



L'OCCITANE *Group*  
**CARES**

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**FY2021 ENVIRONMENTAL,  
SOCIAL AND GOVERNANCE  
REPORT**

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L'OCCITANE  
EN PROVENCE

Melvita

Herborian  
KOREAN SKIN THERAPY

L'OCCITANE  
AU BRÉSIL

LimeLife by Alcon

ELEMIS



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## I. ABOUT L'OCCITANE GROUP

### Statement from our Chairman



*Climate, biodiversity and human and economic well-being are inextricable. Scientists have been warning for decades that we could be entering a sixth mass extinction of wildlife on Earth, and we now find ourselves at a turning point if we are to mitigate the climate crisis and tackle biodiversity loss. Business depends on nature, so it needs to be part of the solution too.*

*Our Group has a clear visionary approach to biodiversity, which has been at the core of our products, business model and commitments to society and nature since its beginning. This report reflects our long-standing commitment and our encouraging achievements in reducing pollution and implementing regenerative practices in and beyond our value chain – but there is still much work to do. COVID-19 has brought us closer to the inevitable: we must all scale up and equip ourselves to create a ‘nature positive’ world with a greater emphasis on social good and entrepreneurship.*

*In line with this vision, our mission is to empower entrepreneurs and communities to cultivate natural beauty and well-being and to regenerate nature. We do this by empowering our staff, partners and communities by promoting fair entrepreneurship and collaboration. Our brands reveal customers’ natural and radiant beauty, embrace inclusivity and offer unique well-being experiences. Nature nourishes the human spirit and is our shared source of well-being. This is why we are committed to protecting it.*

*We continuously evaluate our actions and impacts on nature. We focus on ensuring that our activities, such as production facilities and packaging, have a minimal impact on the ecosystem. We carefully monitor the resources we consume and the quality of waste water discharged by our factories. We are also progressively reducing waste by using a greater percentage of recycled materials, developing refill and bulk selling, facilitating the sorting of recyclables and phasing out unnecessary single-use plastics. But we don’t just focus on minimising negatives: our Group develops positive actions that help restore and regenerate ecosystems, prioritising nature-based solutions that benefit biodiversity and reduce carbon emissions. Over the long term, we also aim to promote new consumption models.*

*I am proud to say that this is far from theoretical. Our strategy and techniques are based on our brands’ many long-term initiatives. The Group continues to*

*add new dimensions to its framework so it can move forward in a unified, more structured way, and ultimately achieve an even greater impact. We have also expanded our sustainability team, with direct support from top management and have sustainability champions in central and regional teams, from sourcing to manufacturing, packaging to logistics, right through to finance and legal.*

*I would also like to reaffirm our support of the United Nations Global Compact's ten principles. Under this programme, we have pledged to respect these core principles relating to human rights, working conditions, environmental protection and the fight against corruption. They are the foundation of our policies on environmental, social and corporate governance and they guide our continuous development in this area.*

*It is our priority to continue to share, learn and build global coalitions to help shape future conservation and sustainable development, which will affect both nature and our business. This is our primary responsibility. After all, nature is our shared wealth.*



**REINOLD GEIGER**

*L'OCCITANE Group Chairman and Chief Executive Officer*

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## ABOUT THIS REPORT

This report aims to:

- Review our sustainability achievements and challenges in the financial year 2021 (April 1, 2020 – March 31, 2021)
- Comply with regulatory reporting requirements. As the Group is listed on the Hong Kong Stock Exchange, it is required to publish certain social, environmental and governance informations each year. The Group is also required to comply with the provisions of the EU Directive 2013/34/EU regarding the publication of non-financial informations and informations relating to diversity, and its transposition into Luxembourg law in July 2016. The purpose of this report is to fulfill both of these non-financial reporting obligations. A cross-reference table listing the requirements of the Hong Kong Stock Exchange is provided as an appendix at the end of this report.
- Share some of the good practices and initiatives we started or continued this year

It covers material issues rated as “high” and some issues rated as “medium”. Issues rated as “low” are not covered in this report but are closely monitored.

In terms of scope, this report presents:

- Consolidated indicators for L'OCCITANE Group, covering its operations and what it manages directly.
  - Where an indicator is only relevant for a specific scope, the perimeter is specified.
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# I. ABOUT L'OCCITANE GROUP

## 2. The Group at a glance and performance overview

The L'OCCITANE Group manufactures and retails cosmetics that use the finest natural and organic ingredients to reveal customers' radiant beauty and deliver proven results. It is now part of a family group with global reach. It brings together a community of advocates and cultivators of nature. Since 1997, the Group has expanded its local presence to 90 countries, drawing on biosystems, or virtuous ecosystems that are at once human-centred and rooted in nature. It is among the pioneers of the multi-local approach. This approach is driven by its entrepreneurial spirit and contributes significant value to the economy, environment, and society in all the geographical areas in which it is invested. The Group forges lasting and fruitful business relationships with its producers – from Provence to Burkina Faso and Brazil – trading fairly and supporting family farming.

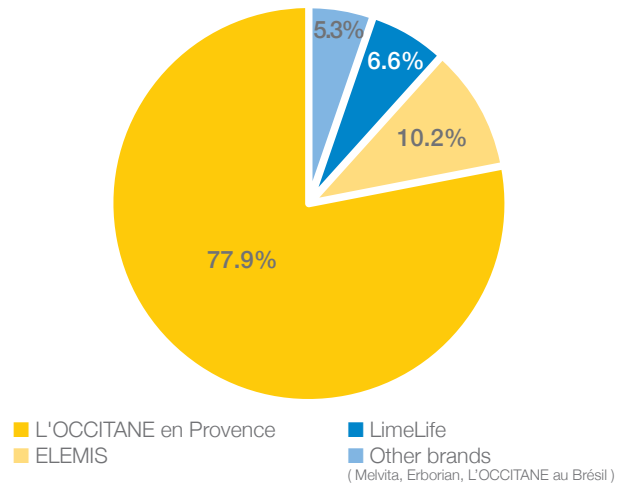
### a. Our brands

The Group develops cosmetics brands around the world that offer authentic and sustainable beauty experiences combined with proven results.

- **L'OCCITANE en Provence** was founded in 1976, inspired by the wonders of nature. Produced in the south of France, its beauty products are created with essential oils and natural fragrances, and developed according to phytotherapy and aromatherapy principles. L'OCCITANE en Provence's mission is to reconcile humans with nature and themselves.



Net sales breakdown By Brand



- **ELEMIS** is an innovative and global British skincare brand with an aromatherapist's soul, an artist's spirit, and a scientist's commitment to results. ELEMIS is committed to creating a better future for people, community and the planet.

**1976** L'OCCITANE en Provence is founded by Olivier Baussan

**1997** Reinold Geiger acquires the company, creates the L'OCCITANE Group and launches an internationalisation strategy

**2008** Melvita joins the Group

**2010** The Group is listed on the Hong Kong Stock Exchange (HKSE) to support its growth

**2012** Erborian joins the Group

- LimeLife by Alcone offers natural skin care products and personalised make-up palettes designed to make women and men look amazing every day. LimeLife products are distributed through its website and its community of Beauty Guides. LimeLife believes that true beauty is made up of inner confidence and outer radiance, and LimeLife products are created with both in mind.



- Melvita, founded by a beekeeper almost 40 years ago, has been a pioneer in creating exceptional organic-certified beauty products in the Ardèche region of France. The philosophy behind these products continues to inspire Melvita year after year: 'Together, let's reveal the benefits of organic beauty, for better well-being and a better planet.'

- L'OCCITANE au Brésil celebrates Brazil's nature, people and culture from an unique perspective: the French savoir-faire combined with the plurality of inspirations Brazil can bring. Brazilian natural ingredients are sustainably extracted in local communities and transformed into high quality cosmetics that provide an authentic beauty experience.



- Erborian develops hybrid products that bridge the gap between skin care and makeup, inspired by traditional Korean pharmacopoeia and product formulation technology. Erborian's mission is to achieve perfect skin with simple and unique products.

2013

Group turnover exceeds 1 billion Euros.  
L'OCCITANE au Brésil is created

2016

LimeLife creates Brighter Together  
L'OCCITANE celebrates 40 years

2017

LimeLife creates Fempire Fund supporting  
female business founders

2018

LimeLife by Alcone becomes a fully  
integrated Group brand  
Opening of the Groups' start-up studio  
OBRATORI to enable green business ideas

2019

ELEMIS joins the Group

2020

Duolab, an innovative start-up is launched

## b. Our value chain

The Group manufactures and retails beauty and well-being products that are rich in natural and organic ingredients.

### UPSTREAM

Raw materials and partnerships with suppliers

- **The Group sources raw and non-raw materials** - for its formula, packaging and merchandising tools - globally, yet mainly in Europe (80%). For selected raw materials, we are conducting risk analysis to evaluate social and environmental impacts and work with suppliers to trace back all plants composing the raw materials to the country of origin.
- **The Group sources those materials from suppliers all over the world**, yet mainly in Europe for direct supply. All of them are requested to sign our Code of Conduct. For selected suppliers, eligible to our #NotJustSupplier programme, we perform a sustainability evaluation thanks to the EcoVadis platform.

### OUR ACTIVITY

Research & Development (R&D) , manufacturing and distribution

- **The Group is firmly committed to consumer safety** while limiting its environmental impact at every stage of the product life cycle. Exceptional sensory experience through textures, fragrances and touch exceed customer expectations and set new industry standards.



Our value chain



- **The Group has an R&D Centre** in the south of France, and laboratories in Korea and Brazil. Working as one on everything from sourcing plants to formulations and packaging development, the 150 staff, including researchers and experts, in the L'OCCITANE Group Laboratories create around 200 new formulas and more than 400 products every year. Since 2001, the Group has registered some 76 patents.
- **The Group manufactures the 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 the brands L'OCCITANE en Provence and Melvita



(with the exception of a few outsourced products<sup>1</sup>). 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. Our two factories in France are certified ISO 14001 and 45001 for their environmental, health and safety management.

- The Group has its own network of stores (for L'OCCITANE en Provence, L'OCCITANE au Brésil, Melvita and Erborian), to directly sell products and experiences to customers, in almost 90 countries.

<sup>1</sup> For example, make-up and sprays.

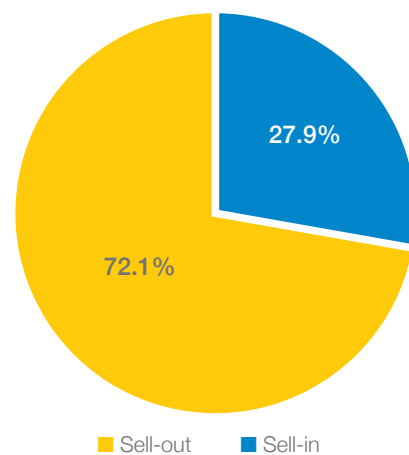
## DOWNSTREAM

Consumers, mainly through retail and e-commerce

- The Group sells the majority of its products directly to customers (72% of sales), either through its own network of stores (for L'OCCITANE en Provence and L'OCCITANE au Brésil), or through the brands e-commerce websites. The Group also sells to intermediaries (28% of sales), including selective multi-brands beauty stores, hotels, professional spas, airport stores, cruises, TV shopping channels or businesses who purchase our products as gifts for their clients or employees.



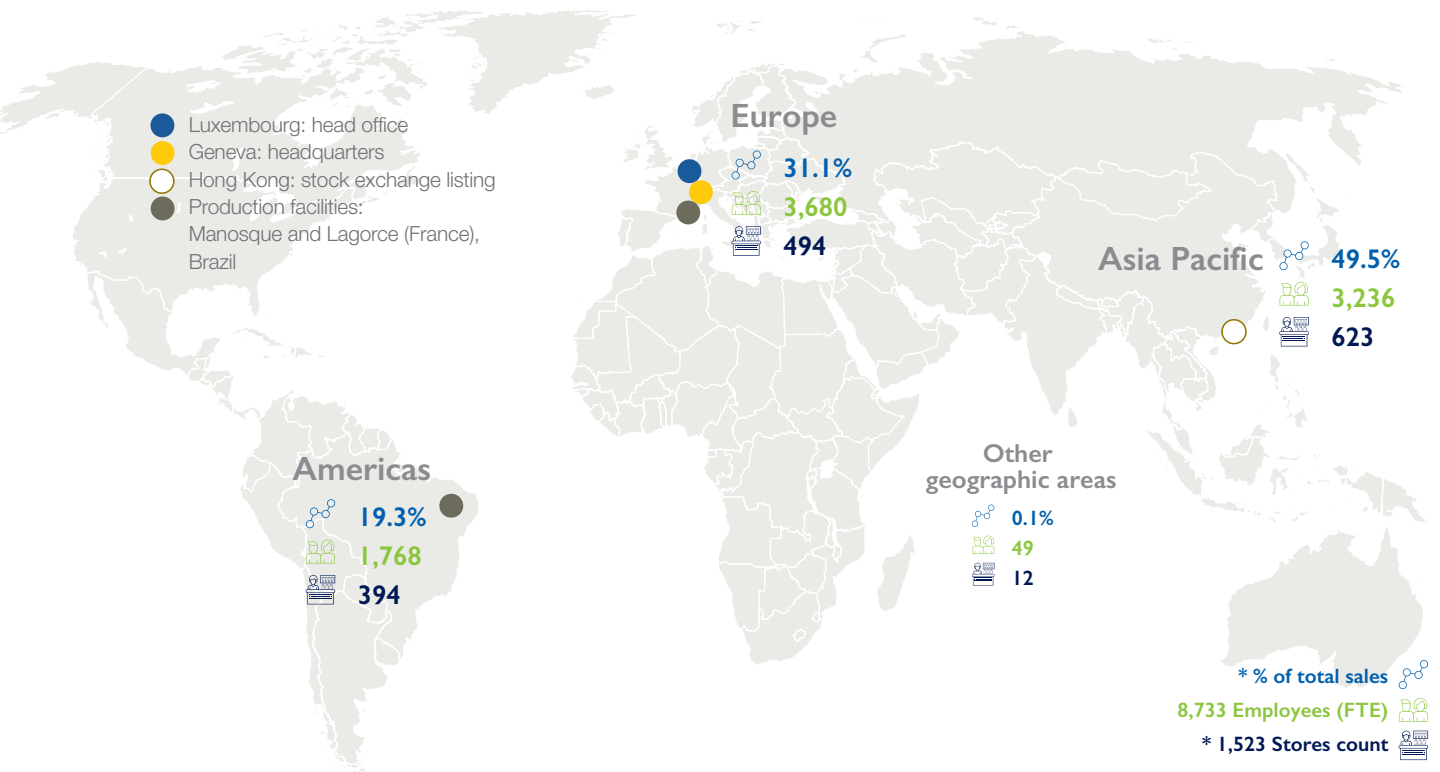
Group net sales breakdown



**c. Sustainability performance key figures FY2021\***

Creating Environmental value	Creating social value	Creating Business value
<p><b>80%</b> of electricity from renewable sources</p> <p>40% renewable (ref. FY2020)</p>	<p><b>8,733</b> staff (FTE)</p> <p>9347 staff (ref. FY2020)</p>	<p><b>€1,537.8</b> million in consolidated revenue</p> <p>€1,644.1 million (ref. FY2020)</p>
<p><b>48%</b> of owned stores with recycling programmes for customers</p> <p>42% of owned stores (ref. FY2020)</p>	<p><b>5</b> countries with new parental leave policy</p> <p>2 countries (ref. FY2020)</p>	<p><b>-1.7%</b> sales decline at constant rates and comparable perimeter</p> <p>12.8% growth (ref. FY2020)</p>
<p><b>45%</b> of raw materials with plants traced back to country of origins</p> <p>12% of raw materials (ref. FY2020)</p>	<p><b>67%</b> score at Great Place to Work Trust Index (ref. FY2019)</p> <p>64% score (ref. FY2017)</p>	<p><b>37.4%</b> of total net sales done online</p> <p>21.7% of sales (ref. FY2020)</p>
<p><b>-30%</b> of carbon intensity (baseline 2016)</p> <p>-27% of carbon intensity (ref. FY2020)</p>	<p><b>89%</b> direct suppliers evaluated by EcoVadis and average score for 62</p> <p>87% direct suppliers (ref. FY2020)</p>	<p><b>1,523</b> stores owned by the Group</p> <p>1,608 stores (ref. FY2020)</p>
		<p><b>6</b> brands</p> <p>1 brand with presence in almost 90 countries</p> <p>6 brands (ref. FY2020)</p>

\* full details KPIs [Appendix 2](#).







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3. Sustainability strategy - 18

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## II. INTEGRATING SUSTAINABILITY

### 1. Governance

The governance of sustainability issues in the L'OCCITANE Group has been constantly evolving and becoming more structured and extended over the years: this reflects the strategic role sustainability has for the Group's development.

This year, we continued to extend Sustainability representation and integration at each level of the company.

#### a. BOARD OF DIRECTORS

- Participation twice a year of the Sustainability Officer
- Review of materiality matrix, KPIs, strategy and key projects once or twice per year
- **Update FY2021:** the Board plans to create a **Sustainability Committee** as one of its statutory committees. Composed of 3 directors, the **Sustainability Committee** will cooperate with a panel of representatives of the internal Sustainability team and external advisors.  
This year the organizational phase has been finalized, aiming to announce the official constitution of the Committee in September of the upcoming year.

#### b. EXECUTIVE COMMITTEE

- Sustainability represented by the Sustainability Officer
- 3-4 presentations per year (materiality, KPIs and key projects)
- **Update FY2021:** the Executive Committee implemented a new incentive plan which will reward employees based on sales, profit and sustainability performance. It shows that **business, environmental and social performance** are key for the Group.

