



APPENDIX TO THE MANAGEMENT REPORT FROM
THE BOARD OF DIRECTORS TO THE GENERAL MEETING

- of June 30th, 2020 -



GROUPE ROCHER

reconnect people to nature



STANHOME




DANIEL
JOUVANCE

KIOTIS
PARIS

flormar





To whom it may concern,

Pursuant to Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code, please find below the declaration of extra-financial performance for Laboratoires de Biologie Végétale Yves Rocher and its subsidiaries (hereafter “Groupe Rocher”).

LABORATOIRES DE BIOLOGIE VÉGÉTALE YVES ROCHER

A limited liability company having capital of 4,377,767.85 euros

Registered office : La Croix des Archers - 56200 La Gacilly

Vannes Trade and Companies Register No. 876 580 077

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MOBILISING TO ACHIEVE OUR RESPONSIBLE DEVELOPMENT OBJECTIVES

In an increasingly urbanised and digitised world, giving back to nature the place it deserves in our society is no doubt one of the greatest challenges of these times.

In line with its values and the approach initiated by my grandfather, Groupe Rocher has decided to adopt the status of a French “mission-driven company” (*entreprise à mission*).

The goal is not to become the best company in the world, but the best company for the world by combining financial performance and the common good.

A philosophy that we have applied since the Yves Rocher Brand was created in 1959 and that is incarnated today in the very *raison d’être* of Groupe Rocher: to reconnect people to nature.

This is why we are committed to the process initiated by the French Government in the “Pacte” law.

We have now entered the era of “mission-driven” brands. The management of companies must be based on threefold accounting: financial, societal and environmental. They must be seen as useful in the eyes of the public at large.

We, of course, encourage this movement.

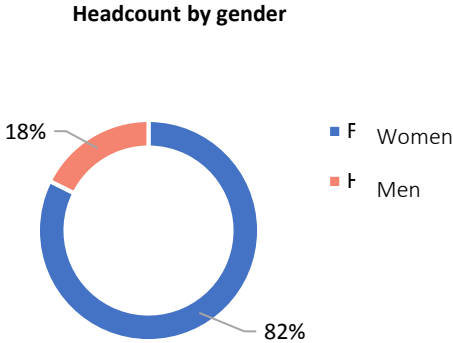
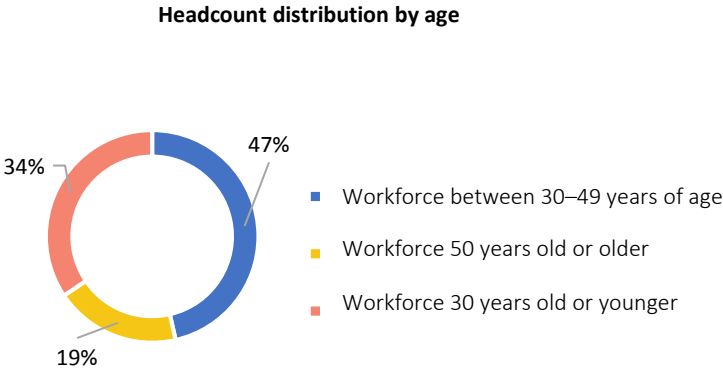
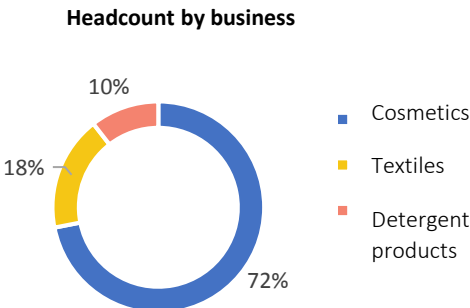
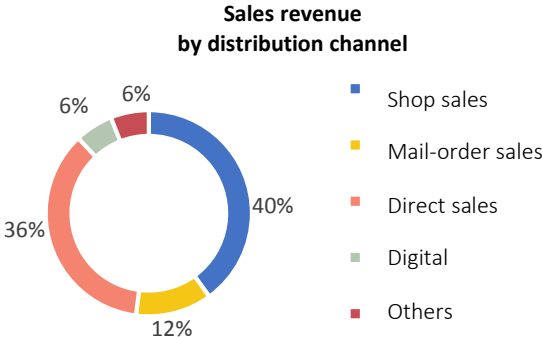
Bris Rocher
Chief Executive Officer, Groupe Rocher

Key facets of our business model

A family-owned group

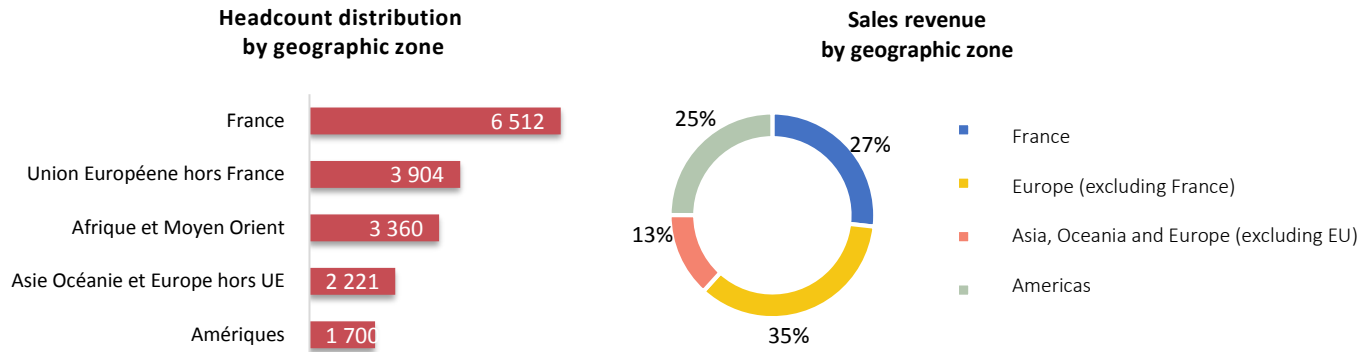
Groupe Rocher is an independent family-run group, focused on creating value. The founder’s family owns more than 98% of the company, which Bris Rocher has headed since 2010. Yves Rocher, Petit Bateau, Stanhome, Dr Pierre Ricaud, Daniel Jouvance, Kiotis, ID Parfums, Flormar, Sabon and Arbonne are Groupe Rocher’s 10 brands. Thanks to their success, today the Group is a key player in the well-being, beauty and textile sectors. The Group has distributed close to 700 million products, achieving sales revenue of 2.75 billion euros.

In 2019, Groupe Rocher’s workforce totalled 17,696 employees. These employees work within the Group’s various professions and trades, which range from design to manufacturing and the distribution of products. One of its distinct characteristics is the diversity of distribution channels: in-store, e-commerce, direct and mail-order sales. The percentage of products sold in the network of stores and notably in direct sales increased significantly compared to 2018 to the detriment of mail-order sales.



An international group with solid local presence

The Group, born in Brittany, is proud of the 50 million customers who trust it every day, and is resolutely open to the world as it is present on the cosmetics, textile-clothing and home beautification markets in 118 countries.



Groupe Rocher's presence stimulates the vitality of the territories in which it operates thanks to its industrial activities, but also its involvement in territorial development, particularly in France:

- Groupe Rocher's cosmetics and detergent product businesses have a stable headcount in Brittany: 2,703 employees in 2019;
- Petit Bateau has a headcount of 735 in the Aube region, and therefore ranks among the largest employers in the French textile industry.

An integrated group

From research to production and commercialisation, each of the Group's 10 brands controls all facets of its products' entire value chain.

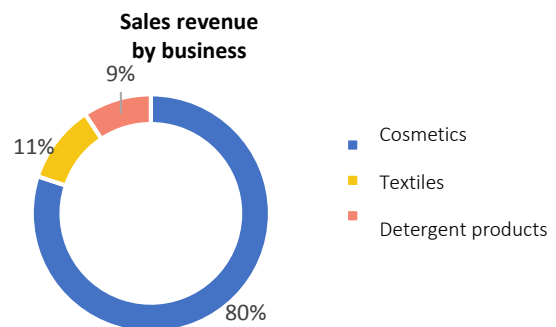
The Group manufactures the majority of its products on its nine production sites and distributes these products notably via its 12 logistics sites.

The proportion of subcontracting varies depending on the Group's brands.

- The principal subcontractors for cosmetic products are located in Russia and Mexico to supply hygiene products to local markets;
- The Stanhome Brand subcontracts the production of its entire Home Care range (detergent products and accessories) mostly in Europe but also in Mexico to meet the requirements of local markets;
- The Petit Bateau Brand subcontracts garment-making near its Moroccan textile production and manufacturing plants, as well as in Tunisia.

After operating for the most part as a mail-order selling Group, "Retail" is now the leading distribution channel with:


- Close to 1,500 establishments operated directly by the Groupe Rocher brands (equity, subsidiaries):




- Close to 1,800 stores operated by partners under the Group's brands as franchises or under lease management agreements;
- And more than 5,600 multi-brand points of sale operated by agents who are Groupe Rocher partners.

Direct sales, along with store sales, are also a sales channel that has become strategic for the Group, with more than 700,000 new advisors having joined in 2019.


Ten brands at the service of well-being and beauty

 In 1959, Yves Rocher set up his first laboratory in the attic of the family home in La Gacilly in Brittany. This is where Botanical Beauty® became a reality, incarnating a novel beauty concept. As a botanist, harvester and distributor, Yves Rocher is the only global beauty product brand to control the entire life cycle of its products from the plant to the skin of its 30 million customers. Thanks to this specificity, the Yves Rocher Brand can reduce its environmental impact and offer the best in beauty care at affordable prices. This vision is incarnated today in a two-word, profoundly meaningful slogan: *Act Beautiful*.

A leader in botanical beauty, healthcare and well-being product markets in Anglo-Saxon countries, Arbonne offers a wide range of skincare, nutrition and cosmetic products. Arbonne has been committed to sustainability, which is at the heart of its mission, for more than 39 years. From its earliest days, the brand has endeavoured to create a more sustainable future and to make a positive change by ensuring its environmental footprint on the planet is as low as possible. This global brand posted sales revenue of over 550 million euros in 2019. More than 600 employees and 250,000 independent advisors contribute today to the success of Arbonne, a brand sold in six countries throughout the world.

 Standing by future generations since 1893, Petit Bateau knits and manufactures clothing - made with 50% cotton plus 50% love - that combines creativity and durability: incomparable comfort and quality for babies, young children and the young at heart.

A leader in direct sales, the Stanhome brand's positioning is unique. It will soon celebrate 90 years of expertise at the service of home care thanks to its high quality, easy-to-use, expert-standard and high-performance products. Stanhome is also a brand committed both to the health and safety of its consumers and the minimisation of its environmental impact. Respect for mankind and for the planet are an intrinsic part of the brand's DNA.

 Thanks to its dermo-cosmetic products and its expertise in sensitive skin, STANHOME Family Expert takes care of the entire family from three years old.

For 33 years, Dr Pierre Ricaud has been the dermo-cosmetic expert serving the beauty of all women. The brand, convinced that women glow when they believe in themselves, helps women design their own skincare routine thanks to precise, personalised diagnoses. And it works! In 2019, the brand conquered two million women in 12 countries, selling more than nine million products. It creates a real relationship of trust with its customers, as 92% recommend the brand to their friends. The brand's commitment to women is embodied in the Femme en Chœur prize awarded every year since 2016.

DANIEL JOUVANCE

For over 30 years, Daniel Jouvance, a brand originating in Brittany and 100% French, has offered natural effective, sensory-based cosmetics based on the rich properties of marine microalgae. The Eclorarium, Daniel Jouvance's Research Centre, is located on the Ile de Houat in Brittany in the heart of the Atlantic Ocean to take advantage of the ocean's power to create unique cosmetics. With this mission, the brand has continued to win the hearts of its 170,000 customers. The Daniel Jouvance – Institut de France® Foundation launches and supports many initiatives to further and share knowledge on the marine world. With the Coral Guardian association, the foundation launched Cœur de Corail®, a programme to restock coral reefs in Indonesia.

Since it was founded in 1996, this creative and passionate perfume house has placed excellence and the finest French perfumery traditions at the heart of its values. True to its vocation of a "travelling perfumer", ID Parfums uses travel as its main source of inspiration. Each fragrance invites you on a voyage of discovery, to explore the magic of a country, an unusual destination or a journey through time. In 2019, 37,000 loyal, active customers joined this journey.



KIOTIS In 2000, Jacques Rocher created the Kiotis Brand: cosmetic products that are pleasing to the senses and effective thanks to the exceptional richness of its 100% pure and natural Essential Oils. Convinced that well-being is a source of beauty, Kiotis creates gentle, generous cosmetics, offering well-being to both body and mind. Developed in its own laboratory, the brand's know-how is unique, and manufacturing is 100% French.

Founded in Milan and acquired by the Group in 2012, Flormar has rapidly become the number one make-up brand in Turkey. A must-have beauty brand, Flormar is present in 110 countries and manufactures more than one hundred million products every year. Its mission? To offer a wide range of colourful, innovative, high-quality cosmetics that meet the expectations of women. For Flormar, each colour is an essential tool to express its culture and emotions.

flormar



The history of Sabon is, first and foremost, about soap. Manufactured by hand according to a seventy-year-old Australian aboriginal recipe, and cut to order, these fragrant soaps are the brand's flagship products. The brand, meeting with solid success, rapidly diversified, and also offers ranges of natural Dead Sea-based products for the face, body, bath and home. With close to 100 boutiques throughout the world, including 70 in Japan and 16 in France, the brand has constantly grown from Tel Aviv to New York to Singapore.

A group resolutely focused on the future

Groupe Rocher continues its transformation and that of its brands. The acquisitions of the Sabon brand at the end of 2016 and more recently of the Arbonne brand, the leader in direct sales in Anglo-Saxon countries of botanical beauty, healthcare and well-being products, in mid-March 2018, have significantly changed the revenue stream of Groupe Rocher, and this situation continued in 2019.

For 2020, Groupe Rocher forecasts growth in its sales revenue, again with the significant contribution of the Arbonne, Sabon and Yves Rocher brands. This growth will be driven by direct sales and retail sales for the most part. This should significantly offset the ongoing decline of mail-order sales and the negative currency impact expected in 2020.

In 2018, Groupe Rocher started to invest significantly in the transformation of its brands, and these investments continued in 2019. In 2020, they will gain speed, extending to support roles. Whether regarding the IT and digital projects in progress at Yves Rocher, Arbonne and Stanhome, the brands and business lines will continue to receive sizeable financial resources to accelerate their transformation.

Thanks to the acquisition of Arbonne in March 2018, the United States has become the Group's second-largest market after France and ahead of Italy. Additionally, direct sales, accounting for 35% of the Group's sales revenue, ranks second as a distribution channel after ret@il (retail + e-commerce), confirming its role as a driver of growth for Groupe Rocher.

Finally, in October 2019, Groupe Rocher became a “Société à Mission”¹ (*mission-driven company*), within the meaning of Article L210-10 of the French Commercial Code. The Group rewrote its articles of association, in particular its “Raison d’Être”, and the undertakings made have legal value.

The company’s Raison d’Être, within the meaning of Article 1835 of the French Civil Code, is as follows:

The Raison d’Être of the company, convinced thanks to the personal experience of Yves Rocher that nature has a positive impact on people’s well-being and consequently on their desire to act responsibly for our planet, is to reconnect its communities with nature. This Raison d’Être is incarnated in the experiences, services and products that deliver well-being thanks to the benefits of nature.

As such, the company’s family business model aims to develop a sustainable ecosystem that combines wealth creation, frugal innovation and humanistic environmentalism.

With its botanical, agronomic and scientific expertise and its unique model created at La Gacilly in Brittany, the company cultivates a direct connection with its communities and land.

A 2030 Vision for the Group was drafted with the help of many stakeholders, both internal and external:

- Seven different external advisory committees, composed of members of the Group’s senior management as well as close to 40 people, including around ten Group employees, all members of the We R Change network, and suppliers and people from outside of the company;
- An internal international advisory committee composed of close to 20 employees under the age of 35 and who work for the Group’s various brands.

The summary of the work undertaken in these committees allowed for a joint presentation of the Group’s vision for 2030 to the company’s senior managers in June 2019, allowing each of these senior managers to establish their strategy plans for upcoming years. A Group transformation steering committee was appointed in September 2019 to provide a summary of these various plans.

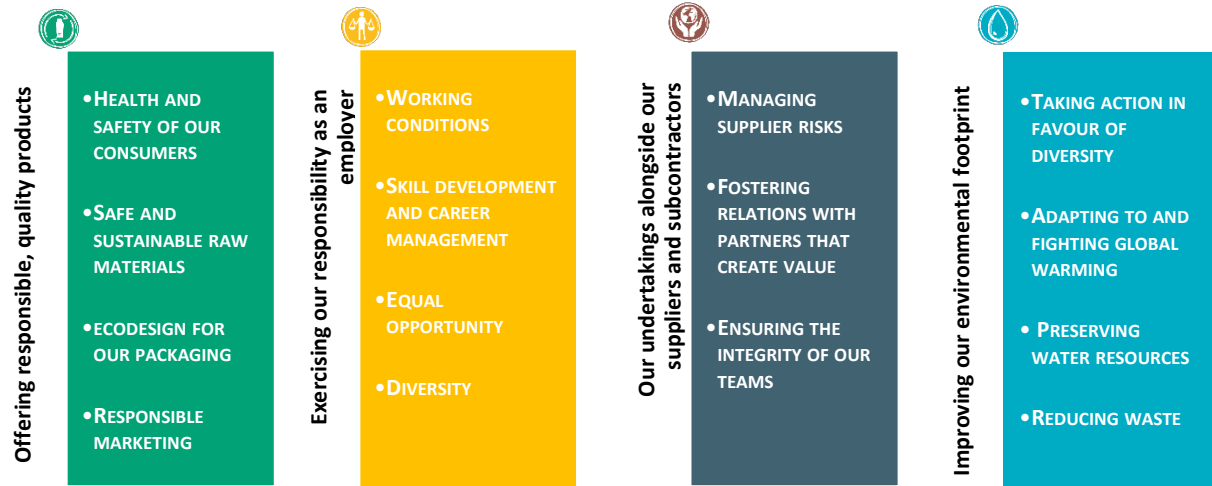
The completion of this work is expected in June 2020 and will allow for the preparation of a 2030 strategic roadmap, which will involve a review of the policies in place and related action plans to meet the major global challenges facing businesses today and to fulfil the company’s mission to “reconnect its communities with nature”. This will be presented in the Group’s 2020 Declaration of Extra-Financial Performance.

