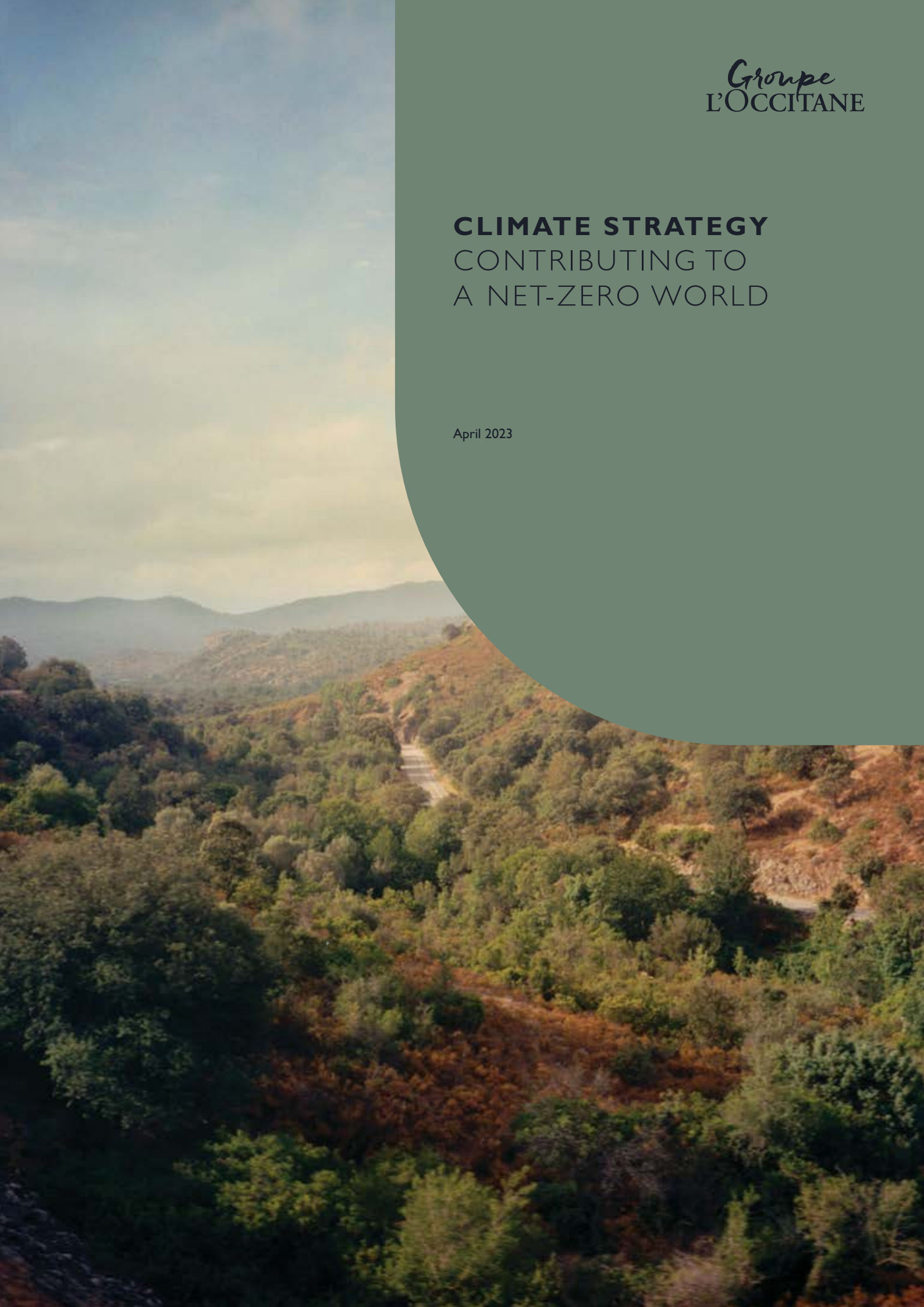


Groupe L'OCCITANE

CLIMATE STRATEGY
CONTRIBUTING TO A NET-ZERO WORLD

April 2023

ABOUT THE L'OCCITANE GROUP

The L'OCCITANE Group is a leading international manufacturer and retailer of sustainable beauty and wellness products. The Group operates in 90 countries worldwide and has 3,000 retail outlets, including 1,500 of its own stores. Within its portfolio of premium beauty brands that champion organic and natural ingredients are: L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil, LimeLife by Alcone, ELEMIS, Sol de Janeiro and Grown Alchemist. Innovative venture studio, OBRATORI and beauty tech start-up, DUOLAB, are also part of the Group.

