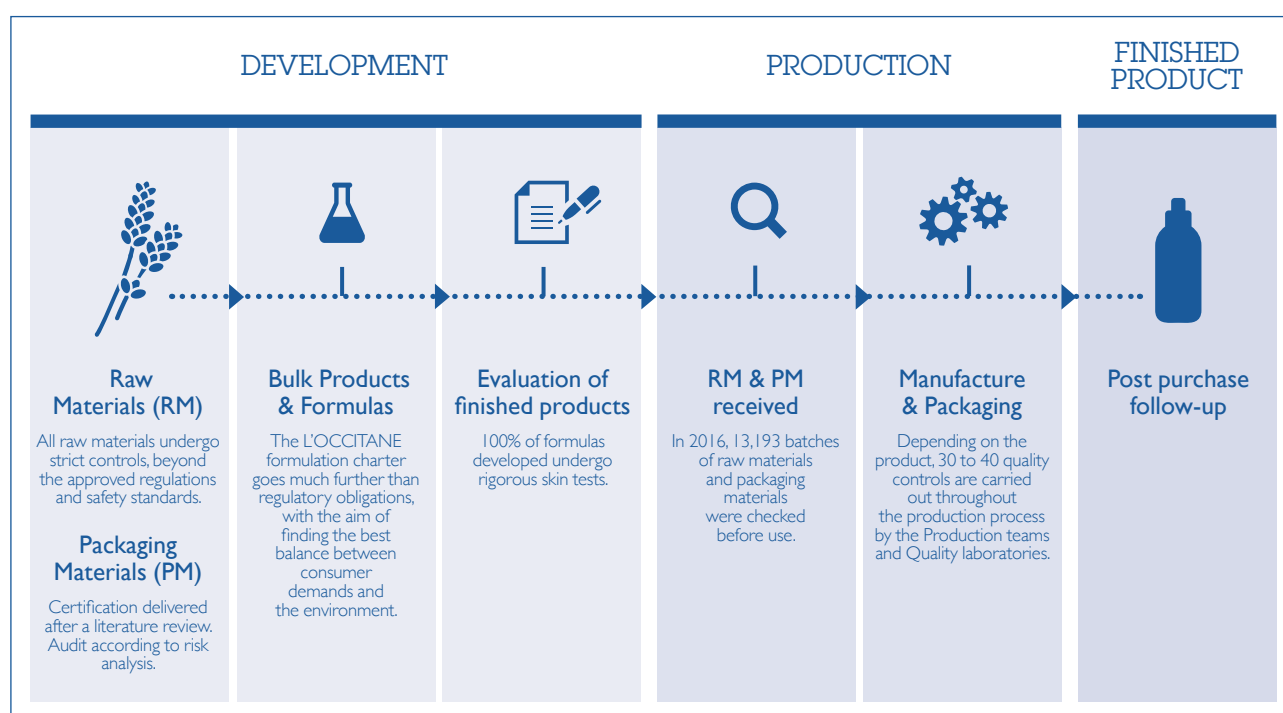
This allows the Group to anticipate regulatory changes coming down the line, and thus ensure the compliance of its products on an international scale.

On a broader level, quality inspections are carried out at each step of the product development process – from the receipt of raw materials and packaging items, through to formulation and manufacturing, right down to the finished product.

During the 2019 financial year, there were no recalls or withdrawals for products sold under the L'OCCITANE en Provence, Melvita, Erborian or L'OCCITANE au Brésil brands as a result of adverse effects or threats on the safety of consumers.



Regularly monitored products, throughout entire design cycle



ECO-FRIENDLY PRODUCT DESIGN

The brands of the L'OCCITANE Group share their belief in the benefits of natural cosmetics. The Group works hard to enhance the natural content and biodegradable properties of its products, while also favouring sustainable supply chains.

A formulation charter serves as a guide for the various teams within the company and is also used by the suppliers and sub-contractors that work with Laboratoires M&L on the development of more natural formulas. It sets the rules to be followed in relation to formulas and includes a list of banned and preferred ingredients. The charter was drawn up on the basis of existing regulations and voluntary commitments.

The Group also has a L'OCCITANE Nature Lab that focuses on making improvements to new and existing formulas. For each formulation or reformulation of a L'OCCITANE en Provence product, an eco-design rating is assigned, based on a number of criteria: proportion of natural ingredients used, number of ingredients used that pose a risk to the environment, number of ingredients used in the formula, and the percentage of ingredients used that are easily biodegradable.

In addition, Laboratoires M&L takes inspiration from green chemistry for the extraction of its active ingredients, using green solvents such as water or vegetable oils and green extraction processes such as ultrasound and supercritical fluids or enzymatic hydrolysis. In addition, byproducts (the materials created during extraction) are recovered as waste or double-extracted.

In 2019, Laboratoires M&L adopted the ISO 16128 standard that defines "natural origin" in order to comply with international standards and go beyond their specifications. This is the case for the brand Melvita which already has full Cosmebio certification, imposing even tougher demands than the ISO 16128 standard; but also for the brand L'OCCITANE en Provence, which has banned the use of paraben or genetically modified organisms.

68% of rinse-off products

by L'OCCITANE en Provence meet the standards on biodegradability.

Increasing focus is given to the biodegradability of formulas, with the gradual substitution of synthetic ingredients such as silicones or preservatives. The goal for the L'OCCITANE en Provence brand is for the percentage of biodegradable ingredients used in 100% of its rinse-off products to have reached 95% by 2030.



L'OCCITANE en Provence is committed to reviewing its formulas as part of its eco-design approach, by gradually replacing certain ingredients:

- cyclosiloxane (D5) by 2020,
- palm oil in retail soaps by 2022,
- phenoxyethanol by 2023⁸.

86% of products are **silicone free**.

77% of products are **phenoxyethanol free**

at of the end of March 2019 for L'OCCITANE en Provence ranges.

The B2B Verbena range for hotels is now produced without phenoxyethanol, silicones, colouring and mineral oils; the shower gel, shampoo and conditioner contain 98% of biodegradable ingredients. In addition, the Perfect Sunscreen by LimeLife is a sunscreen that contains organic plant-based ingredients, which in particular do not cause damage to the corals.

In order to inform consumers in a transparent manner, the formulation charter is published on the Group's website and on the L'OCCITANE en Provence brand's website. This charter lists the ingredients that are used, prohibited or limited in all formulas. Erborian is also working on the creation of a similar charter.

