

Biodiversity Strategy

CONTRIBUTING TO
A NATURE-POSITIVE WORLD

SUMMARY

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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 1,300 of its own stores. B Corp™ certified since 2023, the Group meets high standards for social and environmental performance, transparency and accountability. 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 Dr. Vranjes Firenze. The L'OCCITANE Group, by virtue of its origin and its products, has a deep and intrinsic connection to biodiversity – linked to this is the Group's mission 'with empowerment, we positively impact people and regenerate nature'.

Scope

The Biodiversity Strategy broadly outlines the ambition, commitments, actions and achievements to date for the whole L'OCCITANE Group. However, specific reference is made to actions that may be further targeted within the Group. The L'OCCITANE en Provence and Melvita brands – whose products are manufactured by the Group affiliate Laboratoires M&L – are leading on many of the commitments as the Group's biodiversity pioneers.

NATURE POSITIVE: A GREAT CALL FOR LEADERSHIP

‘The last five years have seen a pivot in our understanding of the importance of nature to business and society. As more and more species and ecosystems lose ground and functionality, pressure is mounting to act (2019, IPBES report). Of the nine processes that regulate the stability and resilience of planet Earth (planetary boundaries), scientists have shown that six are now beyond a 'safe operating space for humanity'. Simultaneously, The World Economic Forum (2020, WEF, Nature Finance) has issued a warning about the fundamental importance of nature to our economy, with over half of global gross domestic product (GDP) depending on it to some extent.

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

The transformation required to reach this nature-positive future is immense. This global goal, defined as 'Halt and Reverse Nature Loss by 2030 on a 2020 baseline and achieve full recovery by 2050' is one of the great calls for leadership of our time. A call for businesses to support ambitious and forward-looking legislation and to make commitments, take actions and deliver results to reverse the loss of nature. In this context, businesses' and banks' unprecedented support for the new Kunming-Montreal Global Biodiversity Framework which was agreed at the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15) feels hopeful. In addition, a range of rapidly expanding frameworks for action, such as the Science Based Targets Network (SBTN), the Taskforce on Nature-related Financial Disclosures (TNFD) and Business for Nature, are helping businesses to shift their approach to nature, to understand changes in biodiversity and to appreciate its value, both intrinsic – cultural and spiritual – and in terms of services that can be measured in economic terms.

In recognition of the Group's growth and the clear business imperative to commit, the Group has developed this second, more comprehensive, iteration of its Biodiversity Strategy. This strategy encompasses the Group's foundational knowledge of its biodiversity impact and dependency, and a range of commitments, targets and actions to address the drivers of biodiversity loss and to regenerate, restore and protect biodiversity. Thus, the strategy also provides the 'roadmap' for the Group to achieve its ambition of proactively contributing to a nature-positive world.

The Group recognises that this ambition will also require a shift in the way the business integrates the critical 'living' component of nature, biodiversity. This transition will mean broadening the scope of action, reporting and engagement across the family of brands. It will also be important for the Group to continue to be a catalyst for systemic change by showing how to transform supply chains, develop collective actions and promote nature-based solutions like regenerative agriculture. All these elements will contribute to forging a pathway towards nature-positive, delivering global benefits for biodiversity and building a resilient economy and society. This is the sizeable challenge that the Group has taken on with its commitment to biodiversity. ▮