Key CSR issues for Groupe Rocher in 2019

In 2014, Groupe Rocher completed its work to identify its extra-financial risks and challenges, leading to a number of commitments for 2020. A pool of internal experts was identified for this purpose. These experts studied the mapping of the Group’s risks and sector-specific practices, spoke with internal stakeholders and examined studies on consumer expectations. This allowed them to identify the main challenges related to the social and environmental impact of Groupe Rocher’s businesses, its business relations, and its products and services.

Convinced that corporate social responsibility is fundamental, the Group has for many years committed to act by implementing specific policies and launching action plans for each of these challenges.

¹ The PACTE Law (the French action plan for growth and transformation of businesses), promulgated on 22 May 2019, introduced measures to initiate a reflection on the role of businesses in society.



Responsible development as part of the group's DNA

The Group's mission conveys its intent to place responsible development at the heart of its corporate strategy and to seek to combine value creation with an improvement of its footprint in an ecological economics form crucial to future human societies.




The scale of this kind of transformation depends on the ability of each employee and each stakeholder, regardless of their area, to fulfil their own commitment and thereby contribute to the creation of a company that is more respectful of the planet. Since 2017, a collective programme called "We R Change" conveys these principles to all of the teams, i.e. potentially 17,696 employees. In 2019, this mobilisation started with a zero-waste target.

More than 7,000 employees on 45 sites participated directly in the programme structured around three themes: information, action and sharing. For the first time, an inter-site contest was implemented, with three prizes and a financial award, to accelerate the transformations. Fifteen applications were received and submitted to the vote of our CSR networks and the Executive Committee.



Outside the company, the 2019 edition of the We R Change won the Cegos Mines Paris Tech prize for educational innovation in sustainable development.

GRUPE ROCHER PERFORMANCE TABLE & 2020 OBJECTIVES

Improving our **environmental footprint** throughout the value chain, because this is in the DNA of Groupe Rocher's brands.

	2020 objectives	2019 performance
 EAU	Reduce the entire Group's water consumption by 10% (in m ³ /production unit) compared to 2015	EXCEEDED 16% reduction
 ÉNERGIE	Reduce energy consumption by 10% (in kWh/production unit) compared to 2015 Source 30% of renewable energy	BEHIND SCHEDULE 7% reduction EXCEEDED 41% renewable energy
 PAPIER	Reduce paper consumption at Group level by 10% (in kg/production unit) compared to 2015 Source 100% of paper and cardboard from sustainably managed forests .	IN PROGRESS 5% reduction ON TRACK 94% from sustainably managed forests

Exercising its responsibilities as an employer by being a group that creates **job and development opportunities**, and one that promotes **gender equality**.

	2020 objectives	2019 performance
 ÉGALITÉ DES CHANCES	Voluntarily participate in improving working conditions and help develop gender equality in the workplace	ON TRACK Renewal of the gender equality agreement for the Rocher UES ² (including 100% paid paternity leave, and designation and training of contact people on sexual harassment)
	Offering job opportunities to more than one million women worldwide in five years	EXCEEDED More than 500,000 opportunities ³ created in our networks in 2019, i.e. more than 1.8 million since 2015.
 POLITIQUE HANDICAP	Enabling and encouraging the employment of people with a disability	ON TRACK Deployment of a disability agreement for the Group in France regarding: <ul style="list-style-type: none"> • Recruitment • Maintained employment • Training/integration • Communication and awareness training

² The Rocher UES includes the following legal entities: Laboratoires de Biologie Végétale Yves Rocher, Groupe Rocher Opérations, Yves Rocher France and Stanhome International.

³ Including the 172,000 hires in 2019 for Arbonne.

A strategy driven by a committed network

The deployment of the responsible development policy throughout the Group relies on the organisations in place and on specific networks of “CSR Leaders”, “local CSR correspondents” and “local representatives”.

- The Responsible Development Department, which is in constant contact with Senior Management, drives the Group’s CSR strategy, providing its impetus, management and coordination. It also participates in discussions with stakeholders, as well as internal and external promotion. Finally, it is responsible for CSR audits and reporting;
- The Responsible Development commitments of each brand and department are challenged and fine-tuned during the process to draft the three-year plans presented every year to Senior Management;
- Within their scope of responsibility, the 38 “CSR Leaders” ensure the effective implementation of this policy, the communication thereof, the commitment of teams, and transversally (coordination of CSR initiatives and communication with local correspondents, sharing of good practices, etc.), as well as reporting;
- Furthermore, each brand structures its CSR network according to its strategic priorities. For example, the Petit Bateau brand has created a network of 16 “CSR Links” to deploy its transformation by business line;
- Approximately 100 contributors provide appropriate reporting on performance based on local data for centralised aggregation of the data published as an appendix to the Management Report;
- Finally, 129 “local CSR correspondents” organise We R Change events locally, relying on their own volunteer CSR ambassadors on each site, who convey the Group’s commitments to employees.

Also, for the first time, since 2019, all Group employees who are subject to professional objectives to be defined have at least 10 points out of 100 dedicated to CSR (with no maximum limit). This system allows everyone to contribute to change by defining CSR objectives related to:

- The employee’s job;
- Philanthropy/patronage initiatives of the Brands or Group;
- Management, training and recruitment;
- We R Change mobilisation initiatives on the Group’s sites.

Close relations with our stakeholders

The Group’s capacity to transform itself into a “mission-driven company” was possible thanks notably to the quality of discussions with stakeholders.

- A representative group of partners, businesses, consultants and NGOs were called upon to reflect on the Group’s mission and its objectives for 2030. The Group then re-joined the Global Compact and launched the B Corp certification process for its Arbonne brand;
- The Group belongs to the FEBEA (the French federation for beauty companies) and chairs its Environmental Affairs Bureau. It is also a member of the AFEP (the French association of private corporations) and the Club Génération Responsable (the “responsible generation club”).

- Regarding nature-related issues, the Group co-chairs the Biodiversity Working Group of the Orée association, and is a member of and participates in various organisations such as the FRB's (the French Foundation for Biodiversity Research) Strategic Orientation Committee, the IUCN⁴ in France and globally, the doctoral school of the French national Natural History Museum and the French Fondation Humanité et Biodiversité;
- Throughout the year, commercial partners and suppliers of gifts, services and products, including IT, are associated with the Group, via Ecovadis⁵. The Group pursues its work on sustainable sourcing through the Responsible Mica Initiative, the Responsible Beauty Initiative and the Earthworm Foundation;
- Finally, the Group supports organisations helping society such as Dons Solidaires, Association du Don en Nature, Handicap Zéro and Ticket for Change. The Group was also a partner in the launch of the Association Femmes de Territoire, created based on the Femmes de Bretagne association.

As a multinational present in 118 countries, Groupe Rocher endeavours to define and implement a responsible and transparent fiscal policy.

- A balanced, responsible fiscal policy:

Groupe Rocher ensures it complies with all its international, regional and local fiscal obligations.

The Group ensures that its cross-border transactions between the Group's entities comply with the arm's length principle and the OECD's guidelines.

Fiscal issues are managed centrally by the Tax Department, which reports to the General Secretary's office, and locally by the appropriate employees. When necessary, the Group's fiscal experts are assisted by external consultants. All of the Group's employees working on fiscal matters work in close collaboration with the Group's operational staff.

Groupe Rocher manages its fiscal policy to ensure it pays the taxes due in the various countries in which it is present, and that are appropriate and pertinent, and that these tax payments remain in line with operational and organisational changes.

- A transparent fiscal policy:

Convinced that fiscal transparency is crucial, Groupe Rocher endeavours to enter relationships of trust with all the stakeholders involved in fiscal matters, in particular tax authorities. In this regard, Groupe Rocher in France entered into a "Fiscal Partnership" with the administrative authorities in 2019. This partnership is part of a fiscal transparency and collaborative approach in place for many years, as the Group had already participated in the "relationship of trust" programme that preceded the Fiscal Partnership between 2013 and 2016.

The Group also complies with the "country by country" reporting obligation.

During the 2019 fiscal year, Groupe Rocher's corporation tax burden totalled 35 million euros, including 16 million euros in France. Additionally, in France, the Group paid more than 30 million euros in mandatory contributions, such as taxes on salaries, local taxes, customs duties and other various taxes.

⁴ IUCN: International Union for the Conservation of Nature

⁵ ECOVADIS: <https://www.ecovadis.com/fr/>

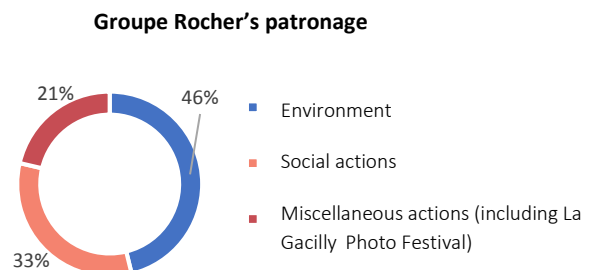
The Group and its brands endeavour to contribute to the transition of economic and environmental models both nationally and internationally.

- In 2019, just before the 2020 Biodiversity Year, the Group joined the French ministerial National Biodiversity Committee and, for the second consecutive year, supported IPBES⁶. Along with other French businesses and the Ministry for an Ecological and Inclusive Transition, the Groupe renewed and extended its “Entreprises pour la Nature - Act4nature” commitment. The Spanish subsidiary of Yves Rocher was a member of the “CSR⁷ Commission” of the Franco-Spanish ICC Chamber of Commerce of Madrid and participated in the drafting of good CSR practices. Yves Rocher Spain also signed the “Biodiversity Pact” of the Fundación Biodiversidad (Spanish Ministry of the Environment) in 2014;
- In January 2020, the Yves Rocher brand became a temporary member of the Union for Ethical BioTrade (UEBT), an association that helps businesses with the responsible sourcing of natural ingredients and derivatives of natural raw materials from both an ecological and social perspective;
- At financial and insurance conferences, the Group gave presentations on the tie between the economy and nature at France Invest, Positive Investors Forum with Novethic, the WWF’s Economy and Biodiversity Days and Orée⁸, and spoke at the European Parliament about its interest in achieving an ambitious Green Deal at the European level. For its part, the Spanish subsidiary of Yves Rocher participated in the public #ComunidadPorElClimat initiative as a business committed to climate issues;
- On an international scale, as part of the “European Business and Nature Summit” week in Madrid, the Group co-presented the “Focal Point for France” at the Global Partnership for Business and Biodiversity. Finally, at the COP25, the Group reaffirmed the environmental and social transformation of its brands.

Additionally, Groupe Rocher allocated 7.6 million euros to donations and patronage in 2019. These amounts are broken down as follows:

For more information:

- <http://www.yves-rocher-fondation.org/>
- <https://www.arbonnefoundation.org/en-US/>
- <https://www.ricaud.com/fr-fr/le-sur-mesure/prix-femmes-en-choeur-2017.htm>
- <https://www.stanhome.fr/content/lassociation-petits-princes-et-stanhome>
- <http://www.danieljouvance-fondation.org/fr/>
- <http://www.festivalphoto-lagacilly.com/>
- <https://www.groupe-rocher.com/fr/un-groupe-engage>



⁶ French intergovernmental platform dedicated to biodiversity and ecosystemic services

⁷ Corporate social responsibility (CSR)

⁸ <http://www.oree.org/>

OFFERING RESPONSIBLE, QUALITY PRODUCTS

Protecting the health and safety of consumers

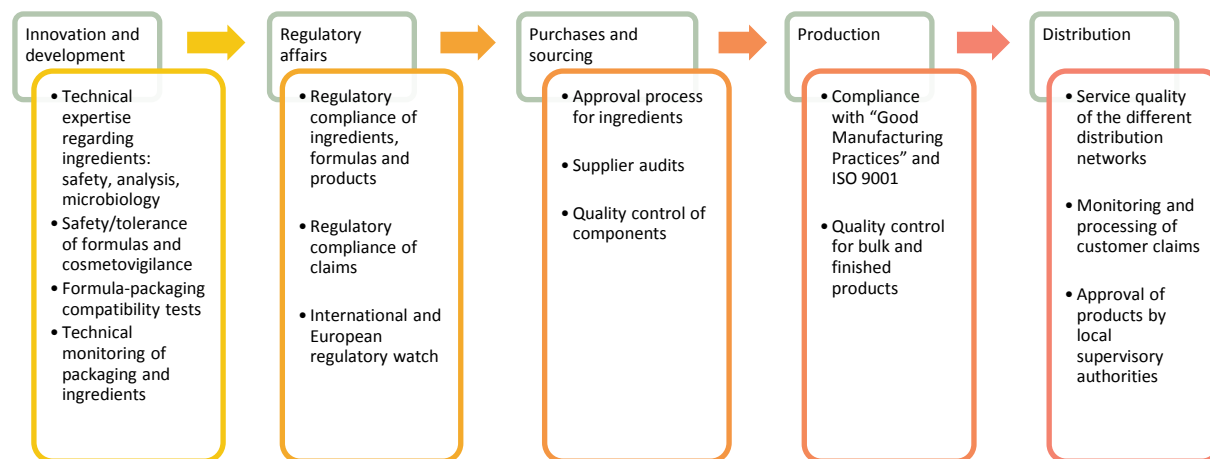
Policy

Group Rocher has placed the quality of its products and the safety of its consumers at the heart of its strategic policies. All the Group's business lines are driven by a continuous improvement approach regarding the quality of its services and products.

To support this process, many tools and guidelines have been implemented to ensure the optimal safety of ingredients and finished products, with no compromise as to the assessment of their environmental impact.

Cosmetics

This policy applies at every stage of the life cycle of a product from its design to its use by the end customer.



Each ingredient and each finished product are assessed via a precise test sequence defined by our experts (safety assessors, toxicologists, pharmacists, etc.) and that complies with international recommendations. The safety and tolerance of products are key criteria for approving the launch of the Group's cosmetic products.

The product's conformity will also be assessed during the manufacturing process. Detailed specifications are defined by the Group's laboratories, development teams and plants.

Our cosmetics production sites are:

- Certified ISO 9001 "Quality management system - Requirements" by an independent, recognised third party (Veritas) for the development, production and control of cosmetic products. This certification guarantees that the products manufactured and packaged are controlled according to established methods;
- Managed according to "Good Manufacturing Practices (GMP) for Cosmetic Products" (ISO 22716), which provide for controls at the various stages of production (reception, tests during production, final control and release of products) by the sites' quality teams. Our sites' compliance with the GMP is audited regularly by our internal central departments or third parties.

To ensure we are perfectly in tune with our consumers, three processes are in place in the Group:

- The first is “cosmetovigilance”: any adverse reaction that may potentially be attributable to one of the Group’s cosmetic products is escalated via our networks (call centres, advisors, etc.), then managed by dedicated teams. This feedback is then studied to determine whether the adverse reaction can be attributed to the cosmetic product. We can therefore monitor the life cycle of products among consumers and, if needed, withdraw a product from the market, reformulate the product or stop selling it;
- The second is the “sensitive questions process”. In each territory, contacts are defined and escalate questions from consumers asking for a specific answer to dedicated teams. This process has been established to promote transparency and to better inform consumers.
- The third is the management process for customer claims. The goal is to consolidate customer claims related to the nonconformity of a finished product from the various distribution networks and countries. The objective is twofold: to provide an appropriate response to our distribution networks and customers, and to launch the appropriate quality process internally. These data are aggregated every month to constitute a ppm indicator, which is communicated extensively and used as major input for the overall quality process.

Detergent products

Stanhome’s products embody environmentally responsible values and aim at guaranteeing the safety of its consumers through:

- A very strict selection of ingredients that exceeds regulatory requirements;
- Rigorous test processes from the formulation stage to the finished product;
- Specific tests, under dermatological supervision, like those conducted in the cosmetics industry for products that come into direct contact with skin.

Textiles

Petit Bateau’s quality policy, an integral part of the brand’s DNA, is based on the safety and quality of the products when used. Petit Bateau has adopted the strictest toxicology standards via OEKO-TEX⁹ label certification. OEKO-TEX Label Class 1 (standard 100) certification implies the use of chemical products that have a low or no impact on their environment.

Petit Bateau’s quality standards go beyond the REACH standards applicable in Europe. Petit Bateau tests the quality of components at the various stages of manufacturing in in-house or external laboratories. Petit Bateau involves its suppliers in its strategy by verifying their compliance with the OEKO-TEX standards, which ensure their expertise in textiles is applied according to the highest standards.

