

L'OCCITANE GROUP
CARES
Corporate Social Responsibility



CSR ANNUAL REPORT FY2014

L'OCCITANE
EN PROVENCE

L'OCCITANE
AU BRÉSIL

Melvita



LE COUVENT DES MINIMES



The L'OCCITANE Group consists of five brands: L'OCCITANE en Provence, L'OCCITANE au Brésil, Melvita, Le Couvent des Minimes and Erborian. It has 2,572 stores, of which 1,295 are company-owned. The information provided in this report relates mainly to the Group's French entities.

This CSR report covers the 2014 fiscal year (April 1, 2013 – March 31, 2014). When information does not relate to this period, this will be indicated.

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A MESSAGE FROM THE MANAGING DIRECTOR

THE GROUP AMBITION



We are driven by a mission to develop and market products that are increasingly respectful of man and the environment. From the very beginning, this mission has led us to work continually to limit the environmental impacts of our products and our activities, and also to be an employer and an economic player with a keen awareness of its responsibilities.

We are making progress in this direction one step at a time, working as a team. Through this CSR report (produced for the fourth year running), we are pleased to share the fruit of this rigorous, collective and continuous work. You will find examples of concrete achievements, progress indicators, and accounts from highly motivated teams that illustrate how we express, on a daily basis, our social and environmental responsibility.

This report is also an opportunity for us to reaffirm our ongoing support for the ten principles of the UN Global Compact, which we officially joined in 2011. Making our contribution to the application of these principles, not only through our practices, but also through our sphere of influence, is a source of great satisfaction for all of our employees. We are also very proud that L'OCCITANE has been recognized by the UN as an exemplary company for its actions in Burkina Faso.

■ Emmanuel Osti

INTERVIEW

SUSTAINABLE DEVELOPMENT POLICY



What are the main objectives with regard to Sustainable Development?

The L'OCCITANE Group has been built on solid foundations. These foundations are the values that continue to drive all the men and women who make up this organization: entrepreneurship, a spirit of teamwork and mutual support, and respect for man and nature.

We are very aware of what nature gives us and are constantly striving to limit the environmental impact of our activities, our buildings and our products. Thus our priorities include consuming the fewest possible natural resources, recycling more and more, and working to protect biodiversity.

One of the most valuable assets of the L'OCCITANE Group is its motivated, committed teams. As a responsible employer, we are dedicated to developing the skills of our employees while maintaining a sense of well-being at work and respecting employee diversity.

Finally, the L'OCCITANE Group interacts with the community by fully assuming its responsibilities. Our business relations are based on strong ethical foundations and we have developed a philanthropic programme that is in keeping with our long-standing commitments.

What have been the highlights of the year?

Our Sustainable Ingredients department has received several distinctions, including one from the French Ministry of Ecology. These distinctions give recognition for the continuous work of our teams to strengthen sustainable, fair trade links with our partner producers and to protect biodiversity.

Our eco-design approach has also gone one step further, with a particular focus on the naturalness of our formulas. For example, this year a Green Technology Laboratory has been set up – a laboratory dedicated

to making our formulas even more natural. The ISO 14001 approach, adopted in 2011 to limit our environmental impact, continues to gain ground. Our company-owned stores in France, administrative site in Paris, head office in Geneva and industrial site in Lagorce have all been awarded ISO 14001 certification. Now it is the turn of the production and logistics sites in Manosque to prepare to meet the certification standards. 2013-2014 was also marked by the deployment of the Employee Commitment Programme, which has enabled over 100 people to get involved in community projects that are consistent with our commitments. Many employees have taken advantage of the one day's paid "leave" that is granted specifically to work on these projects. Finally, there is our partnership with the sheltered work environment, which lies at the crossroads of our Responsible Purchasing policy and a social policy that embraces disabilities. This partnership is demonstrated through our support for the work of the "ESAT Hors Les Murs" team, made up of workers from a vocational centre who have come to work alongside our teams.

What are the objectives for the year to come?

Our objective for this year is to sustainably anchor, in our practices, all of the approaches we take to be more responsible: respect for the environment, responsible purchasing and social involvement. Another of our major objectives is to increase the impact on consumers of our communications about our commitments, with the aim of getting them more involved in our efforts towards Sustainable Development.

■ Katia Michieletto
Sustainable Development

THE GROUP IN FIGURES



Over
7000
employees in the world



A presence in
90
countries



Net global growth
1.1%



Consolidated turnover
1.055
billion euros



Growth (local currency)
9.4%



Group quoted on the Hong Kong
stock exchange since
2010



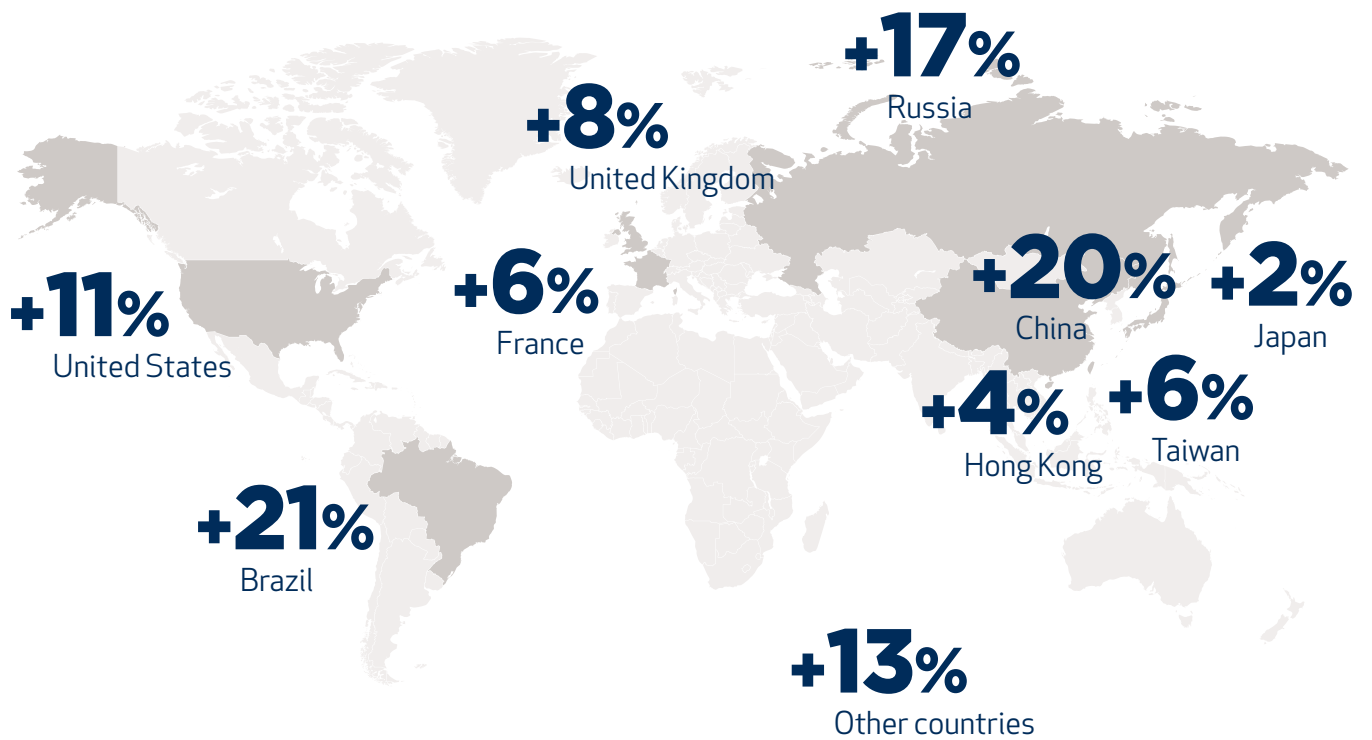
2,572
outlets



115
new stores*

*Comparable net stores opening

GROWTH BY
GEOGRAPHICAL REGION
(IN LOCAL CURRENCY)



GOVERNANCE

Governance is at the heart of the company's actions. By maintaining a constant dialogue with its stakeholders, from suppliers to consumers, L'OCCITANE has been able to develop lasting relationships built on trust and respect. It is these relationships that give strength to a Group whose players move forward hand in hand, to build the world of tomorrow.



