

DAVINES GROUP



Policy on sustainable sourcing of palm oil derivatives

At Davines Group, biodiversity is not only an environmental priority, but a cultural value that shapes our understanding of beauty. We believe that diversity, in ecosystems as in communities, is a source of resilience, creativity and long-term prosperity. For this reason, our sourcing choices are guided not only by risk mitigation and compliance, but by the ambition to contribute to living systems that can thrive over time.

Our approach

We do **not use palm oil directly** in our formulations. However, some of our ingredients are **derived from palm oil or palm kernel oil**. As part of our continuous improvement journey, we strive to identify and adopt complementary approaches whenever technically and functionally feasible, while recognizing that certain ingredients essential for the quality and performance of our haircare and skincare products rely on palm-derived sources.

Aware of the **environmental and social challenges** associated with palm cultivation - including deforestation, biodiversity loss, and labour rights concerns - we are committed to **sourcing these derivatives responsibly and transparently**.

Whenever palm-derived ingredients are used, we prioritize sourcing them through RSPO-certified supply chains. Within our responsible ingredients sourcing approach, RSPO represents a key reference framework for promoting a more sustainable, transparent, and traceable palm oil supply chain.

At the same time, we recognize that palm oil, like all natural resources, is finite and embedded in complex ecosystems. Guided by our commitment to biodiversity protection, we promote a balanced and diversified use of raw materials, encouraging formulation choices that respect ecological limits and value natural diversity as a foundation of resilience.

Our commitment

This approach is part of our broader sustainability strategy, “2030: Davines Group Towards Planet Regeneration.”

In line with this strategy, by 2030 we aim to ensure that any palm oil derivative used in our formulations is sourced exclusively from RSPO Certified Sustainable Palm Oil (CSPO) supply

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chains, with a preference for materials meeting the more stringent criteria of the Palm Oil Innovation Group (POIG).

This commitment supports our broader alignment with evolving international frameworks and regulatory expectations, including the EU Deforestation Regulation (EUDR) and the Science Based Targets initiative (SBTi) Forest, Land and Agriculture (FLAG) Guidance. Our approach is also **informed by the Accountability Framework initiative (AFi)**, which provides complementary guidance for implementing **no-deforestation** and **no-conversion** commitments consistent with the SBTi FLAG framework.

Action Plan

Building on the **Land Footprint of the Organization** analysis conducted in 2024, which assessed land use, land-use change, and ecosystem vulnerability across the supply chain by adapting the Science Based Targets Network (SBTN) methodology to the Davines Group context and using the WWF Biodiversity Risk Filter, Davines Group is implementing a structured plan to progressively align its sourcing practices with deforestation-free principles. This plan places a particular focus on palm oil derivatives, which represent the Group's main commodity and therefore a priority area for addressing risks related to land conversion and deforestation.

The plan focuses on the following areas:

1. Risk assessment and prioritization

- Identify and monitor raw materials with the highest potential impact on land-use change - with specific attention to **palm oil and palm kernel oil derivatives** - based on the results of our annual Land Footprint.
- Map sourcing regions most likely associated with deforestation or ecosystem conversion, prioritizing actions in high-risk supply chains.
- To ensure a focused and effective implementation, we have **prioritised the direct purchase supply chain**, covering ingredients and materials purchased directly by the Davines Group, where we have greater visibility and leverage to drive change. The **indirect supply chain** includes ingredients used in **full-service formulas**, managed by third-party manufacturers on behalf of the Davines Group, where visibility and leverage over raw material selection are currently limited. This scope will be progressively **integrated in a second phase**, as traceability tools, supplier engagement mechanisms, and certified alternatives become more widely available.

2. Traceability enhancement

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- Strengthen traceability of palm-derived ingredients across our value chain, and progressively extending to **mill** and, where possible, **plantation** level.
 - Strengthen traceability of palm-derived ingredients across our value chain, progressively extending to mill and, where possible, plantation level. This approach supports greater transparency on the origin of raw materials and on the local actors and communities involved in their management and enables the effective handling of social and environmental grievances, through established monitoring and escalation mechanisms. Evaluate and adopt tools and partnerships that can support transparency and enable early identification of deforestation risks.
3. **Supplier collaboration**
- Work closely with key suppliers of palm oil derivatives to promote deforestation-free and conversion-free sourcing.
 - While RSPO Segregated traceability would be our preferred option, its limited availability in the cosmetics palm oil derivatives market currently constrains adoption, leading to the continued use of RSPO-certified Mass Balance materials. The Mass Balance model allows certified and non-certified palm oil to be mixed along the supply chain, while ensuring that an equivalent volume of RSPO-certified sustainable palm oil is produced and accounted for. Although the certified material may not be physically segregated in the final product, the overall quantities are controlled and verified within the supply chain.
4. **Monitoring and disclosure**
- Track progress through regular internal assessments and disclose results annually via our annual Sustainability Report, including progress achieved, barriers encountered, and corrective actions taken.
 - Ensure alignment with **RSPO reporting** and **EUDR due diligence requirements** and the **deforestation-free commitments associated with our SBTi Forest, Land and Agriculture (FLAG) targets**.

Through this plan, Davines Group commits to strengthening its contribution to a **transparent, ethical, and regenerative palm oil derivatives supply chain** and to promoting more responsible ingredient sourcing practices across the beauty industry. As a co-founder of the B Corp Beauty Coalition (BBC), Davines Group actively collaborates with peer companies to accelerate positive transformation within the beauty industry, promote responsible sourcing of key raw materials, and contribute to systemic change through shared commitments and collective action.

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Ethical sourcing and human rights

Respect for people and ethical business conduct are fundamental to the way we operate. All our suppliers are expected to comply with our **Supplier Code of Conduct**, which includes commitments to **human rights, fair labour conditions, and integrity** throughout the supply chain.

As part of our human rights due diligence approach, we have expanded our whistleblowing platform into a broader channel enabling stakeholders to raise concerns, including potential human rights impacts. A formalized and structured process is being implemented to collect, assess, prioritize, and escalate information regarding actual or potential adverse human rights impacts, ensuring timely review, appropriate action, and, where necessary, remediation.

Davines Group is committed to progressively working toward full traceability of high-risk raw materials and reinforce collaboration with suppliers to improve oversight and labor practices. Our ambition is to ensure that every worker in the value chain benefits from safe and fair working conditions.

Governance and transparency

We believe that transparency builds trust and drives collective progress. The implementation of this policy is overseen by our **Sustainability, Procurement and R&D teams**, working jointly to ensure integration across business functions.

We disclose progress annually through our **Sustainability Report** and the **RSPO Annual Communication of Progress**, reaffirming our long-term commitment to a more **ethical, traceable, and sustainable palm oil industry**.

We believe that transforming the palm oil derivatives supply chain is not only a matter of compliance, but a **shared responsibility toward the ecosystems and communities** that make our industry possible. By embedding biodiversity and ethical sourcing into our formulation philosophy, we aim to contribute to a beauty industry that regenerates rather than extracts.