

L'OCCITANE *Group* CARES

FY2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

L'OCCITANE
EN PROVENCE

Melvita

erborian
KOREAN SKIN THERAPY

L'OCCITANE
AU BRÉSIL

LimeLife by Alcone

ELEMIS

SUMMARY

| | |
|---|-----------|
| Editorial | 5 |
| I. THE FOUNDATIONS OF OUR GROUP'S RESPONSIBILITY | 6 |
| 1. An international group | 6 |
| 2. Stakeholder expectations and sustainable development challenges | 10 |
| 3. The Group's ethical commitments | 14 |
| II. OUR GROUP SUSTAINABILITY PRIORITIES | 17 |
| 1. Protecting and regenerating natural and cultivated biodiversity | 18 |
| a. Reducing the impact of our production on water and waste | 18 |
| b. Improving formula eco-design | 19 |
| c. Promoting the sustainable sourcing and purchasing of key raw materials | 20 |
| d. Deploying local programmes to protect and restore biodiversity | 22 |
| 2. Delivering dramatic changes to mitigate the climate crisis | 25 |
| a. Understanding the Group's carbon footprint and roadmap | 26 |
| b. Reducing emissions in logistics and supply chains | 28 |
| c. Engaging in the energy transition | 30 |
| d. Reducing pollution and waste across the value chain | 32 |
| 3. Creating opportunities and empowering all people in our communities | 37 |
| a. Empowering and supporting our producers and local communities | 38 |
| b. Promoting female leadership | 40 |
| c. Promoting well-being in the workplace, diversity and inclusion | 42 |
| d. Developing and training teams around the world | 44 |
| III. MAKING A POSITIVE SOCIETAL IMPACT BEYOND OUR ACTIVITY | 47 |
| 1. Combatting avoidable blindness | 48 |
| 2. Fighting against COVID-19 | 49 |
| Appendices | 50 |

This report aims to:

- Review our sustainability achievements and challenges in FY2020 (April 1, 2019 – March 31, 2020)
- Comply with regulatory reporting requirements
- Share some of the good practices and initiatives we tested this year

This report presents:

- Where possible, consolidated indicators for the L'OCCITANE Group
- Whenever it has not been possible to provide consolidated figures, we provided figures for the broadest or most relevant scope (the scope is always specified). Many indicators present in particular the results for Laboratoires M&L, our French production subsidiary, as well as for L'OCCITANE en Provence and Melvita, two brands that account for over 80% of the Group's net sales.



EDITORIAL

“The past year has been the opportunity for the Group to consolidate the ambitions of its sustainability policy: initially driven by L’OCCITANE en Provence and Melvita, the policy is now being rolled out across all our brands. We stepped up our efforts in three priority areas, which respond to today’s major social and environmental issues: protecting and restoring natural and cultivated biodiversity; delivering dramatic changes to mitigate the climate crisis; and finally, creating opportunities and empowering all people in the communities in which we are engaged, with a focus on women’s empowerment. We want to continue to consolidate the Group’s and its brands’ actions in these areas, which lie at the core of our responsibility as an international manufacturer and retailer of beauty and well-being products.

I am very proud to announce our first objective in this respect: contribute to the world’s carbon neutrality by achieving Net Zero emissions across the Group by 2030 and on our two French production sites by 2025. Inspired by the Science-Based Targets initiative, our first effort remains to avoid and reduce the Group’s own emissions, and to achieve greater sobriety throughout our value chain. By 2020, we are well on track to achieving a 30% reduction of our carbon intensity from the levels of emissions recorded in 2010. While these efforts to avoid and reduce our footprint across the value chain will continue to be our priority, this year L’OCCITANE Group will also initiate several carbon sequestration projects. We will prioritise nature-based solutions such as reforestation projects that will have to offer the joint benefits of protecting biodiversity, sequestering carbon and improving livelihoods.”

REINOLD GEIGER
L’OCCITANE Group Chairman and Chief Executive Officer

“The L’OCCITANE Group has been following a coherent path for years, with the unfailing ambition to preserve and regenerate biodiversity while also strengthening relations of trust and fair trade with all our “partner-producers” of natural raw materials. The longevity of our programmes such as RESIST (Resilience, Ecology, Strengthening, Independence, Structure, Training) in Burkina Faso and the launch of new initiatives such as the agroecology collective testify to our past and present commitment to “biosystems”, or virtuous ecosystems that are at once human-centred and rooted in nature.

Natural, human, local: these are the three watchwords that inspire and guide our daily work. Our Group now has a decades-long history, and it owes its resilience to a unique balance of bio-inspiration, open innovation and agile partnerships focused on the circular economy and inventing virtuous ways of working. This has proven an essential asset in this eventful year. The Group’s collaborators and partners were able to adapt with agility to get through the health and economic crisis caused by COVID-19 and reinvent themselves. As for our teams, this resilience is based on the Group’s core values: entrepreneurship, team spirit, leading by example and authenticity, meaning to be ready to listen and showing consideration for others in order to move forward together.

The wish to empower all employees this year was materialised by the roll-out of a parental leave programme that has no precedent in the cosmetics industry due to its international reach and ambition, in line with best practice models, to promote health and well-being through equal opportunities and empower all employees and their families.

Many challenges lie ahead from an economic, social and ecological standpoint, and we believe that the Group’s commitments, actions and objectives, which you will discover in this report, will help us better meet them.”

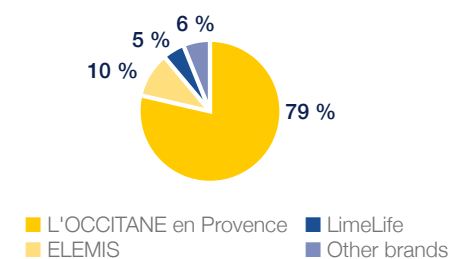
SYLVAIN DESJONQUÈRES
L’OCCITANE Group Managing Director

1. An international group

The L'OCCITANE Group is an international company with presence in nearly 90 countries that manufactures and retails beauty and well-being products that are rich in natural and organic ingredients. The Group is currently developing six brands around the world:

- **L'OCCITANE en Provence** offers fragrances as well as skincare, body care and haircare products containing natural ingredients and elaborated according to the principles of phytotherapy and aromatherapy, the majority of which are produced in the South of France.
- **Melvita** provides 100% organic cosmetics that have received the Cosmebio® organic label and have been certified by Ecocert.
- **L'OCCITANE au Brésil** offers fragrances, haircare and body care products that celebrate Brazil's natural and cultural wealth.
- **Erborian** develops hybrid products that bridge the gap between skincare and make-up, inspired by traditional Korean pharmacopoeia and product formulation technology.
- **LimeLife**, a US cosmetic and make-up brand, sells products through its website and Beauty Guides.
- **ELEMIS** is a premium skincare brand whose cosmetics associate cutting-edge technologies with powerful natural ingredients.

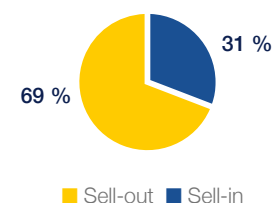
Sales breakdown by brand in FY 2020



The Group's activities break down as follows:

- **Sell-out:** sales of the Group products directly to end users, mainly through its own network of stores and/or the brand's e-commerce websites.
- **Sell-in:** sales of products via intermediaries, including selective multi-brands beauty stores, hotels, airport stores, TV shopping channels or businesses who purchase the products as gifts for their clients or employees.

Sales breakdown by distribution channel in FY 2020



The Group manufactures the vast majority of its own products: Group subsidiary Laboratoires M&L, which operates two production facilities in Manosque and Lagorce (France), handles the manufacturing of products for brands L'OCCITANE en Provence and Melvita (with the exception of a few outsourced products¹). A third facility in Brazil, which opened its doors in June 2019, manufactures products for the brand L'OCCITANE au Brésil, as well as some L'OCCITANE en Provence products for the Brazilian market. Erborian, ELEMIS and LimeLife products are outsourced. The Group also has its own network of stores, while LimeLife products are sold directly or online through Beauty Guides.

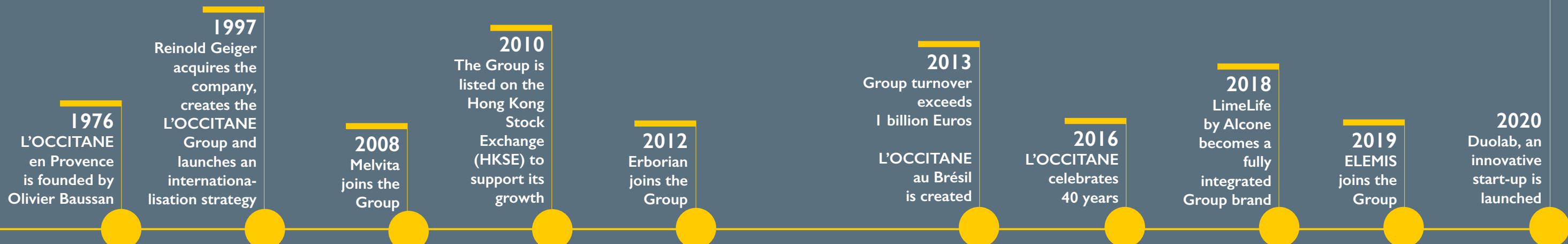
KEY FIGURES

- **6 brands** in **90 countries**
- **€1,644.1 million** in consolidated revenue
- **12.8% growth** at constant rates
- **41.8% growth** in online sales
- **1,608 stores** owned by the Group
- **9,347 staff (FTE)**

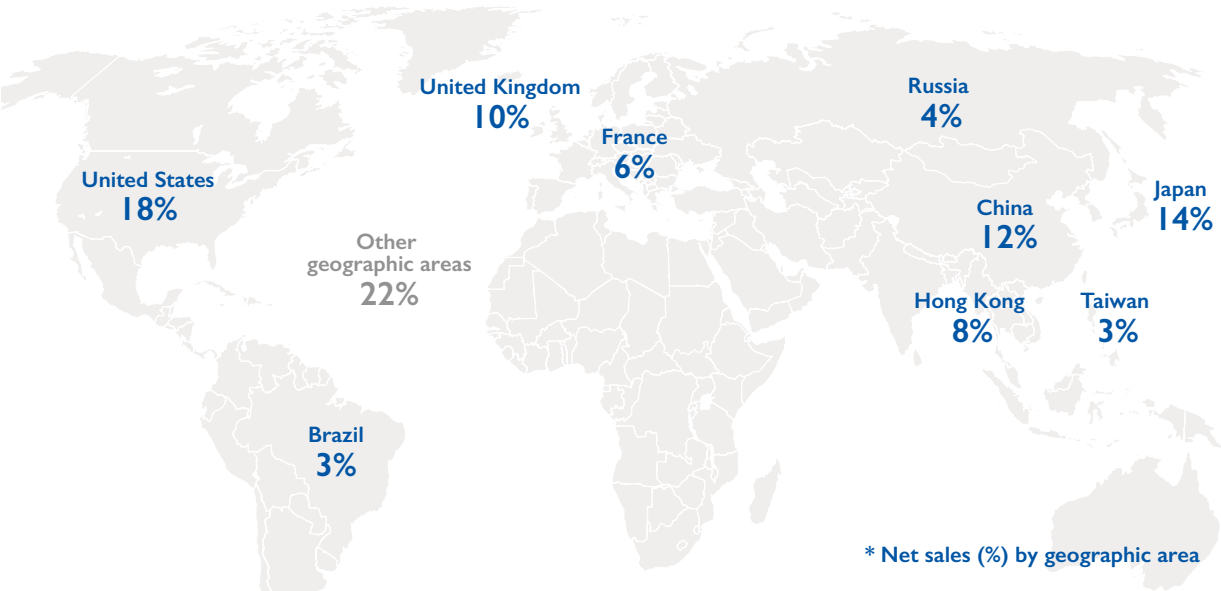
¹ For example, make-up and sprays.



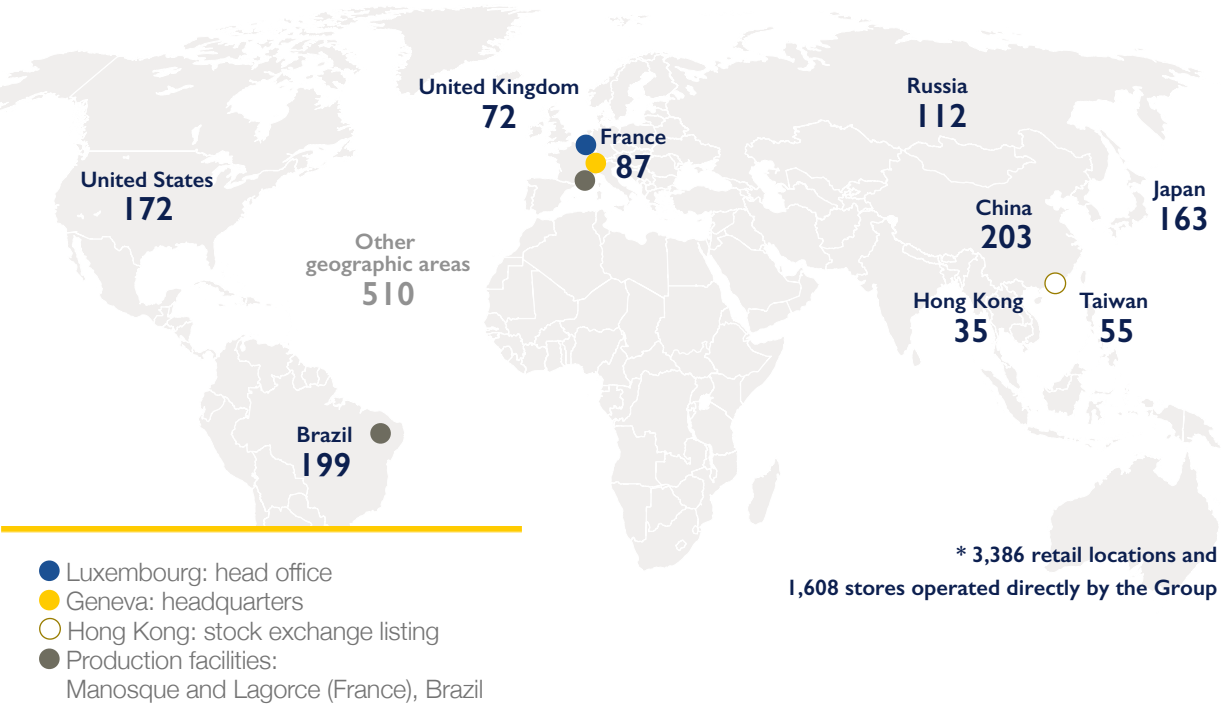
Duolab is an innovative start-up launched by the L'OCCITANE Group in 2020 that has developed a bespoke skincare solution. With a concept based on freshly prepared, preservatives free, ultra-natural formulas to meet the skin's changing needs, Duolab is positioned at the cutting edge of the cosmetic industry.