#### c. OPERATIONAL

- **Central Sustainability team** (including CSR and philanthropy) since 2008 and working now across 7 sites (Geneva, Paris, Manosque, Lagorce, Burkina Faso, Brazil and Australia)
- **Update FY2021:** the Sustainability team has been extended this year with a B Corp team and regional managers, to roll-out the global sustainability strategy in all our entities and reach our target of being certified by 2023.
- **Presence of sustainable development experts** in most key central teams (packaging, R&D, sourcing...).
- **Update FY2021:** we continue to extend the Sustainability experts' representation in the key central teams and brands. This year new roles:
  - a new D&I manager position in the central HR team,
  - a carbon sinks position within the Biodiversity team,
  - a sustainability coordinator role in the Finance/Audit/Legal team
  - a new position in the Responsible Purchasing team
  - 3 new positions in the ELEMIS team to accelerate their sustainability agenda
  - a new Sustainability Public Affairs Director.

## 2. Stakeholders engagement and materiality



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.

We follow a collaborative approach in working with stakeholders and cultivate long-term relationships with all of them and we have dedicated teams to ensure our key stakeholders' engagement and monitor their expectations.

Among them, we have:

- Dedicated Purchasing teams engaging our suppliers on sustainability and partnering for innovation;
- Dedicated team of agronomists, in the south of France and Burkina Faso, to support and engage our direct producers of plants, doing more than 200 fields visits every year;
- Great Place to Work survey every two years to promote, evaluate and improve quality of life at work and engage our employees all over the world. Many sites also ran regular 'pulse survey' this year, to monitor mental health of employees working from home;
- Dedicated teams for Consumer Insight and Product Evaluation to adapt to consumers expectations, monitor client satisfaction and evaluate our products.



We engage with our key stakeholders in various ways – from informal dialogue to surveys, contractual partnerships, reporting and advocacy – and we promote open-source innovation to drive systemic change. We are then members of many task forces, roundtables, and coalitions, working with other industries, NGOs and even competitors, to advance sustainable innovation.

More information is available in the [Appendix 1](#)



Since 2015, the Group runs a materiality analysis and did a deep update in 2019 in order to reassess the main impact for the business and its stakeholders on a social, economic and environmental aspects.

The key areas identified as high priority for the Group are:

- **Product:** product's safety and quality, eco-socio-design of products, environmental impact of the products.
- **Customers:** customers satisfaction and responsible communication and information of consumers.
- **Environment:** protection and regeneration of biodiversity, climate change mitigation, plastic waste and single-use plastic.
- **Supply chain:** responsible and sustainable sourcing purchasing, transport and storage.
- **Human resources:** employees development, diversity and inclusion.
- **Ethics:** ethics and fight against corruption, dialogue with stakeholders.



These topics are all addressed in this report, will inform the evolution of the sustainability strategy as well as the dialogue with stakeholders. They will also serve to update the analysis of non financial risks presented in the [Appendix 5](#).

Among those issues and following 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 acceleration 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 invested, and promoting diversity and inclusion in the society.

We now conduct periodic review of our materiality assessment ensuring that we focus on the right priorities, identifying emerging trends and issues, and providing input for our ongoing risk management processes.



## L'OCCITANE GROUP materiality matrix FY2021

Caption		TOP Priority	
● Governance and standards topics	● 18 Product/formula Safety and quality	● 6 Stakeholders dialogue	
● Human resources topics	● 36 Customer satisfaction	● 37 Plastic waste and single use plastic	
● Community investment topics	● 23 Responsible and sustainable sourcing and purchasing	● 20 Eco-socio design of product and environmental impact	
● Distribution and operational marketing	● 25 Biodiversity protection and regeneration	● 12 Employees development (training, mobility, carrier path)	
● Sourcing and purchasing topics	● 26 Climate change mitigation and adaptation	● 11 Diversity and inclusion <b>INCREASED</b>	
● Environmental topics	● 32 Responsible communication and transparency on products to customers	● 1 Ethics and fight against corruption	
● Marketing and product R&D topics			



### Priority 2

● 8 Product/formula Safety and quality	● 5 Responsible Lobbying <b>INCREASED</b>
● 27 Water consumption and quality	● 9 Fair management and salary practices
● 7 Monitoring of social evolutions and trends	● 13 Engagement of employees and internal communication
● 38 New ways of working, flexible working <b>NEW</b>	● 14 Economic value creation for the territories
● 10 Labor relations	● 22 Collaborative and open source innovation
● 16 Philanthropy and community investing	● 29 Management of waste and unsold products
● 34 Promoting responsible behaviors and engagement of customers on Sustainability	● 30 Environmental impact of our value chain (including stores)
● 33 Diversity representation and valorization in communications <b>INCREASED</b>	

### Priority 3

● 15 Conservation and valorization of traditional know-hows
● 3 Company's mission
● 31 Responsible digitalisation and IT <b>NEW</b>
● 35 Data protection
● 2 Management system
● 19 Animal testing
● 21 Intellectual property
● 28 Noise, odor and light nuisance

## II. INTEGRATING SUSTAINABILITY

### 3. Sustainability strategy



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



*It is probably no need to say the past year has been challenging in many ways. One thing is certain: from now on, the urgency of transforming our models to be fit to face the environmental and social crises we are facing is probably more widely recognized globally.*

*At L'OCCITANE, true to our intrinsic bonds with Nature, we have set ambitious targets and have tried to develop activity in partnership with Nature and Communities. Currently, our three main priorities are the protection and regeneration of Biodiversity, the implementation of dramatic change to mitigate the climate crisis and empowering the communities we are invested in through opportunities and the promotion of diversity and inclusion. This past year, we broke down these priorities into a first set of medium-term objectives and are currently working with all brands, countries and department to define their respective road maps and contributions to the Group's sustainability strategy.*

*Globally, our goal is to maximize through all of our actions, policies, developments and open coalitions our positive impact. We like to say that we want to use our company as a Force for Good.*

*To help us in this long journey, we have set out to become B CORP certified by 2023 at the latest, at the Group level. This demanding certification will help us to measure our performance in environmental and social terms, to introduce a dynamic of progress to reach our objectives and deploy our Sustainability strategy across all of the Group's entities and regions.*

*To do that, we put together a dedicated B Corp team with a global lead in our Headquarters and local taskforce across all regions – thanks to whom we have already completed the preliminary assessments for all brands and countries. We are now working on our improvement plans and sharing best practices among all entities to reach the 80 points requested for the certification, before starting the verification process. The B CORP certification will also help us to push even further 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.*

*This is a sizeable challenge for a Group as large and multilocal as ours. But, as we strive to be up to our mission of empowering entrepreneurs and communities to cultivate natural beauty and well-being and to regenerate nature every day, we are convinced it is the right – maybe the only – path to take. And I'm grateful for the committed teams who are leading this change by our side.*



We broke down our three main priorities into a first set of medium-term ambition and contributing objectives and we are now working with all brands, countries and department to define their road map and contribution to those Group's targets. *More information in each chapter of this report.*



Protect and restore cultivated and natural **BIODIVERSITY** within and outside of our value chains

**Main ambition:**

Moving towards a nature-positive world

**Example of Contributing targets by 2025:**

- 100% of key raw materials in line with agroecological schemes
- 90% of raw materials with plants traced back to country of origin<sup>1</sup>
- 100% RSPO palm oil in raw materials
- develop a forest-positive approach
- 100% of water used for industrial processes recycled



Deliver dramatic changes to mitigate **THE CLIMATE CRISIS** and anticipate its consequences on our business

**Main ambition:**

Moving towards a Carbon Net Zero world

**Example of Contributing targets:**

- By 2022, validate Science-Based Targets for scope 1,2 and 3
- By 2025, reduction with 100% renewable electricity<sup>2</sup> and 100% recycled-plastic bottles,
- By 2030, support nature-positive carbon sink projects to achieve Carbon Net Zero



Empower **ALL PEOPLE** in our communities, and promoting **DIVERSITY & INCLUSION** in our society

**Main ambition:**

Moving towards a fair and inclusive world

**Example of Contributing targets:**

- By 2022, all countries with the new parental policy
- By 2023, 70% at GPTW Trust Index
- By 2025, EcoVadis rating of 62 for its direct purchases<sup>3</sup>.

To integrate this Sustainability roadmap within its financial strategy, L'OCCITANE Group signed its first sustainability-linked loan.

The L'OCCITANE Group announced the closing of its first Sustainability-Linked Loan in the form of a EUR 600 million revolving credit maturing on 31 March 2026. The terms of this new financing are indexed on ambitious sustainability indicators (see targets above 1,2 and 3) and are linked to the three following areas: preserving and regenerating natural and cultivated biodiversity, mitigate the climate crisis and supporting the communities in which the L'OCCITANE Group is involved.

## II. INTEGRATING SUSTAINABILITY

### 4. Be a responsible business

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 and the B Corp certification will take ethical commitment to the next level, harmonising our policies and practices through the whole Group.

These ethical commitments are detailed in our **Group Corporate Responsibility Policy** and our **Purchasing Code of Ethics**, based on the following key principles:

- **Health and safety:** safeguarding consumer health and occupational hygiene, preventing work-related illnesses and accidents in the workplace.
- **Respectful working conditions:** appropriate working hours, freedom of association and right



to collective bargaining, elimination of insecure jobs, fight against discrimination, and a ban on forced labour and child labour.

- **Ethics:** apolitical activities, integrity, protection of privacy and personal data , prevention of corruption, responsible sourcing of raw materials, protection of intellectual property, compliance with tax obligations.

Next year we will ensure worldwide that an updated anti-corruption and whistle-blowing policy is put in place, as well as a reinforcement of the reporting system to embed the UN Global Compact principals on Ethics and Human Rights.

0 legal case regarding corrupt practices

0 recall of commercial product

100% of procurement staff received training on responsible purchasing and signed the Purchasing Code of Ethics

89% of direct purchase expenditure covered by a detailed CSR evaluation

87% covered

(ref. FY2020)

### UNITED NATIONS GLOBAL COMPACT



In 2020, the L'OCCITANE Group has extended this membership and pledge to the whole company. Already, Laboratoires M&L, the French subsidiary in charge of the formulation, production and primary logistics of the brands L'OCCITANE en Provence, Melvita and Erborian, has been a signatory to the United Nations Global Compact since 2011. Under this programme, the company has pledged to respect ten core principles relating to human rights, working conditions, environmental protection and the fight against corruption.

2009 Group Ethical Charter

2011 Laboratoires M&L signs up to the UN's Global Compact

2012 ISO 14001 certification of French stores and one French factory

2013/2014 L'OCCITANE en Provence becomes a member of the UN Business Call to Action

2015 ISO 14001 certification of second factory in France

2015 LimeLife joins the Leaping Bunny programme, a gold-standard in cruelty-free certification

**Quality and safety of products and consumer transparency**

• **Product safety and quality**

The Group's primary responsibility toward its consumers is to guarantee the quality and safety of its beauty products. A number of measures have been put in place in order to ensure the quality and safety of all its beauty products, right throughout the value chain. All products manufactured by Laboratoires M&L are fully compliant with the EU Cosmetic regulation, one of the strictest regulations in the world.

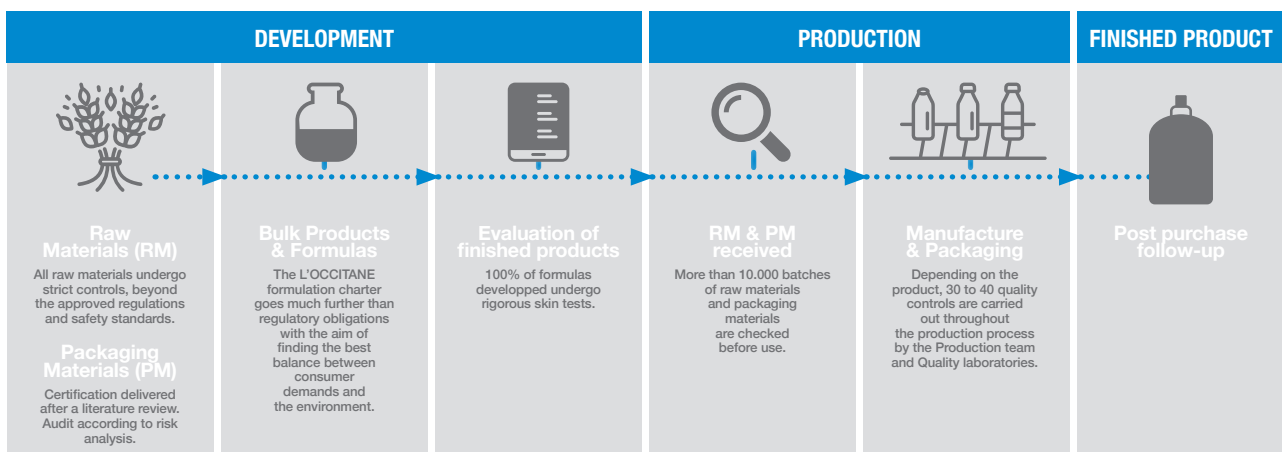
For each of the countries and geographic regions in which the Group's products are sold, a proactive monitoring system has been put in place to track changes to regulations that concern ingredients, cosmetics and food products. This allows the Group to anticipate regulatory changes coming down the line, and thus ensure the compliance of its products on an international scale. On a broader level, quality inspections are carried out at each step of the product development

process – from the receipt of raw materials and packaging items, through formulation and manufacturing, right down to the finished product.

**Quality is a shared responsibility. Quality and consumer safety is the responsibility of every L'OCCITANE Group employee and the Group demonstrates consistent leadership to meet this policy.** The safety controls start at the design stage and continue throughout the entire product marketing lifecycle. Because the safety of our consumers has always been and will always be our priority: all our new products are tested for tolerance before they are put on the market.

During the FY21, there were no recalls or withdrawals for products sold under the L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil brands as a result of adverse effects or threats on the safety of consumers.

Regularly monitored products, throughout entire design cycle



- 2017** Group Corporate Responsibility Policy
- 2018** Creation of the Group's Responsible Purchasing position
- 2019** Publication of the Formulation Charter and Ingredient FAQ

- 2019** Dedicated Code of Ethics for the Purchasing teams
- 2019** Roll-out of GDPR
- 2020** Business Call To Action Business for Nature

- **L'OCCITANE en Provence Clean Charter.**

Through our dynamic continuous improvement programmes, L'OCCITANE en Provence has set itself a new global challenge by laying down further criteria in its L'OCCITANE Clean Charter. These come in addition to the commitments in its Formulation Charter, thus highlighting its ever more resolute commitment to creating more natural formulas (leave-on products) and ingredients that minimise its environmental impact (rinse-off products) without compromising on its products' efficacy, safety or sensory effect. The products that comply with this higher level of commitment are easily identifiable by the following logo, which appears on their packaging and on the L'OCCITANE en Provence website.

*In addition to the limit of ingredients we use in moderation; for leave-on products, the criterion used in the Clean Charter is based on the percentage of natural-origin ingredients, whereas for rinse-off products, it is based on the percentage of readily biodegradable ingredients.*



### COVID-19 pandemic

During the peak of the COVID-19 pandemic, the Group implemented measures to preserve its employees' health, safety and well-being around the world. The Group implemented protective measures for all its employees at a very early stage of the crisis by taking safety measures and maintaining health coverage. All international trips and external events were suspended, office-based staff worked from home and radical measures have been implemented in factories, which were able to remain open and operational at all times despite COVID-19. As countries began loosening lockdown measures, the Group carefully prepared to reopen its facilities prioritising its employees' and customers' health and safety while also helping to protect society at large.

### Solidarity in response to the pandemic

The health crisis has made it clearer than ever that not only resilience and adaptability but also solidarity are crucial. The L'OCCITANE Group adapted its production line so that it could supply hospitals with more than 77,000 litres of hand sanitiser for free.

The Group has also distributed soap, shower gel, hand lotions and balm, as well as protective equipment, and has given money to research. Such donations have been made in over 30 countries with the help of local initiatives organised by the Group's brands.

What's more, the L'OCCITANE Group has remained very active with its partners who supply natural raw materials – often family farmers – to soften the potential blow of the pandemic on their income as much as possible. For example, in Burkina Faso, 80% of a shea butter delivery that was pushed back until September was paid in advance.





### HEALTH & SECURITY AT THE CORE OF OUR PRODUCTION SITES MANAGEMENT

Our company is committed to protect and ensure the well-being of our employees. At our production sites the Health and Security management practices follow international standards that ensures a robust process in place, audited annually by a third-party to certified our production sites in France on the safety management system standards ISO 45001.

Safety and health is integrated into our overall management planning process, and workers are involved in safety planning, resource allocation, monitoring, audits, etc. We have a written safety and health policy to minimize on-the-job employee accidents and injuries, as well a programs in place to prevent ergonomic-related injuries in the workspace. In addition, there an employee safety recognition program in place to

reward the Health&Safety performance in the production sites. Also, we sponsor and encourage workers to participate in health and wellness activities during the workweek and we offer incentives for workers to complete health risk assessments once per year.

Following the production sites specific safety and health program every year they set goals and objectives, with specific indicators to measure progress. IN 2020 focus has been done to manage the COVID crisis and to preserve the health of each collaborator implementing an adapted and reactive sanitary protocol. In addition, it was made a diagnosis of the security and health system, including indicators analysis and employees surveys, in order to build the next 5 years program to reinforce the management and employee perception on security, which will be launched in September 2021.





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### III. OUR GROUP SUSTAINABILITY PRIORITIES

#### 1. Preserving and regenerating natural and cultivated biodiversity

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.

As a Group that relies on natural resources and on communities' wealth of knowledge for the processing of these resources, L'OCCITANE 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 its partners and suppliers of natural raw materials.

Encouraging the diversity of plants is a challenge, as modern agricultural practices often favour fewer profitable varieties, and leads to the disappearing of rare and ancestral types.

The key objective of the year to come is to finalize our Group biodiversity strategy. Our approach will be inspired by the initial guidance on science-based targets (SBTs) for nature: understanding our impacts

and dependencies; prioritising actions and setting targets; applying a mitigation and transformation framework; and tracking progress against targets.

