



Groupe
L'OCCITANE

BIODIVERSITY STRATEGY

MOVING TOWARDS
A NATURE-POSITIVE WORLD



First contribution: September 2021

ABOUT THE L'OCCITANE GROUP

The L'OCCITANE Group is an international group that manufactures and retails beauty and well-being products that are rich in natural and organic ingredients.

A global leader in the premium beauty market, the Group has more than 3,000 retail outlets, including more than 1,500 owned stores, and is present in 90 countries. Through its six brands – L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil, LimeLife and ELEMIS – the Group offers beauty experiences using high-quality products that respect nature, the environment and the people in it.

SCOPE

The biodiversity strategy applies to the whole L'OCCITANE Group.

Many commitments apply to Laboratoires M&L, a Group subsidiary which operates two production facilities in Manosque and Lagorce, France.

Others mostly apply to L'OCCITANE en Provence and Melvita, two brands that account for over 80% of the Group's net sales and thus have the biggest impact on biodiversity. The scope of action and commitment is specified when it does not apply to the whole Group.

A DECADES-OLD COMMITMENT

1977 First manual harvest of sustainably cultivated plants for L'OCCITANE en Provence **1980** Olivier Baussan, founder of L'OCCITANE en Provence, meets shea butter producers in Burkina Faso **2004** Launch of the organic immortelle farming programme with Corsican producers **2008** Creation of the Sustainable Sourcing department to manage producer relations and the supply of iconic ingredients **2011** Membership of the Roundtable on Sustainable Palm Oil (RSPO) **2012** Launch of the Lavender Endowment Fund in Provence **2015** Launch of the 'Sustainable Communities' programme, promoting sustainable supply chains for 50 plants in direct partnership with local producers **2016** Biodiversity assessment from the French committee of the International Union for Conservation of Nature (IUCN) evaluating the impact of L'OCCITANE en Provence **2017** Partnership with the Union for Ethical BioTrade (UEBT) for the implementation of the Nagoya Protocol **2018** Launch of the RESIST (Resilience, Ecology, Strengthening, Independence, Structure, Training) programme for shea production in Burkina Faso **2019** Membership of Action for Sustainable Derivatives (ASD) for sustainable palm oil **2020** Membership of One Planet Business for Biodiversity (OP2B) **2021** Launch of the Group's biodiversity strategy

EMPOWER, SCALE UP, REGENERATE

The L'OCCITANE Group's beauty and well-being products take inspiration from nature. Biodiversity and its benefits are fundamental to human well-being and a healthy planet. This is why we have taken action for more than 40 years to preserve and restore nature and why we are still striving to achieve a positive impact.

Our planet now faces a global biodiversity extinction crisis never witnessed before by humankind. Our company and the whole industry are taking action against the extinction of species and the degradation of ecosystems that provide resources and services we rely on. We are at a turning point in tackling biodiversity loss.

It is time to empower, scale up and regenerate
to move towards a nature-positive world.

Empower. Transformation can only be achieved by collaboration. All stakeholders – from farmers to industrial suppliers, investors to policymakers, NGOs to local communities and all the way to consumers – need to collaborate to implement solutions. We want to be cultivators of change by promoting family farming and fair trade, by sharing our agricultural practices using 'open source' principles and by actively engaging with other businesses via coalitions such as One Planet Business for Biodiversity (OP2B).¹

Scale up. Given the scale of the challenge, systemic change and new business models that integrate biodiversity in decision-making are necessary. Biodiversity is one of the three main priorities of the Group's sustainability agenda, alongside mitigating the climate crisis and empowering the communities we are invested in. Our commitments and actions aim to cover our entire value chain and all our brands. We started with L'OCCITANE en Provence, which is the Group's biggest brand, and are capitalising on its experience in sustainability to help the other brands move in the same direction. Now is also the time to scale up and play an active role in transforming the industry beyond our value chain.

Regenerate. While the first emergency is to halt nature loss, we truly believe that the regeneration of biodiversity should be the ultimate goal. To stop the impoverishment of biodiversity and to renew it, humankind must initiate virtuous circles, inspired by natural cycles. Implementing nature-based solutions with biodiversity, climate and human development benefits is fundamental. Regenerative agriculture is a key lever in this dynamic.

