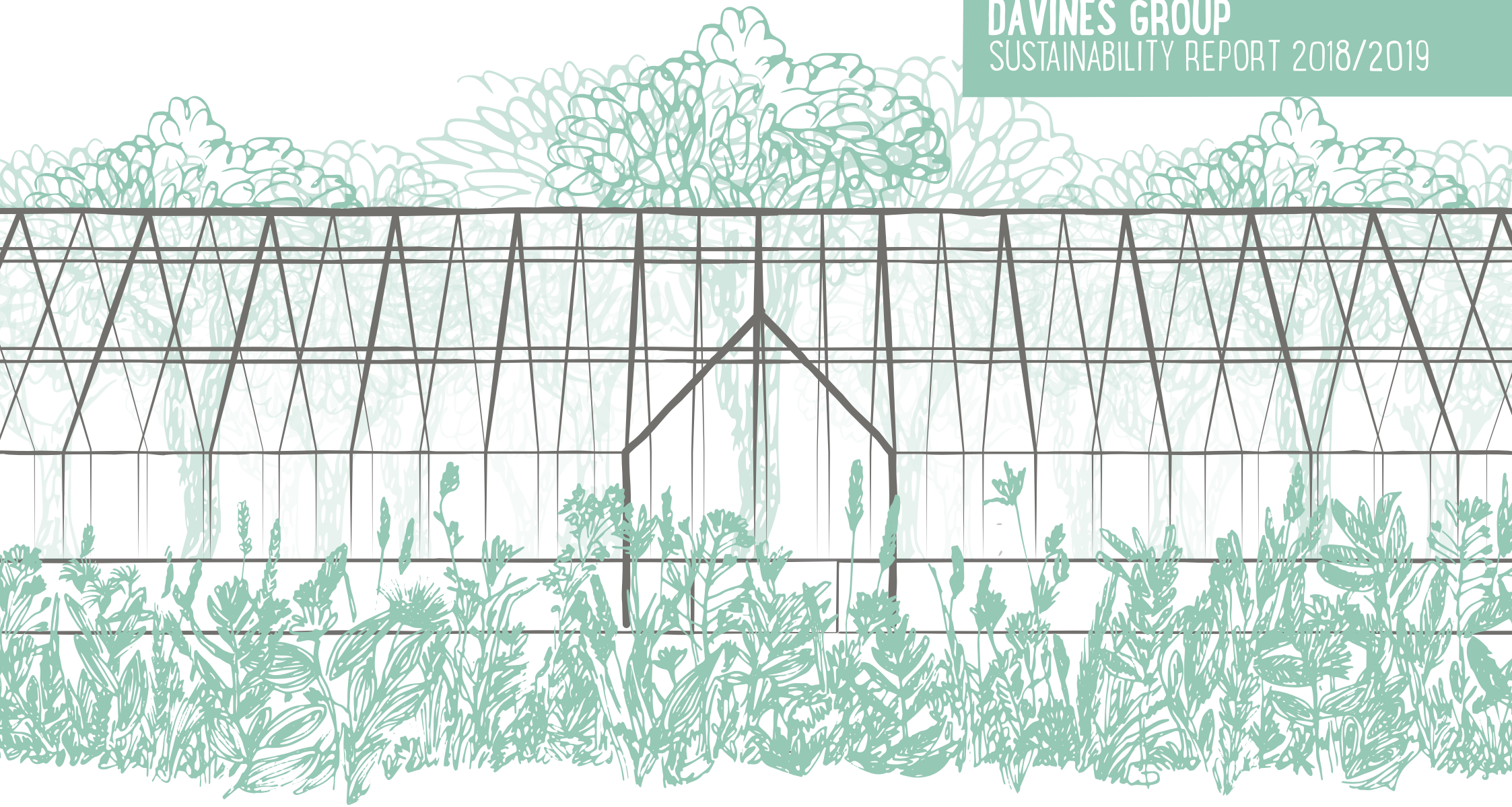
DAVINES GROUP
SUSTAINABILITY REPORT 2018/2019



davines

[comfort zone]



TRANSPARENCY: THE CORNERSTONE TO SUSTAINABLE BEAUTY

"Perfect sincerity and transparency make a great part of beauty, as in dewdrops, lakes, and diamonds"

(Henry David Thoreau)

Elegant union of form and substance. Coalescence of science and good taste. Harmony of product, humans, and nature. Kalos and Agathos, the beautiful and the good – these define Sustainable Beauty for Davines. Only when there is full respect for people and the environment, when we care for the world where we live and work, can there be true beauty, can beauty germinate and prosper. Passionately, we act with sensitivity, with care, for each of our choices, each of our creations. It is our commitment, but even more importantly, it is our duty. A duty that we all have. Our small everyday choices lead to the future of this planet, the future of our children, the future of humanity, because we *are* the environment where we live. And if we do not take special care of it, we cannot save ourselves, we cannot save beauty. "I think having land and not ruining it is the most beautiful art," said Andy Warhol. That's why we always ask ourselves if we're doing the best thing, whether it's possible for us to be more delicate, more respectful, and still reach the same results. By asking ourselves these very questions, we have transformed the world around us. We questioned our choices, our processes, the rules, and the established ways of doing things. And this immense endeavour brought us to B Corp certification in 2016. We are proud of this recognition, because it was a reward for our work – but it also showed us what our next steps had to be. With new eyes, we looked at ourselves, we stripped ourselves bare, and faced the substance of what we are and what we want to embody. We realised that the level of sustainability we had reached wasn't enough, that it could still be perfected, that every decision is part of a puzzle, part of a larger design for the greater good. And that this was the goal we wanted to reach. This new awareness made us understand that if we wanted to grow, it was necessary and only natural to want to communicate this perfectibility objectively and transparently, to tell our stakeholders about what we do, what we dream of, what results we've achieved, where we've failed, and what impact our production has on the environment. Because after every step we have taken, after every discovery we have made, we have been sure that sustainability cannot exist without transparency. Without transparency there can be no beauty.

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FREEDOM, ACCOUNTABILITY, TRANSPARENCY

The profound awareness of the intense interdependence between the private realm and the professional realm, between community and the planet is well-known, and this understanding guides Davines in all its choices every day.

In our realm, Davines as a B Corp, the Davines Village itself, and our botanical research garden that opened in 2019 and is still in its infancy are concrete proof of this.

As is only right and proper, Davines strives every day to work on the details and on the universal, from looking through the microscope to looking through the telescope.

We are trying to push even harder on the frontier for sustainability and overall cosmetic performance. It can get even better because we believe in it, because there's a greater capacity for innovation due to the culture of action that we have been nurturing, and that we have to strengthen together with our whole community. On a universal plane, the growing environmental and social crises (opportunities) awaiting us in the near future have made issues such as happiness (eudaimonia) and well-being in the world become ever more fundamental for our work.

And so, while Davines continues to grow and develop, we are no longer only interested in the "how much". It's the "how" that grabs our interest more and more. The "how much" for Davines is always secondary to the "how".

Enjoy reading.

Davines Group President
Davide Bollati



OUR PURPOSE

TO BE THE BEST
FOR THE WORLD,
CREATORS OF GOOD LIFE
FOR ALL, THROUGH BEAUTY,
ETHICS AND SUSTAINABILITY.

Four years ago, we decided it was our responsibility to be accountable for our company's sustainability performance. Since then, experience and research have taught us a lot.

It is through experience that one realizes how much effort is necessary in order to constantly raise the bar for sustainability, both for the company itself and for our business sector in general. Experience also shows us how bumpy the road is, made up of steps forward but also filled with obstacles and mistakes – which lead us to be even more determined to overcome them.

Research, on the other hand, helps us discover things that we didn't even know existed, or discover things we studiously avoided looking at, one way or the other.

In fact, this happens to each and every one of us in our daily lives.

Why? Sometimes the information isn't available or it's hard to get access to because the ones who hold the information do their utmost to keep it hidden. Sometimes, to keep life from getting too uncomfortable, we ourselves are guilty for preferring to keep our eyes squeezed shut.

