



Impact Measurement Case Study

L'OCCITANE EN PROVENCE



LOCATION:
Burkina Faso

L'OCCITANE
EN PROVENCE

Target Beneficiaries:
Shea butter producers

Sector: Agriculture

Business model: The L'OCCITANE Group is a natural and organic ingredient-based cosmetics and well-being products retailer, founded in 1997. The Group is committed to developing and retailing high quality products that are rich in natural and organic ingredients of traceable origins and respect for the environment. As one of the largest purchasers of shea butter from Burkina Faso, L'OCCITANE has worked with more than 10,000 women through shea producer unions, ensuring fair-trade prices for shea butter and better living standards for women producers.

This publication is part of a series of case studies on BCTA Impact Measurement Services (BIMS), a Business Call to Action (BCTA) initiative that demonstrates how inclusive businesses can measure and apply impact data.

BIMS provides 21 participating BCTA member companies with technical expertise and technology to design and implement survey-based data collection for assessing their operational and social performance. BIMS is implemented by BCTA with support from implementing providers Arthify and Echo Mobile.

THE OBJECTIVE

The L'OCCITANE Group strives to improve the lives of women farmers and their families through its collaboration with their unions and its philanthropic activities. The Group decided to measure the social impact of its work to understand how efficient its activities are in empowering women producers and improving their lives.

THE PROCESS

1 ASSESSING READINESS



The L'OCCITANE Group is a mature-stage business with a high degree of readiness for measuring impact. The Group surveyed shea producers from three unions across Burkina Faso to assess the impact of its activities within the unions.

With the support of BIMS, the L'OCCITANE Group analysed the data collected, including women producers' income and literacy levels to better understand the profile of the beneficiaries of its commitment as well as how they are being impacted.

The L'OCCITANE Group surveyed women producers from three unions, with a total sample size of **1,890** producers. The women producers were stratified based on their distance from production centres. Managers from the unions were also surveyed to understand their needs and perceptions.

2 PLANNING AND DESIGN



Key social-impact metrics covered in the producers' survey included:

- 1 women producers' income levels and sources of income;
- 2 their literacy levels;
- 3 the usefulness of different training modules offered by the Group;
- 4 the status of women in their communities; and
- 5 the main changes in producers' lives.

4 ANALYSING DATA AND REPORTING

3 MONITORING IMPACT

RESULTS

Through BCTA's Impact Measurement Services (BIMS), the L'OCCITANE Group is using impact data to make decisions related to: (i) strengthening training modules for shea producers; (ii) reaching a larger number of women producers located further away from the union centres; and (iii) improving its strategies for joint programming with the producer unions of the women.

About the L'OCCITANE Group

The L'OCCITANE Group is a global natural and organic ingredient-based premium cosmetics and well-being products manufacturer and retailer. The Group has more than 3,000 retail outlets across the world, including 1,500 stores owned by the Group itself. The group's brands, which include *L'OCCITANE en Provence*, *Melvita*, *Erborian* and *L'OCCITANE au Brésil*, are known for their high-quality natural and traceable ingredients and environmentally sustainable production and distribution methods.

In 2006, the L'OCCITANE Group created its Foundation to drive the philanthropic initiatives of the Group. The L'OCCITANE Foundation supports two programmes that help more than 15,000 women from the shea community to diversify their activities:

- A program that aims to strengthen the literacy levels of women;
- A social micro-finance program that enables women to improve their access to credit whilst reinforcing their knowledge about financial management and important social topics, such as health, hygiene, and sanitation.

The L'OCCITANE Group has been working with women shea producers in Burkina Faso since the 1980s. With shea butter becoming an important ingredient in its products over the years, the Group has strengthened its collaboration with women producers by supporting their unions to ensure a sustainable supply of quality shea butter and better living standards for women shea producers.

Found in several African countries, shea trees are known as the “tree of hope” because they take multiple years to bear fruit. Traditionally, women are responsible for protecting trees, collecting the nuts and transforming them into butter, which is used for cooking and as a body moisturizer. The L'OCCITANE Group works with several women's unions across Burkina Faso and purchases several hundreds of tons of shea butter from women producers each year – making it an inclusive business.¹ Through its business and philanthropic activities, the L'OCCITANE Group provides capacity-building and

training programmes (literacy and micro-finance) to assist women producers in becoming more independent and exploring other business opportunities. As a member of BCTA, the L'OCCITANE Group aims to analyse the impact of its activities and understand what actions it needs to take to improve the lives and social status of women shea producers.