This biodiversity strategy is our first contribution to a more comprehensive nature-positive ambition. To help us along the way, we must rely on science to ensure that our actions match our impacts and the planet's limits.

As stated by the Science Based Targets Network (SBTN), 'the transformation required to reach a nature-positive future is immense, but it is possible, and it is not only nature that would gain. Stopping nature loss and halting climate change are two of the biggest business opportunities of our time'.²

This is a sizeable challenge for a group as large and multi-local as ours. But, as we strive to achieve 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 with us.

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



¹OP2B is a unique coalition of leading businesses that are committed to transforming agriculture to protect and restore biodiversity and farmer livelihoods (www.ob2b.org).
²Science Based Targets Network, 'Science-based Targets for Nature: Initial Guidance for Business', September 2020.

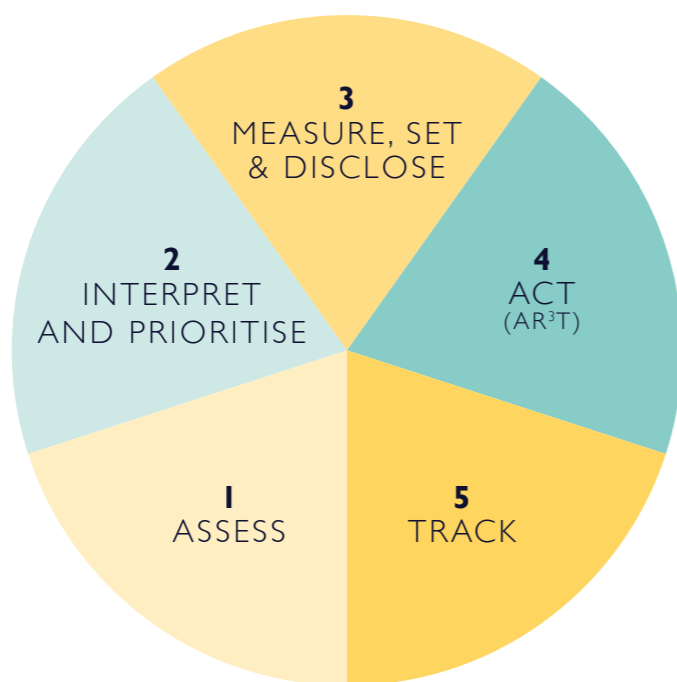
OUR AMBITION AND APPROACH

The L'OCCITANE Group strives to contribute to a nature-positive³ world by developing a programme of actions that impacts the whole value and by transforming our business ecosystem and beyond. Our actions and commitments seek to address the five key direct drivers of and pressures on nature loss: land-/sea-use change, resource exploitation, pollution, invasive alien species and climate change.⁴

The **nature-positive ambition** advanced by the post-2020 global biodiversity framework⁵ requires no net loss of nature from 2020, a net positive state of nature by 2030 and full recovery by 2050. While the concrete implementation of this nature-positive goal at the company level is still subject to scientific discussion, it is our global ambition to start now by exploring how we can contribute to it.

Our approach is **inspired by the initial guidance on science-based targets (SBTs)⁶ for nature:** understanding our impacts and dependencies; prioritising actions and setting targets; applying a mitigation and transformation framework; and tracking progress against targets. We have specifically **focused on the SBTN's Action Framework (AR³T)** to build the Group's mitigation and positive impact strategy. The following pages detail the four steps: avoid, reduce, restore and regenerate, transform.

The five-step process of SBTs for nature



This is a **first contribution**, which will be refined in the coming years as we become better able to measure our impacts and as the SBTN provides more detailed methods and tools.

We intend to engage more with SBTN in the future to align our targets with the Earth's limits and societal sustainability goals.