Performance

- Approximately 67% of Petit Bateau products complied with the OEKO-TEX label requirements in 2019.

Good practices

True to its commitments, the Yves Rocher Brand does not test, nor does it ever promote tests on animals for its finished products or the ingredients contained therein.

The internal charter on product components is very strict and prohibits the use of any raw material of animal origin (except for honey and beeswax). For example, the use of a pigment commonly used in the cosmetics industry for

⁹ OEKO-TEX is an independent German association that provides certification to guarantee the human-ecological quality of textiles: free of products that are toxic for the human body and the environment.

eye shadows, cochineal carmine (a small insect that produces carminic acid to protect itself from predators, and from which a reddish dye, carmine, is extracted), is prohibited.

Finally, the Yves Rocher Brand encourages research on alternatives to animal testing to promote and generalise these alternative methods. For example, for natural ingredients, its research covers new in-vitro models to assess allergies.

Choice of raw materials

Groupe Rocher is demanding and vigilant in the sourcing of its raw materials and ingredients, key components of its cosmetic, detergent and textile products.

Cosmetics policy

Groupe Rocher demonstrates its intent to constantly move towards more natural ingredients in its cosmetic products through its continuous improvement approach to its portfolio of ingredients. This is also a commitment to the highest standards, going beyond the requirements of European regulations and imposing more than 300 additional restrictions or bans on ingredients it uses.

Specific attention is paid to the Group's natural ingredients, which constitute the better part of the portfolio, and its botanical active ingredients¹⁰.

The research, development, qualification and sourcing processes for these raw materials and active ingredients cover multiple professions and trades. They involve experts from Innovation & Development, Purchasing and Quality.

Qualification

The qualification process provides teams with a series of tests and methods to confirm both safety and respect for the planet. Today, 1,344 ingredients (excluding fragrances) have been qualified and made available to formulators to create the cosmetic formulas.

The qualification process is also restrictive from a responsible development perspective: the environmental impact of the raw materials (ecotoxicity, biodegradability, transformation process) is assessed, as well as its suppliers' CSR policies.

Close attention is also paid to the sourcing of ingredients for which a series of basic criteria has been defined for the plant supply chains.

- Ensure traceability (botanical identification and origin of the plant) and prioritisation based on the risk of deforestation: Palm Oil RSPO mass balance, ingredients derived from sustainably managed forests (FSC, PEFC), documented good harvesting practices.

100% of the portfolio was assessed at the end of 2019 based on these various items, leading to the implementation of an action plan (e.g. emblematic sectors, 0 "red" sectors in 2020).

Sourcing

Groupe Rocher defines rules that all internal teams and its partners must comply with regarding ingredients. For botanical ingredients a "Plants Charter" defines strict rules to manage supply chains, notably including the following actions:

- Protect and respect endangered species;
- Favour the use of farmed plants or the renewable parts of plants;
- Refuse to incorporate genetically modified botanical ingredients;
- Prefer organically farmed products.

¹⁰ Active ingredient: an ingredient of botanical origin present in the Botanical Beauty formulas, whose effectiveness has been scientifically proven (scientific bibliography; in vitro, ex vivo and in vivo tests).

In support of this vision, Groupe Rocher has defined a clear and explicit implementation strategy for sourcing, which constitutes a true guideline for operational teams responsible for sourcing the raw materials (R&I, Purchasing, Quality/CSR, etc.).

This sustainable sourcing approach is based on three major pillars:

- Procure responsibly by committing to the long-term use of the botanical raw material, thereby ensuring the existence of sustainable sources of revenue, or by locally diversifying sources of revenue;
- Protect plants and humans through our commitment to respect the environment, biodiversity and those working in the sector;
- Fairly and equitably share the benefits of biodiversity by preserving the know-how of local communities and promoting common economic, social, scientific and cultural development. In this regard, the Group follows the guidelines of the UN's Nagoya Protocol on Biodiversity to fight the erosion of biodiversity. A precursor in this field, the Yves Rocher Brand continues to promote voluntary, proactive initiatives.

For this dynamic to be successful, two criteria are carefully examined at the earliest phases of development:

- Good traceability (including that the origin is mostly plant-based) to ensure that production results from controlled harvesting or a structured, responsible agricultural supply source;
- A solid partner, aware of the overall process and involved locally. The Group is therefore committed to a policy to assess supply chain operators and, where applicable, support initiatives.

Sensitive raw materials¹¹

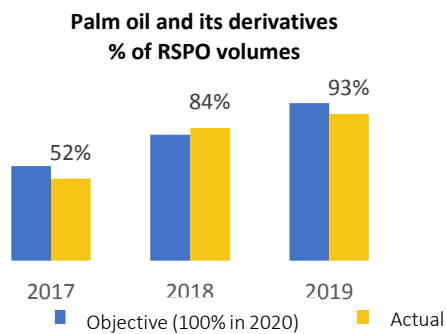
Some raw materials referred to as "sensitive" are also the subject of a Group commitment. That said, in light of the low volumes they represent in terms of Group purchases and in order to boost the impact of its actions, participation in recognised, multi-sector external initiatives is favoured.

For example, regarding palm oil and its derivatives, Groupe Rocher is working on:

- The use of RSPO-certified products (Round Table on Sustainable Palm Oil, of which the Group was a member from 2010 to the end of 2014);
- With the Earthworm Foundation (formerly TFT, the Forest Trust) it has partnered with since early 2015, its suppliers and other stakeholders regarding mapping, the traceability of its supply chains and also field initiatives to contribute to the transformation of the sector.

¹¹ Raw materials presenting an identified risk of nonconformity with one of the five duty of vigilance requirements in their supply chain

Performance of Cosmetics¹²



- 93% of actual volumes of ingredients¹³ containing palm oil or its derivatives are certified RSPO mass-balanced.
- 97% of the new ingredients qualified in 2019 are natural, bringing the percentage of ingredients in the formulation portfolio qualified as of natural origin to 71%.
- 18 synthetic raw materials were removed from the portfolio in 2019.

Good practices for cosmetics

In Madagascar, the Yves Rocher Brand has participated in the development of botanical active extracts for over 10 years, notably via its Innovation and Development Department, by collaborating with a network of partners in the country (university, SMEs involved in plant harvesting and processing). With a view to increasing added value in the country, the brand helps them with their industrialisation project (plant extraction pilot site) through the sharing of either expertise or methods, or by purchasing industrial equipment (equipment sent in 2018).

For its Foot Care range, Yves Rocher selected the essential oil and floral water of true lavender (*Lavandula angustifolia*) for its relaxing and purifying properties. The lavender fine used by Laboratories Yves Rocher is grown in diversified farms working according to Provençal traditions and the farming expertise of south-eastern France in lavender growing. Yves Rocher backs its partner's responsible process by supporting French true lavender producers, certified according to organic agriculture standards. In 2018-2019, Yves Rocher provided financial support for the creation of two new lavender plots (over a total surface of four hectares). Two farmers known for their sustainable agricultural practices (AB) and technical expertise benefited from this programme for their PPAM (aromatic medicinal plant) workshop and to diversify their activities (polyculture).

For a number of years, the Group has been involved in seeking solutions to the palm oil issue. Our initial actions consisted in joining the RSPO, then progressively transferring our volumes to a mass balance grade. However, the Group wishes to go even further by participating in pragmatic local initiatives that have a real impact on neighbouring communities and ecosystems.

For this reason, the Group has been working with the Earthworm Foundation and other industrial groups on a targeted programme, APT Landscapes, since 2019. This programme works towards transformation on a regional scale with multiple stakeholders: the government, producers and other NGOs. For example, one facet of this programme aims at reducing deforestation by small producers. This year, we worked especially with communities located in the Aceh Tamiang regency in Indonesia. The programme for 2019 notably aimed at reaching an agreement with certain communities in areas that present a high risk of deforestation to protect the forest, but also at implementing the "Sustainable Livelihood Program" in villages with the highest risk of deforestation. Additionally, we wanted to demonstrate our strong commitment by having a Group representative attend on site. He was able to meet with the populations and share the various programmes proposed (tree nurseries, vegetable gardens (an alternative to imported products) and fruit tree planting (alternative revenue)) to support operators in the region in making a sustainable transition.

¹² Excluding Flormar, Sabon and Arbonne.

¹³ As a percentage of Groupe Rocher Operation's' raw materials purchasing volumes.

Detergent product policy

In choosing the ingredients for its products, the Stanhome brand favours:

- The use of natural ingredients in its formulas;
- Hyper-concentration of products (one of the brand's original commitments);
- Ever shorter formulas (requiring fewer substances);
- "Readily biodegradable" formulas (tests conducted in accordance with the international OECD 301F* standard).

Detergent product performance

- Prime-Wash, one of the Stanhome brand's Top 10 products, with more than 455,000 sales per year since 2014, changed its formula in 2019 to include more than 77% of natural ingredients.

Textile policy

Petit Bateau's raw materials purchasing policy is based on three pillars:

- The quality of the yarn and fibres used to guarantee the durability of the products in Petit Bateau's collection;
- Balanced relations with suppliers to guarantee the long-term continuity of Petit Bateau's partnerships;
- Traceability: the contracts for purchases of raw materials (yarn) indicate the origin and specificities of the fibres. This allows Petit Bateau to control and guarantee the quality of the yarn purchased. Petit Bateau bans the use of cotton originating from Uzbekistan, Afghanistan and Syria.

The spinners are recognised partners. Petit Bateau's quality requirements and the significant proportion of light colours requires the use of very pure cotton originating from industrial farms. Petit Bateau is working on the integration of organic cotton, while fulfilling our customers' quality requirements.

With a view to improving its environmental and social impact, Petit Bateau has adopted a continuous improvement approach for its sourcing policy and launched a responsible cotton sourcing programme in 2018, which includes the following initiatives:

- Launch of the "from the field to the clothes hanger" traceability and transparency programme to achieve traceability from the planting of the cotton to the store. The objective is for all of Petit Bateau's suppliers to have signed the Group's code of business conduct by 2020, and to have all of the plants and direct strategic suppliers audited and follow an improvement plan by 2021. This project is key for the brand, even more for certain countries are known for significant social risks (forced labour, child labour) related to the cultivation of cotton;
- Launch of organic cotton clothing lines;
- Work on the diversification of its fibres to decrease the proportion of cotton in its collections. The objective for 2025 is to have 100% of the collection composed of environmentally responsible raw materials.

Textile performance

- In 2019, the organic cotton line represented 6% of Petit Bateau's 2019 Winter collection.

Ecodesign for packaging

Policy

For Groupe Rocher, packaging consists first of packaging to protect products throughout their life cycle from production to sorting, including transportation and the use of products by its customers. For this reason, the safety of consumers is the primary design criterion. Products must also be attractive to consumers. Groupe Rocher has therefore adopted a continuous improvement approach to optimise the handling of products, their ease of use, the attractiveness of the packaging, and packaging costs, while reducing its environmental footprint. In line with its commitments and objectives for 2020 concerning the environment, Groupe Rocher has implemented a proactive approach to the ecodesign of its packaging based on two pillars: Reduce and Recycle.

REDUCED use of non-renewable resources

- By reducing the quantity and weight of packaging
- By offering reusable packaging

For example, to reduce the consumption of virgin plastic, Groupe Rocher has worked on three facets:

- Packaging is lighter;
- Formulas are concentrated;
- Capacity has been increased to optimise the weight of the plastic relative to the quantity of products packaged.

RECYCLABILITY

- Design recyclable packaging for existing segments;
- Raise stakeholder awareness (customers and employees) on good sorting practices.

For example, to improve the recyclability of plastic packaging on the market, certain plastic resins will no longer be used in the composition of the Group's packaging (such as ABS¹⁴ or Surlyn).

Information on sorting is provided to customers in the form of information on the "green sorting point" (*tri point vert*) and/or the Triman logo affixed to the products.

CIRCULAR ECONOMY AND RECYCLED RAW MATERIALS

- Incorporate recycled raw materials as soon as possible as part of a circular economy approach;
- Systematically incorporate recycled plastic into plastic bottles;
- Favour the use of reusable raw materials for gift packages (by preferring the use of cotton, metal or wood).

Regarding the use of recycled plastic, the Group's strategy is to integrate it into as much packaging as possible.

Groupe Rocher has implemented ecodesign standards shared by the Group's various cosmetic and detergent product brands, broken down into brand-specific action plans, which govern the choices made by the teams who design the products. For example, employees are encouraged to develop certain packaging formats with recyclable raw materials (e.g. glass, which can be recycled *ad infinitum*) to maximise opportunities to give the raw materials a second life.

¹⁴ ABS: Acrylonitrile butadiene styrene is a light thermoplastic polymer that resists well to shocks, is relatively rigid and can be moulded. Surlyn: the brand name for a thermoplastic polymer.

Performance

- Reduce the weight of packaging
 - At Yves Rocher, the weight of plastic packaging has dropped by 19.6% since 2010 (in grams of plastic per litre of product). This overall reduction in the weight of packaging enabled the reduction by 1,586 tonnes of virgin plastic on the market in 2019.
- Design recyclable packaging
 - 100% of Yves Rocher's facial care product jars are made of glass;
 - 100% of Stanhome Home Care bottles are recyclable;
 - 99% of boxes for cosmetics are made of cardboard manufactured from sustainably managed forest resources¹⁵;
 - 100% of the wood, paper and cardboard for the Yves Rocher brand's gift boxes are either made from recycled raw materials or raw materials from sustainably managed forests.
- Circular economy and use of recycled raw materials:
 - 96.5% of the PET bottles placed on the market by the Yves Rocher Brand worldwide contain plastic originating from the recycling of bottles (rPET);
 - Thanks to the use of recycled plastic¹⁶ in the packaging, a total of more than 1,075 tonnes of virgin plastic was saved in 2019.

Good practices

Yves Rocher's new Hair Care range was designed to:

- Reduce formula waste via a returnable bottle that allows for 100% of the product to be used;
- Incorporate recycled plastic: 100% in all bottles;
- Use lighter eco-tubes for the "masks".

Reducing the use of plastic is a collective goal of all the Group's brands: Arbonne released its Cleanser gel to market in the eco-tube¹⁷, launched first by the Yves Rocher brand, and the Stanhome Family Expert brand is studying its use for its new product ranges.

The fragrance boxes for Yves Rocher's "Men's" range and those for the Kiotis brand's "Pour Elle" and "Pour Lui" fragrances are made of cardboard manufactured from cardboard waste produced on the Group's La Croix des Archers distribution site in La Gacilly.

This same cardboard was again used in 2019 for the manufacturing of "year-end special offer" boxes, and in-store events and containers.

The Yves Rocher brand has adopted the objective of eliminating the use of plastic in its gift boxes. As of Christmas 2020, these boxes will no longer have transparent plastic covers.

¹⁵ For all of Groupe Rocher's Cosmetics brands (excluding Flormar, Sabon and Arbonne).

¹⁶ rPET in bottles and mascara/rPP in the Fragrance cap

¹⁷ Ecodesigned tube that uses 25% less plastic than standard tubes with the same diameter.

Responsible marketing

Policy

As an extension of its endeavours to promote the more sustainable development of its products, Groupe Rocher's policy is to promote its products responsibly. For this reason, the Group has adopted distribution processes and rules for the creation of communication materials and tools.

First, communication messages comply with European regulations and ethical standards in effect. The materials and tools are subject to an approval process that allows the various brands to comply with the principles governing honesty, reliability, the proportionality of messages and the transparency and accuracy of information as part of a continuous improvement process.

On 25 May 2018, the European regulation on personal data changed with the enactment of the General Data Protection Regulation ("GDPR"). To implement this change within Groupe Rocher, a Data Protection Officer ("DPO") was appointed at the group level. The Group's DPO reports to the Group's senior management, has direct access to members of the Executive Committee and has been allocated a budget to ensure he or she remains independent.

Furthermore, a global committee has been created in which the brands' DPOs, the DPOs from the largest regions, and the Personal Data Representatives meet regularly to protect privacy within the group.

The Group DPO's mission is to decide and implement basic standards within Groupe Rocher to ensure the privacy of every customer of any Groupe Rocher brand is protected.

This activity (notably via distance selling) uses a significant amount of paper. The Group, aware of its impact, has followed a responsible purchasing policy for close to 10 years in collaboration with its suppliers to ensure that the paper used is derived from the sustainable management of forests.

The Group has also set the twofold objective for 2020 of reducing its paper consumption by 10% compared to 2015 and to source 100% of its paper and cardboard derived from sustainably managed forests for all its uses (e.g. press kits, in-store leaflets, office paper, cash register receipts, packaging, etc.).

Performance

In 2019, the Group created a global GDPR committee, and an international network of 140 people work with this committee to protect personal data.

In 2019, the Group consumed 20,996 tonnes of paper for its cosmetics and detergent product business activities (mail-order selling, store sales, office paper and product packaging).

On a like-for-like basis, the Group reduced its paper consumption by 5% compared to 2015 (in tonnes/millions of products). This decrease can be explained by the drop in the percentage of mail-order sales worldwide. Furthermore, regarding the scope under consideration, the proportion of paper derived from sustainably managed forests totals 94%.

Good practices

In 2019, the IT Department deployed awareness and prevention workshops on electronic data security in all the sites in France. This initiative allowed for employee accountability and a decrease in cyberattack risks.

To comply with the regulations in effect in France and to provide ever greater transparency to its consumers, the Yves Rocher Brand decided to make the list of ingredients in its formulas (INCI) available on the brand's e-commerce sites throughout the world. The information was already available in 2019 on the brand's 22 e-commerce sites.