⁸ Year of production

ECO-DESIGN OF PACKAGING

The L'OCCITANE Group is aware of the environmental impacts of packaging. We aim to accelerate the eco-design of our products and to reduce their environmental footprints.

The Group's sustainable packaging strategy comprises the following:

- reducing the weight of packaging;
- using recycled or renewable materials;
- using recyclable materials and components that can be easily separated in order to facilitate waste sorting;
- offering consumers refillable containers (eco-refills).

L'OCCITANE en Provence and Melvita are studying different solutions to eliminate unnecessary packaging or to offer more sustainable alternatives:

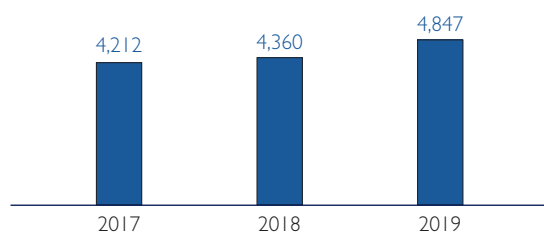
- replacing cellophane in product packaging with FSC-certified home compostable film⁹;
- reducing sample packaging;
- using exclusively cardboard packaging for e-commerce;
- by 2021, L'OCCITANE en Provence is committed to no longer using plastic spatulas for its products and to supplying the shops with spatulas made from sustainable materials.

New Plastic Economy

In order to formalise its commitment to reducing the environmental impact of packaging, the L'OCCITANE Group has signed the Ellen Macarthur Foundation's New Plastic Economy Global Commitment in November 2018.

L'OCCITANE en Provence has been striving for many years to increase the percentage of recycled plastic in its bottles. The current rate is 24%, and our objective is to reach 100% by 2025.

Consumption of Laboratoires M&L packaging material (in tons)



Our commitment with Loop Industries

A multi-year agreement for the supply of 100% sustainable Loop™-labelled PET plastic was signed in February 2019 between Loop Industries and L'OCCITANE en Provence. Thanks to this agreement, the brand will begin to integrate this plastic into the packaging of its bottles by 2022. This will enable us to bring the rate of recycled plastic to 100% in containers sold in stores by 2025.

L'OCCITANE en Provence is promoting the use of eco-refills for some of its best-selling products. The refills save up to 90% of materials compared with a conventional container and reduce the emissions of CO₂ in the transportation of products. Our objective is to offer 25 eco-refills for the whole of the L'OCCITANE en Provence brand by 2021, thus decreasing our plastic supply by 10%.

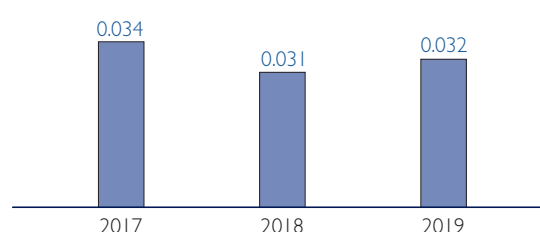
15 L'OCCITANE en Provence

products are available in eco-refills:
this has enabled us to save **152 tons**
of materials during the 2019 financial year.

LimeLife refillable blush palettes

LimeLife by Alcone offers makeup palettes that are 100% recyclable and refillable. Customers are free to choose the shades they want to incorporate into their palettes and replace them when they are used. This customisation process has reduced waste by 30%.

Consumption intensity of Laboratoires M&L packaging material (in tons/thousand units produced)



⁹ FSC certification – Forest Stewardship Council – aims to promote responsible forest management around the world.



REDUCING OUR ENVIRONMENTAL
FOOTPRINT RIGHT THROUGHOUT
OUR VALUE CHAIN



ENVIRONMENTAL MANAGEMENT SYSTEM

The Group manufactures the vast majority of its own products: its subsidiary Laboratoires M&L comprises of two factories at Manosque and Lagorce in France which handle the manufacturing of all products from the brands L'OCCITANE en Provence and Melvita (with the exception of a few outsourced products)¹⁰, while all Erborian, L'OCCITANE au Brésil and LimeLife products are custom manufactured by external suppliers. The Group also has its own network of stores, while LimeLife products are sold directly or through "Beauty Guides" via the Internet. All of these value chain operations, from manufacturing to logistics and distribution, have an impact on the environment, which the Group strives to minimise.

Since 2012, a voluntary ISO 14001 certification has been implemented on some of our sites. In 2019, product development and manufacturing operations at both Laboratoires M&L factories received the updated ISO 14001 certification, as well as the headquarters in Geneva, the administrative office in Paris and all Group-owned stores in France under the L'OCCITANE en Provence and Melvita brands. No non-compliance issues were found during this new certification process.

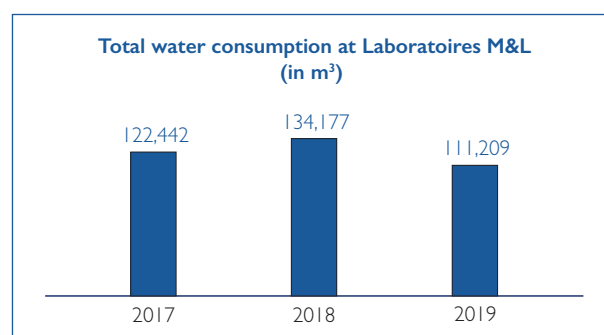
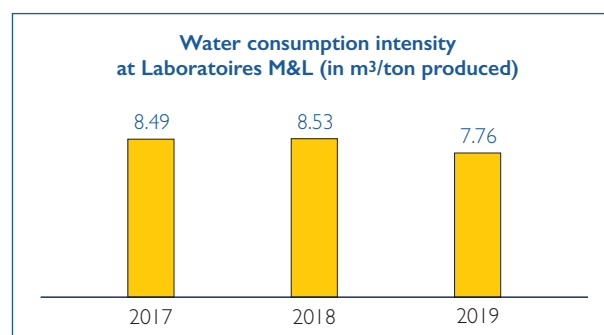
CONSERVATION OF NATURAL RESOURCES

Optimising water consumption

Water is an important resource for the Group – it is both a key ingredient in product formulas and an essential material used in manufacturing processes. Optimising water management is a priority for Laboratoires M&L and its two factories.

The Lagorce site is monitored particularly closely as it is located in a water stress area. The Manosque site exceeded the target set at the end of 2018 of reducing its water consumption per ton produced by 5%: it achieved a 9.5% decrease as of the end of March 2019. The objective is now to reduce the consumption per ton produced at the Manosque plant by 7% by 2020.

