2016 Annual Report



PERFUME HOLDING

This Annual Report refers to Morris Profumi Group. The Group is also commercially known as Perfume Holding and for this reason the names “Perfume Holding” and “the Group” are used interchangeably in this Report referring to Morris Profumi Group. The Group logo has not changed.

The reference “Morris Profumi S.p.A.” refers solely to the parent company.

2016 Annual Report

PERFUME HOLDING



Contents

CEO Letter 6
2016 highlights 8
1. History and timeline 9
2. Global market position 16
3. Product portfolio 19
3.1. Atkinsons London 1799 20
3.2. Ferrari Cavallino 24
3.3. Scuderia Ferrari 26
3.4. Liu Jo 28
3.5. Dirk Bikkembergs 30
3.6. Iceberg 32
3.7. Sergio Tacchini 34
3.8. English Garden 36
3.9. Morris 38
3.10. I Coloniali 40
4. Marketing and communication 42
5. Integrated Approach 46
6. Governance 48
7. Financial Information 49
7.1. Consolidated income statement 49
7.2. Consolidated balance sheet as at 31/12/2016 50
7.3. Consolidated cash flow statement 52
7.4. Management report of the consolidated financial statement 53
7.5. Auditor's report 68



"The Group's DNA and core business provides extensive technical, scientific and fragrance know-how. Our labs are set to select high quality raw materials and essences to transform them into perfumes and cosmetic products that are full of character and personality".

Our distribution channels are selected for an accurate market placement in accordance with corporate strategies, because we believe it is necessary to place the right products on the right markets with a proper communication strategy.

Perfume Holding's 360 degree integrated approach distinguishes our business from other industry competitors. Our growth strategy and development plan for our brands in the niche and selective market segments has continued in 2016, in line with previous years. The financial results achieved in 2016 confirm our success in the industry and we believe the driver of this achievement is our culture of innovation, continuous quality improvement and focus on exports.

The Group has strengthened its position and presence in foreign markets in 2016. We are now playing a key role in Central and South American regions: on one side, after a two-year absence we are again visibly present on the Mexican market, and, on the other side, the good strategy deployed in Brazil led to promising results notwithstanding the general consumption drop caused by the economic crisis. Ferrari fragrances have been ranked second by volumes and fourth by value in the Brazilian selective market.

Furthermore, the Group's growth in Russia was confirmed by Liu Jo's extraordinary success. More than 15 thousand pieces were sold out in December at the Rive Gauche stores nationally. Perfume Holding's collaborations with leading partners is a driving force behind the brand's exclusivity and visibility.

The Group's focus on skin care products has been increasing in the past years. In 2016 the Group has completed the final stages of the development of new skin care products in view of the launch in 2017/2018, with a particular focus on the Asian market. Perfume Holding will present a high quality brand and natural products and sees the introduction of skin care products in the cosmetics industry as one of its future challenges.



Dino Pace

Chief Executive Officer

The brand's 2016 creations have received the following international awards:

Allure Best of Beauty

The new fragrance launched by Atkinsons, Her Majesty the Oud won the Allure Best of Beauty Award. More information can be found in the November 2016 cover.

Beauty Awards 2016

In 2016, Ferrari's Fragrance iPhone Case won the Best Innovation Prize at the 2016 Beauty Awards organized by British magazine Beauty in collaboration with Debenhams Beauty Club and OK! Magazine.
This award is a great achievement for Perfume Holding as it involves the participation of industry experts, celebrities, beauty advisors and celebrities to determine the industry's greatest launches and product innovations of the year.

Moreover, Perfume Holding holds the unique patent for cases production.

"This product is about daring to be different"

(Dino Pace,
CEO of Perfume Holding).







1946

Opening of the manufacturing site in Parma, with the presence of Giuseppe Borri and the National Federation of Italian Perfumers.

Founded by Giuseppe Borri in 1946 in Parma, the company, with the name of Morris Profumi, started its activity with the mission to produce and distribute fragrances in the selective perfumery channel in Italy.