The research we conducted, and the experience we gained have inspired us to keep our eyes wide open. And we've realised how much work there still is to do. Most of all, we have to work on ourselves, but we also want to work alongside those who are most important to us, our clients, and anyone else who wishes to follow this road with us.

This stance has led us to not accept what is commonplace either for the company or for our business sector, and to delve more deeply into understanding what our real impact is on the things that surround us.

As a result, we recognise how important it is to measure the impact of our actions by using objective criteria, and consequently we have adopted sophisticated and comprehensive work tools in order to continually enrich our understanding.

As an example, we knew that our ingredients were both safe and effective, but the objective criteria approach helped us discover that we didn't know enough about the provenance of our ingredients.

Another example is that we discovered it was possible to use plastic with a much lower environmental impact during the production phase.

Yet another was that we had to admit we didn't know enough about the extent to which our waste was actually being recycled or recovered.

Still another discovery was that the commonly recognised criteria for defining "naturalness" is not entirely transparent and can certainly be improved.

Transparency. It is the key word that has become ever more important as we've gone down this path. It has come to the point that we have understood that you can't raise the sustainability bar without also increasing transparency. It is with both pride and humility that we present this report to you as proof of our belief in transparency.

Chief Executive Officer and General Director
Paolo Braguzzi



THE DAVINES GROUP

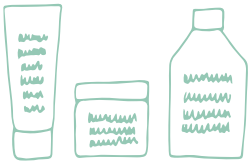
AN OVERVIEW OF OUR BUSINESS

KEY NUMBERS 2018

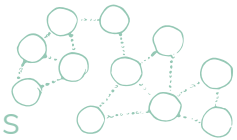
35 years in business



3 brands



11 companies



7 offices around the world

PARMA



LONDON



NEW YORK



PARIS



DEVENTER



MEXICO CITY



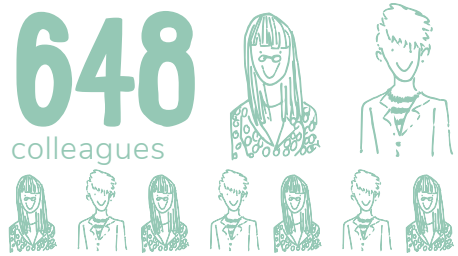
HONG KONG



present in **89** countries with 34,000 + clients



648 colleagues



from **38** different countries



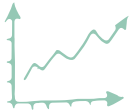
73 new formulations



99 B Corp score



+16.2% increase in turnover compared to 2017

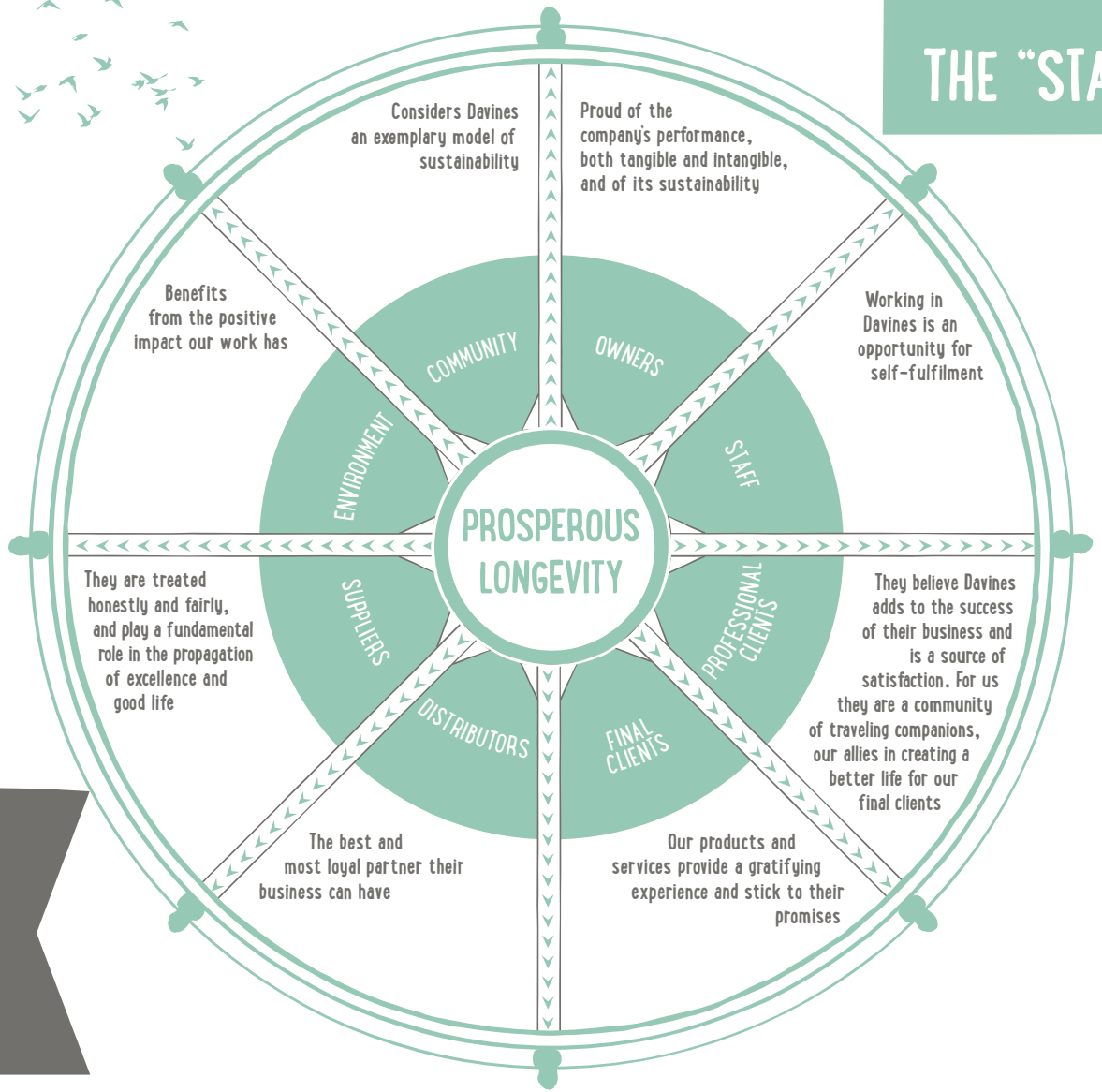


25 million units sold



THE "STAKEHOLDER WHEEL"





In Davines, we work every day to ensure the "prosperous longevity" of the company through a concrete commitment to all those who are directly or indirectly involved in the company's work – our stakeholders.
The "Stakeholder Wheel" is an overview of our commitment to our stakeholders.

Our commitments

Our stakeholders

THE DAVINES GROUP MILESTONES

1983
The **Bollati family** founds a cosmetics laboratory to create formulations and do production for third parties.

1992
The company decides to concentrate on producing and distributing under the **Davines** brand.

1994
International distribution starts.

1996
The **[comfort zone]** brand is born.

2003
Herzog & De Meuron designs the **Davines** stand.

2004
The **New York** branch opens.

2005
The **"Carta Etica"**(1) is written.

2006
The **Paris** branch opens.

The Parma office starts to use electricity from **renewable sources**.

The first **CO_2 equivalent (CO_2e) offset** project starts.

2007
The **Mexico City** and **London** branches open.

The **"Sustainable Beauty Manifesto"** (2) is written.

2008
Shigeru Ban designs the **Davines** stand.

2009
The **"Charter for Sustainable Research"** is written.

"Sustainable Beauty Day" - first edition.

2011
The **"Charter for Packaging Research"** is written.

2012
The **[comfort zone]** Scientific Committee is born.

Publication of the book, *Skin Regimen. Health, Beauty, and Longevity.*

2013
The **Netherlands**, **Germany**, and **Belgium** branches open.

2014
"I Sustain Beauty" - first edition.

Partnership with the **Slow Food** organisation begins.

2015
[comfort zone] adopts the new philosophy to formulation, **"Science Based Conscious Formulas ™"**(3).

Matteo Thun designs the **Davines Village**.

2016
The **Hong Kong** branch opens.

The building of the **Davines Village** begins.

The group is certified as a **B Corporation**.