The Group's mission statement is 'with empowerment we positively impact people and regenerate nature'. With its nature-positive vision and entrepreneurial ethos, the L'OCCITANE Group is committed to finding and contributing sustainable solutions by investing in communities, preserving biodiversity, reducing waste and mitigating climate change.

SCOPE & METHODOLOGY

This Climate Strategy applies to the L'OCCITANE Group as a whole[1]. When the scope of action or commitment does not apply to the whole Group, this is specified in this report.

The L'OCCITANE Group has followed the Science Based Targets initiative (SBTi) Net-Zero Standard to define net-zero targets that are aligned with the ambition to limit the global temperature increase to 1.5°C above pre-industrial levels.

All the Group's targets (both near-term and long-term) have been validated by the SBTi, and its scope definitions follow the Greenhouse Gas (GHG) Protocol. The Group's targets are calculated using the financial year (FY) 2020 as a baseline, and emission reduction targets are set throughout its value chain, including the use phase.

The Group will only claim to have reached net zero after all its long-term targets have been achieved.

A DECADES-OLD COMMITMENT

2008
First GHG assessment on expert logistics flows

2011 & 2014
GHG assessment of the Group's headquarters, factories and export logistics flows

2012
First renewable-electricity contracts

2016
The Group joins the RE100 initiative

2019
First full-scope Group GHG assessment

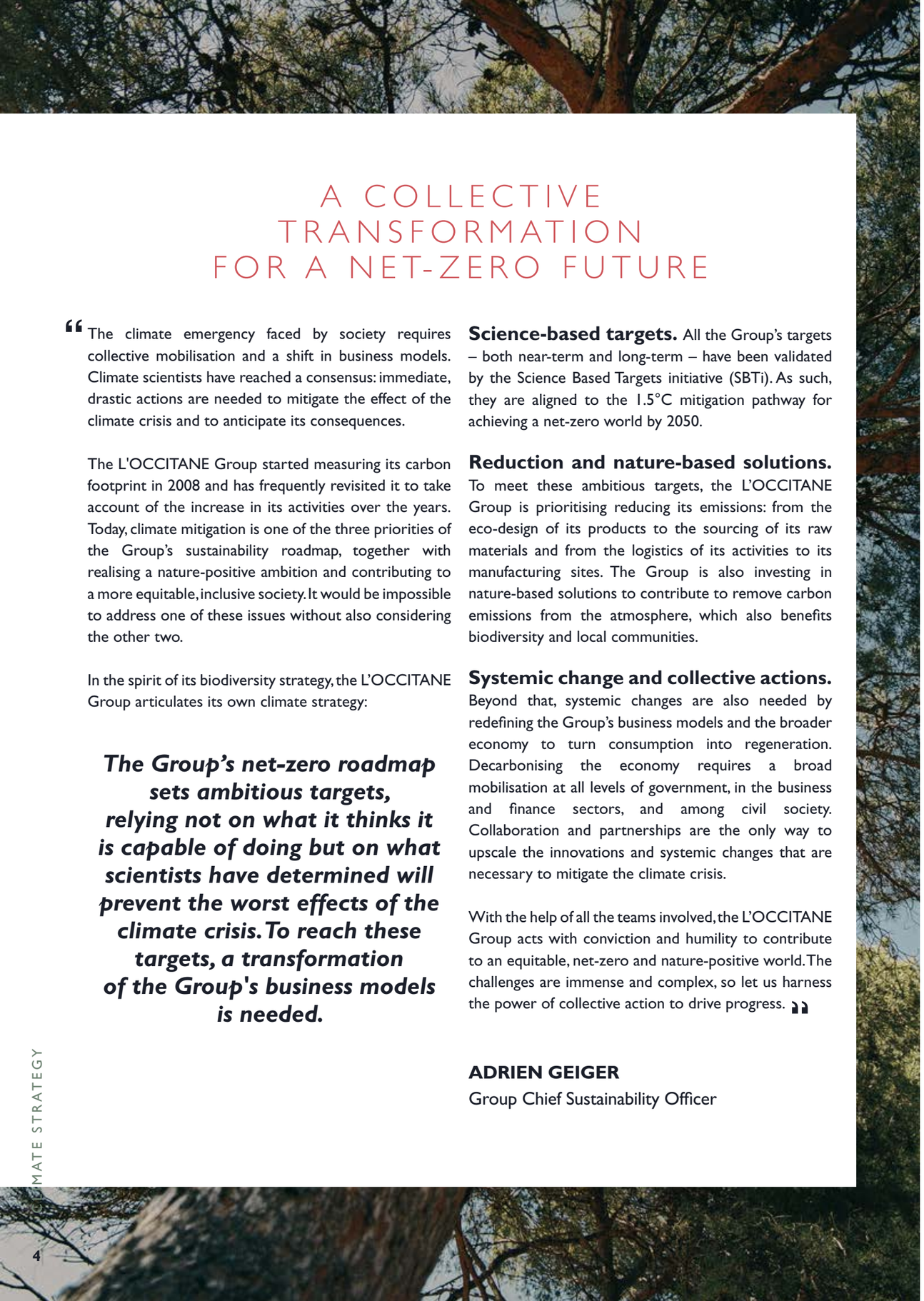
2019
14% reduction of the carbon-intensity emissions of our factories and export logistics flows vs 2014

