

2030: Davines Group Towards Planet Regeneration

Our 2030
sustainability goals
for the environment

DAVINES GROUP



Climate change is an increasingly serious and troubling global threat.

As **UN Secretary General Antonio Guterres** recently stated¹, “Humanity is just one small blip on the radar. But like the meteorite that wiped out the dinosaurs, we are having an outsized impact. In the case of climate, we are not dinosaurs. We are the meteorite. We are not only in danger. We are the danger. But we are also the solution. It is up to us to find a way out. It is still possible to stay within the 1.5 degree limit”.

The need to keep temperature rise within 1.5°C and to reach the Net Zero goal by 2050, as set out in the Paris Agreement, is a challenging but coherent response, in line with the risk level and extent of the damage we all perceive. Parallel to the climate crisis, the world is facing an equally serious crisis of biodiversity loss and degradation of natural ecosystems, both terrestrial and aquatic. These problems are mainly caused by pollution and overexploitation of natural resources related to human activities. We must therefore take urgent action now, bringing the planet back within safe development boundaries. This is an indispensable step in pursuing any other sustainable development goal, whether social or economic.

Over the years, the Davines Group has demonstrated a consistent and globally recognized commitment to sustainability, making respect for the environment and responsibility to people the pillars of its business practices. However, the company is conscious that – despite significant achievements – the current historical moment requires us to raise the bar even higher. This is precisely why it is committed to pursuing its mission with greater and renewed commitment, facing the challenges that lie ahead with a long-term vision.

In this context, marked by multiple environmental and other crises, the Davines Group is therefore launching the program “**2030: Davines Group Towards Planet Regeneration**”, which sets out its ambitious environmental sustainability goals for 2030.



“Today more than ever, we feel an urgent need to act. We are aware that our interdependence with all our stakeholders, and with nature at the center of everything we do, requires us to assume an extraordinary responsibility, especially to future generations. As a stakeholder-driven company, we understand that our impact goes far beyond the company’s boundaries.

With our 2030 environmental sustainability program, we are committed to even more ambitious goals, promoting a regenerative vision. This approach allows us to give back more than we consume, creating shared value for the communities in which we operate. Every action we take today is a decisive step toward a future in which sustainability is not simply a choice, but a vital necessity”.

Davide Bollati
Chairman of the Davines Group

¹<https://www.un.org/sg/en/content/sg/speeches/2024-06-05/secretary-generals-special-address-climate-action-moment-of-truth%C2%A0>

Our 2030 environmental sustainability program

The program was developed together with the **Sustainable Development Foundation**², an authoritative study center on the green economy in Italy and is based on the four pillars of the Davines Group’s environmental sustainability strategy:

-  **decarbonization** of the value chain,
-  transition to **circularity**
-  conservation and enhancement of **biodiversity**
-  **water footprint** reduction

Through a **bottom-up sharing process**, which for months actively involved all the company’s key figures and departments, a portfolio of **concrete projects and ambitious goals** emerged.

“This shared process has resulted in a well-defined path that will guide us until 2030. It will be a challenging journey, but we are convinced that by working together and drawing on everyone’s expertise, we will be able to build an increasingly sustainable future for the Davines Group and the communities we work with”. Sonia Ziveri, Chief Sustainability Officer of the Davines Group

The path to achieving the 2030 goals will begin with enabling actions, ‘triggers’ that will initiate the change needed for each of the four pillars. At the heart of this journey are flagship projects, initiatives that have fundamental strategic value, effectively demonstrating the Davines Group’s commitment to reducing its environmental impact.

“By clearly identifying our goals and constantly monitoring progress, we will ensure that we stay true to our commitments, translating our sustainability vision into concrete and measurable actions”. Sonia Ziveri, Chief Sustainability Officer of the Davines Group

The 2030 Sustainability Plan also aims to actively engage the global network of salons and spas that have chosen Davines and Comfort Zone brand products for haircare and skincare, a community consisting of thousands of partners distributed worldwide. Indeed, the Davines Group is guided by the deep conviction that only through interdependence and collaboration can true systemic change be implemented, maximizing positive impact on people and the environment.

“The biggest challenge is being able to separate environmental impact from business growth. We need to dramatically reduce resource extraction, energy consumption, pressure on natural capital and all climate-related impacts as we continue to significantly grow the Davines Group. Achieving sales of 500 million by 2030 is an ambitious goal, but we are determined to achieve it in a sustainable manner, ensuring that our success does not come at the expense of the environment. This is our way of creating a good life for everyone”. Davide Bollati, Presidente



Our guiding principles

For years, the Davines Group has strategically incorporated key international sustainability frameworks within its operations, making them an integral part of its vision and business practices. This integration has enabled the company to navigate the global environmental sustainability landscape with consistency and determination, anticipating emerging trends and regulations, and strengthening its long-term commitment to this strategic and crucial area.

In September 2023, a team of scientists quantified³ for the first time all nine processes that govern the stability and resilience of the Earth system. The framework of “**planetary boundaries**”⁴, the thresholds within which humanity can continue to develop and thrive for generations to come, was first proposed in 2009 by former Stockholm Resilience Center director Johan Rockström together with a group of 28 internationally renowned scientists. Since then, this framework has been revised several times.

The most recent update⁵ not only quantified all the planetary boundaries, but also concluded

that six of the nine planetary boundaries have already been exceeded: from global warming to the biosphere, deforestation, pollutants, plastics, nitrogen cycles, and fresh water. “This update on planetary boundaries clearly depicts a patient that is unwell, as pressure on the planet increases and vital boundaries are being breached. We don’t know how long we can keep transgressing these key boundaries before combined pressures lead to irreversible change and harm,” commented Johan Rockström, Center researcher and co-author of the study⁶, as well as Director of the Potsdam Institute for Climate Impact Research and Professor in environmental science at the Stockholm Resilience Center.