2017
Matteo Thun designs the **Davines** stand.

The Parma offices and manufacturing facilities become **carbon neutral**.

2018
The **Davines Village** opens.

The **/skin regimen/** line becomes its own independent brand.

The **"Davines 'Carta Etica', the New Blooming"** is presented

All our product packaging becomes **carbon neutral**.

2019
Inauguration of the **gardens** in the **Davines Village**.

The **2019 "World Wide Hair Tour"** is the first Davines carbon neutral event.

"a single shampoo" is launched entirely carbon neutral. This project is a symbol to our dedication.

(1) "Carta Etica"
We fully support the set of fundamental values that our employees drew up for the best possible work-life quality.

(2) "Sustainable Beauty Manifesto"
By creating beauty sustainably, we want to encourage people to take care of themselves, the world they live in, and the things they love.

(3) [comfort zone] an integrated approach and philosophy to formulation
We create scientifically advanced solutions so that products, treatments, and advice on lifestyle fully complement one another. Our priority is to use ingredients from natural sources and have innovative delivery systems.

OUR BRANDS

[comfort zone]

SKIN SCIENCE SOUL

Our mission is to cultivate beauty within and around us and to promote a conscious lifestyle.

We improve skin, body and mind through sustainable, science-based solutions and unique experiences, while caring for the people and the planet.



davines

sustainable beauty

At Davines, a brand dedicated to the professional hair care market, we believe that living a balance of Beauty and Sustainability, what we call “Sustainable Beauty”, can improve our lives and the world around us.



/skin regimen/

modern plant chemistry™

/skin regimen/ empowers your best self in today’s world, through clean plant chemistry, professional expertise and scientific wellness inspiration.



OUR COMMITMENT
WE CONTRIBUTE TO SDGs

In 2015, UN member countries adopted Agenda 2030, a common sustainable development plan containing 17 objectives, called Sustainable Development Goals (SDGs), to be reached by 2030 through the involvement of governments, businesses, and individuals. In 2016, the Davines Group responded to this appeal. Since then, Davines has shown the concrete results of its contributions through its annual "Sustainability Report".

In 2018, the company set itself a harder challenge by not only committing itself to reaching the SDGs, but also to sharing them with its colleagues and stakeholders. The publication of its book, *An Extraordinary Manual to Make the World a Better Place*, a collection of 124 ideas to promote the application of SDGs in hair salons, is a concrete support for those who want to improve the world through their work. In a further effort to share the importance of SDGs, the company also organised internal workshops for colleagues and external workshops for B Corp companies.

The Davines Group has always challenged itself to find new ways to graphically represent SDGs in order to fuel thoughts and discussion. The graphic* below is inspired by Eastern philosophies and offers a way to holistically reflect on sustainable development objectives. We are fascinated by the Bhutan government's ideology of Gross National Happiness, and we love to think of happiness as the balance between three realms: the harmony of people with people, the harmony of people with nature, and the harmony of people with the spiritual*.

Davines 2019 SDG objectives

Davines 2018 SDG objectives and results



*CREDITS: "Happiness SDG Pyramid" United In Diversity Creative Campus @Kura Kura Bali. All rights reserved.

SOME OF OUR WORK RELATED TO SDGs:

SDG	PROJECTS
3	**"WEL-FAIR" IN THE COMPANY** Guarantee integrated services aimed at overall well-being for all colleagues in Parma and at the foreign branches: health, work-life balance, workplace, and personal/professional growth.
5	**LEADERSHIP OPPORTUNITIES** Ensure inclusion and equal opportunities for women and men at all levels in the company, so that genders are well represented among managers, both in the Parma office and in its foreign branches.
8	**EXTERNAL SOCIAL COOPERATIVES PACKAGE OUR PRODUCTS** Progressively increase the share of contract work outsourced to social cooperatives in order to ensure employment for less advantaged sections of the population.
10	**INCLUSIVENESS TRAINING** Steadily increase the number of people involved in company inclusiveness training to ensure a work environment that is free from prejudice.
11	**COMMUNITY PROJECTS** Strengthen our commitment to protect cultural and natural heritage, both internationally and locally, with projects such as "I Sustain Beauty", "Parma io ci sto", and the "Km Verde".
12	**WASTE MANAGEMENT** Develop best practices in the Davines Village for reducing waste, as well as recycling and reuse.
12	**REDUCE PLASTIC USAGE** Steadily reduce the amount of plastic in company packaging by continually analysing currently used packaging, in line with our "Charter for Packaging Research".
12	**LCA AND SLCA ANALYSES** Analyse the impact of our products throughout the value chain, both in terms of quality and quantity.

SDG	PROJECTS
13	**CARBON NEUTRAL MANUFACTURING FACILITIES** Have a carbon neutral manufacturing facility through CO_2 equivalent (CO_2e) emissions mitigation, making a commitment to reduce emissions at the source and offset the remaining CO_2e.
13	**OFFSET PACKAGING CO_2e EMISSIONS** Offset emissions caused by the production of all our packaging, for all the Davines Group brands.
14	**PROTECT THE SEA** Promote projects and initiatives aimed at protecting and cleaning the ocean.
15	**SUPPORT FOR THE CREATION OF SLOW FOOD *PRESIDI*** Use Slow Food certified raw materials and create new Presidi that protect biodiversity and from which to obtain ingredients that can be used in our formulations.
17	**ENCOURAGE SUPPLIERS TO ADHERE TO SUSTAINABILITY** Spread good social and environmental sustainability practices among our suppliers, and increase those who practice it. Focus particularly on renewable energy and B Corp certification.
12 13 14 15	**DEVELOP A PRODUCT THAT IS SYMBOLIC OF SUSTAINABILITY** Develop a product with extremely high sustainability characteristics, both in terms of natural ingredients and of low packaging environmental impact.
3 11 13 17	**CREATE A GREEN BARRIER AGAINST POLLUTION** Encourage involvement of public institutions and companies with property in Parma that runs along the Autostrada del Sole highway to create the "Km verde ", a thick belt of wooded landscape that protects the city from fine particle pollution caused by transiting vehicles.

OUR COMMITMENT
LIFE AT THE VILLAGE

Inaugurated in July 2018, the Davines Village is more than a new main office for the company, it is a focal point in life where you can work, learn, be inspired, experiment, and welcome those who come to visit. Beauty inspired this architectural project, as did sustainability and well-being. This beauty permeates through those who populate the Village, and it inspires their thoughts and relationships as well. At the Davines Village, ideas are born and the dreams that give life to our projects take shape – this is where we acquire our skills, where those special interactions between people happen, where these same people share in creating a genuine environment, and where we would like everyone to feel at home.

WORKING AT THE DAVINES VILLAGE

The Davines Village was designed to save resources and optimise them. Of course, for the Davines Village to best express its sustainability potential, it needs the people who populate it to be involved on a daily basis. This is why we created the "Guide to Sustainability", a manual that attests to the company's commitment to its stakeholders. The guide is particularly a commitment to the internal stakeholders, but at the same time it also seeks to engage our colleagues and elevate them so that they are the main actors for change. By guiding daily choices and actions, the manual aspires to making the workplace a stage for the best of environmental practices.



LEARNING AT THE DAVINES VILLAGE

The Davines Village is a place for discussion, for the birth of new ideas: every day there are secondary school and university students, as well as hairstylists and skin care specialists who attend the Academy to enrich themselves professionally. At Davines, training is designed to offer inspiring, unique, and personalised experiences, as well as opportunities reserved for emerging stylists. [comfort zone], on the other hand, focuses training on an integrated mind, body, soul approach which unites the technical aspects with the personal growth of the beauty therapist – leading to projects such as "Beauty Reloaded", which uses empathy for treating people with cancer.



VISITING THE DAVINES VILLAGE

Since it opened in 2018, the Davines Village has been visited by more than 10,500 people from 71 countries around the world: clients, but also students, colleagues' families, individuals, companies, and local associations. Each visitor gives us the opportunity to transparently show and reaffirm who we are, how we work, and why we do it. There are three different routes we can take visitors on. One of them is "Romance in Parma", which includes a visit to the Davines Village and participation in regional and educational activities. The goal is to share not only our company values, but also the soul of the region where we work and live.