2020
Setting of net-zero emissions targets

2021
95% of the Group's electricity consumption is covered by renewable electricity

2022
Validation of the Group's net-zero targets by SBTi

[1] The scope includes all the Group's brands as of March 2021: L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil, LimeLife by Alcone, ELEMIS. Sol de Janeiro and Grown Alchemist, which joined the Group in 2021 and 2022, will be included in future assessments.



A COLLECTIVE TRANSFORMATION FOR A NET-ZERO FUTURE

"The climate emergency faced by society requires collective mobilisation and a shift in business models. Climate scientists have reached a consensus: immediate, drastic actions are needed to mitigate the effect of the climate crisis and to anticipate its consequences.

The L'OCCITANE Group started measuring its carbon footprint in 2008 and has frequently revisited it to take account of the increase in its activities over the years. Today, climate mitigation is one of the three priorities of the Group's sustainability roadmap, together with realising a nature-positive ambition and contributing to a more equitable, inclusive society. It would be impossible to address one of these issues without also considering the other two.

In the spirit of its biodiversity strategy, the L'OCCITANE Group articulates its own climate strategy:

The Group's net-zero roadmap sets ambitious targets, relying not on what it thinks it is capable of doing but on what scientists have determined will prevent the worst effects of the climate crisis. To reach these targets, a transformation of the Group's business models is needed.

Science-based targets. All the Group's targets – both near-term and long-term – have been validated by the Science Based Targets initiative (SBTi). As such, they are aligned to the 1.5°C mitigation pathway for achieving a net-zero world by 2050.

Reduction and nature-based solutions. To meet these ambitious targets, the L'OCCITANE Group is prioritising reducing its emissions: from the eco-design of its products to the sourcing of its raw materials and from the logistics of its activities to its manufacturing sites. The Group is also investing in nature-based solutions to contribute to remove carbon emissions from the atmosphere, which also benefits biodiversity and local communities.

Systemic change and collective actions. Beyond that, systemic changes are also needed by redefining the Group's business models and the broader economy to turn consumption into regeneration. Decarbonising the economy requires a broad mobilisation at all levels of government, in the business and finance sectors, and among civil society. Collaboration and partnerships are the only way to upscale the innovations and systemic changes that are necessary to mitigate the climate crisis.

With the help of all the teams involved, the L'OCCITANE Group acts with conviction and humility to contribute to an equitable, net-zero and nature-positive world. The challenges are immense and complex, so let us harness the power of collective action to drive progress."

ADRIEN GEIGER
Group Chief Sustainability Officer

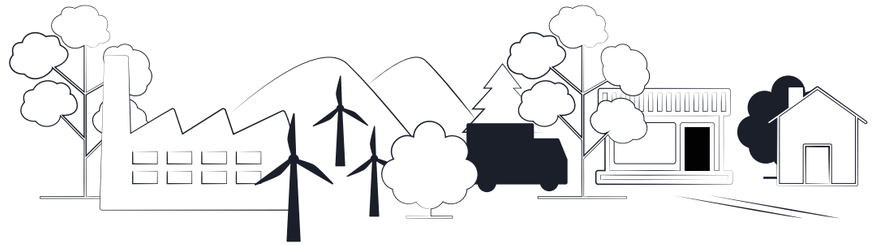
THE L'OCCITANE GROUP'S COMMITMENT AND TARGETS TO CONTRIBUTE TO A NET-ZERO WORLD

COMMITMENT TO NET ZERO BY 2050

The L'OCCITANE Group **commits to reach net-zero greenhouse gas (GHG) emissions across the value chain by FY2050 from a FY2020 base year**. Its near- and long-term company-wide emissions-reduction targets are aligned with climate scientists' aims to limit the global temperature rise to 1.5°C. In being as ambitious and thorough as possible, the Group's net-zero target has been approved by the Science Based Targets initiative (SBTi).

