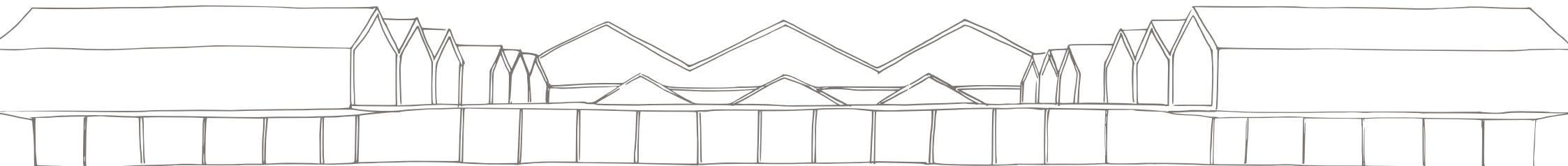




DAVINES GROUP

SUSTAINABILITY REPORT

2017/2018







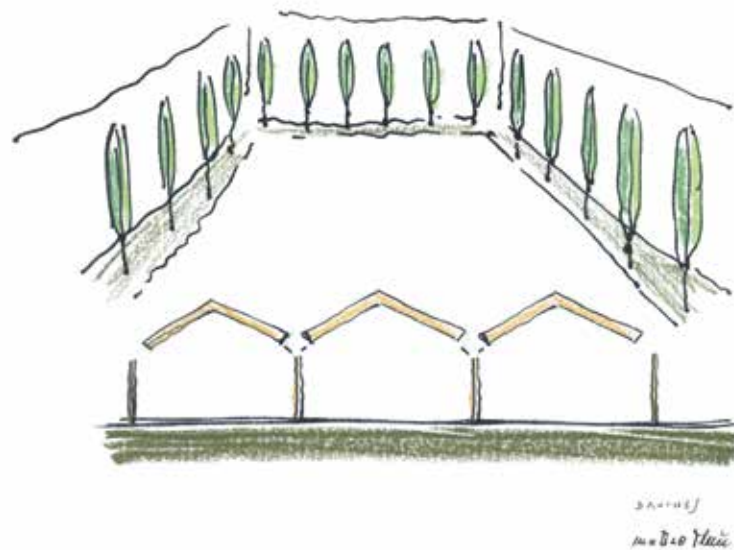
THE DAVINES VILLAGE, TANGIBLE ACCELERATOR OF SUSTAINABLE BEAUTY

Here at Davines, sustainability has always been a question of responsibility: towards ourselves, our clients, our suppliers and distribution partners, the environment and future generations. This philosophy is also the foundation of the B Corp movement — of which we have been a part of since 2016 — that unites companies who believe in the principle of interconnection as a leading value. These companies see business as a positive force able to generate wellbeing in people, the environment, and the planet as a whole. An ecosystem in which businesses, through products, services, decisions and profits, generate a benefit to all, maximizing a positive impact towards collaborators, the environment and local communities.

In order to work towards reaching this ideal, we have over the last few years increased our sustainable efforts to involve different companies, local government offices, associations and individuals. The objective is to bring about an integrated system that benefits everyone. We wished to nurture the seed of this vision by starting off with a project of our own: the creation of the Davines Village, our

new office which provides a solid visual representation of the whole concept. As a family company, we have always sought to turn our working environment into a “home,” weaving sincere and authentic relationships based on transparency and collaboration. The Davines Village conveys this feeling: it is a place open to the community where sustainability, beauty, innovation and wellbeing merge to express our values, and share them with others. It is a space where people, knowledge and experience mix to give shape to our desires, guided by a spirit of initiative and the constant pursuit of excellence.

The Davines Village has a green heart, full of gardens, greenhouses and vegetable patches; the same nature which inspires us in our work, which we wish to protect. It is an environmental responsibility to which our products speak: communicators of our vision of the world, products of research and passion, and fruits of Sustainable Beauty. Just like our new home.





TOWARDS A
NEW
BLOSSOMING

4

THE DAVINES
GROUP

OUR
BUSINESS

6

OUR
DEVELOPMENT
MODEL

7

MILESTONES

8

OUR BRANDS

9

BEING A
B CORP, MAKING
A DIFFERENCE

16

WITH AN
INTEGRATED
APPROACH

15

IN SUPPORT OF
THE PLANET'S
FUTURE

14

OUR
COMMITMENT

THE DAVINES
VILLAGE, THE
NEW HOME OF
SUSTAINABLE
BEAUTY

10

PEOPLE

22

PLANET

24

COMMUNITY

28

GLOSSARY

30

ADDITIONAL
INFORMATION

32







Towards a new blossoming

More than ever, the values of Sustainable Beauty are inspiring the Davines Group towards an increasing coherence.

There has been a unanimous commitment of the Davines company and community towards incremental improvements to our indicators, as seen within this updated report.

Perhaps it is due to the increasingly systematic and cultural approach to sustainable development that Davines is often considered as an influencer, and accepted as a model of reference for its community, industry and clients; this gives us considerable strength to continue on our path with firm conviction.

For the future, Davines is working towards being even more energized with matters of circularity and sustainability, doubling its commitment.

The possibility of continuing on the path towards sustainable development starting from the new Davines Village is already, in itself, an extraordinary achievement to be celebrated.

Indeed, from our point of view, the Davines Village can be considered the temple of our company's *raison d'être*.

Nevertheless, there is still much to do, being aware that the path towards sustainable development is still littered with innumerable obstacles yet to be overcome.


Our promise is that our commitment will certainly not diminish now. Rather, I can confide in you that the know-how accumulated on the matter over all these years will reward us with extraordinary achievements in the near future.

My gratitude goes to all those who are making this possible.

President
Davide Bollati



**Company Vision and
Mission**



“Being the best for the world, creators of good life for all, through beauty, ethics and sustainability.”

There are some initiatives which, when repeated several times over, can become less stimulating and even tedious. This is certainly not the case with our sustainability report; even though this is our third edition, it represents a stimulus for us at Davines, both to measure ourselves in an objective way and to share the steps we are taking to be “the best **for** the world”.

The coincidence of our choice to become a B Corp at the same time the United Nations released their sustainability objectives has allowed us to trace out with certainty the path to improve at 360° our sustainability performance, contributing towards the creation of a new standard with which the company places itself at the service of all its stakeholders. Even though we are only at the start of the journey, this report highlights the reasons for already being proud of the results we have achieved in the many challenges we have undertaken. These challenges are both on matters which we have already been working on with determination for some time, and others on which we’ve recently increased our focus, such as our impact on the local community.

Even the fact that the publication of this report coincides with the opening of the Davines Village, the physical manifestation of the values Davines has maintained over time, makes it special. We are indeed aware, that the Village is not for us a point of arrival. Rather, it is a starting point which motivates us to continue dedicating ourselves fully so that an exemplary company emerges around that site, by its capacity to combine financial, ethical and sustainable success, and thus pursue its ideal of long lived prosperity.