PHOTO CREDIT: JEAN-JACQUES BERNARD

¹ Inclusive businesses are commercially viable business ventures that engage people living at the base of the economic pyramid (BoP) – people with less than USD 10 per day in 2015 purchasing power parity – as consumers, producers, suppliers, distributors of goods and services, and employees.

Step 1: Assessing readiness

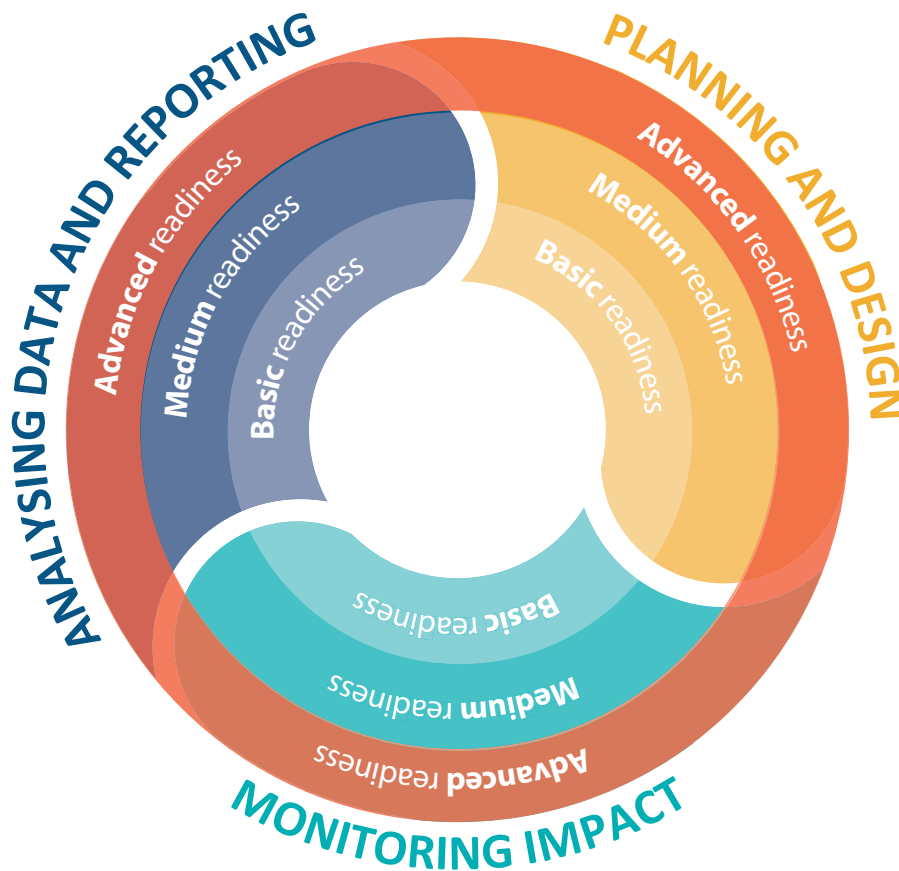
Effective impact measurement² begins with **determining the reason for measuring impact**.

A wide variety of tools are available for businesses to measure, manage and report on their social and environmental impact. Approaches range from those generating quick feedback to those requiring a longer timeframe to prove systemic impact. BCtA believes it is important for companies to choose the right approach that meets their business needs given the available resources.

Assessing the company's readiness for impact measurement is a critical first step in determining what impact data to collect, how to collect them and how to use them for business development and greater social and environmental performance. In assessing a company's readiness to measure its impact, BCtA considers its maturity stage and capacity, which is determined based on the company's clarity of purpose, data-driven culture and resources available for data monitoring and collection.

The L'OCCITANE Group is a manufacturer and retailer of high-quality cosmetics. It has several brands under its umbrella, with retail boutiques worldwide and a reputation for extraordinary quality. The Group is a **mature and growing business**.

From its inception, it has embraced strong social values, maximizing the environmental and social benefits of its business. The Group sees itself as a member of the communities in which it works and adheres to global processes and standards related to fair trade, environmental and social impact, which gives the Group a clear purpose for measuring its impact. The Group has already been measuring some of its social impacts and has also integrated social objectives into their business strategies. Although the Group's local presence in Burkina Faso is relatively small, it is supported by a strong network of local partners and women unions that can support its data collection activities. Hence the L'OCCITANE Group has **advanced readiness** for measuring its impact (see figure below).



² In this case study, 'impact measurement' refers to the measurement of inclusive businesses' social, economic and environmental performance.