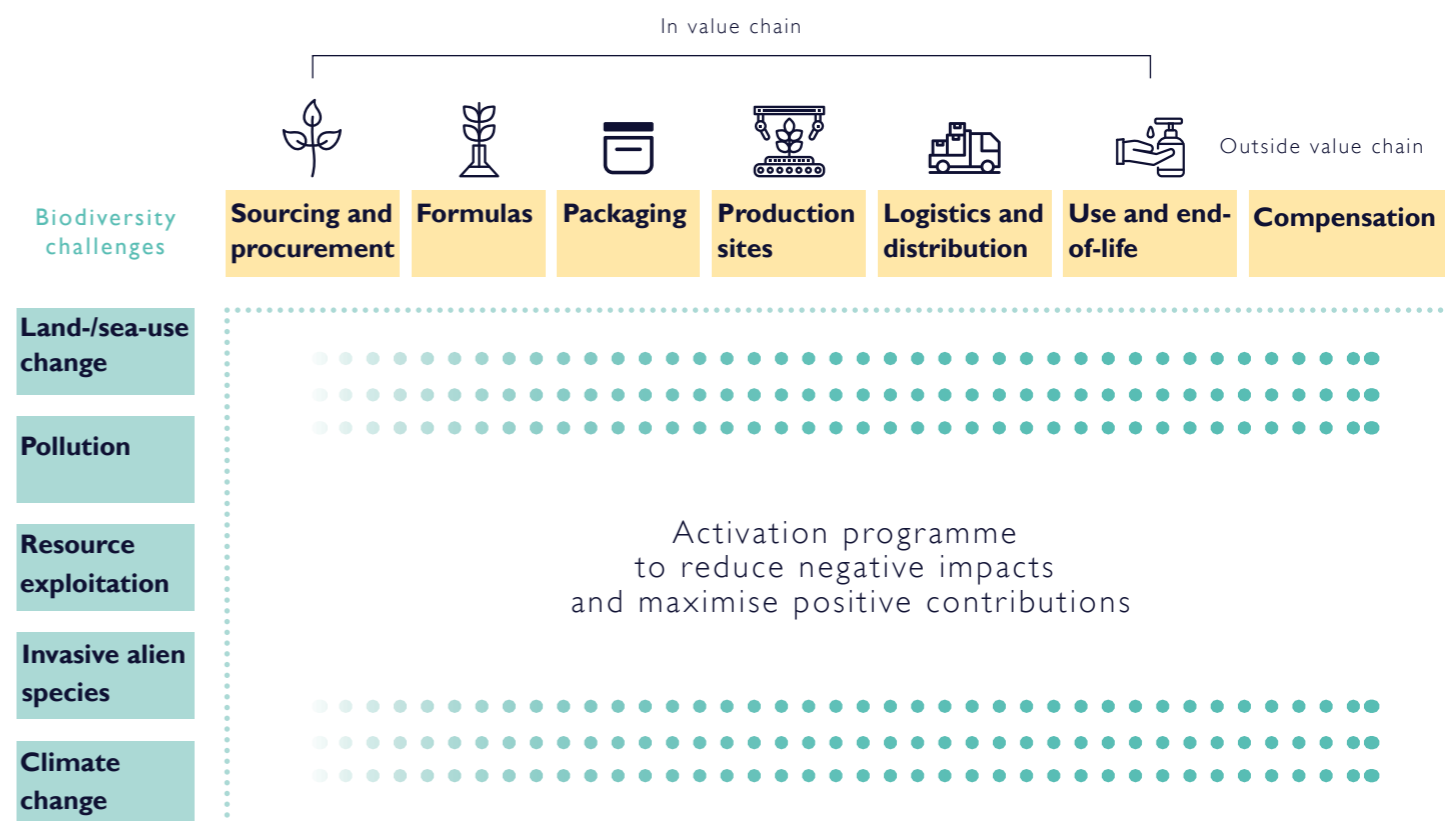
This nature-positive ambition is combined with climate and human development goals. The L'OCCITANE Group is establishing its carbon roadmap to **achieve 'net zero carbon' (net zero emissions) by 2030** to contribute to achieving net zero carbon on a global scale, in line with the Paris Agreement. The Group has also set the objective of being **B Corp certified by 2023** to build a sustainable and inclusive business, meeting the highest standards of social and environmental performance.⁷

The nature-positive strategy

AMBITIONS



ACTIVATION PROGRAMME



³Harvey Locke, Johan Rockström et al, 'A Nature-Positive World: The Global Goal for Nature', April 2021.