Chief Executive Officer and Managing Director
Paolo Braguzzi



Our business

key
numbers

2

0

1

7

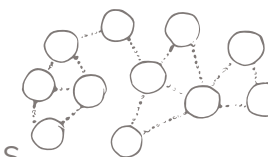
34 years in business



3 brands



11 companies



7

PARMA

LONDON

NEW YORK

PARIS

DEVENTER

MEXICO CITY

HONG KONG

offices
worldwide



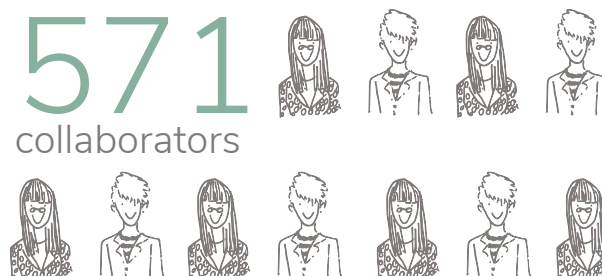
present in

92

countries worldwide

with 34,000+ clients

571
collaborators



of

38

nationalities

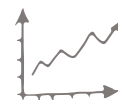


100

formulas conceived

99

B Corp score
obtained



+13.5%

turnover compared
to 2016

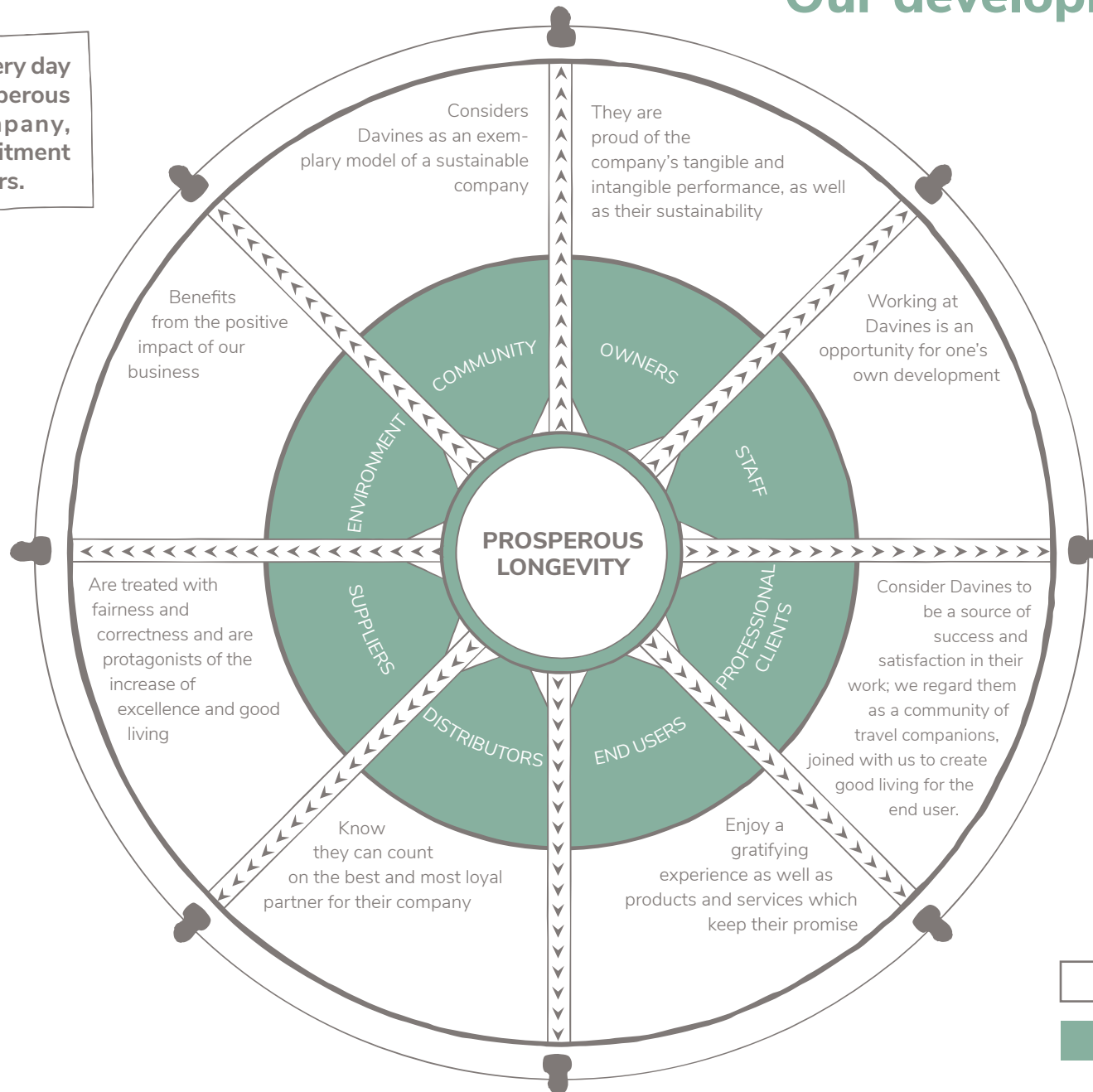
22 million
items
sold





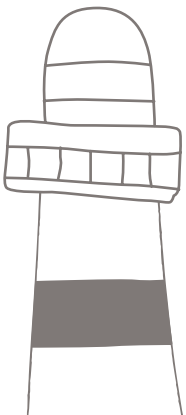


Our development model

At Davines, we operate every day taking to heart the “prosperous longevity” of the company, through a tangible commitment in favor of our stakeholders.



-  our commitments
-  our stakeholders



Milestones

1983

The **Bollati family** starts a cosmetics lab for formulation and production on behalf of third parties.

1992

The company chooses to concentrate on production and distribution under the **Davines** brand.

1994

International distribution begins.

1996

The [comfort zone] brand is born.

2003

Herzog & De Meuron design the **Davines** stand.

2004

The **New York** branch opens.

2005

The "**Carta Etica**"⁽¹⁾ is drafted.

2011

The "**Packaging Research Charter**" is drafted.

2009

The "**Charter for sustainable research**" is drafted.

First edition of the "**Sustainable Beauty Day**".

2008

Shigeru Ban designs the **Davines** stand.

2007

The **Mexico city** and **London** branches open.

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

2006

The **Paris** branch opens.
The **Parma** office starts to power itself with electricity from **renewable sources**.
The first **CO₂ offset** project is activated.

2012

The [comfort zone] Scientific Committee is formed.

Publication of the book "**Skin regimen. Health, beauty and longevity**".

2013

The **Holland, Germany** and **Belgium** branches open.

2014

First edition of "**I Sustain Beauty**".
The collaboration with **Slow Food** begins.

2015

[comfort zone] adopts a new formulatory philosophy "**Science based conscious formulas**"^{TM(3)}.
Matteo Thun designs the **Davines Village**.

2018

Opening of the **Davines Village**.

The **/skin regimen/** line becomes a brand in itself.

The "**New blossoming of the Carta Etica**" is presented.

Davines receives the "**Best for the environment**" award from **B Lab**.

2017

Matteo Thun designs the **Davines** stand.

2016

The **Hong Kong** branch opens.

Construction work of the **Davines Village** begins.

The group obtains the **B Corporation** certification.

(1) Carta Etica

We support the sharing of the values conceived by our colleagues for a better quality of work life.

(2) Sustainable Beauty Manifesto

"Creating beauty sustainably, we wish to encourage personnel to look after themselves, the world in which we live and the things they love".

(3) [comfort zone] integrated approach and formulation philosophy

We propose scientifically advanced solutions which integrate products, treatments and life-style advice. We favour ingredients of natural origin and innovative system.



THE DAVINES GROUP

Our brands

DAVINES GROUP

[comfort zone]



/skin regimen/

At [comfort zone], a brand dedicated to the professional skin care market, we consider skin as the mirror of our mental wellbeing, physical state and the daily choices we make. Our mission is to promote a soulful, healthy and sustainable lifestyle, with advanced science-based conscious solutions to visibly improve skin, body and mind.

At Davines, a brand dedicated to the professional hairstyling 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.

At /skin regimen/, a brand dedicated to the professional and retail skin care market, we conceive products that empowers you inside and out to better face life, so that you can be the best version of yourself and leave your mark.





The Davines Village, the new home of Sustainable Beauty

It opens its doors to Parma in 2018 with a surface area of over 77,000 square meters. It is the Davines Village, the new office of the Davines Group designed by architects Matteo Thun and Luca Colombo, to give shape to the values of beauty, sustainability and well-being which have always driven the company. A dream of President Davide Bollati, the new company office host a wide variety of spaces dedicated to offices, education and training, research and development laboratories, manufacturing facilities, warehouse, as well as a large greenhouse, the center and beating heart of the Village. The interiors are the product of interior designer Monica Signani and the green areas are designed by landscape architects Del Buono - Gazerwitz.

THE VILLAGE

The place of Sustainable Beauty

Advanced energy sustainability

Save and optimize all resources, without waste. To make this possible, the Davines Village has been conceived and designed to minimize the use of artificial lighting, has been enhanced with photovoltaic, solar thermal energy and geothermic units, and has been equipped with communications and control systems which monitor the energy consumption of all environments.

Sustainable construction techniques

To create the Davines Village, the use of natural materials such as glass and wood were preferred, as well as sustainable technical and construction solutions, amongst the most advanced on the market. Furthermore, a cement that mimics the photosynthesis process has been used. It is called TX and is able to hold onto the fine dusts and then break it down, canceling the negative impact.