#### GROUP BIODIVERSITY KEY TARGETS

Launch global biodiversity strategy by 2022

**90%** of raw materials with plants traced back to country of origin by 2025 (FY2026)

#### Progress FY2021

**45%** of raw materials with plants traced back to country of origins (vs. 12% LY and 30% target)

**15** farmers in the new agroecology collective

**>1,000** varieties of plants protected supported by L'OCCITANE en Provence achieving their target before 2025.



**2008**

First producer partnerships established by L'OCCITANE en Provence

**2014**

Creation of the Sustainable Sourcing department "Filière durable" managing iconic ingredient supply and producer relations  
Fair Trade certification of argan

**2018**

RESIST programme in Burkina Faso - diversification of crops and income sources, protection of natural resources

**2019**

L'OCCITANE en Provence quoted by UNDP in 2013 and 2019 as an example of inclusive business model in Burkina Faso

**Acting together: OP2B**

At the global level, the situation is critical: more than one million animal and plant species are threatened with extinction and 33% of the world's soils are already degraded. There is an urgent need to act and pool best practices. With a view to this, the Group joined the One Planet Business for Biodiversity (OP2B) collective in early 2020. This coalition currently brings together 25 businesses that are committed to taking real steps to reduce agriculture's environmental footprint within their supply chains by deploying agroecology practices, cultivated biodiversity diversification and ecosystem protection measures on a large scale.

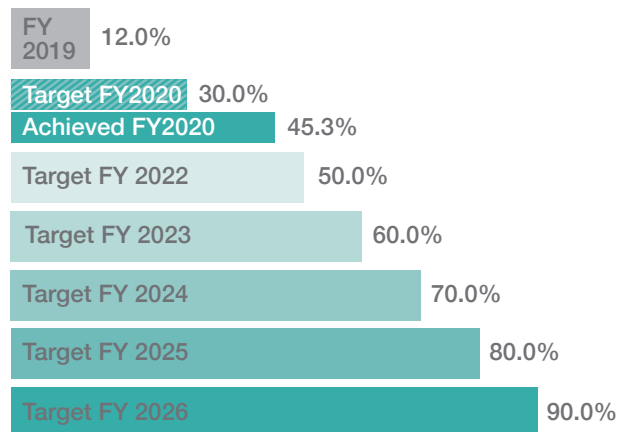


**1.1 Biodiversity impact of our value chain**

**Traceability of our ingredients**

The first step towards analyzing our impact on biodiversity is understanding the composition of the plants used in our products, and knowing their precise geographical origins. In 2020, L'OCCITANE en Provence and Melvita launched a project in which, from now until 2025, they will trace the plants composing 90% of the raw materials used in formulas, back to their country of origin. This is a rather ambitious project, as it concerns all the raw materials bought by our production sites which are plant based, not only the plant extracts but also the vegetable oil derivatives or basic elements.

Biodiversity KPI - Traceability of plants



Scope L'OCCITANE en Provence and Melvita.

## Nagoya Protocol

A process of compliance with the Nagoya Protocol has been in place since 2017 at our production sites. In 2020, a first benefit-sharing contract was signed with the French Ministry of Ecological Transition to regulate the use of the cade. Following the performance of R&D activities on the essential oil of cade, M&L will therefore share the benefits that have been derived from this R&D on the territory, through collaborative actions or contribution to research activities, as well as through actions preservation of biodiversity on the site where this plant is collected.

Key raw ingredients are ingredients traced to the plot, supplied in a short circuit between our manufacturing sites and farmers, and for which projects are developed to improve the sustainability of agricultural production (both from an environmental and societal point of view).

For Melvita and L'OCCITANE en Provence brands:

- We currently work with **42 sustainable supply chains**, monitored directly on production sites through regular field visits (about 200 per year) and **5 audited supply chains**<sup>3</sup> according to a Responsible Procurement Charter.
- **14 of these supply chains** are framed by multi-annual contracts which provide producers with long term visibility of production capacity and cost.
- **269 farmers** partnering with **252 family farms** and more than **17,000 pickers** in a short chain.
- For their key raw materials, both brands promote **organic certified farming, using methods that respect ecosystems**. 97.5 % of the volumes are certified organic, and from those organic certified volumes, 84.5% are also certified Fair for Life.

## Responsible sourcing of raw materials

### 1. Action for Sustainable Derivatives Coalition

L'OCCITANE en Provence, Melvita and ELEMIS do not purchase palm oil directly from producers but use raw materials that are derived from palm oil<sup>4</sup>. Our french manufacturing sites are committed to ensure a supply fully sustainable with a 100% RSPO<sup>5</sup>-certified supply chain, achieving in 2020 a 99,5%. This has been the result of the collaboration between our responsible sourcing team and our suppliers to ensure that all ingredients linked to palm oil derivate are RSPO

certified. The remaining quantity concerns only a few raw materials and we are still looking for alternatives. At the same time we are reducing the consumption of palm oil in its formulas for the brands L'OCCITANE en Provence, Melvita and Erborian by 25% by 2025.

For the third party manufacturer we are still in the process of evaluating the RSPO grade of products.

During 2020 we also continued our work towards more sustainability on palm derivatives supply chain with the Action For Sustainable Derivatives Coalition. Action for Sustainable Derivatives (ASD) is a collaborative initiative co-managed and co-facilitated by BSR and Transitions, two organisations with extensive experience and expertise in supply chain sustainability and business collaborations. It brings together companies in the cosmetics, home and personal care, and oleochemicals industries to collectively tackle supply chain issues around palm oil. ASD will facilitate the sharing of information, data, constraints, and solutions to achieve a wholesale transformation of the complex palm derivatives sector.



<sup>3</sup> Cucumber, Fig, Pomelo, Melon.

<sup>4</sup> 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 fractionated during its extraction to create palm oil derivatives that come in solid or liquid form.

<sup>5</sup> Roundtable on Sustainable Palm Oil.



## 2. The shea butter sustainable supply chain

The shea butter used by L'OCCITANE since the 80's is biologically certified and equitable\*. The Group has invested in resource protection, traceability and the development of low carbon technology used in the manufacture of the butter. Thus, a dedicated team in Burkina Faso is overseeing the value chain. Moreover, recently in 2020 two engineers were recruited in order to ensure the traceability of the butter, and the biodiversity impact.

In 2020 the programme RESIST has concluded achieving the majority of the goals based on three principals: the protection of resources, the durability of the shea butter transformation process and the diversification of income. Launched in 2018, RESIST is a programme of USD 2 million financed by L'OCCITANE with the aid of financial donors (Unites State Agency for International Development (USAID) and the German Federal Government, Federal Ministry for Economic Cooperation and Development (BMZ), via sequa as part of the "develoPPP.de" program).

As an example of a concrete project to ensure the durability and fight against deforestation, during this year we have accompanied two federations in the installation of semi-industrial equipment: an oven using powdered residue, a boiler, roasters, a brick layer and motor operated churn, a washer, crusher and generator, etc. These semi-industrial machines have allowed an increase in the capacity of production units but also to economise 2,000 tonnes of wood, i.e.: roughly 3,500 tonnes of CO<sub>2</sub>eq by using the production residue instead of wood. Regarding the social impact of the shea butter supply chain, we have improved two aspects:

- Put in place a fairer system of pay for women, reviewing the rates in collaboration with a third-independent party – NGO Nitidae and others. This new rate was adopted via an official Committee in October 2020 with the participation of the women and in the presence of independent observers.
- Treasury facilities better adapted to the local context: until now we have been able to pre-finance 80% of the orders made by cooperatives, more than 9 months before the first deliveries, and since 2020 we pre-finance even earlier (almost one year before the first receptions).

\*Fair Trade certified according to the Fair for Life standard available at [www.fairforlife.org](http://www.fairforlife.org)

### L'OCCITANE support to COVID-19 response in Burkina Faso

In collaboration with the German Federal Government, Federal Ministry for Economic Cooperation and Development (BMZ), via sequa as part of the “develoPPP.de” program, and thanks to our team and our communication network and the NGO NITIDAE, we have been able to build a project in favour of the Burkinabè producers in order to fight against COVID-19. This project was built on three points: increased awareness of protective measures such as mask wearing and hand washing, distribution of protective wear, reduction of the economic impact of the pandemic (local manufacture of protective wear).

#### 3. Fair-Trade Agroecology Collective

As part of an equitable agroecology programme that we are developing with 15 or so farming business partners, we accompany them in the creation of permanent soil covering and the development of agroforestry.

The intended objectives are the following:

- use a sufficient amount of soil to allow the correct nourishment of the crops;
- encourage biodiversity in the agricultural spaces allowing the protection of auxiliary animals such as bees and pest predators;
- improve the microclimate of the plantations;
- fight against soil erosion and preserve the quality of the water and soil;
- increase the carbon storage potential and participate in adapting to climate change.

A technical day was organised for the group of 15 collective farmers, which was also open to other farmers and partners in the region; 7 soil protection trials were made on 60 ha and 5 plantation projects involving 1250 plants and 800 metres of hedge took place.



## 1.2 Improving formula environmental impact

Inspired by Nature, the laboratory at the main manufacturing site brings together a balanced mix of tradition and innovation to develop natural and sustainable cosmetics, while ensuring safety, effectiveness and sensoriality. Our ingredients, which may be of natural or synthetic origin, are rigorously selected and adjusted to the right dose for the greatest happiness of skin and hair.



Day after day, our passionate and committed experts strive to offer consumers increasingly natural formulas without compromise on efficacy and sensoriality. For L'OCCITANE en Provence, we prioritize ingredients of natural origin such as essential oils, plant extracts or floral waters, as explained in the Formulation charter, available on loccitane.com. This charter also lists the ingredients that we have decided not to use, going beyond regulatory compliance and the ones we use in moderation, always looking for natural and environmentally sustainable alternatives.

In 2020, after the publication of its Formulation Charter that 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**<sup>5</sup>; **95% biodegradability for rinse-off formulas**<sup>6</sup>.

<sup>5</sup> Our "Natural origin" definition of naturality is based on the international norme ISO 16128.

<sup>6</sup> Our "Biodegradability" definition is based on the international standards OCDE 301.

### GROUP ECO-FORMULA KEY TARGETS

#### 2020-2025: 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 two years.

**100%** silicone free rinse-off formulas by 2023 for L'OCCITANE en Provence

#### 2020-2025: Improving our formulas' natural content and environmental impact

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

### Progress FY2021

**80%** easily biodegradable ingredients in rinse-off formulas by L'OCCITANE en Provence and 71% by Melvita

**95%** silicone-free rinse-off formulas by L'OCCITANE en Provence and 100% by Melvita (COSMEBIO® Charter)

**54%** of L'OCCITANE en Provence's formulas from laboratories compliant with the Clean Charter in 2020

**100%** Melvita formulas are COSMEBIO labelled

### 1.3 Acting locally to protect the biodiversity

In line with the Group vision and values the brands and countries has taken action on biodiversity in partnership with different organization and in collaboration with the L'OCCITANE FOUNDATION- more detailed information on the "Chapter IV. Community investment".



#### AUSTRALIA

Australia and the world were horrified by the devastating bushfires that burnt along the east coast and tablelands and South Australia for almost six months in 2019/20, burning over 12 million hectares of land. The incineration of habitats has put stress on over 100 species that were already threatened, as well as the resources the species depend upon to live.

In line with the Group's commitment to *Respect Biodiversity*, there was an urgent need to stand by this commitment in our own backyard. We did this by partnering with the Foundation for National Parks & Wildlife (FNPW) to support its mission of planting one million trees around Australia to rebuild a healthy ecosystem for the generations to come. This commitment took center stage for the Australian team last year.

FNPW's Bushfire Recovery Nurseries programme will build on established community nurseries to support community engagement projects and deliver large-scale planting projects that prioritize local nurseries to support community recovery. Initial nursery locations have been established in:

- Yankalilla (SA) - increased capacity from 25,000 trees to 40,000 trees
- Hawkesbury (NSW) - capacity increased to 45,000 trees
- Lismore (NSW) - capacity increased by 80,000 trees to now support 100,000 trees
- ACT - capacity increased four fold from 40,000 trees to support 160,000 trees.



#### BRAZIL

'Movimento Brasil' is an initiative established in 2019 aiming to contribute with social-environmental actions, focused on Biodiversity Conservation allied with team engagement. In this regard, we have been investing in two main projects: Florescer Agrocaatinga and L'OCCITANE Plantation.

'Florescer Agrocaatinga' is a 3-year project, which started in 2019, in Uauá city, in northeast of Brazil in partnership with Coopercuc (Cooperativa de Agropecuária Familiar de Canudos, Uauá e Curaçá). It is located in the Caatinga biome, a semi-arid region, known by its long periods of drought. For that reason it was created in order to motivate agroforestry practices, with rational use of water as well as valuing local species to achieve food security and biodiversity conservation.

In 2019, one agroforestry area was implemented by L'OCCITANE employees volunteering with 13 local producers, united to share knowledge and cultural aspects, as well as teamwork. Since then, L'OCCITANE Brazil has supported 40 producers managing 12,000m<sup>2</sup> of model areas.







## 2. Contributing to mitigating the climate crisis by achieving Carbon Net Zero emissions

The fight against climate change is a global issue that demands efforts from all of us. Businesses in particular are a key lever to avoid global warming of more than 1.5 °C above the pre-industrial period by the end of this century, as recommended by the Paris Agreement. Climate change is 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 from our activities. This aspect is one of our strategy's key pillars.

That is why the Group took the commitment to contribute to the world carbon neutrality by becoming a Carbon Net zero company by 2030.

### Our roadmap

The Group now aims to further accelerate this process by contributing to achieving Carbon Net Zero on a global scale, in line with the Paris Agreement. In 2020, the Group has set itself the objective of achieving Net Zero Carbon by 2030. A new objective in terms of reduction of our emissions is being defined, in order to align our roadmap with the Science-Based Targets. The first milestone will be to achieve Net Zero emissions on our two French production sites by 2025. The brands are also working on their own neutrality targets.

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:

- understanding the hotspots of Group CO2 emissions;
- reducing the Group's own emissions and creating the conditions needed for the transition;
- reducing emissions throughout its value chain;
- increasing carbon sequestration.

### GROUP CLIMATE KEY TARGETS BY 2025

#### Carbon Net Zero French factories

**100%** renewable electricity for the Group and its brands and manufacturing sites

**100%** of own-brand stores equipped with LEDs

### BY 2030

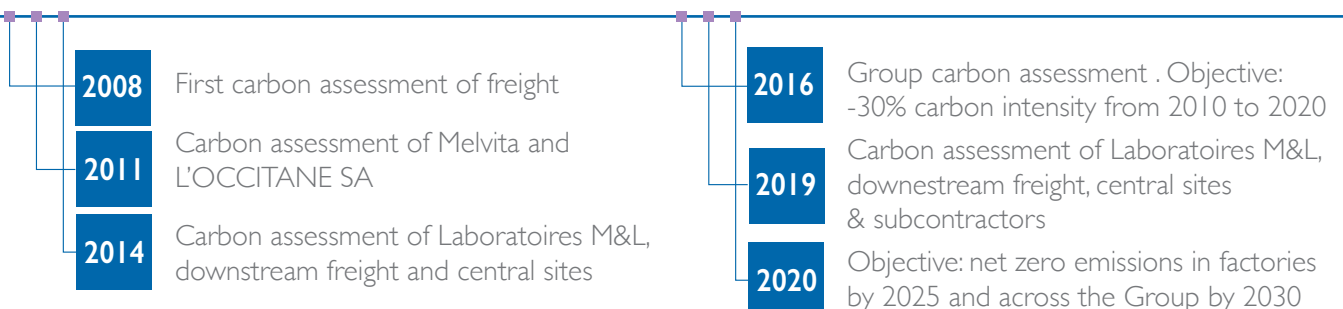
#### Group Carbon Net Zero

### 2.1 Understanding the Group's carbon footprint and roadmap

At L'OCCITANE, we are convinced that there is no improvement without measurement. Our first carbon assessment dates back from 2008 and since then we have regularly measured our carbon footprint, as shown on the historical frieze.

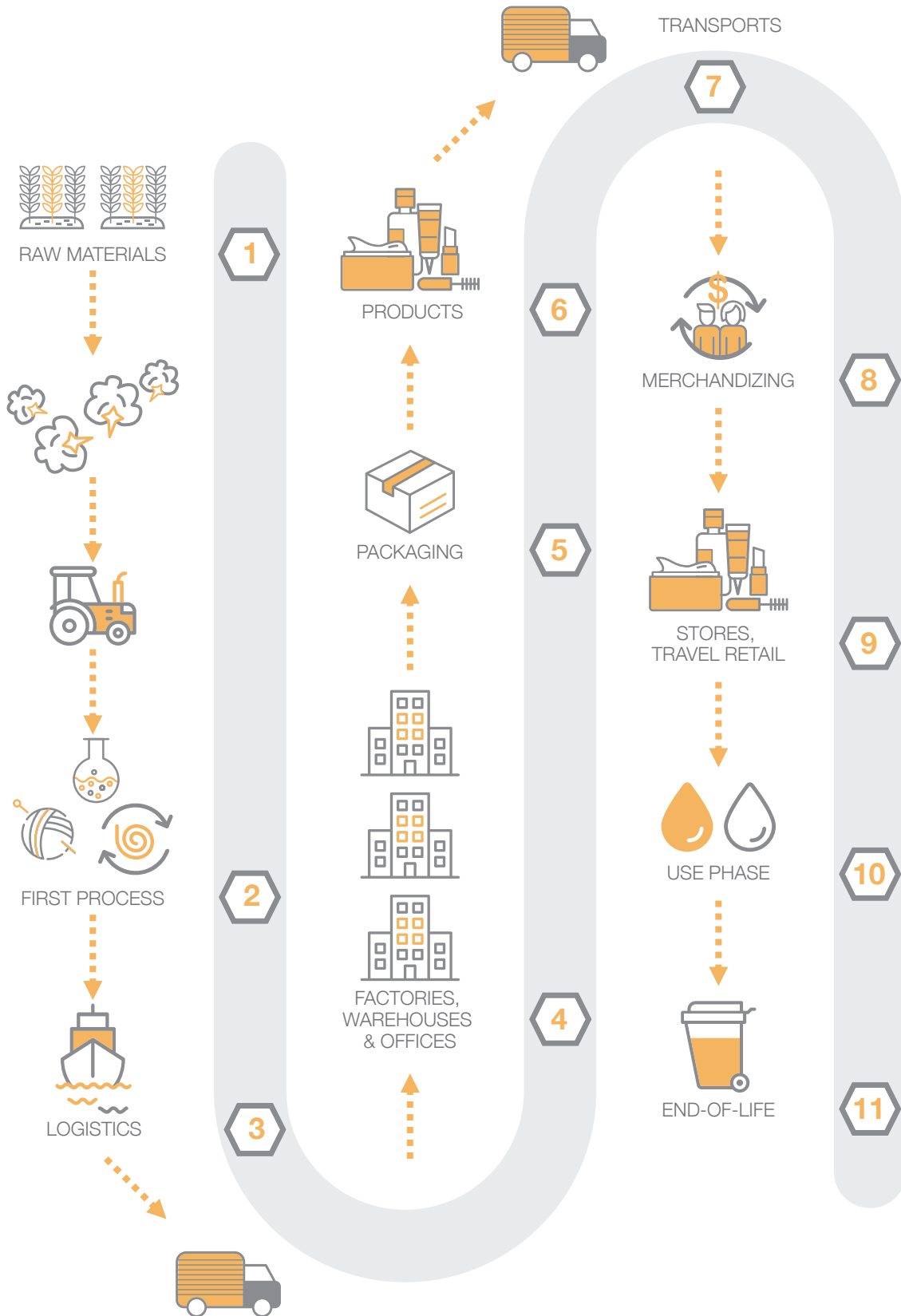
In order to take into account the Group's growth, in particular following the acquisition of the Limelife and ELEMIS brands, we realized a new carbon assessment on FY2020 activities basis.