FEELING INSPIRATION AT THE DAVINES VILLAGE

In our company culture, we believe in openness toward others, discussion, and nurturing ideas that enrich us, and the Davines Village is where this vision comes to life. Throughout the year, the Parma office hosts conferences, dinners, parties, "open factory" days, and workshops. The topics are conducive to reflection, and range from the Bhutan Study Centre representative, who speaks about "gross national happiness", to the Philosopher of Patagonia, who illustrates how the company takes action to save the world, to the Google Italy CEO, who explains how artificial intelligence influences our lives.



EXPERIMENTING AT THE DAVINES VILLAGE

The 36,000 m^2 Davines Village garden is an "open-air laboratory" where researchers go to collect samples in order to test natural ingredients for use in formulations. The scientific garden contains about 6,000 plants, including aromatic herbs, medicinal herbs, fragrant plants, and plants for dyeing. The greenhouse is temperature and humidity controlled, and broadens the botanical species available because it can hold plants that are typical of temperate, humid tropical, and dry tropical zones. Our arboretum is a tribute to how we celebrate the multicultural world because it is made up of trees that are typical of the countries where we distribute our products.





THE VALUE OF BEING A B CORP

Since our very beginnings, sustainability has constantly been in the back of our minds, an insistent and ever louder whisper over time, until it has become a central theme in our company strategy. Today, sustainable development is part of our daily lives, and our challenge now is to become the best **"for"** the world. The selection of our projects listed below is testimony of what happens when one is curious, has the desire to get involved, undertake a journey, and come back enriched by the things one has shared with others. After all, sustainable development can only be done together.

ETHIOTREES

Stakeholders

Distributors and professional clients.

Results

Increased biodiversity and plant cover in the Ethiopian northern plateau.

Indirect impact on 13,600 inhabitants in the communities involved.

10,000 certified carbon credits generated, equivalent to 10,000 tons of CO_2 equivalent (CO_2e) sequestered.

Emissions offset from:

- 100% of product packaging for the Group;
- Production site, Parma offices, and company branches which have now become carbon neutral;
- Entire product life cycle, starting with "a single shampoo";
- Company event: 2019 "World Wide Hair Tour".

To offset its CO_2e emissions, the Davines Group decided to support the non-profit organisation, EthioTrees, with a project to regenerate Ethiopian soil and forests as well as to help local farming communities gain access to drinking water. This project is exclusive to the Davines group and brings about a wide range of benefits: it restores the forest ecosystem, improves the conservation of water resources, facilitates agriculture and boosts the local economy by supporting bee-keeping and incense extraction. The Davines Group decided to work on a project in this part of the world that is at risk of desertification because it has enormous potential in terms of restoring the environmental ecosystem and enhancing social development, and whole world benefits as a result.



THE VALUE OF BEING A B CORP

A SINGLE SHAMPOO



Stakeholders

Professional clients and final clients.

Results

95% natural origin ingredients, calculated using the Davines method – much more restrictive than the one normally used.

98.2% biodegradable ingredients.

100% natural active ingredients.

100% natural scent, created with essential oils.

100% carbon neutral: the CO_2 equivalent emissions (CO_2e) of the entire product life cycle are offset.

Bio-based plastic packaging designed to use less plastic than the market average.

"a single shampoo" comes from the awareness that "doing one's best" for sustainability is no longer enough. That's why in 2015 Davines decided to raise the bar once again and set new sustainability standards in the beauty industry by creating the most sustainable shampoo ever: "a single shampoo". The result of four years of research and 262 different formulations, it is under constant evolution and can still be perfected. This shampoo was created to offer professional quality and at the same time satisfy "Strategic Life Cycle Assessment" principles. SLCA is a tool used to objectively and transparently measure the generated impact over the life cycle of the product, on natural resources, on the environment, and on society. To date, "a single shampoo" is the product that most perfectly represents Davines values and research.

DO WE WANT PLASTIC FROM THE MEDITERRANEAN ON OUR PLATES?



Stakeholders

Community of Italian B Corps.

Results

29 certified B Corp companies involved.

13 business sectors involved.

53 participants already at round tables.

The Davines Group won the "B Corp Italy 2019 Impact Project" competition which challenged the B Corps in Italy to design a project with a substantive impact that they could all work on together. "Do We Want Plastic from the Mediterranean on Our Plates?" was proposed by Davines and will be started in 2019. The aim is to preserve marine life and our health by removing as much plastic as possible from one or more floating plastic garbage patches in the Mediterranean. The project is ambitious and symbolic: it is the first in the world to involve the whole B Corp community of an entire country. Operations are guided by Davines, and began with the creation of round tables to discuss the most critical areas for getting the project under way.

I SUSTAIN BEAUTY

Stakeholders

Distributors, professional clients, final clients.

Results

240 projects started around the world since 2014 with the goal of supporting and spreading beauty.



"I Sustain Beauty" is the Davines Group campaign that was launched in 2014 to support beauty: it is a commitment and an invitation for projects to be spawned in the social, artistic, and environmental worlds. Now in its fourth year, Davines has launched one single call for ideas to the entire community, called "Adopt a Place". The project invitation is for every country to save a place, to restore it to its original splendour, whether it be a physical landscape, a place of the soul, or a place in collective memory. Those projects that have been launched will be able to restore something in the country's physical heritage, cultural heritage, traditions, or preserve natural resources. "I Sustain Beauty" is an encouragement to bring one's own positive impact to the world, each according to his or her own abilities and sensibilities, with an approach that is interdependent and reciprocal, in perfect alignment with B Corp values.

SUSTAINABLE SALON PROGRAMME

Stakeholders

Professional clients.

Results

Creation of a sustainability certification for hair salons that is accredited by an external organisation.

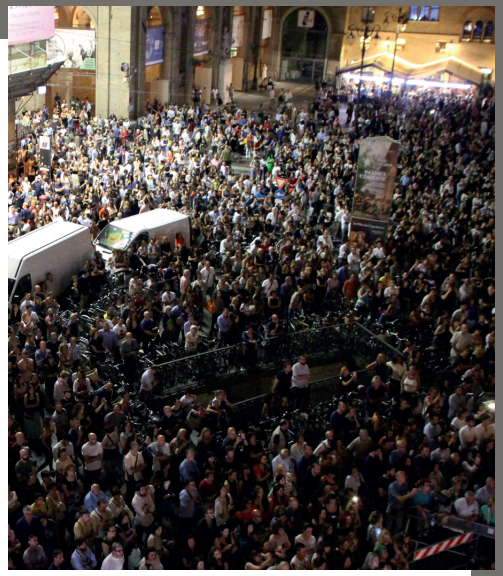
SUSTAINABLE SALON

davines

The "Sustainable Salon Programme" certification was created for hair salons that wish to increase their environmental and social sustainability. Launched by Davines in 2019, it is an international project that offers hairstylists the chance to measure their sustainability, become aware of their strengths and areas for improvement, and direct their actions accordingly. The programme was designed specifically for hair salons and the goal is for them to get accreditation, which they achieve when they reach a minimum score of 50 out of 100. Davines supports members in achieving this threshold by offering special webinars and courses, and has an annual award ceremony in recognition of the best salons.

THE VALUE OF BEING A B CORP

THE NIGHT OF THE THIRD DAY



Stakeholders

Distributors, professional clients, final clients, individuals, and private and public organisations.

Results

30,000 participants, including 1,500 guests and Davines colleagues.

€ 43,500 invested by the Davines Group

1000+ visitors to the “The Third Day” exhibition.

1 evening of events donated to the city of Parma.

“The Third Day” exhibition, dedicated to the relationship between man and nature, was magically interpreted into an evening event held all around Parma on May 26th, 2018. This event, “The Night of the Third Day”, was a gift from the Davines Group to the city’s residents and visitors and was coordinated together with city hall. It was an evening of celebration, made up of events spread around the downtown area that was conceptually devised as a visual and dreamlike route around the city, filled with performing arts, screenings, and concerts. The downtown area became a natural stage allowing people the chance to explore unusual places that are usually closed to the public. The attractiveness of the city was expressed on many different levels through cultural activities, music, performing arts, its businesses, and options to enjoy food and wine.