**RAPHAËLLE
ARCHAMBEAUD-SICOT**
Chief Sustainability Officer,
L'OCCITANE Group

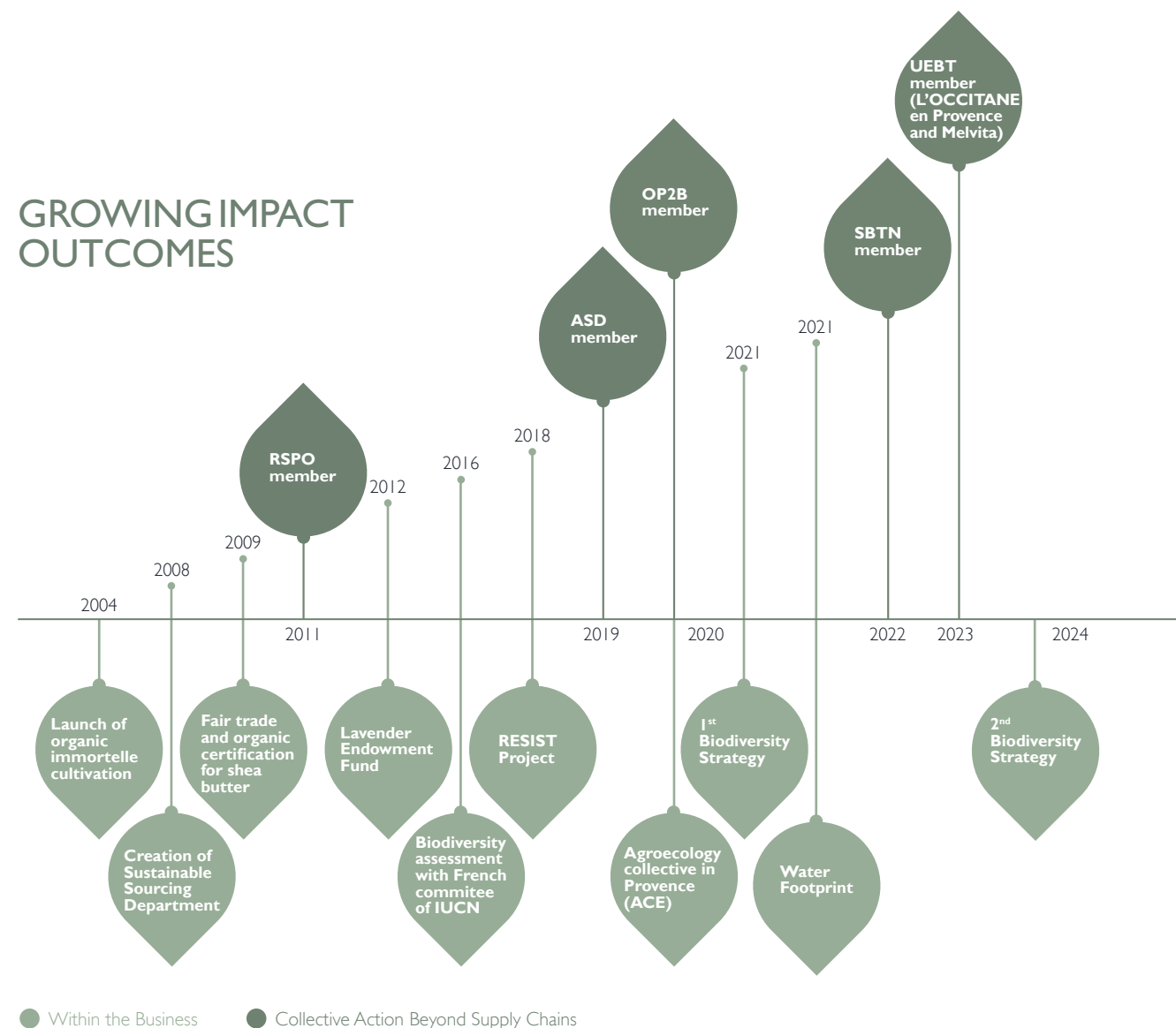
AN EVOLVING APPROACH

MILESTONES IN A DECADES-OLD COMMITMENT

In 2021, the L'OCCITANE Group unveiled its inaugural biodiversity strategy that formalised its longstanding commitment to nature conservation – this has been a pillar of the Group's strategy since its inception. In addition, more recently, the Group has set out its ambition to advance a nature-positive world. **Over the last three years, the Group has made significant progress in its commitment to a science-based approach to drive positive outcomes for biodiversity while growing the business and engagement across the brands.** At the same time, there have been important developments in global action frameworks, notably The Kunming-Montreal Global Biodiversity Framework that sets the global ambition to halt biodiversity loss and help the human world live in harmony with nature by 2050.¹ With this context in mind, the Group has developed a second and more comprehensive version of the Group's Biodiversity Strategy that outlines the progress achieved thus far and frames new ambitions, commitments and actions for the Group, establishing the foundation to contribute in measurable ways for a nature-positive future.

The Group sets the broad framework, standards and targets to guide and support its brands as they design and implement their own initiatives. Much of the initial biodiversity initiatives being pioneered by L'OCCITANE en Provence and Melvita provides models that will be implemented and/or adapted by others in the Group.

GROWING IMPACT OUTCOMES



FOUNDATIONAL PRINCIPLES

The biodiversity work to date across the Group has been built on key foundational principles:

- **Focus on integrated action on nature, climate and equity**, as targets and action on climate and biodiversity go hand in hand with benefits for local people and communities.
- **Use science and research along with knowledge from communities**, producers and farmers to design ways to support the stewardship of nature.
- **Set commitments and targets** where progress is measurable and can support disclosure and enable innovation, continuous improvement and adaptive management.
- **Catalyse and contribute to collective actions and partnerships** to empower the system change that is needed to support a nature-positive future.

INFORMING THE STRATEGY

The global ambition, materiality assessment, mitigation hierarchy, target setting and disclosure of the Biodiversity Strategy were informed by:

- an understanding of planetary boundaries, an ambition to contribute to a nature-positive world and a commitment to offer measurable progress for the Global Biodiversity Framework;
- high-level principles to guide business transformation towards nature-positive (i.e. Business for Nature, Nature-based Solutions, the International Union for Conservation of Nature, the European Business and Biodiversity Platform).
- frameworks and approaches for assessing the materiality and risk of biodiversity loss, setting targets and reporting (i.e. Corporate Sustainability Reporting Directive, SBTN, Science Based Targets Initiative [SBTi]).

SBTN Pilot – L'OCCITANE en Provence and Melvita

Over the last year, L'OCCITANE en Provence and Melvita were proud to be among the pilot group of forward-thinking companies working with the SBTN team. The two brands tested and implemented the first version of SBTN methodologies related to assessing impacts on nature and setting targets on land and freshwater, (both upstream and direct activities). They actively contributed to the learning process of the pilot, providing valuable insights to refine and clarify methodologies and requirements.

¹The Kunming-Montreal Global Biodiversity Framework was adopted at the COP15. It sets out an ambitious pathway to reach the global vision of a world living in harmony with nature by 2050.

TOWARDS NATURE POSITIVE

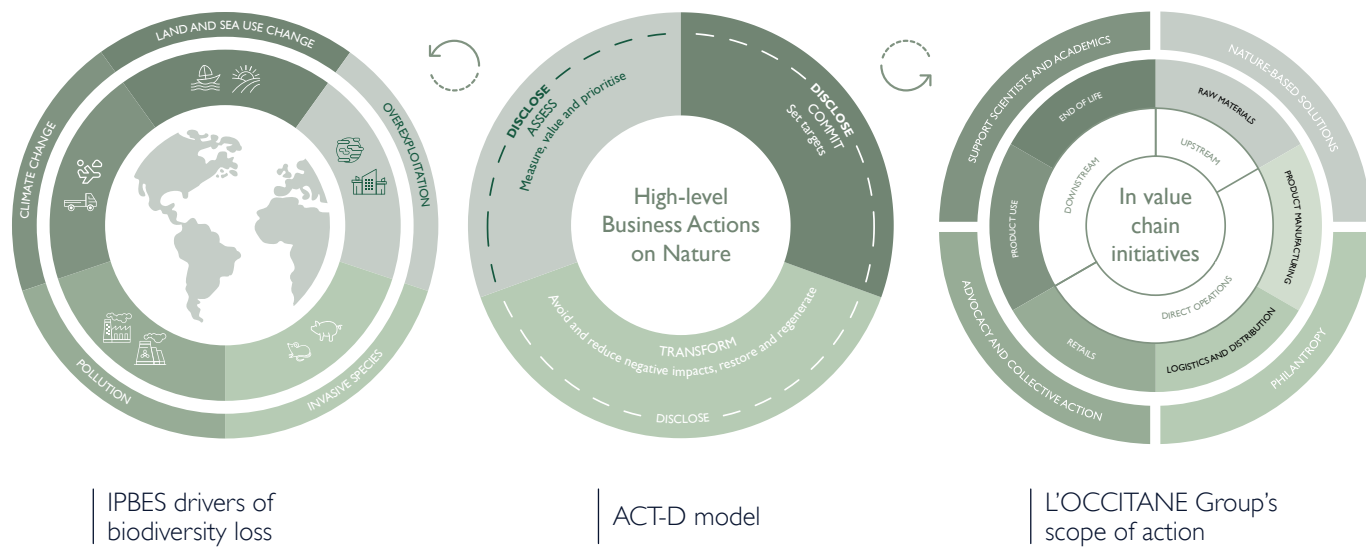
The L'OCCITANE Group is a member of the important and growing community of public and private sector actors committed to **a nature-positive world – a world where nature loss is halted and reversed by 2030 with full recovery of nature achieved by 2050.**

The Group's contribution is built around an approach that is underpinned by the 'mitigation or conservation hierarchy' (**AR3T Action Framework**)² whereby avoidance and reduction of the drivers of biodiversity loss is critical, along with supporting restoration, regeneration and protection of biodiversity. Importantly, the Group's actions and outcomes are focused both within its own business operations and beyond in its 'sphere of influence' through collective action and advocacy.

The Group is already engaged on the journey to nature positivity but recognises that this is not simply an 'accounting exercise'. It will take time and further work to fully understand measurement, attribution and clarity on what thresholds need to be achieved to reach the appropriate level of contribution and claims.