It is therefore becoming crucial to mitigate the pressures on all these boundaries. The Davines Group has already taken up this challenge with passion, determination, ingenuity and foresight, aiming to reduce its environmental impact on the planet. The Group’s regenerative evolution is represented by a tree with solid roots in the ground, where three main branches grow from the corporate purpose, symbolically representing:

the environmental area
“Regenerating our planet”

the social area
“Supporting our staff and the community”

the governance area
“B Responsible”

The nine strategic topics identified through the materiality analysis branch off from each area. This evolving strategy is based on a profound awareness: the need to move away from the linear and extractive approach – based on the “take, use and discard” paradigm –, which is no longer sustainable, in favor of a circular and regenerative approach that can guarantee a future for the next generations.

²<https://www.fondazionevilupposostenibile.org/>

³<https://www.stockholmresilience.org/research/research-news/2023-09-13-all-planetary-boundaries-mapped-out-for-the-first-time-six-of-nine-crossed.html>

⁴<https://www.stockholmresilience.org/research/planetary-boundaries.html>

⁵<https://www.stockholmresilience.org/research/research-news/2023-09-13-all-planetary-boundaries-mapped-out-for-the-first-time-six-of-nine-crossed.html>

⁶<https://www.science.org/doi/10.1126/sciadv.adh2458>

After all, as the **Ellen MacArthur Foundation**⁷, one of the Davines Group's benchmarks in its journey toward regeneration, highlights, the circular model is a system in which materials never become waste and nature regenerates. For the company, circularity is mainly reflected in **reduced use of raw materials**, drawing inspiration every day from **eco-design principles** to study lower-impact solutions for all products, both in terms of material innovation and process efficiency, while always safeguarding quality and safety. This model addresses climate change and other global challenges, such as biodiversity loss and pollution, by decoupling economic activity from the consumption of limited resources.

In its journey toward greater sustainability and, at the same time, to help solve the unprecedented challenges facing the planet, the Davines Group has already aligned its commitments to the so-called Sustainable Development Goals (**SDGs**), the goals set by the United Nations, in terms of development aspirations and priorities, to be achieved by 2030. "We have already achieved many important results, but now it is time to raise the bar," Davide Bollati stresses. "By setting our ambitious 2030 environmental sustainability goals through a clear and structured plan, we have committed ourselves to act with even more determination, since it is the future of our Planet and the next generations that is at stake."

We are not starting from scratch: our journey to regeneration

"Sustainability and concern for people have been part of our DNA from the very beginning. In 2005, we asked ourselves what our shared values were and defined our Ethical Charter. All the staff at the time, together with a philosopher, discussed and expressed how we wished to live in the context of our work. The Ethical Charter is a set of personal values that we translate into our professional activities, with the aim of improving the quality and well-being of our working lives". Sonia Ziveri, Chief Sustainability Officer

This bedrock of values gave rise to the Davines Sustainable Beauty Manifesto. Several projects were initiated with cross-functional working tables, all linked by a common thread: environmental sustainability.

*"So we felt the need to make our passion measurable, objectifying our commitment. **B Corp certification**⁸, obtained in 2016, was a response to this need, ensuring that high transparency, governance and sustainability standards are met". Sonia Ziveri, Chief Sustainability Officer*

B Corp certification is issued by the international B Lab organization and measures the company's overall social and environmental performance according to the rigorous standards set out in the B Impact Assessment (BIA), the evaluation process required to become a B Corp, which provides a precise score to measure impact on five different focus areas: governance, workers, community, environment and customers. Recertification takes place every three years. In 2016, the Group achieved its first certification with an overall score of 99.3 points.

"Being a B Corp means embracing a holistic approach, an alternative and more evolved model than the traditional model, where respect and positive impact on people and the environment are central to everyday activities. The Davines Group pursues goals that go beyond mere profit, starting with a regenerative, inclusive and sustainable socioeconomic model capable of creating and redistributing value among all our stakeholders". Sonia Ziveri, Chief Sustainability Officer

The Group aims to decrease the environmental impact of its products as much as possible, and since 2018 it has adopted **LCA (Life Cycle Assessment)** analysis, a methodology for quantitatively assessing products' sustainability at each stage of the life cycle in order to take actions to limit their environmental impact

In 2019, the Italian headquarters and the North American branch changed their legal status to **Benefit Corporation**, reaffirming their commitment to operate not only for profit, but also for the common good. In the following year, the Group obtained its second B Corp certification with a higher score of 117.4 points. 2020 also saw the establishment of the **Regenerative Society Foundation**⁹, of which Davide Bollati is co-founder and vice-chairman

2021 marked the start of a partnership with the Rodale Institute non-profit organization in the U.S., a world-renowned pioneer and leader in regenerative organic farming research. This partnership gave rise to the **European Regenerative Organic Center (EROC)**¹⁰, which covers a 17-hectare site across from Davines Group Village in Parma, Italy. EROC is the first European center dedicated to training, research and dissemination in the field of regenerative organic agriculture.

In 2022, Davines Group formally signed a commitment with the **Science Based Targets initiative**¹¹ (**SBTi**) and began work to formulate emission reduction targets to achieve Net Zero by 2050 at the latest. The same year also saw the definition of the Group's first materiality matrix, the basis for the 2030 sustainability strategy. Also in 2021, the Davines Group, together with 7 other B Corps, launched the **B Corp Beauty Coalition**¹², a network of B Corps aimed at promoting systemic and lasting change in the beauty industry by improving its sustainability standards through collective action. Today, about two years after its establishment, as many as 85 companies have joined this unique alliance.