PARMA 2020: CULTURE SETS THE BEAT

Proposal of a Complementary Strategic Plan to the Parma 2020 Candidacy Dossier



Stakeholders

Individuals, public and private organisations, distributors, professional clients, final clients.

Results

Parma “Italian Capital for Culture” for one year.

Thanks to a remarkable public-private partnership, Parma was designated “Italian Capital for Culture” for 2020. The Davines Group was actively involved in the programme and will participate in launching an international summit to delve into the climate and environment emergencies and the need to overcome GDP as the only tool for assessing growth. Also, Davines will play the main role for two official calls aimed at private individuals. One will be “Open Companies”, that focuses on rediscovering the importance of the chemical and pharmaceutical sectors in the region through archival research, publications, and the creation of an unusual tourist itinerary. The second project will be “Creative Driven Companies”, which is currently under development and has the goal of promoting creativity driven entrepreneurship.

A TREE OF YOU



Stakeholders

Web users.

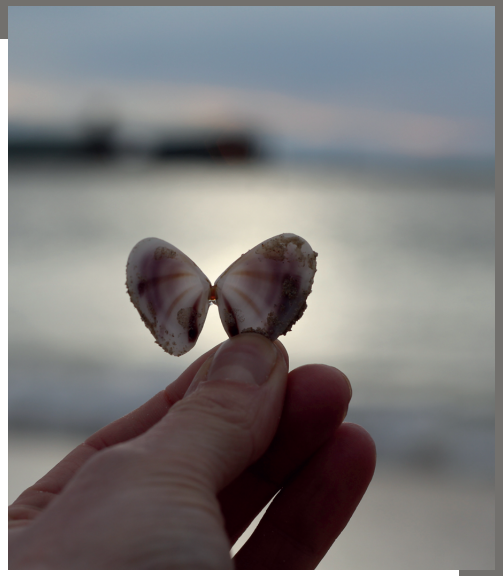
Results

500 pomegranate trees planted in Sicily.

1,250+ users involved.

"A Tree of You" is a Davines project dedicated to the environment that also has social implications. This project transforms a virtual game into concrete actions that protect the heritage of our forests. Users can create their own personalised virtual tree on the atreeofyou.com website; the tree is then planted in the real world thanks to the partnership with Treedom. The virtual trees that have been generated since September 2018 are now setting their roots in Sicily and will grow the help of the Carpe Diem Association – Together for Autism Charity: the work involved in planting the trees encourages socialisation among young people who have been diagnosed to have an Autism Spectrum Disorder.

TUTELIAMO IL MARE



Stakeholders

Professional clients, colleagues, and final clients.

Results

1,587 salons involved.

€ 33,946 donated to the Legambiente association for "TARTALOVE".

33,946 final clients made aware of how important it is to protect the Mediterranean and sea turtles.

124 participants, made up of Davines colleagues, family members, and suppliers, who are involved in volunteer work on Palmaria Island (SP) and in the Parma River bed.

The Davines "TuteliAMO il mare" project was born in 2018 to stem ocean pollution and promote awareness. Together with Legambiente, action will be taken on three different fronts. On the first front, Davines colleagues will offer two days of volunteer work to clean beaches and waterways; the second is an invitation for salons and their clients to participate in days devoted to "Clean Beaches and the Seabed"; and the third front is the "TARTALOVE" fundraiser for the protection of sea turtles. In 2019, "TuteliAMO il Mare" will focus on the importance of rivers, which function like conveyors belts to bring waste to the sea. As a result, "TuteliAMO il Mare" is supporting an experimental project full of innovative content that is called, "Il Po d'AMare". This project is promoted by the Sustainable Development Foundation, Castalia, and Corepla, and is institutionally coordinated by the Po River Basin Authority.

TuteliAMO il mare: Loving and Caring for the Sea - TARTALOVE: Turtle Love - Il Po d'Amare: Loving the Po River

THE VALUE OF BEING A B CORP

FOOD FOR CHANGE



Stakeholders

Professional clients and final clients.

Results

20,000 *Put Biodiversity on the Table* cookbooks distributed.

€ 10,000 donated to the Slow Food Foundation for Biodiversity.

Climate change can also be fought at the table. So Davines created the "Food for Change" project together with the non-profit Slow Food Association. This project promotes food awareness and offers concrete solutions through a cookbook which is based on four simple principles: eat food that's in season, eat less meat, buy food that's grown locally, and reduce food waste by using leftovers. In March 2019, participating hair salons presented the cookbook to those clients who decided to contribute to the biodiversity protection campaign.

NORWAY PARTNER PROJECT
WAVE OF CHANGE



Stakeholders

Norway distributor, professional clients, and final clients.

Results

€ 4,300 donated to Nordic Ocean Watch to combat ocean pollution in Scandinavia.

50 salons involved.

"Wave of Change" was born out of an idea from the Davines distributor in Norway to create awareness of B Corp values and raise awareness about ocean pollution. The project was developed together with Nordic Ocean Watch, an environmental collective that cares for the ocean with concrete actions. Since November 2018, participating salons and their clients have been involved in two different ways: they have made donations toward cleaning the ocean, and they have organised concrete work to remove trash from beaches, parks, and cities.

SWEDEN PROJECT PARTNER

BEE THE CHANGE

Stakeholders

Sweden distributor, professional clients, and final clients.

Results

150 salons involved.

€ 16,000 donated to the Beeurban Association to plant flowers that are ideal for bee nutrition.

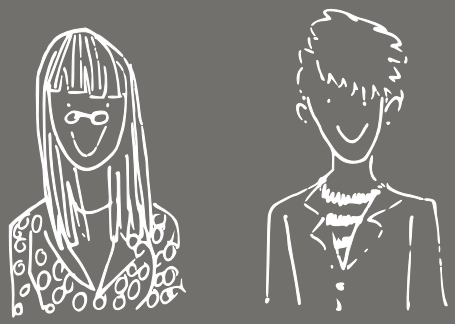
1,000+ final clients made aware of the importance of bees around the world.

Our Davines distributor in Sweden is a certified B Corp and in 2017 was inspired by the "I Sustain Beauty" project to start a partnership with a non-profit organisation, Beeurban. This organisation works to protect biodiversity in urban areas and to spread awareness about the importance of bees for pollination and the need to preserve the planet's equilibrium. Thanks to the involvement of the hair salons in Sweden, it was possible to launch two different fundraising projects. The first involved the opportunity for clients in participating salons to purchase "flowerbombs": when thrown onto the ground, these biodegradable spheres release seeds for flowers that bees particularly like. The second gave clients the chance to buy a cookbook full of tasty culinary delights based on honey. The entire proceeds were donated to Beeurban.





PEOPLE, PLANET, COMMUNITY



PEOPLE





PLANET

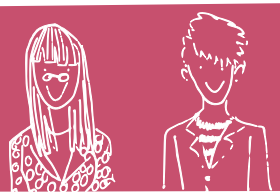




COMMUNITY







OUR PERFORMANCE
PEOPLE

Our practices are aimed at encouraging a positive social environment, and are dedicated to our colleagues all around the world.

2018 RESULTS

IMPROVE LIFE QUALITY AT WORK FOR ALL OUR COLLEAGUES BY PROVIDING SERVICES THAT SUPPORT THEIR WELL-BEING

When the Davines Village opened in 2018, Davines launched many different services designed to improve well-being for our colleagues in the company.

Among the most important: the **company restaurant**, which offers free meals that are healthy and prepared with high quality ingredients; the creation **new agreements with purveyors of personal services** to simplify the management of personal needs for our colleagues, such as having medicines delivered to the company, or having organic local products delivered from the Stuard organic farm; and the chance to take **gymnastics courses** inside the company in order to enrich balanced mental and physical health.