The Group GHG emissions assessment is based on the GHG Protocol methodology and take into account the whole scope of our activities, from the purchases of raw materials to the end of life of our products.



## 2. Contributing to mitigating the climate crisis by achieving Carbon Net Zero emissions

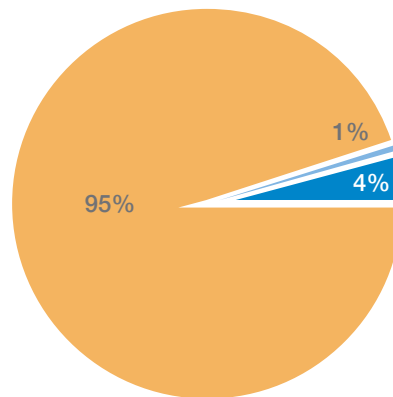
L'Occitane Group assessed value chain overview



The Group carbon footprint Assessment has shown that the 'hotspots' of GHG emissions are the use of sold products (48%) related to the energy used to heat the water to use our rinsed-off products, raw materials (9%), packaging (7%), upstream and downstream transportation and distribution – including the transportation of end user consumers to our stores- (9%), merchandising (6%) and the purchase of electricity (4%).

#### Split scope of emission

- **The scope 1** represents **only 1%** of our emissions
- **The scope 2** represents **4%**
- Group's GHG emissions are mostly due (**95%**) to indirect emissions from **scope 3**, from our supply chain activities.



#### DEFINITION SCOPES 1, 2 AND 3 / OUR SCOPE OF MEASUREMENT

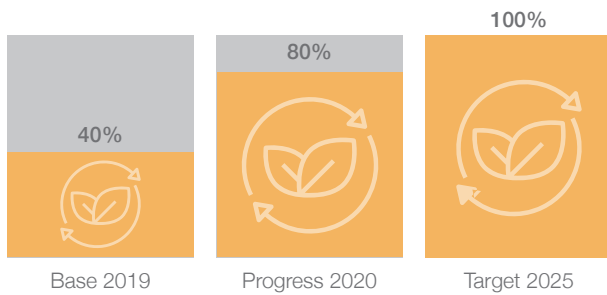
- **SCOPE 1:** direct emissions occurring from sources owned or controlled by the company – mostly stationary combustion, mobile emissions, and fugitive emissions from our factories, our own-stores, our offices, our warehouses.
- **SCOPE 2:** indirect emissions from the generation of purchased energy, mainly electricity, from our factories, our own-stores, our offices, our warehouses.
- **SCOPE 3:** meaning all other indirect emissions: purchased goods and services, capital goods, upstream activities related to energy, upstream transportation and distribution, waste from production, business travel, employee commuting, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life of sold products, franchises (our non-owned stores in distributor countries and in travel retail).

## 2.2 Reducing the Group's emissions on scopes 1, 2 and 3

A new objective in terms of reduction of our emissions is being defined, in order to align our roadmap with the "Science-Based Targets".

### Engaging in the energy transition: Scope 1 & 2

Group Target 100% renewable electricity by 2025



During the last decade the efforts have been focused on the manufacturing sites energy reduction and the energetic transition. As a result the energy consumption intensity (kWh/unit produced) has been reduced by 20% since 2015. Moreover, the 1st solar panel was installed in 2010 and the switch to renewable energy was launched in 2012 achieving last year 96% of renewable energy.

In parallel, in 2016, the Group joined the RE100 initiative in line of its objective of achieving 100% renewable electricity by 2025. In 2020, the Group reached the target to source 80% of its consumptions of electricity from renewables. This commitment includes all offices, stores, factories, and warehouses owned.



Read more about the global initiative RE100 <https://www.there100.org/>

There are three main ways for L'OCCITANE to source renewable electricity:

- To contract 'green' electricity contracts with electricity providers. It is the case for the French factories, and some of our affiliate countries as France, UK/Ireland, Germany, Italy. With this, 40% of electricity consumptions came from renewable sources at the end of 2020.
- To install self-generation solar panel: it will be the case in Lagorce factory in 2025.
- The purchase of energy attribute certificate (EACs): EACs document that the electricity consumed comes from renewable sources. It means that a producer injects into the grid the same quantity of renewable electrical that the one consumed by your activities.

The Group purchased EACs for 2020 year for several affiliates countries according criteria such as consumption of electricity, CO2 emissions impacts of this consumption and the existing offers in terms of EACs: Australia, Belgium, Brazil, Canada, China, Finland, Hong Kong, Japan, Malaysia, Mexico, Norway, Poland, South Africa, Sweden, Switzerland, Thailand and USA.

Regarding energy reduction in our retail network, we are aiming to have 100% stores with LEDs lighting system. Given the disruption due to COVID-19 has impacted the roll-out and the target has not been reached during last year, nevertheless all countries are currently working on a status update and based on the outcome the target will be updated.



2008

Implementation of a staff transport plan with a car-sharing scheme and shuttles to our french production sites

2010

First solar panels installed in 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 in Lagorce factory

### Reducing supply chain emissions: Scope 3

Upstream and downstream transportation and distribution accounted for 9% of the Group's carbon footprint in FY2020, while purchases of raw materials, packaging and merchandizing tools generated 22% of our greenhouse gas emissions. These categories of the Group's value chain are therefore particularly strategic in achieving the Net Zero emissions target by 2030.

The Group eco-design policies (please refer to pages 36 and 39 of this report), and two major programmes to drive its sustainability strategy in its supply chain – the #NotJustSuppliers and the Green Supply Chain programmes – provides the framework and the tools to achieve the objectives.

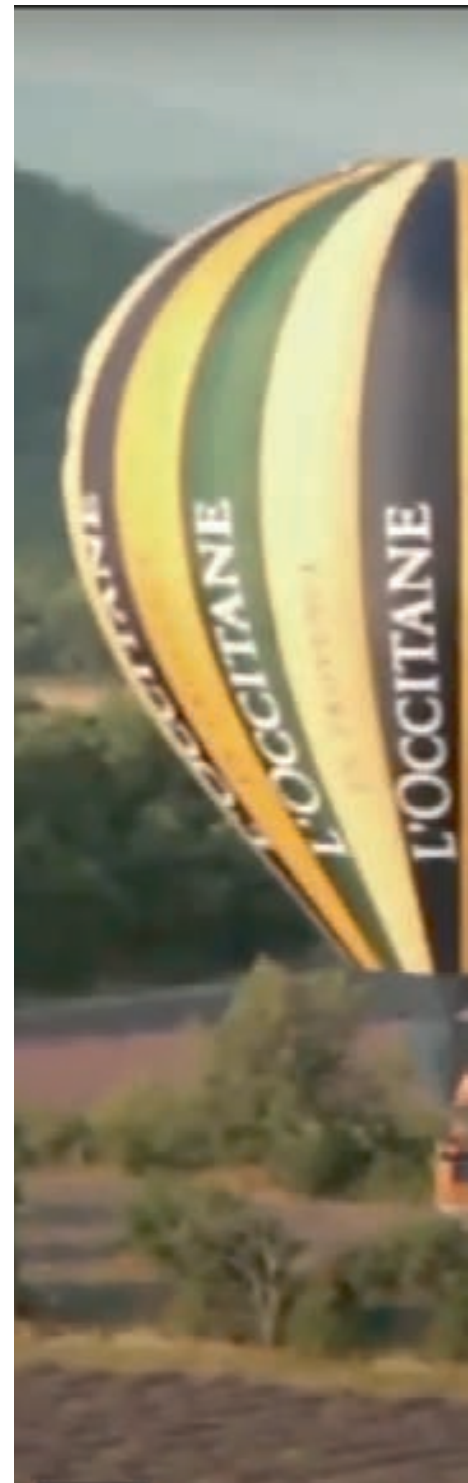
### Reducing logistics and transport-related emissions

Since 2010, the L'OCCITANE Group has been working to reduce the environmental impacts of its logistics by:

- Managing the freight growth demand, by constantly adapting its logistics chain, for example by using intermediate warehouses. In FY2020, a striking example was the pooling of the logistics organisations of our L'OCCITANE en Provence and ELEMIS brands in the USA.
- Adapting at best the transport modes: since 2010, the Group 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).

The Group increasingly uses 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 main warehouse in the south of France to the European countries. In 2020, this mode of transport was used for 100% of freight transport in this area.

- Optimising the load: in 2020, some new trailers have been implemented to manage industrial transportation flows in the view to improve the loading capacity and to reduce our CO2 impact by 30% for these daily shuttles between our French factories and our external warehouse thanks to a double deck. With these new trailers, we will even step forward within our Green Supply Chain journey in the coming months with a progressive shift towards decarbonized energy (from gasoil to bio-CNG, compressed natural gas).
- Following the innovations on more energy efficient and low impact fleets: electrical vans are already in place in some cities as for example in Paris, and new solutions for low carbon deliveries in big cities are also planned for the next month.



2016

Group L'OCCITANE joins the RE100 initiative. Manosque factory and warehouse are 100% powered by renewable energy

2017

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

2018

100% of French stores are powered by renewable electricity

2020

80% of the full Group electricity comes from renewable sources

**Reducing emissions in our raw material sourcing**

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.

**2.3 Reducing plastic pollution and waste across the value chain**

The Group is working to make more sustainable packaging by using different materials and reducing the weight, in particular when containing plastics, as it is a major source of pollution for terrestrial and marine ecosystems.



GROUP SUSTAINABLE PACKAGING KEY TARGETS  
**BY 2025**

**100%** owned-stores offering recycling programs

**BY 2030**

**40-50%** of plastic from recycled plastic

Reduce by **10%** total plastic consumption

**PROGRESS FY2021**

**All** brands committed to fight plastic pollution and reduce waste

**3** brands committed to reach 40-50% of recycled plastic

**1** brand committed to reduce by 10% its plastic consumption

**48%** of owned-Stores with recycling programs (vs. 42% LY) and 65% should be achieved by the end of 2021

Almost **1 million** units collected in store since the beginning

**1,259** collection points for LimeLife

**50%** of the DUOLAB capsules collected for recycling

**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

**Product Eco-design**

L'OCCITANE en Provence, ELEMIS and Melvita work daily to improve the environmental impact of their products. We run Life Cycle Analysis for our most iconic products and our factories in France are certified ISO 14001 which is the recognized international standard for Environmental Management Systems (EMS) that includes Product Life Cycle. All their products undergo an eco-design development phase.



In 2019, L'OCCITANE en Provence 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. ELEMIS is also joining this commitment as 2021.

Almost all brands have made the commitment that by 2025 100% of our packaging will be recyclable or reusable. We are working on the transformation of our catalogue to promote mono materials. Currently L'OCCITANE en Provence and Melvita portfolios have reached a recyclability rate of approximately 57% (following Ellen Mac Arthur Foundation and CITEO methodology).

**Recycling programmes**

Moreover, Group ambition is deploying recycling programmes across all brands while adapting to customers' distribution networks and consumption models. The Group is working to ensure that all its brands have a recycling point for empty containers. Today, 48% of Group's owned stores are equipped with a recycling service.

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® almost 1 million units

collected through Terracycle for L'OCCITANE en Provence.

In June 2021, 8 new European markets will join the strategic partnership formed in 2014 with TerraCycle®: L'OCCITANE en Provence stores in Austria, Belgium, Germany, Netherlands, Norway, Spain, Sweden & Switzerland. In addition, China is currently extending its recycling service to new stores and Thailand will also offer an in-store recycling service.

In addition to in-store points, LimeLife now has 1259 collection points thanks to its Beauty Guides, and DUOLAB uses a pre-stamped envelope system and based its loyalty programme on the return used capsules. These programmes can also include tips and advice to create useful upcycled objects from non-recyclable packages. Since the UK Duolab launch, 50% of the capsules sold have been collecting for recycling.

Aiming to achieve a goal of 100% of its company-owned stores having in-store customer recycling programs by 2025, L'OCCITANE should reach 65% of its target in June 2021 thanks to these new programs. In Southeast Asia, L'OCCITANE en Provence has launched "Big Little Things program" through the local partnership with iCycle, collecting more than 75% of the product sold in 2020 in Malaysia. Similar partnerships are being expanded in Singapore and in India.



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

2020

L'OCCITANE en Provence works to launch new recycling programmes in 8 countries in 2021

## LOCAL INITIATIVES - MALAYSIA & SINGAPORE



### Big Little Things programme in Malaysia and Singapore

More than 75% of the product sold in 2020 in Malaysia have been collected in the stores, thanks to the programme Big Little Things. This successful partnership with iCycle was created in an effort to educate and encourage the habit of recycling by making recycling accessible to consumers.

Launched in April 2019 in partnership with iCycle Malaysia, Big Little Things is a long term recycling programme available from 18 stores (year 2019) to 24 stores (year 2021) nationwide. We are proud to be the first and only beauty brand in the market to accept beauty empties from all brands and supported by 24,111 participants and still growing.

As today this programme has been launched in Singapore as well, across three stores island wide, being the first brand-led recycling programme to accept beauty empties across all brands and reward participants for it. Since the launch in April 2020, we are proud to have more than 3,000 participants who collective recycled more than 85,000 empties, equivalent to 8,800 kg of waste! We believe that by doing little things in our daily lives such as recycling, we can make a big impact together. This year, we aim to expand Big Little Things programme to more store in the country, with a goal of 8,000 participants.

About iCycle: <https://www.icycle-global.com/about-us/>

## L'OCCITANE LAUNCHES WORLD'S FIRST #MEGA SUSTAINABILITY CONCEPT STORE IN HONG KONG

In Hong Kong the local priorities are waste management and biodiversity, which are the two pillars for the MEGA (Make Earth Green Again) store on Pacific Place, a one year pop-up location that is half a store, half an experiential place featuring each of our priorities for a semester.

The #MEGA Sustainability Concept Store engages the public in environmental protection in a fun way with the #MEGA Sustainability Reward Program. Shoppers can earn rewards by achieving varied 'green tasks' – from dropping their beauty empties to the recycle bins in store and making a green commitment with the Tree of Wishes to completing a three-minute personal carbon footprint evaluation. Collaborating with different environmental NGOs, the store will regularly host pop-up eco-themed workshops, in order to inspire public participation in recycling. While the brand has never used plastic bags in its stores, the #MEGA Sustainability Concept Store goes one step further: no bags will



be provided in-store to encourage customers to bring their own.

So far we have collected about 300 kilos of plastic, glass and metal; we have recruited 4,000 people in the MEGA program and this store is the #1 in terms of repurchase.



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

**Packaging commitments & eco-conception innovations**

TARGET	FY2021	FY2020
100% recycled plastic bottles by 2025	<b>43%</b>	<b>32%</b>
40% of recycled materials in plastic packaging by 2025	<b>21.4%</b>	<b>14%</b>
25 eco-refills by 2021	<b>26</b>	<b>19</b>
100% of own-name stores to provide recycling service	<b>48%</b>	<b>42%</b>
Zero cellophane wrapping in retail products by end of 2022	<b>- 15.6%</b> of cello wrapping weight	<b>45%</b> of product using FSC-labelled and compostable cello wrapping



**Relaunch of our iconic Almond Milk Concentrate** with a packaging weight reduction of 20% and 35% of recycled glass in the jar. This product is also now refillable.



**Launch of plastic-free Solid Shampoos**, wrapped in FSC carton boxes. They can contribute to save 2,59 tons of plastic per year.

**Launch of our first aluminium tube with 95% of recycled aluminium.**



**Eco-refills:** we had a target of 25 eco-refills in our product catalogue by 2021 and **we reached 26 eco-refills in 2020**. Our eco refills contribute to save from 78% to 97% of packaging material compared to the standard product. This year, they contribute to **save 251 tons of packaging**.



**Refill Fountains in store:** the first pilots were launched in Spain and Germany in 2019. In 2020, convinced by the positive impact of this innovation, we have decided to roll it out globally. **Our target is to have 60 Refill Fountains in store by the end of FY2022.**

Melvita

**Packaging commitments**

TARGET	FY2021	FY2020
100% recycled plastic bottles by 2025	<b>74.7%</b> (and 11% in tubes, caps not included)	<b>47%</b>
Increasing use of recycled glass in bottles and jars	<b>22%</b>	<b>7%</b>

ELEMIS

- Aim for **100% of all packaging to be recyclable or reusable** by 2025
- Aim for **50% recycled plastic across our entire plastic use** by 2025
- Aim for all paper/cardboard to be **responsibly sourced** by 2025
- **Recyclable or biodegradable bags** and polybags

LA

- **100% recyclable** and rechargeable make-up palettes

## 2.4 Reducing the environmental impact of our production sites

The Group’s first responsibility as an industrial player is to put all efforts to ensure that the production facilities minimize its impact on the environment. Monitoring and reducing the resources used during the production process has been a priority of the operational and leadership teams since more than a decade. Today, the progress on Water, Energy and Waste management is reflected on the reduction achieved since 2015, such as 20% of our absolute water consumption and hazardous waste generated. Our next main targets are to reach **Carbon Net Zero emissions** and **100% circular water systems** by 2025 in our French manufacturing sites.