GOVERNANCE & BUSINESS ETHICS



2 Questions (SUSTAINABLE DEVELOPMENT)

FOR KATIA MICHIELETTO



The achievement of the year?

The Responsible Purchasing training and the Corporate Social Responsibility Charter for suppliers.

Objectives for the future?

To apply Responsible Purchasing to more areas and to integrate this theme into the control criteria of the internal audit on an international level.

With the aim of managing our environmental and social impacts as well as possible, and to maintain ethical practices, we have opted for a comprehensive approach. To do this, the Group is engaged in an ongoing dialogue with all of its stakeholders, internal and external. This choice requires us to remain attentive and open to exchange.

FORMALIZING VOLUNTARY COMMITMENTS

The Group's commitments to sustainable development are illustrated through concrete and formalized actions throughout the organization.

THE GLOBAL COMPACT

In October 2011, the industrial sites made a voluntary commitment to the United Nations by signing the Global Compact. With a focus on continuous improvement and transparency, each year, they publish a "Communication on Progress" on the United Nations' website so that others can see the progress made relating to the ten principles of the Global Compact and so that good practices can be shared with all other participants.



GOVERNANCE & BUSINESS ETHICS



A RESPONSIBLE GENERATION

Keen to keep progressing in terms of its responsible practices, L'OCCITANE is a founding member of the "Génération Responsable" club, the members of which are mainly distribution companies. By sharing good practices with other businesses, the Group has been able to challenge its own actions and make progress.

A CSR CHARTER FOR BUSINESS NETWORKS

L'OCCITANE is a signatory of the CSR Charter for business networks. By signing this charter, we must report to a supervisory committee, made up of members of the association, and keep them informed of our ongoing progress with regard to meeting the charter's commitments.

THE PURCHASING POLICY: A LEVER FOR CHANGE

As a responsible player in the economy, the Group has identified Purchasing as a significant challenge and a means to contributing to sustainable economic and social development.

IN-HOUSE TRAINING SESSIONS

There are many parties involved in the Purchasing process, from defining needs to working with the approved supplier. Since 2012, the Purchasing department – in collaboration with the CSR department – has arranged cycles of in-house training sessions. The aim: to ensure that all teams concerned are familiar with the relevant knowledge, tools and the Group vision of Responsible Purchasing. By the end of this year, 70 employees had taken this training.

A CSR CHARTER FOR SUPPLIERS

With the aim of sharing its values, and to further strengthen its commitment to the Global Compact, the Purchasing department asks each supplier to show its commitment by signing the CSR Charter before any new commercial partnership can begin. This charter is based on the themes of the UN Global Compact: compliance with labour, health & safety and environmental standards, and respect for business ethics. In 2013-2014, the results compiled showed that 94% of turnover in the areas of Raw Materials, Components, Merchandising and Furniture for the L'OCCITANE and Melvita brands were covered by the charter.

A PARTNERSHIP WITH KEDGE BUSINESS SCHOOL

Finally, for the past four years, the industrial sites (Laboratoires M&L) have been a partner of the Sustainable Sourcing in the Network Environment chair, piloted by Kedge Business School, alongside other companies, NGOs and players from the world of research (SNCF, Sodexo, ERDF, Max Havelaar, WWF, Extramuros). The objective of this chair is to share and communicate the knowledge and experience of the partners involved with a wider public (researchers, students, companies). It also enables us to develop the skills of our own teams in this field.

70

people trained in
Responsible Purchasing

94%

of corporate purchasing
turnover covered by the
CSR charter

GOVERNANCE & BUSINESS ETHICS

DIALOGUE WITH STAKEHOLDERS

Stakeholders are key players that must be involved if we are to achieve our Sustainable Development objectives.

INVOLVING SUPPLIERS AND GIVING PRIORITY TO LOCAL PRODUCERS

With the aim of getting our suppliers on board to help us fulfil our commitments, the Purchasing department asks them to sign the Corporate Social Responsibility Charter for suppliers. This ensures, in particular, that they meet labour, health & safety and environmental standards. The Purchasing department also audits suppliers periodically, with a particular focus on social audits in those countries where this is justified. The objective is to verify whether suppliers are complying with the SA8000 standard (for decent working conditions) and to help them develop good practices.

Local producers represent a large proportion of our suppliers. The L'OCCITANE Group also gives priority to short supply chains, with long-term partnerships built on mutual respect, so that it can have control over the traceability and quality of raw materials right up to delivery. For example, the Group has built up, over the long term, a true fair trade shea butter industry in Burkina Faso. L'OCCITANE also gained recognition from the United Nations Development Programme (UNDP) for all of its actions in that country.

GETTING CUSTOMERS INVOLVED

Our brands are keen to listen to their customers and adapt to their needs. To make this possible, we engage in dialogue with our customers through our stores, e-mails, customer services, social networks, etc. By getting involved at different points of contact, we have been able to build a close relationship of trust. For example, L'OCCITANE customer services in France ranked first in the 2014 Qualiweb awards, which give points for excellence in online customer relations.

The L'OCCITANE brand also wants its customers to adopt a more sustainable approach. They are able to get involved in fund-raising initiatives by purchasing our fund-raising products, which are sold twice a year, with all the profits going to community projects supported by the L'OCCITANE Foundation.

GETTING EMPLOYEES INVOLVED

Every year, employees are given several opportunities to express themselves during personalized interviews with their managers. With the aim of linking employee development to the performance of the company, the Group has internationalized these performance interviews, which now take place in 15 countries, with some 2,000 people.

In addition, when new employees join the sites in France and Geneva, they take part in an induction/orientation day, during which they attend information sessions about the Group's values and missions.

Breakfasts are also regularly organized at several of the Group's sites. These meetings enable employees to have discussions with members of senior management. ■



N°1
in the 2014 Qualiweb awards, which give points for excellence in online customer relations

OVER 2,000
employees from 15 countries have had performance interviews

GOVERNANCE & SUSTAINABLE INGREDIENTS



2 Questions (SUSTAINABLE INGREDIENTS) FOR MAUD REBOUL



The achievement of the year?

The innovative and sustainable nature of our immortelle programme, which was rewarded by the "Coup de Cœur du jury" award for biodiversity within the framework of the "Prix Entreprises & Environnement" business and environment awards, organized by the French Ministry of Ecology, Sustainable Development and Energy.

Objectives for the future?

To commit to an ambitious and coherent biodiversity action programme so that we can take our raw materials purchasing policy to a new level.

GOVERNANCE & SUSTAINABLE INGREDIENTS

The L'OCCITANE Group supervises and secures its plant supplies. To do so, we work directly with producers, focusing on the continuous improvement of the plant supply chains. We forge long-term partnerships with them, built on trust and respect.

A CLOSER LOOK AT THE SUSTAINABLE INGREDIENTS DEPARTMENT

Our policy

- **Take a responsible approach to the use of plants**, to respect the biodiversity of ecosystems and their fragile balance.
- **Implement ways for all players in the industry to work together fairly and transparently**, and thus promote a win-win partnership.
- **4 principles: local, sustainability, traceability and equity.**

Our results

As a result of the efforts made, we have set up over 60 traceable supply chains, representing 400 hectares of cultivation, of which two thirds are certified organic. We have also developed partnerships with over 120 farmers and 15,000 pickers.

Our commitments with regard to our plant supply chains have received recognition from the French Ministry of Agriculture and Forestry. On May 12, 2014, it awarded Laure Pierrisnard – in charge of Sustainable Ingredients for the Group – with the Order of Agricultural Merit medal (an order bestowed for outstanding contribution to agriculture).