Since its foundation, Morris Profumi's main goal was to generate advanced quality products, always searching for innovative solutions and intelligent products, considering fragrances as the most important objectives of its activity and daily engagement.

Morris Profumi's values were its brands, its customers and its people. The **brands** are the real identity of the Company, and Morris Profumi sustained them through the coherence of its products and the quality of communication. The close and continuous relationship between the Company and its **customers** is another one of the most important key value: Morris' success depends on meeting customers' needs and expectations. Finally, Morris Profumi's **people** are key for the success of the Company: creative, competent and with entrepreneurial spirit.

Soon after the Company's foundation, the brand which made the history of Morris Profumi was launched: Napoleon. Several successful fragrances were produced under this brand, such as Desiree (in the late 60s), IN (in the 70s, and Gocce di Napoleon, (in the late 70s), which was the market leader in terms of volume for several years and made Morris Profumi one of the largest producers in Italy.

In the 80s, the Company started to go global, with the license agreement of Sergio Tacchini and La Perla and producing fragrances for Acqua di Parma (in the 90s). Later on, the licenses of Krizia, Fiorucci and Ferrari came on board (early 2000s), as well as the acquisition of I Coloniali and Atkinsons, the most important premium line in the company's portfolio, in 2008. All these new sources of business strongly contributed to the international expansion, giving the Company the shape, size and success achieved nowadays.



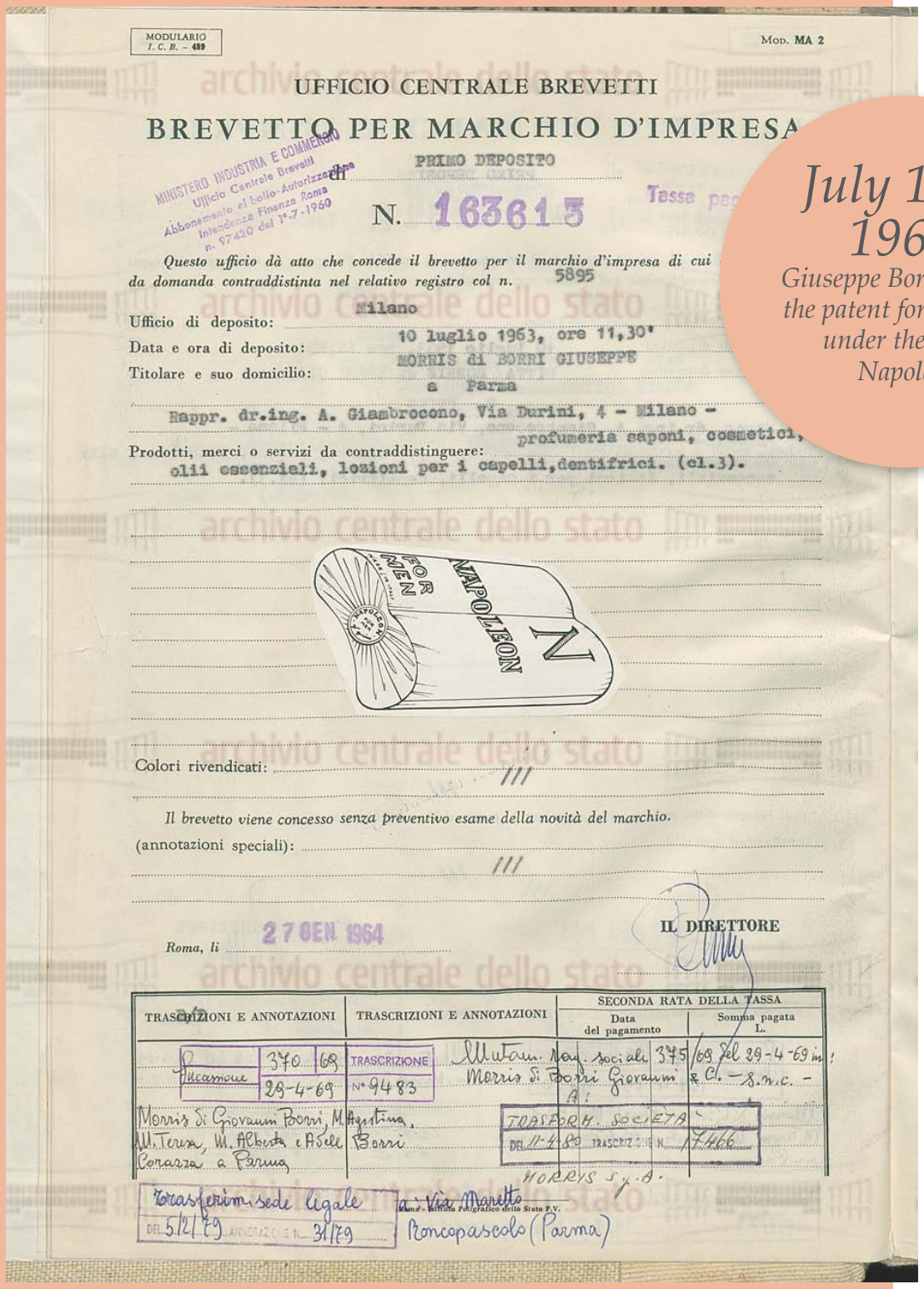
Linda Cristian, the actress and wife of Tyrone Power, with Giuseppe Borri, testing the new fragrance Desiree