The Biodiversity Strategy provides the initial 'roadmap' to delivering a nature-positive vision. It is structured according to **the ACT-D model**³: **Assess, Commit, Transform, Disclose.**

The Biodiversity Strategy applies across the whole value chain, but with materiality and risk assessments focusing action in key areas upstream, downstream and in direct operations. Action aims to address the key direct drivers of biodiversity loss – land and sea use change, resource exploitation, climate change, pollution and invasive species – and also offer solutions for positive outcomes for biodiversity. In terms of practical focus and current priorities for action, this strategy addresses 'resource exploitation' within land use and management and also focuses on water as being at particular risk of resource exploitation. The strategy also outlines where there are actions that can have synergistic effects to reduce loss and create positive impacts, such as through the broad commitment to regenerative agriculture.



²The AR3T Action Framework was developed by SBTN. It is built on the mitigation hierarchy set out in the International Financial Corporation's (IFC) Performance Standard 6 and on the conservation hierarchy, which expanded the mitigation hierarchy concept to include proactive, positive steps for nature.

³ACT-D refers to the High-level Business Actions on Nature: 'Assess', 'Commit', 'Transform' and 'Disclose' which were developed to encapsulate core components of nature strategies and summarise other guidance. It was developed by Capitals Coalition, Business for Nature, WBCSD, TNFD, SBTN, WEF, WWF and supported by many key actors.

BIODIVERSITY MATERIALITY

A materiality assessment at the Group level highlighted that biodiversity and the interrelated challenges of water and climate change are top priorities. In 2023, a 'deep-dive' analysis on biodiversity materiality and prioritisation across the supply chains of L'OCCITANE en Provence and Melvita was done using the SBTN materiality tool for upstream activities, including raw materials, and this was complemented with input from an external assessment across the cosmetic sector. This analysis highlighted that there are three priority areas of focus to address the drivers of biodiversity loss.

- Upstream:** raw materials represent the highest risks to biodiversity, but also the biggest opportunities for restoration, regeneration and conservation of biodiversity. Potential impacts are related to all drivers of biodiversity loss.
- Direct operations:** manufacturing sites are places where there is a high level of control over impact on biodiversity and where there is a need for immediate action. Potential impacts are mainly related to climate change and pollution, and to a lesser extent, water use.
- Downstream:** The 'use phase' and 'end of life' have significant risks due to water use, water pollution and contribution to climate change through GHG emissions, primarily from energy use. While the Group has limited control over this point in the value chain, there is still a commitment to explore and implement ways to avoid and reduce negative impacts on biodiversity originating from the use and disposal of the Group's products.

VALUE CHAIN		LAND/WATER/SEA USE CHANGE	RESOURCE EXPLOITATION	CLIMATE CHANGE	POLLUTION	INVASIVE SPECIES
UPSTREAM	Raw materials production (farming)	High	High	High	High	Low
DIRECT OPERATIONS	Product manufacturing	Low	Medium	High	High	Low
	Logistics/distribution	Low	Low	High	Medium	High
	Retail	Low	Low	High	Low	High
DOWNSTREAM	Product use	Low	High	High	High	Low
	End of life	Low	Medium	Medium	High	Medium

Legend: ● LOW ● MEDIUM ● HIGH

Given the importance of upstream activities and raw materials, the raw material supply chains are categorised based on business materiality and potential risk and are addressed with specific approaches.

TYPE	SHARE OF PORTFOLIO (VOLUME)	DESCRIPTION	EXAMPLES
ICONIC	5 – 10%	Strategically important ingredients with traceability to production location, longstanding relationships with producers and dedicated sustainability programme	Shea butter, lavender essential oil, immortelle essential oil
BOTANICALS	4 – 6%	Range of botanically derived materials, small volumes but high value for the business	Active ingredients, floral waters, vegetable oils, fragrances
COMMODITY	8 – 10%	Agricultural production with significant volumes used	Sunflower oil, grapeseed oil
DERIVATIVES	Around 75%	Derived from agricultural production of oil crops but produced and distributed over complex global supply chains	Surfactants, emollients, derivatives of palm kernel oils, coconut oils, rapeseed oil
SYNTHETIC/MINERAL	4%	Manufactured from non-plant ingredients	Mineral powders, salt



KEY BIODIVERSITY TARGETS

DRIVERS	TARGETS	PERFORMANCE FY2024	SCOPE
Land use change and resource exploitation across managed land	90% traceability of raw materials origins achieved by FY2031 for all brands	50% (Group); 81% (L'OCCITANE en Provence and Melvita)	L'OCCITANE Group
	100% Roundtable on Sustainable Palm Oil (RSPO)-certified palm oil derivatives by FY2027	91% (Group); 100% (L'OCCITANE en Provence)	L'OCCITANE Group
	100% of the landfootprint to be managed in a way that supports biodiversity preservation and regeneration - in direct or in equivalence - by FY2040	32%	L'OCCITANE Group
	100% of iconic ingredients to be produced from organic/regenerative practices and fairtrade-certified by FY2025	97%	L'OCCITANE en Provence
Water use (resource exploitation)	Reduce water withdrawal by 30% for Manosque factory by FY 2030 (compared to 2019–2023 average baseline)	-23%	Group-owned factories
Pollution: water and plastic	100% of plastic packaging to be recyclable, reusable or compostable by FY2026	37%	L'OCCITANE Group
	20% post-consumer plastic content to be recycled by FY2026	13%	L'OCCITANE Group
	Reduce use of virgin plastic by 15% in FY2026 vs FY2019	+30%	L'OCCITANE Group
	Rinse-off formulas to be made up of 95% easily biodegradable ingredients by FY2030	90%	L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil
Climate change and invasive species	100% renewable electricity at all to be used owned sites by FY2026	95%	L'OCCITANE Group
	Reduce emissions in Scope 1 by 46% and Scope 3 by 55% – per net sales by FY2031	-52% (Scope 1) -13% (Scope 3)	L'OCCITANE Group

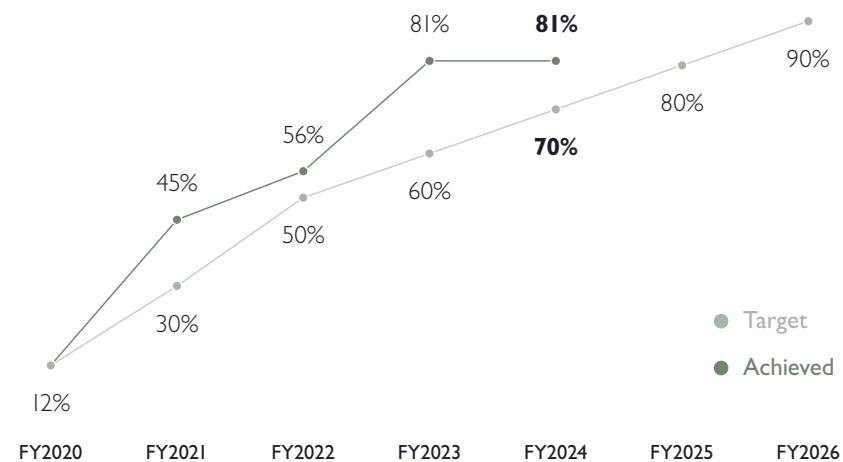
LAND – USE CHANGE AND RESOURCE EXPLOITATION

As a company founded on the cultivation and harvest of plant-based ingredients and raw materials, impact on terrestrial species and ecosystems is of paramount importance for the Group. Activities upstream in the supply chain for raw material production can have significant negative impacts through the way land is used for agriculture, the exploitation of wild plant species and the potential introduction of invasive species. The focus on 'land use change' is a major component of the Biodiversity Strategy, as it encompasses a broad suite of impacts, dependencies and potential for positive outcomes.