Step 2: Planning & design

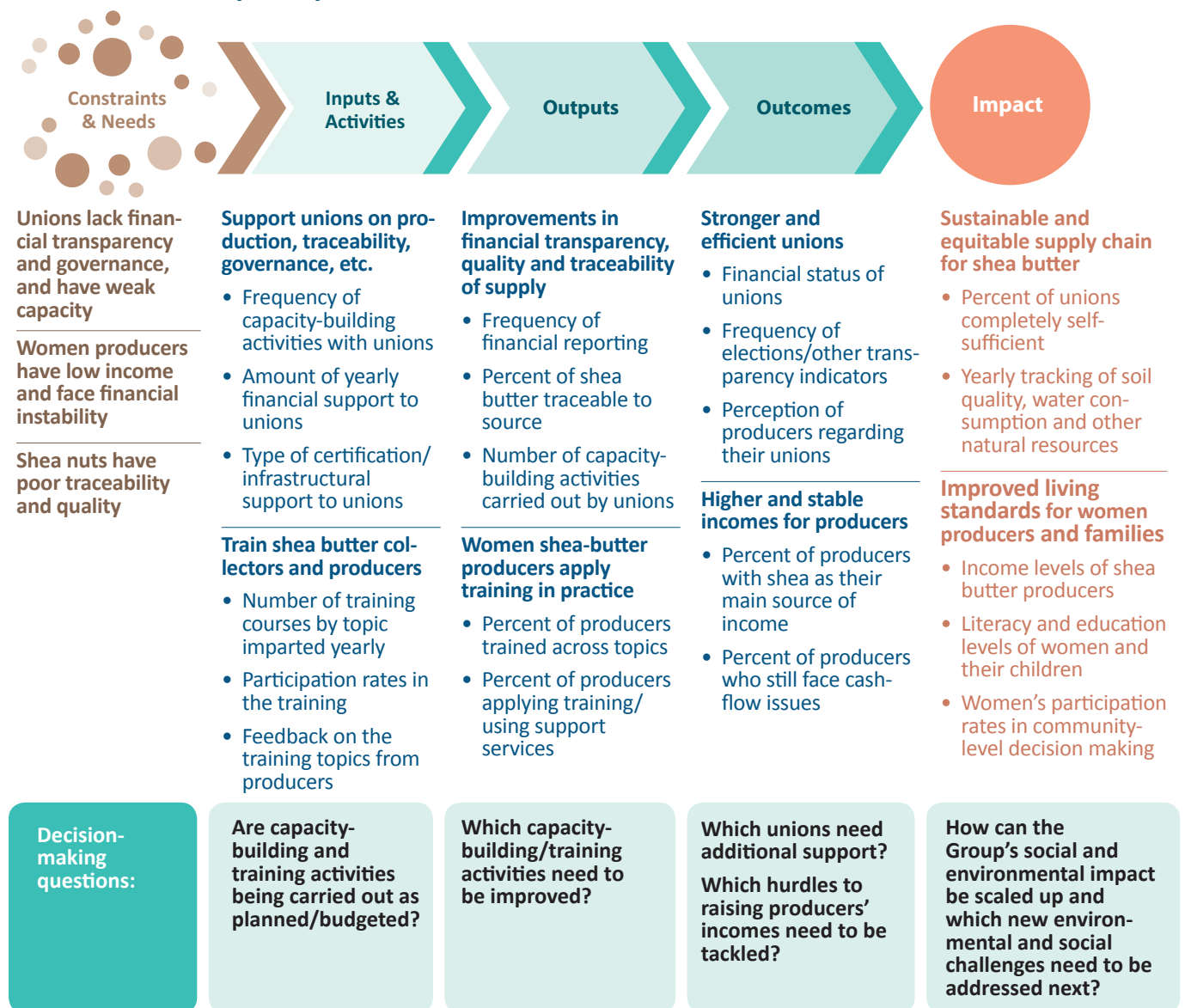
The planning stage involves developing an Impact Value Chain³ that links business goals, strategies and operations to outcomes and impacts related to the Sustainable Development Goals (SDGs).⁴ The Impact Value Chain is the basis for developing social impact metrics and indicators that address the needs identified in the previous step.

The Impact Value Chain guides companies in determining what to measure and where to collect data by mapping business goals, strategies

and operations against outcomes related to the SDGs. The L’OCCITANE Group wanted to focus on the impact of its fair-trade strategy, training on women producers and the difficulties they face, and to understand the dynamics of the relationship between these women and their unions.

An abridged version of the L’OCCITANE Group’s Impact Value Chain in Burkina Faso, with a limited number of social impact metrics, is presented here:

L’OCCITANE Group’s Impact Value Chain



³ The Impact Value Chain integrates multiple approaches such as the theory of change, results chains, logframes and business value chains.