### MANUFACTURING SITES TARGETS

( main manufacturing sites located in France )

**BY 2025**








# Carbon Net Zero

# 100%

“dry” factories or circular water system

### PRODUCTION SITES PROGRESS FY2016-FY2021

(scope main production sites located in France see [APPENDIX 2bis](#) for KPIs table detailed)

WATER CONSUMPTION REDUCTION		ENERGY CONSUMPTION REDUCTION & TRANSITION		RESPONSIBLE WASTE MANAGEMENT		HAZARDOUS WASTE REDUCTION
Water absolute consumption (m3)	Water Intensity consumption (L/unit produced)	Renewable energies	Energy intensity consumption (kWh/ unit produced)	WASTE RECYCLED OR REUSED	WASTE SENT TO LANDFILL	Hazardous waste absolute reduction (tonnes)
-20%	-25%	96%	-15%	70%	ZERO since 2018	-20%
						



## Water management

Water, as a key ingredient in product formulas and as a material necessary for manufacturing processes, is a major resource for the Group. Optimizing water management has become a priority in the production process. This requires in particular an optimal treatment of wastewater and reduced consumption.

All the water directly used by the factories comes from the public network. The Lagorce site is subject to special monitoring, due to its geographical location in a water stress area.

During this year, the sites in France succeeded in reducing their city water consumption by 9% compared to the previous year, and 20% compared to FY2016.

- Since FY2016, factories have succeeded in reducing the intensity of their water consumption by 23%, in m<sup>3</sup> per ton produced.
- Since FY2016, factories have succeeded in reducing the intensity of their water consumption by 25%, in L per unit produced.

Numerous projects aiming at reducing consumption on our industrial sites are underway:

- optimization of the cleaning of our reactors
- optimization of formula sequences
- mapping of water consumption with addition of sub-meter for the zones

In terms of wastewaters, the production sites located in France are compliant with current regulations

## Reducing the energy consumption and switching to renewable energies

To reduce the energy consumption of its sites in terms of production processes as well as in its stores, the Group has been investing during the last years in different programs such as the LED lighting system. The production sites have prioritized less energy-consuming manufacturing methods with cold processes or less intense manufacturing times.

During this year, the production sites in France have used 18,140 MWh of energy (electricity, gas and wood).

- Compared to FY2016, the factories managed to reduce the intensity of their energy consumption by 15%, in kWh per unit produced.
- Compared to FY2016, the factories succeeded in reducing their energy consumption by 5%, in MWh.

In 2019, the production sites in France ran a new energy audit. The outcome of the review process has been to establish a new energy transition policy with new objectives, including the Group's target to be certified ISO 50001 (energy management system) by 2022 and complete the deployment of LED lighting system already ongoing.

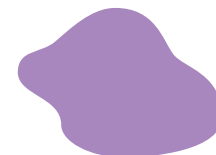
- In 2012 we started the transition to renewable energies of our production sites. Today we are using 100% renewable energies in our sites in Manosque and Brazil. We are still using 4% of non-renewable energy on our Lagorce production site, where we are looking for local alternative for biogas.



Our production sites located in France are certified ISO14001 since 2012

“ISO 14001:2015 specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance. ISO 14001:2015 is intended for use by an organization seeking to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.”

Source: <https://www.iso.org/standard/60857.html>.



## III. OUR GROUP SUSTAINABILITY PRIORITIES

### 3. Empowering all people

To maximize our positive impact on the society and the environment, beyond profit and stakeholders' satisfaction, we decided to focus on three sustainability priorities, one of which is to empower all people in our communities, focusing on promoting diversity and inclusion in our society.

We know that if we want a fair and sustainable world, our company has to promote diversity and inclusion for all kinds of people.

So how do we do it?

- By promoting **well-being in the workplace**
- By promoting **diversity, inclusion and female leadership**
- By developing and **training teams**
- By deploying a responsible **management of our value chain**.

#### 3.1 Empowering by promoting well-being in the workplace

As an international Group, L'OCCITANE seeks to promote well-being at work for all. We are committed to create a healthy and inspiring workplace.

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#### EMPLOYEES

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**8,733** staff (FTE)

**30%** turnover  
(vs 38% last year)

**50,5%** of women in key management positions  
(1 level down from Executive committee)

**5** countries implemented  
the new parental policy

**7%** manufacturing staff with disabilities  
and 1% of retail staff

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In an effort to ensure continuous improvement, the L'OCCITANE Group engaged in the Great Place to Work<sup>7</sup> initiative since 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 Group<sup>8</sup>. 5,565 questionnaires were submitted, with a **78% response rate**. In April 2020, the Trust Index<sup>TM</sup> score (**67%**) was 3 points higher than in 2017 (date of the previous survey), and 4 points higher than the sector average<sup>9</sup>. 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%).

*“In 2022 we will deploy ‘Great Place to Work’ globally with the goal to achieve 70% score as a Group”*

Seven subsidiaries were eligible for certification<sup>10</sup> 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 market<sup>11</sup>. These improvements are the outcome of the efforts deployed over the last years through the four pillars of the ‘Trust and Empower People’ programme.

<sup>7</sup> The Trust Index<sup>TM</sup> questionnaire covers five 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.

<sup>8</sup> Brazil, Canada, France, Ireland, Japan, Malaysia, South Africa, L'OCCITANE International, UK and USA.

<sup>9</sup> Sector average: 63% (Source: Best Workplaces France).

<sup>10</sup> Subsidiaries in France, Ireland, USA, Canada, Brazil, UK and Malaysia are eligible for certification as they achieved a Trust Index<sup>TM</sup> 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).

<sup>11</sup> The Ireland, USA, UK and Malaysia subsidiaries are Best Place to Work as of 2019.

### 3.2 Empowering by promoting diversity and inclusion

The L'OCCITANE Group's spirit embodies a vibrant, multi-local culture around the world.

Building a more diverse and inclusive organisational culture is one of the ways we cultivate change.

We aim to empower ALL PEOPLE in our communities, focusing on promoting diversity and inclusion and female leadership, thus fostering well-being in the workplace.

This involves building an inclusive workplace that makes our people feel respected and valued for who they are as an individual. It also means creating a work environment where everyone feels empowered to take initiatives, and that fosters innovation to reveal our customers' natural and radiant beauty. And it also includes recognising that equity is critical to creating sustainable change for our business and for society. It means supporting a culture that focuses on all abilities, inclusive of all communities.

87% of L'OCCITANE Group employees are female working around the world in our headquarters, production sites, stores and institutes. 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 parity (50,5% women) in top management positions (one 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 ELEMIS was founded by 3 women and a man and continues to be led by the co-founding team.

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 (10%) and 4 women vs. 8 men (33% vs 25% last year).

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 international 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.**

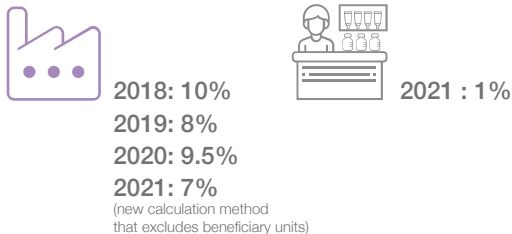


This policy is being deployed gradually and will be rolled out across all Group entities by March 2022, covering families who welcome a child by birth, adoption and surrogacy. This policy was designed to respond to a variety of concerns:

- **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.

A decade of inclusion programs in France



Manufacturing sites workforce with disabilities e(excluding Brazil)  
 Retail offices and stores workforce with disabilities 2021-

Since more than a decade at our main manufacturing sites in France, there has been a strong program to promote the inclusion of people with disabilities, including personalised support plans, workplace adjustments and awareness-raising activities. As result of this strong commitment today we count with 7% of our employees as part of this collective.

Since 2010, our french production sites have been in partnership with the AGEFIPH (association de gestion du fonds pour l'insertion professionnelle des personnes handicapées), an association which engages in the employment and accompagnement of people with disabilities. In addition, since September 2010, they have been as well involved with ARPEJEH Association (Accompagner la réalisation des projets d'études de jeunes élèves et étudiants handicapés) which assist young student with disabilities with their study projects. The aim of this partnership is to increase the confidence of the professionals and students and to bring awareness of their specific needs to the people they come into contact with during their work and study projects.

Finally, since 15 October 2012, a dozen employees with disabilities from l'ESAT Les Ateliers du Fournas in Manosque, named 'ESAT HORS LES MURS (ESAT 'OUTSIDE THE WALLS') is working with our Logistics teams. They make high quality display boxes and managed various aspects of the process.





### 3.3 Empowering by training and developing our people

Group L'OCCITANE creates the conditions for employee engagement and performance through daily development actions. There is a wish to provide motivating and sustainable professional development opportunities for each employee in the Group.

#### Our objectives:

- offer a common professional, attractive **integration experience**;
- **support the different talents** in the Group for them to reach their full potential;
- prepare for the future by **developing a digital culture** and implementing new ways of working;
- enable employees and their managers to **grow by learning** on a daily basis. Over 8,000 employees from L'OCCITANE en Provence around the world use MY True Story, our e-learning platform. In the fall of 2020, we also launched 'Truth in Beauty', the LMS platform for ELEMIS teams.

Three years ago we have launched our programme 'Trust and Empower people'.

This strategy is based on four key aspects:

#### A. Nurturing a culture: developing leadership and management practices based on trust and feedback

To build collaboration and trust, it is essential to be able to challenge each other, to be transparent and to name problems when they happen. In one word, we need people that live and breathe a culture of authentic feedback. This is why we are currently deploying a global 1-day training on the Culture of Feedback. This training has been launched in 4 regions so far: Americas (Mexico), Greater Europe (France, Switzerland, Germany), Asia-Pacific (China, Korea) & Japan.

This year it has been launched as well a new Management Program for the middle and senior managers called "The Quest" which focus is to learn how to know better your team to implement more transparencies and trust in our managerial practices. In order to foster a "ONE TEAM" mindset and focus on building & sharing a trust-based leadership, the

Group launched its dedicated Leadership Program – Time to Lead – for all the top managers of the organization (around 90 people) .

As of June 2021, 100 % of all L'Occitane leaders have participated to the Time to Lead PART 1. The roll-out will be finished by February 2022.

#### B. Develop digital and retail skills: promoting digital tools across the company to support retail staff in their customer interactions.

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), one bespoke programme for Retail teams in July 2020.

In order to upskill and retain our Digital Talents, we have successfully launched, two promotion of our CRM Academy. The aim is to harmonize and upskill CRM experts for all around the world, giving them the opportunity to be internally certified;

Because it is key to impulse the digital transformation from the top of the organization, we plan to deliver a dedicated program - «Elixir» - for our General Managers to acknowledge the importance of data in business.

The end of this year will see the launch of an 7-module course on supply chain expertise, as well as a My True Story platform for ELEMIS teams.

#### **C. Be employee-centric: managing talent and improving employee experience;**

In 2020, the Group launched Horizon program, 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.

In September 2021, the new global Onboarding training path will be launched on MyTrueStory to give the newcomers an overview on all brands & businesses, including the sustainability priorities and commitments. A complete digital interactive experience of the L'OCCITANE Group: discovery of

the brands, the labs, factories, iconic ingredients, values & commitments.

We are also planning to relaunch the On-Boarding program for Retail population, taking into account the transformation that the Retail population is facing due to the pandemic and the shift on Omni channel new referential model for our customers. It will be the occasion to communicate in a most effective way our commitments to our customers.

#### **D. Implement Lean and Agile Organisations: developing a lean culture and meet the challenges of 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 towards a more agile model. Today, over 300 office staff and 50 teams 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.

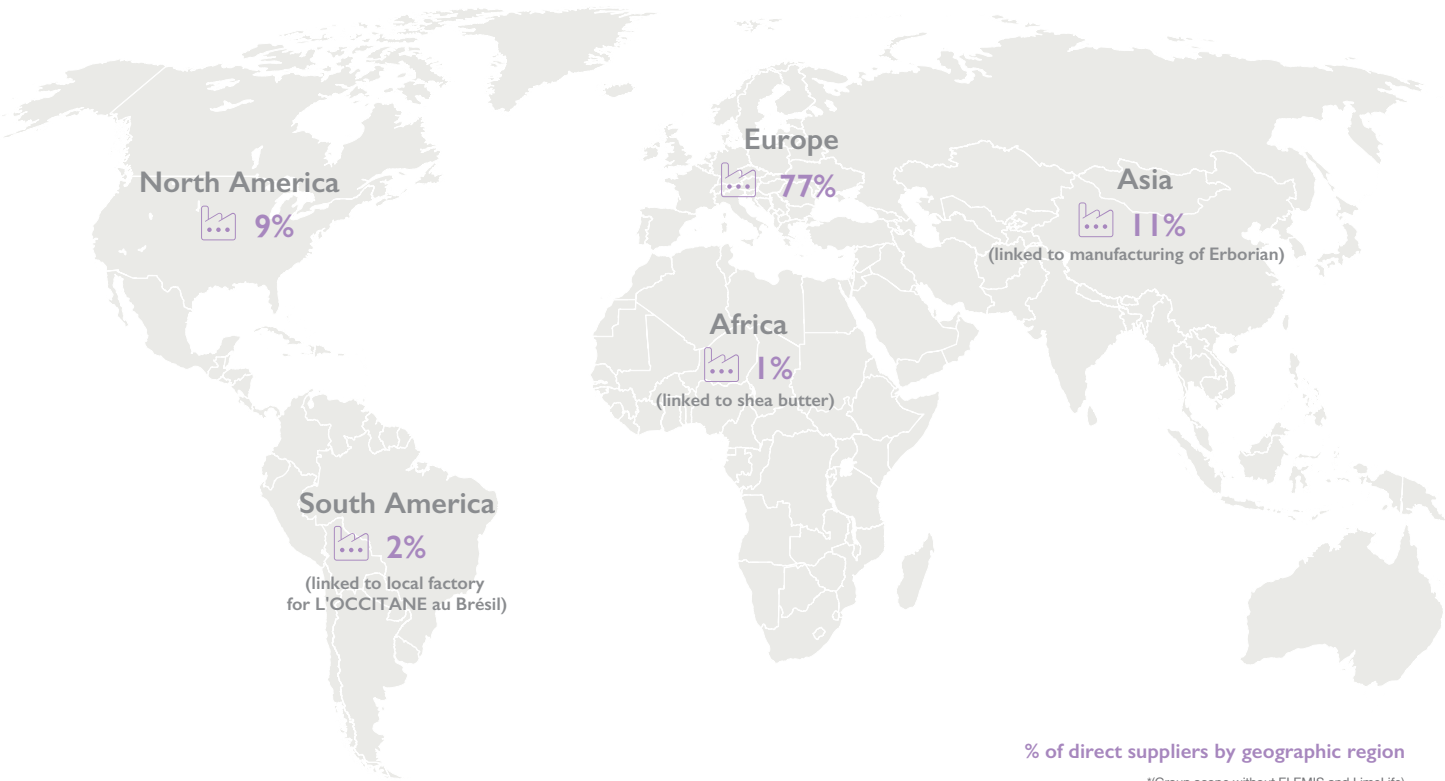




### 3.4 Value chain responsible management

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 ten years, we have favoured suppliers with practices that respected the planet and the people, and engage them into our environmental and social standards.

Direct suppliers – FY2021 figures\*



% of direct suppliers by geographic region  
\*(Group scope without ELEMIS and LimeLife)

- 2008** First producer partnerships established by L'OCCITANE en Provence
- 2008** Creation of the Sustainable Sourcing department: managing iconic ingredient supply and producer relations
- 2018** Creation of Group Responsible Procurement transversal role

- 2018** Launch of Group Sustainable Procurement program #NotJustSuppliers
- 2019** Group joins the Global Shea Alliance for 3 years Membership of the Responsible Beauty Initiative
- 2020** Group Sustainable Procurement programme is recognised by EcoVadis with 2 awards

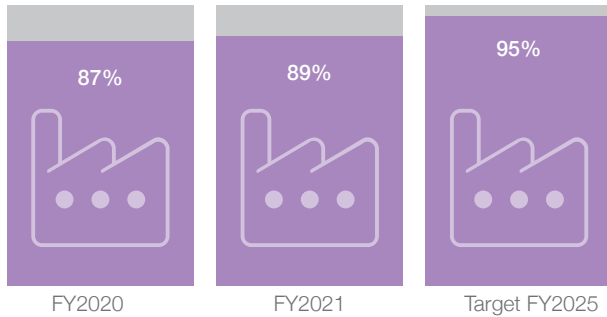
**CSR due diligence: managing risk in the supply chain**

In 2019, Group L'OCCITANE has launched a new ambitious programme named #NotJustSuppliers to manage CSR risks within its supply chain and its suppliers' sustainability performance at a large scale. As part of the #NotJustSuppliers programme, the Group undertook a comprehensive mapping of global CSR risks among its +1,500 suppliers' panel (100% Group expenditure), and across all categories of purchases, which enabled us to identify at-risk and strategic suppliers. Following this mapping of CSR risks across

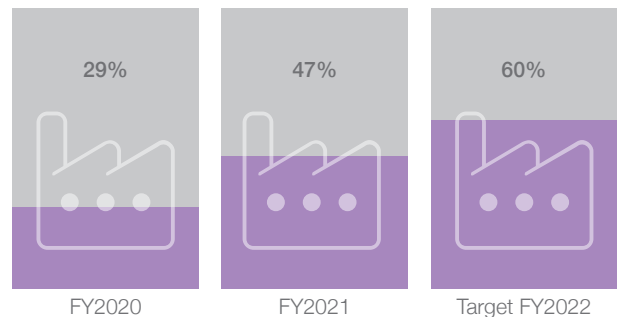
all direct and indirect Group purchases, the Group worked with EcoVadis (see below) to evaluate the CSR performance of more than 300 suppliers (accounting for over 60% of expenditure managed by the Purchasing teams).