11

1. History and timeline

July 10th, 1963.

Giuseppe Borri deposits the patent for a product under the brand Napoleon



MODULARIO I. C. B. – 489

Mod. MA 2

UFFICIO CENTRALE BREVETTI

BREVETTO PER MARCHIO D'IMPRESA

MINISTERO INDUSTRIA E COMMERCIO Ufficio Centrale Brevetti Abbonamento al bollo-Autorizzazione Intendenza Finanza Roma n. 57420 del 1°-7-1960

PRIMO DEPOSITO

Tasse pa

N. 163613

Questo ufficio dà atto che concede il brevetto per il marchio d'impresa di cui da domanda contraddistinta nel relativo registro col n. 5895

Ufficio di deposito: Milano

Data e ora di deposito: 10 luglio 1963, ore 11,30'

Titolare e suo domicilio: MORRIS di BORRI GIUSEPPE e Parma

Rappr. dr.ing. A. Giambrocono, Via Durini, 4 - Milano -

Prodotti, merci o servizi da contraddistinguere: profumeria saponi, cosmetici, olii essenziali, lozioni per i capelli,dentifrici. (cl.3).

Colori rivendicati: ///

Il brevetto viene concesso senza preventivo esame della novità del marchio.

(annotazioni speciali): ///

Roma, li 27 GEN 1964

IL DIRETTORE

TRASCRIZIONI E ANNOTAZIONI			TRASCRIZIONI E ANNOTAZIONI	SECONDA RATA DELLA TASSA	
				Data del pagamento	Somma pagata L.
Lucarone	370	68	TRASCRIZIONE	Mutam. Ragione Sociale 375/69 del 29-4-69 in: Morris di Borri Giovanni & C. – S.n.c. –	
	29-4-69		N° 9483		
Morris di Giovanni Borri, Margherita, Ma. Teresa, M. Alberta e Adele Borri Corazza a Parma				TRASFORM. SOCIETÀ DEL 11-4-88 TRASCRIZIONE N. 17466 MORRIS S.p.A.	
Trasferim. sede legale DEL 5/12/79 ANNOTAZIONE N. 31/79			a: Via Marette Roncopascolo (Parma)		

Roma - Istituto Poligrafico dello Stato P.V.