OUR SCIENCE-BASED NET ZERO OBJECTIVES

	DIRECT RESPONSIBILITY		SHARED RESPONSIBILITY	
	SCOPE 1	**SCOPE 2**	**SCOPE 3**	**BEYOND**
	Direct emissions from sources we own or control (wood, natural gas for factories and warehouses, fuel for company's vehicle fleet)	**Indirect emissions** generated by the company through purchased energy like electricity and heating/ cooling networks for utilities including owned stores	**Other indirect emissions**, from: - the upstream sector (e.g. sourcing of raw materials, packaging) - transport - the downstream sector (e.g. the products' use phase and end-of-life treatment)	**To support transition to a net-zero world**, the Group invests to increase natural carbon sinks and advocates for an ambitious policy framework to accelerate transition towards a low-carbon economy.
	EMISSION REDUCTION TARGETS[2]			CARBON REMOVAL
Near term	**Reduce absolute emissions by 46%** by FY2031	Source **100% renewable electricity** by FY2026 and continue beyond	**Reduce emissions by 55%** per unit of value added by FY2031[3]	**Permanently neutralise 100% of the residual emissions** of scopes 1, 2 and 3 from FY2031
Long term	**Reduce absolute emissions by 90%** by FY2050		**Reduce emissions by 97%** per unit of value added by FY2050	**Continue neutralising residual emissions** of scopes 1, 2 and 3 to, and beyond, FY2031



[2]All targets are from a financial year (FY) 2020 base year; emissions are GHG emissions. The Group's financial year goes from April to March. For example, the Group's FY2020 started in April 2019 and finished in March 2020. The Group used the FYs to submit its targets to the SBTi.
[3]Economic intensity emissions or GHG Emissions per Value Added (GEVA) is a method for setting economic intensity targets using the contraction of economic intensity. Targets set using the GEVA method are formulated by an intensity reduction of tCO2e per € value added. Value added = operating profit = earnings before interest and depreciation (EBITDA) + all staff costs.

MAPPING AND MEASURING THE GROUP'S CARBON FOOTPRINT

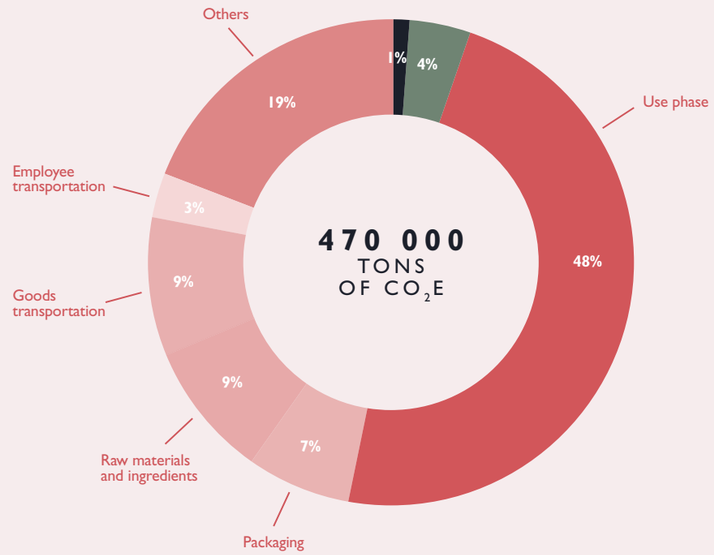
Measuring the Group's carbon footprint is a critical first step in understanding its impacts and prioritising its actions accordingly. Following the Greenhouse Gas Protocol methodology, **the Group total annual emissions were estimated to be 470,000 tons of CO_2e** in FY2020.

This estimate is used as the baseline for the Group's reduction targets. Emissions from its direct operations – scopes 1 and 2 – accounted for just 5% of its GHG emissions. The vast majority (95%) of the Group's GHG emissions came from activities in its supply chain and through consumer use of its products.