⁴ Adopted in September 2015 by all United Nations member states, the SDGs are a set of 17 global goals and 169 targets related to important development issues facing society today. Countries will aim to achieve them by 2030.



Step 3: Monitoring impact

To monitor impact, BIMS recommends that companies collect data on their operations as well as social and environmental performance on an ongoing basis. Businesses can assess data from primary and secondary sources such as invoices, inventories, customer registrations, market-research reports, social media, surveys and polls.

Identifying sources of data is critical for developing data-collection plans using the Impact Value Chain. Many companies have already collected data that can be used for social-impact measurement. BIMS suggests that companies first determine if they can analyse the data they already have. Only if this is not possible should they plan to collect new data.

The L'OCCITANE Group has a dedicated team of four staff based in Burkina Faso and partnered with other organizations and its supplier unions to periodically assess the socio-economic and environmental impacts of its business strategies and operations.⁵ These assessments have examined the effects of commercial parameters and philanthropic partnerships on shea producers' income levels and living standards, and the environmental sustainability of shea production.

Through BIMS, the L'OCCITANE Group wanted to: (i) gauge the organisational capacities of producers' unions and the impacts of their training programmes on the lives of shea producers; and (ii) identify the gaps that need to be addressed to scale this impact.

Based on the Impact Value Chain it created, the L'OCCITANE Group designed two mobile-enabled surveys: one to elicit information about women shea producers' knowledge, farming practices and social and economic status; and another survey to understand union managers' current activities and needs.

Survey implementation

The L'OCCITANE Group included three unions in its producer survey based on their regional diversity. Within these unions, shea producers were stratified based on their distance from the union centre; this distance was thought to influence women's participation in the training and capacity building provided by the Group at union centers. To ensure that the sampling was manageable, stratification by distance was limited to two zones – within 15 km and beyond 15 km from union centers. Based on this sampling plan, six different groups of producers (three unions x two zones) were surveyed, covering a total of 1,890 women. Because of a limited number of field staff, the unions were surveyed one after the other by three surveyors over six months. At the time of writing this case study, only three people had been interviewed for the Union Manager Survey.

5 [“The L'OCCITANE Group in Burkina Faso”](#): More than just business with shea butter producers.

Step 4: Analyzing data and reporting

While the purpose and usability of impact data can vary for each inclusive business, in general the outputs of impact measurement are used to answer one or more of the following questions:

1. Who is being impacted?
2. How are they being impacted?
3. What are the drivers contributing to or limiting this impact?
4. How can this impact be scaled up and linked to the SDGs?

Who is being impacted?

The L'OCCITANE Group's way to do business implies being responsible with a focus on its global impact on environment and people. It has strong partnerships with shea producers' unions in Burkina Faso and it actively collaborates with other partners to create sustainability and raise the living standards of its shea producers.

In West African tradition, the shea tree belongs to women and is also referred to as 'women's gold' because only women collect shea nuts, transform them and sell shea butter. Through the BIMS producer survey, women shea producers' income levels were measured using the Progress out of Poverty Index (PPI). The PPI data showed that 66 percent of women surveyed across the three unions have incomes below USD 2.5 per day in 2005 purchasing power parity, a figure which reinforces the Group's will to pursue its support to improve the life conditions of these women. The survey also showed that 75 percent of women have children below 14 years enrolled in school.

How are they being impacted?

As union members, women producers sell their shea nuts and shea butter to the unions directly. Initial data from the producer survey showed that close to 66 percent of women collectors and producers report shea butter-related activities as their main source of income, and 84 percent of women contribute to their family finances.

The unions sell shea butter to the L'OCCITANE Group at double the price of what is conventional in export markets of shea butter. This 'fair price' is determined at the beginning of the season by a common agreement between each union, the L'OCCITANE Group and fair-trade certifier Ecocert.

This is the Group's primary impact – providing a revenue source to shea producers by purchasing shea butter at fair-trade prices. Nevertheless, the Group does not want shea producers to be dependent on a single buyer or a single source of income. It encourages these women to diversify their income sources and invest their earnings in improving their families' living standards.

In collaboration with the unions, the L'OCCITANE Group has created different training courses to improve producers' basic knowledge of shea transformation and organic practices, literacy and financial skills, and social topics such as maternal health and sanitation. Approximately 40 percent of surveyed women had participated in these training courses and 30 percent reported putting their training into practice. In particular, 43 percent of women had attended the literacy training.