Avant-garde production plant

Sanitize mixing units with water vapor instead of chemical substances. It is one of the systems foreseen in the production department of the Davines Village, thanks to the use of the new and highly innovative plant which allows more efficient processes with less impact on the environment.





Organic waste's circularity

Our kitchen waste feeds the garden, but with even greater efficiency than traditional composting. The Davines Village is equipped with a unit able to dehydrate organic waste produced internally, making it reusable as plant nutrients for its garden.

The place of wellbeing

The restaurant

High-quality food is served at lunch time. The Davines Group offers its collaborators, every day and at no cost, high-quality food prepared with fresh seasonal ingredients, expression of food guidelines which promote health genuineness, and local flavors. The menu offers an appropriate choice even for those who follow various diets, respecting individual needs and preferences.

Positive working environment

The best ideas often come out of the enclosed spaces of an office. To encourage the generation of innovative ideas and exchanges, the Davines Village is equipped with indoor and outdoor spaces conceived to create a homelike feeling, favoring meetings and collaboration. Aligning with the philosophy promoted by the Group's new "Smart Working" model, the ability of a person to self-manage their work is enhanced, even to the extent of eliminating clocking-in as a control over working hours; immediately for office workers, and in the near future for production and packaging staff.

An office with a view

Wherever you sit, your gaze can rest on the surrounding nature. In the Davines Village, all work stations allow you to enjoy a view of greenery. The offices are designed with innovative materials which limit noise pollution and ensure maximum transparency, favoring a comfortable natural lighting beneficial to humans.



The office open to the community

A welcoming place

Welcome, this is also your home. The structure of the Davines Village, developed from the concept of “home”, re-interprets the archetypes of the typical courtyards of the Italian rural areas, and invites clients, suppliers, distributors and the local community to visit its offices and to stroll around the garden to enjoy an experience of Sustainable Beauty.

Education and training area

The shaping of excellence comes alive in the heart of the company. Davines Village is home of the Davines Academy and the [comfort zone] Academy, respectively dedicated to the professional growth of hairdressers and beauticians.

Social gathering area

See you at the Davines Village. The new office of the Group is designed for hosting company events and celebrations, to gather the community in the place symbolizing its values, especially when it is party time!



THE GARDEN

Green areas everywhere

Several gardens, a greenhouse and a botanical garden: 80% of the spaces occupied by the Davines Village are dedicated to greenery.

Open air laboratory

The Davines Village botanical garden is full of medicinal and aromatic plants, used by the research and development laboratory in sampling and testing natural ingredients for their formulas.

Educational beauty

The 36,000 square meters of garden allows visitors to understand the importance of biodiversity and the origins of the natural ingredients contained in the Group's products.

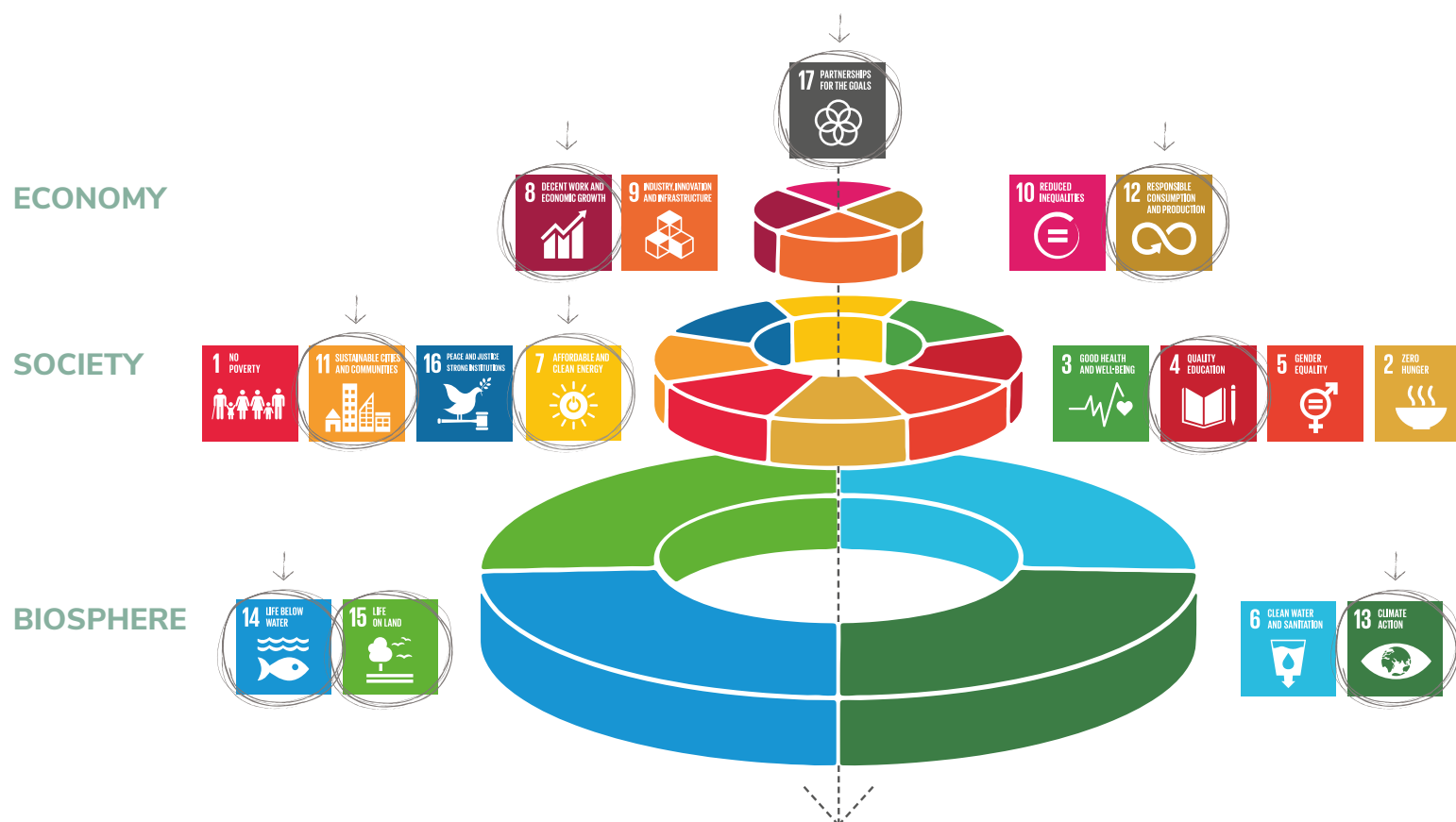


In support of the planet's future

When the United Nations (UN) defined the agenda for the sustainable development for 2030, launching its appeal to the world, the Davines Group responded. To contribute towards the Sustainable Development Goals (SDGs), the company has chosen to include them in its strategy, with the results that are now available in the Sustainability Report.

The Stockholm Resilience Centre proposes a new model for representing the SDGs which, in ordering the objectives hierarchically, highlights the extent by which

the economy and the society are an integral part of the biosphere, confirming the overcoming of the classic paradigm founded on a sectorial approach to social, financial and ecological development. In view of this renewed awareness, in 2017 the Davines Group continued to give life to company activities and projects whose successes contribute to achieving the SDGs. For the year 2018, the Group decided to focus its attention on selective SDGs, defining specific objectives.