In 2023, the Group celebrated its 40th anniversary with sales of more than €260 million, up 14% from the previous year. In addition, the third B Corp certification is obtained with an overall score of 123.5 points, which is significantly higher than the global average of B Corp-certified companies worldwide, which stands at 94.7 points, and the beauty industry's average of 93.8 points. This score is mainly due to progress in environmental performance, particularly the reduction of chemicals and water used in the production process.

"This milestone inspires us to pursue our 2030 sustainability goals with even greater dedication, pushing us to constantly innovate our production processes to reduce the use of non-renewable or depleting natural resources. We want to transform the current paradigm because we firmly believe that companies should not only minimize their environmental impact but can also actively contribute to the well-being of the planet and society". Sonia Ziveri, Chief Sustainability



⁷<https://www.ellenmacarthurfoundation.org/topics/circular-economy-introduction/overview>

⁸<https://www.bcorporation.net/en-us/>

⁹<https://regenerativesocietyfoundation.com/>

¹⁰<https://davinesgroup.com/eroc>

¹¹<https://sciencebasedtargets.org/>

¹²<https://www.bcorpbeauty.org/>

Decarbonization: the journey to Net Zero

Through the 2015 Paris Agreement, signed by 194 countries and the EU, governments pledged to contain the rise in global temperature well below 2°C above pre-industrial levels and to pursue efforts to limit warming to 1.5°C. In 2018, the Intergovernmental Panel on Climate Change (IPCC) warned that global warming must not exceed the 1.5°C increase to avoid the catastrophic impacts of climate change.

Decarbonization plays a crucial role in the ecological transition, and the Davines Group is determined to contribute to this strategic area through various activities and projects that aim to mitigate its impact on the climate. **The Group has long been on a journey toward decarbonization.** Here are the main stages of this journey:

2006

Start of the journey to measure, reduce and partially neutralize the carbon footprint of the Group's direct emissions from the Parma headquarters;

2018

The Group measured, reduced and neutralized all emissions under its direct control (Scope 1 and 2). From the same year until 2023, 88,500 Plan Vivo-certified carbon credits have been cumulatively purchased¹³. This certifies not only guarantees the declared absorption from reforestation projects but also promotes social projects that support local communities.

2019

Together with 500 other B Corps, Davines Group publicly pledged to accelerate the reduction of its emissions. The Group is also among the promoters of Italy for Climate¹⁴, a Sustainable Development Foundation initiative created in collaboration with a number of companies that are particularly concerned about climate change;

2022

On May 24, a commitment was formally signed with the Science Based Targets initiative (SBTi) to achieve the Net Zero goal by 2050 at the latest. The Group is a member of CO₂alizione Italia, a group of companies committed to the progressive evolution of their business and operating models toward an economy with zero climate-changing gas emissions;

A process was undertaken to identify a strategic roadmap, consisting of levers and projects to activate in key areas of the business: Energy, Mobility, Logistics, Formula and Packaging. This strategic roadmap will achieve SBTi's 2030 emission halving targets.

Our starting point: actions to achieve the 2030 goals

Energy manager and energy management plan

The Davines Group intends to **strengthen the figure of the energy manager**, a role whose skills are already present and active within the company, making it even more central and strategic.

In addition, a **business energy management plan** will identify and implement efficient practices, reducing costs and minimizing environmental impact.

Travel Policy update

The corporate travel policy will be updated, introducing strategic measures based on the “**Avoid-Shift-Improve**” approach. This approach aims to:

- avoid trips that are not strictly necessary;
- shift to more sustainable modes of transport;
- improve travel efficiency.

The main goal is to optimize business travel, improving its sustainability and efficiency through the adoption of innovative practices and solutions.

There is also a process for monitoring and updating the travel policy every three years to ensure that the policy remains in step with business needs and sustainability goals.

Mobility manager and employee mobility plan

The Davines Group also intends to strengthen the role of the **mobility manager** with a new **plan to further optimize transportation practices for the home-to-work commute**. This will ensure strategic oversight and implementation of better sustainable employee commuting solutions.

These include, in particular, the use of an innovative electric bus, Demand Responsive Transit, which is a full electric shuttle that customizes timetables and routes that can be traveled according to user demand, via a special digital app. Solutions such as carpooling and bicycling will also be promoted, as well as incentives for the use of public transportation and carsharing.

Through structured planning and active management, the goal is to improve environmental sustainability by facilitating efficient and convenient commuting options as well as serving the needs of the company's employees.