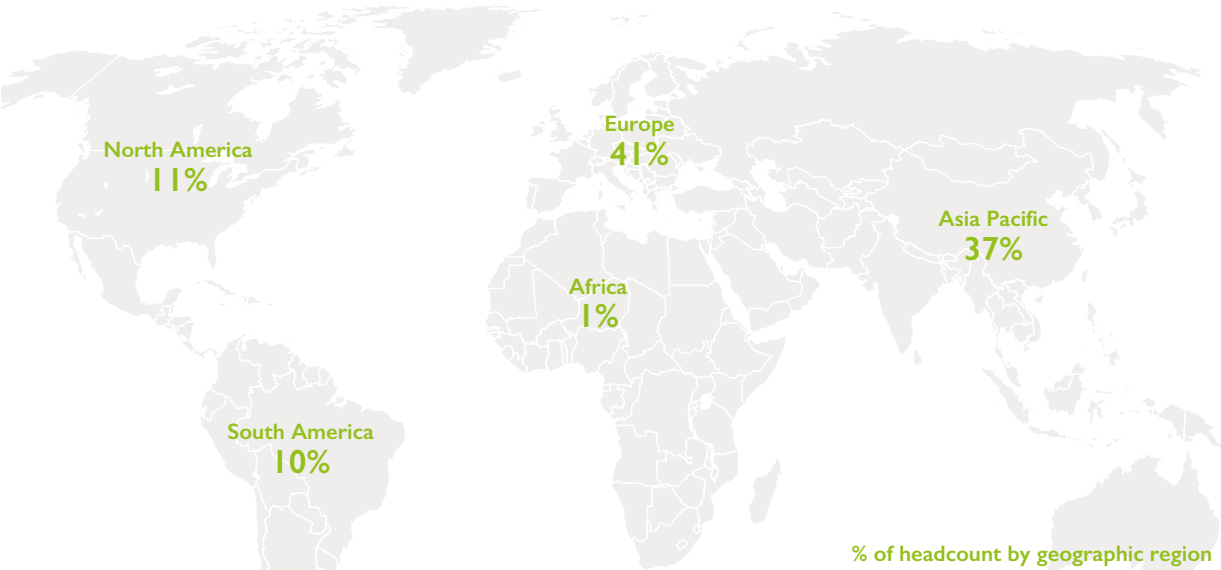
OUR ACTIVITY WORLDWIDE



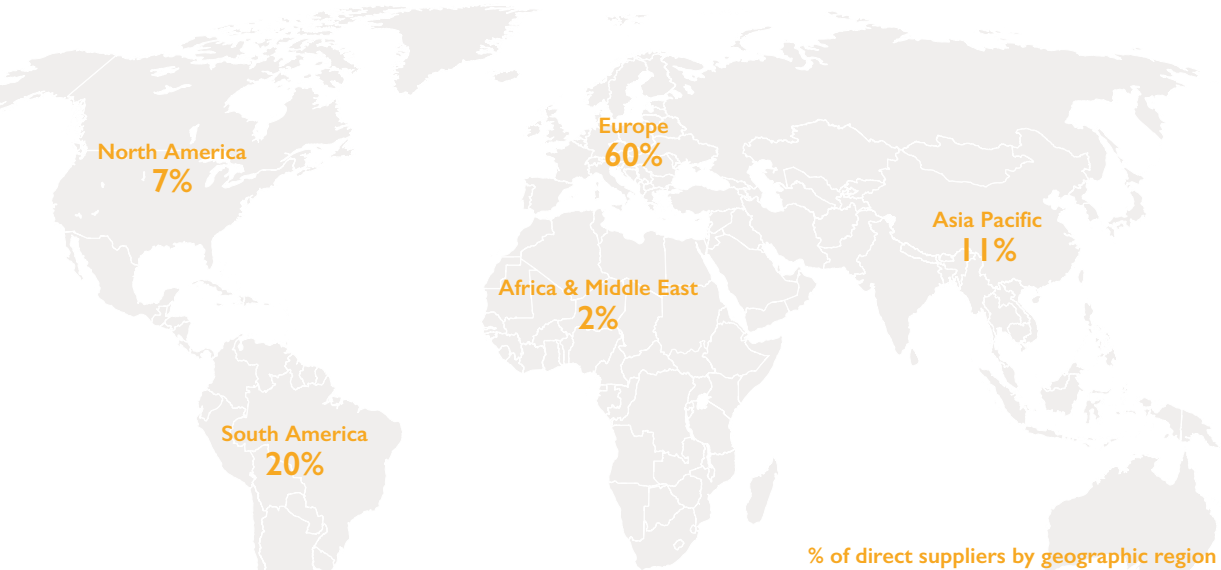
OUR STORES WORLDWIDE



OUR EMPLOYEES



OUR DIRECT SUPPLIERS



2. Stakeholder expectations and sustainable development challenges

Statement by Adrien Geiger, Group Sustainability Officer and Global Brand Director of L'OCCITANE en Provence.

This year, we have set ourselves the objective of being **B CORP** certified by the end of 2022 or in 2023 at the latest. This ambitious label will help us introduce a dynamic of progress to reach our objectives and deploy our CSR strategy across all of the Group's entities and regions. We believe that this challenge is in line with our ambitions: delivering beauty and well-being brands that are rich in natural and organic ingredients, with the mission of regenerating nature and its diversity, as well as developing a sustainable biosystem that integrates ecosystems and communities.



In 2019, we carried out a new materiality analysis (see Appendix 4 for more details) to update our objectives and identify areas of improvement. Following the analysis of these findings and the review of the Group's performance against these priority areas by the Executive Committee and Board, we decided to place the emphasis on three high-priority areas by setting ourselves more ambitious objectives. As a Group that relies on natural resources and on communities' wealth of know-hows for the processing of these resources, our key priorities are:

1. **Protecting and regenerating biodiversity, both natural and cultivated, within and outside our value chain;**
2. **Delivering dramatic changes to mitigate the climate crisis and anticipate its impacts on our activities;**
3. **Creating opportunities and empowering all people in the communities in which we are engaged, with a focus on women's empowerment.**

We broke down these three main priorities into a first set of medium-term objectives, the first of which is to achieve "Net Zero Carbon" by 2030 (Net Zero emissions). Throughout 2020, we will continue to define our key objectives and our roadmap in order to apply them across our brands and throughout their respective value chains. These priorities and associated objectives bring an ambitious complement to our core ethical commitments, which are essential to us as a player in the cosmetics industry, and which we have consolidated over the past years.

Besides the definition of new priorities and objectives, the governance of sustainability issues in the L'OCCITANE Group has been becoming more structured over the years: this reflects the strategic role played by these issues for our Group's development. As the Group's Sustainability Officer, I am sitting at the Executive Committee. A Sustainability Committee will soon be introduced, as part of our new procedure for the review of our 3-year CSR plan. This will materialise our aspiration to closely monitor and constantly improve the L'OCCITANE Group's sustainability performance.

GROUP BOARD

Participation of the Sustainability Officer

1-2 presentations per year (materiality, KPIs and key projects)

Currently in development: a Sustainability Committee including operational representatives and external administrators to inform and challenge the 3-year Sustainability Plan.

EXECUTIVE COMMITTEE

Participation of the Sustainability Officer

3-4 presentations per year (materiality, KPIs and key projects)

Currently in development: a Sustainability Operational Board including several members of the Executive Committee and brand representatives to provide advice, support project delivery and help reach objectives.

OPERATIONAL

Sustainable Development team working across 5 sites (Geneva, Paris, Manosque, Lagorce, Burkina Faso)

Presence of sustainable development experts in most key central teams (packaging, R&D, sourcing...)

Currently in development: Sustainable Development contact persons in distribution teams and other key central teams.

BRAND COMMITMENTS

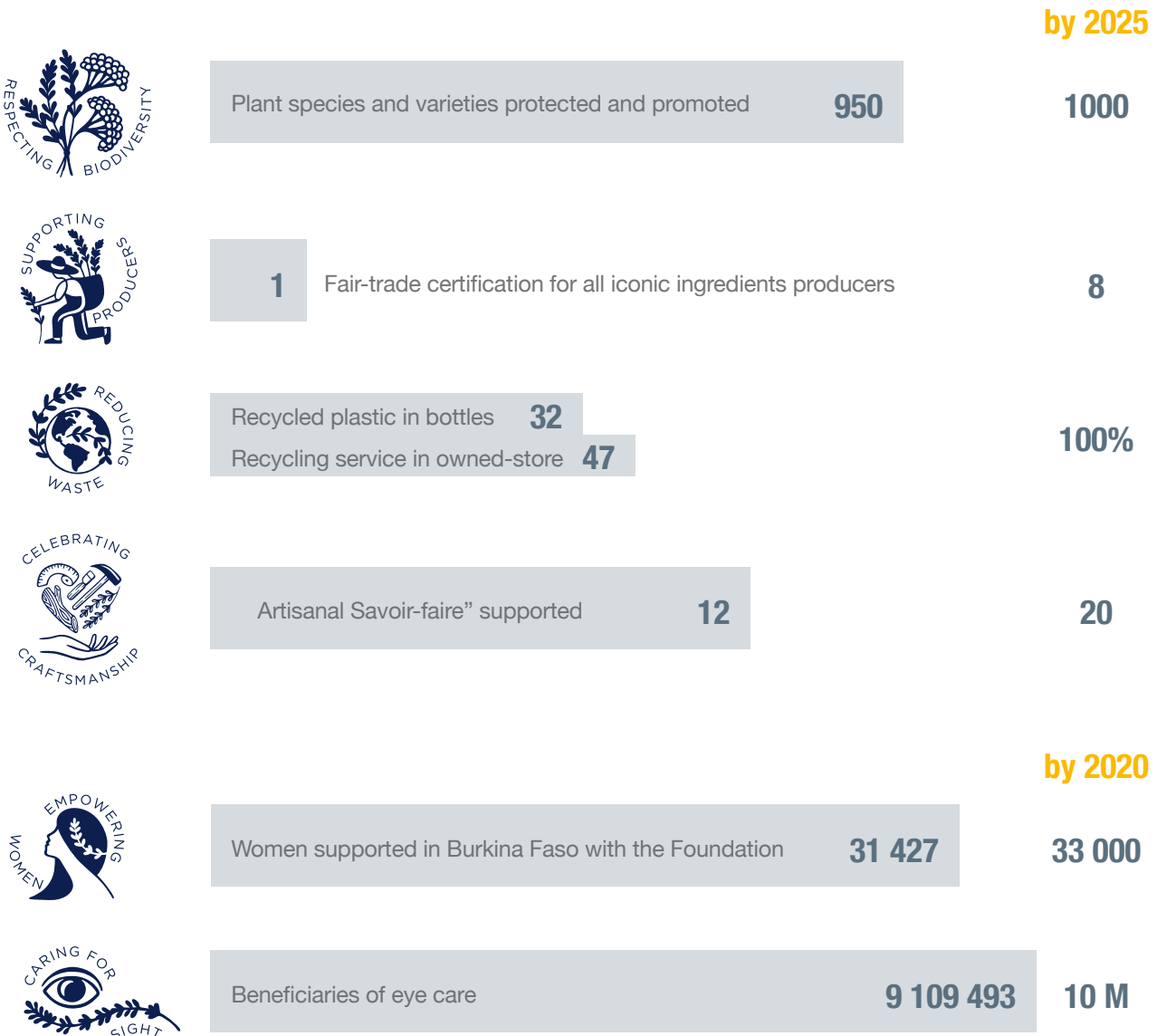
Beyond these three key priorities, the L'OCCITANE Group also encourages its individual brands to set their own ambitious commitments and objectives in favour of the causes they wish to support.