At the end of 2020 the CSR programme for suppliers has been launched in ELEMIS and LimeLife. For the rest of the Group the programme is already covering 99% of direct purchasing expenditure, including a formal sustainability assessment through EcoVadis for 89% of them.

Direct purchases covered by a sustainability performance assessment



Indirect purchases covered by a sustainability performance assessment



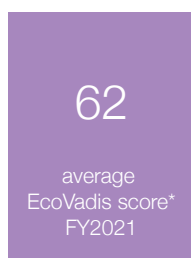
**Supporting our suppliers in improving their CSR performance throughout the value chain**

The Group is keen to help its suppliers improve their CSR performance as assessed by their EcoVadis rating. By 2021, the Group had targeted 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 2021, the average rating is 62,1 on direct suppliers and 57 on indirect suppliers, well above the general average (49) 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. CSR criterias are also included in Tenders since 2020.

Suppliers sustainability performance of Group direct purchase\*



\* average spend-based.  
[Scope: L'OCCITANE, Melvita, Erborian, L'OCCITANE au Brésil brands]

## A KEY PARTNERSHIP WITH ECOVADIS AND TWO AWARDS FOR OUR SUSTAINABLE PROCUREMENT PROGRAMME

**ecovadis**

EcoVadis provides business sustainability ratings, for more information <https://ecovadis.com/>

In early 2021 the Group has been recognised by EcoVadis for its #NotJustSuppliers global sustainable procurement programme, as well as the outstanding programme leadership under the direction of Katia Michieletto, L'OCCITANE Head of Responsible Purchasing.

The Sustainable Procurement Leadership Awards celebrate excellence and recognise the outstanding performance of companies in their relationship with trading partners around the globe. Additionally, they serve to acknowledge and celebrate companies partnering with EcoVadis that are driving progress in sustainability by setting bold and ambitious goals. Nominees were evaluated on strategy and approach, procurement integration, scale and coverage, and programme results.

*"Our 2021 winners have gone big on their commitments to see actionable business value from sustainability by working to spark real change where it matters most – across the supply chain."*

Pierre-François Thaler, Co-CEO, EcoVadis

*"Sustainability has always been at the heart of the L'OCCITANE business strategy. This award reflects the public's recognition of our strategy in which we consider our suppliers to be true business partners with whom we can build environment-friendly solutions that delight our customers."*

Elvire Regnier-Lussier, L'OCCITANE Chief Procurement Officer

*"I am deeply honoured to receive this prestigious award. It is thanks to the collaborative support of EcoVadis and our leadership team, working closely with our suppliers and purchasing teams around the world, that we are able to continuously improve sustainability within our supply chain."*

Katia Michieletto, L'OCCITANE Head of Responsible Purchasing



### Going beyond with the Responsible Beauty Initiative

Since April 2020, the Group has joined the RBI (Responsible Beauty Initiative), led by EcoVadis and leading companies in beauty industry such as L'Oréal, LVMH, Clarins or Groupe Rocher. We participate actively and specifically to the 'Going Beyond' workstream that aims at supporting the RBI members' suppliers in improving their CSR performance. Some deliverables of this workstream are a whitepaper gathering guidelines for improvement and best practices from some suppliers and some webinars performed by RBI members to release this whitepaper and support in their sustainability journey the largest number of suppliers – approximately 500 suppliers attended these webinars.





IV. GROUP L'OCCITANE'S PHILANTHROPY - 53

## IV. GROUP L'OCCITANE'S PHILANTHROPY

### L'OCCITANE Foundation three key commitments

The L'OCCITANE Foundation was created in 2006 and one of its key priorities is «Caring for Sight», which it does by supporting projects offering quality eye care worldwide. The Foundation is also committed to “Empowering Women” in Burkina Faso, funding training projects and supporting women entrepreneurs to set up their own projects. Finally, the Foundation supports projects for “Respecting Biodiversity”, both in Provence and around the world.

### 4.1. Resources

Each year, the Foundation receives an average allocation of 1.3 million euros. In addition to this, the Foundation supports projects, thanks to the profits generated by the solidarity products sold around the world by the brand L'OCCITANE en Provence (100% profits<sup>12</sup> donated). L'OCCITANE en Provence subsidiaries and distributors' local philanthropy budgets also participate in the global philanthropy amount, with monetary or products donations. In FY2021, the total reached has been 3,600k€.

### 4.2. Uses

#### • Caring for Sight

The Caring for Sight programme unites L'OCCITANE's initiatives worldwide to combat preventable blindness. It consists in numerous partnerships with NGOs worldwide and supports eye screening, treatment and surgery projects, and funds the acquisition of equipment and the training of medical teams. Those initiatives are divided into three categories: an international partnership with UNICEF to help preventing childhood blindness worldwide; support to NGOs in Burkina Faso (particularly to improve access to quality eye care and eliminate onchocerciasis and trachoma); and local

## MORE THAN 13 MILLION BENEFICIARIES

projects identified and supported by L'OCCITANE subsidiaries (25 of them found an NGO to partner with during FY2021). When this programme was created in 2015, its objective was to offer eye care to 10 million people by 2020. This goal was exceeded, as more than 13 million beneficiaries received eye care at the end of 2020! A new ambitious goal has been set: reaching 15 million beneficiaries by 2025.

- In FY2021, **2 million euros** were allocated to Caring for Sight projects to reach **2,673,233 beneficiaries**<sup>13</sup> all around the world.
- From the beginning of the commitment until end of March 2021, L'OCCITANE and its Foundation have contributed<sup>14</sup> to providing eye care to **13,824,417 beneficiaries** around the world.

<sup>12</sup> Sales price in store minus taxes, transport and production costs

<sup>13</sup> Based on estimation written in partnerships agreements signed in FY2021

<sup>14</sup> Based on final numbers written in the NGO's reports received by the 31st of March 2021.

2000

Launch of 1<sup>st</sup> solidarity product by L'OCCITANE en Provence, with proceeds donated to NGO's projects

2002

ELEMIS supports Breast Cancer Care

2006  
2007

Creation of L'OCCITANE en Provence Foundation

2010

MELVITA launches its own Foundation for preserving Biodiversity and safeguarding bees

2013

L'OCCITANE en Provence recognised by UNDP as example of good practice for its work in Burkina Faso

2015

ELEMIS supports Women for Women International helping marginalised women in conflict areas

L'OCCITANE launch the first edition of the Race for Vision to raise funds to fight blindness in countries



## MORE THAN 42,000 WOMEN

### • Empowering Women

Since the 1980s, L'OCCITANE has worked in close collaboration with women producing shea butter in Burkina Faso. The L'OCCITANE Foundation supports projects aiming at empowering girls and women in Burkina Faso, through education trainings and entrepreneurship. In 2020, L'OCCITANE and its Foundation exceeded their objective of helping 33,000 women, as they supported more than 42,000 women since the beginning of the programme. During FY2021, in order to meet the primary needs of girls and women displaced by the deterioration of the security situation in Burkina Faso, the Foundation is supporting emergency actions led by Médecins sans Frontières.

- In FY2021, **433K euros** have been allocated to Empowering Women projects, supporting **25,281 women**<sup>14</sup> in Burkina Faso.
- From the beginning of the commitment until end of March 2021, L'OCCITANE and its Foundation have contributed<sup>14</sup> to supporting **42,731 women** in Burkina Faso.

### • Respecting biodiversity

Founded in Provence, L'OCCITANE has been committed since its creation to preserving the natural heritage of Provence and the Mediterranean region. During the FY2021, the Foundation is pursuing this commitment in Provence and taking action more broadly by encouraging all L'OCCITANE en Provence subsidiaries to also support local actions to reforest or promote agroforestry (nine of them did it in during FY2021).

The L'OCCITANE Ecosystem Restoration Fund, created in 2020 to protect biodiversity for future generations, aims to respond on an ad hoc basis to climate emergencies by restoring ecosystems severely affected by natural disasters, such as forests devastated by fires in Amazonia and Australia.

- In FY2021, **257K euros** were allocated to respecting biodiversity projects contributing to preserve **261 new varieties**<sup>14</sup>. In addition **250,000 euros** were allocated by the L'OCCITANE Ecosystem Restoration Fund.
- From the beginning of the commitment until end of March 2021, L'OCCITANE and its Foundation have contributed\* to protecting **989 varieties** in Provence and around the world.

2016

L'OCCITANE launch the first edition of L'Occitane pour Elles programme, to support women entrepreneurs in Burkina Faso

2017

L'OCCITANE started to support UNICEF to help prevent childhood blindness around the world with a minimum of 1M€/year

2017

LimeLife creates Brighter Together Foundation to encourage female entrepreneurship in disadvantaged communities

2018

LimeLife creates Fempire Fund supporting female business founders

2020

L'OCCITANE and its Foundation achieved 2 key targets for 2020:  
>33,000 women supported in Burkina Faso  
>10 million beneficiaries received eye care

2020

MELVITA celebrates 10 years of commitment, 700 K€ to support 82 projects and implement 1150 beehives in France and abroad.

L'OCCITANE  
EN PROVENCE

L'OCCITANE  
EN PROVENCE

Melvita



erborian  
KOREAN SKIN THERAPY



L'OCCITANE  
AU BRÉSIL



L. LimeLife by Alcone

ELEMIS



LimeLife by Alcone

ELEMIS



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L'OCCITANE  
EN PROVENCE

### L'OCCITANE en Provence Sustainability pledge

L'OCCITANE en Provence is imagining, producing and selling beauty, skincare and wellbeing products with an intention to share nature's wonders with the world.

Our ambition is to not only sustain lands, but to regenerate ecosystems. We believe beauty goes beyond what the eye can see. From seed to skin, we are holistic in our approach. We nurture nature for a better future. We do everything we possibly can to create positive change for the world, and we inspire everyone around us to do the same. By reviving the strength of all living things, we can help seeds bloom again and reconcile humans with nature.

#### We are Cultivators of Change.

Every year, we plant powerful ingredients, which are in perfect symbiosis with their ecosystems. We turn to Mother Earth and marvel at her in bloom. We explore her treasures and investigate our own methods until new breakthroughs are revealed. We craft them into unexpected memories. We team up with people at a local level because we believe that any act can make a difference, no matter how big or small.

From Provence and beyond, it's a beautiful and ever-evolving story that we will continue to write together.

### “Close the gap between intentions and actions”

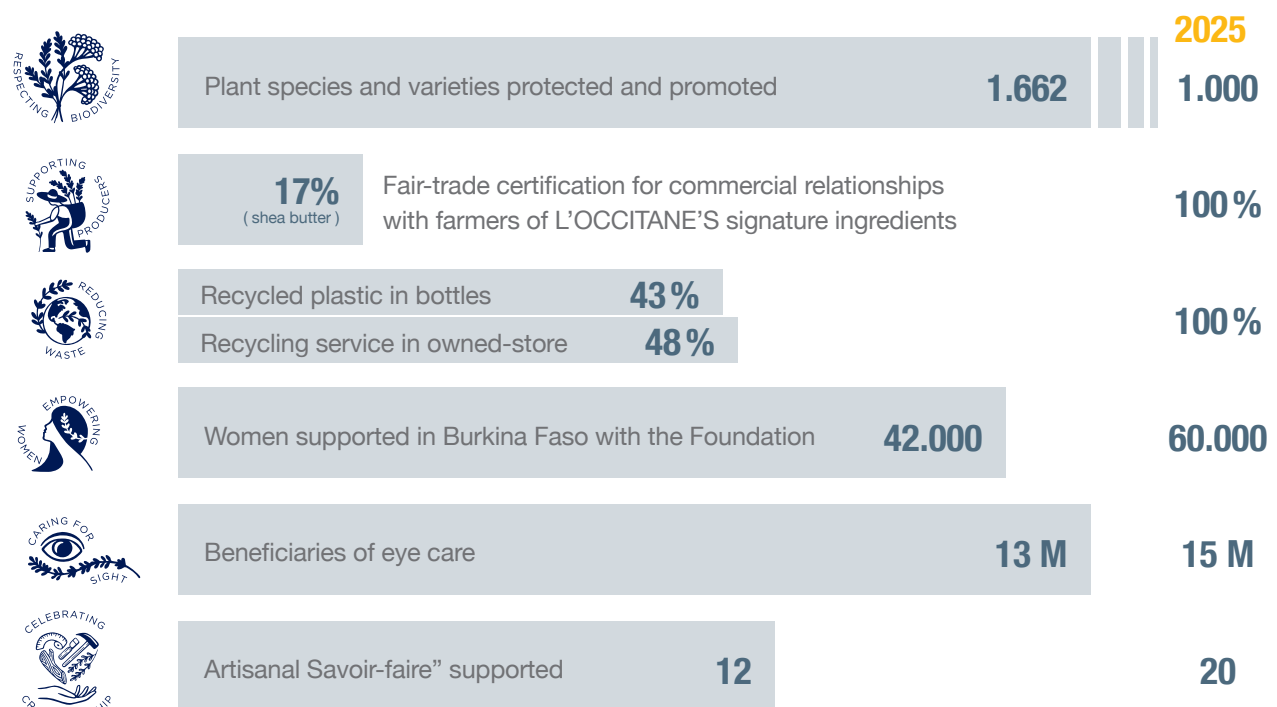
We all wish for a better world. A more inclusive society and a greater respect for people and the planet. But wishing is not enough. We need to challenge ourselves — the way we think and most importantly, the way we act. As Cultivators of Change, we can all do better.

We want to push ourselves, our community and partners to adopt a changemakers mindset. To close the gap between intentions and actions.

Facing the problem instead of avoiding it, because we believe that every action — big or small — can make a difference.

### “Reconcile humans with nature and themselves to turn consumption into regeneration”

#### Our key commitments:



ELEMIS

## Caring now for a better future.

The global problem – the need for change

**20 BILLION UNITS** of packaging are produced annually by the cosmetics industry<sup>1</sup>

Cardboard alone contributes to the loss of **18 MILLION ACRES** of forest every year<sup>1</sup>

**70%** of the beauty industry plastic waste is **NOT RECYCLED**<sup>2</sup>

**56% of Brits** do not recycle their **BATHROOM** products due to **INCONVENIENCE & CONFUSION**<sup>3</sup>

**50%** of the environmental footprint of a product is linked to its **packaging**<sup>4</sup>

Beauty & personal care accounts for **1/3rd of all landfill waste**<sup>5</sup>

Sources: <sup>1</sup>Zero Waste Week 2018, <sup>2</sup>Environmental Protection Agency 2020, <sup>3</sup>Garnier, <sup>4</sup>L'Oreal, <sup>5</sup>InSignes Agency – sustainability workshop presentation February 2020.

## The ELEMIS Pledge to Sustainability

Elemis are skin wellness experts,  
committed to promoting healthy skin, body and mind,  
whilst caring for our planet.

*“ELEMIS is dedicated to being a leader of change and we are determined to leave no stone unturned on our mission to reduce our brands footprint on the planet. Our goal is to become the most sustainable premium British skincare brand.*

*We are moving fast and are focussed on maximising our positive impact on society and the environment, beyond profit. ELEMIS has aligned with L'OCCITANE Group 3 key pillars of purpose - BIODIVERSITY, CLIMATE and PEOPLE.*

*ELEMIS is improving the eco-design of its formulations to reduce pollution, promoting more sustainable packaging and sourcing of raw materials whilst continuing to focus on the wellbeing of our communities both inside and outside the business. Our philanthropic commitment will increase further, focusing on Mental Health & Wellness, Water Safety and Disease Prevention.*

*Going forward, the only impact we intend to make is positive.”*

**Oriele Frank** - Co-Founder and Chief Product & Sustainability Officer

## The History

ELEMIS was born out of the vision to bring together the power of nature, science and aromatics. The 3 co-founders Sean Harrington, Noella Gabriel and Oriele Frank continue to spearhead the brand today.

We are a skin wellness brand with an aromatherapist's soul, an artist's spirit, and a scientist's commitment to results. An innovative and global British skincare brand with over 30 years of expertise and available in over 45 countries, we believe in 'Truth in Beauty'.

We are passionate about taking care of your skin, body and mind. Our focus is delivering proven results with feel-good skincare products, combined with cutting-edge patented and scientific technology. Our award-winning skincare portfolio includes face and body products and professional treatments with revolutionary formulas.

Nature powers our products: by sourcing natural extracts that catalyse each other and harnessing the power of nature's finest active ingredients, we can deliver results that you can see and feel, both inside and out.

Education at ELEMIS is key, pivoted now on to a digital learning platform to continue educating thousands of therapists in the ELEMIS professional treatments around the world.

Every year we work with millions of clients across the globe - in spas, retail stores and online via virtual consultations. Our extensive experience in facial services means we have first-hand knowledge of our client's complexions and how to tailor skincare solutions for every individual.

**ELEMIS aims to be the most sustainable premium British skincare brand by 2025**

**THE CHOSEN ELEMIS 6 - UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**



**CHAMPIONING A CIRCULAR ECONOMY**

THE 5R's - REMOVE, REDUCE, REUSE, REFILL, RECYCLE

TOP 20 ELEMIS SUPPLIERS COMPLETING 'ECOVADIS' CSR SUSTAINABILITY ANNUAL RATINGS ASSESSMENT

**COMPLETED ANNUAL CARBON ASSESSMENT**

Annual reduction plan to be implemented in line with SBTi\*

**ELEMIS PILOTING 'RRR'**

Face & Body Cleansing Station. Return, Refill, Repeat at COP26 Climate Conference, Nov 2021

**Moving towards more sustainable packaging**

As of 2020, our ongoing sustainability initiatives will result in an annual reduction of 45 tonnes of paper and 320 tonnes of plastic from landfill



SUPERFOOD range completely repackaged with recyclable componentry, where possible and cartons.



Removed spatulas, saving 1.7 tonnes of plastic landfill.



New 100% recyclable cartons made with FSC board. Removed 4.6M internal leaflets.



100% recyclable Christmas packaging and reduced use of plastic. No more magnetic closures.