RAW MATERIALS

ASSESS

The understanding of how raw material production may be having an impact on species and ecosystems was built on a three pronged approach pioneered by L'OCCITANE en Provence and Melvita.



TRACEABILITY

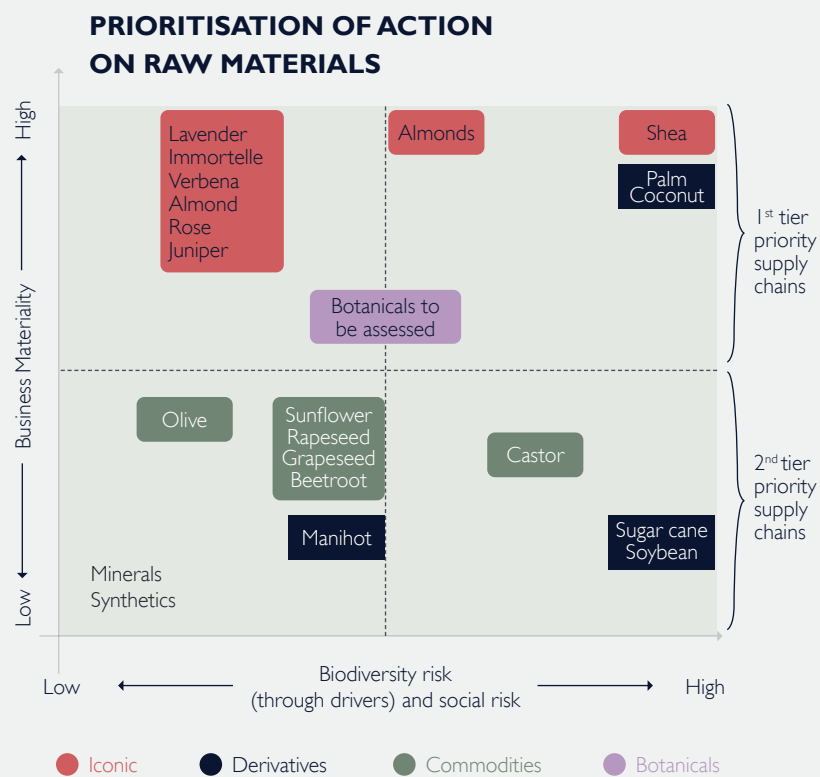
to ascertain sourcing locations for cultivation of key plant-based raw materials.

LANDFOOTPRINT EVALUATION

to better understand the area needed to cultivate or harvest the volume of plants used as raw materials. In FY24, the landfootprint for L'OCCITANE en Provence and Melvita is around 7000 ha.

RISK ASSESSMENT

against a suite of social and/or environmental risks potentially associated with their production. Since 2021, over 90% of raw materials (by volume) for the priority commodities, derivatives, iconic and botanical ingredients for L'OCCITANE en Provence and Melvita have been risk-assessed.



COMMIT

The overarching ambition is that the entire 'footprint' of raw materials being produced are managed according to practices that limit the risk and drivers of loss while delivering positive outcomes for biodiversity.

In that sense, the L'OCCITANE Group has developed a detailed regenerative agriculture framework that outlines guidance on 'practice' as well as measurement and tracking of outcomes for biodiversity, water, productivity and livelihoods. The framework includes a suite of criteria to guide best practices and ensure optimal outcomes for suppliers, field projects, nature-based projects for carbon offsetting and philanthropically supported projects.

The L'OCCITANE Group Regenerative Agriculture Framework can be accessed [here](#).

GROUP TARGETS: Risk and impact assessment by FY2031

90%

of plant-based raw materials (by volume) traced back to the country of origin

90%

of Group plant-based raw materials assessed for social and environmental risks

100%

of high-risk raw material sourcing covered by a deforestation risk management plan

GROUP TARGETS: Mitigating impact and creating positive outcomes

by FY2027

100%

RSPO mass balance certification for palm oil derivatives for all brands

by FY2040

100%

of the landfootprint to be managed in a way that supports biodiversity preservation and regeneration - in direct or in equivalence

L'OCCITANE EN PROVENCE TARGETS

by FY2025

100%

of iconic ingredients produced from organic/regenerative practices and fair trade-certified

by FY2030

100%

of the landfootprint to be managed in a way that supports biodiversity preservation and regeneration - in direct or in equivalence (L'OCCITANE en Provence & Melvita)



TRANSFORM

While these important ambitions across all raw materials contribute to the landfootprint, the Group's approach is designed to be appropriate to the different types of raw material supply chains:

For short supply chains (e.g. iconic, botanicals and commodities), we focus on promoting organic and fair-trade practices and certification, implementing regenerative agriculture practices and sustainable agroforestry systems, particularly through support for and collaboration with producers and their communities.

For more complex supply chains (e.g. derivatives), we focus on promoting sustainable practices through certification where possible (e.g. RSPO) and implementing regenerative agriculture and agroforestry practices across an area of land that is at least equivalent to the existing footprint for those materials within supply chains.

SHOWCASE PROJECTS:

ICONIC INGREDIENTS FOR L'OCCITANE EN PROVENCE AND MELVITA BRANDS

ACE COLLECTIVE

L'OCCITANE en Provence supported the launch and ongoing efforts of the non-profit association Agroécologie et Commerce Équitable (ACE, Fair-Trade Agroecology Collective) that comprises 15 family-run farms producing L'OCCITANE's iconic ingredients (e.g. lavender, almonds, verbena, immortelle, rose and cade) across several production areas in Provence and Corsica. The initiative aims to address two major technical challenges faced by producers: a) creating viable livelihoods and the ability to scale up farming in a sustainable manner; and b) training and support for testing and implementing agro-ecology practices. Importantly, some of the key plants are harvested from the wild and ongoing efforts to plan, track and manage sustainable use of this important ingredient is key to the Group's approach.

SHEA BUTTER

Shea butter is one of L'OCCITANE en Provence's most iconic ingredients. Since 2009, the shea butter used has been fair trade-certified and is sourced directly from five cooperatives in Burkina Faso and, more recently, Ghana. In 2018, a three-year 2 million euro programme (RESIST) was established to support 10,000 women's livelihoods through building their resilience to climate-related and economic shocks, protecting biodiversity and securing access to organic and sustainably managed shea parklands. This programme was recognised as 'exemplary' by the United Nations Development Programme (UNDP).