1. History and timeline



In 2010, Perfume Holding was created from the merger of Morris Profumi and Selective Beauty, a French cosmetics company, inheriting a high profile know-how in the fragrance and cosmetics industries both in the Italian and the international context.

Still connected to the historical mission and values, Perfume Holding continued the worldwide business expansion, opening new local offices first in New York and Singapore and then in Russia and Dubai. At the same time, whilst the Group further explored various operating situations for the best possible management, distribution activities also expanded. The main business goal remained to manufacture and market its products in order to create a sustainable value over the long term for shareholders, employees, consumers and business partners.

Today, Perfume Holding is one of the few players capable of offering an integrated approach along the whole supply chain, from development to production and distribution of fragrances. A key strength, thanks to which Perfume Holding has positioned itself and currently operates in the selective and niche strategic marketing areas.



Atkinsons becomes the premium line in the company's product portfolio

Milestones

1946



The Group (with the first name of Morris Profumi) is founded by Giovanni Borri in Parma

50s-70s

• **Brand Napoleon** and its fragrances start making the history of Morris Profumi

• After the launch of **Gocce di Napoleon,** Morris Profumi is acknowledged as the second largest fragrance producer in Italy


UFFICIO CENTRALE BREVETTI
BREVETTO PER MARCHIO D'IMPRESA
N. 165813

80s-90s

• **1986** Morris Profumi becomes part of the Nobel Industries Group, which acquired the majority of shares. A new strategy starts, aiming at exploiting the international potential of Italian fashion brands such as Sergio Tacchini and La Perla.

• **1994-1995** Morris Profumi starts the production for Acqua di Parma.

early 2000

• **2000** The business expands with the attainment of licenses for Krizia and Fiorucci

• **2003** Ferrari enters in Morris Profumi's product's portfolio

• **2007** With the aim of creating a new future for the company in a market facing increasing complexity at a global scale, Morris Profumi is acquired by Investindustrial, with the partecipation of Morris' Management

• **2008** Acquisition of the Atkinsons brand and "I Coloniali"

KRIZIA

Milestones

The milestones of Perfume Holding's history highlight the substantial growth and development process of the Group through the years and the key elements underlying its unique success.

2010

Perfume Holding is born from the merger of Morris Profumi and Selective Beauty

2010-15

• **2011** The business expands in the Americas, the Middle East and the Far East with the opening of new local offices in New York and Singapore.

• **2013** Perfume Holding and Liu Jo sign a worldwide licence agreement for the creation, development and distribution of fragrances under Liu Jo brand.

• **2014** 24 Old Bond Street by Atkinson is awarded the prize "Perfume Extraordinaire" for UK FiFi Fragrance Award.

• **2015** New brances are opened in Moscow and Dubai. A licence agreement is entered with Bikkembergs.

2016

• **Morris Profumi S.p.A.** becomes the parent company of the Group.

• **The Group** signs a license agreement for the production of the first Fiat 500 fragrances.

2. Global Market position

Perfume Holding can rely on a flexible and worldwide corporate organization.

As of 2016, the Marketing & Creation Division is based in Parma (location of the headquarters), in order to join forces with all the other departments such us Research & Development, Sales, Finance & Administration.

The international nature of the Group, with an active presence in 80 countries, is supported by a distribution model composed by distributors, local dealers and directly controlled subsidiaries.