In particular, all brands are committed to finding solutions to tackle plastic pollution and have set themselves ambitious objectives for the integration of

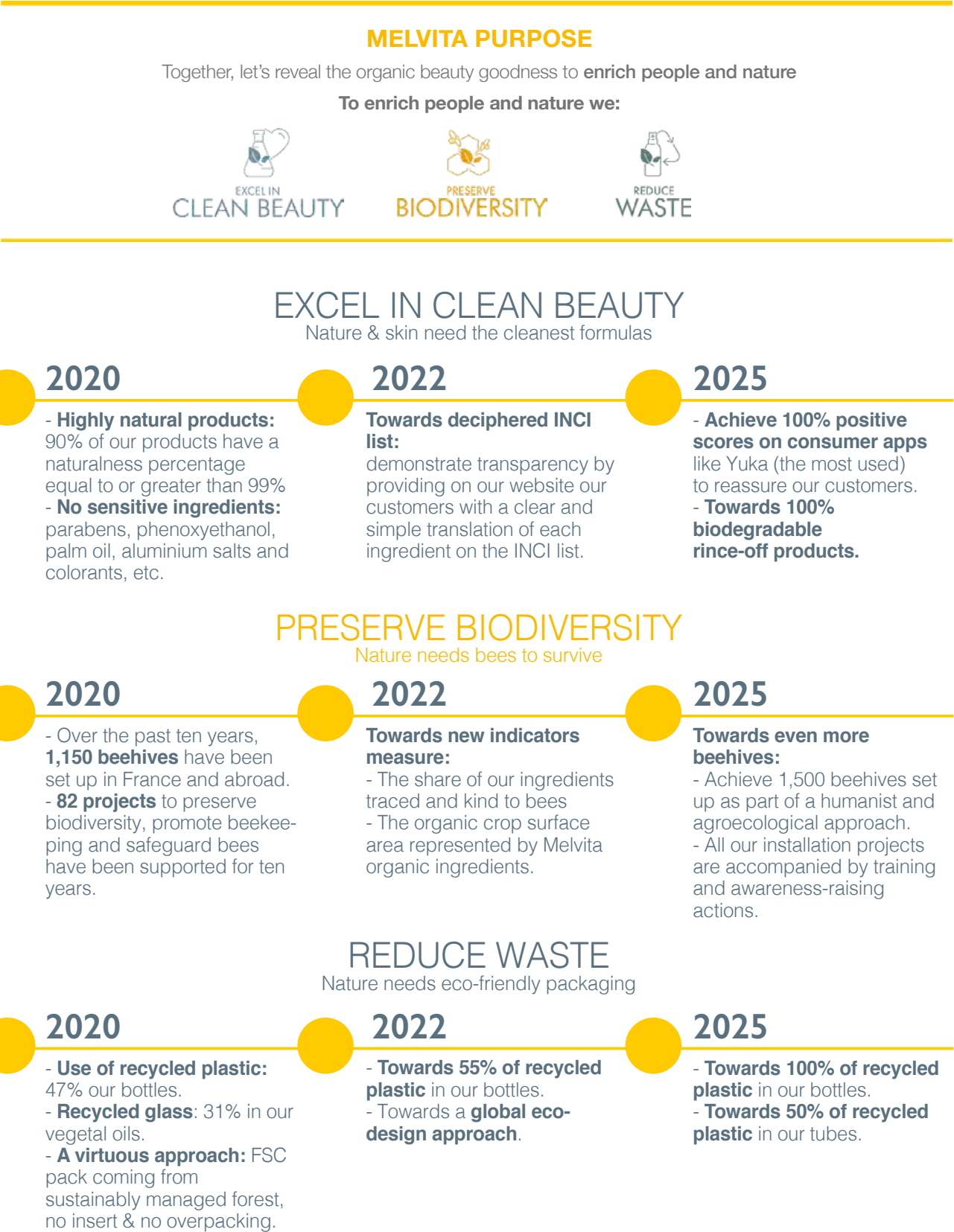
recycled plastics, the phasing out of single-use plastics and the reduction of packaging weight.

L'OCCITANE en Provence and Melvita have finalised their respective commitments and are currently focusing on innovation projects to reach their objectives. ELEMIS is finalising the definition of its commitments, which will be deployed by the end of 2020. The Group's other brands are encouraged to formalise these commitments by the end of this year.

For example, L'OCCITANE en Provence reviewed its priority objectives in 2018. Since then, the brand made good progress across all indicators and is well on its way to reaching the two objectives that had been set by 2020 (Caring for Sight and Empowering Women).



Melvita has defined three priority commitments, to which specific objectives have been attached, to be reached by 2022 and 2025.



3. The Group's ethical commitments

Throughout its development, the L'OCCITANE Group has committed to operating according to the principles of ethical and corporate responsibility. Diverse policies, initiatives and actions have been deployed in the past to continually consolidate these core commitments.

These ethical commitments are detailed in our **Group Corporate Responsibility Policy** and our **Purchasing Code of Ethics**.

KEY FIGURES, FY 2020

- 0 legal case regarding corrupt practices
- 0 recall of commercialised product²
- 4,31% accident frequency rate in our French factories (6 accidents) compared to 2,11% last year (3 accidents).
- 100% of procurement staff received training on responsible purchasing and signed the Purchasing Code of Ethics
- 87% of direct purchase expenditure covered by a detailed CSR evaluation

After a steady decrease in the frequency and severity rates of accidents over the last years, these rates now appear to be reaching a plateau in our factories and even to be increasing. To reach the objective of 0 accident, Laboratoires M&L started a new development project called **Security Culture**.



HEALTH, SAFETY AND CONSUMER TRANSPARENCY

Consumers are increasingly concerned with the contents and quality of the products they purchase. They expect total transparency from brands about the products' formulas, the ingredients and the processes. The L'OCCITANE Group has always regarded consumer safety as a priority: 100% of its formulas are thoroughly tested (on average 30 to 40 tests per product).

Driven by their ambition to constantly improve themselves, the Group's brands have all developed individual transparency commitments. For instance, in 2019, L'OCCITANE en Provence published online its own formulation charter that goes beyond regulatory compliance. Melvita has also published its principles of formulation and the requirements it complies with as a signatory of the Cosmebio® Charter. The Erborian website lists all the ingredients that are banned from the brand's formulas, and has added simplified lists of ingredients (INCI lists) on its new product pages to make them more accessible and transparent for consumers.

² Recall: the act of preventing after distribution, consumption or use of a product by the consumer and/or informing him of the danger he may run if he has already used/consumed the product.





II. OUR GROUP SUSTAINABILITY PRIORITIES

1. Preserving and regenerating natural and cultivated biodiversity 18

L'OCCITANE Group's beauty and well-being products draw inspiration from the benefits of nature: we know how essential it is to respect it and to support the regeneration of its biodiversity. Our resilience is closely linked to nature's resilience: this is why for over twenty years, we have been engaged in actions to preserve and restore it and are striving to achieve a positive impact.

- a. Reducing the impact of our production on water and waste 18
- b. Improving formula eco-design 19
- c. Promoting the sustainable sourcing and procurement of key raw materials 20
- d. Deploying local programs to preserve and restore biodiversity 22

1. Protecting and regenerating natural and cultivated biodiversity

a. Reducing the impact of our production on water and waste

MANUFACTURING OBJECTIVES

- -7% water consumption per ton produced by 2020
- 2 “dry” factories in France by 2025

The Group's first responsibility as an industrial player is to put all its efforts into ensuring that its direct activities, such as production facilities, have no negative impact on the ecosystem. We monitor the quantity of resources consumed and the quality of wastewaters discharged by the Group's production facilities. In terms of wastewaters, the Laboratoires M&L facilities located in France in Manosque and Lagorce are compliant with current regulations (see Appendix 3 for more detail).

Water is a key ingredient in many of the formulas of the beauty products produced for the Group's brands, and an essential resource for our production processes. In terms of water footprint, the Lagorce industrial site is monitored particularly closely due to its geographic location close to a Natura 2000-listed, high hydric stress area. The Group's ambition is now to engage in a global transformation of its industrial assets, and to take even more dramatic action to reduce its water consumption by introducing a dry factory project. By

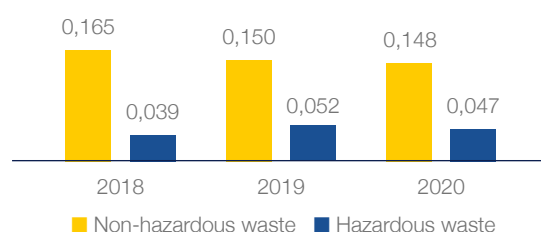
MANUFACTURING ACHIEVEMENTS FY 2020

- -8,1% water consumption per ton produced
- Zero landfill since 2018
- 67% recycled waste, 33% incinerated

2025, the Group aims to implement a circular model across its French factories by recycling 100% of the water used for industrial processes.

Finally, Laboratoires M&L achieved its “Zero Landfill” target in 2018 and since that year, it has reduced its waste intensity by 4,4%.

Intensity of hazardous and non-hazardous waste generation by Laboratoires M&L (in tons per ton produced)



b. Improving formula eco-design

As a company that manufactures and retails beauty and well-being products, one of the Group's key responsibilities is to ensure the safety of its formulas, but also to monitor its products' environmental impact at every step of their use and end of life. The Group is therefore striving to reduce the impact of rinse-off formulas on water and to improve the environmental impact of all formulas.

BRANDS' OBJECTIVES

Reducing environmental impact of rinse-off formulas

- 95% easily biodegradable ingredients in 90% rinse-off formulas by 2025 for L'OCCITANE en Provence and Melvita
- Identify % of easily biodegradable ingredients for rinse-off formulas across other Group brands within 2 years
- 100% silicone free rinse-off formulas by 2022 for L'OCCITANE en Provence

Improving our formulas' natural content and environmental impact

- Increase % of L'OCCITANE en Provence products in compliance with the Clean Charter

BRANDS' ACHIEVEMENTS FY 2020

Reducing environmental impact of rinse-off formulas

- **80%** easily biodegradable ingredients in rinse-off formulas by L'OCCITANE en Provence and 62% by Melvita
- **93%** silicone-free rinse-off formulas by L'OCCITANE en Provence and 100% by Melvita (Cosmebio® Charter).

Improving formulas' environmental impact

- 28% of L'OCCITANE en Provence active formulas compliant with the Clean Charter
- 100% Melvita formulas are Cosmebio® labelled

In 2020, after the publication of its Formulation Charter that already goes a step beyond regulatory compliance, L'OCCITANE en Provence launched a Clean Charter setting out even more stringent requirements to guide the brand's innovations. The Charter is the outcome of a wide consultation with the Group's employees and an international panel of consumers to capture their vision of “Clean Beauty”. To comply with this Charter, a formula needs to meet at least one of the following criteria:

- 95% ingredients of natural origin for leave-on formulas
- 95% biodegradability for rinse-off formulas

In addition, formulas may not contain more than one ingredient listed as “orange” in the Formulation Charter (i.e. restricted ingredients).

This Clean Charter is currently being rolled out for L'OCCITANE en Provence, impacting **79% of the Group's product sales**, and our ambition would be to roll it out to all our brands as part of a process of continuous improvement. For this purpose, the Group has set up monitoring milestones for all its brands by 2025:

- Monitoring the percentage of biodegradable ingredients and silicone across all rinse-off formulas
- Monitoring the share of natural ingredients across all leave-on formulas.



2008
First
Formulation
Charter

2013
Creation
of the
Nature
Lab

2015
ISO 14001 certification
for formula development
and packaging Ecodesign scoring
system for L'OCCITANE en
Provence and Melvita formulas

2018
Implemen-
tation of
the new
ISO 16128
standard

2020
Implementation
of the Clean
Charter

c. Promoting the sustainable sourcing and purchasing of key raw materials

Half of our planet's species are at threat of disappearing by 2050 if no action is taken. Respecting biodiversity and acquiring supplies in a responsible manner are key strategic issues for the Group.

The Group has identified its Key Raw Materials (KRM) and monitors them particularly closely, as they form the main active ingredients of L'OCCITANE en Provence and Melvita product ranges. These natural raw materials, which are at the very core of our Group's innovations, are threatened by today's most concerning issue: the global and massive collapse of biodiversity.

The Group's strategic supply chains

- For key raw materials classified as sensitive that require more in-depth monitoring (rare plants and plants with tense supply chains), the Group ensures end-to-end traceability and enters agreements with producers setting purchase volumes prior to the harvest. Specific requirements may be defined with producers as to farming and processing methods, or the ingredient-specific quality criteria (for example for myrtle and peonies).
- For key raw materials that require a long-term commitment (iconic ingredients of the Group's product ranges), multi-year partnerships are agreed with producers to specify volumes and purchase prices in advance. Down-payments and zero-interest loans can also be made available to producers (for example: Protected Denomination of Origin fine lavender from Haute-Provence, organic immortelle from Corsica or Fair Trade organic shea butter from Burkina Faso).

³ Cucumber, Fig, Pomelo, Melon.

⁴ Laboratoires M&L does not directly purchase or use raw palm oil in any of its formulas. However, certain products such as soap flakes and some derivative products may contain palm oil. Palm oil can be fractioned during its extraction to create palm oil derivatives that come in solid or liquid form.

⁵ Roundtable on Sustainable Palm Oil.

Melvita and L'OCCITANE en Provence: developing sustainable supply chains

- 117 raw materials monitored by the "Biodiversity and Sustainable Sourcing" department
- 202 partner farmers including 186 family-owned farms
- 17,340 pickers (for shea nuts or meadowsweet flowers for example)
- We currently work with 44 sustainable supply chains, monitored directly on production sites through regular field visits (about 200 per year) and 4 audited supply chains³ according to a Sustainable sourcing charter.
- In terms of traceability, 133 raw materials are tracked back to their country of origin.
- For their key raw materials, both brands promote organic certified farming, using methods that respect ecosystems. Out of 653 ha cultivated by our partner producers and 1,157 ha of picking land: 100% of picking land is organic and 77% of cultivated land is organic – or a global average of 98% of organic land in our supply chains. In addition, 88% of land is bee-friendly.

The key stage in preserving biodiversity is knowing the ingredients' origins – in particular in the case of complex active ingredients that can be part of long value chains. In order to ensure the safety of these strategic supplies and to control their quality and impact on biodiversity (in particular in terms of farming methods), the Group set itself a traceability plan: its objective is to trace all plant ingredients entering in the composition of 90% of the volume of raw materials purchased for the brands Melvita and L'OCCITANE en Provence back to their country of origin. This is a very ambitious objective, as it does not only target 100% natural raw materials but seeks to trace back all ingredients for each raw material. This will allow the company to assess any threat their production may pose to biodiversity, and to take action where the risk is highest. Laboratoires M&L currently knows the geographic origin of plants for 133 of the raw materials purchased directly for the brands L'OCCITANE en Provence and Melvita. In coming years, the Group aims to monitor and increase the percentage of traced ingredients, across all brands and ingredients. It will also draw out an inventory for all of the Group's other brands by 2022.

