

October 2021

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**Terms of Reference for the  
Sustainability Committee of  
L'Occitane International S.A.**

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## Definitions

1. For the purposes of these terms of reference (the Terms):

**Sustainability Committee** means the sustainability committee established by resolution of the board in accordance with clause 2 of the Terms.

**Board** means the board of directors of the Company.

**Company** means L'Occitane International S.A., a limited liability company organized and existing under the laws of Luxembourg having its registered office located at 49 Boulevard Prince Henri, L-1724 Luxembourg registered with the "Chambre de Commerce et des Sociétés Luxembourg" under the number B 80359.

**Company Secretary** means the company secretary of the Company.

**Directors** means the directors of the Board.

**Executive Director** means a director involve in the day-to-day operations of the businesses, a member of the Company's senior management.

**Group** means the Company and its subsidiaries and associated companies at the relevant time or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries and associated companies, the present subsidiaries and associated companies of the Company or the businesses operated by its present subsidiaries and associated companies or (as the case may be) its predecessor.

**Independent Non-Executive Director** means an independent director fulfilling the independence criteria under the Listing Rules.

**Listing Rules** means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).

**Nomination Committee** means the nomination committee established by the resolution of the Board in accordance with clause 2 of its terms of reference.

**Non-Executive Director** means a director who is not a part of the Company's management and is not considered independent.

**Remuneration Committee** means the remuneration committee established by the resolution of the Board in accordance with clause 3 of its term of reference.

**Senior Management** means any nominated executive director of the Company or any other director or officer of the Group determined by the Board from time to time as senior management of the Company; and any other officer of the Company whose remuneration package is, or is proposed to be, more favorable than that of any officer appointed by the Board; and other employees of the Company as determined by the Remuneration Committee.

**Shareholders** means the shareholders of the Company.

**Stock Exchange** means The Stock Exchange of Hong Kong Limited.

## Constitution

2. The Sustainability Committee was established by resolutions of the Board on 27th of July 2021 on a voluntary basis and it is authorized to act in accordance with these terms of reference whereas the Company's articles of association and the applicable laws, regulations and the Listing Rules shall prevail as far as applicable.

## **Purpose**

3. The Sustainability Committee is mainly responsible for assisting the Board overseeing, reviewing, and making recommendations to the Board on the Company's sustainability strategies, policies and performance. It reviews and challenges the Company's Sustainability roadmap and progress on all subjects related to environmental, social and corporate governance (hereafter called "ESG") including in particular climate, biodiversity, packaging, diversity and inclusion and social matter. The responsibilities of the Sustainability Committee shall be updated, modified or amended on a regular basis by the Board.

## **Membership**

4. The members of the Sustainability Committee shall be appointed by the Board from time to time from amongst the Directors and shall consist of not less than three members, a majority of whom should be Independent Non-Executive Directors or Non-Executive Directors. A quorum shall be two members.
5. The chairman of the Sustainability Committee shall be appointed by the Board and shall be the chairman of the Board or an Independent Non-Executive Director.
6. The Sustainability Committee might seek external or internal professional advice and debate with an executive sustainability committee consisting of internal and/or external advisory members. Those executive committee members shall have a right of attendance at the Sustainability Committee meetings, the role of such executive committee members being that they shall support the committee members to organize the meetings, to provide additional expertise and knowledge in the specified fields or areas as defined by the members of the Sustainability Committee.
7. The internal advisory members shall be composed of a sufficient member of Senior Management and shall have no right of vote or of a remuneration from the advice or services provided for the Sustainability Committee. The external advisory members might be remunerated on a case-by-case basis upon decision of the Sustainability Committee and shall have no right of vote neither.

## **Meetings**

8. Meetings shall held not less than twice a year (a priori in October and in June). The meetings shall be convened by the Chairman by respecting a notice period of at least 7 calendar days whereas the Chairman shall convene additional meetings if so deemed to be appropriate by other committee members and the Board. The Chairman is entitled to decide upon the secretary of the Sustainability Committee at his sole discretion.

## **Authority**

9. The Sustainability Committee is authorized by the Board to initiate any activity within its terms of reference. This authorization includes without limitations to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Sustainability Committee.

## **Duties**

10. The responsibilities and authorities of the Sustainability Committee shall be to:
  - a) propose and recommend to the Board on the Company's sustainability strategies, priorities, initiatives and goals;
  - b) oversee, review, and suggest any changes and improvements to the Company's strategies, policies and practices in respect of Sustainability Strategy from time to time and make recommendations to the Board for approval;
  - c) ensure that the Company's operations and practices are carried out in line with the sustainability strategy;
  - d) monitor and review on an annual basis the performance of the Company in achieving targets or key initiatives recommended by the sustainable development executive committee;

- e) support and provide guidance to the sustainable development advisory committee set up by the Company, including setting and reviewing targets or key initiatives recommended by the sustainable development advisory committee and supervision of the implementation of targets or key initiatives;
- f) review and report to the Board any significant risks, opportunities, or investments in connection with the implementation of the Sustainability Strategy and any material matters (whether financial or otherwise) arising from such review;
- g) review and recommend to the Board for the approval of the annual ESG report, and making recommendations on specific actions or decisions the Board should consider in order to maintain the integrity of the ESG report; and
- h) perform such further functions related or incidental to the foregoing which the Sustainability Committee deems appropriate.

#### **Reporting procedures**

- 11. Minutes of the Sustainability Committee's meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the Company Secretary or his appointed delegate), and shall be available for inspection at any reasonable time on reasonable notice by any Director. The minutes shall be sufficient precise allowing to give an overview about the progress in dedicated ESG matters.
- 12. Without prejudice to the generality of the duties of the Sustainability Committee set out in these Terms, the Sustainability Committee shall report back to the Board and keep the Board fully informed of its decision and recommendations unless there are legal or regulatory restrictions on its ability to do so.

#### **Terms available**

- 13. The Sustainability Committee shall make available these Terms on request and by inclusion on the Stock Exchange's website and the Company's website, thereby explaining its role and the authority delegated to it by the Board.