During the 2019 financial year, Laboratoires M&L used almost 111,209 m³ in water (i.e. a saving of 22,968 m³ of water over one year). In comparison to 2018, water consumption intensity (m³ per ton produced) fell by 9%.



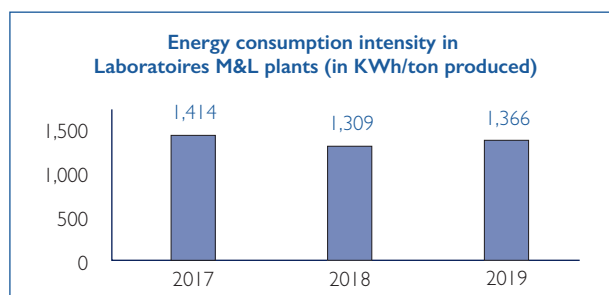
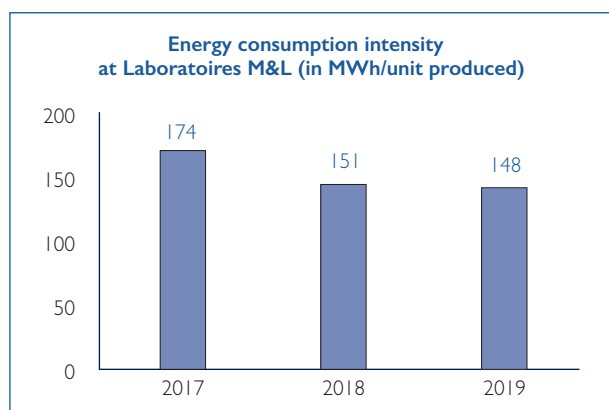
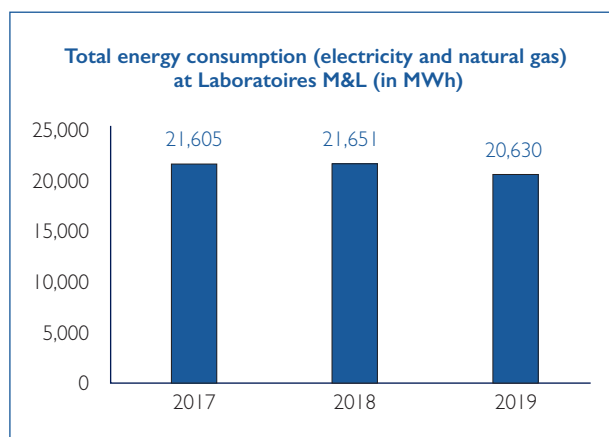
¹⁰ Make-up and aerosol products.

Reducing energy consumption

In terms of production processes, the Group prioritises manufacturing methods that use less energy, such as cold processing and shorter manufacturing times. On the Lagorce site, Laboratoires M&L has set up a waste water heat recovery process in order to preheat process water.

The brand L'OCCITANE has also committed to using LED lighting only in all of its stores worldwide by 2020.

During the 2019 financial year, Laboratoires M&L consumed almost 20,629 MWh of energy (electricity, natural gas). In comparison to 2018, the Group's sites have reduced their energy consumption intensity by 15% in KWh per unit produced, and by 3.4% per ton produced.



In the coming months, Laboratoires M&L will undertake energy audits of the Lagorce and Manosque sites. These audits, which were last carried out four years ago, will provide the foundations for a new energy transition policy with new objectives for these sites, based for example on the ISO 50001 standard¹¹.



REDUCTION OF POLLUTION AND WASTE

Emissions to water and air

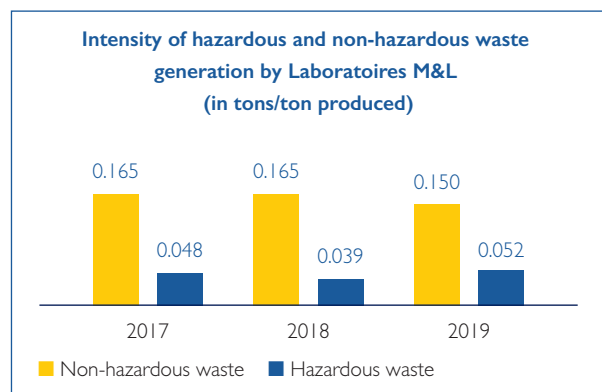
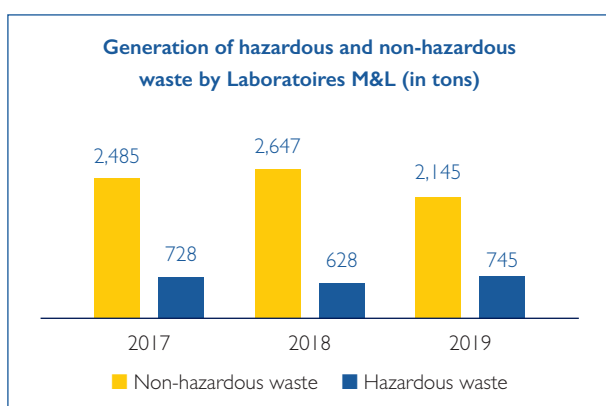
Laboratoires M&L's emissions to water are compliant with current regulations¹².

The Manosque factory has a wastewater pretreatment facility. Wastewater treated at this facility is then transferred to the local water treatment plant. The Lagorce site has its own treatment facility for wastewater, which is based on a biological treatment and ultra-filtration system.

Laboratoires M&L's main air emissions are CO₂ emissions (see next section on climate change). Apart from CO₂, the sites' emissions include volatile organic compounds (VOCs) and NO₂. Regular emissions checks are carried out in order to ensure that the sites are compliant with the relevant regulations.

Waste treatment

During the 2019 financial year, the total volume of waste produced was 2,890 tons – down 13% from 2018. When calculated on the basis of tons produced, Laboratoires M&L generated 0.05 tons of hazardous waste, which represents a slight increase from 2017, and 0.15 tons of non-hazardous waste, down 10% from 2017.



Zero landfill

and 100% recovery (thermal, organic or material) for Laboratoires M&L waste since 1 April 2018.