OVER

60

traceable supply chains

OVER

120

farmers and 15,000 pickers

STRENGTHENING THE IMMORTELLE SUPPLY CHAIN

To avoid putting too much pressure on natural areas and to secure supplies of immortelle, L'OCCITANE set up the very first large-scale organic immortelle plantation programme in 2004. This makes it possible to guarantee both quality and traceability from harvesting to distilling, and to offer producers contractual agreements covering a period of five to seven years.

The entire approach taken with regard to the immortelle supply chain was rewarded in 2013, when L'OCCITANE received the "Coup de cœur du jury" award for biodiversity from the French Ministry of Ecology, Sustainable Development and Energy, within the framework of the "Prix Entreprises & Environnement" business and environment awards.

During the year 2013-2014, the immortelle supply chain was strengthened, with the arrival of two new producers, who joined our six long-standing producers-distillers. The ambitious programme to replant the initial plots of land continues: in just two years, 80% of the land has been replanted. In parallel, through a partnership with CRIEPPAM⁽¹⁾, a system of assessment has been established for the distilleries that produce the immortelle essential oil, in order to further reduce the environmental impact of this supply chain.

(1) Centre Régionalisé Interprofessionnel d'Expérimentation en Plantes à Parfum, Aromatiques et Médicinales – a research centre for testing fragrant, aromatic and medicinal plants.

8

pickers and distillers
working in partnership with
L'OCCITANE

50ha

of organic immortelle
planted

GOVERNANCE & SUSTAINABLE INGREDIENTS

OVER
4 tons
of PDO fine lavender
essential oil purchased



In the past 10 years, the
volume purchased
has multiplied

by 7

OVER
15,000
direct beneficiaries
in Burkina Faso



SUSTAINABLE PARTNERSHIPS FOR PDO LAVENDER

The Group has set up local, long-term partnerships. Multi-year contracts guarantee producers a minimum purchase volume and ensure that they have a reliable, lasting outlet for their produce, at a price that is agreed by all parties and revised upwards every year.

The partnerships with the lavender industry are backed by unique, 5-year contracts with more than twenty producers. These contracts, which are now entering their second year, contribute to maintaining the cultivation of fine lavender on the plateaux of Haute-Provence. L'OCCITANE purchases over four tons of PDO fine lavender essential oil each year, making it the biggest purchaser of the lavender produced.

GOING EVEN FURTHER WITH THE FAIR TRADE SHEA BUTTER SUPPLY CHAIN

For decades, the L'OCCITANE Group and women's unions in Burkina Faso have been working together in a sustainable, fair trade partnership. The Group has gradually increased its involvement, deepening this partnership, with positive results locally each year. In the past 10 years, the volume purchased has increased seven-fold – and this directly benefits over 15,000 women. Moreover, L'OCCITANE donates 3% of the price of the shea butter to a community development fund, which helps to finance social and technical development initiatives. The business model developed was praised by the United Nations Development Programme (UNDP), which recognized L'OCCITANE as an exemplary company in 2013.

With the objective of continuous improvement, assessments have been carried out with our partners and made it possible to identify the priority actions for the next three years. Our ambition for 2017 is to have 100% of production certified organic, to reduce the amount of water and wood used for processing, and to make good use of 75% of residual waste. To go even further, the L'OCCITANE Foundation has signed an agreement with the NGO RONGEAD, which is specialized in sustainable development.

OUR COMMITMENTS WITH REGARD TO THE PALM OIL INDUSTRY

Since 2011, Laboratoires M&L have been a member of the RSPO⁽¹⁾ – a not-for-profit organization that develops global standards for the production of sustainable palm oil.

OUR AMBITION FOR 2015

By the end of 2015, our aim is for 100% of L'OCCITANE and Melvita soaps sold in stores to be formulated with RSPO-certified palm oil.

(1) Roundtable on Sustainable Palm Oil

STRONG DEVELOPMENT OF THE FAIR TRADE ARGAN OIL SUPPLY CHAIN IN MOROCCO

In the region of Essaouira, in Morocco, grows the argan tree. From its fruits, a precious oil is extracted: argan oil. Since 2006, the Group has sourced the organic argan oil used in Melvita products from a family business that forges close links with the women responsible for gathering and shelling the fruits of the argan tree. 2,000 hectares of organic argan forests are used exclusively for Melvita. Over 250 women are involved in this activity, which indirectly benefits some 1,500 people. In order to encourage local added value, we work with the producers to obtain Fair Trade certification from ECOCERT Environnement in accordance with the ESR⁽¹⁾ standard.

This year, a multi-year production contract was signed with our long-standing supplier in order to guarantee a minimum yearly purchase volume and a fair price over a three-year period. The women earn a salary that is higher than the minimum wage in Morocco: double for the women who gather the nuts and 20% higher for the women who shell them. In parallel, to keep pace with increasing demand, a second partnership has been established.

An in-depth assessment of our argan oil supply chain has allowed for a precise evaluation of environmental, social and economic aspects and identified the challenges that need to be addressed over the years to come.



Economic impacts

Salaries higher than the Moroccan minimum wage:

- double for the women who gather the nuts
- +20% for the women who shell the nuts

Social impacts

- 250 women involved and approximately 1,500 indirect beneficiaries
- 24 jobs in the processing units

Environmental impacts

2,000 hectares of organic argan forest

BUILDING THE SUPPLY CHAINS OF THE FUTURE

The L'OCCITANE Group is always looking for new, natural and effective ingredients. This work is carried out in partnership with the Research & Development and Quality departments, to ensure that raw materials are both safe and effective. This year, three new supply chains were established in the Grasse region. They will provide some of the star ingredients for our Collection de Grasse fragrance range. 19 other prospective supply chains are currently being explored. ■

19

prospective supply chains identified

(1) ESR standard available at www.ecocert.com

THE ENVIRONMENT

The L'OCCITANE Group strives to limit the environmental impact of its activities at every stage in the life of its products. To do this, all departments have a contribution to make, with a focus on developing new methods of production. From formulating products to designing eco-friendly packaging and from production to distribution in stores, the Group is committed to continually improving its environmental performance.



THE ENVIRONMENT & FORMULAS



2 Questions

FOR BÉNÉDICTE LE BRIS

(RESEARCH &
DEVELOPMENT
AND QUALITY)

The achievement of the year?

Setting up a laboratory dedicated to "Natural Innovations", which will enable us to have more ecologically designed formulas (as measured by progress indicators) that continue to be as sensorial and effective as ever.

Objectives for the future?

To find new ways to preserve formulas using natural ingredients, innovative processes and protective packaging, in order to reduce consumers' exposure to conventional preservatives.

The L'OCCITANE Group is committed to constantly bringing out new innovations to make its products even more natural, while continuing to maintain the highest standards with regard to the performance and sensorial properties of its formulas. For example, the Group limits the number of ingredients in its formulas and selects them in accordance with a strict set of environmental criteria.

THE CREATION OF A "GREEN TECHNOLOGY LABORATORY"

To continue to innovate in the natural cosmetics sector, a laboratory dedicated to naturalness was created. It opened in September 2013. The mission of this laboratory is to introduce "natural" innovations into all new products and to encourage development teams to "think and formulate green". As a result of the creation of this new structure, changes are being made to the formulation of our products. The percentage of naturally derived ingredients is increasing, while any ingredients suspected of being harmful are immediately removed. The product is also looked at within its ecosystem, with priority given to environmentally friendly and biodegradable processes.

THE ENVIRONMENT & FORMULAS



PRODUCT SAFETY

The textures and scents of our products are inspired by the Mediterranean art de vivre. Using a L'OCCITANE product is all about enjoying a moment of pleasure and well-being, but there is also the highest guarantee of safety and effectiveness. Every ingredient is carefully studied to ensure that it is gentle on the skin (and/or eyes) immediately after application and is safe over the long term, with no risk of a reaction, mutagenic effect or toxicity for the user. The products are then tested by volunteers, under dermatological supervision, in our new Clinical Evaluation Laboratory, which opened this year in Marseille.