Total GHG emissions (tons of CO_2e)

SCOPE

Scope 1 **- Direct emissions**
Scope 2 **- Indirect emissions**
Scope 3 **- Other indirect emissions**



THREE PILLARS APPROACH

To contribute to a net-zero world, **the Group's main priority is to achieve a rapid, thoroughgoing reduction in GHG emissions**. It intends to go even further and neutralise residual emissions by investing in high-quality regenerative projects, which will benefit biodiversity and local communities.

To reach these targets, the Group's climate strategy is built on three pillars:
1. reducing its **direct-responsibility** emissions – through direct control of its emissions;
2. reducing its **shared-responsibility** emissions – with its stakeholders;
3. accelerating **carbon removal and regeneration** to help restore natural ecosystems and absorb residual emissions.

THE GROUP'S DIRECT RESPONSIBILTY: REDUCING EMISSIONS UNDER SCOPES 1 AND 2

SCOPE	SHARE	TARGET
1	1%	Reduce absolute emissions by **46%** by FY2031
2	4%	Source **100%** renewable electricity by FY2026

The Group's actions enabled a reduction of **28%** in its absolute scope 1 emissions in FY2022 compared to FY2020 baseline. Over the same period, the Group's renewable electricity coverage has been increased from 40% to 95%. To achieve its FY2031 targets, the Group is focusing on energy efficiency and limiting the use of fossil fuels by transitioning to renewable energy.

TRANSITIONING TO RENEWABLE ENERGY

The Group's pathway to 100% renewable electricity

Since 2016, the Group has been a member of the RE100 initiative, an international coalition promoting the use and development of renewable electricity. By FY2026, the Group commits to using 100% renewable electricity all its own sites, including factories, warehouses, stores and offices. It has already started the transition and nearly 95% of its electricity comes from renewable sources.

Self-consumption in the Group's factories

The Group's ambitions are to increase its production of renewable electricity and limit the risks involved in electricity sourcing. It aims to achieve this through electrical self-consumption and sourcing local electricity. Solar panels have been installed in the Group's São Paulo and Lagorce factories, which develop self-consumption for the electricity they use.

Finding alternatives to fossil fuels

The Group's ambition is to progressively substitute fossil fuels with other types of fuel, such as using biogas in factories and warehouses, and through using electric vehicles.

IMPROVING ENERGY EFFICIENCY

Factories

The Group's two French factories obtained ISO 14001 certification – indicating their rigorous environmental management systems – in 2013 and 2015, and its factory in Brazil aims to obtain this standard in 2023. The next step for the French factories is to obtain ISO 50001 certification for energy management. In parallel, they are implementing efficiency plans based on eco-processes, production optimisation, pipe insulation and heat recovery.

The Group's stores

The Group's retail network has implemented an environmental management system and defined targets to reduce energy consumption. This includes energy-efficiency activities, team sensitisation, the installation of LED lighting – with the goal of 100% of our retail stores having such lighting by FY2026 – and piloting keeping stores' doors closed to retain the heat.

THE L'OCCITANE GROUP'S SHARED RESPONSBIILTY: REDUCING EMISSIONS UNDER SCOPE 3

SCOPE	SHARE	TARGET
3	**95%**	Reduce emissions by **55%** per unit of value added by FY2031

Scope 3 emissions represent **95%** of the Group's GHG footprint. Reducing these indirect emissions is central to achieving its net-zero emissions target by FY2050.

Indirect use-phase emissions are frequently considered optional when calculating Scope 3 reduction targets. However, the Group has chosen to include them, given they represent 48% of its total footprint.

For this reason, achieving the Scope 3 targets partly depends on consumer behaviour and national energy choices that the Group only has a small influence upon.

SOURCING LOW-CARBON RAW MATERIALS

Traceability and deforestation avoidance

A significant amount of the ingredients the Group purchases comes from natural ecosystems. The Group is improving the traceability of plant-based raw materials to verify how they are being sourced and to make sure they do not lead to ecosystem conversion or deforestation. In doing so, the Group relies on standards such as those of the Roundtable on Sustainable Palm Oil (RSPO) and the Forest Stewardship Council (FSC).

