



L'OCCITANE Group

Disclosure Report

Date Submitted: July 2023



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production of or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other: -Mandatory Animal Testing -Direct Sales Structure	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Operations in high risk contexts

Disclosure Questionnaire Category	Operations in high risk contexts
Issue Date	March 2023
Topic	Application of moratorium on companies operating in Russia and Belarus
Summary of Issue	<p>The L'OCCITANE Group completed the divestiture of its business in Russia to local management on June 3, 2022, as the company publicly disclosed. As a result of the divestiture, the L'OCCITANE Group no longer has any operations in Russia, no longer supplies products to any Russian retailers, and is no longer generating any revenues from its former business activities in Russia.</p> <p>Additionally, the L'OCCITANE Group gave notice to its one distributor in Belarus that their agreements will not be renewed after its expiration date on March 31, 2023. As a result, the L'OCCITANE Group no longer has any operations in Belarus, and no longer supplies products to any Belorussian distributors.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Prior to February 2022, the L'OCCITANE Group operated 112 owned stores and several owned e-commerce sites in Russia. Additionally, 64 independently owned and operated franchisees and 1040 third party points of sale operated in the country.</p> <p>The Group employed more than 700 people in Russia in its owned stores and offices, all of whom were locals.</p> <p>Prior to February 2022, the L'OCCITANE Group operated no owned stores, and no owned e-commerce site in Belarus. The Group was present in Belarus via an exclusive distributor, who distributed products in its own wholesale stores and through its own website.</p>
Impact on Stakeholders	<p>High-risk contexts are characterized by institutional weakness, political instability, insecurity, armed conflict, widespread violence, or other risks of harm to people. Business can cause, contribute to, or be directly linked to a myriad of human rights abuses and environmental harms. Because respect for human rights is the internationally recognized minimum or "floor" for responsible business conduct, a business cannot be a force for good if it causes, contributes or is directly linked to human rights violations.</p> <p>In response to B Lab's moratorium on companies operating in Russia and Belarus, B Lab is in the process of developing standards for companies operating in high risk contexts. The moratorium states, "Companies are required to suspend their operations while also avoiding the negative potential impacts of their decision by maintaining their support for their key, non-complicit stakeholders in Russia or Belarus (at the expense of the company), by for example continuing to financially support their employees and not terminating their contracts." After B Lab's standards are published, all applicable companies, including certified B Corps, will be expected to meet the new standards (certified B Corps have a grace period of one recertification cycle).</p>



Implemented Management Practices	<p>In Russia, the L'OCCITANE Group received verbal confirmation from the new owners of the company's former Russian subsidiary that the company's former employees in Russia were given the opportunity to remain with the new company. Following the transfer of ownership, the new company shared documentation with the L'OCCITANE Group demonstrating that as of May 2023, the number of employees has experienced minimal changes year-over-year (one fewer FTE).</p> <p>The L'OCCITANE Group's Code of Business Conduct is consistent with internationally agreed conventions on human rights, labor rights and environmental protection, including the Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration of Fundamental Principles and Rights at Work, the ILO conventions, the United Nations (UN) guiding principles for business and the UN conventions on the environment and human health.</p> <p>The L'OCCITANE Group is evaluating its decisions regarding operations through the lens of its Code of Business Conduct, the input of stakeholders, including B Corp, and in consideration of the global business community's actions.</p>
Report	B Lab suspends new B Corp Certifications for entities based in Russia and Belarus
Management Comments	<p>The Company stands firmly against the unjustified invasion of Ukraine and has determined to exit Russia and Belarus completely.</p>



Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Significant layoffs of >20% of workforce