⁴Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), 'Models of drivers of biodiversity and ecosystem change'.

⁵Negotiated under the Convention on Biological Diversity, the framework defines targets and pathways for the conservation and management of biodiversity for the next decade and beyond.

⁶Science Based Targets Network, 'Science-based Targets for Nature: Initial Guidance for Business', September 2020. We would like to thank Quantis consulting group that guided us in adapting this framework for L'OCCITANE Group.

⁷The L'OCCITANE Group's sustainability strategy, action plan and achievements are detailed in its corporate social responsibility report, available here: www.group.loccitane.com

UNDERSTANDING OUR IMPACT

As the main active ingredients in our cosmetics are derived from plants, our beauty and well-being products depend heavily on nature. The Group evaluates its impacts and dependencies on nature by assessing its materiality and value chain and by monitoring the sourcing of key natural raw materials.

Key actions

The Group periodically reviews its **materiality assessment** to ensure that its teams focus on the right priorities, identifies emerging trends and issues, understands the expectations of internal and external stakeholders, and feeds into our ongoing risk management processes. The key issues include biodiversity protection, climate change mitigation and adaptation, and plastic waste.

In 2016, the Group conducted a **biodiversity assessment with the French committee of the International Union for Conservation of Nature (IUCN)** to determine the impact of the L'OCCITANE en Provence brand's activities on biodiversity. The study assessed all parts of the value chain, from sourcing to manufacturing, packaging to logistics, right through to distribution. The study revealed that the main challenges relate to the sourcing of natural raw materials.

Significant efforts are being made to improve the **traceability of plant-based raw materials** for L'OCCITANE en Provence and Melvita. In 2020, we managed to trace back to the country(ies) of origin all the plants contained in 45% of our plant-based raw materials (by volume). We currently work with 42 sustainable supply chains, accounting for 10% of our natural raw materials (by volume), and monitor them directly on production sites through regular field visits (about 200 per year) and audits in line with our responsible procurement charter. In 2021, we will also be conducting biodiversity and social risk assessments for 12 major raw materials used in the formulas of these two brands, accounting for 80% of their plant-based raw materials (by volume): rapeseed, grape, sunflower, beetroot, wheat, corn, olive, cassava, sweet almond, sugar cane, castor oil and soybean. This list completes our work with the Action for Sustainable Derivatives initiative to improve the traceability of palm oil and coconut oil and their derivatives.

Traceability is not an end goal but a means to better understand the Group's environmental footprint and to mitigate its impacts. The Group aims to apply this approach for key raw materials to every commodity and to do the same for its other brands.

Key commitments

By 2022, to quantify the Group's biodiversity impact to set a global baseline.

By 2022, to conduct a biodiversity assessment for all new active ingredients in L'OCCITANE en Provence and Melvita products.

By 2025, to be able to trace back to the country(ies) of origin all the plants contained in 90% of our plant-based raw materials (by volume) for L'OCCITANE en Provence and Melvita, and extend traceability efforts to the Group's other brands.

AVOID

In line with our nature-positive goal, it is critical to avoid negative impacts wherever possible, especially in ecosystems of ecological importance. The Group sets avoidance actions within its sourcing activities and product conception.

Key actions

Some of our raw materials are **deforestation sensitive or land-use conversion sensitive**. L'OCCITANE en Provence, Melvita and ELEMIS do not buy or use crude **palm oil** directly in their formulas. However, some products contain ingredients derived from palm oil, accounting for an estimated 2,000 tonnes of palm oil per year. The Group is a member of the Roundtable on Sustainable Palm Oil (RSPO), a not-for-profit organisation that promotes and certifies sustainable palm oil production. Since 2020, L'OCCITANE en Provence and Melvita have achieved 99.5% RSPO certified palm oil (mass balanced) in their direct supply chains, while ELEMIS has reached 75%. For our third-party manufacturers, we are evaluating the percentage of RSPO-certified palm oil in their products. Overall, between 2016 and 2020, L'OCCITANE en Provence, Melvita and Erborian reduced the use of palm oil derivatives in their formulas by 25%. Our brands are also committed to sourcing their **paper and paperboard packaging materials** from sustainability managed forests. In support of its **shea butter supply chain**, L'OCCITANE en Provence has implemented a programme to protect shea resources for women producers and preserve biodiversity in Burkina Faso⁸. Among many other local actions, the initiative has supported the installation of semi-industrial units to reduce carbon dioxide emissions by around 3,500 tonnes (compared to 2018) by using shea shell waste instead of wood as fuel, thus contributing to the fight against deforestation.