13 local partners

Americas

17 local partners

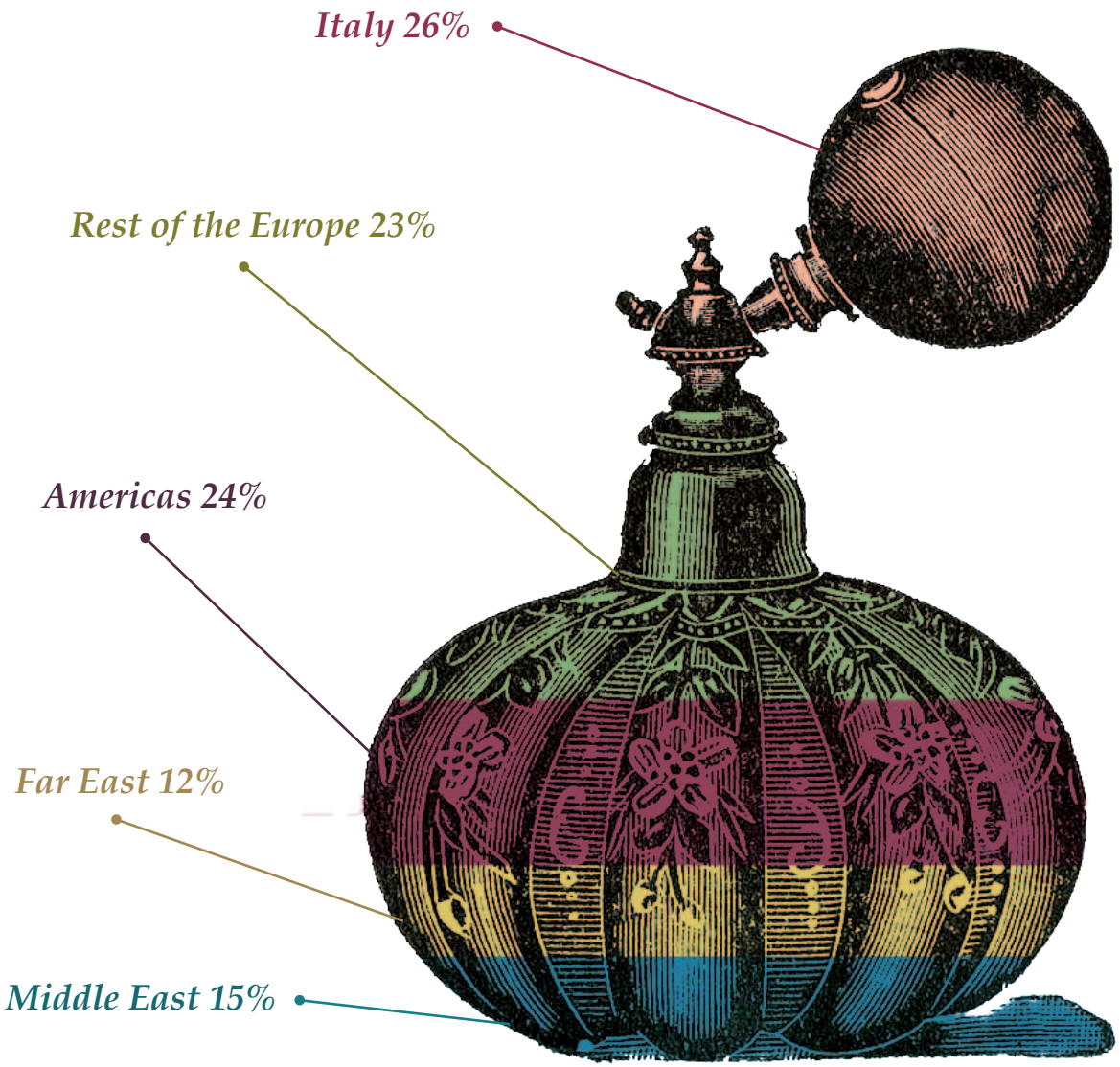
Middle East and Af

2. Global Market position



In 2016, the premium market position of the Group was confirmed through the placement in high-end department stores worldwide, such as: Harrods in London, Tsum in Moscow, KaDeWe in Germany, Barneys in the United States, and Robinsons the Heeren in Singapore.