ARGAN

Melvita has put in place a partnership with argan cooperatives and a local company in Agadir and Taroudant in Morocco. Working with more than 270 women to sustainably harvest and crush the argan fruit, the argan oil used by Melvita is fair trade- and organic-certified.



SHOWCASE PROJECTS:

COMPLEX SUPPLY CHAIN FOR DERIVATIVE INGREDIENTS

COCONUT OIL (ACTION FOR SUSTAINABLE DERIVATIVE PROJECT)

Based in the Philippines, this five-year project (currently until 2029) aims to improve the socio-economic sustainability of coconut oil-producing family farming by empowering small producers in the value chain and promoting agroecological practices. The area of land covered by this collective project amounts to over 4,000 ha, and L'OCCITANE's contribution covers around 750 ha (i.e. over the coconut landfootprint for L'OCCITANE raw materials).

PALM OIL

In Borneo, Indonesia, L'OCCITANE Group is working with a major supplier, to help palm oil producing village communities to achieve RSPO certification for 200 ha. The Group is also supporting the creation of policies to scale up regenerative agriculture in the region, helping to enable the implementation of regenerative agricultural practices on 22 ha of pilot plots.

OUR GLOBAL APPROACH FOR RAW MATERIALS (DERIVATIVES) AT RISK OF DRIVING DEFORESTATION

The Group is committed to acting to halt conversion of natural ecosystems through sourcing 100% of its raw materials (both commodities and derivatives) from certified sustainable supply chains. The Group also aims to contribute to supporting local initiatives that restore and protect biodiversity in production landscapes. Additionally, the Group has made an ongoing commitment to continuously explore ways of sourcing that will ensure no conversion of natural ecosystems.

FOR PALM OIL THIS MEANS:

- 100% must be RSPO-certified by FY27.
- We will comply with ASD No Deforestation, No Peat and No Exploitation (NDPE) policy.
- We will contribute to transformational change by:
 - supporting local landscape initiatives for forests restoration and conservation (8,000ha) along with promotion of regenerative approaches for palm oil production;
 - contributing to in sustainable practices across the supply chain through purchasing policies and consultation, collective action initiatives and advocacy;
 - innovation around the reduction of the use of palm oil derivatives in products through replacement with low-risk alternatives;

DIRECT OPERATIONS

ASSESS

While the most significant footprint is associated with raw material production, the footprint of direct operations is also important to consider in terms of the Group's ability to not only mitigate impact and risk but also design approaches to drive positive outcomes for biodiversity. To date, we have focused our efforts on the 12 ha associated with the manufacturing facilities in Southern France, Lagorce and Manosque where there are significant opportunities to reduce water consumption, water pollution and support 'biodiversity-positive' approaches on the land.

Currently, the Group's other direct operations footprint also includes:

- eight warehouses, located in France, India, Australia, United Kingdom, United States, and Brazil;
- retail space through ownership of 1,300 shops in over 30 countries, mostly located in city centres and malls.

At this stage, land use change has not been identified as a material topic for these elements of the direct operations footprint.

COMMIT

- No further conversion is planned to create manufacturing sites for L'OCCITANE en Provence Melvita.
- All green spaces will be sustainably managed.

TRANSFORM

As of late, no natural habitats have been converted into production sites, and recent biodiversity studies have identified the ways in which biodiversity can be enhanced across the sites. This includes restoration of micro-habitats for local biodiversity, notably birds and insects.



WATER

While 'water' is not strictly one of the five main drivers of biodiversity loss, the health and functionality of freshwater systems is inextricably linked with health and functionality of biodiversity more broadly. In particular, overexploitation of water can have significant negative impacts. In recognition of its importance as a topic, SBTN has created guidance for water as part of a suite of science-based targets for nature.

Freshwater availability is a critical topic for the business, and the cosmetics sector more broadly has been identified as a water-intensive sector. The L'OCCITANE Group's dependency on raw material production and manufacturing in regions of potential water stress, such as the Mediterranean and the West African savanna, underscores the need to focus on the business impact on freshwater availability, both through the way water is consumed and in the manner in which water quality is impacted across the supply chain.

ASSESS

In 2022, the L'OCCITANE Group completed a full global water footprint analysis, focusing on quantifying the water used throughout its value chain. Importantly, this included consideration of water stress factors at the country level to incorporate the local context for water use. The water footprint analyses highlighted two important priorities:

- 90% of the Group's water consumption impact is associated with the 'use phase,' primarily driven by the 'rinse-off' products such as shampoos, shower gels, soaps etc.
- Excluding the 'use phase' from the water footprint, 58% of water use is in the supply chain and a significant proportion of this is due to agricultural production, particularly for almonds which mostly occurs in water-stressed areas.

In FY24, a more in-depth water risk analysis conducted for all direct operations (factories, warehouses, offices and stores) highlighted that less than 6% of water consumption happens in areas with high or very high water scarcity risk. Also, the two main manufacturing sites (Lagorce and Manosque) represent 70% of the water consumption for direct operations. While located in regions currently categorised at a 'medium' level of water stress, it is likely that climate change will exacerbate water scarcity. L'OCCITANE en Provence and Melvita has been participating in the first SBTN target-setting pilot related to water, with a focus on the Manosque and Lagorce manufacturing sites in France. Consultation with local stakeholders has helped identify a water reduction target for Manosque that would be relevant to ensure good ecosystem services and human activities. This consultative approach will be broadened in the future to set the Lagorce factory water reduction target. A next challenge will be to engage suppliers on the topic of water stewardship.



COMMIT

UPSTREAM TARGETS

By FY2028

assess water risk for main L'OCCITANE en Provence and Melvita suppliers (50% spend)

By FY2026

engage with local stakeholders to establish a collective freshwater reduction target for almond cultivation in Spain (L'OCCITANE en Provence)

DIRECT OPERATIONS TARGETS

By FY2026

water risk analysis for all direct operations (Group-level)

By FY2026

water withdrawal target defined for Lagorce manufacturing site

By FY2031

reduce water withdrawal by 30% for Manosque site (compared to 2019–2023 average baseline)

TRANSFORM

The Group is working across the whole supply chain to improve water stewardship and to explore ways to enhance biodiversity outcomes of freshwater systems. Some examples are below:

Upstream: raw materials

The Group's deep commitment to regenerative agriculture and agroecological practices across strategic plant-based raw materials has multiple benefits for biodiversity, including the restoration of water cycles, reduced water pollution and minimisation of water use. The Group is also supporting various initiatives in partnership with local non-governmental organisations (NGOs) and producers to optimise water use for almond production.

Direct operations

Over the years, the L'OCCITANE Group's production sites have implemented new water use-related practices that have resulted in reducing water use intensity (litre per tonne produced) by 25% between FY2020 and FY2023. Future projects such as 'circular water factory' will allow the two manufacturing sites to be even more efficient.

Downstream

A dedicated R&D working group is focused on ways to reduce water consumption during the use phase of products by exploring different approaches: 'right dose', 'rinseability' and low water routines.



