

CODE OF BUSINESS CONDUCT

UPDATE 2021

At the L'OCCITANE Group we believe that, with empowerment, we can positively impact people and regenerate nature. This is our mission and the reason why we encourage an entrepreneurial spirit – a mindset anyone can embody. We nurture expertise by advocating for collaboration and innovation and we empower people in our communities to care for nature and act for the planet.

Nature is our inspiration and we are conscious of how our activities depend on it. Our Group is committed to investing in communities, biodiversity, reducing waste and to finding regenerative solutions in order to create a better and healthier planet.

We would also like to reaffirm our support for the United Nations Global Compact's 10 principles. We have pledged to respect those core principles, which relate 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.

ANDRE HOFFMANN, L'OCCITANE Group Chief Executive Officer

The L'OCCITANE Group creates, develops and sells cosmetic products which are respectful of people and nature. Our ambition is to be one of the leading Groups in the natural beauty segment.

The L'OCCITANE Group is committed to developing and distributing high quality products. Our way of doing business entails being responsible, with a focus on the global impact on the environment and people. Integrity and accountability are at the core of the L'OCCITANE Group activities.

The roots of the L'OCCITANE Group Code of Business Conduct are in the implementation of values and principles through all our practices. We expect the same of all those who come into contact with our company, its services or value chains.

Our Code of Business Conduct describes the values, actions and behaviours expected of all those who are employed by, represent or engage with the L'OCCITANE Group.

The contents of this policy should be respected in letter and in spirit. It is not exhaustive, but it provides an essential foundation for everyone's own sense of responsibility. If in doubt, a precautionary principle of 'do no harm' to those impacted must be employed.

Our Code of Business Conduct is consistent with internationally agreed conventions on human rights, labour rights and environmental protection, including the Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration of Fundamental Principles and Rights at Work, the ILO conventions, the United Nations (UN) guiding principles for business and the UN conventions on the environment and human health.

OUR VALUES

Entrepreneurship is the ability to give meaning to the work we do, to take the initiative and calculated risks, to innovate and adapt within an ever-changing environment.

CORE ELEMENTS: Initiative – Pragmatism – Adaptability – Agility

Team spirit is the ability to cooperate and collaborate with others, to achieve common objectives and to work autonomously within a framework.

CORE ELEMENTS: Trust – Support – Collaboration – Achievement

Leading by example means behaving as you would expect others to behave. Holding yourself accountable and setting high standards for yourself is the best way to positively influence others.

CORE ELEMENTS: Accountability – Integrity – Respect – High Standards

Authenticity is the quality of being humble, genuine and transparent in one's way of being and communicating.

CORE ELEMENTS: Humility – Transparency – Simplicity – Feedback

OUR PRINCIPLES

LABOUR

- **Decent hours:** Observe the law and international standards regarding hours of work and the right of workers to balance their work and private lives.
- **Fair remuneration:** Respect the right of workers to receive fair remuneration.
- **Freedom of association and collective bargaining:** Respect the right of workers to form unions or other kinds of worker's associations and to engage in collective bargaining.
- **Freely chosen employment:** Do not engage in any form of forced servitude, trafficked or non-voluntary labour.
- **Humane treatment:** Workers are treated with dignity and respect. They are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse, including any forms of harassment.
- **Human resource development:** Find, secure, guide, and develop employees whose talents and desires are compatible with the company's operating needs and goals.
- **No child labour:** Do not hire any worker below the legal minimum age.
- **No discrimination:** Provide equal opportunities and do not discriminate against workers due to their sex, age, sexual orientation, religious beliefs, political conviction, gender identity or expression, culture, origin, colour, disability, nationality, life stage or any other characteristic protected by applicable laws.
- **Diversity and inclusion:** Cultivate a diverse and inclusive workplace, rooted in ethical behaviours, with respect for individuals of all backgrounds, capabilities and opinions.
- **No precarious employment:** Hire workers based on documented and understandable contracts in accordance with the law and international standards.
- **Special protection for young workers:** Provide special protection to any workers that are not yet adults.

HEALTH AND SAFETY

- **Consumer health protection:** Control consumer exposure to potential hazards through proper design, manufacture and communication.
- **Decent sanitation, food, and housing:** Provide ready access to clean toilet facilities, potable water and where applicable to sanitary eating and residence facilities.
- **Emergency preparedness:** Minimise the harm to life, the environment and property in potential emergency situations and events.
- **Industrial hygiene protection:** Minimise and control the exposure to chemical, biological and physical agents.
- **Occupational injury and illness prevention:** Prevent and minimise occupational injury and illness.
- **Occupational Safety Protection:** Minimise and control exposure to potential safety hazards through proper design, engineering, administrative controls, and ongoing safety training.

ENVIRONMENTAL

- **Climate change mitigation and biodiversity protection and regeneration:** Contribute to a carbon net zero and nature-positive world with:
 - **a reduction of greenhouse gas emissions** in the value chain;
 - **sustainable use of resources:** reduce or eliminate energy and resources consumption at the source, use low impact energies, trace and use sustainable raw materials and components, and limit water use;
 - **pollution minimisation:** reduce or eliminate waste of all types at the source, recycle as much as possible, create a circular economy, control and treat air emissions, hazardous substances, waste water and solid waste prior to discharge;
 - **a positive contribution** to protecting and regenerating biodiversity, increasing carbon sinks and avoiding deforestation, both within and outside the value chain.
- **Good material use:** Comply with all applicable laws and regulations regarding the prohibition of or restrictions on specific substances in products.
- **No animal use:** Minimise the use of any ingredient or product derived from animals, except from beehives. Do not test on animals in the product development or manufacturing process. Be committed to working actively towards the abolition of animal testing of beauty products worldwide.