95%

naturally derived
ingredients in the
Precious Cream

A CLOSER LOOK AT THE CLINICAL EVALUATION LABORATORY

During the product development phase, all of the brands in the L'OCCITANE Group carry out a series of tests. One of the main objectives of these tests is to evaluate the tolerance (risk of reaction, etc.) and effectiveness of a product in real conditions of use. Starting this year, these tests have been carried out in our Clinical Evaluation Laboratory in Marseille, in partnership with experienced dermatologists and ophthalmologists. This enables us to have a more in-depth knowledge of our products and to adjust them, if need be, so that they are perfectly tailored to our consumers' needs. Our products are also evaluated in various countries across the world, so that they can be tested on different skin types.



ECO-DESIGNED FORMULAS

IMPLEMENTING INDICATORS (PERFORMANCE-MEASUREMENT AND MONITORING)

The L'OCCITANE brand has implemented indicators to monitor the eco-design of formulas, so that it can continue to make them more consumer- and environmentally friendly. Naturally derived ingredients are given preference over chemically derived ingredients (mineral oils) or raw materials that do not biodegrade easily. The brand limits the amount of silicones used in formulas, as these synthetic substances, derived from silicon, are not readily biodegradable. We do not use silicones suspected of being toxic (D4): the brand is working on ways to replace them with plant-derived alternatives, with the aim of obtaining textures that offer excellent sensorial qualities and are a pleasure to apply. When the methods used to extract or obtain raw materials have a negative impact on the environment (such as ethoxylated products and PEG compounds), every effort is made to avoid using these ingredients. The Precious Cream, which is one of L'OCCITANE's star products, is now composed of 95% naturally derived ingredients by integrating new, natural emulsifiers.

THE ENVIRONMENT & FORMULAS

OPTIMIZED MANUFACTURING PROCESSES

The L'OCCITANE Group works on the processes used to manufacture raw materials and finished products in order to reduce their environmental impact. Emulsions are produced using eco-friendly processes that have been optimized with regard to water and energy consumption. A pilot facility has been created, dedicated to the small-scale industrial production of formulas, before manufacturing them in higher volumes.

We also strive to limit our environmental impact by focusing on biodegradability. For example, all of the L'OCCITANE shampoos and shower gels are over 98% biodegradable.

NATURALLY DERIVED ACTIVE INGREDIENTS

L'OCCITANE systematically gives priority to natural ingredients. Nevertheless, to ensure that a product provides the highest level of effectiveness, synthetic molecules may be used when no reliable and effective natural alternative is available, while always erring on the side of caution. L'OCCITANE also selects active ingredients that have the lowest environmental impact (low water consumption, minimized waste and respect for biodiversity). The brand uses innovative and clean processes that make it possible to obtain extracts that contain the highest concentration of active molecules. Over 300 plant-derived ingredients are used, of which over 25% are certified organic. These ingredients are rigorously selected for their effectiveness and incorporated into formulas at an optimal concentration. ■

L'OCCITANE shampoos and shower gels are

98%
BIODEGRADABLE

OVER
300
plant-derived ingredients, of which 25% are certified organic

A CLOSER LOOK AT THE PRECAUTIONARY PRINCIPLE AND THE WITHDRAWAL OF MIT AND PET

STOPPING THE USE OF METHYLISOTHIAZOLINONE

MIT is a preservative, i.e. a molecule that prevents the microbiological contamination of cosmetic formulas. Preservatives are needed in cosmetic products so that they can be used in normal conditions (stored in a bathroom, daily contact with the hands of the user). As studies recently showed that MIT could cause contact allergies, the EU Scientific Committee is currently considering banning the use of this preservative in leave-on products and using it at a maximum concentration of 100 ppm in rinse-off products by the end of 2015. In order to meet the Ecocert certification standards, Melvita does not use MIT. As for the other Group brands, they do not use MIT in leave-on skincare products and it is found in fewer than 5% of the rinse-off personal care products. Ever since warnings have been issued regarding its use, MIT has not been included in newly developed products, and the Group is working on ways to replace this preservative in older formulas that contain it.

PLASTIC MICROBEADS

The plastic microbeads frequently used in exfoliating products are currently accused of being harmful to the environment and the ecosystem as they are not biodegradable and can enter the marine environment. The L'OCCITANE Group gives priority to natural ingredients such as crushed almond shells and powdered apricot kernels, and very rarely uses these microbeads. It has banned their use in future products and is committed to removing them, as quickly as possible, from the few products that do contain them.

THE ENVIRONMENT & PACKAGING



2 Questions (PACKAGING AND ECO-DESIGN) FOR ALINE ABERGEL



The achievement of the year?

The roll-out of new renewable or recycled materials and the launch of new eco-refills.

Objectives for the future?

To implement an approach consistent with the ISO 14001 standards for the design of our products.

The L'OCCITANE Group is determined to keep doing more for sustainable development and looks for ways to reduce waste production upstream by adopting an eco-design approach to packaging. The Group is also a driving force in raising awareness among its employees and customers of the importance of sorting and recycling.

17.7%
recycled materials
or materials of
renewable origin
in L'OCCITANE
packaging

ECO-DESIGNED PACKAGING

The Marketing, Development and Purchasing teams have received training in the Group's eco-design policy, and environmental design recommendations are communicated to all developers via the "eco-design guide". The eco-design approach applied to L'OCCITANE and Melvita products is based on a principle of continuous improvement and is supported by eco-design tools and monitoring indicators.

ECO-DESIGN TOOLS

To ensure that environmental factors are better taken into account for each product launch (L'OCCITANE and Melvita), all new packaging is evaluated using a scoring tool: the "Eco-Pack score". It is used to evaluate or compare different design scenarios before committing to the final product design, taking into account criteria such as weight, materials, carbon footprint, recyclability, etc. To take this further, Life Cycle Assessment (LCA) studies are conducted on L'OCCITANE and Melvita products.

THE ENVIRONMENT & PACKAGING

MONITORING INDICATORS

Monitoring indicators have been implemented to track the eco-design of packaging for the L'OCCITANE and Melvita brands. Calculated yearly, they provide a factual tool to monitor the results of our efforts and set objectives for the future.

These indicators cover:

- The tonnage of materials used,
- The number of eco-refills available,
- The percentage of recycled or renewable material used in the packaging,
- The percentage of recyclable packaging,
- The CO₂ savings made as a result of our eco-design efforts.

The packaging used for L'OCCITANE products is made up of 17.7% recycled materials or materials of renewable origin (16.9% for Melvita). This is a real achievement when compared with the usual practices in the beauty industry.

ENVIRONMENTALLY FRIENDLY MATERIALS

PACKAGING MADE FROM RECYCLED MATERIALS

Without compromising on the aesthetics and quality of its packaging, the L'OCCITANE brand has succeeded in integrating recycled materials into some of its bottles and tubes. For example, within the personal care category, the shower gels in the Verdon range and the hair care products in the Aromachologie range are made from 100% recycled and recyclable PET plastic. The skincare bottles used in the Immortelle range are also made from recycled plastic. For its glass bottles, the L'OCCITANE brand regularly uses partially recycled glass. Melvita products are eco-designed whenever possible: for example, the blue bottles used for its floral waters were developed using 100% recycled and recyclable PET.

PACKAGING MADE FROM RENEWABLE MATERIALS

To limit its use of petroleum-based materials, the L'OCCITANE brand continues to develop bottles and tubes made with 95% sugar-cane based plastic (Shea Butter and Almond ranges).

The L'OCCITANE Group continues to conduct research aimed at extending its range of more environmentally friendly packaging materials and solutions, and works closely with partner suppliers to do this.

DEVELOPING ECO-REFILLS

For the past five years, L'OCCITANE has offered customers a wide choice of eco-refills, aimed at giving a second life to packaging. 14 eco-refills have been developed so far, with up to 90% less plastic used to make them, compared with the standard bottle.