Disclosure Questionnaire Category	Significant layoffs of >20% of workforce
Issue Date	March, April and throughout the remainder of 2020.
Topic	Significant layoffs due to underperforming store locations
Summary of Issue	In Brazil the company experienced 3 rounds of layoffs during 2020. The company was underperforming and after all possible operational costs were cut, backoffice payroll was reduced in order to maintain the business, 40 stores that were not profitable were also closed. Subsequently, each director reviewed their structure and in order to affect the least number of people possible each department decided which position to dismiss based on a strategic overview of the operations. Most of the people laid off were managers, senior managers, coordinators and directors.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	252 employees were laid off, representing 24.7% of the company's employees at that time.
Impact on Stakeholders	Primary impact was loss of employment for affected employees.
Implemented Management Practices	For all the employees laid off from the back office the company provided extended health insurance (2 months), an additional salary and access to an outplacement company for employees in Senior level positions. For the store employees, the company followed the standard procedure for individuals being laid off in Brazil; 1 month notice, payment of 40% of Severance and restitution of federal taxes, and vacation days not used paid by the company.
Related Incidents (yes/no)	Company reported a high employment loss in the B Impact Assessment of APAC 1, APAC 2, North America, Japan and Western Europe, but no other instances of significant layoffs at one time.

Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Environmentally Intensive Industries

Disclosure Questionnaire Category	Environmentally Intensive Industries
Topic	Water Intensive Industries
Summary of Issue	<p>As a personal care products' company, manufacturing the majority of its products, L'OCCITANE Group operates in an industry that is water intensive. The company uses water for the elaboration of its products' formulas (creams, shower gels, etc), to clean the production tools and to run the facilities. The company also considers a responsibility on its customers' usage (customers need water to rinse-off some of the products, such as cleansers, soaps, shampoos, etc), even though the company does not have a direct control on this water consumption.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>In the previous financial year, 100% of the company's revenue was earned from the sale of personal care products.</p> <p>For the impact of products manufacturing: the Group manufactures products for 50% to 70% of the Group's revenue in its own sites. The manufacturing sites' water intensity has been calculated as follows:</p> <ul style="list-style-type: none"> -0,7L/unit (intensity per unit produced) -6,2m3/t (intensity per ton produced average) <p>For the customers usage: the Group's global footprint shows that the use phase of its products by customers represents 95% of its water footprint (based on the AWARE methodology from WULCA - AWARE : Available Water Remaining) - so it is considered as the most water intensive part of its value chain, even though the company doesn't have a direct control on it. Products that require rinsing by consumers represent around a third of L'OCCITANE en Provence's, Melvita and Erborian revenue.</p>
Impact on Stakeholders	<p>As a water intensive industry, manufacturing poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.</p> <p>The company's manufacturing facilities are located in Brazil and France. In France, in the summer of 2022, 70 of 101 departments were classified as hydric stress areas; however, the departments where the company manufacturing sites are located [in the municipality of Manosque in Alpes-de-Haute-Provence and in the municipality of Lagorce in Ardèche] are not considered as water stressed regions according to the National Water Agency. The location of the manufacturing site in Brazil [in the municipality Itupeva, in the state of Sao Paulo] is not considered water stressed.</p>
Implemented Management Practices	<p>L'OCCITANE Group monitors its water consumption at its manufacturing sites and has been engaged in a continuous improvement process since 2012, as part of the ISO14001 certification of its french production sites. Since 2017, the company has reduced its water intensity from 8,5m3/T to 6,2 m3/T (-25% reduction), on average 5% of reduction /year.</p> <p>During the last years, the production sites have implemented new practices such as the reorganization of formula sequences (to optimize the cleaning of its reactors) or the optimization of the washing recipes. This year, they will</p>

Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Facilities located in sensitive ecosystems