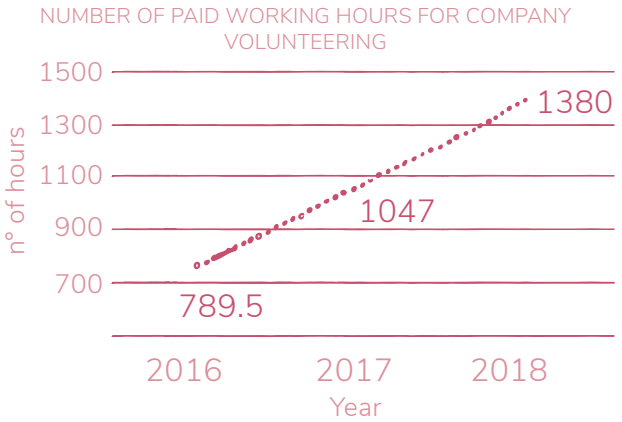
63.2% OF PARMA OFFICE EXECUTIVES AND TOP LEVEL MANAGERS AT THE BRANCH OFFICES HAVE OBJECTIVES THAT ARE LINKED TO SUSTAINABILITY

The 60% target was reached as a result of defining a **sustainability-related common goal** for a part of top company management, both at the Parma office and in the foreign branches. This choice was made to ensure that the decisions makers in the company fully understand that sustainability is a key indicator to be measured, at the same level of importance as turnover and profitability.

UP TO 4 SMART WORKING DAYS PER MONTH OF FOR ALL COLLEAGUES WHO WISH TO TAKE THEM AND WHOSE JOB TYPES ALLOW THEM TO DO SO

Since the Davines Village opened in July 2018, all colleagues with jobs that allow them to work at home can take 4 “smart working” days per month. This means they can **work remotely from anywhere**, as long as they have a good enough internet connection to be able to access the company network and it’s possible to work effectively with their colleagues. “smart working” was implemented as a part of the values in the “Davines ‘Carta Etica’, the New Blooming” and is a company investment in placing more **trust** in colleagues and **empowering them with responsibility**. One year after its implementation, we’ve discovered that the results are more than positive for both the company and its colleagues, in terms of reducing CO_2 equivalent emissions (CO_2e), of greater work quality, and of a better work-life balance.

+31.8% PAID WORKING HOURS FOR COMPANY VOLUNTEERING



The 2018 target of +20% paid working hours for volunteer work was surpassed by a large margin due to the implementation of many internal and external volunteering initiatives. For volunteer work done outside the company, Davines colleagues could choose to do **environmental work or social work**, or choose the **new 2018 category, cultural work** – by working on the “The Third Day” exhibition at the Palazzo del Governatore in Parma. Within the company, colleagues could take part in **“Solidalmente”** through launching fundraising and initiatives by using recovered imperfect products with minor flaws.

objective reached / project achieved within the established timeframe

objective not reached / project not achieved within the established timeframe

Group data

Parma office data

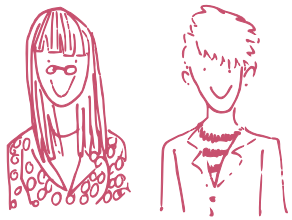
SUSTAINABLE DEVELOPMENT GOALS FOR THIS AREA



2018: OTHER FACTS AND NUMBERS

WHO OUR 648 COLLEAGUES ARE

62% WOMEN



38% MEN

201 NON-ITALIANS

40 AVERAGE AGE

3 AVERAGE NUMBER OF YEARS IN COMPANY

HOW WE TRANSLATE OUR VALUES INTO WORK



98% COLLEAGUES IN NON-MANAGERIAL ROLES WHO HAVE HAD PERFORMANCE BONUSES



75% COLLEAGUES WHO HAVE ACCESS TO OUR WELL-BEING PLATFORM, "DAVINES CARE"



44% MANAGERIAL ROLES HELD BY WOMEN



16.8 AVERAGE NUMBER OF TRAINING HOURS PER YEAR FOR EACH COLLEAGUE

2019 OBJECTIVES



80% OF THE PARMA OFFICE EXECUTIVES AND TOP LEVEL MANAGERS AT THE BRANCH OFFICES WITH SUSTAINABILITY-LINKED OBJECTIVES



100% INCREASE IN FINANCIAL SUPPORT DURING THE OPTIONAL MATERNITY LEAVE PERIOD AND IN THE NUMBER OF PATERNITY LEAVE DAYS (IN ADDITION TO LEGALLY MANDATED LEAVE)



30% OF NEW "NON-ENTRY LEVEL" POSITIONS HELD BY INTERNAL STAFF AS A RESULT OF JOB ROTATION



ELIMINATE TIME CARD PUNCHING FOR PRODUCTION AND PACKAGING STAFF – THE COMPANY IS NOW FREE OF TIME CARDS



INTRODUCE A 360° ASSESSMENT FOR PARMA OFFICE EXECUTIVES AND TOP LEVEL MANAGERS AT THE BRANCH OFFICES

OUR PERFORMANCE
PLANET

We measure our impact for the whole manufacturing process – our goal is to create products with a positive environmental impact.

2018 RESULTS

LAUNCH A PROJECT TO PROTECT WATER RESOURCES, PARTICULARLY THE SEA

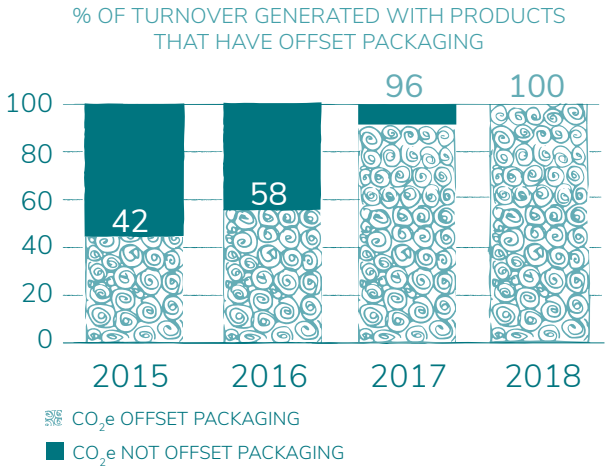
We reached our objective by starting 2 projects. **"TuteliAMO il mare"** is the Davines Italia project that has sensitised 33,946 final clients on the importance of protecting the Mediterranean and of protecting sea turtles. **"Do we want plastic from the Mediterranean on our plates?"** is an appeal to take action that was launched by the Davines Group at the Italian B Corp Summit. It was chosen as the best positive community impact project and will be launched in 2019. The goal will be to remove one or more plastic garbage patches from the Mediterranean.

NO DISPOSABLE PLASTIC ITEMS IN THE DAVINES VILLAGE

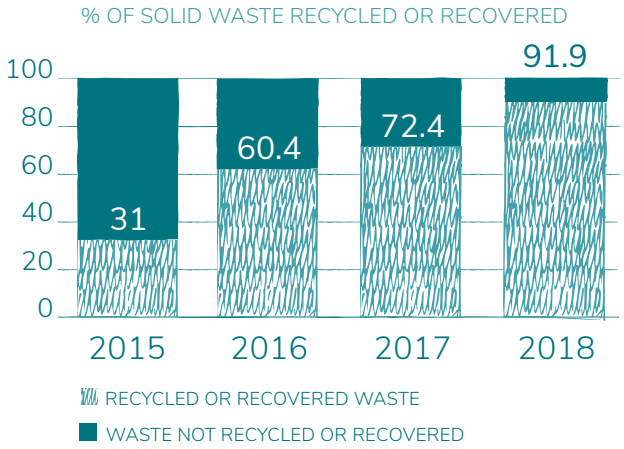
There are no disposable plastic items at the Davines Village. Plastic glasses, cutlery, and water bottles have been replaced by **glass**, **porcelain**, and **steel**, and all colleagues have been provided with water flasks to use for the filtered tap water. Also, Davines has tried to eliminate all other indirect sources that generate disposable plastic items: the vending machines have been replaced by **fresh snacks that have no packaging**, and there are no disposable capsules for tea, coffee, or other beverages.

100% OF TURNOVER IS GENERATED FROM PRODUCTS THAT HAVE CO_2e OFFSET PACKAGING

We are very proud to announce that we fully achieved our established objective. **Since 2018, the Davines Group can happily say that all the packaging of its products, from all brands, are 100% offset**. This success is the result of a long-term commitment that started in 2006 with the Essential Haircare line, and was significantly strengthened in 2016 with the company decision to offset packaging for an increasing number of product lines. Now, new offset challenges are opening up on the horizon for the Davines Group.