To go even further than regulatory requirements and explain our formulation choices, a glossary of ingredients used in our cosmetic products, including the INCI name, common name, origin and function, was also available on the brand's seven websites in 2019. A deployment plan is in place for 2020 for remaining countries.

EXERCISING OUR RESPONSIBILITY AS AN EMPLOYER

Working conditions

Human rights

Policy

The principles governing Groupe Rocher's actions and conduct are in line with the commitments the Group has adopted and set out in its Code of Business Conduct and relate to compliance with and adherence to:

- the Universal Declaration of Human Rights;
- the Conventions of the International Labour Organization;
- the guidelines of the OECD, regarding the fight against corruption.

In any event, all Group employees must comply with the laws and regulations in effect in their respective country. Additionally, when the regulations of a given country are stricter than one of the fundamental principles set out in Groupe Rocher's Code of Business Conduct, these national regulations take precedence.

Furthermore, Groupe Rocher prohibits any form of child labour. It also bans any form of forced or mandatory labour. All labour must be voluntary. Employees are free to leave their job or terminate their employment in accordance with local laws in force.

About occupational health and safety, Groupe Rocher undertakes to provide its employees with a safe working environment.

All employees must be aware of the health and safety requirements specific to their jobs and are invited to communicate any practice that jeopardises safety to their line manager, the director of their entity or the human resources manager responsible for their department.

A safe working environment also means safe work relations, free from any violence, threat or intimidation. We also aim at treating all employees with respect and dignity, and ban any form of corporal punishment, threats of violence or any other form of physical, sexual, psychological or verbal harassment and any form of abuse.

The Group does not tolerate discrimination or harassment in the workplace. It is committed to promoting diversity and equal opportunity and treatment. The Group encourages the freedom of expression of employees and respects the activities of unions in accordance with applicable national laws.

To ensure that good conduct and ethical rules are complied with in each of its legal entities and by every employee, Groupe Rocher regularly conducts internal and/or external audits.

Every employee, within the framework of their responsibilities and job, is invited to acquire enough knowledge of the legal rules and obligations applicable to their professional activities and to abide by said obligations in good faith.

Groupe Rocher has implemented a whistle-blowing procedure in the event of a breach of the rules set out in its Code of Business Conduct:

All employees (all companies and all countries combined) and third parties of the Group who are aware of or suspect in good faith any irregularity or contravention pertaining to the accounts, financial dealings, acts of corruption, unfair practices or any other act that may be contrary to the Group's ethical rules are encouraged to contact the Groupe Rocher Ethics Line using the dedicated e-mail address.

If a doubt or a difficulty in assessing, understanding or applying a regulation or a legal issue arises, line management or the Group's General Secretary's teams are consulted, and their opinion or decision applies.

Performance

In 2019, the Risk Management and Compliance Department launched a platform to raise the awareness of all Group employees, notably regarding subjects such as corruption, conflicts of interest, the duty of vigilance and business travel. In early 2020, an e-learning training module on the Code of Business Conduct will be deployed for all Group employees worldwide.

As part of the renewal of its collective agreement regarding “gender equality” dated 15 October 2019, Rocher's economic and social unit (the “UES”)¹⁸ notably appointed and trained people to contact regarding sexist actions in France. These contact people are responsible for orienting, informing and supporting employees in the fight against sexual harassment and sexist actions. They are therefore the dedicated contacts for employees who are witnesses to or victims of such acts to help them act.

Good practices

The major stakes related to these various principles have already been the subject of governance training, implemented years ago and provided to the Group's senior executives who are corporate officers or are in possession of a delegation of authority. Similarly, the executives involved are the subject of a specific assessment of their knowledge of these subjects.

Arbonne, an American company that belongs to Groupe Rocher, distinguished itself by committing to achieve “B Corp” certification. It has been certified since 28 January 2020. The “B Corp” community, founded in 2006 in the United States, brings together businesses from around the world that want to (re)affirm their Societal Mission as part of their *raison d'être*. These are for profit companies that want to move forward and demonstrate a “for purpose” impact, and their overall performance is assessed every three years. Via their business model, they seek not to be the best in the world, but the best for the world.

Health, safety and ergonomics

Policy

Groupe Rocher is attentive to its employees' working conditions. It acts on all of its industrial sites to improve employees' working conditions, prevent occupational accidents and illnesses, and reduce the exposure of employees to risks and hardship.

Safety is particularly important on the manufacturing and distribution sites, which are subject to extensive occupational safety regulations. Each work station is governed by safety rules for which compliance is mandatory.

On sites more exposed to risks or hardship factors, plants and distribution centres, policies targeting the prevention of occupational accidents are put in place.

These policies require the involvement of personnel, regular and targeted communication, as well as action plans. In concrete terms, this means processes such as improving the ergonomics of work stations, reducing handling of and exposure to chemical agents, and the organisation of training to raise employee awareness of these issues.

In fact, health, safety and well-being at work concern all employees.

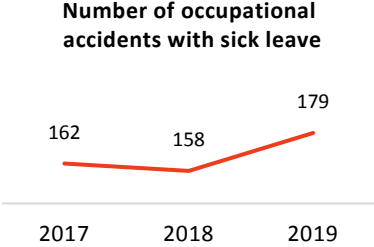
In its Code of Business Conduct, the Group reiterates its commitment to the prevention of psychosocial risks. Measuring the quality of working conditions is key to sustainably improve everyone's behaviour and its impact on well-being.

Groupe Rocher is also convinced that designing ergonomic work stations allows for an improvement in productivity, as well as the comfort and safety of employees, and demonstrates its commitment to this effect every day both on its industrial sites and its service sites.

Actions are taken every year: projects to reduce hardship at work, ergonomic audits, improvements in equipment, and collective or individual work station improvements to ensure employment can be maintained, especially for disabled employees.

Performance

- 179 accidents with sick leave occurred in 2019 on Groupe Rocher’s various sites worldwide. Initiatives and investments were decided to reduce the number of accidents.
- The frequency rate on the industrial and logistics sites was 11.97 in 2019 and the severity rate was 0.17¹⁹.



Good practices

In France, since 2017, health and welfare/providence schemes have changed and moved towards a prevention and improvement policy for occupational health that is more effective and uniform throughout all the companies concerned. All employees within the Group’s scope in France notably benefit from a free remote telehealth consulting system available 24/7.

For four years, Groupe Rocher Operations has tested new assistive technologies for its operations personnel. These new technologies take multiple forms: robots, exoskeletons, harnesses, etc. They all compensate physical exertion and/or increase the physical performance of an operator in his or her work. These innovative products also improve the working conditions of employees and prevent work-related strain and therefore the onset of certain types of disabilities.

To encourage employees to identify and communicate risk situations, the company’s profit-sharing system on Groupe Rocher Operations sites that are particularly exposed includes safety-related criteria.

The Group regularly conducts studies on psychosocial risks on the initiative of the company and/or when proposed by employees, in collaboration with social partners. This was notably the case in 2018 and 2019 on Petit Bateau’s logistics sites and within one of the Group’s divisions to help employees during an organisational change.

In Canada, Yves Rocher’s teams in Longueuil benefit from an improved working environment: one of the rooms was converted into a “Zen” rest area, with sofas and dynamic work stations (one can work while using the step machine).

At the Cap Rocher site in France, a Business Recovery Plan was drafted in collaboration with General Services and the Human Resources Department. The objective is to better manage a crisis (operational, commercial and internal stakes) based on various scenarios (a pandemic, flood, fire or terrorist attack). Contact people were appointed by department. This type of plan is to be deployed on all Groupe Rocher sites.

Many prevention initiatives took place in the plants in France in 2019 and are an essential lever in the prevention strategy.

¹⁹ These two rates cover 23% of the Group’s headcount.

Well-being in the workplace

Policy

In addition to health and safety, the Group takes a broader “well-being in the workplace” concept into account as it has a significant impact on performance and employee engagement.

The implementation of a well-being policy can also contribute to job satisfaction and the improvement of work relations within teams, as well as a better working life/personal-life balance.

Flexible working conditions and hours, and the service offers on the sites, for example, meet the growing expectations of employees in terms of physical well-being, the working life/personal-life balance, and management of their family-related responsibilities.

Therefore, issues such as parental leave, the employment of seniors and support for employees who are family caregivers are also at the heart of the Group’s social policy.

Furthermore, the quality and design of buildings in which work is performed are also major criteria. When the reorganisation of a site is contemplated, certain specific actions are taken to better consider employee expectations in terms of well-being, as well as ecological values to which the Group is committed, in line with the type of work undertaken at its Cap Rocher head office in the Paris region. This was notably the case of our sites in Stuttgart in Germany and Stanhome’s in Italy.

Performance

- For the fourth consecutive time at the Group level, the employee engagement survey “TELL US” was conducted in 2019 in the International Retail and Business Development & Social Selling scopes of the Yves Rocher brand, as well as at Flormar in Turkey and Spain. On average, the participation rate was 87% and, for the first time, included our franchise partners in Spain, Morocco and Russia (not as employees, but as Group collaborators/contributors). The survey results show an overall engagement rate of 73%, i.e. 15 points higher than the average local benchmarks thanks to the “proud to be a part of the company” criterion, for which the score is 25 points higher than the average benchmarks. These positive indicators must not, however, obscure areas of potential improvement, which management committees will work on in 2020, relative to the continued improvement of working conditions and the personal life/working life balance. In fact, the indicators that result from these surveys are considered management and performance tools, and the related action plans are integrated into the Business Reviews for the various scopes under consideration;
- Since 2018, the Group has modernised its HR tools by digitising certain daily tasks:
 - The digital “BEtween” platform was launched in France in 2018. It strengthens ties between employees and their Human Resources Department, promotes discussions, and facilitates access to harmonised information.
 - Since December 2019, Petit Bateau France employees also have access to BEtween. The clear majority of the Group’s and brands’ employees on French sites (more than 4,550 employees) also benefit from the platform.
 - Convinced of the advantage’s digitisation procures, the Group overhauled its “e-temptation” time management platform in 2019. In addition to harmonisation throughout the various sites in France (excluding Petit Bateau and retail businesses), the simplification of the time management process also facilitated requests made by employees daily. To achieve greater fluidity, the implementation of a mobile app for this tool is planned for 2020.
- The Rocher UES put a system in place in 2017 for employees who want to give up to five rest days to other employees facing serious personal difficulties when a specific situation arises. The UES businesses add 20% to these gifts of time. This system has already been used several times on various sites.
- In Canada, the working time policy for Yves Rocher’s teams was completely revised:

- This policy is more flexible: employees (administration and warehouses) must work 37.5 hours per week spread out over five business days, as they wish between 7:00 a.m. and 9:00 p.m., and they may leave the office as of noon on Fridays.
- Administrative employees may also work remotely one day a week. 40% of employees have taken advantage of this opportunity.
- Finally, the “9 days out of 10” project offers employees the ability to work nine days out of 10 per quarter to free up personal time.

Results are positive as employees are satisfied according to the most recent “TELL US” survey.

- On certain French sites, a workshop is available to young parents to reintegrate the workforce more smoothly after a child is born. Employees at the industrial or logistics sites who are caregivers for close dependent and/or disabled family members may also meet a social economy and family counsellor during their working time. These appointments provide support to employees and are conducted by professionals.
- An agreement on teleworking and casual work from home was also signed for the UES in 2017. This system notably allows for progressive changes in the way of working, more flexibility and the promotion of employee accountability. A renewal of the system is planned for 2020.

Under this agreement, in 2019, 333 individuals regularly worked remotely pursuant to an amendment to their employment agreement, and 1,188 individuals worked occasionally from home.

- To boost engagement and enthusiasm, Yves Rocher in Turkey deployed the “Work Beautiful” programme among its teams and future employees. This initiative includes all the aspects of CSR in the workplace (well-being, support, working conditions) to provide employees with the means to develop their careers in line with their goals. This type of initiative allowed our Turkish subsidiary to see Aon’s Top Employer ranking renewed for the third year.

Good practices

Since November 2019, a car-sharing solution has been in place at the sites in Paris to facilitate home-work travel and bring employees closer together. This partnership met with great success among employees, particularly during the public transport strike in December 2019. Many have used this service and enjoyed the opportunity it provides to meet colleagues.

Within Yves Rocher Spain, the “HealthyCities” programme was established in 2019 for employees to promote a healthy, sporty life among those wanting to participate in a health-related challenge offered by the company’s private health insurance provider.

In 2019, Petit Bateau continued to offer Amma massages (15 min seated massages on fully clothed employees). More than 400 massages took place in 2019 on the Troyes and Buchères sites.

As part of its Happyboost network, Petit Bateau promotes sports at the company and hosts certified teachers to provide classes on Pilates, yoga, self-defence, etc. An osteopath is also present one day per week.

Skill development and career management

Policy

Training is an integral part of the Group's Human Resources policy and is intended to ensure that the skills required for optimal fulfilment of job requirements and responsibilities, occupational safety and the career development of employees are maintained. The general training orientations for 2019 were as follows:

- Promote digitisation and big data;
- Adapt to changes in retail skills;
- Position Management at the heart of collective success and personal development;
- Promote language and intercultural learning to adapt to the Group's globalisation;
- Strengthen and share business line expertise within the Group;
- Target performance while protecting the health and safety of sites/employees;
- Guarantee compliance with regulatory changes;
- Promote sustainable development and CSR;
- Develop and reinforce a project/operational excellence/agile approach/feedback culture;
- Adjust to the omni-channel transformation.

In response to these priority orientations, the following actions were taken:

- Language and intercultural training, which fosters successful commercial and professional exchanges and discussions as the Group globalises, is regularly provided in our structures.
- In France, "corporate" training (integration sessions, management training, etc.), organised by the Group's Training Department, ensures the integration of employees within the scope of France, as well as those from our international subsidiaries.
- Similarly, and across several Group countries, training on "Feedback in the Group's culture" is organised, again aiming at allowing employees in all business lines to progress within a culture that is structured, multi-departmental and transparent. In 2019, this training was supplemented by the launch of a Serious Game as an extension of our commitment in this regard in structures that are increasingly agile.
- The "Cash Culture", or a culture of good cash management, is also instilled in our organisations so that everyone can participate and create value. Training modules are organised to raise awareness on cash issues at the Group level. This training will now be deployed in all our structures in various languages by internal trainers certified in 2019.
- The annual evaluation interview campaign ("EPG") also contributes to this dynamic thanks to an evaluation system that covers all the Group's various brands and countries, and dedicated training. The HR culture that reinforces the Group's management and human resource skills is based on the following principles: trust, collaboration, responsibility and recognition.

Performance

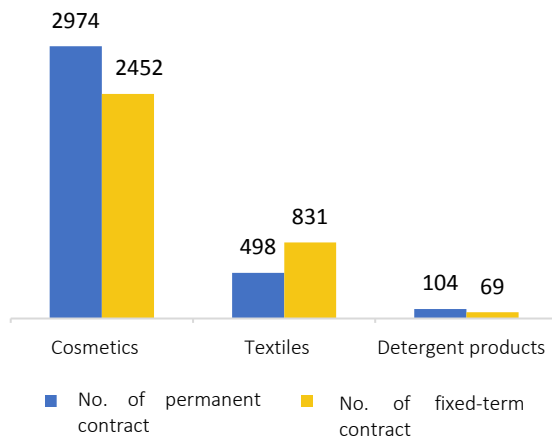
- The Human Resources Department has established and makes available a unique, global tool to evaluate overall performance and management skills. This evaluation has been performed among managers since 2013 and is being extended progressively to employees/technicians/supervisors in France and internationally (Morocco, Benelux, Spain, Ukraine and the United Kingdom in 2018, and YR Italy, YR Germany, YR Sweden, YR Portugal, YR Canada, Flormar Turkey, Arbonne and Groupe Rocher Operations in 2019). Regular feedback is provided through an evaluation system (Global Performance Evaluation system) based on the fundamentals of the Group's culture, recognising - in addition to aspects purely related to performance - professional and relational behaviours.
- Within the Rocher UES, the "forward planning of jobs and skills agreement" ("GPEC") was renewed on 1 November 2019 for a three-year period. The systems in place are intended to support employees in their career development and to adapt to the Group's business activities. A proactive approach that favours employee retention and the development of the skills of employees.
- A digital platform called "TalentYou" provides Human Resources with precise information on employees in terms of their career path, aspirations and training requests. It also allows for the evaluation and monitoring of performance, the identification of internal profiles, and proactive job offers. This tool was created and implemented initially in France in 2012 before being deployed in several foreign subsidiaries. In 2019, the population integrated into the platform rose from 4,500 to 5,050 employees by extending it from personnel in existing countries to all employees in support roles and, notably, those of the recently acquired subsidiaries, Sabon and Arbonne.
- Within Groupe Rocher, 4.60% of the headcount, i.e. one employee out of 20, benefited from a mobility transfer in 2019. In an environment in which organisations and trades are constantly changing, internal mobility is a key challenge for Groupe Rocher.

	2018	2019
	Total mobility Percentage of the workforce	Total mobility Percentage of the workforce
Cosmetics	4.6%	4.6%
Textiles	4.2%	5.9%
Detergent products	2.9%	2.4%
Groupe Rocher	4.3%	4.6%

- To support and boost internal mobility, the "Mov'In" system was launched worldwide in 2017. The goal is to make mobility accessible to the Group's employees in a simple and effective manner. This system is based on six principles, including exclusivity, which allows employees only to apply for 15 days, and non-retention, which means that the manager cannot object to a mobility project; and a "Mov'In App" accessible on smartphones to promote mobility even further, whether geographic, professional or organisational.