○ SDGs on which Davines has obtained results in 2017 ↓ SDGs on which Davines has fixed objectives for 2018

Credit: Azote Images for Stockholm Resilience Centre



With an integrated approach

- GOAL 1 End poverty in all its forms everywhere.
- GOAL 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- GOAL 3 Ensure healthy lives and promote well-being for all at all ages.
- GOAL 4 Ensure inclusive and quality education for all and promote lifelong learning.**
- GOAL 5 Achieve gender equality and empower all women and girls.
- GOAL 6 Ensure access to water and sanitation for all.
- GOAL 7 Ensure access to affordable, reliable, sustainable and modern energy for all.**
- GOAL 8 Promote inclusive and sustainable economic growth, employment and decent work for all.**
- GOAL 9 Build resilient infrastructure, promote sustainable industrialization and foster innovation.**
- GOAL 10 Reduce inequality within and among countries.
- GOAL 11 Make cities inclusive, safe, resilient and sustainable.**
- GOAL 12 Ensure sustainable consumption and production patterns.**
- GOAL 13 Take urgent action to combat climate change and its impacts.**
- GOAL 14 Conserve and sustainably use the oceans, seas and marine resources.**
- GOAL 15 Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.**
- GOAL 16 Promote just, peaceful and inclusive societies.
- GOAL 17 Revitalize the global partnership for sustainable development.**





Being a B Corp, making a difference

To the Davines Group, being a B Corp means rewriting one's way of doing business, creating a positive impact on people and the environment while generating profit. The certification obtained in 2016 did not represent a finishing line for the Group but a leap towards continuous improvement which is expressed in the incessant implementation of new projects.

Creating interdependence with suppliers

We are all dependant on each other and, therefore, responsible towards each other and to future generations. From this understanding, three years ago, the inquiry carried out by the Davines Group was launched, to gain a deeper understanding of the sustainable identities of its suppliers, mapping their environmental and social performance and consequently orienting the choice of its partners.

In 2016, the Group wanted to go further, encouraging its suppliers to measure up with the B Corp questionnaire and to promote partnership projects aimed at collaborating to conceive optimal solutions for both business needs and the planet.

The pallet supplier, Palm, represents an exemplary case of achieving both companies' objectives. Palm obtained the B Corp certification in 2017 and, in collaboration with the Davines Group, has designed and created a new type of highly sustainable pallet. A concrete example of virtuous interdependence between company and supplier.



Building sustainability with distribution partners

The Davines Group has always loved to select its distribution partners, by also evaluating their value affinity. In 2017 it chose to reinforce this vision, inviting its distribution partners to measure themselves with the B Corp questionnaire, with the hope that, over time, they might obtain the certification. In support of this objective, the Group has suggested, drawing from its own experience, two high priority actions: the supply of electricity from **renewable sources**, and **the compensation of their greenhouse gas emissions**.

Today, we can already celebrate a success: The Swedish company KRAFT is the first Davines Group distribution partner to boast of a B Corp certification!

definition in the glossary





Company volunteering is worth double

Volunteering during working hours and being paid as if you were in the office. This is what happens to the collaborators of the Davines Group, who may use up to four working days a year to help with a voluntary association. In exchange, the company asks for the same amount of leisure time to be used for volunteer work, thus doubling the benefit of this arrangement. The project, called 4+4, began in 2017.

“Davines Care”, tangible wellbeing

The children's school books, gym fees, and mortgage interests of Davines employees are now refundable. Since February 2017, the Davines Group has activated a company platform in support of the purchasing power of its employees, to which 500 euro (\$584 USD) per year is distributed towards the use of services available with the program. It ranges from refunds for educational expenses, family care, health, cultural and leisure time to mortgages and supplementary pensions.

“Smart Working” to the advantage of all

It increases the quality of work and the work-life balance in a virtuous circle to the benefit of all. It is one of the advantages of the “Smart Working”, an organizational model promoted by the Davines Group for all collaborators of the Parma office carrying out "remote-able" activities.

After the success of the first experimental phase that involved eight company areas in 2017, the “Smart Working” will officially take off with the entry into the Davines Village, potentially involving more than 70% of its staff. For the company, it is an investment in trust, for the greater freedom offered to colleagues and in empowerment.

Indeed, the “Smart Working” promotes a new work model centered on delegation, recognizing individual freedom with regard to where and when to carry out work activities. It is also to the benefit of the environment, in terms of reduced physical movements.

“Carta Etica”, working and living well

Listening to the ideas of all, to generate new thoughts and orientations on behavior. This is the intent of the Davines Group which, in 2017, has given voice to around 300 collaborators between Parma office and foreign branches, to build together a work environment shaped towards wellbeing.

The fruits of this ambitious project are gathered together in the publication, the “Carta Etica. The new blossoming” which reports the emerging values in relation to the three value-based principles (sustainability, inclusivity and innovation) that the company has chosen for its path towards growth.

COLLABORATORS



They speak of B Corp in Poland

To spread awareness of the impact of one's purchasing choices, 420 Polish hairdressers involved their clients, by inviting them to propose projects inspired by the B Corp values. During the campaign, 257 ideas were gathered with a positive impact on people and the environment, and three were selected to receive funding, which was raised from the contributions of the company and the salon clients.

The winning project creates equality between people with regard to access to health care, the second raises awareness on the limitations of the elderly, and the third gives the carefree play of outdoor activity to children in situations of distress.

A new Slow Food Presidium is born in Italy

The Quercetano Olive Tree was saved from extinction by 600 Italian hairdressing salons who, in collaboration with the Slow Food Foundation for Biodiversity Onlus (a social non-profit organization) have acted to raise awareness, safeguard and spread this specific olive, an autochthonous cultivar of the Italian natural heritage.

By joining the Davines campaign “A garrison of Sustainable Beauty” in 2017, hair salons and their clients have made possible the birth of a non-existent Presidium and have contributed to the dissemination of the value of biodiversity.



definition in the glossary

END USERS



From all over the world, for a great event

The inauguration of the Davines Village could not have taken place without the hairdressers and estheticians who, in sharing the values contained in the products of the Davines Group, have made possible the birth of the new home of Sustainable Beauty.

It is therefore not an accident that the main international events promoted by the company in 2018 took place in Parma, at the same time as the opening of the new office.

Hairdressers from all over the world, came together for the occasion of the Davines World Wide Hair Tour, and national and international estheticians gathered for the [comfort zone] Tribe Event and Experience Tour, participating in a historical moment of the company's existence.

“Green incentive”, primacy of the North America

Amongst the Davines Group offices throughout the world, the North American one is the first to have inaugurated a “**green incentive**” project. Beneficiaries of this for four years now are the "Green Circle Salons," who operate so that the waste from the salons return into the economy as reusable resources.

In April 2017 during the Sustainable Beauty Month, Davines North America, in order to support participation in this important project, chose to recognize enrolled salons with concrete commercial advantages. Each participating salon received complimentary Davines products to cover the cost of enrolling in the program.

Thanks to this “**green incentive**” initiative, 62 new American salons have joined the movement, supporting values of recycling, re-use and recovery.



Growing with sustainability, it works

The financial success of the Davines Group is seen by the continuous growth in turnover which, in 2017, has reached the threshold of 127 million euros (about \$148 million USD). The business model adopted by the Group, oriented the prosperous longevity of the company, has demonstrated its validity and has brought good results, indeed excellent, since it is not only in terms of numbers.

The financial development of the Group demonstrates that running a profitable company which impacts positively on people, society and the environment, is possible. Rather, it is a virtuous model which feeds success.

PROFESSIONAL
CLIENTS

OWNERS



B Corp sneak peek

BEST SUSTAINABILITY REPORT 2017

In November 2017, when the B Corp community came together in Milan, the Davines Group did not imagine that it would have experienced an event within the event.

The Italian B Corps, doubled in number since 2016, gaining the title of European leaders of the movement and, as part of the award ceremony for Best For Italy 2017, Davines was awarded the “Prize for the best Sustainability Report”.

The “Terzo Giorno”, sustainability in art

Investigate the theme of environmental sustainability through the gaze of contemporary art. From the intuition of Davide Bollati, President of the Davines Group, and in collaboration with the Municipality of Parma and other local companies, the exhibition the “Terzo Giorno” was born in April 2018.

Starting from the third day of Genesis —the appearance of life— the show invited visitors to question themselves on the requirement to adopt more

sustainable lifestyles, through the pointed narration of 115 works of art by 40 international artists. The “Terzo Giorno” was the first show in Italy to have a “for benefit” approach: part of the revenues financed the “Km Verde”, or Green Kilometer, initiative.

It is an example of solid synergy between public and private.



definition in the glossary

COMMUNITY



“BEST FOR THE ENVIRONMENT” 2018 AWARD

The assessment carried out by the Davines Group to obtain the B Corp certification led to the award of the “Best for the Environment” award 2018. The Davines Group is amongst the first 240 B Corp certified companies at an international level for its positive impact on the environment.