Revenues by geographic area (2016)



19



3. Product Portfolio

3.1 Atkinsons London 1799

In the early spring of 1799, James Atkinson, an enterprising young gentleman from the wilds of Cumberland, set forth by carriage for the glorious city of London. In his suit pocket were recipes for fine scents and toiletries of his own devising. Next to him sat a sizeable quantity of rose-scented bear grease balm. Next to the balm sat a growly bear. The growly bear was thoroughly devoted to James. Within mere days the utterly fantastic balm became indispensable to London's most uppity crust, who braved the bear at the door of 44 Gerrard Street ("that marvelous perfume shop with the most terrifying bear") to procure sufficient stock for the Social Season.



Today Atkinsons is part of Perfume Holding and is considered the most important premium and niche line in the company's portfolio. The successful brand development is undeniable looking at the distribution growth, from 10 countries and 50 selling points in 2013 to 33 countries and 400 selling points in 2016 - not to mention the presence in key markets, such as Middle-East, Americas and Asia-Pacific and the placement in high end department stores such as Harrods, TSUM, Lane Crawford, Harvey Nichols, and Barney's.

2016 has been a year of exceptional growth, with a solid +63% versus the previous year, and the consolidation of the brand presence and awareness in key markets, such as Germany, UK, Russia, Kuwait, and UAE.

The fragrance range has been enlarged with the launch of 3 new fragrances in The Contemporary Collection and 2 new ones in the Oud Collection.

ATKINSONS

CROWN JEWELS



THE OUD COLLECTION

3.2 Ferrari

Ferrari is an Italian sports car manufacturer founded in 1939 by Enzo Ferrari. Throughout the years, the company has established itself for its continued participation in sports car racing (Formula One) and its exceptional performance and high number of winning drivers. A story of success and victories that brought Ferrari to the fore as lifestyle icon in the market of luxury sports cars since 1947.

"Cavallino Rampante", the renowned prancing horse, is the brand distinguishing symbol all over the world.

Ferrari is performance, technical innovation, design and style, and excellence in all aspects – mainly thanks to the brand's craftsmanship and the continuous research of high quality materials. Passion, excellence and performance are the values behind the fragrances launched by one of the historic licensed brands of Perfume Holding: strongly evocative of the concepts and values of the same-name luxury automotive manufacturer.

The products are designed to foster dreams and emotions, to the same extent of the legendary yellow shield.

Ferrari is one of the leading luxury brands today, especially in USA, China, Italy, Germany and Japan. It has been ranked as one of the most powerful brands in the world and has a very strong fan base, with over 16 million followers on Facebook.



Enzo Ferrari,
founder of the Ferrari
Brand.

Ferrari Cavallino

Ferrari has proven the highest standards and results over several aspects, from desirability to global recognition. The fragrance word reflects its peculiar visual identity and status.

Its values of passion, excellence, craftsmanship and performance have been encapsulated in the DNA of Perfume Holding fragrances. From the name of the perfume to the shape of the bottle through a signature scent, the luxury brand company is legendary for its two lines: Scuderia Ferrari, the entry level line in the prestige market segment, and Cavallino, the "haut de gamme" in the same segment.

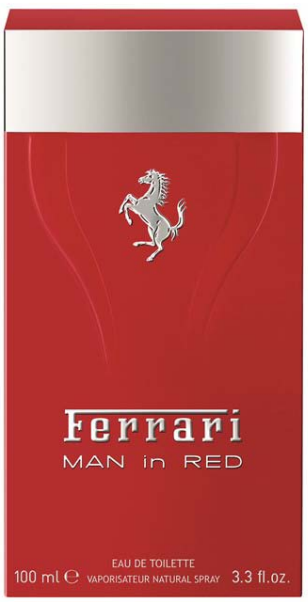
The brand, with an extensive worldwide distribution network, is strengthening its position in Europe, North and South America, the Middle East and Southeast Asia with important launches and successful support. A full 360° marketing approach is implemented with significant investments on TV, in-store theatre, global press events to generate buzz and unprecedented PR.

This strategy has been proven effective since Perfume Holding recorded exceptional results in 2016.