Promoting low-carbon ingredients and insetting through regenerative agriculture

The Group supports sustainable, organic and regenerative farming practices and agroforestry to reduce the carbon footprint of its plant-based ingredients and help sequester carbon in soil. For example, through the Green & Lavandes programme, the Group aims to reduce the carbon footprint linked to the lavender supply chain in France by 50% by 2029. In Burkina Faso, the Resilience, Ecology, Strengthening, Independence, Structure, Training (RESIST) programme has reduced carbon emissions linked to the production of shea butter as a result of semi-industrialised transformation sites using shea waste as an alternative source of energy to wood.

TRANSFORMING THE GROUP'S PRODUCTS THROUGH ECO-DESIGN

Developing life cycle analysis (LCA)

The Group conducts life cycle analysis (LCA) on its bestselling products to better inform its eco-design roadmap and to reduce the carbon footprint of its formulas and packaging.

Eco-design packaging and the circular economy

A range of activities enables the Group to minimise the carbon emissions of its packaging. This includes a reduction in the weight of packaging and the use of recycled and low-carbon materials, eco-refills, in-store bulk dispensers, and solid soaps, shampoos and deodorants. Hence, the L'OCCITANE en Provence and Melvita brands aim to reduce their CO2 emission intensity in relation to packaging by 20% by FY2026 (compared to 2019).

Rethinking the Group's formulas

Carbon emissions are included in the evaluation of the Group's formulas. The formula eco-design policy supports the use of low-carbon ingredients, such as shea butter, grapeseed oil and eco-surfactants, and encourages the substitution of high-impact ingredients such as silicon and sulfate.

REDUCING EMISSIONS STEMMING FROM TRANSPORTATION AND LOGISTICS

Optimising logistics and transportation flows

Upstream and downstream transportation (including consumer transport to the Group's stores) and employee transportation account for 12% of the Group's GHG emissions. The Group is continually making efforts to optimise transportation flows across its logistics hubs, improve the loading of trucks and develop sourcing from local suppliers. For example, in 2022, 82% of the direct purchasing of Laboratoires M&L – a French affiliate in charge of production – was from Europe. The Group is also part of the #SupplyChain4Good initiative, which brings together carriers, distributors and global brands to develop innovative projects.

Developing low-carbon transportation

The Group has developed a green supply-chain policy for logistics activities and suppliers, where all stakeholders participated in building a roadmap to reduce airfreight and increase the use of lower-emission transport, such as electric lorries, trains, sailing ships and bikes. The Group commits to achieving zero airfreight by FY2031 with a first short-term milestone on removing structural airfreight (linked to customers' requesting it as preferred transport mode). The Group also supports low-carbon mobility activities for its employees (carpooling, electric cars, shuttle buses and public-transport season tickets).

CURBING EMISSIONS FROM THE USE OF THE GROUP'S PRODUCTS

An influential role to play

A high percentage (48%) of the Group's carbon footprint stems from consumer use of its products. The levels of these emissions depend on the time taken and the type of heating consumers use for hot showers and baths, the energy efficiency of houses and the energy mix of different countries. Curbing the indirect emissions from products 'in use' is a major challenge as the Group only has a small influence upon consumer behaviour and choices and the global energy system. Governments, energy producers and consumers have to be part of the solution. That's why we decided to join in 2023 the 50L Home coalition to support the development of enjoyable solutions to limit the use of water and energy in daily usage at home.

Encouraging consumer behavioural change and product innovation

The Group intends to help consumers adopt sustainable behaviours in different ways: developing easy-to-rinse or no-rinse products, introducing campaigns to persuade consumers to lower the temperature of and the time they take in the shower, promoting more efficient devices for the bathroom and encouraging the recycling or the reuse of the Group's products through in-store recycling programmes.

Collective action and advocacy for renewable energy and energy efficiency

The Group is using its influence to advocate for low-carbon energy and energy efficiency in consumers' homes through two coalitions: RE100 (since 2016) and 50L Home (from 2023). RE100 is a coalition of the world's most influential businesses that are committed to 100% renewable power. Together, leading companies are sending a powerful message to policymakers and investors to meet the growing demand for renewable energy and to accelerate the transition to a robust, low-carbon economy. 50L Home is driving the future of domestic water consumption, working alongside global industry leaders and public and civil-society institutions.

BEYOND MITIGATION: THE PATH TOWARDS REGENERATION

SCOPE

1

2

3

TARGET

Permanently neutralise **100%** of the residual emissions of scopes 1, 2 and 3 by FY2031

The Group is committed to offsetting emissions across all scopes, including the use phase which currently represents **48%** of its emissions. To neutralise residual emissions that cannot be reduced directly, the Group invests in nature-based, carbon-sequestration projects.