The “Km Verde”, a project with long term advantages

A project in the process of being activated, unique in Italy and born of an idea by Davide Bollati, President of the Davines Group; in partnership with the Municipality of Parma, the Foundation for Sustainable Development and other local and national institutions.

Trees will be used to create a wooded strip along the highway, in order to protect Parma from pollution from passing vehicles.

A stretch of 11 km overall will begin with the first 300 metre experimental area starting from the Davines Village.

This will have panoramic, ecological and environmental advantages, thanks to the selection of trees which **compensate for CO₂ emissions** and counter the movement of light dusts.

It is a symbol of the willingness of local companies and the Municipality of Parma to help in the name of Sustainable Beauty.



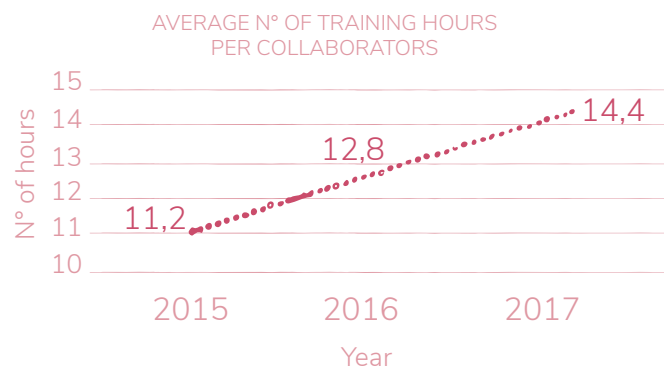
ENVIRONMENT

People

2017 Results



1.8 AVERAGE TRAINING DAYS PER COLLABORATORS



The aim has been reached, substantiating the growing investment promoted by the Group over the last three years, to the benefit of collaborators' training, on matters related to both their current responsibilities and potential future developments. Safety, project management, development of managerial "soft skills" and language courses are among the most frequent courses.

The Group is planning actions to achieve further improvement in the coming years.



INVOLVEMENT OF ALL NEW RECRUITS IN AWARENESS RAISING TRAINING ON THE INCLUSIVE CULTURE

The objective was achieved through the organization of a thematic course, attended by all the new company hires, in terms of inclusive culture and acceptance of diversity, values essential to the creation of a workplace that is a bearer of innovation and creativity.

The rapid expansion which has distinguished the Group these last few years has set the choice of concentrating this first training phase on the groups of new recruits, with the prospect of increasing participation in the course to the rest of the company.



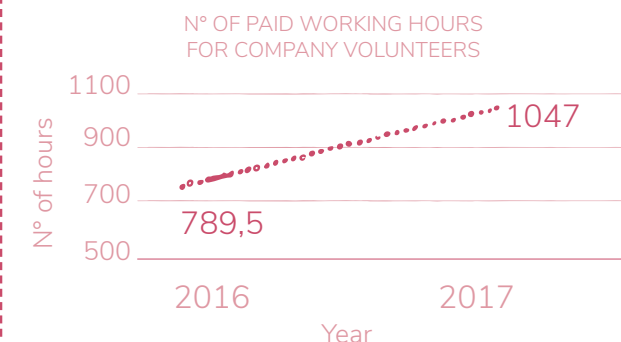
65.3% OF COLLABORATORS INVOLVED IN THE NEW BLOSSOMING OF THE "CARTA ETICA"

The aim has been reached through the organization of 10 dedicated days, both in Italy and in foreign branches, which involved nearly all the Group collaborators at all levels.

Under the guidance and inspiration of a philosophy consultant, the participants redefined the core values of the company, laying the foundations for the new blossoming of the "Carta Etica".



+32.6% PAID WORKING HOURS FOR COMPANY VOLUNTEERING

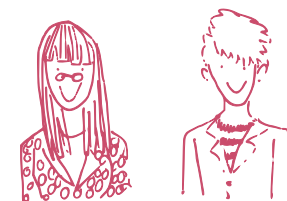


The target of +50% has not been reached within the expected time frame due mainly to the late launch date of the project, close to the summer vacation period. The launch required a complex company organization, structured in three successive phases: Promotion of the project and of the activities required from the company's collaborators, assimilation of the project into the company practices and alignment of all departments; and lastly, activation of the project. The **company volunteering** activities were both social, as activities with hospitalized children, and environmental, such as the redevelopment of green areas.



PROMOTION OF COMPANY WELLBEING

The objective was achieved with the activation of the "well-fair" projects that contribute to the work-life balance and therefore to the well-being of the Group's collaborators. Particularly relevant was the activation of the "Davines Care" platform, which supports individual purchasing power thanks to the distribution of 500 euro per year to all permanent collaborators that are not in trial period.



Objective achieved / project completed within fixed periods



Objective not achieved / project not completed within fixed periods



Group data



Parma office data

definition in the glossary



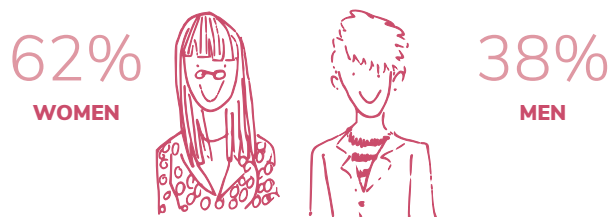
SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THIS AREA



Other 2017 numbers



WHO ARE OUR COLLABORATORS



HOW DO WE PUT OUR VALUES INTO EFFECT AT WORK



2018 Objectives



UP TO 4 DAYS PER MONTH OF "SMART WORKING" FOR ALL THE COLLABORATORS WHO WISH AND FOR WHICH THE ROLE ALLOWS



20% INCREASE IN THE NUMBER OF PAID WORKING HOURS FOR COMPANY VOLUNTEERING



60% OF THE EXECUTIVES IN THE PARMA OFFICE AND IN THE FIRST LEVELS OF THE BRANCHES, HAVE SUSTAINABILITY BASED OBJECTIVES



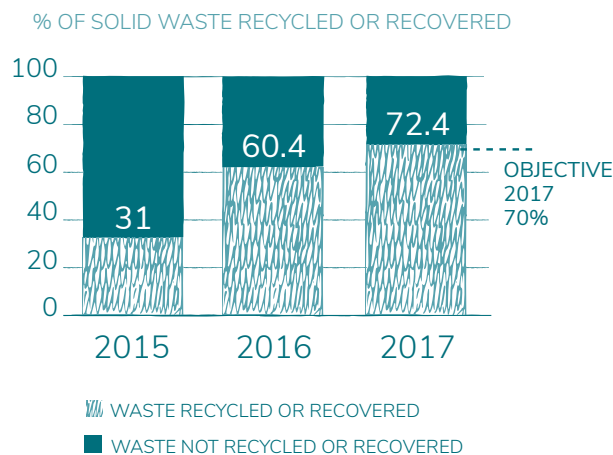
IMPROVING THE QUALITY OF COMPANY LIFE FOR ALL COLLEAGUES SUPPLYING SERVICES WHICH SUPPORT WELLBEING

Planet

2017 Results



72.4% OF SOLID WASTE IS RECYCLED OR RECOVERED



Objective exceeded through the continuous reduction of waste generation and optimization of waste separation.

It is important to point out that 18% of waste accounted for as non-recycled or non-recovered, are in fact the subject of a virtuous waste-to-energy action that produces electricity and heat equivalent to the supply of **1 house in Europe for 2.4 years**. Adding these two sums together, therefore comes to **90.4%** of solid waste **recycled or recovered**, and that even through a waste-to-energy process.



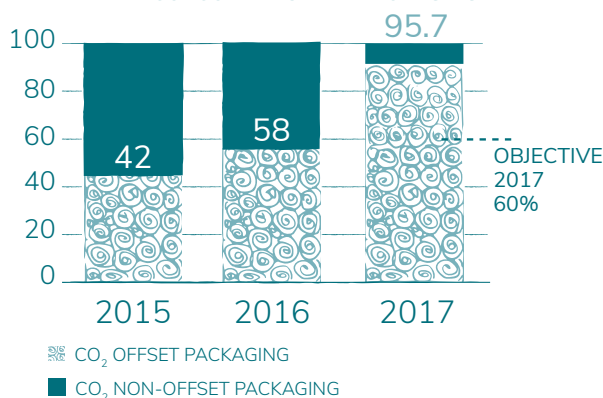
67% OF THE ELECTRICITY (KWH) USED BY THE FOREIGN BRANCHES IS FROM RENEWABLE SOURCES

4 of the 6 branches of the Group are powered by electricity from **renewable sources**, while the remaining are experiencing difficulties, linked to the access of this type of supply in their specific markets. The Davines Group is committed to aligning all the branches with its Parma office, which has been **100%** powered by renewable energy since 2006.