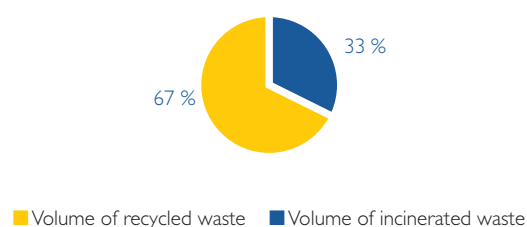
An in-store recycling programme in partnership with TerraCycle

Since 2014, L'OCCITANE en Provence and Melvita stores have been working in partnership with TerraCycle to offer their customers a recycling programme for empty packaging containers. The objective of the programme is to encourage the recycling of cosmetics by consumers, with a particular focus on packaging made of materials that are difficult to recycle (lip balm tubes, bottles and make-up remover pumps), especially in countries without any recycling facilities. Initially established in France, the programme is now deployed in nine countries. During the 2019 financial year the USA, Great Britain, Ireland, Korea and Japan have joined the initiative, which now also includes new brands like LimeLife. In-store recycling is offered in 42% of L'OCCITANE en Provence stores with a target of 100% by 2025.

Staff participation in recycling

In 2019, several of the Group's subsidiaries organised nature clean-up hikes, for instance in Japan, Great Britain and France. The UK subsidiary partnered with the organisation Kic-Plastic set up by adventurer Kiko Matthews to clean up the beaches of Brighton, Bournemouth, Cardiff and Edinburgh.

Breakdown of waste by processing method in volume



¹¹ The ISO 50001 standard guides organisations from all sectors in the implementation of an energy management system to make a better use of energy.

¹² An issue concerning the excessive temperature of wastewater discharged by the Manosque facility is currently being addressed.

TACKLING THE CLIMATE EMERGENCY

Carbon footprint

In 2016, the Group carried out an analysis of its carbon footprint. The scope of the analysis covered the direct and indirect emissions of the Group's industrial subsidiary and five other subsidiaries – these activities represented 43% of the revenue figure for the 2016 financial year. The results identified inputs (raw materials and packaging), freight and energy as the Group's three main sources of emissions.

Following this analysis, the Group set itself the objective of achieving a 30% reduction from the levels of emissions recorded in 2010 by the year 2020.

The Group plans to carry out its next carbon footprint analysis on a global scale in 2021. This will enable us to evaluate the progress made since 2010 and the results of the actions deployed by the Group to reduce greenhouse gas emissions.

Reducing CO2 emissions

• Employee transport

Actions include the preferred use of transport by train, incentives for those who participate in a car-sharing scheme, the implementation of a work-from-home scheme, the roll out of a transport plan for employees, the use of electric or hybrid

corporate vehicles (Geneva) and financial aids for cyclists (France).

In Paris, 92% of Group employees use environmentally friendly modes of transport to commute to work (public transport, cycling, walking, etc.). In Geneva, 30% of employees commute to work by public transport and 10% by bicycle, while car-sharing is encouraged by means of reserved parking spaces.

• Logistics chain: double stacking¹³

In 2019, we went from 24 to 44 pallets per container: this enabled us to reduce the number of containers transported by half, in particular to Singapore, Hong Kong, China, Great Britain and the United States.

Double stacking will be deployed in more countries in 2020.

The Group is increasingly using modes of transport that have a lower environmental impact, in order to avoid air transport wherever possible. Since 2018, the Group has been using the intermodal rail/road corridor that links China to Europe. 100% of the goods transported between the Laboratoires M&L warehouse and the Europe warehouse were transported using piggyback transport.

¹³ Double stacking is a technique that aims to optimize a container's loading by stacking up two layers of pallets instead of one.





Promoting the use of renewable energy

In May 2017, the Group became one of the first natural beauty brands to join the international RE100 initiative. RE100 is a global initiative that brings together companies that have committed to using 100% renewable electricity.

A number of steps have been defined to enable the Group to progressively reach its target of achieving 100% renewable energy worldwide by 2030:

- The first step, which involved switching all Group-owned stores in France as well as all industrial sites (Manosque and Lagorce) to renewable electricity sources, was achieved in 2018. In 2019, solar photovoltaic have also been installed in the car parks at the Manosque site.
- The second step will involve using renewable energy within its stores and at the various sites of its major distribution subsidiaries, which represent 80% of the Group's total electricity consumption.
- The third and final step will involve implementing this strategy across the remaining distribution subsidiaries.

Lastly, since April 2018, Laboratoires M&L has contracted a biogas supply contract to further reduce the environmental impact of the energy consumption of Manosque site.



1.4% of the overall product tonnage

shipped by the Laboratoires M&L warehouse to global subsidiaries was transported by air in the 2019 financial year.

100% of the electricity

consumed by Laboratoires M&L, i.e. more than 11,459 MWh in the 2019 financial year, comes from renewable sources.



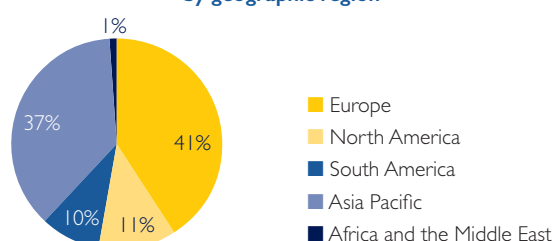
ENSURING THE WELL-BEING AND
PROFESSIONAL DEVELOPMENT
OF OUR EMPLOYEES

CAREERS AND HUMAN CAPITAL DEVELOPMENT

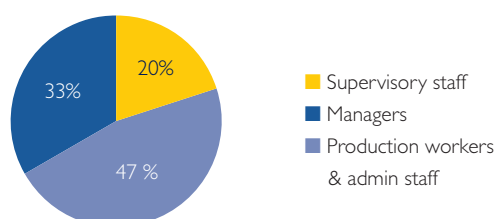
Overview of employment figures within the Group

The L'OCCITANE Group employs 10,845 people worldwide as of the end of March 2019, or 8,747 full-time equivalents. 86.5% of Group employees are women¹⁴. The Group favours stable contracts, with 95% of employees on permanent contracts.

Breakdown of L'OCCITANE Group employees by geographic region



Breakdown of employee per professional category



Developing talent

The Group is gradually consolidating and harmonising its human resources policy. Several training schemes have recently been implemented, in addition to traditional and local training provision.

"MyTrue Story" is a digital learning platform, which has been launched in 2017. It provides online training in sales techniques, product expertise and personal development for the Group's beauty advisors. Since April 2018, the tool has been deployed in Mexico, Hong Kong, Singapore, Thailand, Malaysia, Taiwan, Macao, Korea, Italy, Spain, Portugal, Russia, in addition to the countries that were initially covered¹⁵.