L'OCCITANE en Provence and Melvita do not purchase palm oil directly from producers but use raw materials that are derived from palm oil⁴. Laboratoires M&L is committed to making its supply fully sustainable with a 100% RSPO⁵-certified supply chain by 2020, while also reducing the consumption of palm oil in its formulas for the brands L'OCCITANE en Provence, Melvita and Erborian by 25% by 2025. Laboratoires M&L also supports sustainable supply chains for palm oil derivatives in cosmetics: in 2019, the subsidiary joined the Action for Sustainable Derivatives consortium. This consortium's aims include improving the sector's transparency and supporting projects in production areas. This first year of work enabled L'OCCITANE to trace 82% of its supply back to the oil mill where they may have been produced.

BRANDS' OBJECTIVES

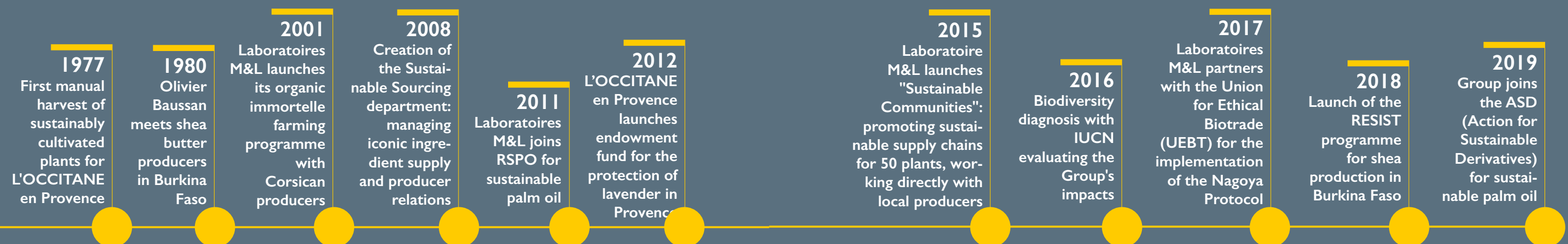
L'OCCITANE en Provence and Melvita

- Trace back all the plant ingredients entering in the composition of raw materials to their country of origin for 90% of volumes by 2025
- 100% of palm oil contained in raw materials we purchase to have achieved RSPO-certification by 2020
- Reduce the use of palm oil in raw materials by 25% between 2016 and 2025

BRANDS' ACHIEVEMENTS FY 2020

L'OCCITANE en Provence and Melvita

- For 20% of the volume of raw materials, we have traced the origin of all plants back to the country of origin and for 10% to the field of origin
- 99% of palm oil contained in raw materials we purchase is RSPO-certified
- 23% use of palm oil in raw materials; 50% of L'OCCITANE en Provence soaps are now palm oil-free
- 98% of land producing Key Raw Materials monitored by the Biodiversity and Sustainable Sourcing department is picked and cultivated using organic methods



d. Deploying local programmes to protect and restore biodiversity

Biodiversity is at threat, with potentially severe ecological, social and economic consequences. To protect biodiversity on the territories where the Group is engaged, the company wants to develop regenerative approaches.

BRANDS' OBJECTIVES

- Contributing to protecting and promoting 1,000 plant species and varieties by 2025 for L'OCCITANE en Provence
- Contributing to replanting 900,000 almond trees through membership of France Amande, the first interprofessional almond federation
- Setting up 1,000 beehives by 2020 and 1,500 by 2025 for Melvita

BRANDS ACHIEVEMENTS FY 2020

- 950 plant varieties in total protected and promoted since the beginning of the actions of L'OCCITANE Foundation and the Sustainable Sourcing team, including 209 this year
- 23,619 trees in total planted through the actions of L'OCCITANE Foundation since the launch of the Foundation, including 16,513 this year
- €414,000 allocated via L'OCCITANE Foundation and Melvita to support biodiversity projects
- **5,600 almond trees planted in Provence for employees over 2 years**
- 244 beehives set up in 2019 and 1,151 since 2010

As a pioneer of this approach, the Group continues to set itself objectives to restore local natural heritage and deliver associated projects. In 2020, the Group confirmed its commitment to supporting agroecology⁶ through a range of initiatives.

The Group has co-created an **Agroecology Collective** with its partner-producers, with the objective of working WITH nature⁷. This collective aims to create beneficial ecosystems in and around fields, by experimenting with and amplifying the benefits generated by these ecosystems, to regenerate biodiversity and natural resources. These projects use very diverse methods: plant cover, agroforestry, mulching, creation of natural habitats for birds and insects... This allows our producers to use fewer or no pesticides and fertilisers, and less water. This new collective is now bringing together 15 of our partner family farms.

In 2019, to be part of a collective movement, the Group also joined the 20 partners of the One Planet Business for Biodiversity (OP2B) coalition. This coalition brings businesses together around three ambitions:

- scaling up regenerative agricultural practices to protect soils;
- boosting product diversification;
- deploying strategies to protect endangered biodiversity-rich ecosystems.

Finally, in early 2020, the Group created a fund for the restoration of ecosystems that have been heavily damaged by natural disasters. Created to preserve biodiversity for future generations, the L'OCCITANE fund aims to respond punctually to climate emergencies. This fund will be fed by voluntary donations from L'OCCITANE shareholders.

After the wildfires in Australia and Brazil in 2019 and 2020, €400,000 of private funds will be channelled towards restoration projects in these two countries.

OTHER INITIATIVES

- The international partnership with PUR Projet to support agroforestry and replantation projects in the Group's distributing countries
- The L'OCCITANE Orchards programme to replant an almond tree in Provence for each employee with more than three years' seniority
- The partnership with IUCN and the Shared Mediterranean Conservatory
- All the projects led by the L'OCCITANE en Provence Foundation

⁶ Agroecology consists in combining trees and cultures or animals on the same plot. This ancient practice enables a better use of resources, consolidates biological diversity and contributes to creating a beneficial micro-climate that helps achieve higher yields.

⁷ Through their root system, trees create favourable conditions in the ground's lower levels that improve the supply of water and minerals for plants cultivated at ground level.





II. OUR GROUP SUSTAINABILITY PRIORITIES

2. Delivering dramatic changes to mitigate the climate crisis 26

The fight against climate change is a global issue that demands efforts from all of us. Businesses in particular are a key lever if we are to avoid a global warming of more than 1.5C above the pre-industrial period by the end of this century, as recommended by the Paris Agreement. Climate change is also one of the key challenges the Group is now facing. Temperature rises, draughts, disruptions in the water cycles and extreme weather episodes can durably modify agricultural conditions and local biodiversity, thus directly affecting our supplies of natural raw materials. It is our responsibility to contribute to fighting climate change by reducing greenhouse gas emissions produced by our activities. This aspect is one of our strategy's key pillar.

- | | |
|---|----|
| a. Understanding the Group's carbon footprint and roadmap | 26 |
| b. Reducing emissions in logistics and supply chains | 28 |
| c. Engaging in the energy transition | 30 |
| d. Reducing pollution and waste across the value chain | 32 |

2. Delivering dramatic changes to mitigate the climate crisis

a. Understanding the Group's carbon footprint and roadmap

After conducting an updated carbon assessment covering Laboratoires M&L, downstream freight and sub-contracting in 2019, the Group is planning to deliver its next carbon assessment on a global scale in the second semester of 2020. The audit will cover the Group's new brands and their activities, from input procurement through to product end-of-life.

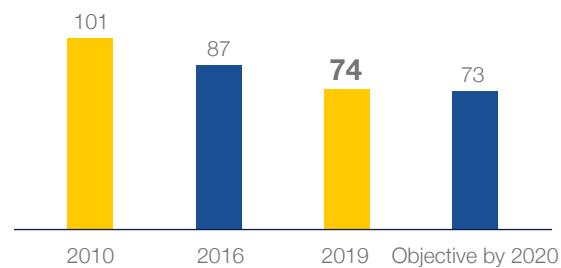
GROUP OBJECTIVES

- **30% reduction** of carbon intensity between 2010 and 2020
- **Achieve carbon neutrality** (Net Zero emissions) **for French factories** by 2025
- **Achieve carbon neutrality** (Net Zero emissions) **for the Group** by 2030

GROUP ACHIEVEMENTS FY 2020

- Carbon intensity reduced by 27% in 2019, to reach 30% decrease by 2020

Carbon intensity per net sales (tCO₂eq/M€)



The Group is well on its way to achieving its objective, set after its last comprehensive carbon assessment in 2016⁸: a 30% reduction of its carbon intensity from 2010 to 2020. With 74 tCO₂eq/M€ in 2019 against an objective of 73 tCO₂eq/M€ by end of 2020, this objective is now practically reached.

In terms of distribution, the Group's main sources of emissions are freight (34%), products inputs including packaging and raw materials (34%) and energy (17%).

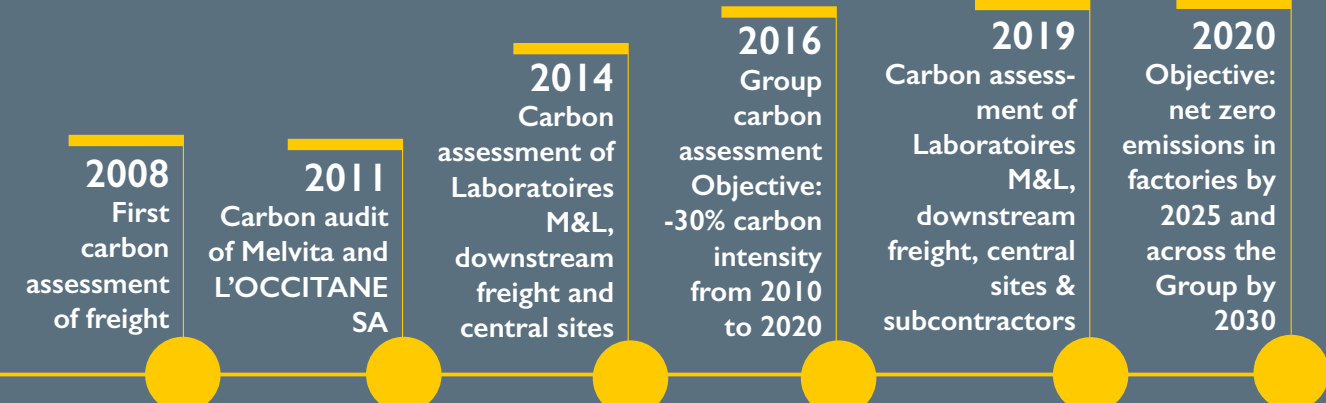
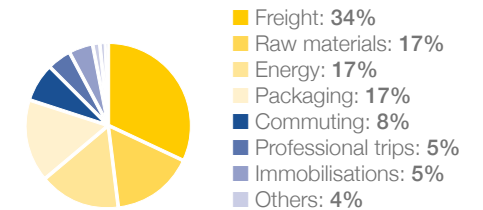
The Group now aims to further accelerate this process by contributing to achieving carbon neutrality on a global scale, in line with the Paris Agreement. In 2020, the Group has set itself the objective of achieving **Net Zero Emissions by 2030**. A new objective in terms of reduction of our emissions will be defined in 2021, in order to align our roadmap with the "Science-Based Targets". The first milestone will be to achieve zero net emissions on our two French production sites by 2025.

The Group is using the model elaborated in 2020 by the "Net Zero Initiative" and works across a range of sectors to prevent and sequester carbon emissions:

- creating the measurements, tools and conditions needed for the transition;
- reducing the Group's own emissions;
- reducing emissions throughout our value chain;
- increasing carbon sequestration in the value chain and beyond impact areas.

⁸ Evaluated direct emissions (product design and manufacturing, warehouses and stores) and indirect emissions (purchasing and raw materials, downstream transport) for our industrial subsidiary and five distribution subsidiaries (Brazil, USA, UK, Russia, Japan), accounting in total for 43% of the Group's turnover in 2016.

Distribution of emission sources



b. Reducing emissions in logistics and supply chains

Freight accounted for 34% of the Group’s carbon footprint in 2016, while purchases of raw materials generated 17% of our greenhouse gas emissions. These categories located upstream of the Group’s value chain are therefore particularly strategic in achieving the Net Zero Emissions target by 2030.

GROUP OBJECTIVE

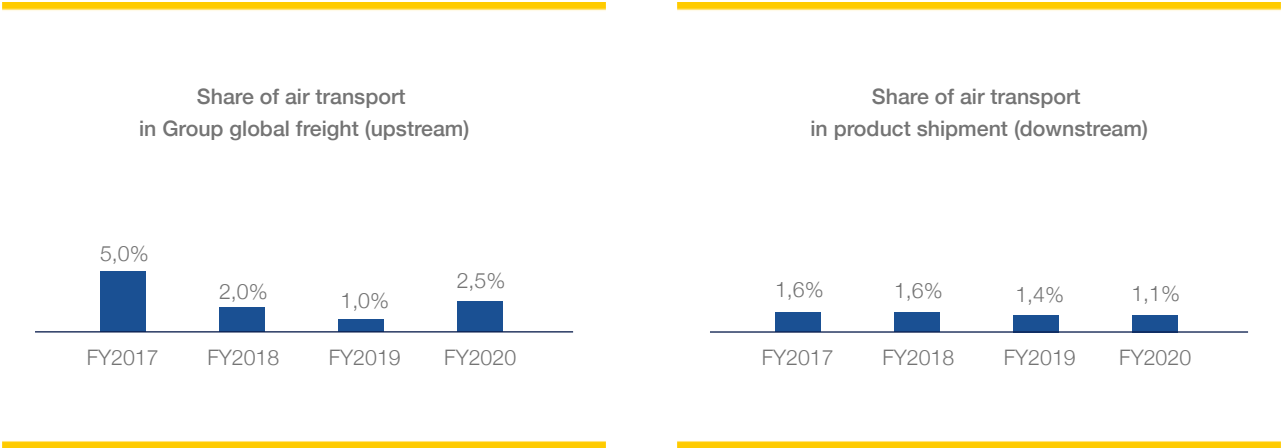
- Set new objective for freight-related emissions in 2021

GROUP ACHIEVEMENT FY 2020

- -13% air freight for Laboratoires M&L from 2014 to 2019

Reducing logistics and transport-related emissions

Since 2010, the L’OCCITANE Group has been striving to **reduce air freight** by improving its internal processes (air freight is only used in case of emergency, and has thus been reduced by 13% between 2014 and 2019), and by increasingly using modes of transport with a low environmental impact. Since 2018 we have been using the intermodal rail/road corridor that links China to Europe. Since 2013, a piggybacking route has been established for shipping goods from the Laboratoires M&L warehouses to the rest of Europe. In 2019, this mode of transport was used for 100% of freight transport in this area.