91.9% OF SOLID WASTE IS RECYCLED OR RECOVERED, INCLUDING THE USE OF THE EXEMPLARY WASTE-TO-ENERGY PROCESS



The 95% target was not achieved in 2018 because our move to the new location led to the disposal of an extraordinary quantity of certain types of waste which, unfortunately, could not be recycled or sent through the waste-to-energy process. This incident was a **learning experience for the Davines Group** and has nourished our intention to avoid generating this type of waste in the future.

objective reached / project achieved within the established timeframe

obiettivo non raggiunto / progetto non realizzato nelle tempistiche fissate

Reduce, Reuse, Recycle project

Group data

Parma office data

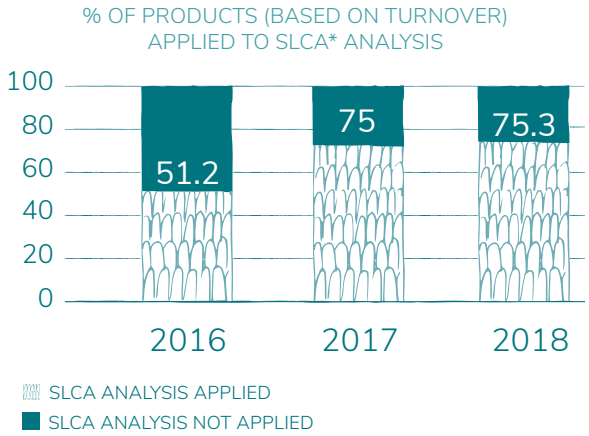
SUSTAINABLE DEVELOPMENT GOALS FOR THIS AREA



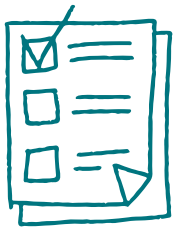
2018: OTHER FACTS AND NUMBERS

THE OBJECTIVE IMPACT OF OUR PRODUCTS

SLCA



LCA



16.2% **OF PRODUCTS (BASED ON TURNOVER) APPLIED TO LCA***

Davines has chosen to measure the sustainability of its products at every life-cycle stage using two different assessment methods: the Strategic Life Cycle Assessment (SLCA), and the Life Cycle Assessment (LCA).

SLCA analysis is used to qualitatively evaluate product sustainability considering its impact on four principles of sustainability: natural resource extraction, production of man-made substances, degradation of nature by physical means, creation of barriers to keep humans from satisfying their needs.

LCA analysis, on the other hand, uses specific scientific standards to quantify the impact of a product on specific impact categories. Examples are the quantity of CO_2-equivalent emissions (CO_2e) into the atmosphere, and the acidification of water as a result of each phase of the product's life cycle.

* Data based on Davines S.p.A. turnover.

OUR NEW WAY TO CALCULATE THE NATURALNESS OF INGREDIENTS

Inspired by sustainability and transparency, the Davines Group decided in 2018 to create its own criteria for classifying natural ingredients. The new criteria specify that: no raw material can have any portion, no matter how small, that is synthetic in nature; and if the raw material is transformed, the processing must be sustainable.

The Davines Group classification criteria is therefore more restrictive than ISO 16128, because it states that an ingredient of natural origin can only be defined as such if 100% of its molecular structure is of natural origin. The ISO criteria, on the other hand, is contented with a naturalness classification that can be assigned if "at least 50%" of its molecular structure is of natural origin.

OUR PERFORMANCE
PLANET

2018: OTHER FACTS AND NUMBERS

OUR PRODUCTS ARE MADE UP OF



INGREDIENTS

% HIGHLY BIODEGRADABLE INGREDIENTS (OECD 301 METHOD, EC REGULATION 648/2004)



- HIGHLY BIODEGRADABLE INGREDIENTS
- INGREDIENTS THAT ARE NOT HIGHLY BIODEGRADABLE

% INGREDIENTS BY TYPE



- NATURAL INGREDIENTS, INCLUDING ORGANICALLY CERTIFIED
- MODIFIED NATURAL INGREDIENTS
- SYNTHETIC INGREDIENTS

WATER

THE CLOSED-LOOP COOLING SYSTEM IN THE MANUFACTURING FACILITIES ALLOWS WATER TO BE REUSED SEVERAL TIMES FOR THE SAME PROCESS

THE VILLAGE GARDEN IRRIGATION SYSTEM REUSES THE WATER FROM THE GEOTHERMAL HEATING AND COOLING SYSTEM

PACKAGING

59.5%

OF ALL PACKAGING (PRIMARY, SECONDARY, AND TERTIARY) IS MADE FROM RECYCLED MATERIALS

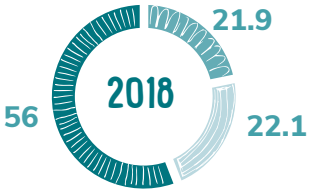
86.5%

OF PAPER AND CARDBOARD PACKAGING IS MADE FROM RECYCLED MATERIALS

44%

OF PLASTIC PACKAGING IS EITHER BIO-BASED OR RECYCLED

PLASTIC PACKAGING (PRIMARY, SECONDARY, AND TERTIARY)



- PACKAGING FROM VIRGIN PLASTIC
- PACKAGING FROM RECYCLED PLASTIC
- PACKAGING FROM BIO-BASED PLASTIC

ELECTRICITY

100%

RENEWABLE ELECTRICITY USED IN THE PARMA MANUFACTURING FACILITIES

71.4%

RENEWABLE ELECTRICITY USED IN THE GROUP'S FOREIGN BRANCHES

Reduce, Reuse, Recycle project Group data Parma office data

SUSTAINABLE DEVELOPMENT GOALS FOR THIS AREA



2018: OTHER FACTS AND NUMBERS

THE DAVINES GROUP OFFICES ARE CARBON NEUTRAL

OUR CARBON FOOTPRINT

Since 2006, the Davines Group has been mitigating and offsetting its CO_2e equivalent emissions (CO_2e). The Parma manufacturing facilities derive their **electricity from renewable sources**, and CO_2e emissions are offset for the packaging of the best-selling product families. In 2016, the company set objectives to increase the number of **company vehicles that are either hybrid, hybrid plug-in, or fully electric**. In 2017, the **company manufacturing facilities and the offices in Parma became carbon neutral** through the offsetting of all unmitigated CO_2e emissions. The opening of the Davines Village in 2018 brought about a significant turning point: we completely abandoned the use of fossil fuel gas, and replaced it with **bio-methane** and **geothermal energy**. **All Group offices became carbon neutral, and 100% of the emissions** resulting from manufacturing the packaging of all our products **were offset**.

The Greenhouse Gas Protocol classifies company greenhouse gas emissions (CO_2e) into three categories:

Scope 1
All CO_2e emissions deriving from the direct combustion of fossil fuels for heating and the company fleet of vehicles, as well as air conditioning fugitive emissions of refrigerant gases.

Scope 2
CO_2e emissions from the use of electricity. If electricity is produced from renewable sources, there are zero emissions.

Scope 3
These emissions are beyond the direct control of the company, such as those from company travel or the production of packaging.

The Davines Group emits a total of 5,201 tons of CO_2e. Here are the numbers subdivided by location:

	PARMA OFFICES AND MANUFACTURING FACILITIES ITALY	OFFICES FRANCE	OFFICES MEXICO	OFFICES NETHERLANDS	OFFICES UNITED KINGDOM	OFFICES UNITED STATES	OFFICES HONG KONG*
SCOPE 1 [tons CO_2e]	876.6	59.3	26.7	101.1	44.9	71.4	0.05
SCOPE 2 [tons CO_2e]	0	0	10.6	0	10.4	0	0.22
SCOPE 3 [ton CO_2e]	3999.7						

* Hong Kong branch opened in December 2018

2019 OBJECTIVES

OFFSET CO_2e EMISSIONS FOR OUR MAIN EVENTS SO THAT THEY BECOME CARBON NEUTRAL

OFFSET CO_2e EMISSIONS CREATED BY COLLEAGUE COMMUTING TO WORK

OFFSET ALL CO_2e EMISSIONS FROM ALL LINES ON WHICH WE HAVE APPLIED LCA ANALYSIS

OUR PERFORMANCE
COMMUNITY

We support the vitality and resilience of the local communities where we live and work, and this boosts our positive impact on the environment and people.