Disclosure Questionnaire Category	Facilities located in sensitive ecosystems
Issue Date	Ongoing
Topic	Company with a manufacturing site within an area classified as a sensitive ecosystem.
Summary of Issue	<p>L'OCCITANE has a manufacturing facility in Lagorce, France, one in Manosque, France and one in Itupeva, Brazil. Based on a Biodiversity Diagnostic carried out with the IUCN French Committee in 2017, the Manosque site operates within an agricultural and industrial area close to natural ecosystems (Natura 2000 ZPS, Réserve de Biosphère, Parc Naturel Régional, ZICO, ZNIEFF 1) and could be considered to operate within a sensitive ecosystem. The potential risks of the company's site in this area are mainly in relation to water consumption and discharges.</p> <p>The Lagorce site is not considered to be located in a sensitive area although it is located in a natural ecosystem. The Itupeva site is not considered to be located in a sensitive area either as Itupeva is an urban area in the state of Sao Paulo.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The Manosque manufacturing facility occupies 59 000m ² of land (34 300m ² of buildings), 46.7% of the total land occupied by the company's manufacturing facilities.
Impact on Stakeholders	Having facilities near protected/sensitive ecosystems can potentially impact the flora, fauna and quality of the ecosystem (e.g. noise & light pollution from the facilities, spills, air / soil / water pollution owing to the company's operations).
Implemented Management Practices	<p>The company seeks ways to limit its impact on the ecosystems in which it operates, taking into account bird migration, water consumption, or any type of discharge. Their French manufacturing facilities (Lagorce and Manosque) follow Environmental Management Systems and have been certified ISO 14001 since 2012.</p> <p>The Biodiversity Diagnostic carried out with the IUCN French Committee in 2017 indicated that the company's site activities do not have direct impact on biodiversity and their emissions to water are compliant with current regulations. The Manosque factory has a wastewater pretreatment facility. Wastewater treated at this facility is then transferred to the local water treatment plant.</p> <p>In 2017, the Mediterranean Garden of Manosque site was awarded "Refuge LPO®" status by the Provence-Alpes-Côte d'Azur branch of the French League for the Protection of Birds (Ligue de Protection des Oiseaux PACA). This accreditation recognizes the site as a location that promotes and preserves biodiversity, from its use of gardening techniques that respect the local ecosystem to its choice of plants, most of which are native to the locality. Following a study of the site, a number of recommendations were made in</p>

	relation to the installation of new features aimed at further developing and protecting the biodiversity of the site (insect shelter, nesting boxes for birds, plant-based mulching etc.).



Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Other- Mandatory Animal Testing

Disclosure Questionnaire Category	Other - Mandatory Animal Testing
Issue Date	Ongoing
Topic	Compulsory testing on animals is required for the sale of beauty products in China.
Summary of Issue	<p>In China, where L'OCCITANE Group also sells products, imported beauty products must be submitted for compulsory testing on a limited animal panel in government laboratories before they can be approved for sale in the country. These regulatory requirements apply to all cosmetic products not manufactured locally. Animal testing on products for sale in the Chinese market is carried out by Chinese Government Laboratories. The L'OCCITANE Group does not test its products, active ingredients or raw materials on animals at any point in the product development or manufacturing process, and requires all suppliers to adhere to a strict charter and prove that they fully respect the same rigorous standards.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	100% of the products exported to China underwent animal testing during the product exportation process. Revenue from the sale of goods in China represents approximately 18% of the L'OCCITANE Group revenue during FY2022.
Impact on Stakeholders	Animal testing and experimentation is widely used to develop and test the safety of new healthcare products. Many of these experiments can cause pain to the animals involved or reduce their quality of life in other ways.
Implemented Management Practices	<p>The company engages with its suppliers on this topic (statement, compulsory requirement, traceability requirement, proof). L'OCCITANE Group is also a member of Cosmetics Europe which is engaging with the relevant Chinese authorities to introduce alternative testing techniques, such as those used in Europe, where animal testing - including tests on finished products, active ingredients, or raw materials - has been banned in full since 2013.</p> <p>Animal testing is a topic that is reported in the company's annual materiality update process for its key stakeholders, in which customer or investor questions or concerns are addressed.</p> <p>The National Institutes for Food and Drug Control are currently evaluating other alternatives to animal testing and the company is also providing funding to support alternative methods of testing.</p>
Report	https://group.loccitane.com/our-viewpoints



Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Supplier in Conflict Zones

Disclosure Questionnaire Category	Supplier in Conflict Zones
Issue Date	Ongoing
Topic	The company sources raw materials from Burkina Faso.
Summary of Issue	L'OCCITANE sources shea butter from direct purchases from women's cooperatives in Burkina Faso.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In the last year, around 7% of the total volume of raw materials purchased were from suppliers operating in conflict zones.
Impact on Stakeholders	Conflict zones are often characterized by widespread human rights abuses and violations of national or international law. The security of company workers who work in such areas could also be at risk.
Implemented Management Practices	<p>The company has created long term relationships with women's cooperatives and a small local company in Burkina Faso since 1970. To ensure stable revenue for women in cooperatives, the company has multi-year contracts and pre-funding (paid in advance) mechanisms and revenue sharing is transparent in cooperatives.</p> <p>L'OCCITANE has held the 'Fair for Life' Certification since 2009 which undergoes an annual audit by a third party in addition to the audit conducted by its local team. The auditing process ensures that certified entities do not practice corruption, have transparency on financial flows, and other criterias to ensure that the company's operations are not tied to armed groups.</p> <p>In 2018, L'OCCITANE launched RESIST (Resilience, Ecology, Strengthening, Independence, Structure, Training), a \$2 million project with financial contributions from L'OCCITANE, a number of public partners, as well as the cooperatives themselves – to further strengthen its commitment to these communities. The project aims to protect shea resources for 10,000 Burkinabe women producers and also preserve biodiversity. It is a three-year programme to protect shea resources, improve the women's working conditions and boost their economic emancipation by improving their access to markets and generating new activities. The programme is recognised as 'exemplary' by the United Nations Development Programme (UNDP).</p> <p>Moreover the L'OCCITANE Foundation has been supporting NGO projects in favor of women's independence in Burkina Faso since its creation. The projects and programs it supports focus on girls' education, job training and entrepreneurship with a high social and environmental impact for women: for example, the L'OCCITANE 'Pour Elles' program developed by the social incubator La Fabrique and a French initiative for a network of funders, facilitates the creation and development of businesses run by women.</p> <p>In 2021, in order to meet the primary needs of girls and women subject to</p>

	<p>internal displacement due to the deteriorating security situation in the country, the Foundation integrated the financing of emergency actions into its strategy.</p> <p>L'OCCITANE have implemented procedures for both the team located in Burkina Faso as well as the teams located in other countries visiting shea suppliers.</p> <p>Regarding the teams located in other countries, before planning any trip, the procedure is to check safety issues on the government maps and contact the government to verify if the access is safe. Based on this procedure, no L'OCCITANE employees have traveled to Burkina Faso since 2017. When it is possible to travel there, the procedure is: registration of the travel itinerary on the government website, contact twice a day with the team remaining in France, traveling only by chauffeur-driven car.</p> <p>Regarding the team located in Burkina Faso, L'OCCITANE has a procedure for each work trip: there is a map of areas where the team can't go for work, made with the company's contacts with local NGOs and stakeholders. Each field mission must be recorded with their local employer, they must travel only by day, with chauffeur-driven cars with no visible information that could help identify they are on a work mission. Safety training is carried out for the local team by a specialized organism (Bioforce) for their field missions.</p>
Report	https://www.fairforlife.org/client/fairforlife/file/Standard/Fair_for_Life_Standard_EN.pdf



Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Environmentally Intensive Industries

Disclosure Questionnaire Category	Environmentally Intensive Industries
Topic	Chemical Intensive Industries
Summary of Issue	<p>L'OCCITANE Group is a manufacturer of beauty products whose production formula requires the use of chemicals.</p> <p>The company does not make use of chemicals considered SVHC ingredients in its production.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In the previous financial year, 100% of the company's revenue was earned from the sale of personal care products.
Impact on Stakeholders	As a chemical-intensive industry, the company's production process poses risks to the environment such as pollution of air, land, and water, as well as potential human health risks to those exposed to harmful chemicals.
Implemented Management Practices	<p>L'OCCITANE Group has an internal charter sent to all raw material suppliers outlining the company's requirements in terms of raw material choices including a list of restricted elements. The process the company has in place is a combination of international regulatory requirements (including existing framework and regulations in each of the countries in which they sell their products) and the Group's requirements, which are currently higher than the international standards, for example the absence of SVHCs from all products and processes.</p> <p>The company has managed to replace the following moderately-used ingredients with more natural and ecological alternatives:</p> <p>PRESERVATIVES: Phenoxyethanol and Polyaminopropyl biguanide -also called PHMB-</p> <p>SENSORY AGENTS: Cyclosilicones</p> <p>UV FILTER: Ethylhexyl Methoxycinnamate</p> <p>FOAMING AGENTS: Sodium Lauryl Sulfate -also called SLS-</p> <p>Each Clean Charter formula includes no more than one moderately used ingredient (excluding fragrance) and only at just the right amount to guarantee customer safety and the product efficacy. Each product is thoroughly checked by the L'OCCITANE toxicological experts and via tolerance tests before reaching users.</p>
Report	<p>Published Clean Charter: https://www.loccitane.com/en-us/clean-charter</p> <p>https://group.loccitane.com/our-viewpoints</p>



Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Financial Reporting, Taxes, Investments, or Loans

Disclosure Questionnaire Category	Financial Reporting, Taxes, Investments, or Loans
Issue Date	Ongoing
Topic	Penalties related to Tax foreclosure, underpaid taxes and infraction due to the misclassification of goods.
Summary of Issue	<p>1 tax assessment case closed over the past 5 years, resulting in the payment of debt to the administrative court of <1% of annual company revenue. Two other tax foreclosure cases were closed as the judgment was rejected with no penalty for the company. One other tax foreclosure case from 2014 is still pending judgment.</p> <p>The company has other pending cases related to debts charged due to difference in ICMS withdrawal calculations, non-exhibition of fiscal documents, and a fine due to wrong classification of good manufactured:</p> <ul style="list-style-type: none">- 1 case 2018 Debts charged due to difference in ICMS withdrawal calculations (2013-2017).- 1 case 2019 Tax assessment notice due to non-exhibition of 2,200 fiscal documents (invoices from 2010). Resulting in fine and interest.- 1 case 2020 Tax assessment notice issued charging ICMS tax from 2010 to 2011.- 2 cases - 2021 Tax assessment notice for underpayment of taxes and failure to deliver secondary obligation, resulting in fine and interest.- 1 case -2021 infraction notice issued by Internal Revenue Service Offices in Caxias do Sul/RS to charge taxes and fine due to wrong classification of goods manufactured for other brands.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>1 Case closed representing <1% of annual revenue.</p> <p>The total projected payout for fines pending judgements is <1% of annual company revenue.</p>
Impact on Stakeholders	Paying correct taxes in the markets where the company operates ensures that the company is contributing to the local economies and ultimately benefiting stakeholders in these communities.
Resolution	To date 3 cases have been closed, resulting in the payment of one fine and interest.
Implemented Management Practices	<p>Since 2021 the company has been implementing the new POS System (Varejo Online), to record owned-stores sell-out sales. This POS system is interfaced with SAP for revenue recognition. The former POS System (CEGID) was not a customizable solution for local Brazilian fiscal obligations.</p> <p>L'OCCITANE Group states that they comply with applicable tax law and regulations and seeks to comply with tax filing, reporting, and tax payment obligations. The company has shared they are committed to acting with integrity and transparency in all tax matters.</p>



Report	https://uk.loccitane.com/tax-strategy.83.1.29607.1155371.htm

Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Disclosure Outcomes & Penalties: Labor Issues

Disclosure Questionnaire Category	Disclosure Outcomes & Penalties: Labor Issues
Issue Date	2018, 2019
Topic	Penalties regarding labor issues
Summary of Issue	<p>Over the past 5 years L'OCCITANE has had two material labor sanctions and several minor sanctions for labor issues in several countries of operation:</p> <p>Japan: (2018-2022). One case is a reiterative penalty from the Japanese public employment security office under the Ministry of Health, Labour and Welfare in Japan for not fulfilling the requirement of percentage of employees with disabilities over a 5 year period.</p> <p>USA: (June, 2022) 1 sanction due to a 4 month breach of payment of medical coverage for employees.</p> <p>Italy: (October 2018, July 2021) 2 fines issued by INPS (Italian Social Security Authority) due to incorrect calculation of social contributions on employees.</p> <p>Benelux (May 2018): 1 fine for infringements of the Belgian social regulation due to incorrect registration of public holiday of employees pay in payroll system.</p> <p>France: (March, 2019) as part of triennial inspection: Rectification sought by URSSAF during triennial inspection for M&LDF and his CSE.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	All cases represent less than 1% of L'OCCITANE's total revenue.
Impact on Stakeholders	Impact on the wellbeing of employees in the USA and opportunities for disabled individuals in Japan.
Resolution	The company paid the corresponding fines and has now met the minimum % of employees with disabilities requirement.
Implemented Management Practices	With regards to reaching the % of employees with disabilities, the company had been progressing each year and finally reached the % in 2022. The local DE&I roadmap now includes a KPI in relation to employees with disabilities.



Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Litigation or Arbitration

Disclosure Questionnaire Category	Litigation or Arbitration
Issue Date	2018-2022
Topic	Labor Litigation due to wrongful termination and claim of moral damages.
Summary of Issue	<p>L'OCCITANE Group has had 24 Labor litigation cases, 7 have been closed, 6 are pending judgment and 11 are pending appeals all in relation to operational locations, L'OCCITANE Brazil and Laboratoire M&L in France.</p> <p>The cases can be summarized as follows:</p> <p>Moral Damages claims</p> <ul style="list-style-type: none">-4 cases were related to L'OCCITANE Brazil of which 3 of which resulted in payment.-1 pending case that has resulted in 1 payment so far. <p>Wrongful termination claims</p> <ul style="list-style-type: none">-3 cases related to Laboratoire M&L in France. All convictions and files closed, not resulting in payment.-11 cases that are pending appeal are all in relation to Laboratoire M&L in relation to wrongful termination of contracts.-5 pending cases are all in relation to Laboratoire M&L.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The closed cases resulted in a total payment of <0.1% of annual revenue. The projected payout for the pending cases is also estimated to be < 1% of annual revenue.
Impact on Stakeholders	Main impact caused was loss of employment by ex-employees.
Resolution	Corresponding payments for 4 Moral Damages cases have been paid. Closed cases have been paid (4 Moral Damages cases). 4 cases were closed without penalties, 16 cases are still pending.
Implemented Management Practices	The L'OCCITANE Group management team receives regular training about feedback culture and psychosocial risks to prevent and identify issues. In addition, the company has a business conduct policy and a speak up system that encourages everyone to raise any concerns. Also, the Group deploys an annual engagement survey (GPTW) follow up with local focus groups for continuous improvement on the working environment.



Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Bankruptcy

Disclosure Questionnaire Category	Bankruptcy
Issue Date	2021
Topic	Company filed for bankruptcy in the North American market causing significant impact on employees.
Summary of Issue	In January, 2021, L'OCCITANE, Inc. filed a voluntary Chapter 11 petition in the U.S. Bankruptcy Court for the District of New Jersey. In August, 2021, following the successful completion of its U.S. lease portfolio restructuring, the Company received Court approval of its Plan of Reorganization which provided for full recovery on the allowed claims of all creditors. The Court entered an order confirming the Plan and on August 31, 2021, the Effective Date of the Plan, the Company emerged from Chapter 11 with a sustainable store platform for the long term.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	141 employees were laid-off, representing 13.7% of the company's US workforce. 20% of store leases were terminated.
Impact on Stakeholders	Filing for bankruptcy lead to laying off employees due to store closures and "right sizing" the teams within the company's support center. All of the company's store leases were renegotiated or terminated and suppliers payments were delayed. Investors experienced limited to no impact.
Resolution	Suppliers were requested to file claims for any services post C11 which delayed payment for a few months, all payments were made in full post negotiations of store leases with the company's landlords.
Implemented Management Practices	<p>The Company provided severance packages for all impacted employees as well as health insurance coverage options (subsidized COBRA) for benefits-eligible employees. The Human Resources team also provided information regarding a free service to help impacted employees with their resumes, interview preparation, and other transition needs.</p> <p>In addition, the company has a process in place to evaluate the profitability of new store locations.</p>
Report	Two press releases at https://cases.stretto.com/LOccitane – one for the initial filing, and one announcing the completion.