POLLUTION

Pollution is a major driver of biodiversity loss and is considered one of the most significant global challenges to environmental and human health that we face. The Group recognises that it is priority to reduce all pollution, including from plastics and microplastics, as well as nitrogen and phosphorus pollution from land-based agriculture. There is clear synergy of action across supply chains between eliminating and reducing pollution and other actions around land and water management.

ASSESS

New initiatives are being developed to measure and inform different actions and set priorities for avoiding and reducing pollution across the value chain. Key assessment actions include:

Upstream: water and soil pollution from key raw material production are being assessed. This has already highlighted that European raw material production (e.g. commodity crops) has the highest risk of negative impacts on aquatic systems due to nitrogen and phosphorus pollution. Consequently, L'OCCITANE en Provence is prioritising almond and sunflower production as the focus for the implementation of agroecological practices to avoid and reduce pollution from agricultural run-off.

Direct operations: solid waste and water pollution are being monitored at the two manufacturing sites in France, with targets and actions still to be defined.

Downstream: biodegradability and ecotoxicity assessment have been carried out for key rinsed formulas (L'OCCITANE en Provence) and there are ongoing efforts with expert organisations to refine life cycle analysis of products and packaging in order to better understand where and how to target action to reduce pollution across products and packaging.

COMMIT

Current targets are focused on mitigating the impact of products' 'use phase' and reducing the impact and potential risk of packaging production and use. In FY2022, the Group became a signatory of the New Plastics Economy Global Commitment, extending the key targets outlined in the agreement to all brands and becoming an accountable contributor the annual Global Commitment progress reports.

USE PHASE AND END OF LIFE TARGETS

by FY2030
95% Rinse-off formulas to be made up of 95% easily biodegradable ingredients for L'OCCITANE en Provence, Melvita, Elemis, L'Occitane au Brésil and Erborian

PACKAGING TARGETS

by FY2026
100% of plastic packaging to be reusable, recyclable or compostable (Group-level)

by FY2026
15% reduction in use of virgin plastic by 15% vs FY2019 (Group-level)

by FY2026
20% post-consumer recycled plastic content (Group-level)



TRANSFORM

At design phase for packaging

Since 2021, L'OCCITANE en Provence has developed a Charter for Eco-Design Packaging. The Charter sets out a pathway to contribute to a circular economy with key elements including:

- eliminate non-essential components, optimise packaging and reduce plastic;
- maximise amount of recycled material content in packaging;
- enable recyclability and/or reusability of packaging;

The Group is strengthening its approach to packaging to include all its brands.

Sol de Janeiro has built on its refill strategy, with sales of refills for its best-selling Brazilian Bum Bum® Cream saving 89% of plastic per unit refilled. The company has used consumer education and a pricing reduction of \$2 to increase engagement with the refill option. It also sells refills for its deodorants and shower gels.

In FY2024, **ELEMIS** announced a partnership with sustainable materials innovators Xampla, supported by a grant from Innovate UK, a United Kingdom Government initiative. Xampla takes the leftover seed waste from ELEMIS' starflower seed pressing and turns it into a plastic-free biofilm. This natural film has many potential uses, one of which is to replace plastic sachets used by the cosmetics industry, which are currently mostly unrecyclable.

At design phase for formulas

The L'OCCITANE en Provence Formulations Charter sets out the principles for formulations which enhance the natural and biodegradable characteristics of the products to reduce impacts on the environment. The charter also contains guidance for the use of raw materials in products.

Each brand is also developing its own brand formulation charter with a focus on eliminating chemical pollution through production and use phase of the products. On an ongoing basis, brands track and report on the biodegradability of their ingredients.

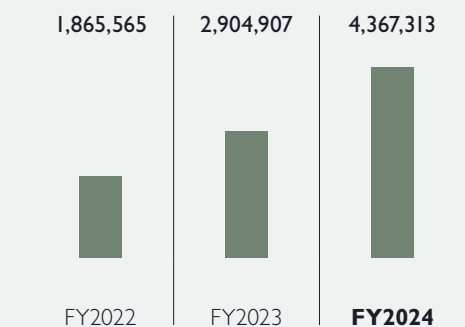
Downstream

In stores, L'OCCITANE en Provence is installing refill fountains in its boutiques across Europe, the US, Canada and Asia. Moreover, the Group is committed to developing recycling programs across all brands that will incentivise recycling of post-consumer products. Today, 72% of L'OCCITANE's own stores offer recycling programmes and in China, 100% of L'OCCITANE en Provence's own stores offer recycling programmes.

OWNED STORES OFFERING RECYCLING PROGRAMMES FOR CUSTOMERS



NUMBER OF UNITS COLLECTED



CLIMATE CHANGE

Climate change is a key driver of biodiversity loss. Details of the Group's approach are outlined in the Group's Climate Strategy that is based on the two critical pillars of action: 1) reduction of greenhouse gas (GHG) emissions across the business and 2) enhancement carbon removal through nature-based solutions. It is through support of a suite of natural climate solutions that the Group can also deliver important global benefits for climate mitigation and adaptation, along with direct co-benefits for biodiversity and livelihoods beyond the supply chains of the Group.

ASSESS

The L'OCCITANE Group estimates its carbon footprint on a yearly basis following the GHG Protocol Methodology in order to evaluate impacts and prioritise actions accordingly. Currently, Scope 3 emissions represent 95% of the Group's GHG footprint.

COMMIT

The L'OCCITANE Group commits to **reach net-zero GHG emissions across the value chain by FY2050 from a FY2020 base year.** The Group's net-zero target has been approved by the SBTi.

by FY2050
90%
Reduce absolute emissions by 46% by FY2031 and 90% by FY2050

by FY2026
100%
Source 100% renewable electricity

by FY2050
97%
Reduce emissions by 55% per unit of value added by FY2031 and 97% by FY2050

by FY2030
100%
Remove 100% of residual emissions of all scopes

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



TRANSFORM

The L'OCCITANE Group is prioritising reducing its emissions, including through the eco-design of its products, the sourcing of its raw materials, and the logistics and operations at its manufacturing sites. Detailed actions are described in ESG report. Significantly, for positive impact on biodiversity, the Group is also investing in nature-based solutions to contribute to sequestering CO₂ while also delivering measurable benefits for biodiversity and local communities. To strengthen its commitment to nature-based solutions, the Group joined the Livelihoods Carbon Fund 3 (LCF3) and the Climate Fund for Nature to support farming projects following regenerative agriculture principles, forest conservation, and regeneration and rural energy efficiency.

SHOWCASE PROJECTS: **LCF3 – RURAL ENERGY PROJECT BENEFITTING 75,000 HOUSEHOLDS WITH AN IMPROVED COOKSTOVE IN NEPAL**

The project proposes to leverage carbon finance to i) raise rural communities' awareness of the benefits of improved cookstove adoption, ii) enable rural households to make a first purchase of a locally manufactured improved cookstove through access to both micro-financing and partial (and decelerating) project stove subsidy, and iii) build the capacity of last-mile distributors for cookstove promotion, distribution and after-sales service. With this project, the aim is to equip 75,000 households with an improved cookstove over a span of 10 years.