This year, there were in-store actions to make these eco-refills more visible to customers. They've also been given a new identity.

This is based on:

- Giving visibility to our eco-design actions,
- Echoing the design of the original product, so that customers can intuitively and rapidly identify what they're looking for.

Through this initiative, L'OCCITANE hopes to attract more eco-aware customers, so that they, too, can be involved in the efforts made to limit our environmental impact. ■



14

eco-refills available, allowing for a reduction in the use of plastic of up to 90%

THE ENVIRONMENT & PRODUCTION



2 Questions (MANUFACTURING) FOR JEAN-FRANÇOIS GONIDEC



The achievement of the year?

Starting up the new production and packaging workshops in our two production sites in Manosque and Lagorce. There is now a high-quality production environment, the working conditions of the machine operators have been improved, and energy consumption has been optimized.

Objectives for the future?

To obtain ISO 14001 certification for our production site in Manosque and maintain this certification for the Lagorce site.

To further reduce its environmental impact, L'OCCITANE has chosen to implement a continuous improvement approach at its production sites. ISO 14001 certification, waste recycling, production of renewable energy and raising employee awareness are among the initiatives developed to combine industrial activities with respect for the environment.

THE ENVIRONMENT & PRODUCTION

THE ISO 14001 CERTIFICATION PROCESS

For the L'OCCITANE Group, placing the environment at the very heart of the organization meant taking steps to achieve ISO 14001 certification.

MAINTAINING ISO 14001 CERTIFICATION FOR SITES THAT HAVE ALREADY BEEN CERTIFIED

The environmental policy reflects the overall vision of the Group: to ensure that the increase in its environmental impact is lower than the growth of the Group itself. To make this policy a reality for all of its activities, in 2011, L'OCCITANE decided to pursue certification to the ISO 14001 environmental standard.

An environmental management system was set up at the production sites (Manosque and Lagorce), company-owned stores in France (L'OCCITANE and Melvita), the head office in Geneva, the administrative site in Paris and the logistics platform.

In March 2013, the production site in Lagorce obtained certification for its manufacturing practices with regard to cosmetic products. A few months earlier, in October 2012, the company-owned L'OCCITANE and Melvita stores in France, the administrative site in Paris and the head office in Geneva also obtained ISO 14001 certification. This year, these sites brilliantly maintained their certification: during the first follow-up audits, just one minor non-compliance was identified across all areas audited. This goes to prove the effectiveness of the management system that has been implemented.

Over the years, the Group has thus been able to develop indicators, make them more reliable, ensure better analysis of indicators, refine the actions taken to reduce environmental impacts, and involve an increasing number of employees.

LAUNCH OF THE ISO 14001 CERTIFICATION PROCESS IN MANOSQUE AT THE END OF THE YEAR

The sites in Manosque (i.e. the production site and logistics platform) entered the certification process this year. The certification is planned for 2015.



ISO 14001

50% of production sites

100% of our company-owned stores, i.e. 68 stores

The head office in Geneva and administrative site in Paris



THE ENVIRONMENT & PRODUCTION



91%

waste recovery in
Manosque and
80% in Lagorce

INCREASING WASTE RECOVERY

Analysing needs, providing suitable containers, clear and easily understandable signage, in-house waste collection, a suitable storage area that complies with regulations, appropriate recycling streams and a search for new recycling streams, traceability and monitoring of waste disposal, raising employee awareness...

By implementing all of these actions on the industrial sites, waste management can be continuously improved.

- In Lagorce, as a result of taking improvement measures, the percentage of waste recycled increased from 27% to 52%, while the amount of waste recovered (recycled and incinerated waste) reached 80%. Cardboard, plastic film and wrapping, clean and soiled glass and plant oils are all recycled.
- At the industrial site in Manosque, 43 types of waste are recycled through 13 different recycling streams. As a result, 91% of waste is recovered.

PHOTOVOLTAIC PANELS

The Manosque site has been equipped with 270 m² of photovoltaic panels since 2011. In 2013, these panels enabled it to produce 33,760 kWh of electricity. As for the site in Lagorce, 241 m² of panels have been installed since 2013.

RAISING EMPLOYEE AWARENESS

All year long, there are awareness-raising actions at the different production sites, to keep a focus on the environment on a daily basis. The Sustainable Development Week is one of the essential events where employees can communicate and get involved.

This year, the event was organized around sustainability workshops. The idea was to bring together players from different company sectors and an external expert to work on the subject of sustainable development and find ways to improve internal practices. The themes developed included green chemistry, IT good practices, eco-responsible events, sustainable communication and responsible finance.

One of the highlights of these workshops was a sustainable biodiversity workshop, during which there were passionate discussions between Marc Dufumier (an agronomist and teacher-researcher at AgroParisTech in France, a specialist in agroecology and the author of several books) with external representatives from the lavender supply chain and the departments that work with this industry.

Still on the subject of raising employee awareness, another key moment this year was an awareness day dedicated to the theme of safety and the environment, which was organized at the Lagorce production site during the French Journée de solidarité (day of solidarity with the elderly). ■

THE ENVIRONMENT & TRANSPORTATION



2 Questions

FOR LORENZO GIACOMONI

(GO TO
MARKET)



The achievement of the year?

The reduction in air freight.

Objectives for the future?

To obtain ISO 14001 certification for the export platform opposite the Manosque production site and continue to reduce the use of air freight.

The L'OCCITANE Group is committed to fighting global warming by reducing its greenhouse gas emissions. To do this, the Group refers to its carbon footprint analysis, which is published every three years. The most recent analysis (2009-2010) showed that freight accounted for a large proportion of CO₂ emissions. Since then, several action plans have been implemented to reduce CO₂ emissions related to freight. The carbon footprint analysis had also shown that employee travel (between work and home, plus business trips) was the third highest emitter of CO₂, representing 12% of our total emissions. This prompted the Group's decision to establish a policy to encourage its employees to reduce their emissions.

42%

reduction in the weight of goods transported by air

LESS USE OF AIR TRANSPORTATION

While the use of air transportation to deliver goods is kept to a minimum, it nevertheless represented 75% of CO₂ emissions from downstream freight in the most recent carbon footprint analysis. The Go-to-Market department has thus implemented a policy to reduce air freight, with this means of transport used only in cases of urgency. The results are significant. The share of air transport (based on tons transported) went from 4.2% in 2012-2013 to 3.1% in 2013-2014. This represents a 4.2% reduction compared with the previous year and a 26% reduction in tCO₂^e.

THE ENVIRONMENT & TRANSPORTATION

99%

of goods destined for continental Europe transported using combined road-rail transport

Savings of

480 tCO₂^e

thanks to the use of combined road-rail transport

23

stores in the Paris region have their products delivered by electric vehicles



20%

of employees in Manosque and 35% in Lagorce take the bus to work or carpool

COMBINED ROAD-RAIL: A NEW, MORE ECO-FRIENDLY MEANS OF TRANSPORT

This year, 99% of goods destined for continental Europe and delivered from the site in Manosque were transported by combined road-rail transport. 16,601 pallets were transported, which meant savings of 480 tCO₂^e (70% reduction in CO₂ emissions). The feedback continues to be very positive (less congested transportation routes, less pollution, reliable, etc.) and has encouraged the Group to further develop this solution (which began in 2012) for the transportation of goods.

ELECTRIC VEHICLES: ECOLOGICAL AND PRACTICAL



To do more to fight global warming, since 2012, stores in the Paris region have had their products delivered by electric trucks. This eco-friendly delivery method is now used for 23 stores (L'OCCITANE and Melvita) in the Paris region.

This year, our service provider made 3,938 deliveries, representing 439,301 kg of goods. The delivery truck, dressed in the colours of L'OCCITANE, travelled 44,280 km, saving 11,000 litres of diesel fuel from being burned. This represents savings of 28.8 tons of CO₂. Not only does this partnership help to fight greenhouse gas emissions, it also ensures a reliable and punctual service.