¹⁴ The 11-point increase compared to the 2018 financial year is due to a change in the scope of the data, which had previously been restricted to a few subsidiaries.

¹⁵ United States, Canada, United Kingdom, Australia, Brazil, France, Germany and Switzerland.

"MyTrue Story" is now deployed for 6,500 subsidiary employees and 1,370 distributor employees. This tool is a success:

- +129% learners compared to 2018 due to the expansion of the geographical scope and to a growing take-up;
- 95% sign-up rate;
- 98% completion rate;
- 36 contents viewed per learner on average over one year.

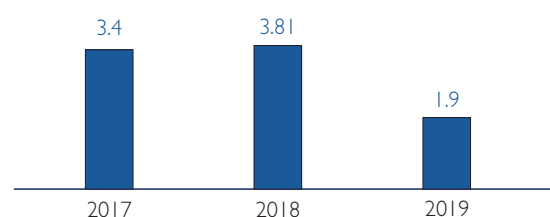
A managerial development plan was put into place to specifically support management employees. Already implemented in France and Switzerland, it comprises of a number of different elements, including manager meetings and gatherings, HR focus groups and support, and conferences. Similar manager programmes also exist in Hong Kong and the US.

"Culture Feedback" is a scheme that enables employees to understand and experience the fundamentals of feedback. This programme aims to make organisations more agile and attractive to young talent by taking inspiration from start-ups. 249 people were trained in Geneva.

15.6 hours of training per employee were delivered on average during the 2019 financial year, or **17,000 hours in total**.

71.5% of Laboratoires M&L staff completed at least one training course in the 2019 financial year.

Portion of wage bill dedicated to training within Laboratoires M&L and M&L Distribution (as a % of total payroll)



Breakdown of employees within Laboratoires M&L that received training by the end of March 2019, by occupational category

OCCUPATIONAL CATEGORY	WORKFORCE	NUMBER OF EMPLOYEES THAT RECEIVED TRAINING	PERCENTAGE OF EMPLOYEES IN THE WORKFORCE THAT RECEIVED TRAINING
Production workers and admin staff	345	321	93%
Supervisory staff	253	211	83%
Managers	466	264	56%
Senior executives and board members	10	7	70%
Total	1,074	803	75%

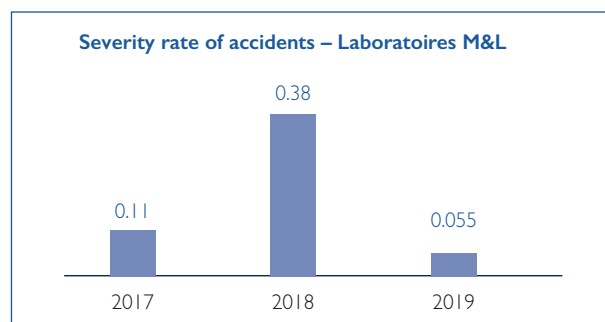
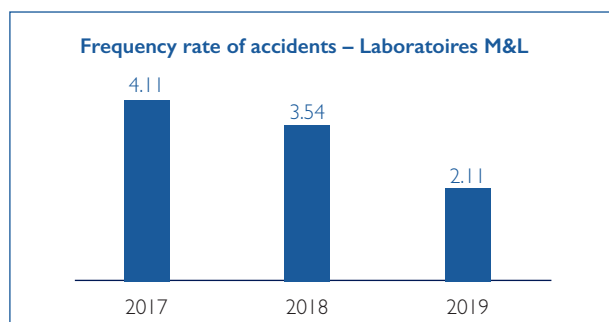


HEALTH, SAFETY AND WELL-BEING IN THE WORKPLACE

Employee health and safety

Laboratoires M&L has created a prevention policy to promote health and safety in the workplace so that it is in a position to anticipate and manage the associated risks at the

production sites. Demonstrating their strong commitment to safety management, the two sites at Manosque and Lagorce have obtained OHSAS 18001 certification.





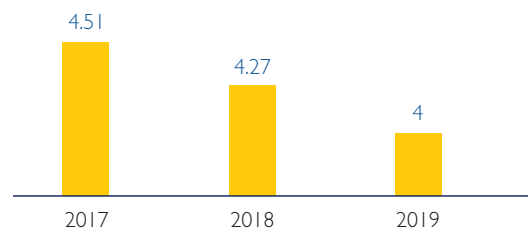
Well-being in the workplace

Every year since 2015 several of the Group's subsidiaries have taken part in the "Great Place to Work" (GPTW) programme. This important barometer identifies a company's strengths in terms of well-being in the workplace, whilst also highlighting areas that need to be improved.

It is based on a 15-minute survey that is sent out to all employees and referred to as the "Trust Index", as well as a series of questions relating to company culture, referred to as the "Culture Audit" survey, which is sent to the human resources departments exclusively. The results of the barometer have enabled the Group to learn important lessons each year as to how employee well-being in the workplace can be improved.

The last campaign was carried out in 2017, with over 5,100 employees taking part. The average global Trust Index reached 65%. The goal is to reach a score of 70% in three years. The Group has decided to repeat the study every two years and to extend it to a greater number of subsidiaries. The next campaign is scheduled for 2019-2020.

Absenteeism rate for Laboratoires M&L employees



DIVERSITY, EQUAL OPPORTUNITIES AND INCLUSION

Gender equality

In 2013, Laboratoires M&L set itself four commitments in relation to gender equality:

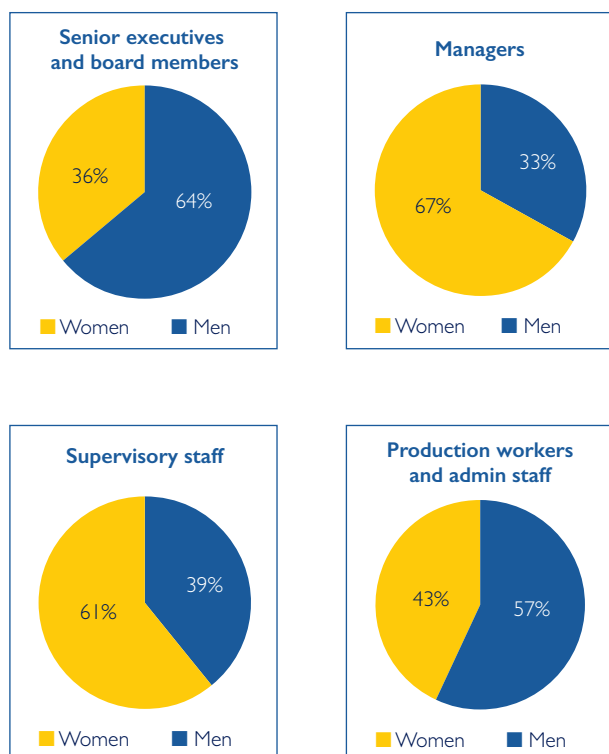
- improve gender balance in job applicants;
- better prepare for the start and end of maternity leave;
- reduce the pay gap within management;
- pursue a policy aimed at increasing female participation at executive level.