SHOWCASE PROJECTS: **CLIMATE FUND FOR NATURE – CONSERVATION PROJECT (REDD+) IN PERU**

The project is developed with seven indigenous communities to address the drivers of deforestation in the region and consolidate sustainable land use. It will also impact indigenous livelihoods through the development of sustainable forest-related value chain and job creation. The project is working closely with indigenous communities and has created the Indigenous Company to support them, with an emphasis on indigenous women. The project is conserving 127,000 ha, including large areas of critical habitats.

INVASIVE SPECIES

Invasive species, including both animals and plants, can disrupt ecological functioning and compete with native species when introduced to areas where they did not evolve. In turn, this can lead to significant loss of biodiversity at local and regional scales. Materiality assessments have shown that the risk of contributing to the spread of invasive species needs to be considered by the Group, particularly through logistics and the movement of materials and products around the world.

Across the Group, further assessment and research are planned to better understand and manage any risks of invasive species. Analysis is too nascent to inform targets at this stage, but an action plan will be developed to mitigate invasive species risk in direct operations, logistics and raw material production. Initially, the Group plans to focus on designing approaches in direct operations in French manufacturing sites.

In summary, currently there are two areas of focus for action:

- Integration of awareness of invasive species and mitigation practices in the L'OCCITANE Logistic Guide;
- Exotic species management plan being put in place for manufacturing sites.

SUPPORTING TRANSFORMATIVE CHANGE

The L'OCCITANE Group has been committed to efforts beyond its own business to build awareness of the importance of biodiversity and, ultimately, drive transformative change to deliver global benefits from biodiversity, and nature-based solutions. Thus, it aims to contribute to the pathway towards nature-positive. It does this through both Group-level and brand-level support for action with suppliers, research endeavours, advocacy and collective action, and philanthropic giving.

SUPPLIERS' ENGAGEMENT

The Group supports team members who are procuring products and services, as well as their potential and existing suppliers, to maintain strict and consistent standards. A dedicated Procurement Code of Ethics accompanies a global programme to evaluate suppliers on the EcoVadis rating system. Called #NotJustSuppliers, the programme details expectations on issues such as corruption and environmental risks in the supply chain. When teams identify supplier risks, they develop and implement mitigation plans whose success is evaluated at a later date.

The Group is also engaged in the Action for Sustainable Derivatives (ASD) initiative to improve the traceability of palm and coconut oils and their derivatives. Through collective industry action, the Group intends to establish more visibility across the supply chain.

Another way L'OCCITANE en Provence is building collaboration and transforming practices across supply chains is through its participation in the TRASCE coalition. Launched in 2023, this consortium was developed to support a collective approach to traceability and risk mapping within supply chains. Of 40 commodities considered by TRASCE, L'OCCITANE Group has prioritised the six that are most significant to L'OCCITANE en Provence: palm oil, coconut oil, castor oil, plastics, glass and aluminium.

SUPPORTING SCIENCE AND RESEARCH

Science and research are fundamental to designing innovative and appropriate approaches that deliver measurable outcomes for biodiversity. The Group and its brands support a range of targeted programmes including:

- the development of methods for SBTN, aimed at helping companies assess impact and set targets for water and land use;
- collaboration with the French Museum national d'Histoire Naturelle and Carbone4 to assess the positive effects of actions deemed to be favourable to biodiversity and to deliver a methodology with biodiversity-friendly practices associated with biodiversity gains;
- collaboration with the French Alternative Energies and Atomic Energy Commission (CEA) to model energy efficiency solutions that can be used for direct operation sites.

ADVOCACY AND COLLECTIVE ACTION

The Group has a longstanding commitment to actively support advocacy and collective action, with the aim of generating approaches that improve business contribution to biodiversity action and outcomes. It is a core part of the Group's approach to drive transformative system change beyond what a single company could achieve.

Support for an ambitious Global Biodiversity Framework

Support for Business for Nature #makeitmandatory campaign at COP15

Ongoing work and commitment to drive business support for action for biodiversity through COP16

Engagement on building circularity and halting plastic pollution

Signatory of the New Plastics Economy Global Commitment of Ellen MacArthur Foundation

Contributor to the Global Commitment progress report

Mainstreaming regenerative agriculture and reducing agriculture's environmental footprint

Member of One Planet Business for Biodiversity (OP2B)

Group's Regenerative Agriculture Framework developed in consultation with OP2B

GOVERNANCE AND NEXT STEPS

GOVERNANCE

The B Corp certification of the Group creates the enabling framework to enhance the governance for biodiversity and social outcomes. While the governance will develop further over time, the foundational elements currently include:

- The Articles of Association for the Group's parent entities and majority-owned entities have been amended to integrate the Group's mission and corporate purpose.
- A Sustainability Board Committee oversees, reviews and makes recommendations to the Board regarding the Group's sustainability strategies, policies and performance.
- Brand-level progress on implementation of the multi-brand standards and targets will be reported to and validated by the Group executive leadership team and the Board.
- The Group's B Corp score (and thus biodiversity topics) is integrated into the profit-sharing and incentive schemes of employees.

NEXT STEPS

This important second iteration of the Group's Biodiversity Strategy builds on both decades of commitment to nature and more recent innovation in approaches. However, the Group also recognises that there is much more to do to deliver on its bold ambition to contribute to a nature-positive world and to drive systemic change. As such, there will be an increasing focus on biodiversity that will inform business model transformation, including:

- strengthening engagement of all brands across the Group;
- expanding our understanding of the impact and dependency on biodiversity and nature;
- innovation in measurement and tracking of biodiversity to inform action and report progress;
- expanding our portfolio of action across geographies and supply chains;
- advocacy and collective action to build a broader support for the Group's nature-positive ambition.

The Group will thrive through the fundamental recognition that its business model depends on a thriving natural world and the value provided by a functional and rich biodiversity. The more it gives back to nature and delivers for people, the more it will continue to grow as a business.



BRAND BIODIVERSITY HIGHLIGHTS

MELVITA: A LEADING ORGANIC BEAUTY BRAND

Founded in 1983 by biologist and beekeeper Bernard Chevillat, Melvita is a French leading organic beauty brand. Melvita products are certified as organic by way of the Ecocert COSMOS standard. Following international standards, almost all ingredients derive from natural sources, with an average of 99% of natural ingredients across all its formulas.

In FY24, Melvita launched standardised refillable jars across its face cream range. A single glass jar designed to accommodate plastic refills is now being used for all its face cream products. Made from 40% recycled glass, the new jars and refill packs help avoid an estimated 91% of packaging materials in manufacturing compared to the previous jar-only solution.