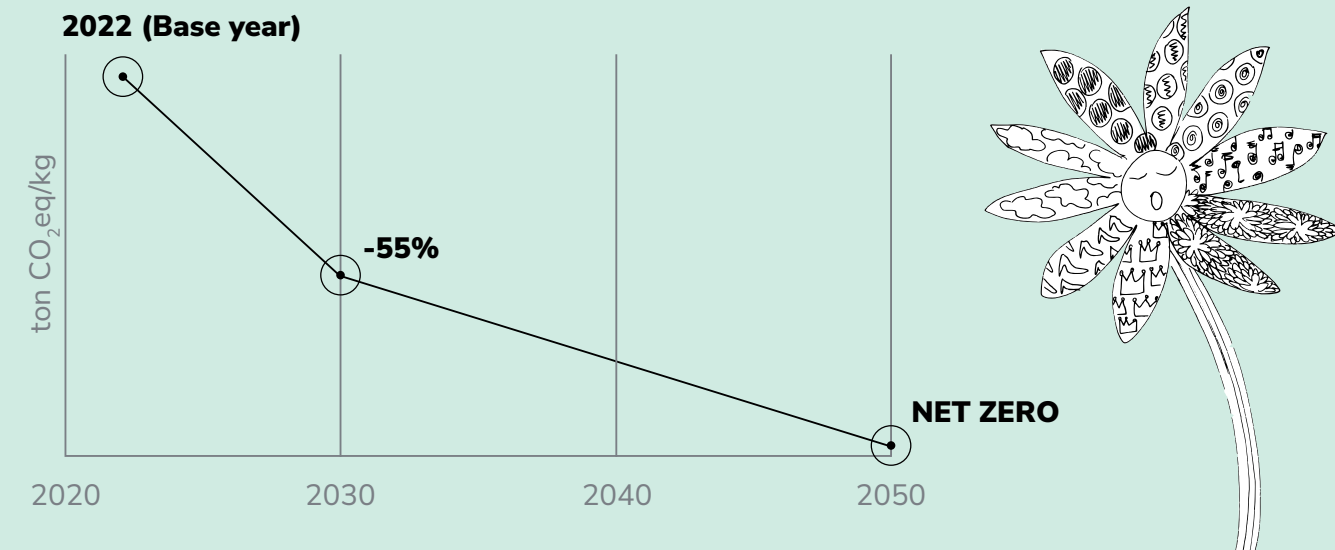
Logistics decarbonization program

The Davines Group aims to develop an **integrated plan for all downstream logistics**, starting with specific routes and vehicles. Based on the positive results expected from the pilot tests, the technical and economic feasibility of a change of transportation mode to achieve ambitious decarbonization goals will be evaluated.

¹³QueThis certification identifies projects that not only provide benefits in terms of carbon absorption, and obviously comply with social and environmental guarantees, but that also take a holistic approach by generating a tangible impact for people and biodiversity: <https://www.planvivo.org/>
¹⁴<https://co2alizione.eco/it/inizio/>

Our 2030 and climate neutrality goals

By 2030, a **55% reduction in greenhouse gas emissions** per kg of bulk product is expected compared to 2022. This target was calculated based on the boundaries defined by the GHG Protocol, (as stated in Davines Group's 23/24 Sustainability Report) therefore including emissions from both Scopes 1 and 2 and Scope 3¹⁵, with reference to the year 2022, for an amount of 43.453-ton CO₂eq



Through this intensity target, the Group aims to achieve the ambitious goal of decoupling revenue/production growth from absolute emissions growth.

Moreover, in May 2022 the Group signed its commitment to reach the NET ZERO target, by 2050 at the latest, with Science Based Target Initiative. The Science Based Targets (SBTi) initiative, launched in 2015, encourages companies that want to transition to a low-carbon economy to set science-based decarbonization targets.

In May 2024, the Group therefore made the submission of its reduction targets, and the decarbonization targets specified by SBTi will be officially reported once the targets have been validated by SBTi. Reduction targets (both short-term to 2030 and NET ZERO to 2050) are currently being validated and will be reported later, in line with SBTi (*).

(*) Below we summarize what is stipulated in the SBTi target standards:

2030 "Near Term" SBTi targets

- 42% absolute reduction in Scope 1 and 2 greenhouse gas (GHG) emissions using an absolute value approach, compared to the base year;
- 51.6% intensity reduction (non-FLAG19) and 30.3% intensity reduction (FLAG: directly related to agriculture, forestry and other land uses) of Scope 3 GHG emissions per kg of bulk product, using a physical intensity approach, compared to the base year.

2050 "NET ZERO TARGET" SBTi targets

- 90% absolute reduction in Scope 1 and 2 GHG emissions using an absolute value approach compared to the base year;
- 97% intensity reduction (non-FLAG19) and 72% intensity reduction (FLAG: directly related to agriculture, forestry and other land uses) of Scope 3 GHG emissions per kg of bulk product, using a physical intensity approach, compared to the base year;

¹⁵Excluding the use phase (emissions that result from the use of products), however, including emissions related to the hairspray use phase because their use generates direct emissions from the use of climate-altering propellants.

100% of energy used will be self-generated from renewable sources at Davines Group Village

- **by 2030,** natural gas will be replaced by self-generated renewable energy, with the goal of completely eliminating fossil fuels for Davines Group Village's production processes and offices; Decarbonizing thermal consumption is a significant and complex challenge for companies aiming to eliminate their Scope 1 emissions. By replacing fossil gas with self-generated electricity from 100% renewable sources or locally produced biomethane, companies can effectively reduce their environmental impact while gaining a competitive advantage in an increasingly sustainability-driven local economy.
- **by 2030,** the entire electrical consumption of the manufacturing plant will be powered by additional and newly generated solar energy produced on site. This will be achieved through an innovative agrivoltaic system and traditional photovoltaic installations

Our flagship projects

The agrivoltaic system at EROC

Agrivoltaics is one of the most promising frontiers in the renewable energy field. The Group's agrivoltaic approach integrates renewable energy with regenerative organic farming.

Indeed, the Group will install the agrivoltaic system on the land where its European Regenerative Organic Center (EROC) – Europe's first center dedicated to training, research and dissemination in the field of regenerative organic agriculture – is located. EROC covers a 17-hectare site across from the Davines Group Village in Parma, Italy.

In practice, the agrivoltaic system will allow electricity to be generated from photovoltaic panels arranged at a certain height, supported by vertical structures, and regenerative agricultural practices can be carried out below these panels without limiting productivity.

The goal is to create a platform that combines the production of active organic ingredients following the principles of regenerative organic farming and the production of electricity through photovoltaic panels on the same agricultural land.

This innovative strategy uses cutting-edge technologies and sustainable design principles, with a focus on landscape protection, to optimize soil health and environmental sustainability while enhancing biodiversity and resilience to climate change.