As for the brand Limelife in particular, through the status of "Beauty Guides", it gives women the opportunity to become successful entrepreneurs who establish meaningful links within their community.

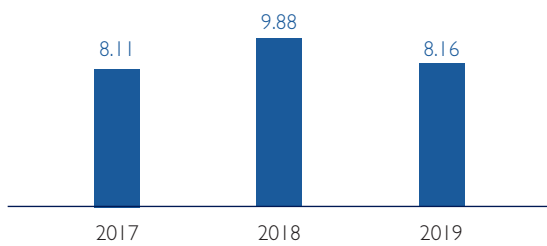
Employment of people with disabilities

The integration of people with disabilities represents a major commitment under Laboratoires M&L's diversity policy. Specific support plans have been put in place and ergonomic modifications are made to workstations based on the individual's specific disability. As part of this policy, a week promoting the employment of people with disabilities was organized in Manosque in October 2018.

Breakdown by gender of Laboratoires M&L employees during the 2019 financial year, by occupational group



Proportion of employees with disabilities within the overall Laboratoires M&L workforce (as a %)



Employee community investment programme, acting in solidarity

Established by Laboratoires M&L, the community investment programme (programme engagement des salariés, or PES) allows employees to take concrete action in support of social causes.

Employees can get involved in one of two ways:

- By volunteering with charitable associations: the Group offers its employees in France and Switzerland one day per year to be spent volunteering with a charity that has been recommended by an employee of the company. In 2018, 212 employees took part in these "community investment" days, volunteering the equivalent of 1,500 hours to charitable organisations working in the fields of nature, solidarity, disability and local heritage.
- By making a monetary donation to a charitable association: employees in France can use a solution provided by social enterprise Microdon to "round up their salary". These donations of just a few euro cent per month – or more, depending on the employee – help to support charitable projects nominated by the L'OCCITANE Foundation. The L'OCCITANE Foundation then doubles the amount of the donations made by the employees. During the 2019 financial year, an overall donation of €9,600 was given to charity.





COMMITTING TO PROJECTS THAT
DELIVER A POSITIVE IMPACT

05

PRESENTATION OF THE GROUP'S PHILANTHROPIC PROGRAMMES

Since it was founded, the Group has attached special importance to collective interest. Today, the Group uses its philanthropic policy to support projects that deliver a positive impact. These projects benefit from diverse and complementary funding sources:

- L'OCCITANE and LimeLife (Brighter Together Foundation) corporate foundations;
- profits from the sales of designated "solidarity" products;
- donations made directly to charities by the Group's subsidiaries;
- donations made by employees of the L'OCCITANE Group, for example through payroll giving in France.

L'OCCITANE en Provence supports female leadership in Burkina Faso and the preservation of biodiversity and natural heritage in Provence and the Mediterranean, as well as continuing its historic fight against preventable blindness around the world. Melvita is committed to preserving biodiversity by safeguarding bees and promoting beekeeping. LimeLife is committed to developing female entrepreneurship. Erborian is launching a project in France, which aims to support female leadership.

CARING FOR SIGHT

The Group's flagship "Union for Vision 10 by 20" programme brings together all of the initiatives of the Group and its foundation that relate to fighting preventable blindness. The programme has set the objective of funding eye care projects for 10 million people worldwide by 2020.

The programme is supported by a number of partnerships with non-governmental organisations (NGOs) and has contributed to multiple screening, treatment and surgery projects as well as providing funding for equipment and the training of medical teams.

In order to become as integrated as possible with the ecosystem of blindness prevention organisations, the L'OCCITANE Foundation is a member of the IAPB¹⁶, an alliance of NGOs, companies and professional organisations.

In 2016, the L'OCCITANE Foundation entered into a major international partnership with UNICEF¹⁷. The three year partnership, which includes a minimum funding of €1,000,000 per year, is aimed at helping to prevent blindness in Bolivia, Myanmar and Papua New Guinea by developing supplement programmes for vitamin A, which is essential for children's immune systems.

¹⁶ International Agency for the Prevention of Blindness.

¹⁷ UNICEF does not endorse any company, brand or product.

During the 2019 financial year, the UNICEF solidarity soap became a flagship product that sold throughout the year. A UNICEF candle was launched in Europe for the Christmas holidays. These funds raised more than the minimum guaranteed and made it possible to fund an additional project in Niger, benefitting 360,000 more children.

The Foundation also supports the Light for the World and Sight Savers NGOs in their campaigns against preventable blindness in Burkina Faso.

Finally, 38 of the Group's subsidiaries, distributors and production sites funded local eyesight-related charities in addition to the work of the L'OCCITANE Foundation.

More than €2,000,000
donated to eye care projects.

Race for Vision: raising employee awareness on preventable blindness

Every year since 2016, employees of the L'OCCITANE Group have been able to participate in "Race for Vision": a connected race to raise funds for the visually impaired. In 2018, 43 countries took part in the third edition of the race. Thanks to the participation of 3,871 employees who traveled more than 850,000 kilometres, the Foundation allocated €300,000 to support the subsidiaries' local projects.

Iris, a media partnership with Madame Figaro

In France, L'OCCITANE en Provence teamed up with Madame Figaro to publish an inclusive print magazine and digital platform that raise awareness of "preventable blindness" and offer content that is accessible to those who are visually impaired.





EMPOWERING WOMEN

Given its presence in Burkina Faso since the 1980s through the purchase of shea butter, the Group has decided to extend its collaboration with Burkinabè women and to promote entrepreneurship and independence amongst the women of Burkina Faso more widely.

The L'OCCITANE Foundation is active in four key areas:

- Literacy
- Microcredit
- Education of young girls
- Entrepreneurship

The objective by 2020 is to support over 33,000 women in Burkina Faso in their socio-economic development.