2020 results reflect the impact of the COVID-19 crisis on global traffic, including our anticipation and offsetting of the closure of Asian suppliers in China which led to increased traffic in the first semester of 2020.

Due to our internationalisation, the reduction of our freight-related carbon impact remains a serious challenge for the Group and its subsidiaries. The Group is working on a reduction plan as part of the Net Zero objective, by redefining key milestones and reduction objectives over the coming year.

Reducing emissions in the supply chain

Levers to reduce greenhouse gas emissions lie chiefly in the agricultural techniques used by producers and suppliers of raw materials. Agroecological principles and new harvesting and distilling technologies provide an effective way of reducing our footprint. To recover the land’s natural fertility while reducing the environmental impact of agricultural production, L’OCCITANE launched a new initiative in 2020 with 15 partner producers.

In addition, the “Green & Lavandes” programme, launched in 2019, promotes a more sustainable approach to growing and distilling lavender by reducing the energy consumption and carbon footprint by half.

Sequestering emissions in the supply chain and beyond

The Group can push the reduction of its carbon footprint even further through the sequestration of greenhouse gas using the plants it works with. Within its value chain and producing areas, the Group strives to create “carbon sinks” working with some of its agricultural suppliers by developing agroecological practices and restoring trees’ central place in agricultural production systems. By taking inspiration from forest ecosystems in farming practices, it is possible to bring soils back to life, support biodiversity, develop habitats for the fauna and flora, and mitigate the effects of climate change on water resources.

In addition to our emission reduction efforts, the Group is studying ways of contributing to its carbon neutrality journey by funding forestry projects close to our areas of activity (Provence, Brazil), with specialist partners that we are in the process of identifying. These projects will be selected if they have a positive impact in terms of carbon sequestration, but also of biodiversity: regenerating dying forests, promoting species diversification to better mitigate the effects of climate change, and introducing practices that are more respectful of biodiversity – beyond our areas of direct impact. We are currently drafting a sustainable carbon charter to guide the selection of projects in 2020 and 2021.



c. Engaging in the energy transition

In 2016, energy consumption and home to work commute accounted for respectively 17% and 8% of the Group's greenhouse gas emissions (a new global carbon assessment is currently underway to update those figures). For the past 10 years, Laboratoires M&L has been committed to reducing emissions related to its energy consumption through different projects.

GROUP OBJECTIVES

- 100% renewable electricity by 2025 for the Group and its brands (and 80% by 2020 based on 2016 Group scope)
- 100% of own-brand stores equipped with LEDs by 2020
- 100% renewable energy by 2025 for Laboratoires M&L

GROUP ACHIEVEMENTS FY 2020

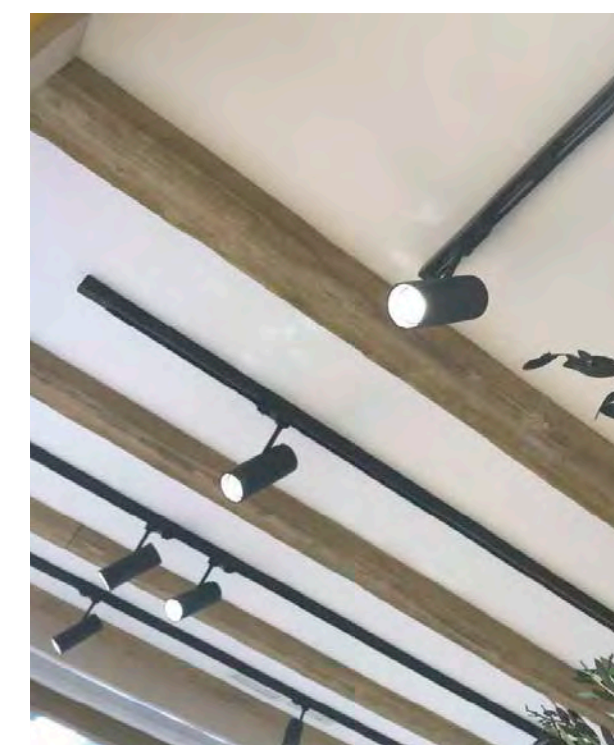
- 40% of Group electricity consumption comes from renewable sources (based on 2016 Group scope)
- No accurate figures currently available on LEDs this year, but target should be reached by 2021
- 100% of Laboratoires M&L electricity consumption comes from renewable sources
- 94% of energy consumed by Laboratoires M&L comes from renewable sources
- -14% in greenhouse gas emissions associated with energy consumption since 2014

A set of measures have been implemented since 2010 (see timeline). In parallel, in 2016, the Group joined the RE100 initiative in line with its objective of achieving **100% renewable electricity by 2025**, contributing to our global Net Zero emission targets for 2025 and 2030.

To reduce emissions caused by home-work commute, the Group implemented a **mobility plan** across its central sites to promote car-sharing. In 2019, a **work from home** scheme has been deployed across our central sites (Geneva, Paris and production sites), thus reducing the number of employee journeys. In addition, since 2019, 100% of company cars are hybrid vehicles.

Taking inspiration from existing transport-related practices as well as from work from home practices that emerged during the COVID-19 crisis, the Group is planning to establish a new professional mobility policy.

Final Group-wide results will be measurable by the end of 2020 with the updated Group carbon assessment.



2008
Implementation of a staff transport plan with a car-sharing scheme and shuttles to Laboratoires M&L

2010
First solar panels installed in the Manosque factory

2012
First renewable energy contracts for L'OCCITANE en Provence and Melvita stores in France and the Lagorce factory

2013
New solar panels installed at the Lagorce factory

2016
Laboratoires M&L joins the RE100 initiative

2017
Deployment of renewable electricity contracts for stores in UK, Germany and Italy.

2018
Solar panels installed on the carpark of Manosque factory

2018
100% of French stores are powered by renewable electricity

2019
100% of electricity supply of Laboratoires M&L comes from renewable sources

d. Reducing pollution and waste across the value chain

Packaging accounts for 17% of the Group's carbon footprint⁹. In addition to the greenhouse gases emitted during their production, these diverse packages, in particular when containing plastics, are a major source of pollution for terrestrial and marine ecosystems.

GROUP OBJECTIVE

Deploying recycling programmes across all brands while adapting to customers' distribution networks and consumption models.

GROUP AMBITIONS

- Growing percentage of recycled materials
- Reducing packaging weight
- Developing refills and bulk selling
- Using recyclable materials and facilitating the sorting of recyclables
- Reducing single-use plastics

GROUP ACHIEVEMENTS FY 2020

- 42% of Group's owned stores are equipped with a recycling service (10 countries, 657 stores i.e. a 6% rise from the previous year)
- 843 collection points for LimeLife
- 1,267,609 units collected through Terracycle for L'OCCITANE en Provence and Melvita, or 33 tons of materials in total

⁹Based on 2016 carbon assessment. The 2019 carbon assessment shows a similar figure.



Key measures introduced across the L'OCCITANE Group include encouraging customers to return used packages to the store to have them recycled. Thanks to partners such as TerraCycle® or iCycle, the Group is working to ensure that all its brands have a recycling point for empty containers. In addition to in-store points, LimeLife now has 843 collection points thanks to its Beauty Guides, and Duolab uses a pre-stamped envelope system and based its loyalty programme on the return of used capsules.

KEY FIGURES ON USE OF MATERIALS IN FY 2020

L'OCCITANE en Provence, Melvita, L'OCCITANE au Brésil

- **5,683 tons** of packaging used, including 737 tons of recycled materials (all materials included) in FY 2020, or a rate of 13%
- **2,557 tons** of plastic used, including **385 tons** of recycled origin, or an **average rate of 15%**



2008
First eco-refills by L'OCCITANE en Provence

2009
First 100% recycled plastic bottles for L'OCCITANE en Provence

2013
First 100% recycled plastic bottles for Melvita

2014
First L'OCCITANE en Provence store providing recycling service (Terracycle): the first brand in Europe to provide this service

2018
Deployment of Terracycle scheme in the UK, USA and Canada

2019
Deployment of Terracycle scheme in China, Korea and Japan
LimeLife launches recycling programme

2019
L'OCCITANE en Provence partners with Loop Industries to accelerate the transition towards 100% sustainable PET plastics

Based on the Group's ambitions on plastic waste, most brands have already set themselves ambitious objectives to be reached by 2025 and will be working together to achieve them.

L'OCCITANE EN PROVENCE OBJECTIVES

- All bottles made from 100% recycled plastic by 2025
- 50% of recycled materials in plastic packaging by 2025
- 25 eco-refills by 2021
- 100% of owned stores to provide recycling service
- Offer in-store refill stations in all countries
- Zero cellophane in retail products by 2022

L'OCCITANE EN PROVENCE ACHIEVEMENTS FY 2020

- 32% recycled plastic in bottles
- 14% recycled plastic in all packaging
- 19 eco-refills available to date
- 42% owned stores provide recycling service
- In-store refill stations are being tested in 2 countries, in 3 stores
- 45% of products use cellophane from FSC-labelled and compostable wood fiber

Thanks to its strategic collaboration with Loop Industries agreed in 2018, L'OCCITANE en Provence should be in a position to use 100% recycled plastic for all its bottles before the target date of 2025.

In 2019, the brand also joined the "New Plastics Economy Global Commitment" launched by the Ellen MacArthur Foundation, by signing a global agreement aimed at reducing plastic pollution and promoting the circular economy. The brand is thus committed to sharing its annual performance for each target area set by the agreement.

MELVITA OBJECTIVES

- Toward 100% recycled plastic in bottles by 2025
- Toward 50% recycled plastic in tubes by 2025 (caps not included)
- Toward bulk distribution to adopt a zero waste approach

MELVITA ACHIEVEMENTS FY 2020

- 47% recycled plastic in bottles
- 31% recycled glass in Beauty Oils



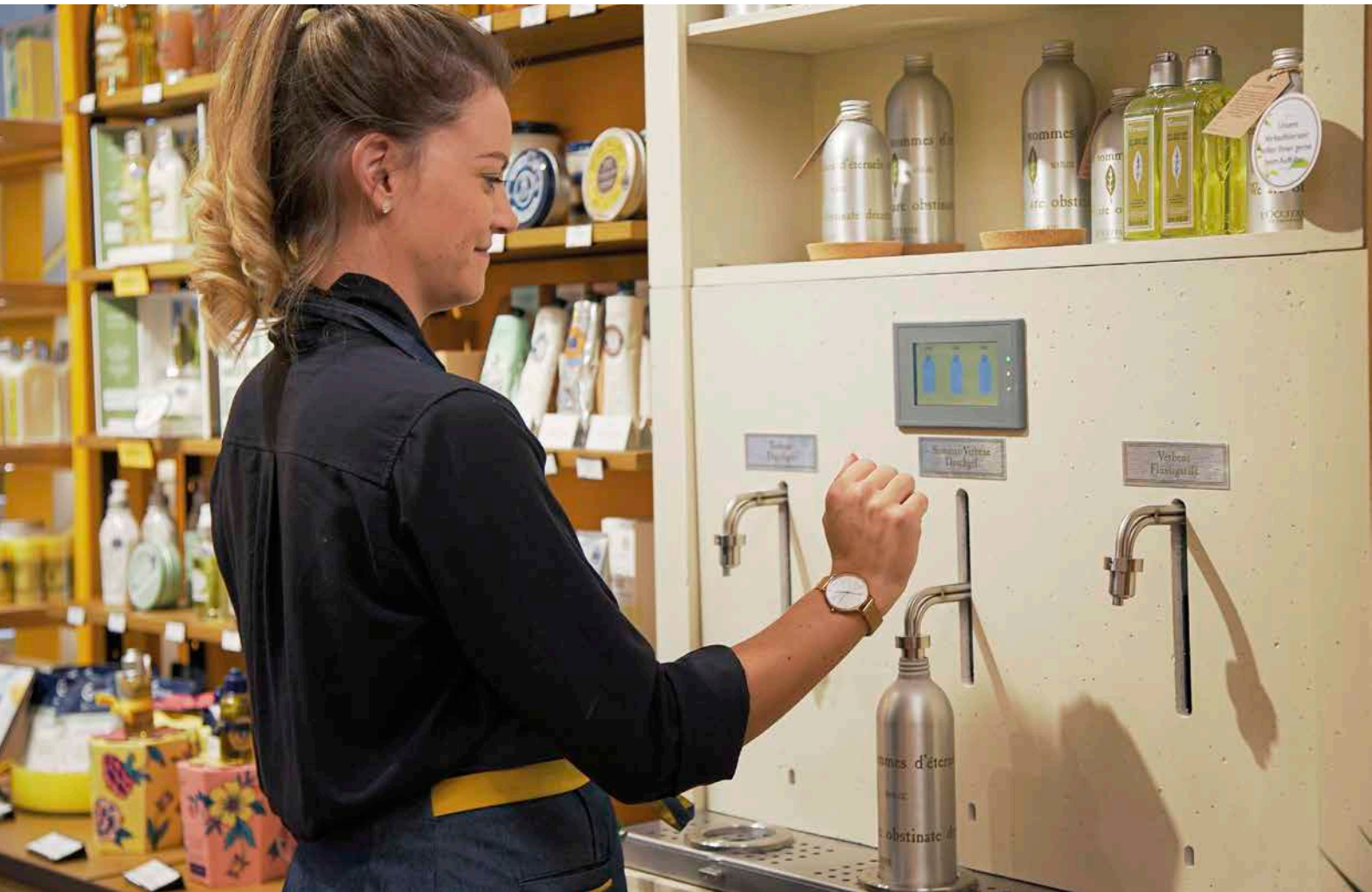
OTHER BRANDS' OBJECTIVES AND COMMITMENTS

ELEMIS

- 100% recycled plastic bottles by 2025
- 30% recycled materials in plastic packaging, with a focus on tubes and bottles, by 2025
- Elimination of spatulas by 2020
- Recyclable or biodegradable bags and polybags

LimeLife

- 100% recyclable and rechargeable make-up palettes





II. OUR GROUP SUSTAINABILITY PRIORITIES

3. Creating opportunities and empowering all people in our communities 38

The Group is committed to developing all people who work or collaborate with us. As a community-based Group, we rely on the contribution of practitioners who act as ambassadors for Nature. This nature-based community includes our employees, suppliers, producers and farmers, as well as researchers and start-up leaders. It is only through their contribution that we are able to offer high-quality products and services while meeting today's many challenges.