Within Groupe Rocher, a total average of 13 hours of training was provided per employee in 2019 (14 hours for women and 11 for men).

Breakdown of hires per business



- Groupe Rocher hired 6,928 employees in 2019 (262 more than in 2018), including 3,576 on permanent contracts and 3,352 on fixed-term contracts, essentially due to the constant growth of the network of stores in many countries.

- In 2019, the number of exits totalled 5,090 (175 more than in 2018), including 784 contract terminations on individual grounds.

At the Groupe Rocher level, 175 contract terminations for economic reasons took place, mainly due to the transfer of the Arbonne’s US Supply Chain to Canada, the rationalisation of the number of points of sale, and the closure of the direct sales business in Romania

- The Group’s turnover rate, excluding retail, totalled 10%²⁰ in 2019.
- The Group contributes to the creation of job opportunities through its direct sales networks and/or franchise partners. Regarding direct sales, our networks provide access to flexible, adjustable forms of employment, with no access barriers. This access is in fact available to everyone, with no conditions regarding age, experience or education, and for whom free training is provided. Thanks to the support and training provided, some advisors reach very high levels of responsibility and income. Since 2015, the Group has thereby created more than 1.5 million job opportunities worldwide, most often for women, as part of its intent to favour their personal and professional development, as well as their autonomy. In 2019, the Stanhome network (all countries combined) had hired 315,000 new employees.

Good practices

In its Tenmar manufacturing plant in Morocco, Petit Bateau offers French language and literacy classes to employees as part of its professional training. For the past two years, these classes have been free and take place after work. Since that time, 44 women have taken this training, including 14 in 2019, for a total of 1,447 hours of classes (420 in 2019), i.e. an average of 30 hours of training per person.

A network of Groupe Rocher Opérations managers under the age of 30 called “La Ruche”, founded in 2018, allows for the creation and deployment of many innovative projects within the Group. This network supports both the development of employee skills and better integration, attractiveness and transversality between departments. In September 2019, the annual La Ruche seminar established a new organisation broken down into units: Integration, Projects, Events and Contacts & Communication.

Since 2019, Stanhome’s sales force training teams and managers offer personal support to achieve certification recognised by the French Labour Ministry to advisors and team leaders. In 2019, the first two diplomas were awarded. After the success of this first edition, 15 applicants will start off on this adventure.

Among the annual objectives of the Group’s employees, since 2019, at least one must relate to corporate social responsibility (“CSR”), the idea being to engage the entire group in this approach, which is at the heart of its raison d’être.

²⁰ This indicator covers 39% of the Group’s employees on permanent contracts.

Equal opportunity

A proactive policy to promote gender equality

Groupe Rocher employs a very large majority of women and strives to ensure that salaries and career development opportunities for the same type of work are identical regardless of gender.

An overall non-discrimination policy is implemented and is an integral part of the Group's culture and Human Resources policy.

- For example, gender diversity is mentioned in all internal and external recruitment communications;
- The internal rules of French sites lay down as a general principle that any form of discrimination is forbidden.

Further to its policy, and to reinforce its commitment to gender equality, Groupe Rocher has joined UN Women and, in April 2016, signed the "United Nations Women's Empowerment Principles", consisting of seven principles for which actions are to be taken to favour gender equality within the company.

Finally, Groupe Rocher is convinced that direct sales are the distribution channel of the future. This flexible mode of operation within a network meets the expectations of customers and adapts to their lifestyles. It also offers job opportunities to many women across the globe, while allowing them to maintain a good balance between their professional life and personal life.

Performance

- Women account for 47% of the members of management committees of the Group's various brands (worldwide).
- In France, all of Groupe Rocher's companies that meet the criteria set out by law have entered into "gender equality" agreements with the social partners;
- In fact, the French social partners have noted that, every year since 2008, when negotiating salaries within the Rocher UES, there have been no significant discrepancies in terms of remuneration for equivalent jobs²¹;
- Furthermore, Groupe Rocher generates thousands of job opportunities per year throughout the world. The direct sales networks of Stanhome, Yves Rocher and now Arbonne provide many job opportunities, particularly for women. Independent direct sales personnel constitute one of the Group's communities. The Group's strategy will therefore aim at examining the issue of this community.


Good practices

With all of its representative union organisations, the Rocher UES renewed its collective "gender equality" agreement on 15 October 2019 for a three-year period, supplemented in particular by innovative measures concerning the professional life/personal-life balance. For example, employees are encouraged to take short-term (one year at most) parental leave to facilitate greater professional life/personal-life balance. During this period, healthcare costs are still covered (in return for payment of the employee's contribution) and seniority is considered in full for the first year of the parental leave. The renewal of this agreement allowed for the inclusion of two new initiatives: full payment of the father's remuneration during paternity leave and the deployment of Group actions against sexism.

Awareness-raising for Group employees is planned for 2020 regarding sexist actions.

Additionally, as part of the campaign to raise awareness on non-discrimination in hiring practices, half-day training sessions were organised for the Group's recruiters in France. This training allowed them to appropriate the legal environment surrounding non-discrimination in hiring and to adopt these practices throughout the hiring process, from drafting the advertisement to hiring an applicant.

²¹ This was noted in the salary agreements entered into each year since 2008, as well as in the gender equality agreement of 15 October 2019.



Groupe Rocher also wanted to support employees who have become parents by creating a parenting guide distributed for the first time in 2018 in France, and which is intended to be simple and provide explanations to help parents better balance their job and their role as a parent.

Petit Bateau France also works towards a better professional life/personal life balance by taking measures as early as the pregnancy stage and then up to the employee's return to work. A survey was implemented in July 2019 to identify new needs, and more than 300 people participated. The results identified a need to better communicate on existing initiatives and identified new ideas for support. An action plan is therefore underway for 2020.

Diversity

Promoting intercultural diversity

Policy

Thanks to its experience with territorial development in La Gacilly, Brittany, the group intends to extend its good practices by cultivating territorial presence and local development in each of its sites around the world. To achieve this objective, the Group promotes and encourages intercultural diversity among its employees.

Performance

Groupe Rocher employs 998 foreign workers. Therefore, on average, 6% of Group employees work in a country of which they are not a citizen.

Intercultural management training is provided within the Group to favour "working better together", the aim being to open the minds of employees to cultural diversity.

Good practices

Various initiatives to promote diversity are launched regularly on the sites.

Specifically, Arbonne International organised a "Diversity Festival" on all its sites on 10 October 2019. At this event, the representation of various cultures, notably via cuisine and the arts (world dances and music), was highlighted. A speaker also explained the importance of diversity not only for individuals but also considering the positive impact it may have on the organisation of a company to the teams.

Conferences on diversity and inclusion were also organised in 2019 for Groupe Rocher employees in France. All Group employees - all brands and countries combined - can now access them on the intranet. On 17 July 2019, a speaker - an HR Diversity and Inclusion Director for a major group - gave a one-hour talk on this topic and shared his knowledge and personal experience. During this talk, several focus areas were identified aiming at improved inclusion in the company and teams: promote authenticity, trust the team, respect everyone with integrity and equity, listen to everyone's ideas and, mostly, be aware of one's personal stereotypes and be willing to work on them. A dynamic conference that allowed everyone to open their minds, find inspiration and be informed.

Disability

Policy

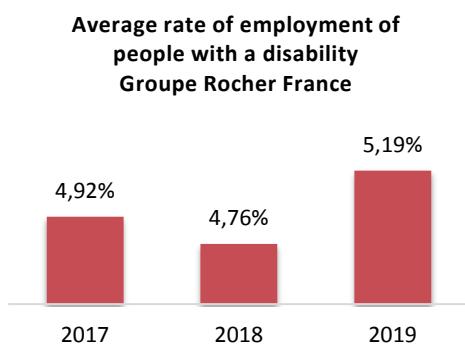
Groupe Rocher is very committed to issues facing the disabled. Groupe Rocher's disability policy in France aims at maintaining a rate of employment of disabled workers above 6%, and at favouring and facilitating maintained employment of the disabled, along with their career development and insertion.

An agreement on the employment and integration of disabled workers at the Groupe Rocher level in France²², signed at the end of 2017 and approved by the French regional department for companies, competition, consumption and employment (DIRECCTE) of the Morbihan region in 2018, aimed at extending the policy in place and formalising concrete initiatives Groupe Rocher committed to implement from 2018 to 2021. The actions are focused on four main areas:

- Recruiting and integrating people with a disability;
- Developing subcontracting with the sheltered and disability-friendly sector;
- Keeping people with a disability in work;
- Awareness-raising and communication.

Performance

- Bris Rocher signed an agreement regarding the inclusion of the disabled, on November 13th, 2019, thereby signifying the Group's commitment to 10 action areas;



- In 2019, Petit Bateau Retail signed an agreement on the employment and integration of the disabled in France;
- In 2019, the Group employed 429 individuals with a disability throughout the world, i.e. 2.4% of the total headcount;
- There are 338 employees with a disability in France. On average, these workers represent 5.19% of the Group's total headcount in France. This rate reaches 6.49% for the Group's cosmetics entities in France.

Good practices

- In 2019, Groupe Rocher integrated digital access solutions into its various tools to ensure disabled people have access to information;
- The information paper entitled "CSR Essentials" is available throughout the world on an interactive, accessible platform;
- Yves Rocher France's customer service can be accessed by the hard-of-hearing and deaf via a special communication platform;
- Most disabled people will also be able to access Groupe Rocher's recruitment website in early 2020.

In 2019, training on welcoming people with a disability resulted in customers having better access to the Yves Rocher brand in stores in France.

The Group also appointed Disability Representatives for all of its French sites who will be trained on their role in 2020. Their objective is to deploy the Group's disability policy within their respective scopes, in particular via

²² This agreement covers all of the Group's French companies, excluding Petit Bateau, which has its own disability agreement.

communication and raising the awareness of employees on disabilities, as well as supporting employees interested in and/or concerned by this topic, when needed.

During the European Disability Employment Week, on 18 November 2019, Groupe Rocher had the pleasure of hosting Virginie Delalande, an international speaker, lawyer and founder of Handicapower. Virginie is the first person profoundly deaf since birth to have graduated with a law degree in France. Her atypical background shows a determined woman who learned to speak by the strength of her will. Today, she helps and supports disabled people find their way in society and achieve self-fulfilment with their difference. Her talk, which can be accessed by all employees on the Group's intranet site, was a major source of inspiration for all the teams who attended.

Solidarity is a priority for Groupe Rocher, and the Atelier des Primevères is a prime example. This Group subsidiary, founded in 1994, is classified as an "Entreprise Adaptée" or "EA" (a company employing protected workers). At least 80% of the employees have a disability. Les Primevères assists with the insertion, mobility, career development and maintained employment of the Group's employees on the Group's sites in Brittany or who are seeking employment in the La Gacilly region.

Managing age groups

Policy

Groupe Rocher targets both the long-term insertion of youth in the workforce and the hiring and retention of seniors (55 years and older). The objective is also to ensure the transmission of knowledge and skills.

Seniors may more often face hardship issues, and that is why certain arrangements can limit this situation.

Some seniors also benefit from additional leave at the end of their career.

Regarding youth, internships and work/study programmes are important for the Group as they significantly facilitate the transition to one's first job. For example, in France, these employees benefit from a specific integration session introducing them to Groupe Rocher, providing information on the diversity of the brands and business lines, and allowing them to meet their peers.


Performance

The system for seniors that applied in the past to the Rocher UES has been maintained and is included in the new GPEC in effect since 1 November 2019. This system allows seniors to progressively reduce their activity and thereby also ensures better job retention. Part-time work is quite prevalent in France for this category of employees. Rocher UES employees also have an opportunity to retain remuneration higher than the reduction of their working time, and the Group keeps paying the retirement contributions based on full-time work.

- With a recommendation rate of 82.6%, Groupe Rocher has been certified "Happy Trainees 2019-2020", which recognises the good integration of the Group's interns and work/study participants in France;
- Petit Bateau created a certified garment-making school on the Troyes site to preserve its industrial know-how and offer new job opportunities to job seekers. Since 2012, 38 students over five different school years have studied at the garment-making school to take garment maker training that lasts 15 months. 21 students were hired on permanent contracts, thereby guaranteeing the retention of jobs of this type after seniors leave the company.

Good practices

The Group partners with "My Job Glasses", an innovative digital platform that connects students and businesses. The platform introduces students to the Group and its business lines to help them structure their career plan.



At the Cap Rocher site in France, an “Adopt a New Employee” mentoring system has been in place since 2018 to integrate new employees and introduce them to the site’s various trades and professions. This initiative favours the sharing of knowledge and experience between the Group’s new hires and its more experienced employees. Personal support that contributes to both effective integration and well-being in the workplace and is rewarding for more experienced employees.

IMPROVING OUR ENVIRONMENTAL FOOTPRINT

In all its businesses, Groupe Rocher strives to limit its environmental impact to the greatest extent possible via the following initiatives:

- Acting in favour of biodiversity;
- Adapting to and fighting climate change;
- The sustainable use of water resources and raw materials;
- Reducing waste production.

All the industrial sites and the major service sites are committed to the Group's continuous improvement process to achieve the 2020 objectives targeting reductions in the consumption of water and energy and increasing the proportion of renewable energy.

Furthermore, the three main production plants for cosmetics located in Brittany have been certified ISO 9001 for Quality, ISO 14004 for Environmental Management and OHSAS 18001 for Safety.

Acting in favour of biodiversity

Policy

The protection of biodiversity is one of the challenges Groupe Rocher has clearly identified in its Responsible Development strategy. This strategy is based on three main areas:

- Engaging in a new relationship with the nature by changing practices in line with societal changes;
- Acting as a responsible manager of natural resources and as an industrial company that respects living ecosystems;
- Being an ambassador for biodiversity to all.

Specifically, Groupe Rocher adopted a biodiversity management approach in partnership with the LPO²³, the French bird protection league, several years ago for its industrial sites.

The Group aims at contributing its agroecological expertise, innovation and experimentation capacity via its Agronomy Department in La Gacilly, which is responsible for the production of flowers and plants to be used in the Yves Rocher Brand cosmetic products.

As a responsible manager of natural resources, the Group is also committed to sourcing raw materials responsibly (see choice of).

Performance

- The Group's Agronomy Department, which is the pilot site for the new national sustainable management plan reference for its hedges, has committed to preserving the bocage surrounding its fields of organic crops in La Gacilly via a programme covering the planting and maintenance of diversified local species.
- In La Gacilly, the Group's Agronomy Department supports and participates in the "How to favour biodiversity on a farm?" programme led by FRCivam, the regional federation for sustainable and solidarity-based agriculture operators, and by Bretagne Vivante, a Breton association involved in the protection of nature.

²³ LPO is the French representative of Bird Life International. Its activities are based on three major missions: protecting species, preserving land areas, and education and awareness-raising.

- As a local operator, Groupe Rocher supports Brittany's *Réseau des Agriculteurs Biologiques*' (network of organic farmers) "Cap Climat!" research and action programme involved in helping Breton farms adapt to climate changes and incidents: "How to become more resilient?"
- In 2019, the Group's intent to extend its sphere of influence in France and internationally was affirmed when it joined the UN's Global Partnership for Business and Biodiversity and through its participation in the *Comité National de la Biodiversité* (the French national committee on biodiversity).
- A true ambassador for biodiversity to all, the Group offered a variety of educational workshops, and nature-centred activities and events such as the *Rendez-vous aux Jardins* ("Meet in the Gardens") and the *Fête de la Science* ("Science Festival"). More than 6,500 participants - from schools, the public at large and employees - heard presentations on agroecology and the preservation of biodiversity by agronomists, botanist gardeners and leaders in environmental education.

Good practices

Recognised by the LPO for its lasting commitment to the preservation of biodiversity, Groupe Rocher actively pursues its environmental approach via an inter-site group in Brittany called "Sentinelles Biodiversité". The Sentinelles consists of a group of close to 20 employees passionate about nature and who are committed participants and ambassadors of these "LPO Refuge" programmes.

Adapting to and fighting global warming

Policy

The fight against climate change, in line with the goals adopted in the Paris Agreement, is based on a successful global energy transition. Groupe Rocher is working on the following levers:

SCOPE 1 & 2

- Reach 30% in electricity and heat from renewable sources by 2020;
- Improve energy efficiency by 10% (in kWh/production unit) by 2020 compared to 2015;

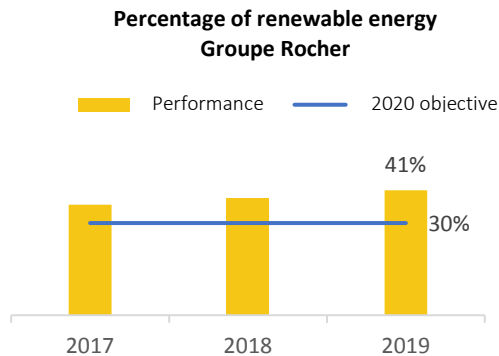
SCOPE 3

- Reduce the impact of merchandise transport and reach 80% of green company vehicles²⁴ by 2020;
- Reduce the impact of product packaging via ecodesign;
- Change the behaviour of occupants in its service buildings (by raising the awareness of employees on the reduction of energy consumption);
- Support organic and sustainable agriculture.

²⁴ Green vehicle: a vehicle that emits less than 100 g of CO₂/km and/or is hybrid and/or electric.

Performance

Renewable energy



Groupe Rocher invests to support the production of renewable energy.