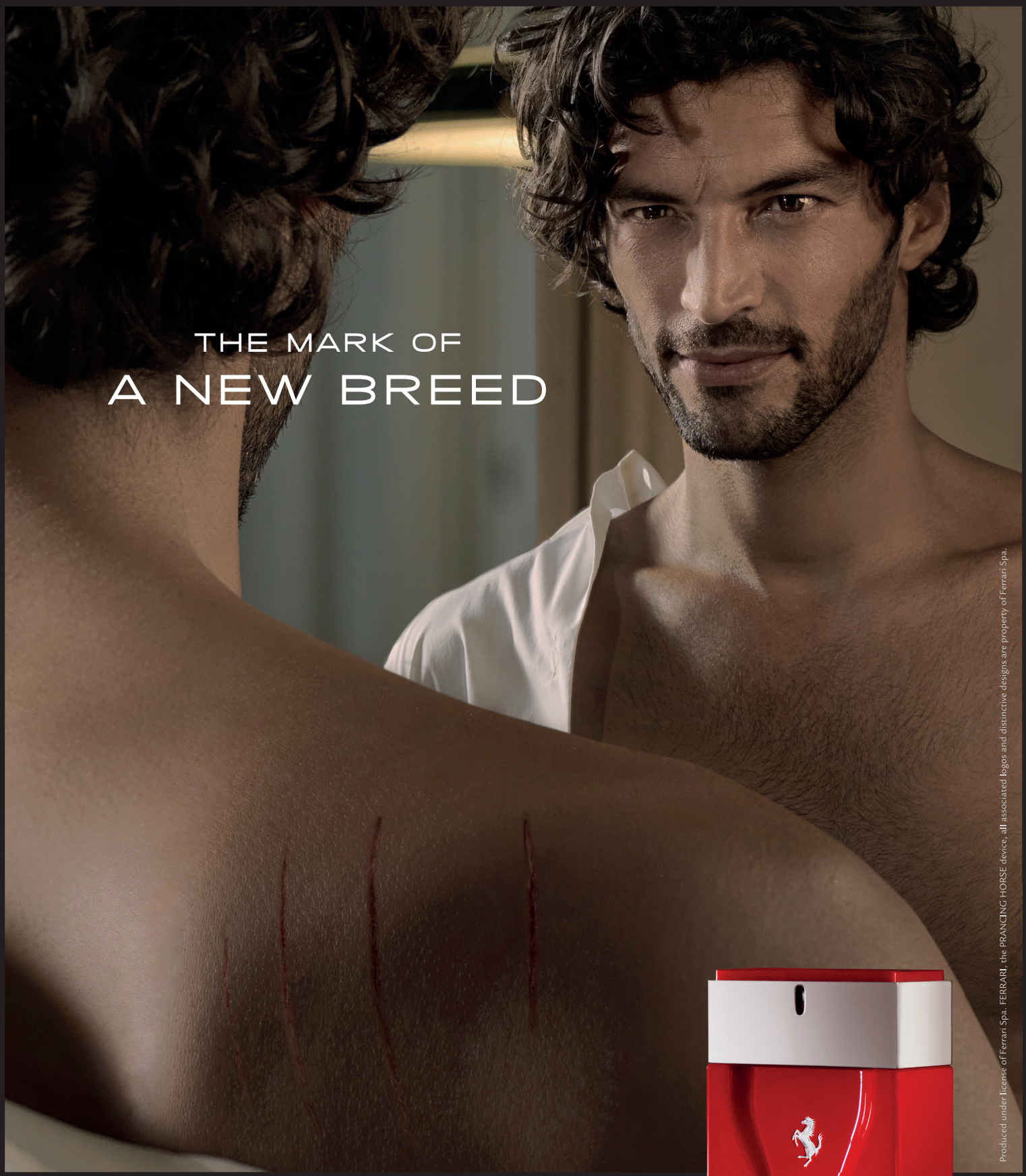
Cavallino

The iconic Man in Red has reinforced its position in Italy with amazing sell-out results where the company has signed an exclusive agreement with Limoni La Gardenia, the most important retail chain in Italy.