ETHICS

- **Apolitical business stance:** No contributions of resources such as money, goods or services to political candidates or parties.
- **Business integrity:** Uphold the highest standards of integrity in all business interactions, with a zero tolerance for any and all forms of bribery, corruption, extortion and embezzlement.
- **Disclosure of Information:** Disclose information in accordance with applicable regulations and international practices. Do not falsify records or misrepresent.
- **Fair business, advertising and competition:** Uphold standards of fair business, advertising and competition.
- **Intellectual property protection:** Respect intellectual property rights, transfer of technology and know-how, protect intellectual property rights and safeguard customer information.

- **Privacy protection:** Protect the privacy of personal information in compliance with privacy and information security laws and international requirements.
- **Protection of identity and non-retaliation:** Ensure 'no fear of retaliation' and protect the confidentiality and anonymity of anyone raising any concerns/suggestions.
- **Responsible sourcing:** Contribute actively to minimising the negative impact on people and the planet and maintain a chain of custody.
- **No improper advantage:** No direct or indirect bribes or other means of obtaining undue or improper advantage.
- **Avoid conflict of interest:** Disclose to management if there is a potential conflict of interest which might influence or appear to influence our judgement and actions.
- **Acceptance of gifts/entertainment/hospitality:** Stay within reasonable limits, disclose all such offers to management and always ask oneself the reason for and legitimacy of them.
- **Insider trading and market misconduct:** Comply with laws and internal policies for directors, officers, employees and relatives to prevent fraudulent activities.
- **Anti-money laundering:** Play our part in ensuring that our activities are not used to launder money from criminal activities.

IMPLEMENTATION

Minimum expectation

The principles set out in this Code of Business Conduct represent the L'OCCITANE Group's aspirational goals and minimum expectations.

Even though the aspirations will remain unchanged, the minimum expectations of the Code of Business Conduct, which are translated into verifiable standards, may change in line with societal changes. The L'OCCITANE Group encourages all to go beyond legal compliance to advance corporate responsibility, business ethics and good corporate citizenship.

Applicable law

Applicable law in this Code of Business Conduct means any state, national, regional, local and domestic laws, common laws and customs, administrative laws, regulations, rules, orders, interpretations, permits, standards, judgements, decrees, injunctions, writs and orders of any court, governmental body or arbitrator that apply in the country where an activity takes place or has impact. If the applicable law and the requirements in this Code of Business Conduct are in conflict, or set a different standard of protection, the principles that provide the highest protection to the workers and the environment prevails.

Value chain

Each of us has the capacity to influence changes in their value chains through their purchasing activities and business behaviours. Relationships with all business partners must be managed in a responsible way, and we expect the same in return.

That requires a cooperative approach where every business enterprise (a) involves its respective business partners, (b) takes all reasonable and appropriate measures in its sphere of influence needed to implement this Code of Business Conduct and (c) exchanges information to identify in a timely fashion any challenges that require mitigation.

This responsibility must be embedded in the value chain management to prevent and address any adverse impacts that may be detected in the value chain. The due diligence process and development of the necessary management systems, policies and processes are included in this responsibility.

Worker involvement

Good management practices must be established that involve workers and their representatives in sound information exchange on workplace issues and allow for appropriate measures for protecting workers in line with the aspirations outlined in this Code of Business Conduct. Sufficient competence amongst employers, managers, workers and worker representatives must be in place to maintain these good management practices. Specific steps must be taken to make workers aware of their rights and responsibilities.

Continuous education and training at each level of the organisation is essential to ensuring awareness and clear understanding of this Code and of the relevant associated behaviours. Such programmes will be proposed on a regularly basis.

Effective operational-level grievance mechanisms must be established for individuals and communities potentially adversely impacted. Even where judicial systems are effective and well-resourced, grievance mechanisms may offer advantages such as speed of access and remediation, reduced costs and transnational reach.

Company commitment and accountability

For each business partner, a Code of Business Conduct statement affirming the commitment to compliance with the requirements in this Code, endorsed by executive management, must be available in the language of the employees/workers and acknowledged at the start of the business relationship.

Risk assessment and risk management

An adequate and effective risk assessment process must be in place to identify legal compliance, environmental, health and safety, labour practice and ethics risks, including the determination of the relative significance of each risk and implementation of appropriate procedural and physical controls.

Improvement objectives

To engage in continuous improvement, written performance objectives, targets and implementation plans for improvement should be in place, including a periodic assessment of performance in achieving those objectives.

Audits and assessments

Periodic self-evaluations must be performed to ensure conformity with legal, policy and contractual requirements. Creation and maintenance of records to ensure regulatory compliance and demonstrate Code conformity and performance must be kept, with appropriate confidentiality considerations. Any L'OCCITANE Group value chain entity waives the right to refuse access to a L'OCCITANE Group representative to verify conformance with the requirements of this policy and its implementation.

Raising concerns

Reporting channels must be implemented to allow the raising of questions or concerns about a potential violation of the law or principles of the Code of Business Conduct. As part of our feedback culture, speaking up should be encouraged in an environment that fosters and enables ethical behaviour where employees are comfortable speaking up without fear of retaliation or loss of anonymity, where permitted by law.

Conformance failure

All severe and deliberate failings with regard to the values, principles and implementation set forth in this Code of Business Conduct can result in the termination of the relationship with the L'OCCITANE Group.

ANDRE HOFFMANN,
L'OCCITANE Group Chief Executive Officer