Circularity: reversing the paradigm

The linear economy model – based on the “take, use and discard” paradigm – is no longer sustainable. In order to ensure the survival of our species, there is a need for a paradigm shift that reverses the course of the linear economy. The Davines Group has long been committed to reducing the use of materials as much as possible and, when this is not possible, to their reuse or recycling. Circularity challenges the Group to rethink its actions, encouraging a **regenerative approach**, which is in its DNA.

The challenge starts with packaging

Packaging is developed following the principles of the circular model. As stated in the “**Charter for Packaging Research**” – written in 2011 to support the company in designing more sustainable packaging – packaging must be “designed, manufactured and marketed in a way that permits its reuse or recovery, including recycling, and minimizes its impact on the environment in the event of disposal”.

To this end, a team of experts dedicated to packaging research and development at Davines Group Village is inspired daily by **eco-design principles** to study lower-impact solutions for all products, both in terms of material innovation and process efficiency, while always safeguarding quality and safety. Only after this study are the products launched for production and marketing.

So far, significant milestones have already been achieved. For example, in 2023, 94.4% of paper and cardboard packaging (secondary and tertiary) purchased by the Group was made of recycled materials, while the remaining 5.6% was virgin material¹⁶. Also in the same year, 44.3% of plastic packaging (primary, secondary, and tertiary) purchased was virgin fossil plastic, 35.3% recycled plastic, 20.1% bio-based plastic, and the remaining 0.3% mass-balance plastic. Overall, 65.1% of total packaging (primary, secondary and tertiary) purchased was made of recycled material.

In choosing materials for its packaging, the company is conscious that, to date, no material can be considered perfect for all uses in terms of performance and sustainability. Every packaging material has its advantages and disadvantages. As such, for each formulation, the packaging material that is considered the best, with the least environmental impact, is chosen.



In choosing materials for its packaging, the company is conscious that, to date, no material can be considered perfect for all uses in terms of performance and sustainability. Every packaging material has its advantages and disadvantages. As such, for each formulation, the packaging material that is considered the best, with the least environmental impact, is chosen.

To date, Davines Group has used five **different materials for its packaging**: paper and cardboard, plastic, glass, aluminum and steel.

Commitment beyond the Group’s value chain

The Davines Group follows eco-design principles to reduce the impact of packaging within its value chain, i.e., at all stages over which it has direct control. However, it is aware that packaging also involves a number of challenges outside the value chain, particularly when it is not properly disposed of and recycled and therefore ends up in the environment.

Consequently, since 2021, the Group has been collaborating with the social enterprise Plastic Bank to collect and remove from coastal areas in Brazil, the Philippines, Indonesia and (from 2024) Thailand the equivalent amount of plastic from sales of its products. The collected plastic, once treated, is reintroduced into the global supply chain, giving it new life through a regenerative approach.

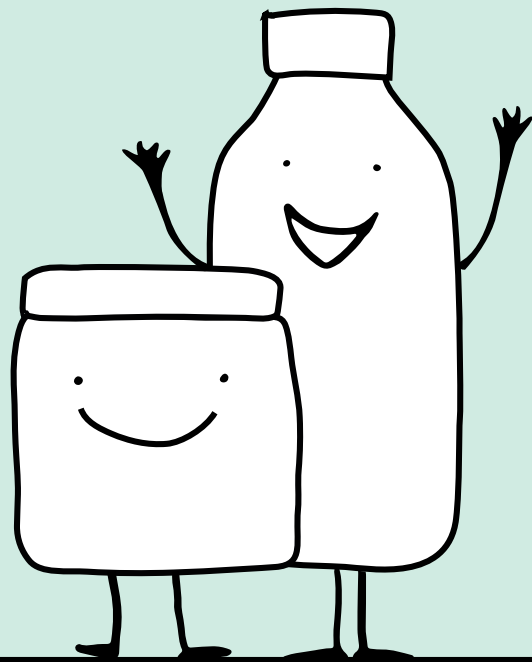
From 2021 to 2023, 1,702 tons of plastic waste was removed from the environment.

Our starting point: actions to achieve the 2030 goals

Circularity Index

The Group regards **measuring circularity** as an essential requirement for developing concrete actions and achieving meaningful results. This process makes it possible to assess performance in terms of circularity, verify the effectiveness of strategies adopted to contain environmental impacts and economic costs, and promote continuous improvement at the level of production processes.

It is also a key tool for transparent communication with all stakeholders.



¹⁶Without considering full services, i.e., what is produced and packaged outside the production plant, the figures for 2023 show even further improvement: 98% of packaging is composed of recycled paper and cardboard, with only 2% virgin material.

¹⁷Without considering full services, the packaging figures for 2023 are 35.9% virgin fossil plastic, 40.6% recycled plastic, 23.2% bio-based plastic, and 0.4% mass-balance plastic.

¹⁸A plastic produced using renewable resources (sugar cane). It is not biodegradable but recyclable as plastic.

¹⁹A plastic produced using bio-naphtha derived from organic waste (used cooking oil) and industrial organic waste (tall oil, a residue from paper production). It is not certified along the supply chain.

²⁰Without considering full services, the packaging figures for 2023 are 68% recycled material and 32% non-recycled material.

Our goals for 2030

The Davines Group's circularity goals aim to significantly reduce its environmental impact, with a focus on product packaging:

- ▶ **by 2030,**
the amount of purchased virgin fossil plastic should not exceed 10% of the total weight of purchased plastic packaging, considering all packaging levels (primary, secondary and tertiary). This goal applies to both in-house production and what is produced and packaged outside the production facility (full services);
- ▶ **by 2030,**
all aluminum purchased for product packaging should be 100% recycled, considering both in-house production and full services;
- ▶ **by 2030,**
all paper and cardboard used for product packaging should be 100% recycled, considering in-house production and full services.