During the 2019 financial year, the L'OCCITANE Foundation lent its support to three main partners:

- the "Aide et Action" NGO and its literacy programme for rural women;
- the "Entrepreneurs du Monde" association, which works to increase the self-sufficiency of vulnerable communities in Burkina Faso. The association facilitates access to microcredit, promotes savings and helps rural Burkinabè women to obtain an education in socio-economics;
- UNICEF and its education programme for young women at post-primary level in Burkina Faso's Centre-Ouest region.

In 2019, a new programme called "Empow'Her" was set up. The "Étincelles" project ("Sparks") targets women who live in rural Burkina Faso. The objective is to give them access to professional and entrepreneurial training to facilitate the development of their activities in sectors such as cosmetics, agri-food processing, sewing, animal production or ecological agriculture.

Since December 2018,

37 women from 4 villages

have benefited from the
14-months Empow'Her programme.

Launched in 2016, the competition "L'OCCITANE pour Elles" offers tailored coaching to its four winners to help them develop their businesses.

€595,000 donated to projects

promoting women empowerment.

The LimeLife Brighter Together Foundation

In 2017, LimeLife created the Brighter Together Foundation to develop the entrepreneurial spirit of women living in disadvantaged societies. The Brighter Together Foundation has teamed up with the "**Women Empowered**" (WE) project led by **Project Concern International (PCI)**. This savings-based micro-finance programme teaches women how to create and develop their activity and how to create community micro-finance programmes. PCI trains these female entrepreneurs to become leaders in their communities, with the goal of increasing their economic, cultural and political status. More than **750,000 women** benefitted from these courses in Tanzania, Burundi and Guatemala.



PRESERVING NATURAL HERITAGE

During the 2019 financial year, the Foundation supported seven projects aimed at preserving biodiversity in the Mediterranean. Those included:

- the identification by IUCN of endangered ecosystems in France's Mediterranean coastal areas and forests;
- the Sauvegarde des Forêts Varoises Association (Association for the Safeguarding of the Var Forests, or ASDFV), for the maintenance of a conservatory orchard provided by the national park of Port-Cros;
- the restoring of hedgerows by planting 1,860 trees on farmland on the Valensole plateau, in partnership with the Verdon regional nature park;
- the programme "Vergers d'avenir" ("Orchards for the future") led by the Conservatoire Méditerranéen Partagé (Shared Mediterranean Conservatory): preserving and planting varieties of fruit trees to protect and disseminate cultivated biodiversity in the Mediterranean.

During the 2019 financial year, the Foundation allocated €53,000 for the preservation of Mediterranean natural heritage.

Beyond the Mediterranean natural heritage, L'OCCITANE en Provence plans to extend its action to other countries through a partnership with social enterprise PUR Projet, which develops reforestation and agroforestry programmes. Ten voluntary subsidiaries or distributors will finance these programmes, with a contribution from the L'OCCITANE Foundation.

PROTECTING BEES

The Melvita brand is running a philanthropic programme aimed at preserving biodiversity by safeguarding bees and promoting beekeeping. During the 2019 financial year, Melvita donated more than €45,000 to the following three programmes:

- The "Cocagne Bees" programme in conjunction with Réseau Cocagne: a programme for developing beekeeping in organic market gardens set up to help integrate people back into the workplace.
- The "Argan Bees" programme in conjunction with the Man & Nature association, a programme for developing beekeeping among women working in argan oil cooperatives in Morocco;
- The "Le Rucher du Cade" programme in conjunction with dedicated L'OCCITANE employees set on raising awareness of the importance of safeguarding bees and promoting beekeeping.

Another objective is to develop urban beekeeping projects, which can be more beneficial for bees due to the absence of pesticides in cities. This ambition came to life in March 2019 with the project "Les abeilles du Palais des Papes" in Avignon, which set out to install six hives on the terrace of the Saint-Laurent tower.

In 2019, **154 hives** have been set up and **166 people** have been trained in beekeeping.

CROSS-REFERENCE TABLE OF INFORMATION REQUIRED BY THE HONG KONG STOCK EXCHANGE

ENVIRONMENTAL INDICATORS		DISCLOSURE
ASPECT A1 Emissions	A1. Information on: - the policies; and - compliance with the relevant laws and regulations that have a significant impact on the issuer, relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pages 20 to 25
	A1.1 The types of emissions and respective emissions data. Laboratoires M&L's main emissions to air relate to CO ₂ emissions. Apart from CO ₂ , the sites' emissions include volatile organic compounds (VOCs) and nitrogen dioxide (NO ₂). Regular emissions checks are carried out in order to ensure that the sites are in compliance with the relevant regulations.	Page 22
	A1.2 Total greenhouse gas emissions (in tons) and, where applicable, their intensity (e.g. unit of production volume, per facility).	Pages 22 to 24
	A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 23
	A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 23
	A1.5 Description of measures taken to mitigate emissions and results achieved.	Pages 22 to 25
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Pages 23
ASPECT A2 Use of resources	A2. Information on policies relating to efficient use of resources, including energy, water and other raw materials.	Page 18 to 23
	A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Page 22
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Page 21
	A2.3 Description of energy-use efficiency initiatives and results achieved.	Page 22
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Page 21
	A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Page 19
ASPECT A3 The environment and natural resources	A3. Policies on minimising the issuer's significant impact on the environment and natural resources.	Pages 10 to 15 and 18 to 25
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Pages 10 to 15 and 18 to 25

SOCIAL INDICATORS		DISCLOSURE
ASPECT B1 Employment	B1. Information on: - the policies; and - compliance with the relevant laws and regulations that have a significant impact on the issuer, relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Pages 4 and 27 to 31
	B1.1 Total workforce by gender, employment type, age group and geographic region.	Page 27
	B1.2 Employee turnover rate by gender, age group, geographical region.	Not yet available
ASPECT B2 Health and safety	B2. Information on: - the policies; and - compliance with the relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	Page 28
	B2.1 Number and rate of work-related accidents.	Page 28
	B2.2 Lost days due to work injury.	Page 28
	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Page 28
ASPECT B3 Development and training	B3. Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Page 27
	B3.1 The percentage of employees trained, by gender and employee category.	Page 28
	B3.2 The average training hours completed per employee, by gender and employee category.	Page 27
ASPECT B4 Labour standards	B4. Information on: - the policies; and - compliance with relevant laws and regulations that have a significant impact on the issuer, relating to preventing child and forced labour.	Page 4
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Page 4
	B4.2 Description of steps taken to eliminate such practices when discovered.	Page 4
ASPECT B5 Supply chain management	B5. Information relating to managing environmental and social risks of the supply chain.	Pages 9 to 15
	B5.1 Number of suppliers by geographic region.	Page 9
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Pages 9 to 15