THE GREEN TRANSPORT PLAN

Employee travel is now the third highest emitter of CO₂. The green transport plan was launched in 2008 and every year, it goes from strength to strength. The objective now is to remain on track over the years to come.

ENCOURAGING CARPOOLING

Since 2008, a policy aimed at strongly encouraging carpooling has been in place at the production sites and the head office in Geneva. There are carpool registration forms, new employees are informed of the carpooling programme, parking spaces near staff entrances are reserved for carpoolers, prize draws are held, with the chance to win a tankful of fuel, etc. This programme continues to bear fruit.

SHUTTLE BUSES FOR EMPLOYEES

Since 2009 (in Manosque) and since 2011 (in Lagorce), a bus service for employees working the three eight-hour shifts has been financed by the Group. This enables employees to come to work without having to use their own cars and without having to pay.

In addition, ever since the "La Table Occitane" staff canteen opened at the factory site in Manosque, a lunchtime shuttle service has been available. This enables employees who are based at the logistics platform in Manosque, a few kilometres away, to come and have their lunch in the canteen. Outside lunch hours, electric cars are available for support services, so that they can travel between the warehouse and the factory using a green form of transport. ■

THE ENVIRONMENT & STORES



2 Questions (RETAIL FRANCE) FOR NICOLAS SIRIEZ

The achievement of the year?

Optimizing waste disposal in our stores.

Objectives for the future?

To increase the use of electric vehicles for deliveries.

73%

of stores have a contract for 100% renewable electricity

With 2,572 stores throughout the world, it is extremely important for the L'OCCITANE Group that its stores be eco-designed. The Group is constantly striving to be more innovative and its main aims include reducing electricity consumption and improving waste recycling, with a focus on continuous improvement. In keeping with the policy of the Group, L'OCCITANE France is committed to working in this direction.

MAKING STORES GREENER

To reduce the environmental impact of stores, electricity consumption indicators have been put in place in all company-owned stores, so that areas of intervention can be defined. Using the resulting tracking file, energy-intensive items have been identified and action plans implemented. Store signs are switched off during the night and LED lights have been installed for lighting, which allows for an average monthly consumption of 28kWh/m², a drop of 3,6% compared with last year. To avoid health and environmental risks, the paints used in stores do not contain volatile organic compounds.

100% RENEWABLE ELECTRICITY

The L'OCCITANE Group is committed to supporting renewable energies. In France, 73% of company-owned L'OCCITANE stores and 100% of Melvita stores have an electricity contract with a provider of electricity from renewable sources (hydropower, wind turbines, biomass and PV panels).

ISO 14001 CERTIFICATION

One of the Group's ambitions is to obtain certification for its stores. It wants to include the entire chain of activities in a continuous improvement process. Stores therefore have their own ISO 14001 certificate for their activity – selling cosmetic products. In October 2012, our stores in France were awarded ISO 14001 certification. This certification was maintained in October 2013, further to a follow-up audit. ■

SOCIAL RESPONSIBILITY

The L'OCCITANE Group has set itself the objectives of encouraging diversity within teams and helping employees to grow and fulfil their potential. To do this, it has established a strong social dialogue and put into place various action plans, with the aim of building a responsible company that encourages people to act responsibly, a company that is open to others and knows how to find strength in diversity.



SOCIAL RESPONSIBILITY & HUMAN RESOURCES MANAGEMENT



2 Questions

FOR JULIEN SCHMIDT AND
NICOLAS VETO

(HUMAN
RESOURCES)



The achievement of the year?

The structuring of Human Resources (tools, reorganization, electing staff representatives), for even greater equity, more dialogue, and better management of skills and talents.

Objectives for the future?

The internationalization of the HR function.

The L'OCCITANE Group strives always to be available to listen to its employees and create a climate of trust and professional development.

KEEPING A FOCUS ON SOCIAL DIALOGUE

This year, Laboratoires M&L wanted to go even further in terms of implementing a constructive social dialogue. Employee representative bodies were elected once again in September 2013, with a single works council and staff representatives for each site in France. A Health, Safety & Working Conditions committee for each site meets every three months to discuss matters concerning all establishments. This determination to develop social dialogue within the company is also seen in the fact that interviews are conducted with all staff representatives at the start and end of their mandate.

Internal mobility also continues to be a focus of particular attention with regard to the growth of the Group. It plays a major role in motivating employees and giving them recognition for their work. An internal mobility agreement was signed in February 2014 to facilitate and support the geographic and occupational mobility of employees on the industrial sites and the administrative site in Paris.

SOCIAL RESPONSIBILITY & HUMAN RESOURCES MANAGEMENT

20,000
applications registered
on the e-recruitment
platform

**OVER
600**
job offers posted in the
careers section of the
company's intranet

Following the 2012 action plan relating to gender equality at work, Laboratoires M&L (industrial sites and administrative site in Paris) negotiated and signed a collective agreement to this effect with the representative trade unions. Through follow-up and regular contact with staff representatives, information such as actions taken and developments can be detailed within the framework of a comparative report, and precise objectives can be defined.

A VEHICLE FOR GROWTH AND EMPLOYMENT

The Manosque industrial site is a major employer in the region, with many new jobs created in 2013-2014. An e-recruitment platform, launched in September 2012, guarantees the traceability of applications through the creation of a personal account. In all, some 20,000 applications for positions at the sites in France and Europe have been registered via this platform.

In addition, to promote employee mobility, a careers section has also been integrated on the Group's intranet. This year, over 600 job offers were published via this new recruitment tool.

WELCOMING NEW STAFF

Adhering to the Group's social and environmental policy is key to successful integration. For this reason, all new employees joining the sites in France and Geneva are provided with specific information about this theme. To enable them to do their bit for the planet on a daily basis, they are given a document detailing the Group's social and environmental actions, in addition to a cup made from recycled plastic (at the Manosque and Lagorce industrial sites), as a symbolic gesture.

DEVELOPING SKILLS

Developing the skills of employees is essential in order for the Group to be competitive and grow. Appraisal campaigns and personal development interviews have been conducted internationally, particularly in Europe, North America, Australia, Brazil and Asia. In all, over 2,000 people take part in these annual interviews, which give employees the opportunity to discuss their career with their managers.

In 2013-2014, over 43,068 hours of training were given to 1,068 people within Laboratoires M&L. This means that 89.6% of employees attended at least one training course. By the end of 2013, the amount spent on in-house training represented 4.8% of Laboratoires M&L payroll, i.e. three times higher than the legal obligation (as a reminder, the legal obligation is 1.6%).

Some employees who work in the same teams as hearing-impaired workers chose to take a training course in French sign language. This year, this was taken one step further, with employees producing a digital French sign language dictionary, accessible online, which contains 120 words, with both everyday and professional terms. ■

**OVER
2,000**
people given personal
development inter-
views

**OVER
89.6%**
of our employees have
attended at least one
training course

SOCIAL RESPONSIBILITY & QUALITY OF LIFE AT WORK



2 Questions FOR JULIEN SCHMIDT

HUMAN RESOURCES
SUPPLY CHAIN



The achievement of the year?

The establishment of new common social standards through company agreements relating to working hours, profit-sharing, social dialogue and more interaction and communication with managers.

Objectives for the future?

To keep abreast of social issues and ensure that all our efforts to maintain an open, constructive, participatory, transparent and modern dialogue at every level of the company are sustained over the long term.

SOCIAL RESPONSIBILITY & QUALITY OF LIFE AT WORK



17

children at the day care centre in Manosque and 16 in Vögué

50,986

meals or snacks served at La Table Occitane

OVER

90%

of employees who eat at La Table Occitane are satisfied

The well-being of its employees is one of the Group's priorities. Many actions are taken to keep doing even more in this area, with an approach based on overall consistency that is motivating and involves all those concerned.