Our flagship projects

Toward the abandonment of fossil-derived virgin plastic

This project aims to advance the replacement of virgin plastics with alternative materials to fossil fuels, such as mechanically recycled post-consumer plastic, bio-based plastic from renewable sources, and chemically recycled plastic. At an early stage, the goal is to assess the feasibility of this further transition relative to the efforts made by the Group for years, both from a technical and economic standpoint.



Biodiversity: a commitment to protect natural resources

Over the years, the Davines Group's approach to sustainability has steadily evolved, particularly with respect to biodiversity protection. From a determination to protect the environment by minimizing the footprint of its activities, the Group has arrived at a desire to go further by committing to regenerate natural resources. This approach is fully expressed through active leadership in promoting, defining and implementing good agricultural and procurement practices, while encouraging the Davines community to follow sustainable lifestyles.

Leadership that comes from afar. For example, in 2014, Davines – the Group's haircare division – started a partnership with Slow Food: each Essential Haircare product contains an active ingredient from an Italian Slow Food Presidium that safeguards biodiversity and supports family farms. At present, the Davines Group uses 11 ingredients from these Presidia in its formulas.

In addition, in 2021, through a partnership with the Rodale Institute non-profit organization²² in the U.S., Davines Group founded the **European Regenerative Organic Center (EROCC)**²³, the first European center dedicated to training, research and dissemination in the field of regenerative organic agriculture. EROC covers a 17-hectare site across from the Davines Group Village in Parma, Italy. This type of agriculture can improve soil health, enrich biodiversity and fix CO2 sequestered from the atmosphere in the soil. Moreover, it requires less water use, helping to mitigate climate change.

The goal of the partnership with the Rodale Institute, a world-renowned pioneer and leader in regenerative organic farming research, is to research and identify new high-performance, active organic ingredients for the cosmetics industry; to promote research on topics such as soil carbon fixation, biodiversity, and reduced water consumption; to educate farmers and the public on the principles of regenerative organic farming; and to promote a higher standard of certification in the production of organic active ingredients.

In 2023, 14 new ingredients were approved for the Group's formulas, including 6 from regenerative organic farming.



²²<https://rodaleinstitute.org/>
²³<https://davinesgroup.com/eroc>

Our starting point: actions to achieve the 2030 goals

Biodiversity footprint and Action Plan

First, the Davines Group aims to assess its **biodiversity footprint** by examining the pressures and impacts on biodiversity associated with each category of activity, including direct operations and upstream activities, and defining possible pressure indicators. Once this analysis is completed, the Group aims to identify locations and economic activities to include within certain 'boundaries' in order to determine where to prioritize action to mitigate the most significant negative impacts on nature.

Deforestation-free policy

Investments will be made in collaboration with our partners to develop deforestation-free ingredients. This approach reflects the company's technological commitment to reducing the environmental impact of any ingredient from deforested areas, in line with industry best practices.

Nature Positive Network

Davines Group was among the first to join the Nature Positive Network (NPN)²⁴, the Italian network of companies concretely committed to nature-friendly measures, initiated by the Sustainable Development Foundation and the Po River District Basin Authority. The Network aims to contribute to the spread of a nature-positive economy in Italy, capable of improving the conservation status of ecosystems and land adaptation to climate change, creating the conditions for a more resilient and competitive economy.

The NPN will initially operate in the Po River District, an area with extraordinary values in terms of nature and landscape, considered a priority for biodiversity protection in Italy, but also one of the most densely populated areas in Europe, where some of the country's largest manufacturing operations are concentrated. The goal is to open a purposeful dialogue between private individuals and land management agencies, encouraging nature restoration initiatives and connecting businesses.

Our goals for 2030

The goals cover a wide range of aspects from using more sustainable ingredients to using highly biodegradable materials to restoring ecosystems by collecting plastic waste:

- ▶ **by 2030**, the Davines Group plans to increase the number of ingredients from regenerative organic (EROC model) or Regenerative Organic Certified® (ROC) farming practices to at least 80²⁵;
- ▶ **by 2030**, 10% of ingredients purchased and used in formulas must be certified as coming from regenerative organic agriculture, and this will account for 80 percent of all-natural ingredients eligible for ROC or organic certification;
- ▶ **by 2030**, over 90% of ingredients purchased and used in formulas will be of natural origin²⁶;
- ▶ **by 2030**, over 85% of ingredients purchased and used in formulas will be with reduced bio-accumulation in the environment;
- ▶ **by 2030**, only formulas containing palm oil or its derivatives with RSPO (Roundtable on Sustainable Palm Oil) CSPO²⁷ (Certified Sustainable Palm Oil), certification will be produced, preferably adhering to the more stringent criteria of POIG²⁸ (Palm Oil Innovation Group);
- ▶ **by 2030**, 5,000 tons of plastic waste will be collected from the environment as part of ecosystem restoration efforts outside its value chain through eco-restoration projects.



I nostri progetti flagship

EROC and Scientific Garden

In addition to the **European Regenerative Organic Center**, the 3,000-square-meter **Scientific Garden** at the Parma headquarters, featuring more than 6,000 plants, also provides an oasis of biodiversity where new ingredients can be discovered. Cultivated according to organic farming principles, the Scientific Garden is not only an emblem of the Group's values of beauty and sustainability, but also a place of inspiration and study.

Here the research team investigates the properties of plants, new essences and ingredients that form the basis of professional formulas, as if it were in an open-air laboratory, an extension of the R&I laboratory to which it is also directly connected logistically: indeed, from its windows, you can admire its beauty from all angles.