Since 1 January 2017, 100% of the electricity used by the Group's sites in France is renewable and covered by certificates of origin. In 2019, the Group chose to meet its requirements for France with:

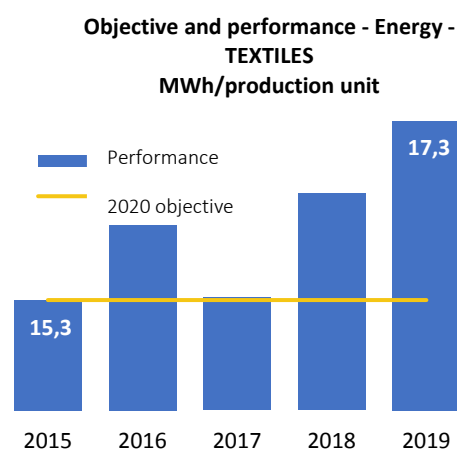
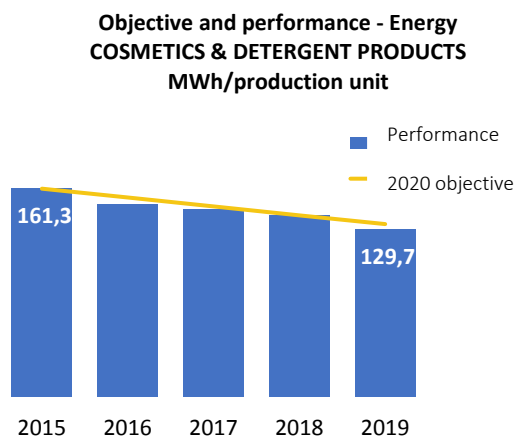
- 70% of European wind energy
- 15% of European hydroelectricity
- 15% of European solar energy

Furthermore, the two main logistics and distribution sites for cosmetic products located in Brittany are equipped with biomass boilers (installed respectively in 2011 and 2014) that provide renewable energy-produced heat for more than 900 employees. In 2019, these boilers avoided the emission of 1,418 tonnes of CO₂ equivalent and 11,392 tonnes of CO₂ equivalent on these sites.

Groupe Rocher also achieved and exceeded its 2020 objective by using 41% of renewable energy (76% of the electricity consumed by the Group is of renewable origin).

Energy efficiency

- For its entire scope, Groupe Rocher consumed 103,755 MWh in 2019 (including the consumption of its Arbonne and Sabon plants). On a like-for-like basis, the Group reduced its consumption by 10% compared to 2017.
- On the industrial and service sites, investments are made every year to acquire equipment that consumes less energy or to adapt industrial processes to optimise consumption.
- Work is also conducted to adjust lighting, automate heating systems (that only operate when employees are present and are turned off on the weekend; installation of thermostats, etc.) and renew air, with the constant goal of reducing the amount of energy consumed.



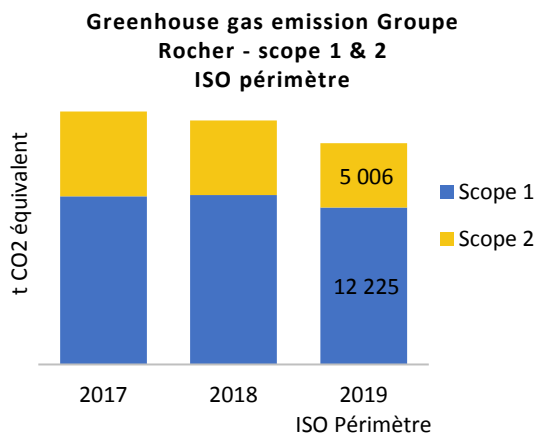
The cosmetics and detergent product businesses (which represent 61% of the Group's consumption) reduced their energy requirements by 20% compared to 2015 (kWh/finished product).

For its part, the textile business underperformed in 2019 by increasing its energy ratio by 13.5% compared to 2015 (MWh/tonnes of knitted product processed). This mainly results from the increase in Petit Bateau's energy ratio, which is explained by:

- The continued reduction of textile production in 2019. This decrease in production is directly tied to the brand’s policy and the implementation of its “Fluid” programme to better manage the merchandise chain and limit the quantity of unsold inventory to the greatest extent possible.
- The increase in the logistics activity at Buchères with the integration of the “Hypermarkets and Supermarkets” business that had previously been subcontracted.
- The installation of fabric ennobling machines at the production plant in Morocco since 2016 (fabric brushed, dyed and printed at TENMAR Morocco), significantly modifying this plant’s activity compared to 2015.

The Group has improved its ENERGY performance by 7% since 2015 on a like-for-like basis.

Greenhouse gas emissions



Groupe Rocher’s greenhouse gas emissions totalled 19,878 tCO₂ equivalent (tCO₂e) in 2019 for Scopes 1 and 2²⁵ (including the consumption of its Arbonne and Sabon plants). On a like-for-like basis, the Group reduced its emissions by 17% compared to 2017.

These emissions mainly result from the consumption of fossil energy to heat buildings and water for the industrial sites’ processes, as well as non-renewable electricity consumption.

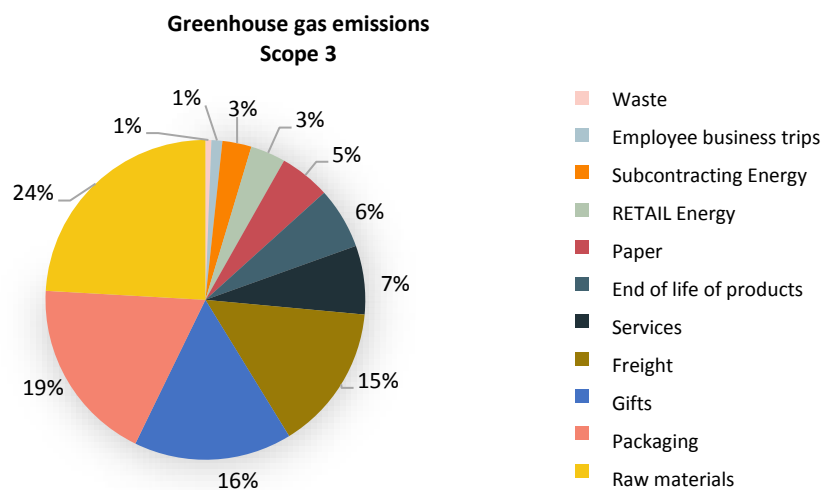
The reduction of greenhouse gas emissions is based both on the reduction of fossil fuel consumption (Scope 1) and the transitioning of most of the consumption of electricity to renewable energy sources (Scope 2).

The Group emits 14% less greenhouse gas emissions compared to 2015 on a like-for-like basis for Scopes 1 and 2.

The greenhouse gas emissions produced by the Group’s business activities (Scope 3) are estimated to total approximately 837,600 tCO₂e. These emissions are generated mainly by the industries producing raw materials consumed by the Group, as well as the suppliers’ production of packaging.

²⁵ Scope 1 covers greenhouse gas emissions directly tied to product manufacturing. For example, if the manufacturing of the product required fossil fuel combustion. Scope 2 includes all indirect greenhouse gas emissions produced by electricity, heat or steam consumption. For its part, Scope 3 covers all other greenhouse gas emissions not directly related to the manufacturing of the product but to other stages in the product’s life cycle.

The Group has conducted a number of “carbon audits” covering various scopes since 2006, which have allowed it to identify its major impacts and launch emission mitigation projects.



At its level, Groupe Rocher takes action regarding the various levers identified by ADEME²⁶ for a low-carbon scenario. Among these levers, one can cite ecodesign, the use of natural ingredients in its cosmetic formulas and the reduction of paper consumption, as referred to above.

The following projects were also undertaken:

Reducing the impact of transport

Merchandise transport

In 2019, Groupe Rocher in France adopted the FRET 21 process in partnership with ADEME²⁷. As part of this process, the Group undertook to reduce the environmental impact of its downstream transport in Europe for its cosmetics business in the form of three actions:

- Quantification of the transport’s greenhouse gas emissions (in total, 4,886 tonnes of CO2 equivalent²⁸ in 2019);
- Implementation of actions to reduce these emissions;
- Annual follow-up of the result of these reduction initiatives compared to the target reduction figures;

To cite a few examples of the reduction actions undertaken:

- In 2019, the Group acquired two electric tractors that will be powered with renewable energy and will considerably reduce the impact of merchandise transport between the Group’s sites in La Gacilly (where the main production and logistics sites for cosmetics operations are located).
- Deliveries by the Group to all the Yves Rocher Brand and Docteur Pierre Ricaud stores in Paris are provided using alternative fuel (either by electric vehicles or NGVs).
- The Group extended the use of “double-deck” trucks specifically equipped to optimise filling, thereby achieving an estimated reduction of travel through Europe of 40%.
- The Group, which is a La Poste partner, benefited from carbon neutrality for the shipment of its packages in France thanks to the offsetting of corresponding emissions.

²⁶ “Propositions de mesures de politiques publiques pour un scénario bas carbone” (public policy measure proposals for a low-carbon scenario), ©ADEME Éditions, October 2017.

²⁷ ADEME – French agency for the environment and energy

²⁸ Scope: transport flows to platforms in the European Union (subsidiaries, logistics providers, distributors), YR France Retail delivery flows and inter-site flows (within a radius of 30 km of La Gacilly)

Employee transportation

- 27% of company vehicles are hybrid or electric in France, two times more than in 2017.
- 164 electric charging stations are already available on the Group's main French sites.
- In 2017, the Group in France signed a company agreement on teleworking and occasional work from home.

Changing behaviours

Groupe Rocher has committed to involving its employees in energy savings. Awareness-raising days were organised for the Group's main sites and subsidiaries. "Eco-gesture" posters are available on each site to encourage employees to change their behaviour to save energy.

Supporting organic farming

Agriculture, deforestation and other land uses are responsible for approximately 25% of greenhouse gas emissions worldwide²⁹. The Group decided to transition 55 ha of plant crops at La Gacilly to organic farming in 1997 and was certified in 1999. Today, agroecology notably marks a specific commitment to the territory by sharing land with other organic farmers. The "Plants Charter" and the approach adopted by the plant supply chains throughout the world also encourage partners to grow their plants organically whenever possible. A method that produces less greenhouse gas emissions as it does not use synthetic chemicals, and recycles organic matter, rotates crops and is eco-friendly.

Protecting water resources

Policy

Managing water is a major area of concern for Groupe Rocher for both its cosmetics and textile businesses. The Group's priorities are:

- Controlling the quality of wastewater and installations to avoid any kind of water pollution in natural settings;
- Optimising water consumption. The Group has set an ambitious goal for 2020 consisting in a 10% reduction of its water consumption per tonne of production compared to 2015.

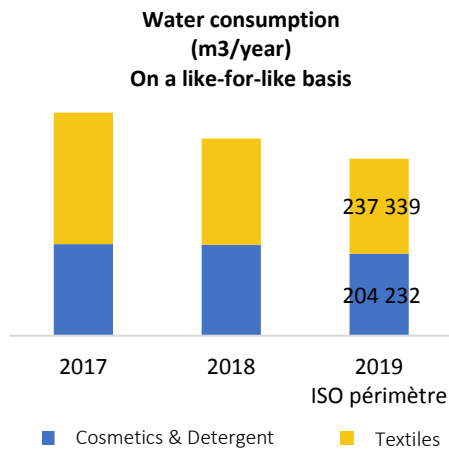
Most sites are connected to the municipal water system in their community. The two Petit Bateau textile production sites use water pumped directly from the water table.

The Tenmar plant in Morocco is in a water stress zone³⁰, and all the other sites are in areas where water is sufficient or even abundant.

²⁹ Public policy measure proposals for a low-carbon scenario - Study summary – ADEME – Oct. 2017.

³⁰ Renewable water resource of between 500 m³ and 1,000 m³ per person and per year (Source Global Water Tool 2009 - 3).

Performance

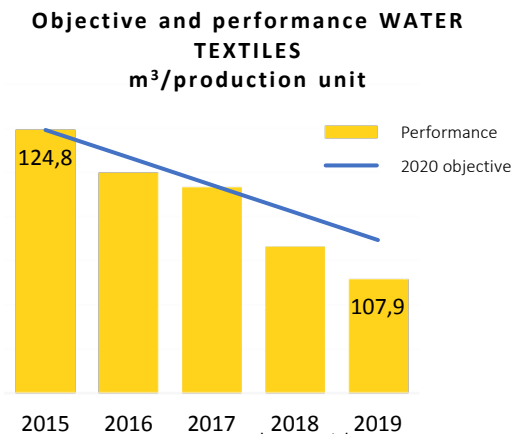
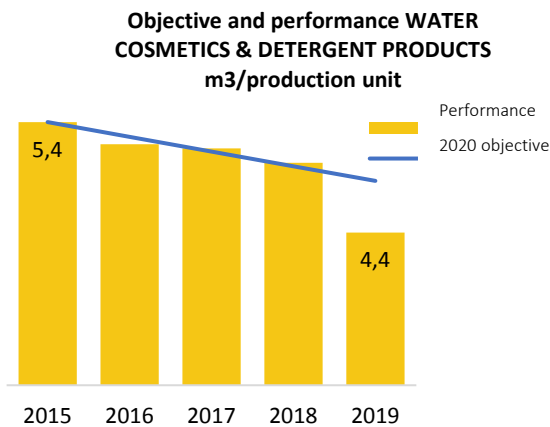


In 2019, the Group consumed 480,101 m³ of water on all its sites for its production processes and to meet the sanitary needs of employees (including the consumption of the Arbonne and Sabon plants). On a like-for-like basis, the Group reduced its consumption by 14% compared to 2017.

The textile industry consumes close to 54% of the water used by the Group, mainly for dye baths, textile printing and heat sealing.

The main consumption of the cosmetic and detergent product industries results from cleaning operations for the manufacturing and packaging facilities that are key to ensuring compliance with health and safety regulations.

Investments are being made in new water consumption meter systems as close as possible to the facilities, in the cosmetics production plant in Villes Geffs and in the textile production plant in Troyes. They are already bearing fruit in terms of reducing consumption. Petit Bateau Troyes is also innovating by implementing technological improvements in the dyeing department and investing in dyeing machines with a lower liquor ratio, allowing for the reduction of water consumption compared to older machines.



The production of cosmetics and detergent products reduced its water requirements by 19% between 2015 and 2019 (m³/tonne of bulk produced). Textile production reduced its water requirements by 14% between 2015 and 2019 (m³/tonne of knitted matter processed).

The Group has therefore significantly exceeded its objective by improving its water performance by 16% since 2015 on a like-for-like basis.

Good practices

Since September 2018, the textile production plant in Marrakesh has invested in a new water purification system. This innovative technology, which is not yet widely used in the textile industry, allows for well water consumption savings of between 15% and 20%.

Reducing the generation of waste

Policy

The objectives of Groupe Rocher’s waste management policy are:

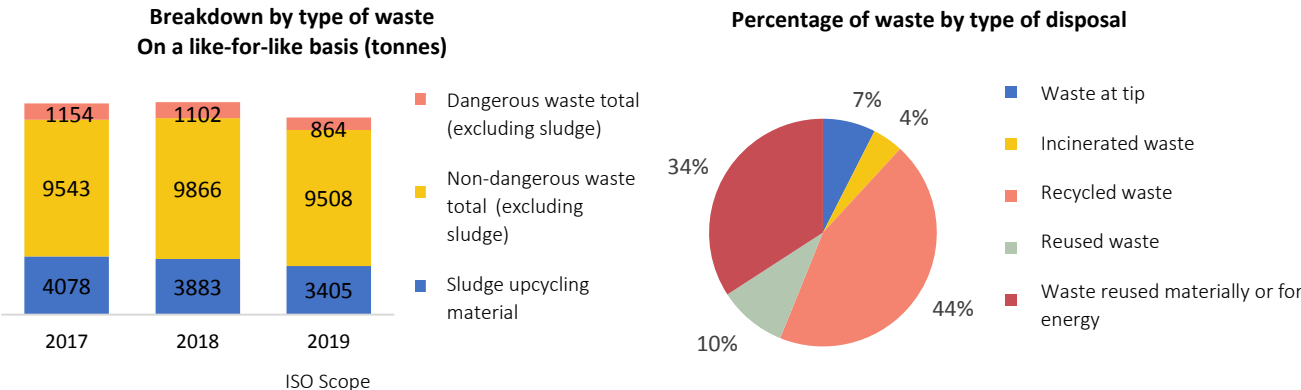
- Favour the circular economy;
- Reduce the quantity of waste generated by its activities on its industrial sites and among Group brand customers;
- Raise employee awareness on sorting;
- Limit the destruction of finished products.

Performance

The industrial sites in Brittany share monitoring of the environmental performance of waste management. A more centralised approach allows the sites to seek common solutions to reduce waste and the impact of waste transport, as well as for sorting.

The Group generated 14,764 tonnes of waste in 2019 on all of its sites, 88% of which was reclaimed, recycled or reused. On a like-for-like basis, the Group reduced its waste by 7% compared to 2018.

Our sites are endeavouring to minimise the proportion of their waste sent to landfills. In 2019, 7% of the waste was sent to landfills, and 48% of the sites did not send any waste to landfills.



Finally, the Group partnered with several non-governmental organisations to donate quality new products (inventory overages and/or with a close expiry date) that may benefit people who live below the poverty level and do not have access to basic necessities, which are necessary for insertion, self-fulfilment and self-confidence. In 2019, the Group donated more than 240,000 garments and over one million cosmetic products to various associations³¹.