BALANCING PROFESSIONAL AND PRIVATE LIFE

Reconciling work and family life is one of the key objectives of the Group's French entities, as this plays a major role in ensuring that employees are both balanced and motivated. For more than six years, fitness, yoga and Pilates lessons have been available for employees during their break times. Two day care centres for children have also been set up. This year, 17 children were registered at the day care centre in Manosque and 16 in Vögué, near Lagorce.

SPORT AND WELL-BEING

2013-2014 saw an emphasis on team sports, solidarity and competition, with employees taking part in various organized sporting events:

- On September 15, 2013, 70 employees joined the 6 km "La Parisienne" race, which is run by women, for women, and was created to raise money for breast cancer research.
- On October 5, 2013, 55 employees took part in the Verdon Triathlon, competing either individually or in a relay team.

A STAFF CANTEN AND EVENING GET-TOGETHERS

In September 2013, the staff canteen, "La Table Occitane", run by a food service provider, opened its doors on the Manosque site. From September 2013 to March 2014, 50,986 snacks or meals were served. On average, over 400 meals are served every day. The canteen also provides snacks for the morning, afternoon and evening teams. In addition, once a month, the canteen puts on a special theme day related to something happening in the news or the Group's commitments.

A BVA survey was conducted last March to gauge employees' satisfaction with this new canteen. 91% of those who have lunch there are generally satisfied with it.

This canteen is another initiative that aims to contribute to well-being at work by offering balanced meals in a pleasant setting. Since March 2014, regular evening get-together have also been organized for staff working at the Manosque site, with over 80 employees enjoying these relaxed, convivial moments. ■

A CLOSER LOOK AT THE INVOLVEMENT OF THE WORKS COUNCIL

The well-being of employees is also one of the priorities of the works council, which has got involved in some of the actions related to social responsibility, such as the Verdon Triathlon, by subsidizing part of the registration fees. The works council has also been involved in helping to improve quality of life at work by offering employees the opportunity to enjoy some relaxing time during their breaks. Examples include massages (given in the sensory analysis laboratory), free hot drinks days, and people coming to the site and selling goods directly to employees in the break room.

PREVENTING WORK-RELATED RISKS

The health and safety of employees is a priority for the Group. Within the scope of the industrial sites, there are two working groups: one that focuses on working conditions, another that focuses on occupational stress. These groups meet regularly with members of the Health, Safety & Working Conditions committee and all those who play a key role in occupational health matters. Many actions have been taken as a result of this, with two in particular in 2013-2014:

- On the Manosque site, an evaluation of working conditions and well-being at work was carried out with the assistance of a workplace ergonomist. The conclusions of this study were passed on to the Health, Safety & Working Conditions committee, and follow-up will be conducted by a multidisciplinary working group.
- A "test" working group within the Upstream Flows logistics department was piloted by the Health, Safety & Working Conditions committee and the Health, Safety and Environment department. It allowed people to put suggestions across for improvements that could be made to working conditions and led to investments being made as well as ergonomic adjustments to workstations.

This initiative will be extended to other departments during 2014. Efforts are also constantly being made to improve working conditions, particularly since the new factory opened. Measures taken to optimize conditions include improving the flow of visitors/employees/forklift trucks/warehouse carts, natural lighting, noise reduction, the installation of cloakrooms, reduced noise in the automated production areas, etc.

RAISING EMPLOYEE AWARENESS

Ever since the CSR policy was introduced, awareness campaigns have played a key role in implementing change and getting employees involved.

During France's Sustainable Development Week in April 2013, "workshops" were held to encourage employees to take innovative measures to achieve their objectives by integrating the foundations of sustainable development (see "The Environment & Production"). ■



Marc Dufumier during France's Sustainable Development Week

SOCIAL RESPONSIBILITY & DIVERSITY



2 Questions (DIVERSITY) FOR AURÉLIE URICHER



The achievement of the year?

Continuing to work with the "ESAT Hors les Murs" team, following the transfer of one of their main activities.

Objectives for the future?

Job retention for disabled workers.

The Group embraces diversity by integrating people with disabilities into the workplace, but also by committing to gender equality.

GENDER EQUALITY

This year marked a new impetus from the Group's French entities, with the signing of a gender equality agreement. Several initiatives have been developed within this context, such as pre- and post-maternity leave interviews for women, to provide them with the best possible support during this key period in their professional and personal lives. During Women's Day Week, for the first time, the Group welcomed Véronique Préaux-Cobti from the Diafora consultancy practice for a workshop-conference on the theme of gender diversity in the workplace at our site in Paris.

SOCIAL RESPONSIBILITY & DIVERSITY

JOB RETENTION

Since 2010, the industrial sites have had a partnership with AGEFIPH – a French agency that helps disabled workers both to find employment and stay in the workforce. The percentage of disabled workers in our production sites is above the minimum required by French law (6%), with 7.24% on 31.12.2013.

A LASTING PARTNERSHIP WITH ARPEJEH

Since September 2010, the industrial sites have been working with ARPEJEH (Accompagner la Réalisation des Projets d'Etudes de Jeunes Elèves et Etudiants Handicapés) – an organization that promotes the employment of disabled young people. The aim of this partnership is to give young people the confidence to continue their studies and also to raise awareness of disability among employees. Throughout the year, there are several opportunities for these young people to join our employees on our sites: Exploration des Métiers Insolites (exploring unusual professions) in Manosque; the Ateliers Découverte des Métiers (career workshop forums) in Paris and Marseille; welcoming interns with disabilities and, finally, organizing half-day meetings with figures from the academic community and professionals from the world of business.

RAISING DISABILITY AWARENESS

It is largely thanks to the dedication of employees that the disability policy of the Group's French entities exists. Employees have voluntarily got involved in the actions of ARPEJEH. Sign language training has been given to help maintain employment for the hearing-impaired, and the purchasing team has showed its determination to continue working with people from the ESAT vocational centres. All of these actions were highlighted during the Disability Employment Week through photo exhibitions showing employees committed to integrating the disabled into our Group.

For the fourth year running, and within the framework of the "Un Jour, Un Métier" (One Day, One Profession) national operation organized by Cap Emploi (a network of agencies that help disabled people find work), disabled job seekers from a wide range of backgrounds were welcomed by some fifteen employees at the Manosque site so that they could spend a day there learning about their different occupations.

DIRECT AND INDIRECT RECRUITMENT

Since October 15, 2012, about a dozen disabled workers from the ESAT du Fournas in Manosque have taken the path to the Manosque production site and taken up position next to the Logistics team. Watched over by their supervisors (seconded from the ESAT), these workers make gift boxes, deal with faulty products and perform various packaging tasks. This team project, christened "ESAT HORS LES MURS" (an ESAT beyond the walls), has succeeded in keeping this work going thanks to the strong involvement of both the operational teams and management. The initiative has also been an extremely enriching and fulfilling experience: for example, the workers are 70% more motivated and have more self-confidence (+30%)⁽¹⁾. ■

(1) Based on information from the ESAT's report on employment and working conditions with regard to the team working at Manosque.



7.24%
disabled workers at the
production sites

12,880
Christmas gift sets
pre-prepared by ESAT
vocational centres

PHILANTHROPY

The L'OCCITANE Group pursues its commitments through its Foundation, philanthropy activities and employee projects. Through these actions, it reveals the values that drive it and supports public interest projects.



PHILANTHROPY & THE GROUP'S COMMITMENTS



2 Questions

FOR JÉRÔME SCHATZMAN

(PHILANTHROPY)



The achievement of the year?

Getting L'OCCITANE employees more involved in our actions throughout the world.

Objectives for the future?

To focus the actions of the L'OCCITANE Foundation on Burkina Faso, so that we can have a greater impact on the development of the country.

The L'OCCITANE Group supports local public interest projects, particularly in the Haute-Provence region, but it also supports projects abroad, such as in Burkina Faso. It works in countries and regions that have long had strong ties with the Group.