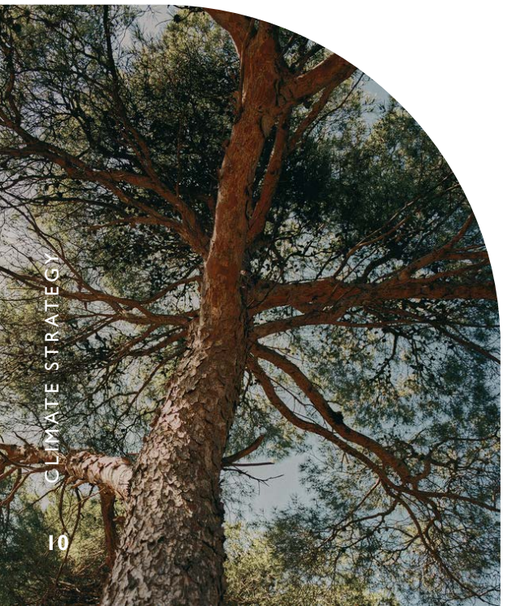
Far from diverting the Group's reduction efforts, its investment in natural climate activities has the potential to remove GHGs from the atmosphere while contributing to the regeneration of biodiversity.

The Group also advocates for profound change across industries, governments and society to accelerate the race to limit global warming to 1.5°C.

CARBON REMOVAL AND REGENERATION

Highest certification standards

As the Group combines climate-change mitigation with strong social, economic and environmental impacts, it chooses to offset its GHG emissions with nature-based solutions, like high-value ecosystem preservation and restoration programmes, reforestation, regenerative agriculture projects and rural energy projects. All projects are certified to the highest standards such as the Verified Carbon Standard, the Gold Standard, the Climate, Community and Biodiversity Standards, and the Label Bas Carbone (Low Carbon Standard) in France. These cover three areas: where the Group has the most impact, where an ecosystem is degraded and where there is particular vulnerability to climate change.



Investing in natural carbon sinks

By investing in projects contributing to carbon sequestration, the Group helps to build on a natural process: absorbing carbon from the atmosphere to store it in natural carbon sinks, such as forests and oceans. This is an efficient, natural method of reducing carbon in the atmosphere that fits with our biomimicry philosophy. In 2021, the Group joined the third Livelihoods Carbon Fund (LCF3), which was created to invest in large-scale, carbon-compensation projects that have great benefits for rural communities through the restoration of natural ecosystems and the development of agroecology, agroforestry and rural energy. In 2022, the Group became an early investor in the Climate Fund for Nature, which is managed by Mirova and was initiated by Kering. The fund supports projects to protect and restore high-value ecosystems and has a specific focus on the empowerment of women. The Group is also supporting forest-regeneration projects in the South of France, an area particularly vulnerable to climate change. Two of these projects have received the Label Bas Carbone. The Group has committed a total of €50 million to natural carbon sinks.

INFLUENCING CLIMATE ACTION IN SOCIETY

Climate literacy

Most GHG emissions are beyond the Group's control, but it is committed to spreading the message and influencing society more broadly towards a low-carbon future. The Group frequently organises Climate Fresk sessions, in which employees learn about the science of climate change. Since 2020, around 1,300 employees have participated in these sessions.

Fostering collective action and advocating for positive climate policies

Climate crisis mitigation requires systemic change and the collaboration of private and public actors, academics and civil society. The Group actively participates in diverse coalitions to develop collective solutions and harmonised frameworks, and to advocate for ambitious climate and biodiversity policies. These include: One Planet Business for Biodiversity (OP2B) to upscale regenerative agriculture and protect the natural ecosystem; Business for Nature, which calls for ambitious climate and nature policies; the Ellen MacArthur Foundation to promote the circular economy; the Mouvement Impact France to develop equitable and environmentally positive business models; and RE100 and 50L Home, as previously mentioned.

GOVERNANCE AND TRANSPARENCY

Continual improvement

This document is the first systemic contribution to building the Group's pathway to net zero.
In the coming months, the Group will continue to:
- improve data tracking and accuracy;
- strengthen its operational action plans;
- incorporate new brands into the net-zero pathway;
- pilot an internal carbon price;
- conduct a climate-change risk and opportunities analysis.