Good practices

In 2019, Petit Bateau pursued its reuse process for its textile waste. Tests were conducted with a view to knitting with recycled cotton thread made of textile production waste from the Troyes site. This process is still in an experimental phase.

³¹ Association du Don en Nature, Red Cross, Secours Populaire, Restos du Cœur and Dons Solidaires.

OUR UNDERTAKINGS ALONGSIDE OUR SUPPLIERS AND SUBCONTRACTORS

To achieve product and service excellence, Groupe Rocher entrusted its Purchasing Departments with the management of supplier relations with a view to continuous improvement, competitiveness and, of course, compliance with the Group's CSR commitments.

Groupe Rocher relies on suppliers selected notably for their sensitivity to its values, and these suppliers provide their expertise and contribute to the accessibility of the product/service offering by fostering three fundamental principles:

- Preservation of the environment and biodiversity;
- Innovation and boldness as drivers of differentiation and competitiveness;
- Refusal to engage in any form of concealment or deceit.

To develop the expertise required, the Group's Purchasing Department is broken down into various units:

- Non-Production Purchasing Department (investments, energy, travel, IT, etc.);
- Production Purchasing Department (ingredients, packaging, etc.);
- Subcontracting Purchasing Department (detergent products, or cosmetic products with non-integrated technologies).

Globally, the Group relies on decentralised purchasing divisions, particularly in Russia, Mexico and China, and also within some of its brands (Arbonne, Petit Bateau, etc.).

Managing supplier risks

Policy

Supplier risks have been managed by the purchasing teams for the past few years, and supplier risk management is part of the operating processes of the Group's various Purchasing Departments. Risk assessments (financial, quality, organisation, CSR, etc.) are addressed progressively during the supplier approval process.

- More specifically, the Group's strategy is structured to guarantee its sourcing complies with responsible purchasing principles. The CSR performance of Group suppliers is the subject of monitoring and support suited to the level of risk identified. The Group has documented a vigilance plan that ranks the level of risk. In accordance with the laws regarding the duty of vigilance, this document sets out the methodology in detail, as well as mitigation actions implemented. A short overview is presented below: Risk mapping
- First, the Group prepares a mapping of risks in which it has decided to include all the purchasing families: production, subcontracting and non-production. Three risk criteria have been adopted: the business risk, the country risk and the sales revenue risk. A ranking system is associated with each risk criterion and allows for an assessment of potential risks both from a social and environmental perspective. Each Supplier is ranked according to these three criteria and is assigned a "Supplier Vigilance" coefficient to calculate the severity of the Supplier risk and then establish the assessment policy to be implemented.
- Assessment policy and mitigation actions:

Three types of scenarios are possible once the risks have been mapped: no additional assessment (low risk), a documentary audit (medium risk) and a field audit (severe risk). Documentary audits are performed via Ecovadis, and the field audits in accordance with the SMETA standard.

During the various audits, areas of improvement required may be identified for certain Suppliers. Depending on the criticality of the nonconformities identified, some are assigned an action plan in accordance with the

methodology in place at Groupe Rocher. The Group has favoured a collaborative approach to these various scenarios. If the establishment of the action plan falls under the responsibility of the supplier, at its request, the Group may provide technical and/or methodological support. The improvement plan is approved by both parties, along with a schedule that includes a planned follow-up audit date to confirm that nonconformities have been resolved.

In addition to the implementation of this methodology, the Group raises the awareness of and integrates its ecosystem into this process by way of an engagement plan for its internal teams and those of its suppliers.

- The system’s warning and effectiveness monitoring process:

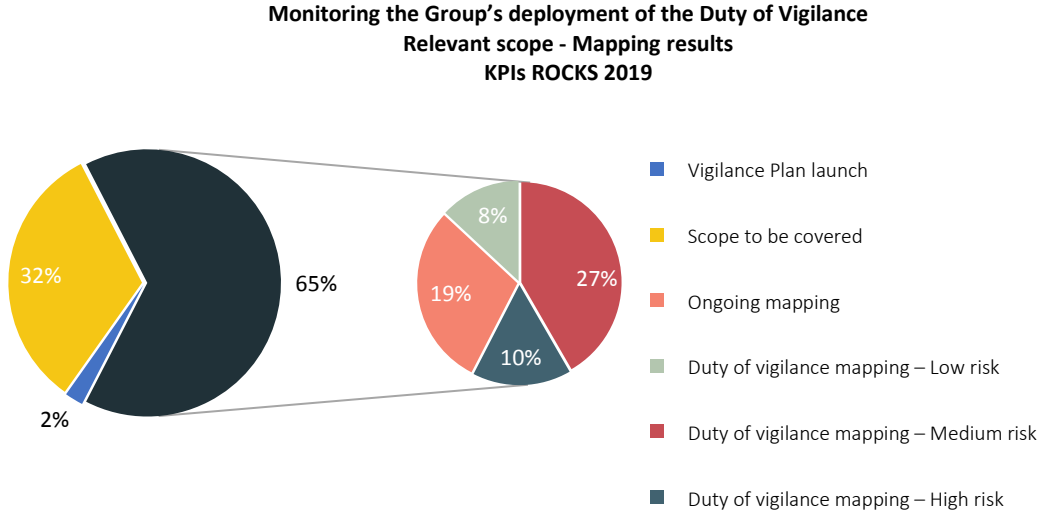
Pursuant to the SAPIN 2 law requirements, a system to gather warnings has been implemented at Groupe Rocher: an ethics line at a single, unique e-mail address (ethics@yynet.com). To meet the legal requirements regarding the duty of vigilance, the Group decided to capitalise on this process, which will therefore also allow for warnings to be collected regarding information on risks or behaviour that does not comply with our operating principles or the duty of vigilance requirements.

Furthermore, in line with the deployment of the vigilance plan, the Group has established indicators to report on its results, which are described below.

Performance

To ensure project deployment and to ensure the system is appropriate, two types of indicators have been adopted: the first aim at ensuring the project is deployed, and the others at measuring the performance of the supplier pool and its evolution.

Monitoring project deployment:



- 65% of the Group's purchases are addressed in the vigilance plan;

Monitoring supplier pool performance:

- 52% of suppliers to be the subject of a documentary audit covering 2018-2020 have been audited to date;
- 66% improved their CSR performance (ECOVADIS memo) further to a reassessment, i.e. 138 suppliers;
- 55% of suppliers to be the subject of a field audit covering 2018-2020 have been audited to date.

Good practices

The Group has made significant investments since 2017 to comply with the law governing the duty of vigilance: first, by defining a solid methodology, and then by working on its implementation in our various subsidiaries.

Convinced that the deployment of a project of this scope throughout the Group can only be achieved by implementing reliable, shared processes and information systems, the teams have worked on a new system to approve suppliers that considers all the quality, CSR and financial risks. To facilitate the implementation throughout our purchasing on a global scale, a platform has been developed to automate this approval and monitoring process, as well as to analyse related risks and achieve effective, global steering of our supplier pool. Groupe Rocher Operations purchasers, as well as the gift purchasing teams, were trained on the procedure and tool in 2019. Deployment of the tool will continue in 2020 for the Group's various Brands.

Working together with suppliers to create value

Policy

In addition to risk management, the Group has adopted a sustainable purchasing model, with the intent of creating long-term relationships with its suppliers. Maintaining balanced relations with its suppliers is in fact a key stake for the company. It is therefore a strong leitmotif for its teams.

To materialise this commitment, the "Responsible Supplier Relations" Charter (<http://www.rfar.fr/>) was signed in 2013. This Charter, referred to as the "Charter of Ten Commitments for Responsible Purchasing", helps improve behaviours over the long term and thereby increases trust between economic operators.

By signing this Charter, the Group has committed to implement and constantly improve its purchasing practices in its various entities regarding subjects such as financial fairness, management of the risk of dependency, integration of territorial responsibility and the integrity of the purchasing process.

- Additionally, Groupe Rocher wants to favour the diversity of supplier structures in line with its goal of territorial responsibility and equal opportunity. To this end, adjustments to standard processes are planned for start-ups and SMEs. A goal is to integrate companies operating in sectors employing protected and/or disabled workers.

Performance

	2020 objective	2019 performance
Supplier collaboration	50% of the amount of purchases ³² covered by business reviews	✓ 53% (average for 2018 -2019)
Equal opportunity	75% of the amount of purchases for assembly performed with EA/ESAT	✓ 95%

Good practices

Petit Bateau works with Cèdres, a company that employs protected workers, specialised in the sorting and recycling of waste. Since June 2018, Cèdres has been sorting all the waste produced by activities at the Réaumur administrative site.

The Group, aware of environmental stakes, has been working for a number of years on the reduction of its greenhouse gas emissions. To extend this process to its ecosystem, the teams decided to have our suppliers join in this approach, regarding road transport.

To launch discussions, our largest national transport providers were invited in October 2019 to a day-long event on fossil fuel alternatives. This day provided an opportunity to present the Group's strategy on the fight against climate change, to discuss opportunities and constraints regarding the use of biogas, and to visit related facilities. This event in fact took place in a biogas production unit in Brittany.

Thanks to this initiative, the Group was able to encourage its partners to look at new technologies, and also to promote discussions and design common alternatives within Brittany.

Oversight of team practices

Policy

Procedures

Special attention is paid to the integrity of the teams who are in contact with suppliers in France and throughout its various international channels. A comprehensive system has been implemented:

- Internal procedures (Groupe Rocher's Code of Business Conduct, the Ethics Guidelines, the Internal Control Framework Procedures and the various procedures in place in the Purchasing Departments),
- Specific training of new employees,
- Contracts and audits. Groupe Rocher is committed to promoting and complying with the principles of International Conventions on Human Rights in its company and throughout its sphere of influence. Risks of corruption are the subject of specific examination during audits.
- In a very challenging economic environment, compliance with payment deadlines is determining for the financial sustainability of SMEs and Groupe Rocher pays special attention to this issue.

³² GRO packaging and subcontracting scope

The Code of Business Conduct

In 2014, Groupe Rocher established a Code of Business Conduct that is distributed to every employee. It is also made available to our suppliers on the Group's internet portal and is the subject of specific clauses in our framework contracts.

In accordance with the laws and regulations that apply to Groupe Rocher, this Code of Conduct is intended to create a basic foundation of common rules for all countries in which the Group is present notably to ensure compliance of the Group's operations, protect the basic rights of every Groupe Rocher employee, the principles of which are set out by the International Labour Organization, and guarantee the development of a common corporate culture that benefits everyone.

It is based on a certain number of principles that Groupe Rocher intends to apply when conducting its business and indicates the rules that must govern the conduct of employees in their professional practices. Since 2015, this Code of Business Conduct has been made public and is available to all employees and all our suppliers on the Group's supplier portal (<https://groupe-rocher.com/fournisseurs>).

Performance

- An e-learning training module on "corruption and conflicts of interest" was launched in January 2019 for "target" populations (top management, purchasers, lawyers, etc.) in all Group subsidiaries. This training will take place every two years. In January 2019, a total of 407 employees were registered for anti-corruption training, and the participation rate reached over 66%.
- In-person training on the Sapin 2 Law requirements and ethics was organised for the various Executive Committees. A total of eight Executive Committees of certain subsidiaries (Petit Bateau, Yves Rocher and Flormar) were trained - more than 100 people - in 2019. Deployment of this training will continue for the various Executive Committees in 2020.
- An e-learning module on the "Duty of Vigilance" was created and deployed in March 2019 to the purchasing population (Groupe Rocher Operations, Petit Bateau and Stanhome) and the General Executive Committee members. This training will take place every year. A total of 167 employees were registered for the Duty of Vigilance training, and the participation rate reached over 84%.
- 17 internal Group sites were assessed according to the methodology established by the Group to assess risks related to health, safety, the environment, and compliance with fundamental freedoms and human rights.
- An e-learning training module on the "Group's Code of Business Conduct" for all Group employees having an e-mail address (except Flormar and Arbonne, which have their own module) will be deployed in January 2020.
- The objective of this training is to educate all employees on Groupe Rocher's Code of Business Conduct and describe the way the Group must conduct its business and operations.

APPENDICES

Note on our methodology

Global scope

“Groupe Rocher” means all the companies directly or indirectly owned by the parent company, Laboratoires de Biologie Végétale Yves Rocher, as presented on page five of the Consolidated Financial Statements dated 31 December 2019.

Due to the recent integration of the Arbonne and Sabon subsidiaries, the information in this report does not take all of the indicators described below for these two subsidiaries into account.

Offering responsible, quality products

The information presented was provided directly by the Purchasing, Quality and Research & Innovation Departments, and then integrated into the report by the Responsible Development Department. The information on the cosmetics business does not cover the Flormar, Sabon and Arbonne brands.

The percentage of natural ingredients presented is calculated using the calculation method based on the carbon skeleton (renewable carbon/total carbon ratio).

Initial calculations regarding natural ingredients based on ISO 16128 were performed to measure the impact of this change in method. This standard will be used henceforth for all ingredients by the end of 2020.

Regarding indicators on the ecodesign of cosmetic products, they relate to the Yves Rocher, Kiotis, Stanhome Family Care, Docteur Pierre Ricaud, Daniel Jouvance and ID Parfums brands (unless stated otherwise). The indicators are calculated for all products listed and produced in 2019.

The indicator on the reduction of plastic packaging weight is the ratio of tonnes of plastic used in the packaging of products manufactured throughout the year (for products whose formula is measured in ml, 93% of the plastic placed on the market by the brand) to the total volumes of formula. In the specific case of shower gels and concentrated shampoos, it is the equivalent usage volume that is used.

Exercising our responsibility as an employer

The scope of consolidation for the “Exercising our responsibility as an employer” section is based on the average annual headcount of Groupe Rocher subsidiaries that had employees as at 31 December 2019.

Specific scope of certain indicators

The total headcounts (including the breakdown by gender, status, working time and business) are consolidated in this report and include all the Group's subsidiaries, including those of SABON and Arbonne, which was acquired in the first quarter of 2018.

The only indicators reported for the “Sabon Germany”, “Sabon Italy” and “Sabon United Kingdom” subsidiaries are the headcounts.

The health/safety/absenteeism indicators are not reported for any Arbonne subsidiary.

The 2019 training indicators exclude the following subsidiaries: Yves Rocher Belgium, Singapore, Netherlands, Thailand, Turkey, Kazakhstan, Flormar Distribution, Offices, Production, Retail Turkey, Retail Germany, Sabon Germany, United Kingdom, Italy, Arbonne Levlad, Irvine, Greenwood, Sydney, Mississauga, Poland, Northampton, Addison, Petit Bateau Spain, Switzerland, Italy and Russia.

The “Frequency Rate” and “Severity Rate” indicators are calculated for the scope of the entities whose activity mostly concerns production and logistics, apart from Arbonne and Sabon subsidiaries. The following sites are therefore considered:

- Six production sites (the sites at Villes Geffs, Ploërmel, Rieux, Flormar Production Kosan Sanayi, Petit Bateau Troyes, Petit Bateau Tenmar Teinture and Petit Bateau Tenmar Confection),

- Nine logistics sites : the sites at La Villouet, Petit Bateau Buchères, La Croix des Archers, Yves Rocher Sweden, Yves Rocher Portugal, Atelier des Primevères and Flormar Distribution Kosan Pazarlama, Stanhome Spain and Stanhome Italy.

The “Turnover” indicator covers permanent contracts and is calculated based on the scope of the entities whose activity is other than retail, except for the Arbonne and Sabon subsidiaries and the sales representatives. The following sites are therefore considered:

- Six production sites (the sites at Villes Geffs, Ploërmel, Rieux, Flormar Production Kosan Sanayi, Petit Bateau Troyes, Petit Bateau Tenmar Teinture and Petit Bateau Tenmar Confection),
- Nine logistics sites : the sites at La Villouet, Petit Bateau Buchères, La Croix des Archers, Yves Rocher Sweden, Yves Rocher Portugal, Atelier des Primevères and Flormar Distribution Kosan Pazarlama, Stanhome Spain and Stanhome Italy.
- Nine service sites : three sites located in France (Cap Rocher, Yves Rocher Rennes, Petit Bateau Réaumur), Stanhome France, Docteur Pierre Ricaud, Yves Rocher de Mexico, Stanhome de Mexico, Flormar Offices and Cécor.
- One tourism site (Eco Hôtel Spa La Grée des Landes).

Reporting protocol

Quantitative data are collected using an online shared tool. One or more contributors by subsidiary enter these data every month. These contributors are essentially Human Resources Managers in their respective subsidiaries.

Quantitative data are then consolidated every year by the Responsible Development Department on behalf of the Human Resources Department, which verifies, with the contributors, their consistency and accuracy. Headcount data are averages for 2019.

Qualitative information is provided by the Human Resources Department of LBV Yves Rocher and its representatives in the subsidiaries.

The data are recorded by number of people and not as FTE (full-time equivalent).

Indicator definitions:

Headcounts: The headcounts presented include employees with permanent contracts (including sales representatives), and those with fixed-term contracts (including “professionalisation” contracts) or work/study contracts.

Exits: Employment contract terminations on economic and individual grounds, resignations, retirement, deaths and exits on other grounds (e.g. an agreement between the employee and the employer) for both permanent and fixed-term contract employees. The following indicators are excluded: the number of fixed-term contracts transitioned to permanent contracts and exits at the end of a fixed-term contract, as well as job mobility within the Group. Work/study contracts are not included.

Mobility: Changes of establishment within the same company, job changes without a change in establishment, as well as transfers from one Groupe Rocher company to another are included.