- a. Empowering and supporting our producers and local communities 38
- b. Promoting female leadership 40
- c. Promoting well-being in the workplace, diversity and inclusion 42
- d. Developing and training teams around the world 44

3. Creating opportunities and empowering all people in our communities

a. Empowering and supporting our producers and local communities

Historically, the L'OCCITANE Group has always developed a partnership-based approach with all its suppliers and producers. We support their economic development and promote family farming to preserve territories and know-hows. For almost 10 years, the purchases made by the central Purchasing team have been monitored in terms of CSR, to manage CSR risk but also select suppliers who meet our environmental and social standards.

In 2019, through its Purchasing team, the Group launched the #NotJustSuppliers programme focusing on two essential aspects:

- “CSR vigilance”: working to reduce risk throughout the supply chain by promoting trust between buyers and suppliers;
- Co-creation of CSR value to increase overall level of performance, generate innovation in direct sourcing and build robust partnerships with key suppliers.

GROUP OBJECTIVES

CSR vigilance

- 95% of direct purchase expenditure covered by detailed CSR evaluation by 2021
- 0 high-risk supplier by 2021

Improving CSR performance

- Average rating of 62 for direct purchases by 2021 (EcoVadis)

Fair Trade

- All producers of iconic ingredients to be Fair Trade certified by 2025 for L'OCCITANE en Provence

GROUP ACHIEVEMENTS FY 2020

CSR vigilance

- 87% of direct purchase expenditure covered by detailed CSR evaluation
- 5 suppliers rated as high-risk by the Group to be supported in improving their rating

Improving CSR performance

- Average global rating for direct suppliers is 60

Fair Trade

- 77% of total volume of Melvita and L'OCCITANE en Provence key raw materials is Fair Trade certified

CSR Vigilance: managing risk in the supply chain

In 2019, as part of the #NotJustSuppliers programme, the Group undertook a comprehensive mapping of global CSR risk across all categories of purchases, which enabled us to identify at-risk and strategic suppliers. Following this mapping of CSR risk across all direct

and indirect Group purchases, the group worked with EcoVadis to evaluate the CSR performance of almost 300 suppliers (accounting for over 50% of expenditure managed by the Purchasing teams).

Out of 300 suppliers, 174 are direct suppliers (raw materials, packaging, subcontracting), accounting for 92% of Direct Purchasing expenditure (LimeLife and ELEMIS not included). As of end of FY 2020, 87% of Direct Purchasing expenditure was covered by a detailed CSR evaluation.

In collaboration with other EcoVadis members, the Responsible Purchasing team organises regular events to develop supplier engagement with the EcoVadis platform.

Supporting our suppliers in improving their CSR performance throughout the value chain

The Group is keen to help its suppliers improve their CSR performance as assessed by their EcoVadis rating. By 2021, the Group is aiming for an **average EcoVadis rating of 62 for its direct purchases**. The Purchasing teams are supported, trained and provided with objectives to encourage eligible suppliers to engage with the EcoVadis platform and help them develop improvement plans.

As of end of March 2020, the average global rating of suppliers is 60, well above the general average (52) of EcoVadis ratings for cosmetic sector suppliers.

To select strategic suppliers and review the annual performance of our supplier portfolio, the Group has now built CSR criteria into its selection and evaluation criteria: those include the supplier's EcoVadis rating as well as specific sub-criteria depending on the Purchasing category. The CSR rating weighs between 10 and 20% of the overall supplier rating.

Finally, to take these improvements even further, the L'OCCITANE Group joined the Responsible Beauty



Initiative (RBI) in 2020. This initiative, supported by EcoVadis, brings together beauty industry leaders to consolidate responsible practices across the industry and improve members' environmental footprint and social impact at every step of their supply chains.

Promoting Fair Trade

Historically, the L'OCCITANE Group has always developed a partnership-based approach with its suppliers and producers, promoting fair remuneration and respectful working conditions. For key raw materials, the brands L'OCCITANE en Provence, Melvita and L'OCCITANE au Brésil establish multi-annual contracts with producers, thus guaranteeing their income for a period ranging from two to ten years. Fair Trade principles have historically been applied to the trading of raw materials between “Northern” and “Southern” countries. **The Group's supply of argan, coconut and shea are Fair Trade certified.**

In addition, as many of the Group's key suppliers are located in Europe, we have been working for several years to create a “North/North” Fair Trade certification. For instance, many French suppliers find themselves in vulnerable positions that could be improved by a “Fair Trade” certification. This certification requires regular evaluations by independent auditors, to offer a long-term guarantee for ethically sourced, sustainable and fair ingredients. It will also allow the Group to acknowledge and harmonise some of its practices, which have been in existence for many years.



b. Promoting female leadership

87% of L'OCCITANE Group employees are female, working around the world in our headquarters, production sites and stores. The Group is committed to supporting their leadership and empowerment through Group-wide initiatives as well as charitable giving at brand level.

The Group also aims to promote women's access to senior positions. The Group is gradually moving forward in this field, achieving near parity (48% women) in key management positions (1 level down from Executive Committee). This proportion is higher than in the average of the 32 businesses that took part in the Gender Diversity Scorecard Survey organised by LEAD Network (35%). Two of the Group's brands (Erborian and LimeLife) have been founded and are led by women, while the co-founders of ELEMIS include two women out of three.

GROUP OBJECTIVES

- Increase number of women in the Board of Directors and Executive Committee
- Support 33,000 women in Burkina Faso through L'OCCITANE Foundation

GROUP ACHIEVEMENTS FY 2020

- 48% key management positions (1 level down from Executive Committee) held by women
- 25% women in Executive Committee
- 10% women in the Board of Directors
- Almost 45,000 women benefitting from positive impact projects (L'OCCITANE Foundation, ELEMIS programmes, LimeLife Brighter Together Foundation) including 31,427 women supported by L'OCCITANE Foundation
- €433,208 allocated to women's projects by L'OCCITANE Foundation

Our objective is now to improve female representation on the Group's Board and Executive Committee, which contained respectively 1 woman out of 10 members and 3 women vs. 9 men (25%) as of end of FY 2020.

The Group is also supporting female leadership throughout its value chain through its brands' sponsorship activities.

L'OCCITANE en Provence, which has been purchasing shea butter directly from women's cooperatives

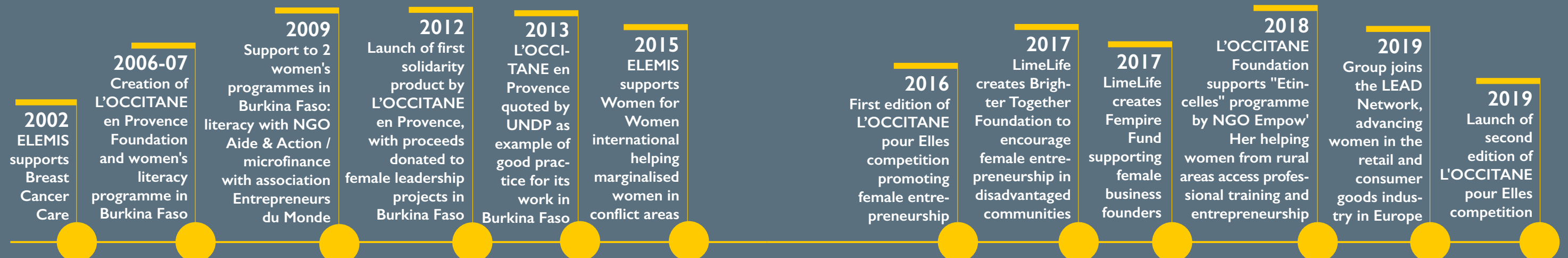


and Guatemala. The brand is also developing the Fempire Fund, an investment fund dedicated to female entrepreneurs, which provides them with a comprehensive support programme and access to its network of Beauty Guides. The LimeLife Fempire Fund aims to invest in three to four new businesses by the end of 2021.

Finally, ELEMIS is sponsoring a class for women in Afghanistan as part of the Women for Women International programme, to provide them with the tools they need to develop their income and care for their families. In addition, ELEMIS is continuing its long-term commitment in favour of the fight against breast cancer through its Pink Ribbon fundraising range.

in Burkina Faso since the 1980s, has decided to expand its collaboration with Burkinabè women and promote their entrepreneurship and empowerment more broadly through its Foundation. The objective by 2020 is to reach over 33,000 women in Burkina Faso by supporting their socio-economic development. Out of the 31,427 women who already benefitted from this work as of end of FY 2020, 150 female entrepreneurs have joined the Empow'Her programme.

The LimeLife Brighter Together Foundation aims to develop entrepreneurship, targeting women who live in disadvantaged areas through micro-finance programmes. To date, over 13,000 women have benefitted from capacity building in Tanzania, Burundi





c. Promoting well-being in the workplace, diversity and inclusion

As an international Group, L'OCCITANE seeks to promote well-being in the workplace for all. We are committed to gender equality and strive to create a healthy and inspiring workplace.

GROUP OBJECTIVES

- Achieve a 70% score¹⁰ at the Great Place To Work Trust Index®
- New parental leave policy deployed across the Group by 2022

GROUP ACHIEVEMENTS FY 2020

- 67% score at the Trust Index® (3-point increase in 2017 and 4 points higher than industry average)
- 7 out of 10 country eligible for Great Place to Work certification (1 more than 2017) and 4 countries certified as Best Place to Work
- 2 Group entities have implemented the new parental leave policy (L'OCCITANE International in April 2020 and Laboratoires M&L in June 2020)

In an effort to ensure continuous improvement, the L'OCCITANE Group engaged in the Great Place To Work initiative in 2015, to promote and evaluate quality of life at work in the company.

The latest survey, delivered between July 2019 and April 2020, covered ten countries and subsidiaries across the Group¹¹. 5,565 questionnaires were submitted, with a **78% response rate**. In April 2020, the Trust Index® score (67%) was 3 points higher than in 2017 (date of the previous survey), and 4 points higher than the sector average¹². The score has improved across all our subsidiaries (except for Brazil and Canada, where the scores do however remain high with respectively 71% and 68%). **Seven subsidiaries were eligible for certification¹³ as of end of 2019** (one more than in 2017) and **four achieved the “Best Place to Work” rating**, which is allocated to the best certified businesses on their respective market¹⁴. These improvements are the outcome of the efforts deployed over the last years through the four pillars of the “Trust and Empower People” programme (see below).

In 2020, to improve employee well-being and more importantly to promote diversity and support female leadership, the Group decided to take a strong stance on the **key issue of parenting**. The L'OCCITANE Group became the first inter-cosmetic Group to deploy such a parental leave policy on such a broad international scale. This policy will apply to L'OCCITANE employees worldwide, including offices, factories and owned retail stores. It offers:

- **a minimum of 20 weeks’ fully paid leave for primary caregivers;**
- **a minimum of 12 weeks’ fully paid leave for secondary caregivers.**

This policy is being deployed gradually and will be rolled out across all Group entities by **March 2022**, covering families who welcome a child by birth, adoption and surrogacy. This policy was designed to respond to a variety of concerns:

- **supporting gender equality** by allowing both men and women to benefit from a more generous parental leave than local legislation would provide for in many countries, to care for their child and giving them access to similar career arrangements;
- **promoting diversity and inclusion** for LGBTQ+ people by ensuring all families are eligible;
- **improving employee well-being** by promoting work-life balance.

Through this ambitious policy, the Group hopes to contribute to the evolution of practices in our societies and to give secondary caregivers the place they are due.



Finally, for many years, the inclusion of people with disabilities has been a strong commitment for our production subsidiary Laboratoires M&L. Our results continue to show the effectiveness of the actions that have been implemented (including personalised support plans, workplace adjustments and awareness-raising activities).

| | 2018 | 2019 | 2020 |
|---|------|------|------|
| Proportion of employees with disabilities in total Laboratoires M&L workforce (%) | 9.88 | 8.16 | 9.63 |

¹⁰ The Trust Index® questionnaire covers 5 dimensions: credibility, respect, fairness, camaraderie and pride. This is used to assess employees’ level of trust in the company, and provides a database for the future analysis and development of corporate culture.
¹¹ Brazil, Canada, France, Ireland, Japan, Malaysia, South Africa, L'OCCITANE International, UK and USA.
¹² Sector average: 63% (Source: Best Workplaces France).
¹³ Subsidiaries in France, Ireland, USA, Canada, Brazil, UK and Malaysia are eligible for certification as they achieved a Trust Index® score of 66% or more (employee satisfaction survey), and a rating of 30/60 at the Culture Audit evaluation (delivered by Great Place to Work).
¹⁴ The Ireland, USA, UK and Malaysia subsidiaries are “Best Place to Work” as of 2019.

d. Developing and training teams around the world

The Group is gradually consolidating and harmonising its Human Resources policy, in order to bring its diverse international brands together under a robust shared employer brand and build up capacity to improve our resilience.