Disclosure Questionnaire Documentation

Disclosure Questionnaire Category: Other - Direct Sales structure

Updated as of: 8/14/2023

Disclosure Questionnaire Category	Other - Direct Sales structure
Topic	The company has direct selling practices
Summary of Issue	<p>LimeLife Co Invest S.a.r.l is a subsidiary of L'OCCITANE Group, an international manufacturer and retailer of beauty and wellness products. The brand sells its personal care products by means of a direct sales structure through its global independent consultants, referred to as "Beauty Guides". Since the Direct Sales Industry has been flagged by B Lab for new standards development, new B Corp applicants are not eligible to certify until such standards are developed.</p> <p>While L'OCCITANE as a group has been certified as a B Corporation, LimeLife Co Invest S.a.r.l. is required to meet the new standards for the Direct Sales Industry in order to become eligible for certification as an independent subsidiary or use B Corp IP.</p> <p>Should the Standards Advisory Council determine specific performance requirements for companies in this industry, Limelife will be required to meet these standards as part of a future recertification of the L'OCCITANE Group/in order for L'OCCITANE Group to recertify at a future recertification.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>LimeLife represents 2.5% of the group's revenue.</p> <p>The company has approximately 26,000 Independent Consultants (Beauty Guides) who are independent self-employed distributors of the company's products.</p>
Impact on Stakeholders	<p>B Lab has flagged the direct selling industry for new standards development. Stakeholder concerns for the industry are related to the legitimacy and legality of such business models due to the similarities and confusion with illegitimate pyramid schemes. Also, even where legitimate, the business model preset risks such as reliance on independent consultants or representatives to sell the company's products on their behalf to the end consumers, allegations of unrealistic financial expectation setting to representatives, lack of transparency into the income levels and expenses for representatives, among others.</p> <p>Should the Standards Advisory Council determine specific performance requirements for companies in this industry, Limelife will be required to meet these standards as part of a future recertification of the L'OCCITANE Group/in order for L'OCCITANE Group to recertify at a future recertification.</p>
Implemented Management Practices	<p>The company disclosed the following policies and practices related to its Direct Sales structure:</p> <p>Commitments - LimeLife has declared its commitment to abide by the FTC laws and regulations, - The company reported not having litigations, penalties, and complaints filed against LimeLife related to its Direct Sales structure, -</p>

	<p>LimeLife shared that requires its Beauty Guides to abide by its Terms and Conditions Agreement, where it states its allowed and prohibited business practices and selling services. The company's compliance department is responsible to ensure consultants abide by the terms, monitoring violations, and addressing course actions, including customer support on risk mitigation,</p> <p>Becoming a Beauty Guide - To become a Beauty Guide with LimeLife in the US, the requirement is to purchase a BusinessBox (starter kit), in either digital form or physical box. This starter kit contains a host of business-building tools to help a Beauty Guide launch its business. This is a one-time purchase only. The BusinessBox has hundreds of dollars worth of products to help the Beauty Guide with the start of the business. In addition, Beauty Guides pay a monthly subscription fee of \$9.95 for the maintenance of their account, access to LimeLife resources and back office of their business, and personalized replicated shopping link provided by LimeLife. There is also a one-time yearly fee of \$75. - For Canadian residents, by law, LimeLife offers alternative enrollment, which does not require the purchase of a BusinessBox. This option also disqualifies the new enrollees from purchasing a BusinessBox in the future.</p> <p>Company's practices towards Beauty Guides - Beauty Guides are not required to make minimum quantity purchases on products. Every purchase is optional. Beauty Guides have the option to earn their commission, advance in business with a team, and generate personal sales with customers by achieving specific targets each month. Beauty Guides are not required to have any inventory at all. - LimeLife pays commissions on teams up to 4 levels down. Additionally, executive leaders can receive generational bonuses for the total sales volume of a leg. This is not based on individual sales performance, but rather a total team volume. - LimeLife does not track Beauty Guide's profits or expenses. - Independent Consultants are provided and offered training on business and selling practices, by the Empowerment department, - The Customer Care department has a call center for consumers to provide support on orders and account management, - Rank advancement is a function of the volume which is determined by a Beauty Guide's personal sales volume and the total volume of sales of their team. Once standards for the Direct Sales Industry are available, the company's practices will be reviewed to determine whether the company is sufficiently mitigating the risk related to the industry/practice.</p>