Listed below are some of the most relevant and significant activities and projects that are currently underway or can be activated at EROC and the Scientific Garden:

- assess the **potential of regenerative organic farming compared to traditional intensive methods**;
- establish a **biodiversity index at EROC**, comparing it with existing benchmarks or neighboring agricultural fields;
- implement a **Pollinator Garden at EROC**. The **Regenerative Biological Apiary** will be populated by honey bees of the ligustica species or Italian honey bee (*Apis mellifera ligustica*);
- assess the **water footprint of ingredients grown at EROC**;
- further strengthen collaboration **between research activities in the Scientific Garden, and at EROC, and production facilities**.

The Good Farmer Award

The Good Farmer Award²⁹ was launched by the **Davines Group in collaboration with the Sustainable Development Foundation**. This initiative is the **first in Italy** to reward farmers under the age of 35 who have already initiated projects inspired by the basic principles of regenerative organic farming and agroecology. In 2025, the first edition of the award will be launched in the U.S., in collaboration with the Rodale Institute.

The goal of the award is to contribute to the dissemination of a **new culture of agricultural production** that supports the ecological transition of agrifood supply chains, though not exclusively.

²⁴<https://naturepositivenetwork.net/>
²⁵<https://regenorganic.org/>

²⁶In this calculation we consider water and non-organic substances and rapidly biodegradable raw materials (classified as such according to the OECD 301 method, Rec. Regulation EC No. 648/2004, i.e., if more than 70% of the compound biodegrades in on

²⁷<https://rspo.org/as-an-organisation/certification/>
²⁸<https://poig.org/>

²⁹<https://davinesgroup.com/il-nostro-impatto/percorsi/the-good-farmer-award>

Water: the path to water footprint reduction

According to the latest United Nations Water Development Report³⁰, globally about 70% of freshwater withdrawals are for agriculture, followed by the industrial sector (just under 20%) and domestic uses (about 12%). To date, about half of the world's population faces severe water scarcity for at least part of the year (IPCC, 2023). While some areas experience water scarcity for a limited number of months, others face water shortages throughout the year.

The Davines Group has long been committed to reducing its impact on water resources. Indeed, conserving water and reducing its water footprint throughout the value chain are among the main goals of its current sustainability strategy. The most significant measures carried out in recent years are as follows:

2018

efficiency improvement of the production machines' cooling/heating system: thanks to an automatic system, the water used for cooling and heating is drawn from the main circuit of the Davines Group Village. After use, it is stored and reused through a closed-loop system, which allows it to be fed back into the loop for the next cycle, avoiding waste. By 2024, about 90% of machines will be equipped with this system;

2020

renewal of the osmotized water storage and distribution plant: the project related to the osmotic plant, which supplies water used in product formula recipes or for washing machinery, was completely renovated, also bringing benefits for the environment. The new system is designed to eliminate cases of osmotized water contamination, which in the past required frequent flushing and disinfection of the entire system and tanks. This not only reduces the use of large amounts of chemicals and water for rinsing, but also alleviates the overload on the purification plant;

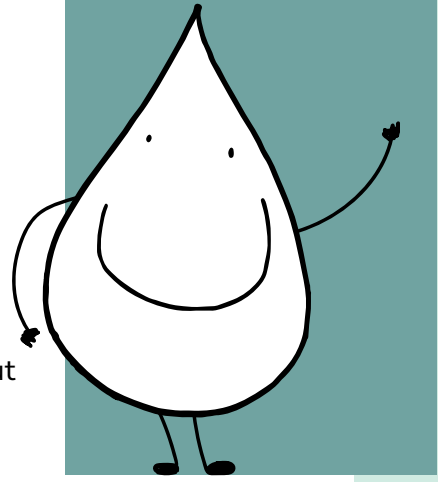
2021

commissioning of the new osmotic plant using ozone: the new ozone production plant was commissioned, allowing the use of chemicals to be replaced in the post-wash sanitization phase. Next, a simple UV lamp procedure is used to remove ozone from water. This approach improves efficiency and avoids water loss and the use of chemicals, representing a concrete commitment to responsible resource management and reduced environmental impact;

2023

installation of water-saving equipment and machinery: the Group installed, although as yet untested, a new production plant equipped with the ability to integrate mass meters to accurately monitor water use during machinery washing. Moreover, the system is equipped with a high-pressure washing system that significantly reduces water consumption.

Further optimization of washing times and a change in cycles enabled a **reduction in the number of liters of water needed to perform CIP (Cleaning In Place) of the main plant in the manufacturing department.** For each CIP, the Group estimates a saving of more than 3,500 liters of water.



Actions to achieve the 2030 goals

To achieve its ambitious targets, the Davines Group – in keeping with projects carried out in recent years – aims to **assess, through an organizational water footprint, the environmental impact of its production processes and supply chain** on water supplies, both in terms of quality and quantity of available water.

In addition, the Group will commit to a detailed plan to address these challenges and improve water use efficiency.

Our goals for 2030

To preserve this precious resource, the Davines Group aims to significantly reduce its water footprint:

- **by 2030,** total water consumption at the Davines Group Village, taking into account offices and the production plant, will be reduced by 50% compared to 2023 levels;
- **by 2030,** the intensity of water use during the production phase will be reduced by 75% per ton of bulk product compared to levels measured in 2023;

Our flagship projects

“Waterloop Village”

The Davines Group aims to implement a waterloop system at the Village, which will recover up to 60-70% of wastewater.