Since 2017, Laboratoires M&L has collaborated with the Union for Ethical BioTrade (UEBT) on the implementation of the **Nagoya Protocol**, which aims to share the benefits arising from the usage of genetic resources fairly and equitably, thereby contributing to the conservation and sustainable use of nature. In 2018, Laboratoires M&L signed a sustainable picking charter with all its suppliers using wild plants, thus helping to protect ecosystems, wildlife and the countryside. Laboratoires M&L promotes **organic-certified farming**, using methods that respect ecosystems. In its key raw materials supply chains⁹, 100% of picking areas are organic and 77% of cultivated land is organic – an overall average of 98%. In addition, 88% of the land is bee-friendly.

In 2020, L'OCCITANE en Provence launched a 'clean charter' setting out even more stringent requirements to guide the brand's innovations and improve its **formulas' environmental impact**, building on its formulation charter. To comply with this charter, leave-on formulas need to have 95% of ingredients of natural origin and rinse-off formulas must be 95% biodegradable.¹⁰ The products that comply with this higher level of commitment are easily identifiable by a logo, which appears on the packaging and on the L'OCCITANE en Provence website. This clean charter is currently being rolled out for L'OCCITANE en Provence, and our ambition is to roll it out to all our brands.

Key commitments

By 2025, to engage all plant-based ingredients in a positive approach for biodiversity.
By 2025, to meet the very high threshold of 95% readily biodegradable ingredients in 90% of the formulas of rinse-off products for L'OCCITANE en Provence, Melvita and ELEMIS.
By 2025, to achieve RSPO certification for 100% of the palm oil contained in raw materials we purchase across the Group (2021 for L'OCCITANE en Provence and Melvita; 2023 for ELEMIS).
By 2025, to develop a forest-positive approach

⁸The RESIST (Resilience, Ecology, Strengthening, Independence, Structure, Training) programme. To learn more, visit www.group.loccitane.com
⁹The Group has identified its 117 key raw materials and monitors them particularly closely, as they form the main active ingredients of the L'OCCITANE en Provence and Melvita product ranges. They include shea butter, immortelle, lavender, verbenas, almond and argan.
¹⁰Our 'natural origin' definition of naturality is based on the international standard ISO 16128. Our 'biodegradability' definition is based on the international OECD 301 guidelines.

REDUCE

The L'Occitane Group works to minimise negative impacts when it cannot eliminate them. Implementing eco-design and circular economy approaches across the value chain helps to reduce the use of water, conserve natural or chemical raw materials and limit pollution.

Key actions

The Group's first responsibility as an **industrial player** is to focus all efforts on ensuring that its direct activities, such as production facilities, have a minimal impact on the ecosystem. We monitor the quantity of resources consumed and the quality of waste water discharged by the Group's manufacturing sites. Water is a key ingredient in many of our cosmetic formulas, and it is an essential resource for our production processes. The **water footprints** of our industrial sites in Manosque and Lagorce (France) are monitored particularly closely due to their location, near Natura 2000-listed, high hydric stress sites¹¹. The Group's ambition is to completely transform its industrial assets, and to take even more drastic action to reduce its water consumption by introducing a **dry factory project**.

Waste is also closely monitored. Our manufacturing sites in France achieved their **zero landfill** target in 2018 and, since then, they have reduced their waste intensity by 4.4%.

All the Group's brands are committed to fighting **plastic pollution** and reducing waste by using a greater percentage of recycled materials, reducing packaging, developing refill and bulk selling, facilitating the sorting of recyclables and reducing single-use plastics. In the long run, we aim to promote new consumption models. In mid-2021, 65% of the Group's owned stores are equipped with in-store recycling. More than 2 million units have been collected through TerraCycle for L'Occitane en Provence and Melvita, which equates to 94 tonnes of materials. L'Occitane en Provence, a signatory of the **New Plastics Economy Global Commitment led by the Ellen MacArthur Foundation**, is fully committed to a **circular economy for packaging**. Beyond its commitment to improving recyclability, L'Occitane en Provence uses recycled materials to reduce its environmental footprint and its dependence on fossil-based virgin plastics.