2018 RESULTS

ENCOURAGE B CORP CULTURE WITH OUR DISTRIBUTION AND SUPPLIER PARTNERS

Understanding the importance of interdependence has inspired the company to share B Corp culture with its partners, with the hope that an ever-increasing number of partners join us on the path toward a sustainable future.

This is why the number of our **meetings with our suppliers and distributors** have increased significantly so that we can provide them with information and encourage them to fill in the **B Impact Assessment**, the questionnaire that leads to B Corp certification. **In 2018, two of our partners were certified.** This is in addition to the two from the year before, and another four who are currently in the certification review phase.

ENCOURAGE OUR SUPPLIERS TO USE RENEWABLE ELECTRICITY

The use of electricity from renewable sources is one of the simplest sustainable actions that can be implemented. When suppliers express the desire to become a B Corp but at the moment cannot invest in the time, energy, and changes necessary, the Davines Group encourages them to opt for renewable electricity. This is an important sign of the direction that the company wishes to share with its suppliers. **In 2018, there were 112 Davines suppliers who used renewable electricity.**

INCREASE PROJECTS WITH A POSITIVE IMPACT AND THAT GIVE BACK TO THE REGION: SUPPORT FOR ENVIRONMENTAL, SOCIAL, AND CULTURAL SUSTAINABILITY

In 2018, the Davines Group generously supported environmental, social, and cultural sustainability in its region. **Investments doubled compared to 2017** and consequently the company was able to support local projects and involve Davines colleagues. The company sponsored projects that **resonated on a national and international level** were: "The Third Day ", "The Night of the Third Day ", the "Km verde", and the "Cittadella Music Festival" – all initiatives that contributed significantly to improving the region's appeal.

And that's not all. The company sponsored another **4 projects of major importance**, including the "Sustainable Development Festival" and the "Slowness Festival". Last but not least, Davines colleagues were involved in some of these projects and this led to excellent results: comparing the data for the same period, these initiatives **doubled the number of company volunteering hours**.

2018: OTHER FACTS AND NUMBERS

WE BELIEVE IN OTHERS: WE INVEST IN THEM ALL OVER THE WORLD

282
SUPPLIERS WHO WORK FOLLOWING A CODE OF CONDUCT

6
PARTNERS WHO HAVE BECOME B CORPS SINCE 2016 (SUPPLIERS, CLIENTS, AND DISTRIBUTORS)

4
PARTNERS CURRENTLY IN THE B CORP CERTIFICATION PHASE

€ 485,875
DONATED TO SOCIAL AND ENVIRONMENTAL CHARITY

63
SUPPORTED LOCAL ASSOCIATIONS BY US

470 m
FIRST PART OF THE KM VERDE PLANTED

objective reached / project achieved within the established timeframe

objective not reached / project not achieved within the established timeframe

Group data

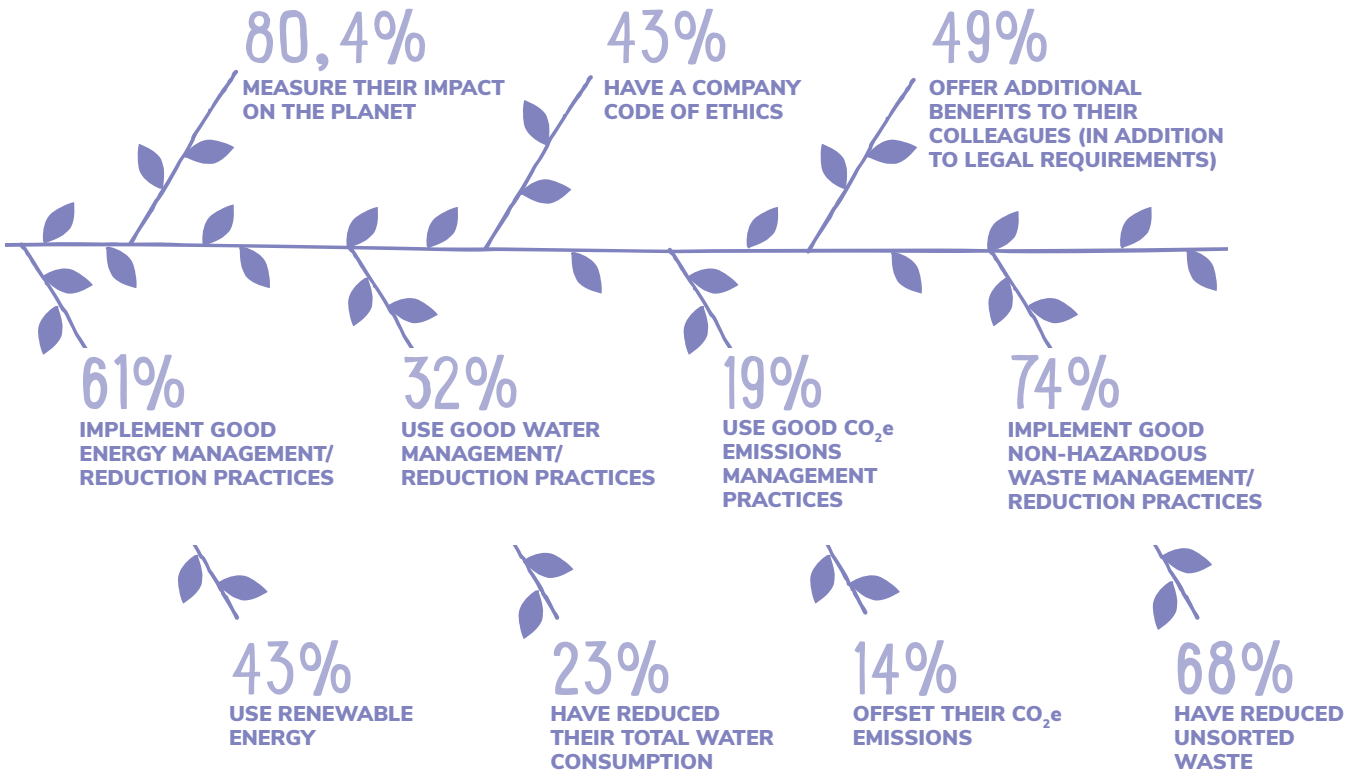
Parma office data

SUSTAINABLE DEVELOPMENT GOALS FOR THIS AREA



2018: OTHER FACTS AND NUMBERS

WE CHOOSE OUR SUPPLIERS BASED ON OUR VALUES



SOURCE: ANNUAL DAVINES SUPPLIER SURVEY, SUPPLIER DATA THAT IS EQUAL TO 70% OF THE VALUE OF OUR PURCHASES

OBIETTIVI 2019

ORGANISE A SUMMIT TO INCREASE THE SUSTAINABILITY OF OUR SUPPLIERS

TO GUIDE THE ITALIAN B CORP COMMUNITY 2019 IMPACT PROJECT: REMOVE A PLASTIC GARBAGE PATCH FROM THE MEDITERRANEAN

INCREASE THE NUMBER OF CERTIFIED B CORP PARTNERS

CREATE A FAIR AND TRANSPARENT PROCESS FOR ASSESSING REGIONAL PROJECTS THAT EVERYONE AGREES ON AND THAT GUARANTEES OBJECTIVE DECISIONS (BASED ON KPIs)

FURTHER INFORMATION

SUSTAINING-BEAUTY

www.sustaining-beauty.com

Our website provides further updated information that is not contained in this report.
It also has all the Davines Group publications, including the Sustainability Reports from previous years and the “Carta Etica”.

I SUSTAIN BEAUTY

www.isustainbeauty.com

[comfort zone]
SKIN SCIENCE SOUL

www.comfortzone.it

davines
sustainable beauty

www.davines.com

/skin regimen/
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www.skinregimen.com

Certified B Corporation

www.bcorporation.net



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