96% OF THE TURNOVER IS GENERATED BY PRODUCTS WITH CO₂ OFFSET PACKAGING

% OF THE TURNOVER GENERATED WITH PRODUCTS WITH CO₂ COMPENSATED PACKAGING



The target not achieved in 2016 was largely exceeded after one year, thanks to the **CO₂ offset and CO₂ equivalent** in the life cycle of both primary and secondary packaging, activated on all the lines of the three brands, with the exception of a few minor references.



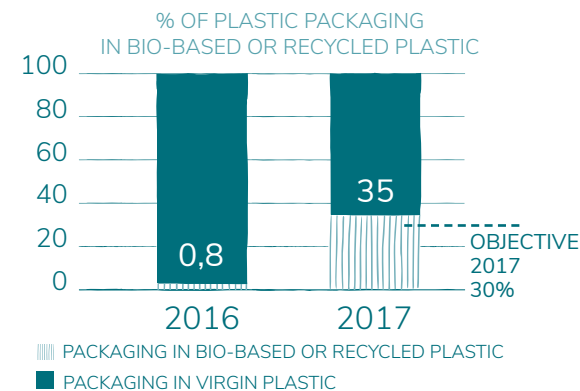
ENRICHMENT OF THE "FACILITATION OF RECYCLING ACTIVITIES" OF OUR PACKAGING RESEARCH CHARTER

To promote the recyclability of packaging, the "Packaging Research Card" has been enriched with specific details aimed at:

- Conceiving packaging which permits the use of the product to the last drop, guaranteeing less product residue which might negatively affect the efficiency of **recycling**;
- mainly designing packaging made out of a single material to avoid additional processes which, in increasing the complexity of the packaging, reduces the possibility of **recycling** it;
- guaranteeing easy separation of packaging components, so that each can fall into the correct **recycling** circuit.



35% OF THE PACKAGING PLASTIC IS BIO-BASED OR RECYCLED



Objective exceeded thanks to the passage of numerous lines with virgin plastic packaging to **bio-based or recycled** plastic. This choice was applied to all company references that, after an analysis, were technically compatible with this solution, in terms of maintaining the product's performance and its aesthetic characteristics.



Objective achieved / project completed within fixed periods



Objective not achieved / project not completed within fixed periods



circular project



group data



Parma office data

definition in the glossary





SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THIS AREA



2017 Results

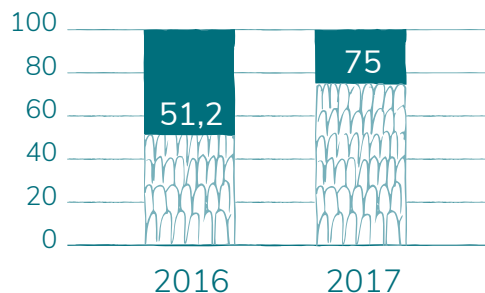


APPLICATION OF THE SLCA ANALYSIS ON NEW LINE LAUNCHES AND RELAUNCHES

Objective achieved thanks to 75% of products (on turnover) to which the **SLCA** (Sustainable Life Cycle Assessment) analysis has been applied.

The **SLCA analysis** will continue to be applied to new launches to increase the positive impact of the products.

% OF PRODUCTS (ON TURNOVER) TO WHICH
THE SLCA ANALYSIS HAS BEEN APPLIED



SLCA ANALYSIS APPLIED
 SLCA ANALYSIS NOT APPLIED

Other 2017 numbers



TO PRODUCE 1KG OF PRODUCT



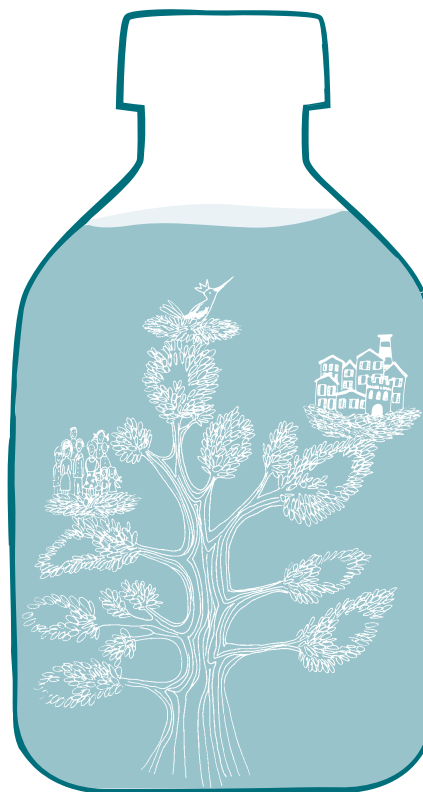
0.12 Kg
SOLID WASTE
GENERATED



0.67 Sm³
METHANE GAS USED



0.49 Kwh
ELECTRICITY USED



0.0065 m³
WATER USED IN
THE PRODUCTION
PROCESS



0.02 Kg
CO₂ AND CO₂
EQUIVALENT EMITTED



100%
ELECTRICITY FROM
RENEWABLE SOURCES
USED

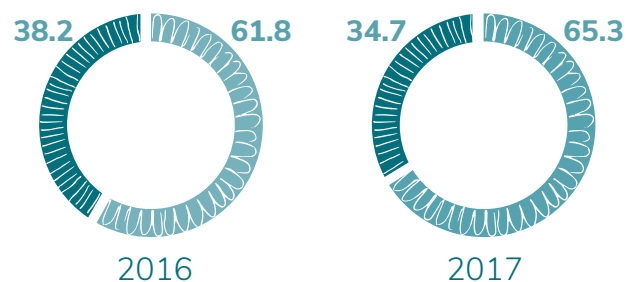


Other 2017 numbers



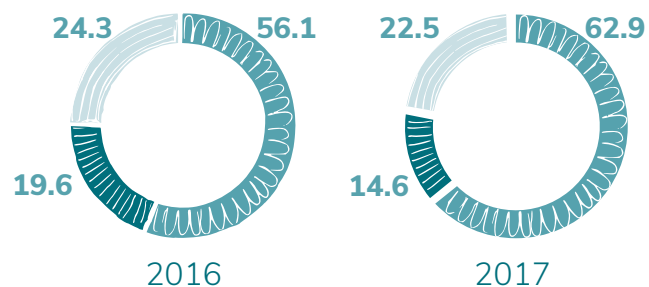
WE PURCHASE AND USE THESE INGREDIENTS

% HIGHLY BIODEGRADABLE INGREDIENTS
(OECD 301 METHOD)



HIGHLY BIODEGRADABLE INGREDIENTS
 NON-HIGHLY BIODEGRADABLE INGREDIENTS

% INGREDIENTS BY TYPE



NATURAL INGREDIENTS INCLUDING CERTIFICATED **ORGANICS**
 MODIFIED NATURAL INGREDIENTS
 SYNTHETIC INGREDIENTS



WE PURCHASE AND USE THESE PACKAGINGS

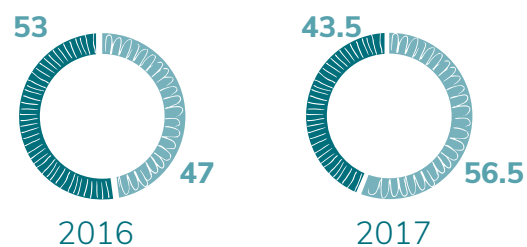
EVOLUTION OF THE MIX OF ALL PACKAGING



RECYCLED PACKAGING FROM **RENEWABLE SOURCES**
 VIRGIN PACKAGING FROM **RENEWABLE SOURCES**

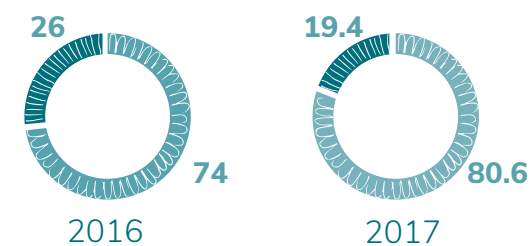
RECYCLED PACKAGING FROM NON RENEWABLE SOURCES
 VIRGIN PACKAGING FROM NON RENEWABLE SOURCES