SOCIAL INDICATORS (continued)		DISCLOSURE
ASPECT B6 Product responsibility	B6. Information on: - the policies; and - compliance with relevant laws and regulations that have a significant impact on the issuer, relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Pages 17 to 19
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Page 17
	B6.4 Description of quality assurance process and recall procedures.	Page 17
	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Page 4
ASPECT B7 Anti-corruption	B7. Information on: - the policies; and - compliance with relevant laws and regulations that have a significant impact on the issuer, relating to bribery, extortion, fraud and money laundering.	Page 7
	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Page 7
	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Page 7
ASPECT B8 Community investment	B8. Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Pages 12 to 15 and 33 to 35
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Pages 12 to 15 and 33 to 35
	B8.2 Resources contributed (e.g. money or time) to the focus area.	Pages 12 to 15 and 33 to 35

KEY FIGURES

SECTION 1 – Purchasing and sourcing	UNIT	SCOPE	2017	2018	2019
Proportion of the value of purchases covered by the evaluation system for social and environmental risks (per calendar year)	%	Laboratoires M&L	23	-	18
Number of key supply chains	No.	Group	-	66	66
Proportion of purchased ingredients made up of key raw materials, in terms of volume	%	Laboratoires M&L	-	13	9.8
Proportion of purchased ingredients made up of key raw materials, in terms of value	%	Laboratoires M&L	-	12	12
Subsidiaries with fair-trade certification: proportion of producers of key raw materials covered by a multi-year contract	%	Group	-	100	-
Subsidiaries without fair-trade certification: proportion of producers of key raw materials covered by a multi-year contract	%	Group	-	35	-
Proportion of key raw materials with fair-trade certification, in terms of volume	%	Group	-	80	-
Proportion of key raw materials certified as organic, in terms of volume	%	Group	-	77	-

SECTION 2 – Products	UNIT	SCOPE	2017	2018	2019
Consumption of packaging material	t	Laboratoires M&L	4,212	4,360	4,847
Intensity of packaging material consumption	t/1,000 units produced	Laboratoires M&L	0.034	0.031	0.032
Proportion of materials used in packaging made from recyclable or renewable sources	%	L'OCCITANE en Provence and Melvita	19.3	20.7	19.7

SECTION 3 – Production and distribution	UNIT	SCOPE	2017	2018	2019
Total water consumption	m ³	Laboratoires M&L	122,442	134,177	111,209
Intensity of water consumption	m ³ /t produced	Laboratoires M&L	8.49	8.53	7.76
Total energy consumption (electricity and natural gas)	MWh	Laboratoires M&L	21,605	21,651	20,630
Intensity of energy consumption	kWh/t produced	Laboratoires M&L	1,414	1,309	1,366
Generation of non-hazardous waste	t	Laboratoires M&L	2,485	2,647	2,145
Generation of hazardous waste	t	Laboratoires M&L	728	628	745
Intensity of non-hazardous waste generation	t/t produced	Laboratoires M&L	0.165	0.165	0.150
Intensity of hazardous waste generation	t/t produced	Laboratoires M&L	0.048	0.039	0.052
Breakdown of waste by processing method: - Landfill	%	Laboratoires M&L	2.8	1.8	0
- Incineration	%	Laboratoires M&L	26.9	27.4	33
- Recycling of materials	%	Laboratoires M&L	70.2	70.9	67
CO ₂ emissions	t of CO ₂ equivalent	Group	-	-	-
Intensity of CO ₂ emissions	t of CO ₂ equivalent/t produced	Group	-	-	-
Proportion of products transported by air from the Laboratoires M&L warehouse to destinations worldwide	%	Laboratoires M&L	1.6	1.6	1.4

SECTION 4 – Human resources		UNIT	SCOPE	2017	2018	2019
Total workforce		No.	Group	8,630	8,672	8,747
Breakdown of employees by geographic region:	- North America	%	Group	-	12	11
	- Europe	%	Group	-	41	41
	- Asia Pacific	%	Group	-	37	37
	- South America	%	Group	-	9	10
	- Africa and the Middle East	%	Group	-	1	1
Proportion of total payroll dedicated to training		%	Laboratoires M&L	3.40	3.81	1.9
Proportion of workforce that received training, in total		%	Laboratoires M&L	81	78	71.5
Proportion of workforce that received training by occupational category:	- Production workers and admin staff	%	Laboratoires M&L	-	74	93
	- Supervisory staff	%	Laboratoires M&L	-	82	83
	- Managers	%	Laboratoires M&L	-	80	56
	- Senior executives and board members	%	Laboratoires M&L	-	71	70
Total number of hours of training		Hours	Laboratoires M&L	18,422	19,989	17,000
Average number of hours of training		Hours per employee	Laboratoires M&L	17.07	18.14	15.6
Workplace accident frequency rate		%	Laboratoires M&L	4.11	3.54	2.11
Workplace accident severity rate		%	Laboratoires M&L	0.09	0.37	0.055
Employee absenteeism rate		%	Laboratoires M&L	4.51	4.27	4
Breakdown of women by occupational category:	- Board members and senior executives	%	Laboratoires M&L	46.7	50	36
	- Managers	%	Laboratoires M&L	66.3	67.5	67
	- Supervisory staff	%	Laboratoires M&L	64.6	61.1	61
	- Production workers and admin staff	%	Laboratoires M&L	47.9	48.2	57
Proportion of employees with disabilities in the overall workforce		%	Laboratoires M&L	8.11	9.88	8.16

SECTION 5 – Philanthropy		UNIT	SCOPE	2017	2018	2019
Breakdown of L'OCCITANE budget by area:	- Caring for sight	€'000	L'OCCITANE	1,768	1,311	2,009
	- Empowering women	€'000	L'OCCITANE	776	380	595
	- Preserving the natural heritage of the Provence and Mediterranean region	€'000	L'OCCITANE	129	60	53
Budget allocated by the Melvita brand for the safeguarding of bees		€'000	Melvita	60	60	60

L'OCCITANE
EN PROVENCE

Melvita

 **erborian**
KOREAN SKIN THERAPY

 **L'OCCITANE**
AU BRÉSIL

L. LimeLife by Alcone

ELEMIS

L'OCCITANE *Group*
CARES

group.loccitane.com
fondation.loccitane.com