## BIODIVERSITY

### IMPROVE ECO-DESIGN OF FORMULATIONS

- All new products to include a certified organic/fairly traded ingredient(s) by 2022 (Ie. Soil Assoc., COSMOS, Fairtrade, USDA)
- All new rinse-off products to be over 95% biodegradable, where possible
- All palm oil derivatives to be 100% RSPO by 2023 (ELEMIS does not use any Palm Oil - only derivatives)

## PEOPLE

### ELEMIS EMPLOYEES & COMMUNITY

- Obtain the certification B Corp by 2022

### ENVIRONMENTAL, SOCIAL PARTNERSHIPS AND PHILANTHROPY

- Aim to donate 1% of revenue to support CSR goals by 2026.

## CLIMATE

### REDUCE EMISSIONS & WASTE: LOGISTICS, SUPPLY CHAIN AND ENERGY

- Carbon Net Zero by 2025 – Members of the Race To Zero
- Maintain 100% Renewable energy and encourage throughout the value chain

### PACKAGING

- Aim for 100% of all packaging to be recyclable or reusable by 2025 (Inspired by the Ellen MacArthur Foundation guidelines)
- Aim for 50% recycled plastic across our entire plastic use (Inspired by the Ellen MacArthur Foundation guidelines)
- Aim for all paper/cardboard to be responsibly sourced by 2025

### REDUCE PRODUCTION IMPACT ON LAND AND WATER

- Top 20 suppliers complete annual Ecovadis CSR assessment annually

## Our Journey Continues



### ECOMMERCE SHIPPING

New environmentally friendly shippers rolling out for e-commerce, aiming to eliminate all plastics in order packing with 100% recyclable paper.



### RENEWABLE ENERGY

ELEMIS utilizes 100% renewable energy from sun, wind and water at all UK locations and no waste to landfill. By 2022, all ELEMIS locations will follow this lead.



### OCEAN WASTE PLASTIC

Incorporate 30% PCR material and ocean waste plastic where possible.



### PLASTIC REDUCTION

Replacing high volume Pro-Collagen Jars with 100% recyclable jars. Move to single-walled tubes reducing plastic.

Melvita



### New brand purpose:

With our communities, we reveal the power of Unspoiled Nature by providing RegenerativeOrganic™Care that enhances your beauty, and celebrates a sustainable lifestyle.

### SustainOrganic™ Care Pioneers

#### Enhance (our) nature

#### Purpose manifesto

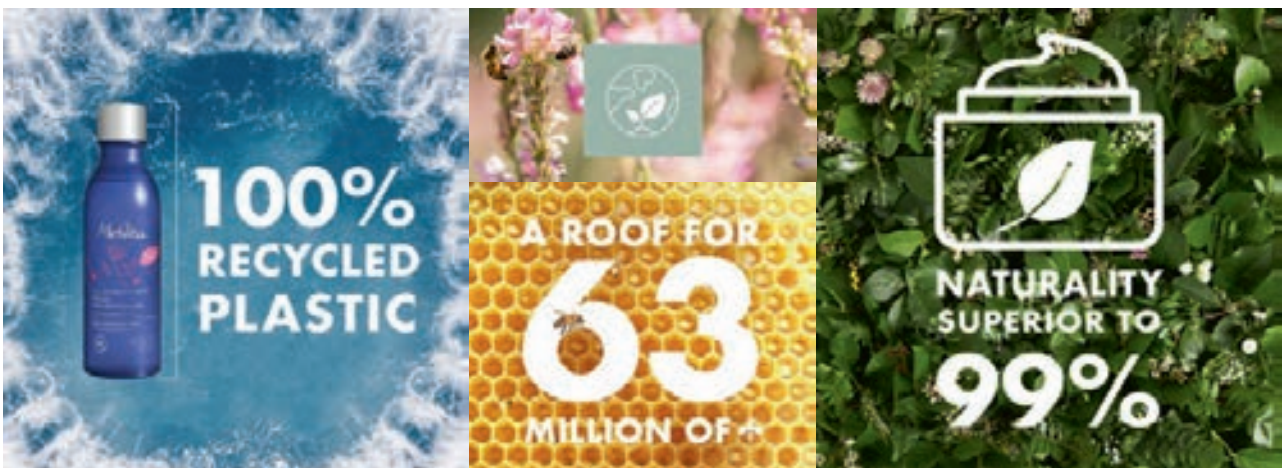
Businesses know that they have a role to play - their clients and their teams, all looking for meaning, remind them on a daily basis. Whether purpose-native, born from a desire for impact, or seeking to pivot old models, there are many who have taken on this responsibility. Neutralising the negative impact of an activity is a first step, necessary but alone insufficient: **we are already at the next stage - seeking the positive impact of companies, their effective contribution to this, more sustainable, and more inclusive world.**

Our path to improvement must be continuous - anticipating future challenges, and introducing sustainability in all levels of the business value chain. The organic example is illustrative of this type of innovation. Organic certification, of which Melvita was pioneering in the cosmetics sector, is a guarantee of quality, transparency and confidence that is powerful. However, it does not disclose «everything» about the social and environmental impact of a product.

In order to encourage consumption and habits that are ever more responsible, we need to collectively go

“beyond” organic. The time has come for an approach that is **SustainOrganic™**, one which combines organic certification with other markers of sustainability - local production, transparency and traceability, a fair approach to producers and partners, non-profit engagements ... From the beginning, with our communities, we have been cultivating this approach at Melvita, and we are committed to developing it further, with RegenerativeOrganic™ care. The trajectory is ambitious: beyond a positive impact, it is now a question of providing a significant contribution to the restoration of natural and human ecosystems.

The dizzying degradation of our biodiversity reminds us that the magnitude of the challenge necessitates **commitment and humility in equal measure**. Aligning the business models of companies with a need for sustainability and regeneration is a long journey: the main thing is to commit. We are all part of the success of the ecological transition: beyond a technical or sectoral approach, organic is well and truly a global way of life, which belongs to us all, to embrace where possible, daily.





L. LimeLife by Alcone

## Sustainability, vision, and engagement areas in social and environmental issues

- Creating opportunities and empowering all people in the communities in which we are engaged, with a focus on women's empowerment.
- Protecting and restoring natural and cultivated biodiversity.
- Delivering dramatic changes to mitigate the climate crisis.

## LimeLife highlights of the year on social and environmental positive impact

- Provide a flexible income revenue for women in our markets, allowing them to earn money while having the flexibility to address other responsibilities in their life. To date, we have helped women across 9 different markets earn more than \$40 Million dollars in sales and leadership commission.
- Create opportunities for female entrepreneurs in Guatemala, India, Burundi, Tanzania, and Nicaragua through over a half a million dollars in funding for entrepreneurial education.
- Develop training model that helps women elevate their overall wellness and help them develop the entrepreneurial mindset and skills that will lead to a more elevated financial future.
- Committed in protecting and restoring natural and cultural biodiversity by sourcing from bio-diverse small farms.
- Introduction of refillable packaging on selected products.
- Recycling programs.

## Creating positive social impact

To date, LimeLife has helped women across 9 different markets earn more than \$40 Million dollars in sales and leadership commission, by providing a flexible income revenue. These opportunities allow them to earn money while having the flexibility to address

other responsibilities in their life. We continuously develop training model programs that substantially help women elevate their overall wellness, including helping them develop entrepreneurial mindset and skills that will lead to a more elevated financial future.





Since 2017, LimeLife has started and been continuously leading a global initiative in creating opportunities by empowering all people in the communities in which we are engaged across the world. These opportunities are focused on women's empowerment, in helping female entrepreneurs in countries such as Guatemala, India, Burundi, Tanzania, and Nicaragua with the Brighter Together Foundation, partnered with Project Concern International (PCI), a Global Communities Partner. This initiative turns inspiration into action through community, collaboration and empowerment, and helps to realize a vision of a world in which women and girls control their futures, are valued as leaders, have access to the resources they need to thrive, and live in safe and resilient communities where their rights are fulfilled and protected.

Brighter Together has currently donated over a half million dollars to PCI through donations raised from LimeLife by Alcone Beauty Guide career advancements, sales of Brighter Together Collections and Bundles, LimeLife's recycling/refill program and an annual Brighter Together global sales event.

Women Empowered (WE) is PCI's global initiative dedicated to promoting the economic and social empowerment of women. WE members form savings groups to save money, develop financial literacy, make loans to one another, and invest in income-generating activities. In addition to increasing women's access to financial services, WE groups focus on building life skills and employment capacities, boosting self-esteem and self-efficacy.

Additionally, groups increase access to information and resources and promote collective action and community organizing.

These trainings build from the foundation of the WE methodology to provide groups and their members with basic business competencies and practical life skills that help them achieve greater social and economic empowerment. Funding from Brighter Together has directly supported life skills training in Guatemala and Tanzania, while enabling PCI to support programs across all the countries where PCI works, including the introduction of life skills training to WE groups in Nicaragua and basic business skills training to women in Guatemala and Tanzania.



## Reduce our environmental impact

LimeLife has been introducing replaceable packaging and refills on selected products. These would include our new Green Smoothie skincare line, eyeshadow pallets and foundation pallets. By incorporating the refillable packaging, we promote the reduction of single use plastic and environmental waste across the value chain.



We have proudly partnered in 2019 with TerraCycle® recycling program and since then we have achieved a total 140,871 (and continuing) waste recycled across 1,259 collection locations. The recyclable materials include all LimeLife by Alcone skincare and cosmetics packaging, such as face cleanser bottles and pumps,

facial oil bottles and caps, custom cosmetics palettes, sunscreen tubes and caps, and face mask jars.

For more information on how the recycling program works and what happens with the recycled products can be found on website <https://www.terracycle.com/en-US/brigades/lifelife>



### REASONS TO SIGN UP FOR THE *LimeLife + TerraCycle Recycling Program*

- ✓ Ensures that your beauty product empties will not end up in landfills
- ✓ Your empties will be used to produce other products such as public playgrounds
- ✓ Recycling large quantities of your empties at one time helps to minimize our carbon footprint.
- ✓ US Beauty Guides & Customers can sign up for FREE!

Sign up for our **TerraCycle Recycling Program** now!  
*Terracycle.com/LimeLife*



We have also committed to protecting and restoring natural and cultivated biodiversity, by strengthening our relationships of bio-diverse, small farms around the world. These farms are committed in harvesting the most effective and most natural ingredients that in return are contributing to protecting the natural biodiversity of the area.

# APPENDIX 1: STAKEHOLDERS ENGAGEMENT PROCESS

STAKEHOLDERS	WHY WE ENGAGE	HOW WE ENGAGE	KEY TOPICS AND EXPECTATIONS
Shareholders and investors	We engage them on the sustainability strategy, and performance of the Group, with a focus on long-term positive impact and the triple bottom line model.	Reporting, answering questions, organizing face-to-face meetings, results presentation twice a year, dedicated contact for investors	Strategy and vision (business and sustainability), sustainability performance, ESG reporting, sustainability projects valorisation, positive impact and SDGs.
Employees	We value employee feedback so we can improve our processes and ways of working. This also helps us find out about potential concerns in a proactive manner, to nurture our talent, to attract new talents and to promote our company's values.	Sociabble (internal social media), surveys (Great place to work in most of the countries every 2 years, mood survey in many countries since the COVID-19), town hall with top management, headquarter and external speakers, solidarity events (Race For Vision), roll-out of agility way of working and flexible working among the whole Group.	Business strategy, customer expectations, health and wellbeing, career development, social benefits, diversity and inclusion, sustainability, values, transparency, ethics, fairness, feel included in the decision-making process, be heard, feel respected and valued, have a voice
Customers	Customers satisfaction and engagement is a top priority, we value their feedback on the products and on the brands experiences online or in stores. We also engage them on sustainability, inviting them to recycle or to buy eco-responsible products, through communications, stores, dedicated pop-up stores or experiences.	Social media listening, customer data analysis, interviews with beauty advisors, trend analysis, focus groups, customer service, questionnaires, dedicated Center to test formulas	Product safety, efficiency and quality, transparency on formula (ingredients, sourcing, naturality), product eco-design, environmental and social footprint of products, responsible sourcing, brand experiences beyond products, human rights, ethical business practices,
Suppliers	We engage on various topics so we can together raise the bar on sustainability performance and support our suppliers in overcoming challenges. Suppliers also help us manage our risks, collect ESG data, and improve traceability.	Sustainable sourcing team for local direct producers #NotJustSuppliers program (CSR criteria in supplier selection, performance review, risk management and innovation), partnership program, member of Responsible Beauty Initiative of EcoVadis, Global and local Purchasing organization #OneTeam	innovation with a focus on sustainable innovation, CSR performance, alignment with our Sustainability strategy, resilience, contribution to the SDGs
Industry associations and coalitions	Influence and transform business ecosystem and value chain towards more sustainable practices. We also closely monitor regulatory evolutions. Visibility, knowledge, best practices, business opportunities.	Meetings, conferences, calls, advocacy, membership, workshops	Regenerative agriculture and Biodiversity (OP2B) Plastic (EMAF), Climate (B-Corp Climate) Regulation (IVS, ...), Procurement Women leadership and network
Local communities	Local communities are key and our partners on the field in our Nature Positive and Carbon Net Zero ambition. We aim to generate a positive impact where we operate but also where we source, all around the world. This engagement is important to improve the livelihoods of smallholder farmers but also to secure supply of key naturals.	Sustainable communities' program, 9 employees dedicated to daily contact with local producers, Fair trade certification, RESIST program in Burkina Faso, Regenerative agriculture and Fair-trade farmer collective in France, forums with producers. L'OCCITANE Foundation and Fund, with a team of 5 persons, donations to local communities and NGOs (funds or products), where we source and where we operate (in subsidiaries)	Sustainable agriculture, living wage, livelihoods, know how, landscape preservation, family farming Access to health, education, training and security.
Industry associations and coalitions	Influence and transform business ecosystem and value chain towards more sustainable practices. We also closely monitor regulatory evolutions. Visibility, knowledge, best practices, business opportunities.	Meetings, conferences, calls, advocacy, membership, workshops	Regenerative agriculture and Biodiversity (OP2B) Plastic (EMAF), Climate (B-Corp Climate) Regulation (IVS, ...), Procurement Women leadership and network

STAKEHOLDERS	WHY WE ENGAGE	HOW WE ENGAGE	KEY TOPICS AND EXPECTATIONS
<p><b>NGOs and non-profit Organizations</b></p>	<p>We undertake actions at global and local levels on projects related to our responsible sourcing activities. We are also active on issues related to sanitation, biodiversity, climate and human rights. We build relationships with NGOs for influence matter, but also to support them for philanthropic matters, globally and locally (Foundation and Fund's activities, mostly on our historical commitments : to combat avoidable blindness, empower women and protect biodiversity; but also local commitments of our affiliates around the world).</p>	<p>Ongoing dialogue, face-to-face meetings, representation in governance (for instance within the Foundation's board), participation to conferences, webinars, training, collaborative projects, partnerships and philanthropic support (money and products donation, mostly), common communication and valorisation operations</p>	<p>Value environmental and social impact, support to rights-holders. When it comes to our philanthropic commitment, support NGOs to participate to make a change for women empowerment in Burkina Faso, fighting avoidable blindness and respecting biodiversity around the world.</p>
<p><b>Government</b></p>	<p>We commit to transparent and respectful tax policies with them and we do positive lobbying to make progress, enabling conditions and get funding for our responsible agenda, at national and local levels.</p>	<p>Ongoing dialogue, meetings, advocacy</p>	<p>Our approach to regenerative agriculture, to sustainable cosmetics, business contribution to the SDGs, regulations</p>
<p><b>Young generation</b></p>	<p>We take actions to understand the needs and tensions of Gen Z's as well as Boomers in order to provide them an unforgettable sensory experience through our product innovation, personalized and relevant communication and enchanting services.</p>	<p>Qualitative and Quantitative market research, whitespace opportunity analysis, trend analysis, Design Thinking, Test &amp; Learn</p>	<p>Meeting consumers preferences and expectations, Innovation pipeline focused on expansion potential to recruit new customers to the brand</p>
<p><b>Affiliates / distributors Local countries</b></p>	<p>Being a retail company with presence in 90 countries we are working with different partners in each of them, being distributors or subsidiaries. They represent the Group for local communities and for our consumers.</p>	<p>Discussions, regular meetings and launch progressive evaluations on sustainability performance and improvement areas to identify needs, risks and opportunities regarding social and environmental impact</p>	<p>Ensure to embed our values and the corporate responsibility principles and that we manage our impact</p>
<p><b>The Planet / Nature</b></p>	<p>We are a company dependant on nature &amp; plants to create products &amp; services. We want to become a nature positive &amp; Carbon Net Zero company. The Group's ambition is to measure and reduce its impacts on biodiversity and climate change, and also generate biodiversity on the equivalent of the areas impacted by its activities and contribute to carbon sinks projects with high value on biodiversity.</p>	<p>Reduce the impact of our value chain by developing regenerative and sustainable agriculture in the production sectors of plants used in our cosmetic products and by reducing the GHG emissions of our activities. Contribute to the preservation and regeneration of ecosystems and the increase of carbon sinks in our supply chains (forest ecosystems, regenerative agriculture, organic, etc.) and in our impact areas (ex: Indonesia). Preserving water resources - water stewardship. Reduce the impact of our activities on water (water consumption, water pollution) and preserve areas with high water issues (wetlands, etc.)</p>	<p>Measurement, reduction of our impact on biodiversity and climate change. Regeneration/restoration/conservation on our impact location to become nature positive and Carbon Net Zero</p>