The L'OCCITANE Group also provides microfinancing to shea producers, which they can use for new business activities. Since shea-butter production is a seasonal activity, the objective of providing formal credit is to ensure that women producers have other means of generating income in the off season. The survey data highlighted that 40 percent of the women – mainly those located close to union centres – have accessed these microfinancing services. This identifies a potential gap to be addressed in the programme's expansion.

What are the drivers contributing to or limiting this impact?

The major drivers influencing the L'OCCITANE Group's social impact are: (i) regional differences among women unions; (ii) the unions' management and training capacities; and (iii) the physical distances between producers' homes and union centres. Survey data showed that income from shea production, literacy levels, access to microfinancing and participation in training vary significantly based on these parameters.

There were also some indications of consistent impact across the survey groups. Women whose main income is derived from shea production and who have access to microcredit are more likely to participate in managing their household finances. In addition, women who receive microcredit have higher status in their communities because of their

economic engagement. Finally, literacy programmes for women producers result in these women's greater engagement in their children's' education and in occupying important positions within their communities.

How can this impact be scaled up and linked to the SDGs?

The main objective of BIMS is to support inclusive businesses in adopting impact-measurement practices that help them to plan, monitor and deliver on their intended impacts – and contribute to achieving the SDGs.

Using the Impact Value Chain, the L'OCCITANE Group identified the following SDGs that are in line with its intended impact through inclusive business initiative in Burkina Faso:



SDG 1 NO POVERTY

The L'OCCITANE Group works with more than 10,000 women in Burkina Faso and purchases shea butter from them each year. It also provides micro-financing to shea producers. The Group actively contributes to the well-being and incomes of these women.

SDG 2 ZERO HUNGER

The L'OCCITANE Group organizes training courses on sustainable farming to assist women producers in increasing the quantity and quality of shea butter production.

SDG 4 QUALITY EDUCATION

In collaboration with producer unions, the L'OCCITANE Group enhances women shea producers' literacy, numeracy and technical knowledge through its training.

SDG 5 GENDER EQUALITY

The L'OCCITANE Group provides women producers with a stable source of income and training on business, social and educational topics. It also encourages these women to participate in decision making and take on important roles in their families and communities.

SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

By training shea producers in organic production, the L'OCCITANE Group is contributing to a more environmentally responsible shea ecosystem. The main goal of the Group is to purchase 100 percent of organic shea butter by 2018.

Key learnings from the L'OCCITANE Group's impact measurement

Social impact can be measured based on business as well as social-change activities

The L'OCCITANE Group's social and environmental impacts are as much a result of its core business strategies and operations as its social-change activities. Prior to engagement with BIMS, the Group already reviewed the social impacts of its business decisions related to fair-trade pricing, organic certification, transportation modes and methods of shea production. BIMS has brought the focus of its social-impact measurement to its investments in social change, such as strengthening the management of producer unions, capacity building of shea producers and microcredit support.

Using an adequate sampling strategy to conduct surveys can be useful for implementing corrective actions

The results (based upon the stratification mentioned under 'Survey Implementation' in Step 3) indicate that women who live farther from union centres are mostly shea nut collectors who have very little access to microfinancing compared to women who live near the centres. The L'OCCITANE Group will use the findings of these surveys to improve its strategy for reaching women far from centres and implement capacity-building activities addressed to each group's needs.

Social-impact measurement requires the participation of stakeholders involved in implementing social-change activities

The L'OCCITANE Group's social and environmental impact objectives are largely realized through the support it provides to shea producers' unions in Burkina Faso. The unions implement these activities and their buy-in and support in measuring social impact were critical for BIMS. Staff of the unions were involved in developing the survey tools and carrying out the surveys in the field. The data from these surveys are being shared with the unions to assist them in implementing their activities more effectively.

Social impact measurement is an ongoing endeavor, not a one-time activity

The L'OCCITANE Group clearly exemplifies the importance of a commitment to regular social-impact measurement. It sets social and environmental goals, pursues them, measures them and then pushes the boundaries to bring about continuous and sustainable positive change for all its stakeholders – not just shareholders. Having ensured fair-trade prices for shea-butter producers in Burkina Faso, the Group is now helping them to diversify their income sources and is measuring this impact on an on-going basis.

Business Call to Action (BCtA) aims to accelerate progress towards the Sustainable Development Goals (SDGs) by challenging companies to develop inclusive business models that engage people at the base of the economic pyramid – people with less than USD 10 per day in terms of 2015 purchasing power parity – as consumers, producers, suppliers, distributors of goods and services, and their employees.

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Ministry of Foreign Affairs of the Netherlands



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