Key commitments

By 2025, to implement a circular model across our factories in France by recycling 100% of the water used for industrial processes.

By 2025, to offer in-store recycling in 100% of Group-owned stores.

By 2025, to aim for at least 40% of total plastic consumption to come from recycled material for L'Occitane en Provence and ELEMIS.

By 2022, to make 95% of aluminium tubes for L'Occitane en Provence and Melvita out of recycled aluminium.

By 2025, to reduce our virgin plastic use by one-third and to reduce our current total plastics packaging use by 10% for L'Occitane en Provence.



¹¹Natura 2000 is a network of core breeding and resting sites for rare and threatened species, and some rare natural habitat types which are protected in their own right.

RESTORE AND REGENERATE

The L'Occitane Group develops positive actions that help restore and regenerate ecosystems in areas where it sources materials or in biodiversity hotspots. Among the nature-based solutions that offer biodiversity and carbon benefits, we prioritise regenerative agriculture practices and reforestation projects.

Key actions

Our Sustainability and Biodiversity department is working with producers to develop **sustainable and regenerative agricultural practices** for its key raw materials, such as shea butter, immortelle, lavender, almond, argan, licuri and mandacaru. This involves, first, protecting plant species, local varieties and biodiversity and, second, establishing long-term partnerships with producers based on sharing added value, promoting local supply channels, preserving traditional skills and developing local communities and regions. We partner with over 250 farmers and 17,000 pickers to promote organic-certified farming, using methods that respect ecosystems. 98% of our key raw materials (by volume) are certified organic and, within these organic-certified volumes, 84.5% are also certified Fair for Life – namely shea butter and argan, which are produced through an agroforestry system. In 2020, the Group co-created a **Fair-Trade Agroecology Collective** with more than a dozen partner family farms in Corsica and the south of France. The collective aims to create beneficial ecosystems in and around fields. These projects use a diverse range of methods – plant cover, agroforestry, mulching, creating natural habitats for birds and insects, among others – to enable producers to use fewer or no pesticides and fertilisers, and less water.

In 2021, the L'Occitane Group joined the third **Livelihoods Carbon Fund** to support rural communities to preserve or restore their natural ecosystems and improve their livelihoods through sustainable farming practices. The Group supports the **reforestation and regeneration of biodiversity in critical environmental ecosystems**.

As such, the L'Occitane Foundation funds natural heritage and biodiversity protection projects such as: the IUCN's French committee and its Red List of Mediterranean ecosystems, the 'Vergers d'Avenir' by the Shared Mediterranean Conservatory, which conserves and promotes heritage plant varieties of the Mediterranean basin, and reforestation and agroforestry projects in 10 countries via local NGOs.¹²

In 2020, the Group and its shareholders created a **fund for the restoration of ecosystems** that have been severely damaged by natural disasters. After the wildfires in Australia and Brazil in 2019 and 2020, €400,000 of private funds will be channelled into restoration projects in these two countries. What's more, the Group is a founding member of France Amande, France's first interprofessional federation of almond growers, which aims to replant 2,000 hectares of almond trees in France to revive sustainable production. The Group is also a founding member of the Lavender Endowment Fund in Provence. As lavender is suffering from the effects of climate change, the fund seeks to support lavender farmers transitioning towards more sustainable production.

Since the creation of a department dedicated to biodiversity and sustainable ingredients, and during the 15+ years of the L'Occitane Foundation, the Group has succeeded in protecting and promoting 1,149 varieties and 513 different species of plants. Since 2010, Melvita has also run a programme aiming to preserve biodiversity by safeguarding bees and promoting beekeeping. 1,150 beehives have been set up in France and abroad.

Key commitments

By 2025, to engage all plant-based ingredients in a positive approach for biodiversity.