GROUP OBJECTIVES

- Deploy the Horizon programme to reach 150 selected employees
- Grow My True Story digital learning platform's participation rate

GROUP ACHIEVEMENTS FY 2020

- Over 8,000 employees around the world used My True Story

Initiatives include the launch of an internal change programme two years ago: "Trust and Empower people". The programme is based on four key aspects:

- **Nurturing a culture:** developing management practices based on trust and feedback;
- **Develop Digital & Retail Skills:** promoting digital tools across the company to support retail staff and Beauty Guides in their customer interactions;
- **Be employee-centric:** managing talent and improving employee experience;
- **Implement Lean and Agile Organisations:** developing a lean culture.

In 2020, the Group launched **Horizon**, a new individual development programme for high-potential individuals. The programme targets 150 employees around the world, with the aim of promoting better self-knowledge and releasing potential through international mobility, participation in a leadership programme and coaching. Its purpose is to align these individuals' career plans with the Group's objectives.

The Group is building up its efforts in terms of staff training by using the My True Story online training platform. Launched in 2017, this dedicated platform for retail teams was awarded a DLEA (Digital Learning Excellence Award) in June 2019, under the "Métiers" ("Vocational") category for the quality of the platform's contents and user experience. In parallel, in April 2019, the platform was opened up to corporate teams: 4,000 new learners were thus able to access digital training contents.

In order to accelerate our teams' digital integration, the Group used My True Story to deploy two training programmes dedicated to digital transformation: one in April 2019 targeting Corporate teams ("Digipulse", which achieved an 84% completion rate), and one bespoke programme for Retail teams in July 2020.

The end of this year will see the launch of an 8-module course on the professions that form part of the Group's supply chain, as well as a My True Story platform for ELEMIS teams.

KEY FIGURES ON TRAINING, LABORATOIRES M&L, FY 2020

- **11,759 hours** of training delivered in total, or an average of 11 hours of training per employee
- **876 staff** took part in one or more training course over the year, or 85% of Laboratoires M&L employees, including **21 senior management staff** and **41 middle management staff**
- Women benefitted from **5,870 hours in total**, with 440 women taking part in at least one course
- Men benefitted from **5,888 hours in total**, with 436 men taking part in at least one course



LE DÉVELOPPEMENT D'UNE CULTURE AGILE À L'ÉPREUVE DE LA COVID-19

Since 2019, the Group has been working to transform its working methods and become more agile. Taking inspiration from the Tech sector, our teams experimented with working in squads: cross-disciplinary groups that facilitate autonomous and long-term work on a given project. Along with the deployment of our work from home policy in 2019, this contributed to creating a major cultural shift in our Group, which had traditionally functioned according to a more traditional model. Today, over 200 office staff transitioned to an "agile" model (in teams including IT, e-commerce, Human Resources, product development, communication, Sustainable Development, etc.). The teams observed an increase in their efficiency and well-being at work, in particular in terms of prioritising and continuous improvement.

With the beginning of lockdown due to COVID-19 in the spring 2020, work from home was rolled out across all office staff. These agility-based methodologies proved particularly relevant and helped the company maintain a good level of activity during this exceptional period.

The Group was thus able to better meet its customers' needs, for instance by creating a "100% contactless" customer experience across all stores and spas.



III. MAKING A POSITIVE SOCIETAL IMPACT BEYOND OUR ACTIVITY

As part of its commitment to making a positive impact, the Group has been engaged for 20 years in favour of issues it cares for, such as the fight against avoidable blindness. The recent COVID-19 crisis also demonstrated the Group's capacity to step outside of its usual scope of action to deliver positive solutions on its own scale.

- | | |
|-----------------------------------|----|
| 1. Combatting avoidable blindness | 48 |
| 2. Fighting against COVID-19 | 49 |

1. Combatting avoidable blindness

There are 285 million people around the world who are blind or visually impaired, 90% of whom live in low-income or intermediary countries¹⁵. Because 80% of cases are avoidable, the Group has been committed to the fight against avoidable blindness since 2000 through the L'OCCITANE en Provence brand and its Foundation.

GROUP OBJECTIVES

- **15 million people to benefit** from eye care under the CARING FOR SIGHT programme by 2025, with improved prevention of child blindness for 3,000,000 new children between 2020 and 2022 through a partnership between L'OCCITANE, the L'OCCITANE Foundation and UNICEF

GROUP ACHIEVEMENTS FY 2020

- Between 2000 and end of March 2020, 9,109,493 people benefitted from eye care around the world, including 2,777,632 in the past year
- €620,054 raised by UNICEF solidarity soap
- €296,623 allocated by subsidiaries, distributors and sites in support of blindness charity projects over this financial year

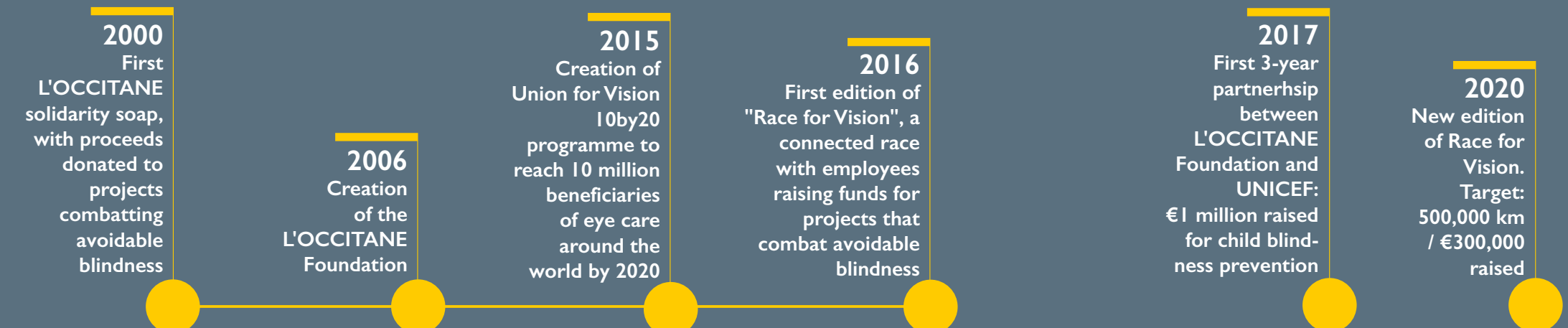


In 2020, the Union for Vision programme should soon reach its objective of providing **over 10 million beneficiaries with eye care**. To build on this achievement, the programme is now entitled **CARING FOR SIGHT** and has set itself the objective of providing **15 million beneficiaries with eye care internationally by 2025**. Through partnerships with NGOS, the programme supports screening projects, treatments and eye surgery as well as providing funding for equipment and for the training of medical teams.

In 2020, the L'OCCITANE Foundation also reconducted its partnership with UNICEF for another three years and expanded it to include the prevention of child blindness for 3,000,000 new children around the world.

Finally, the L'OCCITANE Foundation continues to work in close collaboration with NGOs around the world to help combat avoidable blindness. Those include ORBIS, Light For The World, Sight Savers as well as local partners in the Philippines, Indonesia and Canada.

¹⁵ Source: WHO report



2. Fighting against COVID-19

The health crisis that hit the world in the spring 2020 has more than ever demonstrated the importance of resilience, agility and solidarity.

Throughout the crisis, the L'OCCITANE Group took action to support its communities. Thanks to its strong links with its partners, solidarity networks were promptly established within local ecosystems.

In France, this enabled L'OCCITANE to produce hand sanitiser gel in large quantities by working with Distilleries et Domaines de Provence and with company HelmD3 and its provider Geodis who supplied the company respectively with tens of thousands of litres of alcohol, and with free handling and delivery to the Manosque production site. Partner company Schutz also delivered empty anti-static containers in just 24h, which were dispatched to hospitals. The Group donated hand hygiene products to the suppliers and partners who had been faced with shortages as they were helping the Group produce disinfectant. In addition, hot-air balloon company France Montgolfières partnered with L'OCCITANE en Provence and the city of Forcalquier to upcycle three hot-air balloons that had served their time in the air into 500 washable and reusable medical gowns for local hospital staff.

On a global scale, many donations were made in over 30 countries:

- 300,000 bottles containing 77,000 litres of hand disinfectant for healthcare authorities and staff around Europe;
- 765,000 soaps, moisturising lotions and hand balms for healthcare workers who suffered from skin lesions due to their ongoing use of protection gear.

Finally, the Group is taking action within its **supply chain** to help suppliers make it through this economic crisis. The Group's partnership-based approach has been particularly precious in this period. Multi-year quantitative contracts and the pre-funding of pre-harvest costs by 50 to 80% have been particularly useful for producers, by providing them with the guarantee that they would sell their stock and safeguard their income. On a **global scale**, the Group supported particularly vulnerable suppliers by fast-forwarding cash payments for those who were close to bankruptcy. In the **South of France**, special help was given to producers through the harvesting process, as they were struggling to recruit pickers.

In **Burkina Faso**, some delivery dates were postponed to the autumn with an **80% prepayment** paid by the Group. To support Burkinabè women, the Group benefitted from a €50,000 fund made available as part of the develoPPP.de programme, which is funded by the German Federal Ministry of Economic Cooperation and Development (BMZ). The develoPPP.de programme is run by the SEQUA organisation, which has also helped implement the RESIST programme since March 2018. Group employees worked alongside a local partner, the NGO NITIDAE, to help combat COVID-19 through awareness raising on physical distancing, the distribution of protective equipment for 8,500 women, and actions aimed at mitigating the economic impact of the pandemic.



APPENDIX 1: TABLE OF INDICATORS - FY 2020, L'OCCITANE GROUP

THE FOUNDATIONS OF THE GROUP'S RESPONSIBILITY

| Indicators | Sub-indicators | Unit | 2020 | 2019 | 2019-2020 |
|----------------------------|---|------|------|------|-----------|
| Ethical commitments | Percentage of total products sold or shipped subject to recalls for safety and health reasons | % | 0 | 0 | - |
| | 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 | No. | 0 | 0 | - |

PRESERVING AND REGENERATING NATURAL AND CULTIVATED BIODIVERSITY

| Indicators | Sub-indicators | Unit | 2020 | 2019 | 2019-2020 |
|-----------------------------|---|------|---------|---------|-----------|
| WATER, AIR, SOIL | | | | | |
| Water | Total water consumption (Manosque factory) | m3 | 81,020 | 87,177 | -7% |
| | Total water consumption (total of the 3 factories) | m3 | 105,621 | 111,209 | -5% |
| | Intensity of water consumption per unit produced | m3/t | 7.13 | 7.76 | -8.1% |
| Waste | Total waste generation | t | 2,895 | 2,903 | -0.3% |
| | Total generation of non-hazardous waste | t | 2,203 | 2,152 | +2.4% |
| | Intensity of non-hazardous waste generation | t/t | 0.148 | 0.150 | -1.3% |
| | Total generation of hazardous waste | t | 692 | 751 | -7.9% |
| | Intensity of hazardous waste generation | t/t | 0.047 | 0.052 | -9.6% |
| SUSTAINABLE SOURCING | | | | | |
| Palm oil | Total palm oil | t | 2,510 | 3,277 | -23.4% |
| Organic farming | Volume of Organic-certified key raw materials (KRM) | t | 766 | 855 | -10.4% |
| Raw materials | Surface dedicated to the production of KRM | ha | 1,811 | 2,050 | -11.7% |

CONTRIBUTING TO MITIGATING THE CLIMATE CRISIS BY REDUCING OUR CARBON FOOTPRINT

| Indicators | Sub-indicators | Unit | 2019 | 2016 | 2016-2019 |
|---|--|-----------|---------|---------|--------------------|
| GREENHOUSE GAS EMISSIONS | | | | | |
| Carbon footprint (based on the Group carbon assessment of 2016 and the update of Laboratoires M&L in 2019) | Total GHG emissions | tCO2eq | 117,000 | 111,786 | not the same scope |
| | Scope 1 emissions | tCO2eq | 2,599 | 2,843 | -8.6% |
| | Scope 2 emissions | tCO2eq | 16,778 | 17,116 | -2.0% |
| | Intensity of CO2 emissions per net sales | tCO2eq/€M | 74 | 87 | -15% |

CONTRIBUTING TO MITIGATING THE CLIMATE CRISIS BY REDUCING OUR CARBON FOOTPRINT

| Indicators | Sub-indicators | Unit | 2020 | 2019 | 2019-2020 |
|--|---|----------------|------------|------------|-----------|
| ENERGY | | | | | |
| Electricity (Group) | Total electricity consumption | kWh | 39,617,270 | 43,871,771 | -9.7% |
| | Total electricity consumption from renewable sources | kWh | 16,205,290 | 13,566,979 | +19.4% |
| Energy (Laboratoires M&L) | Total energy consumption (gas + electricity) | kWh | 19,955,532 | 20,629,708 | -3.3% |
| | Total electricity consumption | kWh | 11,577,916 | 11,458,826 | +1.0% |
| | Total natural gas consumption | kWh | 8,377,616 | 9,170,882 | -8.6% |
| | Total oil consumption | kWh | - | - | - |
| Renewable energies (Laboratoires M&L) | Intensity of energy consumption | kWh/t produced | 1,347 | 1,366 | -1.4% |
| | Renewable energy consumption | kWh | 18,678,518 | 19,186,308 | -2.6% |
| SUPPLY CHAIN | | | | | |
| Freight | Proportion of Laboratoires M&L imports shipped in by rail/road | % | 1.0 | NA | - |
| | Proportion of Laboratoires M&L imports shipped in by air | % | 2.5 | 1.0 | - |
| | Proportion of finished products shipped out by rail/road | % | 12.2 | NA | - |
| | Proportion of finished products shipped out by air | % | 1.1 | 1.4 | - |
| WASTE AND CIRCULAR ECONOMY | | | | | |
| Materials used | Total volume of materials used (finished product) | t | 5,683 | NA | - |
| Recycling | Total volume recycled (all materials) | t | 737.18 | NA | - |
| | Weight of materials collected (Terracycle) | kg | 33,032 | NA | - |
| | Number of countries engaged in in-store recycling programme (Terracycle and others) | No. | 10 | 9 | +11% |
| Recyclability of packaging | Packaging recyclability rate - L'OCCITANE EN PROVENCE & MELVITA | % | 76.94 | NA | - |
| Eco-refills | Volume of materials saved by eco-refills L'OCCITANE EN PROVENCE | t | 181.74 | 141.41 | +28,5% |