Turnover: Average employee entries and exits during the year as a percentage of the headcount under consideration on 1 January of the year.

Frequency rate: Number of accidents with sick leave of at least one day as a percentage of the number of hours worked x 1,000,000. Hours worked are considered.

Severity rate: Number of days lost due to temporary incapacity as a percentage of the number of hours worked x 1,000. Hours worked are considered.

Occupational accidents: An event that occurs on a given date attributable to the work or while working, with or without sick leave (excluding travel accidents to go to or leave the workplace). The number of occupational accidents whose start date falls within the first and last day of the month. To date, relapses are recorded as a new

occupational accident in the data for France. Currently being worked on to align the definition with international standards.

Disability: The concept of a person who has a disability does not cover the same reality in the various countries within the Group's scope. This global indicator is not totally comparable to the one for France, which is defined by law.

Improving our environmental footprint

Scope

In total, the data for 28 sites are consolidated in the environmental section of the report.

The scope of consolidation for the environmental section includes the industrial production and distribution sites for the cosmetics, detergent product and textile divisions that belong to Groupe Rocher, i.e.:

- Nine production sites (the sites at Villes Geffs, Ploërmel, Rieux, Flormar Production Kosan Sanayi, Petit Bateau Troyes, Petit Bateau Tenmar Teinture and Petit Bateau Tenmar Confection, Sabon Kiryat Gat and Arbonne Levlad Chatsworth),
- 12 logistics sites (the sites at La Villouet, Petit Bateau Buchères, Arbonne Greenwood Indiana, La Croix des Archers, Yves Rocher Belgium, Yves Rocher Sweden, Yves Rocher Portugal, Yves Rocher Canada, Stanhome les Lauriers Verts, Atelier des Primevères and Flormar Distribution Kosan Pazarlama, Arbonne Headquarters & Logistics Irvine),
- Six service sites: three sites located in France (Cap Rocher, Yves Rocher Rennes, Petit Bateau Réaumur), one international service site that employs at least 250 people (Yves Rocher Russia), as well as Yves Rocher Germany and Yves Rocher Spain (historically included in the reporting).
- One tourism site (Eco Hôtel Spa La Grée des Landes).

The Sabon brand logistics site in Kiryat Gat is excluded from the environmental scope for 2019.

Regarding energy consumption indicators, the terms "Group" or "Groupe Rocher" refer to all of the sites in the international scope, excluding one distribution site: Yves Rocher Canada.

Regarding water consumption indicators, the terms "Group" or "Groupe Rocher" refer to all of the sites in the international scope, excluding the following four service sites: Petit Bateau Réaumur, Yves Rocher Russia, Yves Rocher Spain and Yves Rocher Canada.

Regarding waste indicators, the terms "Group" or "Groupe Rocher" refer to all of the sites in the international scope, excluding the following service sites: Atelier des Primevères, Sabon Production Kiryat Gat and Yves Rocher Madrid.

Regarding greenhouse gas emissions indicators, emissions related to the electrical consumption of the pool of 127 stores directly operated by Groupe Rocher brands (owned or subsidiaries) in France are included.

Scope 3 greenhouse gas emissions include:

- The 3,124 points of sale operated under the Group's brands as franchises or under management leasing agreements and as foreign subsidiaries.

The following are excluded from all indicators:

- The 5,633 multi-brand points of sale operated by our agents.

Reporting protocol

Data are collected via an online shared tool. One or more contributors per site enter the quantitative and qualitative data on water, energy and waste every month. The Responsible Development Department consolidates these data every year. Each site must then approve the consolidated data communicated to it.

Calculation of greenhouse gas (GHG) emissions

The operational scope for emissions includes Scope 1 and 2 of the GHG Protocol³³ accounting method. The emission factors used are those of ADEME's Base Carbone^{®34}. The percentage of electricity of renewable origin for each country is taken from the Observ'ER³⁵. In some cases, emission factors for electricity and the percentage of electricity of renewable origin are provided directly by the suppliers.

To calculate the GHG, ADEME's Base Carbone[®] emission factor for electricity in France in 2015 was used for all stores in France.

For the Arbonne Greenwood Indiana and Arbonne Levlad Production Chatsworth sites, the emission factors are taken either from the supplier's specific data or the US EPA database.

Sharing and involving communities in Groupe Rocher's commitments

The information presented was provided directly by the Purchasing, Risk Management, Direction of Operations in Asia and Research & Innovation Departments, then integrated into the report by the Responsible Development Department. The information on the cosmetics business does not cover the Flormar brand.

Exclusions

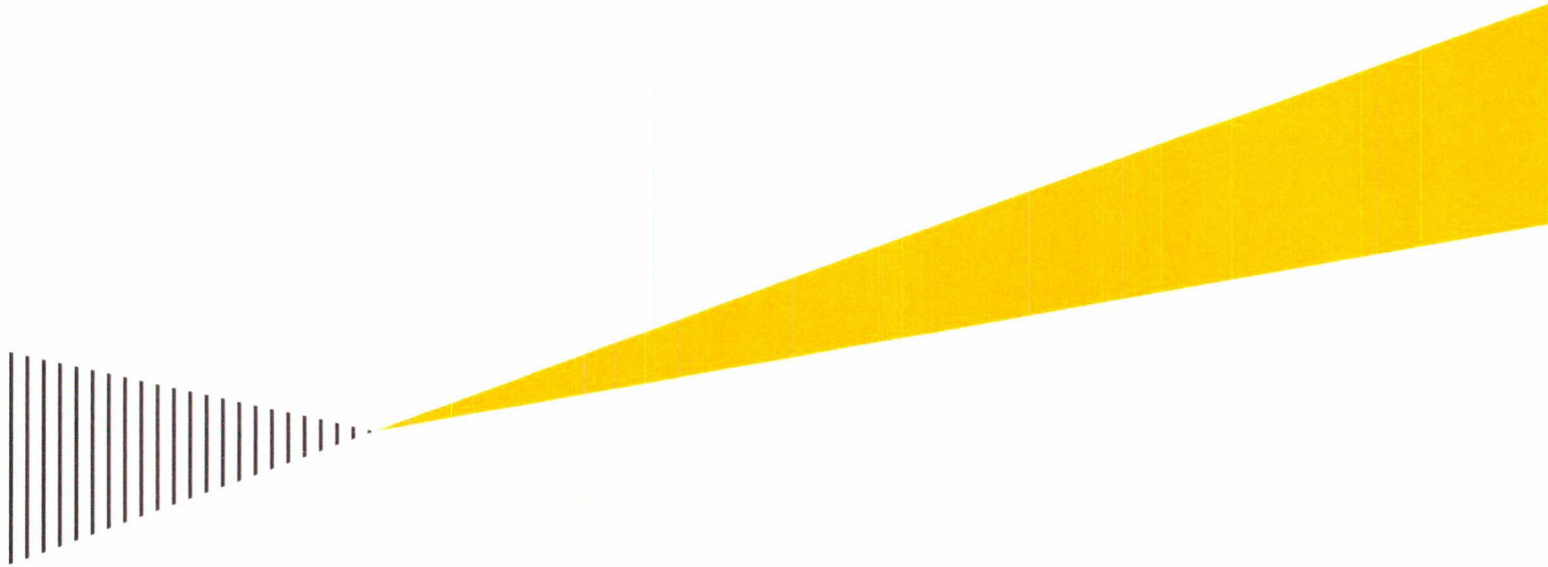
Considering the nature of our business activities, we are of the opinion that the following issues do not constitute major CSR risks and they are therefore not presented in this management report:

- Initiatives to fight food waste,
- The French law on sustainable food supply of 30 October 2018: the fight against food insecurity and sustainable, fair and long-term food supply.

³³ Group Greenhouse Gas Protocol, international standard for carbon accounting.

³⁴ French agency for the environment and energy.

³⁵ *Observatoire des énergies renouvelables* (French renewable energy observatory).



Laboratoires de Biologie Végétale Yves Rocher

Exercice clos le 31 décembre 2019

**Rapport de l'organisme tiers indépendant sur la déclaration consolidée
de performance extra-financière**

EY & Associés



Laboratoires de Biologie Végétale Yves Rocher

Exercice clos le 31 décembre 2019

Rapport de l'organisme tiers indépendant sur la déclaration consolidée de performance extra-financière

A l'Assemblée Générale,

En notre qualité d'organisme tiers indépendant, accrédité par le COFRAC sous le numéro 3-1681 (portée d'accréditation disponible sur le site www.cofrac.fr) et membre du réseau de l'un des commissaires aux comptes de votre société (ci-après « entité »), nous vous présentons notre rapport sur la déclaration consolidée de performance extra-financière relative à l'exercice clos le 31 décembre 2019 (ci-après la « Déclaration »), présentée dans le rapport de gestion en application des dispositions des articles L. 225-102-1, R. 225-105 et R. 225-105-1 du Code de commerce.

Responsabilité de l'entité

Il appartient au Conseil d'administration d'établir une Déclaration conforme aux dispositions légales et réglementaires, incluant une présentation du modèle d'affaires, une description des principaux risques extra-financiers, une présentation des politiques appliquées au regard de ces risques ainsi que les résultats de ces politiques, incluant des indicateurs clés de performance.

La Déclaration a été établie en appliquant les procédures de l'entité (ci-après le « Référentiel ») dont les éléments significatifs sont présentés dans la Déclaration (ou disponibles sur demande au siège de l'entité).

Indépendance et contrôle qualité

Notre indépendance est définie par les dispositions prévues à l'article L. 822-11-3 du Code de commerce et le code de déontologie de la profession. Par ailleurs, nous avons mis en place un système de contrôle qualité qui comprend des politiques et des procédures documentées visant à assurer le respect des textes légaux et réglementaires applicables, des règles déontologiques et de la doctrine professionnelle.

Responsabilité de l'organisme tiers indépendant

Il nous appartient, sur la base de nos travaux, de formuler un avis motivé exprimant une conclusion d'assurance modérée sur :

- la conformité de la Déclaration aux dispositions prévues à l'article R. 225-105 du Code de commerce ;

- la sincérité des informations fournies en application du 3° du I et du II de l'article R. 225-105 du Code de commerce, à savoir les résultats des politiques, incluant des indicateurs clés de performance, et les actions, relatifs aux principaux risques, ci-après les « Informations ».

Il ne nous appartient pas en revanche de nous prononcer sur le respect par l'entité des autres dispositions légales et réglementaires applicables, notamment, en matière de plan de vigilance et de lutte contre la corruption et l'évasion fiscale ni sur la conformité des produits et services aux réglementations applicables.

Nature et étendue des travaux

Nos travaux décrits ci-après ont été effectués conformément aux dispositions des articles A. 225-1 et suivants du code de commerce, à la doctrine professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette intervention et à la norme internationale ISAE 3000¹ :

- nous avons pris connaissance de l'activité de l'ensemble des entités incluses dans le périmètre de consolidation et de l'exposé des principaux risques ;
- nous avons apprécié le caractère approprié du Référentiel au regard de sa pertinence, son exhaustivité, sa fiabilité, sa neutralité et son caractère compréhensible, en prenant en considération, le cas échéant, les bonnes pratiques du secteur ;
- nous avons vérifié que la Déclaration couvre chaque catégorie d'information prévue au III de l'article L. 225-102-1 en matière sociale et environnementale ;
- nous avons vérifié que la Déclaration présente les informations prévues au II de l'article R. 225-105 lorsqu'elles sont pertinentes au regard des principaux risques et comprend, le cas échéant, une explication des raisons justifiant l'absence des informations requises par le 2^{ème} alinéa du III de l'article L. 225-102-1 ;
- nous avons vérifié que la Déclaration présente le modèle d'affaires et une description des principaux risques liés à l'activité de l'ensemble des entités incluses dans le périmètre de consolidation, y compris, lorsque cela s'avère pertinent et proportionné, les risques créés par ses relations d'affaires, ses produits ou ses services ainsi que les politiques, les actions et les résultats, incluant des indicateurs clés de performance afférents aux principaux risques ;
- nous avons consulté les sources documentaires et mené des entretiens pour :
 - apprécier le processus de sélection et de validation des principaux risques ainsi que la cohérence des résultats, incluant les indicateurs clés de performance retenus, au regard des principaux risques et politiques présentés, et

¹ ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

- corroborer les informations qualitatives (actions et résultats) que nous avons considérées les plus importantes présentées en Annexe 1. Pour certains risques (santé et sécurité de nos consommateurs, matières premières saines et durables, écoconception de nos emballages, marketing durable, gérer les risques fournisseurs, nourrir les relations de partenariat créatrices de valeur, garantir l'intégrité de nos équipes), nos travaux ont été réalisés au niveau de l'entité consolidante, pour les autres risques, des travaux ont été menés au niveau de l'entité consolidante et dans une sélection d'entités listées ci-après : Les Villes Geffs (France), Yves Rocher Longueuil (Canada) ;
- nous avons vérifié que la Déclaration couvre le périmètre consolidé, à savoir l'ensemble des entités incluses dans le périmètre de consolidation conformément à l'article L. 233-16 avec les limites précisées dans la Déclaration ;
- nous avons pris connaissance des procédures de contrôle interne et de gestion des risques mises en place par l'entité et avons apprécié le processus de collecte visant à l'exhaustivité et à la sincérité des Informations ;
- pour les indicateurs clés de performance et les autres résultats quantitatifs que nous avons considérés les plus importants présentés en Annexe 1, nous avons mis en œuvre :
 - des procédures analytiques consistant à vérifier la correcte consolidation des données collectées ainsi que la cohérence de leurs évolutions ;
 - des tests de détail sur la base de sondages, consistant à vérifier la correcte application des définitions et procédures et à rapprocher les données des pièces justificatives. Ces travaux ont été menés auprès d'une sélection d'entités contributrices listées ci-dessus et couvrent entre 6 % et 37 % des données consolidées sélectionnées pour ces tests (17 % des consommations d'énergie, 24 % des consommations d'eau, 37 % des déchets générés, 6 % des effectifs) ;
- nous avons apprécié la cohérence d'ensemble de la Déclaration par rapport à notre connaissance de l'ensemble des entités incluses dans le périmètre de consolidation.

Nous estimons que les travaux que nous avons menés en exerçant notre jugement professionnel nous permettent de formuler une conclusion d'assurance modérée ; une assurance de niveau supérieur aurait nécessité des travaux de vérification plus étendus.

Moyens et ressources

Nos travaux ont mobilisé les compétences de six personnes et se sont déroulés entre septembre 2019 et mars 2020 sur une durée totale d'intervention d'environ neuf semaines.

Nous avons mené une dizaine d'entretiens avec des personnes responsables de la préparation de la Déclaration, représentant notamment les directions ressources humaines, environnement, achats, innovation et développement Yves Rocher, opérations Petit Bateau, marché Yves Rocher Italie, affaires réglementaires.

Conclusion

Sur la base de nos travaux, nous n'avons pas relevé d'anomalie significative de nature à remettre en cause le fait que la déclaration consolidée de performance extra-financière est conforme aux dispositions réglementaires applicables et que les Informations, prises dans leur ensemble, sont présentées, de manière sincère, conformément au Référentiel.

Paris-La Défense, le 25 mars 2020

L'Organisme Tiers Indépendant
EY & Associés



Jean-François Belorgey
Associé



Eric Duvaud
Associé, Développement Durable

Annexe 1 : informations considérées comme les plus importantes

Informations sociales	
<i>Informations quantitatives (incluant les indicateurs clés de performance)</i>	<i>Informations qualitatives (actions ou résultats)</i>
Effectif total, répartition par sexe, activité, zone géographique Turnover hors retail (%) Taux de fréquence, taux de gravité des accidents du travail sur les sites industriels et logistiques Part de femmes au sein des Comités de Direction des marques (%) Taux d'emploi moyen des personnes en situation de handicap en France et dans le monde (%)	Les conditions de travail (droits humains, santé-sécurité et ergonomie, bien-être au travail) Le développement des compétences et la gestion des carrières La diversité (handicap, gestion des âges)
Informations environnementales	
<i>Informations quantitatives (incluant les indicateurs clés de performance)</i>	<i>Informations qualitatives (actions ou résultats)</i>
Consommation d'énergie (MWh) Part d'énergie renouvelable consommée (%) Emissions de gaz à effet de serre scope 1 et 2 (teqCO ₂) Consommation d'eau (m ³) Quantité de déchets produits par type (tonnes) Part des déchets valorisés, recyclés ou réutilisés (%) Evolution (%) du poids des emballages en plastique par litre de produit pour les produits Yves Rocher	Les mesures prises pour améliorer la performance énergétique Les mesures prises pour réduire la consommation d'eau Les mesures prises pour réduire la génération de déchets
Informations sociétales	
<i>Informations quantitatives (incluant les indicateurs clés de performance)</i>	<i>Informations qualitatives (actions ou résultats)</i>
Part des produits Petit Bateau respectant le label OEKO TEX (%) Part des volumes actuels d'ingrédients contenant de l'huile de palme ou des dérivés d'huile de palme certifiés « RSPO Mass Balance » (%) Part des ingrédients qualifiés du portefeuille formulation étant d'origine naturelle (%) Part de fournisseurs devant faire l'objet d'un audit documentaire sur la période 2018-2020 ayant été audités à date (%) Part de fournisseurs devant faire l'objet d'un audit terrain sur la période 2018-2020 ayant été audités à date (%)	L'approvisionnement et le choix des matières premières et ingrédients pour les activités cosmétique et textile La protection des données à caractère personnel