By 2025, to farm 100% of our key raw ingredients in line with sustainable agriculture principles based on agroecological, organic, fair-trade, sustainable certifications.

By 2025, to establish a Sustainable Management Charter for wood products.

By 2025, to set up 1,500 beehives (Melvita).

¹²Projects supported by the L'Occitane Foundation are detailed on www.fondation.loccitane.com

TRANSFORM



To contribute to a nature-positive future, the L'OCCITANE Group seeks to drive change for its business ecosystem and beyond. We believe that collective action can bring about transformation at the systemic level. The L'OCCITANE Group engages with many stakeholders – employees, consumers, suppliers, business coalitions and public authorities – to champion nature-positive ideas and practices.

Key actions

Change starts with **people**. To raise awareness among our employees and engage them in climate and biodiversity issues, the Group organises regular 'Climate Collage' sessions: a collaborative, serious game summarising the work of the Intergovernmental Panel on Climate Change. It also supports employee volunteering, such as collecting waste or planting trees, and it cultivates the L'OCCITANE Orchards: each employee with three years' service can have a local tree, such as a Provençal almond tree, planted in their name in collaboration with local producers.

To enable **customers** to make more sustainable choices, we create products and services with a lower environmental impact, such as eco-refills, in-store bulk dispensers, refillable make-up palettes as well as solid soaps, shampoos and deodorants, using less packaging.

We encourage our **value chain partners** through different initiatives, providing financial support, incentives and technical assistance to help them transition towards regenerative practices. Examples include the Fair-Trade Agroecology Collective with partners from Corsica and the south of France or the RESIST programme in Burkina Faso. We also engage with our key suppliers on environmental challenges to innovate collaboratively and set common ambitions.

To share best practices and advocate at the industry and sector levels, we are engaged in **business coalitions and non-profit organisations**, including, among others: OP2B, the Ellen MacArthur Foundation, the Global Shea Alliance, the French Federation for Beauty Companies (FEBEA), RE100, Action for Sustainable Derivatives, the Responsible Beauty Initiative, UEFT, France Amande and the Lavender Endowment Fund in Provence.

Finally, all our knowledge, tools and findings about biodiversity and regenerative agriculture are made available using **open-source** principles to allow them to spread more widely and drive systemic change.

We also take part in **advocacy**, calling on governments to adopt policies to reverse nature loss. For example, we supported Business for Nature's call to action #natureiseveryonesbusiness, requested strong action from the European Union to eliminate imported deforestation and joined the Ellen MacArthur Foundation's call for the implementation of extended producer responsibility schemes for packaging.

We also engage with scientific and academic partners as well as NGOs, such as IUCN's French committee, the Shared Mediterranean Conservatory or Agriculture du Vivant.

Key commitments

Scale up regenerative agriculture with OP2B.

Continue engaging with all our stakeholders (employees, customers, industry associations, business coalitions, scientists, NGOs and governments).

Continue promoting the open-source sharing of knowledge and practices around biodiversity.

CONTINUOUS IMPROVEMENT, MONITORING, REPORTING AND VERIFICATION

This document is a **first systemic contribution to building a nature-positive future**. Via a continuous improvement model, new iterations will help quantify the Group's environmental footprint and define global targets and operational plans. Further developments will be informed by new scientific knowledge, enriched dialogue with our stakeholders (especially business partners and NGOs) and new guidance from the SBTN. Our actions and commitments will be aligned with frameworks at national and global levels. To reinforce this systemic approach, we will join the SBTN Corporate Engagement Programme.

In the coming months, we will also publish our climate strategy, ensuring that we address nature and climate together to build an equitable, nature-positive and net zero carbon future.

We will monitor and publicly report on our key commitments through 'Entreprises Engagées pour la nature-act4nature France' initiative, the Group's annual corporate social responsibility report, B Corp certification and some other specific reports (such as for OP2B and the Ellen MacArthur Foundation). New indicator frameworks issued by the SBTN will also be considered.



L'OCCITANE
EN PROVENCE

Melvita

erborian
KOREAN SKIN THERAPY

 L'OCCITANE
AU BRÉSIL

 LimeLife by Alcone

ELEMIS

THE L'OCCITANE GROUP
CARES

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