L'OCCITANE AU BRÉSIL: SUPPORT BIODIVERSITY PRESERVATION AND MARINE RESOURCES

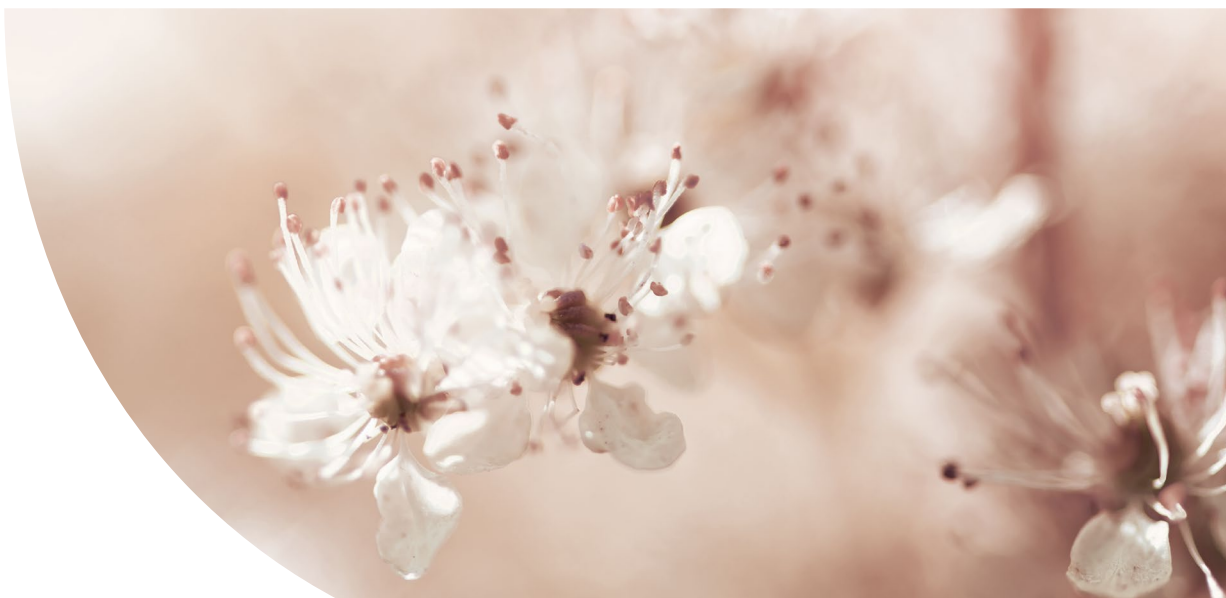
L'OCCITANE au Brésil has biodiversity preservation as one of its key environmental ambitions. The brand has been supporting the development of agroforestry in the Caatinga region. In FY2024, L'OCCITANE au Brésil launched a new product line called Mareô which uses 100% recycled plastic. The packaging manufacturer sources PET collected from coastal areas and recycles it to create 'rPET' packaging. The formula's main raw material is algae which is collected by Brazilian fisherwomen.

SOL DE JANEIRO: A COMMITMENT TOWARDS SUSTAINABLE SOURCING AND NATURE-BASED SOLUTIONS

Sol de Janeiro places deep value on the natural resources used to make its award-winning products. The brand's goal is to source sustainably produced ingredients that respect local and indigenous communities who steward the land where these ingredients are grown. We aspire to go beyond avoiding harm and contribute to the regeneration of global biodiversity by funding nature-based projects through the Sol de Janeiro Foundation.

ELEMIS: A MISSION TO PROTECT AND RESTORE BIODIVERSITY

ELEMIS' vision is to protect and restore nature's biodiversity, both from within its direct operations and outside. ELEMIS is proud to be the first beauty company to join forces with the Royal Society for the Protection of Birds (RSPB), Europe's largest nature conservation charity, to support the long-term restoration, monitoring and maintenance of an internationally important peatland habitat at Forsinard Flows Nature Reserve in Scotland, UK. The project aims to increase biodiversity, support rare and threatened species and help avoid the emission of approximately 1,500 tonnes of CO₂ over a 65-year period.




PHILANTHROPIC PROJECTS

① L'OCCITANE FUND

Preserving and restoring biodiversity in the Mediterranean Basin

The Mediterranean Basin is home to a natural heritage of exceptional biological diversity threatened by intensive and threatening human activity. The L'OCCITANE Fund supports a project run by the French association ENVOLVERT, which aims to enhance domestic and wild biodiversity through agroforestry and by regenerating old varieties of fruit trees. Over the course of three years, 45 farmers from the region receive financial and logistical support, in order to enhance local know-how, develop synergies between actors and promote short circuits.

 120 ha preserved

 1,350 beneficiaries

④ SOL DE JANEIRO

One Tree Planted and Instituto Terra project

In 2024, Sol de Janeiro donated \$100,000 to One Tree Planted to plant 100,000 trees in the Rio Doce Valley in the Atlantic Forest in Brazil. This project is led by Instituto Terra and works in partnership with small rural producers to promote agroforestry, rural development, and improved water and soil quality, among other ecological and social benefits.



② L'OCCITANE FUND

Preserving and restoring biodiversity in Cambodia

Cambodia's people and biodiversity depend heavily on its wetlands, which are now under severe threat from deforestation and intensive agriculture. The Foundation supports The Wildfowl and Wetlands Trust in its project to restore the wetland ecosystems of the Lower Mekong Delta in Cambodia. This project addresses multiple threats to the protected landscapes of Anlung Pring and Boeung Prek Lapouv by working with local communities to preserve, restore and enhance wetlands, introduce sustainable agriculture and celebrate Khmer culture through a community-based ecotourism program.

 165 ha preserved

 23,150 beneficiaries

③ ELEMIS

Ocean Network support

ELEMIS focuses its philanthropic efforts on four key themes, including clean rivers and oceans and regenerating nature. ELEMIS supports Ocean Network, one of the UK's most active communities dedicated to the protection of oceans, waves, beaches and wildlife. The ELEMIS team regularly joins beach cleans organised by Ocean Network.

⑤ L'OCCITANE AU BRÉSIL

Movimento Brésil initiative

L'OCCITANE au Brésil continues its support for the Movimento Brésil programme. This is an initiative to implement agroforestry techniques in deforested areas of Brazil, regenerating the ecosystem and generating income and food security for many families. L'OCCITANE au Brésil's philanthropic activities for FY24 totalled: €94,000.

⑥ MELVITA

WWF initiative on turtle conservation in Guiana and New Caledonia

During FY2024, in celebration of the brand's 40th anniversary, Melvita announced a programme on turtle conservation in Guiana and New Caledonia. The project, which is part of a three-year WWF initiative, aims to protect two species of turtle considered endangered by the International Union for the Conservation of Nature (IUCN). WWF aims to protect Olive Ridley turtles from accidental capture in French Guiana. It is also conducting studies to extend protection to nesting sites in New Caledonia for the Loggerhead turtle.

In both projects, the teams used specially designed beacons attached to the backs of turtles. These enabled them to monitor the turtles' migratory routes, protect them from the nets of local fishermen and identify nesting sites in priority conservation areas.