% OF PACKAGING IN RECYCLED MATERIAL



RECYCLED MATERIAL (PAPER AND PLASTIC)
 NON-RECYCLED MATERIAL (PAPER AND PLASTIC)

% OF PACKAGING IN PAPER OR CARDBOARD
IN RECYCLED MATERIAL



PAPER AND CARDBOARD IN **RECYCLED MATERIAL**
 PAPER AND CARDBOARD IN VIRGIN MATERIAL



Parma office data

definition in the glossary



SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THIS AREA



Other 2017 numbers



OUR "CARBON FOOTPRINT"

For the past 3 years, the Davines Group has published data on its "**carbon footprint**" reflecting its commitment to monitor itself, both for reducing its negative impact and to increase its positive impact.

To that end, the Group acts to:

- reduce the **CO₂ and CO₂ equivalent** emissions, where possible avoiding practices and products which generate them;
- changing its processes, aiming towards cleaner alternatives;
- compensating for remaining emissions by buying "carbon credits".

For years the Davines Group has been compensating the emissions deriving from its activities and also plans actions for continuing and increasing this practice in the future. Since 2017, the company has boasted a "**carbon neutral**" **production site**, an important step and an expression of the company wish to achieve an overall impact equal to zero.



A RESPONSIBLE DESIGN FOR OUR PRODUCTS

The Davines Group has been awarded one of the CONAI 2017 awards for the "prevention of environmentally sustainable packaging", thanks to the work carried out on the Naturaltech shampoo packaging.

The Group has replaced the virgin plastic bottle with a 100% **recycled** plastic bottle, allowing a reduction of the overall impact of the product, resulting in a decrease of 30% of greenhouse gas emissions, 20% in energy and 40% of water used.



**FROM 2017, THE PRODUCTION SITE
IS 100% "CARBON NEUTRAL"**

GREENHOUSE GAS EMISSIONS (CO₂ AND CO₂ EQUIVALENT)

SCOPE 1 (combustibles for company vehicles and production processes and other emissions labelled as "fugitive")	COMPANY IMPACT (KG)
SCOPE 2 (electricity acquired)	709.905
SCOPE 3 (energy used for creation of products and acquired materials, combustibles for non-company vehicles, combustibles for company journeys and disposal of waste)	0
SCOPE 3	2.757.400
TOTAL	3.467.305

2018 Objectives



**100% OF THE TURNOVER IS GENERATED WITH
PRODUCTS WITH CO₂ OFFSET PACKAGING**



**95% OF THE SOLID WASTE IS RECYCLED OR
RECOVERED, EVEN THROUGH A VIRTUOUS
WASTE TO ENERGY PROCESS**



**ACTIVATION OF A PROJECT TO PROMOTE
THE SAFEGUARDING OF WATER,
AND SPECIFICALLY OF THE SEA**



**NO SINGLE USE PLASTIC IN THE DAVINES
VILLAGE**

Community



2017 Results



START OF PREPARATORY ACTIONS FOR THE REALIZATION OF «KM VERDE» (GREEN KILOMETER)

Actions were taken to implement the "Km Verde" project. Initially, with a mapping activity to identify the potential business and institutional partners.

Subsequently, a campaign to promote, raise awareness and disseminate the identifying values of the "Green Km" was addressed to all project stakeholders.

Finally, an analysis of the governance structure was carried out in order to define who and how the project will be managed as soon as it is active.



CREATION OF A SHARING AND PROMOTION NETWORK FOR THE CULTURE OF SUSTAINABILITY AND THE B CORP PHILOSOPHY

Since 2016, the Davines Group has not only supported the Sustainable Beauty ideal, but also the values of the B Corp philosophy. Since then, the Group has promoted this set of values to its stakeholders at all possible times, sometimes even in collaboration with other certified companies, bearers of the same ideals.

This intense and constant promotion of values has contributed to the certification of a Group supplier that has further enriched the B Corp community, contributing to the dissemination of the values that inspire it.



CONSOLIDATION OF TERRITORIAL PARTNERSHIPS FOR THE PROMOTION OF THE SUSTAINABLE BEAUTY

The realization of the exhibition "Il Terzo Giorno" has activated both public and private actors united for the promotion of the ideal of Sustainable Beauty and of the ample source of associated environmental and human values. Furthermore, the resulting partnership has allowed the consolidation of the further existing partnership, of the "Km Verde", as part of the revenues of the exhibition are intended for the realization of this project that is in the process of activation.



46% OF THE SUPPLIERS HAVE COMPILED THE DAVINES "SELF-EVALUATION OF SOCIAL AND ENVIRONMENTAL PERFORMANCE"

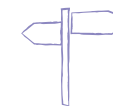
The objective of 70% has not been achieved due to the expansion of the "self-evaluation of social and environmental performance" to services suppliers considered as "not principle," at times even occasional. In these cases, the creation of a relationship of sharing and collaboration at the socio-environmental level inevitably involves major complexities and required more time.

Other 2017 numbers

WE BELIEVE IN OTHERS AND INVEST IN THEM



45 THE LOCAL ASSOCIATIONS WE SUPPORT



8 THE PROJECTS WE HAVE DEVELOPED WITH LOCAL ASSOCIATIONS



185,931€ DEVOLVED DONATIONS FOR SOCIAL AND ENVIRONMENTAL PURPOSES



FINDING SUSTAINABLE SOLUTIONS TOGETHER

After the realization of a project in Nepal, [comfort zone] in collaboration with the NGO "Charity Water", supports a project which foresees the construction of 450 "tanks" in Rajasthan in India, in about two years time. This will be a local and effective solution for fighting water shortages in the desert, guaranteeing a local community of 2,700 people access to drinking water.



Objective achieved / project completed within fixed periods



Objective not achieved / project not completed within fixed periods



group data



Parma office data

definition in the glossary



SUSTAINABLE DEVELOPMENT GOALS RELEVANT FOR THIS AREA

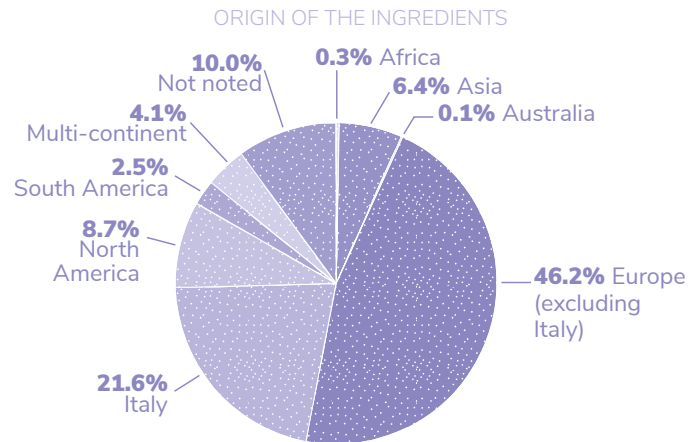
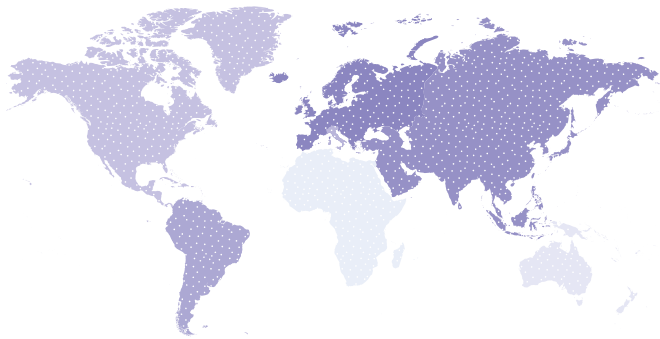


Other 2017 numbers



THE INGREDIENTS WE PURCHASE AND USE ARE

89% FROM TRACED PRODUCERS



IMPACT OF SUPPLIERS OVER THE PLANET WHO REPRESENT 71% OF OUR PURCHASING VALUE.