THE EMPLOYEE COMMITMENT PROGRAMME

The Group is keen to encourage its employees to "do their bit", particularly in France. The French entities offer employees the chance to get involved in community and charity projects through the Employee Commitment Programme, set up in 2011.

PHILANTHROPY & THE GROUP'S COMMITMENTS

110

employees involved
in 27 community projects

To enable its employees to get involved in projects, the L'OCCITANE Group offers them three ways to take action:

- ① Financially, by making a donation to the L'OCCITANE Foundation.
- ② By going on a mission to Burkina Faso with the Nord & Sud employee association, to teach women soap-making skills.
- ③ By giving some time to a local community project.

This year, almost 110 employees from the three French sites got involved in 27 different projects (cleaning up the area around the Ardèche Gorges, raising public awareness about the plight of lavender, restoring dry stone walls, etc.). That's four times as many employees as last year!

DONATING PRODUCTS

For the past three years, the L'OCCITANE Group has been a partner of the Dons Solidaires association. In 2013-2014, 85 pallets of products were given to 145 charities (compared with 46 in 2012), helping over 160,000 people in financial need.

85

pallets of products
redistributed to some
160,000 people in financial
need

PHILANTHROPY IN PROVENCE

L'OCCITANE is a brand that is very involved in activities and projects within its region. It has joined up with 32 partners to perpetuate the knowledge and skills of Provence and bring more value to the region. This year, four projects were supported:

- The creation of visitor experiences and signage dedicated to the history of the rose at the Abbey of Valsaintes, home to a remarkable garden with almost 650 varieties of roses.
- Night visits to the Jardin des Senteurs fragrant garden at the Salagon museum and ethnobotanical gardens.
- The development of a tinctorial plants supply chain by Couleurs Garance.
- An endowment fund to preserve the lavender heritage of Provence.

Lavender cultivation in Provence is currently facing major challenges, for which solutions must be found. L'OCCITANE is working with lavender growers and supports the "lavender fund". Our common goal is to develop concrete, ecological solutions and adapt cultivation practices in order to protect lavender, which is directly exposed to the impacts of climate change. 50,000 euros have already been contributed to the lavender fund, to finance research projects.

To draw attention to the topic of lavender – a topic of great importance to us – the L'OCCITANE Group joined up with the Rencontres d'Arles international photography festival in 2013 and invited the Portuguese photographer Paulo Nozolino, who creates stunning images in black and white, to work on an exhibition on this subject.

32

partnerships with
organizations to add value
to the region of Provence



PHILANTHROPY & THE GROUP'S COMMITMENTS

THE L'OCCITANE FOUNDATION

Created in 2006, the L'OCCITANE Foundation is involved in two areas: supporting the visually impaired and promoting women's entrepreneurship. It also works with about a dozen of the Group's subsidiaries that wish to focus on local projects. This year, the Foundation has a budget of over one million euros, with this money used to support 27 projects.

PROMOTING WOMEN'S ENTREPRENEURSHIP

Since the Foundation was created:

- **900 women have gained literacy skills**, thanks to the programme led by the NGO Aide et Action.
- **6,000 women have been given access to microcredit loans**, saving plans and training programmes within the framework of projects supported by the French NGO Entrepreneurs du Monde.

In partnership with the Maison de l'Entreprise du Burkina Faso (a non-profit structure that supports business development in the country), L'OCCITANE Foundation "Pépité" awards were granted to three exemplary entrepreneurial women to help them develop their businesses. Finally, as with every year, a fund-raising product was sold for International Women's Day in March. This year, over 58,000 euros were raised from the sale of our fund-raising soap.

On an international scale, the Foundation is particularly keen to support entrepreneurial initiatives. To this end, a new partnership has been forged with Ashoka – a network of social entrepreneurs – for the next three years. Four women social entrepreneurs are being supported in three countries (France, United States and Burkina Faso).

SUPPORTING THE VISUALLY IMPAIRED

This year, the Foundation committed to two new projects aimed at fighting avoidable blindness in Burkina Faso:

• Light for the World

Through this programme, grants/loans can be awarded to four Burkinabé doctors, so that they can take specialized training in ophthalmology in Mali. There is a real shortage of ophthalmologists in Burkina Faso and very few of them work outside the big cities.

• Sightsavers

This project aims to eliminate neglected tropical diseases in the Cascades region of Burkina Faso. 40,000 people will be treated.

The Group's subsidiaries and distributors also do their bit to support the visually impaired. In 2013-2014, ten projects from different countries were selected and enabled almost 150 visually impaired people to find training courses, an internship or employment, while 3,000 people with visual impairments enjoyed greater access to culture.

Finally, the second L'OCCITANE Sight Award – aimed at funding scientific research to fight blindness in developing countries – was given to Professor Clare Gilbert at the London School of Hygiene and Tropical Medicine to carry out research in Bangladesh. Through this project, over 10,000 school children in the country will have their eyes tested.



40,000

people treated against
neglected tropical diseases
in Burkina Faso

6,000

women have had access to
microcredit with the NGO
Entrepreneurs du Monde

PHILANTHROPY & THE GROUP'S COMMITMENTS

**OVER
2 MILLION
EUROS**

raised to help
rebuild Japan

THE L'OCCITANE FUND

Following the Japanese tsunami in 2011, the L'OCCITANE Fund was used to raise over 2 million euros from Group employees and shareholders to help rebuild devastated areas. Even now, three years on from the disaster, help is still needed for reconstruction.

THE MELVITA FOUNDATION

The Melvita brand has been part of the L'OCCITANE Group since 2008. Its foundation was created in 2010 by the founder of Melvita, Bernard Chevilliat. The Melvita Foundation acts to save bees and their environment by taking part in any initiatives or studies that may help put a stop to their disappearance and protect their natural habitat.

Since the Foundation was created, 223 beehives have been set up, 61 beekeepers have been trained, and nine studies/conferences have been organized, dedicated to the plight of bees.

In 2013, the Melvita Foundation agreed to support five projects to protect and raise awareness about bees.

223

beehives set up

61

beekeepers trained

9

studies/conferences
organized



276

beneficiaries in
India and Brazil

COUVENT DES MINIMES PHILANTHROPY

To perpetuate the traditions of the Franciscan Missionaries of Mary, who lived at the Couvent des Minimes in Mane, the brand donates 1% of its annual sales to support the missionaries' community development projects. The first projects were a children's day care centre and nursing school in the south of India, as well as a residential home for the elderly in Brazil. 276 people in these two countries are able to benefit from these projects. ■

APPENDIX

LABORATOIRES M&L SOCIAL INFORMATION

APPENDIX

LABORATOIRES M&L SOCIAL INFORMATION

The information given below refers solely to Laboratoires M&L for the 2013 calendar year (on 31.12.13) and is provided for information purposes only.

A) EMPLOYMENT

NUMBER AND DISTRIBUTION OF EMPLOYEES BY GENDER AND AGE GROUP

Distribution of M&L employees by age group

Under 25	25-35	36-45	46-55	Over 55	Total
3.5%	42.7%	33.7%	17.2%	2.9%	100%

Women make up 58% of the company's workforce, with men accounting for 42%.

HIRING AND DISMISSALS

Total employees hired on open-ended contracts	86
Total employees (on open-ended contracts) leaving	65

B) ORGANIZATION OF WORKING HOURS

Percentage of M&L employees by full-time and part-time status.

Full time	87%
Part time	13%

C) SOCIAL RELATIONS

Staff representatives	
Staff delegates (including deputies)	34
Works council (including deputies)	26
Health, Safety & Working Conditions committee	19
Trade union representatives	5

APPENDIX

LABORATOIRES M&L SOCIAL INFORMATION

D) HEALTH AND SAFETY

TRAINING

Number of people who attended M&L safety training courses

774

WORK-RELATED ACCIDENTS

Number of work-related accidents without sick leave in 2013

19

Number of work-related accidents resulting in sick leave in 2013
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10