APPENDIX 1: TABLE OF INDICATORS - 2020, L'OCCITANE GROUP

| CREATING OPPORTUNITIES AND EMPOWERING PEOPLE IN OUR COMMUNITIES | | | | | |
|---|---|------|---------|-------|-----------|
| Indicators | Sub-indicators | Unit | 2020 | 2019 | 2019-2020 |
| COMMUNITIES AND SUPPLIERS | | | | | |
| Direct and indirect procurement | Value of direct/indirect procurement to be covered by Step 1 CSR evaluation | € | 199,268 | NA | - |
| | Number of direct/indirect suppliers to be covered by Step 1 CSR evaluation | No. | 294 | NA | - |
| Number of direct suppliers by geographic region | Suppliers - North America | No. | 25 | NA | - |
| | Suppliers - South America | No. | 72 | NA | - |
| | Suppliers - Europe | No. | 216 | NA | - |
| | Suppliers - Africa & Middle East | No. | 9 | NA | - |
| | Suppliers - Asia & Pacific | No. | 40 | NA | - |
| WORKFORCE | | | | | |
| Total workforce | Total workforce (FTE) | No. | 9,347 | 8,601 | - |
| Breakdown by gender (all breakdowns are in headcounts and w/o ELEMIS) | Number of women | % | 87 | NA | - |
| | Number of men | % | 13 | NA | - |
| Breakdown by employment type | Number of full-time employees | No. | NA | NA | - |
| | Number of part-time employees | No. | NA | NA | - |
| Breakdown of employees by age | Number of employees: below 26 | No. | 2,056 | 1,941 | - |
| | Number of employees: 26-35 | No. | 4,542 | 4,391 | - |
| | Number of employees: 36-45 | No. | 2,637 | 2,741 | - |
| | Number of employees: 46-55 | No. | 1,175 | 1,223 | - |
| | Number of employees: 56 or above | No. | 408 | 439 | - |
| Breakdown of employees by geographic region | Workforce - North America | % | 11 | 11 | - |
| | Workforce - South America | % | 10 | 10 | - |
| | Workforce - Europe | % | 41 | 41 | - |
| | Workforce - Africa & Middle East | % | 1 | 1 | - |
| | Workforce - Asia & Pacific | % | 37 | 37 | - |
| Staff turnover | Staff turnover rate | % | 38 | NA | - |
| Turnover by gender | Turnover in women | % | NA | NA | - |
| | Turnover in men | % | NA | NA | - |
| Turnover by age | 26-35 | % | NA | NA | - |
| | 36-45 | % | NA | NA | - |
| | 46-55 | % | NA | NA | - |
| | 56 or above | % | NA | NA | - |

| CREATING OPPORTUNITIES AND EMPOWERING PEOPLE IN OUR COMMUNITIES | | | | | |
|--|--|-------|--------|--------|-----------|
| Indicators | Sub-indicators | Unit | 2020 | 2019 | 2019-2020 |
| WORKFORCE | | | | | |
| Turnover by geographic region | Turnover - North America | % | 72 | NA | - |
| | Turnover - South America | % | 54 | NA | - |
| | Turnover - Europe | % | 30 | NA | - |
| | Turnover - Africa & Middle East | % | 23 | NA | - |
| | Turnover - Asia & Pacific | % | 24 | NA | - |
| HEALTH & SAFETY, WELL-BEING AT WORK | | | | | |
| Workplace accidents (Laboratoires M&L) | Number of accidents | No. | 6 | 3 | +100% |
| | Work-related accident frequency rate | % | 4,31 | 2,11 | - |
| | Work-related accident severity rate | % | 0,318 | 0.055 | - |
| | Lost days due to work injury | No. | 443 | NA | - |
| | Proportion of employees with a disability in the overall workforce | % | 9.63 | 8.16 | - |
| TRAINING | | | | | |
| Training (Laboratoires M&L) | Total number of hours of training | hours | 11,759 | 17,000 | - |
| | Share of employees trained | % | 71.5 | 85 | - |
| Training by gender (Laboratoires M&L) | Employee training rate - women | % | 50 | NA | - |
| | Employee training rate - men | % | 50 | NA | - |
| | Training hours (women) | hours | 932 | NA | - |
| | Training hours (men) | hours | 935 | NA | - |
| Training by employee category (Laboratoires M&L) | Production workers & admin staff | No. | 344 | NA | - |
| | Supervisory staff | No. | 226 | NA | - |
| | Managers | No. | 296 | NA | - |
| | Senior executives & Board members | No. | 13 | NA | - |

APPENDIX 2: CROSS-REFERENCE TABLE OF INFORMATION REQUIRED BY THE HONG KONG STOCK EXCHANGE

| ENVIRONMENTAL INDICATORS | | PUBLICATION |
|--|--|-------------------------------|
| 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 17 to 35 and appendix 3 |
| | A1.1 The types of emissions and respective emissions data. | Pages 26-27 and appendix 3 |
| | A1.2 Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Pages 26-27 and appendix 3 |
| | A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Appendix 1 |
| | A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Appendix 1 |
| | A1.5 Description of measures to mitigate emissions and results achieved. | Pages 26 to 35 |
| | A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. | Page 18 |
| Aspect A2 Use of resources | A2. Policies on the efficient use of resources, including energy, water and other raw materials. | Pages 18, 20, 21, 30, 31 |
| | 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). | Appendix 1 |
| | A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Appendix 1 |
| | A2.3 Description of energy use efficiency initiatives and results achieved. | Pages 30, 31 |
| | A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. | Page 18 |
| Aspect A3 The environment and natural resources | A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced. | Appendix 1 |
| | A3. Policies on minimising the issuer's significant impact on the environment and natural resources. | Pages 17 to 33 |
| | A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Pages 17 to 33 |

| SOCIAL INDICATORS | | PUBLICATION |
|---------------------------------------|--|---------------------------------|
| 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 44, 45 |
| | B1.1 Total workforce by gender, employment type, age group and geographic region. | Appendix 1 |
| | B1.2 Employee turnover rate by gender, age group, geographical region. | Appendix 1 |
| Aspect B2 Health and safety | B2. Information on: (a) the policies; and (b) compliance with 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. | Appendix 3 |
| | B2.1 Number and rate of work-related fatalities. | Appendix 1 |
| | B2.2 Lost days due to work injury. | Appendix 1 |
| | B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored. | Appendix 3 |
| Aspect B3 Development and training | B3. Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | |
| | B3.1 The percentage of employees trained, by gender and employee category (e.g. senior management, middle management). | Appendix 1 |
| | B3.2 The average training hours completed per employee, by gender and employee category. | Appendix 1 |
| 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. | Appendix 3 |
| | B4.1 Description of measures to review employment practices to avoid child and forced labour. | Appendix 3 |
| | B4.2 Description of steps taken to eliminate such practices when discovered. | Corporate Responsibility Policy |
| Aspect B5 Supply chain management | B5. Policies on managing environmental and social risks of the supply chain. | Pages 14, 38, 39 |
| | B5.1 Number of suppliers by geographic region. | Appendix 1 |
| | 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 38, 39 |

APPENDIX 2: CROSS-REFERENCE TABLE OF INFORMATION REQUIRED BY THE HONG KONG STOCK EXCHANGE

| SOCIAL INDICATORS | | PUBLICATION |
|-------------------------------------|---|--------------------------|
| 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. | Appendix 3 |
| | B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Appendix 1 |
| | B6.2 Number of products and service related complaints received and how they are dealt with. | Appendix 3 |
| | B6.3 Description of practices relating to observing and protecting intellectual property rights. | Page 3 |
| | B6.4 Description of quality assurance process and recall procedures. | Appendix 3 |
| | B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored. | Appendix 3 |
| Aspect B7 Anti-corruption | B7. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to bribery, extortion, fraud and money laundering. | Appendix 3 |
| | 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. | Appendix 1 |
| | B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | Appendix 3 |
| 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. | Appendix 1 |
| | B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Pages 22, 40, 41, 48, 49 |
| | B8.2 Resources contributed (e.g. money or time) to the focus area. | Pages 22, 40, 41, 48, 49 |

APPENDIX 3: DUE DILIGENCE INFORMATION

Emission types

Laboratoires M&L's air emissions are mainly CO2 emissions. In addition to CO2, the emissions generated by production sites include volatile organic compounds (VOCs) and nitrogen dioxide (NO2). Regular emission checks are carried out to ensure that the sites are compliant with regulations.

Compliance with laws relating to labour and health and safety at work

The Group complies with existing labour regulations in the countries where it operates and ensures that health and safety measures are respected across all its activities.

The group published its Corporate Responsibility Policy in 2017. It covers a number of principles including health and safety at work through the protection of consumer health and industrial hygiene, as well as disease and workplace accident prevention. Laboratoires M&L has developed a prevention process to safeguard health and the environment at work, by anticipating and managing risks associated with these aspects on our production sites. Both the Manosque and Lagorce sites are engaged in a safety management initiative and have received the OHSAS 18001 certification.

Employee health and safety during the COVID-19 crisis

During the peak of the COVID-19 pandemic, the Group implemented measures to preserve its employees' health, safety and well-being around the world. All international trips and external events were suspended to reduce our teams' exposure to the virus. Office staff worked from home while protection and social distancing measures were scrupulously applied.

Compliance with labour standards

Our CSR policy complies with international conventions on human rights, labour rights and environmental regulations: those include the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, ILO Conventions, the UN Guiding Principles on Business and Human Rights and the UN Conventions on the environment and human health.

Our Corporate Responsibility Policy was created in 2017. It sets out various principles that form the basis for L'OCCITANE Group's operations, in particular with respect to respectful working conditions: appropriate working hours, freedom of association and right to collective bargaining, elimination of insecure employment, fight against discrimination, and a ban on forced labour and child labour.

Quality and safety of products

The Group's primary responsibility towards its consumers is to guarantee the safety and quality of its beauty products. To ensure this, we have put in place quality checks and a monitoring system to keep track of regulatory changes. We are tracking changes to regulations concerning ingredients and cosmetics and food products for each country or geographic region where our products are marketed. This enables

us to anticipate future changes coming down the line, and thus ensure the compliance of the Group's products on an international scale. 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 have been no withdrawals or recalls of products sold under the brands L'OCCITANE en Provence, Melvita, Erborian and L'OCCITANE au Brésil as a result of adverse health effects or threats to the safety of consumers.

The Group manufactures the vast majority of its own products: group subsidiary Laboratoires M&L, which operates two production facilities in Manosque and Lagorce (France), handles the manufacturing of products for brands L'OCCITANE en Provence and Melvita (with the exception of a few outsourced products). Erborian, LimeLife, ELEMIS and L'OCCITANE au Brésil products are manufactured by sub-contractors. The Group also has its own network of stores, while LimeLife products are sold directly or online through Beauty Guides. All these operations, from manufacturing through to distribution and logistics, generate environmental impacts that the Group is striving to minimise.

Description of personal data protection policies

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.

Compliance with anti-corruption regulations

In 2009 the Group adopted an Ethics Charter that is still in effect today, setting out principles in terms of actions and behaviours for all its employees. A dedicated Code of Ethics has been formally established by the members of the purchasing team in 2019. During the financial year 2019, no legal case regarding corrupt practices was brought against the Group.

Description of preventive measures and whistle-blowing procedures

The Group applies the principle of "Protecting identity and avoiding reprisals" to protect the anonymity of any person who might report wrongdoings or raise concerns.

Environmental Management

Since 2012, a voluntary ISO 14001 certification has been implemented on some of our sites. In 2019, the updated ISO 14001 certification was awarded to both Laboratoires M&L production sites for product development and manufacturing activities, but also to our Geneva headquarters, our Paris administrative office and all L'OCCITANE en Provence and Melvita owned stores in France. No non-compliance issues were found on the occasion of this new certification process.



APPENDIX 4: MATERIALITY ANALYSIS

Stakeholder dialogue and the materiality analysis

In 2019, the Group complemented this ongoing communication by updating its materiality analysis. Because of the Group's multi-brand and "multi-local" character, this exercise required the participation of key strategic management teams on an international scale, as well as that of sector experts and external future analysts. Over the 2019-2020 financial year, this update has highlighted some evolutions in the issues and concerns that the Group needs to take into account.

12 issues identified as high priority for the Group have been integrated into its ethical commitments, Corporate Responsibility Policy and three strategic priorities. These issues, which are addressed in this report, continue to inform the Group's dialogue with its key international stakeholders:

- 3 Product issues: safety of formulas; eco-socio-design of products; responsible communication and consumer information.
- 2 Supply Chain issues: responsible supply chain; responsible sourcing of raw materials.
- 3 Ethical issues: fight against corruption; stakeholder dialogue; tax transparency.
- 1 Human Resources issue: development of human capital.

Some of these issues are the object of growing expectations from our stakeholders, including the fight against and mitigation of climate change, and the protection of biodiversity which are now key priorities for the Group and structuring components of its CSR strategy.

In addition, issues regarding the environmental impact of formulas, the eco-socio-design of products and responsible customer communication are also well integrated in the Group's strategy, due to our positioning as a provider of beauty and cosmetic products.

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