Monitorings

The L'OCCITANE Group will continue to monitor its progress through an annual evaluation of its carbon footprint. The Group will publicly report on its progress in its annual corporate Environmental, Social and Governance report and through CDP. It will also consider new methodological developments from the SBTi and the GHG Protocol.

Integrating climate targets into business strategy

The net-zero pathway is fully integrated into the Group's business strategy. Its climate targets, strategic plans and investments are evaluated and discussed by the Sustainability Committee and the Board of Directors.

GLOSSARY

Carbon dioxide equivalent (CO_2e or CO_2eq)

Carbon dioxide equivalent (CO2e or CO2eq) is a metric measurement that is used to compare the emissions from various greenhouse gases (GHGs) based on their global-warming potential (GWP).

Carbon sink

A carbon sink is a natural or artificial reservoir that absorbs and stores the atmosphere's carbon with physical and biological mechanisms. For example, humus storing soils (such as peatlands), some vegetalizing environments (such as forming forests).

Greenhouse gases (GHGs)

Greenhouse gases (GHGs) trap heat in the atmosphere, thus contributing to the warming of the planet. Carbon dioxide (CO_2) is the main GHG. The volume of other GHGs is often converted into a carbon dioxide equivalent (CO_2e or CO_2eq) for comparative purposes.

The Greenhouse Gas (GHG) Protocol

The Greenhouse Gas (GHG) Protocol provides guidance and standards for companies and organisations to measure and manage greenhouse gas (GHG) emissions. It classifies a company's GHG emissions into three 'scopes' (1, 2 and 3).

Insetting / Offsetting

Insetting refers to climate protection projects along a company's own value chain that demonstrably reduce or sequester emissions. Offsetting refers to projects outside the company's value chain.

The Paris Agreement

The Paris Agreement is a legally binding international treaty on climate change. It was adopted in 2015 under the United Nations Framework Convention on Climate Change. All signatory countries agreed to keep the global temperature rise to below 2 degrees Celsius (°C) above pre-industrial levels and to work towards a 1.5°C limit.

Net zero

Net zero primarily refers to the global balance between greenhouse gas (GHG) emissions and carbon sinks, which the Paris Agreement aims to achieve by 2050. For a company, net zero refers to its global strategy to achieve this balance by 2050. Achieving net-zero requires a drastic reduction in anthropogenic GHG emissions, the preservation of existing carbon sinks and the development of new ones.

RE100

RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity.

Science Based Targets initiative (SBTi)

The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. The SBTi defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets.

L'OCCITANE GROUP'S NET-ZERO PATHWAY

ACCELERATE CHANGE

TARGETS

SCOPE 1 Reduce absolute emissions by 46%

SCOPE 2 100% renewable electricity

SCOPE 3 Reduce emissions by 55% per unit of value added

- 100% renewable electricity on the Group's own sites by 2025
- 100% Roundtable on Sustainable Palm Oil (RSPO) certification
- Lifecycle assessment for bestsellers
- One-third reduction in virgin plastic use by 2025
- 100% recyclable, compostable or reusable packaging
- Insetting through regenerative agriculture
- Development of a forest-positive approach
- Substitution of high-carbon-intensity raw materials
- Development of easy-to-rinse-off and no-rinse products, and less use-phase impact
- 50% reduction in the Group's suppliers and subcontractors' emissions for scopes 1 and 2
- 60% reduction in transport intensity emissions and zero airfreight by 2030

CREATE SYSTEMIC TRANSFORMATION

SCOPE 1 2 Reduce absolute emissions by 90% and continue sourcing 100% renewable energy

SCOPE 3 Reduce emissions by 97% per unit of value added

- Explore and upscale the use of innovative low carbon methods
- Enforce plant-based ingredients sourcing through deforestation-free and regenerative-agriculture methods
- Develop circular business models and new consumer behaviours
- Worldwide low-carbon energy mix

EMISSIONS (tCO_2E)

REMOVAL (tCO_2E)

BUSINESS AS USUAL

1.5°C-ALIGNED EMISSIONS TRAJECTORY INTEGRATED INTO THE GROUP'S GROWTH

CARBON REMOVAL THROUGH NATURE-BASED ACTIVITIES

NEUTRALISATION OF OUR INDUSTRIAL EMISSIONS

NEUTRALISATION OF THE GROUP RESIDUAL EMISSIONS

REACH NET-ZERO OBJECTIVES

2020 2026 2031 2050

Investment in natural carbon removal projects

Groupe
L'OCCITANE

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