³⁰<https://unesdoc.unesco.org/ark:/48223/pf0000388952>

The Future Salons, Beauty Centers & SPA Initiative

The Davines Group has been working with suppliers and customers for years to promote positive change throughout the value chain, anticipating recent regulations that encourage companies to also assume responsibility upstream and downstream of their operations. For example, since obtaining B Corp certification in 2016, the Group has supported 19 suppliers, 2 distributors, and 4 salons on the path to becoming B Corps. Many other stakeholders, inspired by this vision, have expressed interest in improving their approach to business and have taken individual steps to reduce their environmental impact.

Although all stakeholders are involved, the 2030 sustainability strategy assigns a particularly significant role to the involvement of professional clients. The Davines salons, SPAs and Comfort Zone beauty practitioners form a genuine community spread throughout the world, capable of implementing the global strategy at local level, greatly amplifying the Group's potential positive impact.

Professional customers, specifically, have been involved for a long time now at different levels:

► Onboarding and events

Clients are always welcome at Davines Group Village, where they can directly meet with the Sustainability team for an informative onboarding and engagement experience. Every event aimed at them always includes a segment dedicated to specific sustainability issues, such as decarbonization or B Corp advocacy;

► Tools

In 2019, the Group produced the “Extraordinary Manual to Improve the World”, a book containing 124 ideas inspired by the 17 Sustainable Development Goals (SDGs) to be achieved by 2030. Translated into four languages, this handbook aimed to actively engage partners by providing practical advice on how to integrate the 17 SDGs into their daily work, including the goals that might have seemed most remote. The handbook also included exercises and materials specially designed for this purpose;

► Training

The Davines Group prioritizes the training of its professional partners. Over the years, the company has developed various educational activities, from short modules on ESG issues to larger programs such as the Sustainable Salon Master Program, recently relaunched in a new format expanded and presented to international trainers in early 2024;

► Advocacy

In various countries, there are Sustainable Beauty Partner groups and other local customer communities that share and promote the Davines Group's values. Since 2018, the company has also been conducting sustainability campaigns with its professional partners, such as Ocean Keeper, Grow Beautiful, Stand For Regeneration, and B The Change. These initiatives involve branches, distributors and professional customers, ultimately reaching the end customer, raising awareness and encouraging them to act for the good of people and the planet.

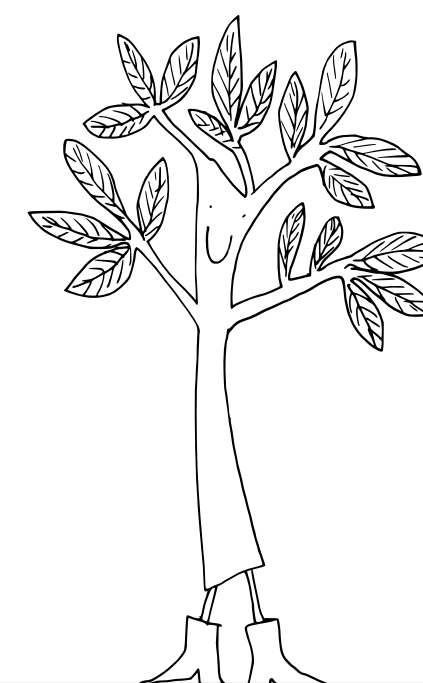
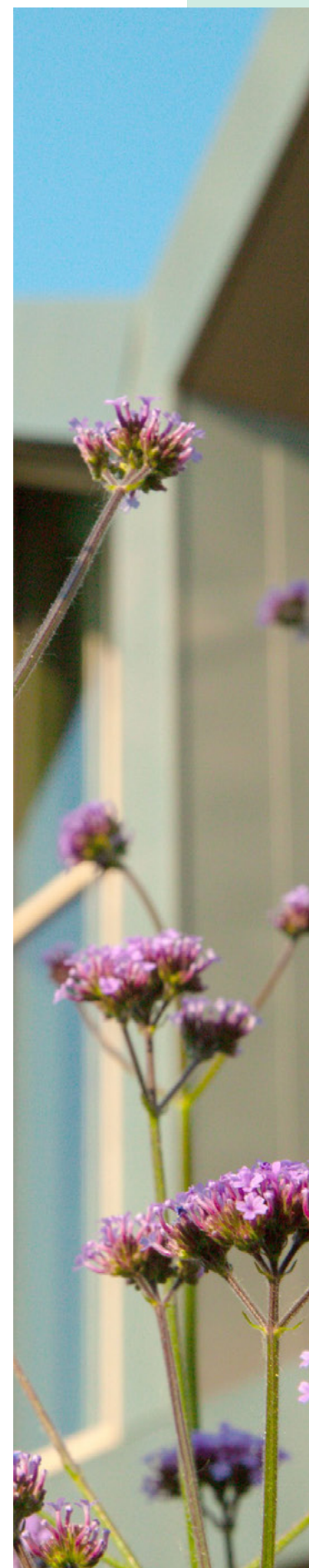
A future-proof project

The flagship project “**The Future Salons, Beauty Centers & SPA Initiative**” fully incorporates this holistic approach to environmental sustainability, aiming to **define the sustainable model of the salons, beauty centers and SPAs of the future**, characterized by low environmental impact.

This is a project that cuts across all four pillars underlying the Group's regenerative sustainability strategy: decarbonization of the value chain, transition to circularity, conservation and enhancement of biodiversity, and water footprint reduction.

The communities of salons, beauty centers and spas that use Davines and Comfort Zone brands for haircare and skincare will be an integral part of this program, led by the Parma headquarters, which involves the implementation of specific environmentally friendly measures: from reducing water consumption to recycling plastic and other waste, to energy efficiency, just to name a few.

These initiatives will have a significant impact, as all partners involved will not only adopt more sustainable practices but also become **‘multipliers’ of the Davines Group's environmental sustainability goals**, in turn inspiring customers to make virtuous lifestyle changes.





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[comfort zone]
conscious skin science