80.5%	HAVE QUALITY CERTIFICATES OR A QUALITY MANAGEMENT SYSTEM	31.5%	HAVE ENGAGED IN INITIATIVES WITH POSITIVE ENVIRONMENTAL AND SOCIAL IMPACTS
78.6%	ARE WITHIN 200 KM FROM THE PARMA OFFICE	25.8%	HAVE REDUCED, OVER THE LAST 2 YEARS, THEIR PRODUCTION OF UNSORTED WASTE BY AT LEAST 10%
48.4%	OFFER WORK OPPORTUNITIES TO DISADVANTAGED GROUPS, BEYOND LEGAL REQUIREMENTS	25.8%	USE AT LEAST 10% RENEWABLE ENERGY COMPARED WITH THE TOTAL USED
40.9%	HAVE ENVIRONMENTAL OR SOCIAL CERTIFICATION FOR THEIR INGREDIENTS, PRODUCTS AND/OR SERVICES	24.7%	HAVE A SYSTEM TO REDUCE THE USE OF DRINKING WATER

2018 Objectives



PROMOTING THE USE OF ELECTRICITY FROM RENEWABLE SOURCES WITH REGARD TO SUPPLIERS



PROMOTING THE B CORP CULTURE TO DISTRIBUTION PARTNERS AND SUPPLIERS



INCREASE THE ABILITY TO PLAN A POSITIVE IMPACT AND RESTITUTION OVER THE TERRITORY, IN SUPPORT OF ENVIRONMENTAL, SOCIAL AND CULTURAL SUSTAINABILITY



Glossary

BIO-BASED PLASTIC

This is a plastic which derives from raw materials from renewable sources, such as corn starch, cellulose, glucose and vegetable oil. Different types exist, recyclable or biodegradable. The Davines Group uses non-biodegradable bio-based plastics derived from processing sugar cane.

CARBON FOOTPRINT

The carbon footprint is a measurement which expresses the total of greenhouse gas emissions (CO₂ and CO₂ equivalents) directly or indirectly associated with a product, an organization or a service.

CIRCULAR TYPE PROJECT

This is a project created according to the principles of circular economy. A circular economy contrasts with the linear model founded on the logic of “take - produce - dispose of.” A circular-type project is based on three principles:

1. Preserve and value the natural capital through control over the use of non-renewable raw materials and the flows of renewable resources;
2. Optimise the circulation of products, components and raw materials to maximize the efficiency of their use;
3. Promote the efficiency of the system, identifying and containing the negative implications generated by one's activities.

CO₂ COMPENSATION

It is an action designed to offset CO₂ and CO₂ equivalent emissions, typically absorbing them by planting trees.

DAVINES COMPANY VOLUNTEERING (4+4)

At the Parma office, each collaborator may use up to 4 working days per year to carry out voluntary work, on condition that an equal amount of personal time is used for the same cause.

ECOCERT/COSMOS STANDARD

Defines the necessary requirements to certify products as natural or natural and organic. ECOCERT certification is issued for products which contain ingredients of at least 95% natural origin and 5% of synthetic origin. The ingredients are defined as of natural origin when obtained through chemical or physical processes approved by the organisation, of synthetic origin when they are included in the “positive list” published by the organization.

EMISSIONS OF CO₂ AND CO₂ EQUIVALENTS

The Greenhouse Gas Protocol divides company greenhouse gas emissions (CO₂ and CO₂ equivalent) into three categories.

Scope 1: Direct emissions mainly generated by processes of combustion and the company vehicles' fleet.

Scope 2: Indirect emissions generated by the production of electricity from non-renewable sources acquired by the company.

Scope 3: Indirect emissions mainly generated by the extraction, production and transport of raw materials used and by the mobility of company employees with vehicles not belonging to the company. This calculation is optional.

“GREEN INCENTIVE” DAVINES

It is an initiative aimed at encouraging Davines Group's professional clients to increase their environmental and social sustainability, recognizing their concrete commercial advantages.



MODIFIED NATURAL INGREDIENTS

These are ingredients of natural origin treated with synthetic reagents in order to increase the performance in particular uses, and therefore not conforming with **ECOCERT/COSMOS specifications**.

NATURAL INGREDIENTS

These are ingredients of natural origin, or modified in conformity with **ECOCERT/COSMOS standards**, a reference regulation for organic and natural cosmetic products.

OECD 301 METHOD

Monitors the biodegradability of the ingredients in 28 days; if greater than 60%, they are classified as “easily biodegradable”.

ORGANIC INGREDIENTS

These are ingredients obtained from organic agriculture.

RAW MATERIALS FROM RENEWABLE SOURCES

They are raw materials that come from natural resources, which are renewed over time. They are used to produce both energy and materials, without using petroleum.

RECOVERY OF WASTE

This is every action which results in allowing waste to perform a useful role, substituting virgin materials which would otherwise have been used, to satisfy a particular function within the plant or in the economy in general.

RECYCLING OF WASTE

This is every operation of recovery through which the waste products are treated to obtain products, materials or substances to be used in their original functions or for other ends, thus starting a new cycle of life. The cycle is therefore a recovery of materials, and not energy.

SLCA (Sustainable Life Cycle Assessment) ANALYSIS

This is a method, defined by “The Natural Step” (Sweden), used to create sustainable products through the analysis of their environmental and social impact along the entire life cycle. The analysis of products is founded on the four principles of sustainability aimed at reducing the uncontrolled use of natural resources and polluting substances produced by man, the destruction of ecosystems, and social decay.

SELF-EVALUATION OF DAVINES SUPPLIERS' PERFORMANCE

It is a tool that allows Davines to evaluate and select its suppliers according to their social and environmental performance. Suppliers compile a self-assessment that measures them in three main areas: environmental and social impact and continuous improvement

SYNTHETIC INGREDIENTS

They are ingredients of natural origin treated with synthetic reagents, therefore not in compliance with the **ECOCERT / COSMOS** specification, in order to amplify their performance in particular uses.



www.sustaining-beauty.com

The site presents additional and updated contents not included in this report. It gathers together all the publications of the Group, from the previous year's Sustainability Report to the "Carta Etica".



www.isustainbeauty.com

Certified



Corporation

www.bcorporation.net



www.davines.com

[**comfort zone**]

SKIN SCIENCE SOUL

www.comfortzone.it

/skin
regimen/
modern plant chemistry™

www.skinregimen.com







**Davines & [comfort zone]
Italy**

Via Calzolari Don Angelo 55
43126 Parma
Italia
T: +39 0521 965611
F: +39 0521 292597
www.davines.com
www.comfortzone.it

**Davines & [comfort zone]
North America**

50 West 23rd Street, PH
New York, NY 10010
United States
T: +1 212 924 24 70
F: +1 212 924 22 91
www.davines.com
www.comfortzone.it

**Davines
France**

28 Rue des Petites Ecuries
75010 Paris
France
T: +33 (0)1 4633 2213
www.davines.com

**Davines & [comfort zone]
United Kingdom**

14 Gray's Inn Road
Fox Court
London WC1X 8HN
United Kingdom
T: +44 (0)203 3015449
F: +44 (0)207 663 8082
www.davines.com
www.comfortzone.it

**Davines & [comfort zone]
Netherlands**

Boreelplein 67/68/69
7411 EH Deventer
Nederland
T: +31 (0)570 745170
www.davines.nl
www.comfortzone.it

**Davines
Mexico**

Av Colonia del Valle 420
Col del Valle Centro
03100, Ciudad de Mexico
Mexico
T: +52 55 5280 1850
F: +52 55 5280 1108
www.davines.com

**[comfort zone]
Hong Kong**

5/F Yue's house
306 Des Voeux Road
Central Hong Kong
www.comfortzone.it



THIS BROCHURE IS SPECIAL

This brochure is printed on Cocoon paper,
100% recycled and certified by the FSC®
(Forest Stewardship Council®) as coming
from responsibly recycled sources for better
protection of the world's forests.
The inks used are from plant sources.