## APPENDIX 2: SUSTAINABILITY KPIs FY2021 - L'OCCITANE GROUP

### Table of indicators

1 ETHICS						
IMPACT AREA	KPI ID HKEX	KPI NAME	unit	FY2021	FY2020	FY2019
ETHICS	KPI 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.	No.	0	0	0
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No.	0	0	0
	KPI B6.2	Number of products and service related complaints received	No.	578	1 039	1 178
2 ENVIRONMENT						
PRESERVING AND REGENERATING NATURAL AND CULTIVATED BIODIVERSITY				FY2021	FY2020	FY2019
RAW MATERIALS						
RAW MATERIALS Traceability		Traceability of plants contained in raw materials	%	45	12	10
RAW MATERIALS Palm oil derivative		Total Group supply RSPO-certified	%	94	NA	NA
		Total french production sites supply RSPO-certified	%	99.5	68	NA
RAW MATERIALS KRM		Volume of KRM	t	467	865	890
		Volume of Organic-certified key raw materials (KRM)	t	447	766	855
		Surface dedicated to the production of KRM	ha	1 149	1 811	2050
REDUCE THE IMPACT OF OUR PRODUCTION ON WATER AND WASTE				FY2021	FY2020	FY2019
WATER						
WATER Manufacturing	KPI A2.2	Water consumption in total	m3	95 783	105 621	111 209
	KPI A2.2	Water consumption in intensity per ton produced	m3/t	7,3	7,1	7,8
WASTE AND CIRCULAR ECONOMY						
PACKAGING L'OCCITANE en Provence and Melvita	KPI A2.5	Total volume of materials used (finished product)	t	4 046	5 683	NA
	KPI A1.6	Packaging recyclability rate	%	57	49	NA
PACKAGING L'OCCITANE en Provence	KPI A1.6	Volume of materials saved by eco-refills	t	251,52	181,74	141,41
WASTE Manufacturing		Total waste generation	t	2 738	2 895	2 903
	KPI A1.4	Total generation of non-hazardous waste	t	2 271	2 203	2 152
	KPI A1.3	Total generation of hazardous waste	t	606	692	751
	KPI A1.6	Total volume recycled (all materials)	t	1 830	737	NA
WASTE In-store programs	KPI A1.6	Number of stores owned by the Group with recycling programmes for customers	%	48	42	15
	KPI A1.6	Number of subsidiaries engaged in in-store recycling programme (Terracycle and others)	No.	12	10	9
	KPI A1.6	Weight of materials collected (Terracycle)	t.	66 624	33 032	NA



## 2 ENVIRONMENT

### CLIMATE & CARBON FOOTPRINT

FY2021

FY2020

FY2019

### GREENHOUSE GAS EMISSIONS

Carbon footprint Group	KPI A1.1	Total GHG emissions	tCO <sub>2</sub> eq	467 512	NA	NA
	KPI A1.2	Scope 1 emissions	tCO <sub>2</sub> eq	4 165	NA	NA
	KPI A1.2	Scope 2 emissions	tCO <sub>2</sub> eq	18 206	NA	NA
		Scope 3 emissions	tCO <sub>2</sub> eq	445 140	NA	NA

### ENERGY

Energy retail	KPI A2.1	Total electricity consumption	kWh	29 284 700	28 039 354	32 412 945
		Total electricity consumption from renewable sources	kWh	21 192 040	4 627 374	2 108 153
Energy manufacturing	KPI A2.1	Total energy consumption (gas + electricity)	kWh	18 142 599	19 955 532	20 629 708
	KPI A2.1	Total electricity consumption	kWh	10 037 260	11 577 916	11 458 826
	KPI A2.1	Total natural gas consumption	kWh	8 105 339	8 377 616	9 170 882
	KPI A2.1	Intensity of energy consumption	kWh/k unit produced	149	142	140
Renewable energy manufacturing	KPI A2.1	Energy consumption from renewable sources	%	96	96	NA
Renewable energy Group		Electricity consumption from renewable sources	%	80	40	15

## 3. SOCIAL KPIS

### WORKFORCE

total workforce	KPI B1.1	Total workforce (FTE)	No. (FTE)	8 733	8 838	8 747
breakdown by gender*	KPI B1.1	Number of women	%	87	87	NA
breakdown by gender	KPI B1.1	Number of men	%	13	13	NA
full-time employees	KPI B1.1	Number of full-time employees	No.	7 639	NA	NA
part-time employees	KPI B1.1	Number of part-time employees	No.	2 758	NA	NA
total part-time employees female		Total part-time employees female	No.	2 612	NA	NA
breakdown of employees by age	KPI B1.1	Number of employees: <25	No.	1 610	1 941	NA
	KPI B1.1	Number of employees: 25-34	No.	4 181	4 391	4 542
	KPI B1.1	Number of employees: 35-44	No.	2 781	2 747	2 637
	KPI B1.1	Number of employees: 45-54	No.	1 199	1 223	1 775
	KPI B1.1	Number of employees: 55 or above	No.	520	439	408
breakdown of employees by geographic region	KPI B1.1	Workforce - North America	%	10	11	11
	KPI B1.1	Workforce - South America	%	10	10	10
	KPI B1.1	Workforce - Europe	%	42	41	41
	KPI B1.1	Workforce - Africa & Middle East	%	1	1	1
	KPI B1.1	Workforce - Asia & Pacific	%	37	37	37

\* all breakdown are in headcount w/o LimeLife, South Africa and Austria

### 3. SOCIAL KPIS

FY2021 FY2020 FY2019

#### WORKFORCE

<b>Diversity &amp; Inclusion</b>		Women in key management positions (1 level down from Executive committee)	%	50,5	48	NA
		Women in Executive committee	%	33	25	NA
		Women in Board of director	%	10	10	10
		Employees with disabilities in production sites (new calculation method for FY21 that excludes beneficiary units)	%	7,24	9,63	8,16
<b>Staff turnover</b>	KPI B1.2	Staff turnover rate	%	30	38	NA
<b>Turnover by gender</b>	KPI B1.2	Turnover in women	%	31	NA	NA
	KPI B1.2	Turnover in men	%	24	NA	NA
<b>Turnover by age</b>	KPI B1.2	25-34	%	32	NA	NA
	KPI B1.2	35-44	%	22	NA	NA
	KPI B1.2	45-54	%	20	NA	NA
	KPI B1.2	55 or above	%	27	NA	NA
<b>Turnover by geographic region</b>	KPI B1.2	Turnover - North America	%	50	72	NA
	KPI B1.2	Turnover - South America	%	71	54	NA
	KPI B1.2	Turnover - Europe	%	19	30	NA
	KPI B1.2	Turnover - Africa & Middle East	%	NA	23	NA
	KPI B1.2	Turnover - Asia & Pacific	%	20	24	NA

#### HEALTH & SAFETY

<b>Health and safety (Group)</b>	KPI B2.2	Number and rate of work-related fatalities occurring for each of the post three years including the reporting year	No.	0	0	0
	KPI B2.2	Lost days due to work injury.	No.	NA	NA	NA
<b>Health and safety (production French sites)</b>		Number of accidents	No.	9	6	3
		Work-related accident frequency rate	%	8,31	4,31	2,11
		Work-related accident severity rate	%	0,66	0,318	0,55
	KPI B2.2	Lost days due to work injury	No.	747	443	NA

#### TRAININGS

<b>Group training average hours</b>	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	%	NA	NA	NA
<b>Training total workforce</b>	KPI B3.2	The average training hours completed per employee by gender and employee category.	No.	NA	NA	NA
<b>Training (Laboratoires M&amp;L)</b>	KPI B3.2	Total number of hours of training	hours	6 888	11 759	17 000
	KPI B3.1	Employees trained in our manufacturing sites	%	53	72	85

## 4. VALUE CHAIN MANAGEMENT

FY2021 FY2020 FY2019

### SUPPLY CHAIN

Supply chain	Proportion of finished products shipped out by rail	%	16,8	NA	NA
	Proportion of finished products shipped out by road	%	11	12,2	NA
	Proportion of finished products shipped out by cargo	%	71,2	NA	NA
	Proportion of finished products shipped out by air	%	1,1	1,1	1,4

### NOT JUST SUPPLIERS PROGRAM

<b>Direct suppliers assessed on CSR</b>	Direct suppliers assessed on CSR	%	89	87	NA
<b>Indirect suppliers assessed on CSR</b>	Indirect suppliers assessed on CSR	%	47	29	NA
<b>Direct and indirect procurement</b>	Number of supplier identify as "high risk"	No.	7	5	NA
<b>Suppliers sustainability performance</b>	Direct suppliers sustainability performance average	Pts.	62,1	60	NA
<b>Direct suppliers by geographic region</b>	KPI B5.1 Suppliers - North America	%	9	20	NA
	KPI B5.1 Suppliers - South America	%	2	7	NA
	KPI B5.1 Suppliers - Europe	%	77	60	NA
	KPI B5.1 Suppliers - Africa & Middle East	%	1	2	NA
	KPI B5.1 Suppliers - Asia & Pacific	%	11	11	NA

## 5. COMMUNITY INVESTMENT- FOUNDATION

FY2021 FY2020 FY2019

<b>Community investment</b>	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.		3 630 688,57 €	NA	NA
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## APPENDIX 2 bis: SUSTAINABILITY KPIs - Production sites in France

### Table of indicators

Impact area	KPI name	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 20-21	FY 16-21
<b>WATER</b>	Water consumption m <sup>3</sup>	120 271	122 442	134 177	111 209	105 042	95 783	-9%	-20%
	Water consumption in L / unit of production	1,06	0,99	0,94	0,80	0,79	0,79	0%	-25%
	Water consumption in m <sup>3</sup> / Ton of production	9,57	8,49	8,53	7,76	7,31	7,35	1%	-23%
<b>ENERGY</b>	Electricity consumption in kWh	10 555 456	10 204 282	10 622 856	10 450 210	10 496 626	10 037 260	-4%	-5%
	Electricity consumption in kWh / kunit of production	92,7	82,4	74,0	74,8	79,0	82,6	5%	-11%
	Gas consumption in kWh	9 450 666	10 188 459	9 962 591	9 119 392	8 377 086	8 105 339	-3%	-14%
	Gas consumption in kWh / kunit of production	83,0	82,3	69,4	65,3	63,0	66,7	6%	-20%
	Total Energy (electricity + gas) consumption kwh	20 006 122	20 392 741	20 585 447	19 569 602	18 873 712	18 142 599	-4%	-9%
	Total Energy (electricity + gas) consumption in kWh / kunit of production	175,7	164,7	143,5	140,1	142,0	149,3	5%	-15%
<b>WASTE</b>	Quantity of waste produced in tonnes	2 844	3 185	3 622	2 890	2 694	2 600	-4%	-9%
	Quantity of waste produced in g / u	0,025	0,026	0,025	0,021	0,020	0,021	5%	-14%
	Quantity of hazardous waste produced in tonnes	NA	728,0	628,0	745,0	675,5	606,0	-11%	-20%
	Quantity of hazardous waste produced in g / u	NA	0,020	0,018	0,015	0,008	0,016		-22%
	% of waste recycled or reused	69,7%	70,1%	74,4%	67,0%	75,2%	70,4%	-7%	8%
	% of waste incinerated	24,8%	27,2%	24,1%	33,0%	29,5%	29,6%	0%	19%
	% of landfilled waste	5%	3%	1%	0%	0%	0%		-100%

## APPENDIX 3: CROSS-REFERENCE TABLE OF INFORMATION REQUIRED BY THE HONG KONG STOCK EXCHANGE

### SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS PUBLICATION

#### A. ENVIRONMENTAL

	<p>General Disclosure Information on: (a) the policies; and (b) compliance with 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. Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p>	Page 31-35, 42-43 and appendix 4	
<b>Aspect A1 Emissions</b>	KPI A1.1	The types of emissions and respective emissions data.	Page 33-37, appendix 2 and 4
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 34-37 and appendix 2
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 42-43 and appendix 2
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Page 42-43 and appendix 2
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Page 31-35, 40-41
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Page 40-43 and appendix 2
	<p>General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Page 36-37; 40-43 and appendix 2	
<b>Aspect A2 Use of resources</b>	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Page 36-37 and appendix 4
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Page 42-43 and appendix 2
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Page 42-43 and appendix 2
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Page 34, 42-43
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Page 38-41

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS		PUBLICATION
<b>Aspect A3: The Environment and Natural Resources</b>	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources	Page 26-27; 31; 33; 39
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Page 26-43
<b>Aspect A4: Climate Change</b>	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Page 33
	KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Page 33-37
<b>B. SOCIAL</b>		
<i>Employment and Labour Practices</i>		
<b>Aspect B1: Employment</b>	General Disclosure Information on: (a) the policies; and (b) compliance with 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.	Page 44-47 and appendix 4
	KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix 2
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Appendix 2
<b>Aspect B2 Health and safety</b>	General Disclosure 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
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix 2
	KPI B2.2 Lost days due to work injury.	Appendix 2
	KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Page 23
<b>Aspect B3 Development and training</b>	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Page 47
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix 2
	KPI B3.2 The average training hours completed per employee by gender and employee category.	Appendix 2

## SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS PUBLICATION

<b>Aspect B4 Labour standards</b>	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Page 18 and appendix 4
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Page 18 and appendix 4
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Appendix 4
<i>Operating Practices</i>		
<b>Aspect B5: Supply Chain Management</b>	General Disclosure Policies on managing environmental and social risks of the supply chain.	Page 26-27; 49-50
	KPI B5.1 Number of suppliers by geographical region.	Page 49; Appendix 2
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Page 26-27; 49-50
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Page 26-27; 49-50
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Page 26-27; 49-50
<b>Aspect B6:Product Responsibility</b>	General Disclosure Information on: (a) the policies; and (b) 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.c.	Page 19, appendix 4
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Appendix 2
	KPI B6.2 Number of products and service related complaints received and how they are dealt with.	Appendix 2
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Appendix 4
	KPI B6.4 Description of quality assurance process and recall procedures.	Page 19, appendix 4
	KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Appendix 4

**SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS PUBLICATION**

<b>Aspect B7: Anti-corruption</b>	General Disclosure		
	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.		Page 20 and appendix 4
KPI 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 2
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.		Appendix 4
KPI B7.3	Description of anti-corruption training provided to directors and staff.		-
<i>Community</i>			
<b>Aspect B8: Community Investment</b>	General Disclosure		
	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.		Page 54-55; 59
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Page 54-55; 59
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		Appendix 2



## APPENDIX 4: DUE DILIGENCE INFORMATION

### Emission types

Laboratoires M&L's air emissions are mainly CO<sub>2</sub> emissions. In addition to CO<sub>2</sub>, the emissions generated by production sites include volatile organic compounds (VOCs) and nitrogen dioxide (NO<sub>2</sub>). 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 2021 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 5: MAIN NON FINANCIAL RISKS

RISK CATEGORY	EXAMPLE OF RISK	POLICIES AND ACTIONS	KEY TOPICS AND EXPECTATIONS
<b>RISKS ASSOCIATED WITH OUR PRODUCTS</b>	<ul style="list-style-type: none"> <li>• Use of ingredients that have an undesirable effect on a person's health or the environment</li> <li>• Product recalls for reasons relating to consumer health and safety</li> <li>• Loss of CSR certification (Cosmebio organics label, ESR standard, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring of regulations</li> <li>• Quality control checks and strict respect of products shelf-life</li> <li>• Raw materials charter</li> <li>• L'OCCITANE Nature Lab</li> <li>• Sustainable development of formulas</li> <li>• Cosmebio organics label obtained for the Melvita brand</li> </ul>	<ul style="list-style-type: none"> <li>• Number of product recalls and consumer claims for reasons relating to consumer health and safety</li> <li>• Formula biodegradability</li> <li>• Percentage of product ingredients of natural origin (currently being redefined)</li> <li>• Products external evaluation</li> </ul>
<b>RISKS ASSOCIATED WITH THE ENVIRONMENTAL IMPACT OF OUR FACTORIES</b>	<ul style="list-style-type: none"> <li>• Pollution generated by factories</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental management system and ISO 14001 certification</li> <li>• Checks carried out on waste matter discharged into the air and water</li> <li>• Reduction and recycling of waste</li> <li>• RE100 commitment (100% renewable energy)</li> </ul>	<ul style="list-style-type: none"> <li>• Water and energy consumption</li> <li>• Waste generation and processing types (landfill, incineration, recycling)</li> <li>• Greenhouse gas emissions</li> <li>• Percentage of sites using renewable electricity</li> </ul>
<b>RISKS ASSOCIATED WITH THE SUPPLY CHAIN</b>	<ul style="list-style-type: none"> <li>• Non-compliance with human rights obligations / products regulations by suppliers or subcontractors</li> <li>• Pollution generated by suppliers or subcontractors</li> <li>• Unavailability of a key raw material</li> <li>• Unbalanced relationship with suppliers or subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>• Group CSR policy</li> <li>• Auditing of supply chain risks</li> <li>• Evaluation of suppliers in terms of CSR</li> <li>• Multi-year contracts with producers</li> <li>• Organic and fair-trade certifications for key raw materials</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of suppliers who acknowledged and signed the Group CSR policy</li> <li>• Percentage of suppliers evaluated in terms of CSR</li> <li>• Number of producers covered by multi-annual contracts</li> <li>• Percentage of key raw materials certified as organic or fair trade</li> </ul>
<b>RISKS ASSOCIATED WITH HUMAN RESOURCES</b>	<ul style="list-style-type: none"> <li>• Behaviour that infringes human rights (discrimination, harassment, etc.)</li> <li>• Insufficient workplace health and safety</li> <li>• Non-compliance with local labor laws</li> <li>• Redundancy plan</li> </ul>	<ul style="list-style-type: none"> <li>• Group CSR policy</li> <li>• Diversity charter</li> <li>• Auditing of Human Resources risks</li> <li>• OHSAS 18001 certification</li> <li>• Accident prevention and workplace safety plan</li> <li>• Internal job board</li> <li>• Survey on employees mental health</li> </ul>	<ul style="list-style-type: none"> <li>• Absenteeism rates, frequency, duration and reasons.</li> <li>• Number of workplace injuries</li> <li>• Staff turnover</li> <li>• Number of HR litigations</li> </ul>
<b>RISKS ASSOCIATED WITH ETHICS</b>	<ul style="list-style-type: none"> <li>• Fraudulent or unethical behavior (corruption, tax fraud, conflict of interest, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics charter</li> <li>• Code of ethics for purchasing</li> <li>• Auditing of practices</li> <li>• Whistleblowing channel</li> </ul>	<ul style="list-style-type: none"> <li>• Number of legal proceedings for corruption</li> <li>• Number of detected fraud cases or unethical situations</li> </ul>



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](http://group.loccitane.com)  
[fondation.loccitane.com](http://fondation.loccitane.com)