Another story of success takes place in Brazil, one of the largest fragrance market where the brand is intensifying its noticeable presence with more than 500 doors. Woojooh & Debenhams in Middle East played an important role scoring amazing performances thanks to striking podiums on key locations: best ever sell-out results on a small podium in Dubai Mall with 350 pcs sold in one week.







Produced under license of Ferrari Spa. FERRARI, the PRANCING HORSE device, all associated logos and distinctive designs are property of Ferrari Spa.

Ferrari

MAN in RED



3.3 Scuderia Ferrari

In 2016, Ferrari's Fragrance iPhone case won the Best Innovation Prize at the 2016 Beauty Awards organized by the British magazine Beauty in collaboration with Debenhams Beauty Club and OK! Magazine. This award represents a great achievement for Perfume Holding as it involves the participation of industry experts, beauty advisors and celebrities to determine the industry's greatest launches and product innovations of the year. Moreover, Perfume Holding holds the exclusivity for the iPhone cases production.

Griffair, AlItalia on board sales magazine, scored incredible sell-out results and placed the iPhone case as a must-have accessory in the Top 5 travel retail.



SCUDERIA FERRARI



FRAGRANCE CASE

YOUR SCUDERIA FERRARI FRAGRANCE **ALWAYS WITH YOU**

Available for iPhone 6/6s.

Produced under license of Ferrari Spa. FERRARI, the PRANCING HORSE device, all associated logos and distinctive designs are property of Ferrari Spa.

3.4 Liu Jo

Liu Jo was born in 1995 in Carpi from the vision of Marco and Vanni Marchi.
The company was initially a small textile business, progressively developed into a major Italian pret-a-porter fashion brand.
The company has currently more than 120 boutiques in Italy and 100 worldwide.



Liu Jo follows a creative philosophy, devoted to the enhancement of the natural femininity and beauty of every woman, expressed through a style that is refined, glamorous and always open to individual interpretation. In 2014, following the same philosophy, the first brand's fragrance was launched. Merging the style of Liu Jo and the expertise of Perfume Holding, Liu Jo's fragrances encompass the brand's DNA, enriching it with the allure that only a fragrance can emanate, through iconic eau de perfumes and eau de toilettes.
The brand, with a worldwide presence, sees its fragrances distributed in selected countries in Europe, Russia and, from 2016, also in the Middle East. The brand's marketing strategy is focused on traditional communication campaigns as well as trade investments and PR events. Thanks to this appropriate go to market approach, Liu Jo fragrances established a strong presence in Russia, where the brand has ranked n°7 in December 2016 at Rive Gauche, one of the biggest retail chain of the country.
Moreover, in 2016 Perfume Holding presented the Liu Jo fragrances within a terrific technological innovation: the Spray Covers for IPhone 6/6S - a breakthrough concept to experience the fragrance in a new way. From now on, everyone can refresh perfume in every moment, just picking up the phone.
This patent-protected innovation is the latest accessory for iPhone that no-one would leave home without.





Spray Cover

LIU•JO

THE NEW WAY TO CARRY
YOUR FRAGRANCE



COVERS ARE REFILLABLE
AVAILABLE FOR IPHONE 6/6S ONLY

3.5 Dirk Bikkembergs

In 1985, after winning an award for Best Young Designer in Fashion, Belgian designer Dirk Bikkembergs was given the opportunity to create his own men's shoes collection. The success of his first line allowed him to launch his first menswear collection in 1989, followed by a women's collection in 1993. In the early 2000s, the brand became particularly popular amongst young people thanks to the launch of the "Bikkembergs Sport" line. Dirk Bikkemberg is the first fashion designer who was authorized to hold a fashion show in a football stadium. In 2016, Dirk Bikkembergs first fragrance was launched.

Dirk Bikkembergs embodies a mix of two different galaxies for men: fashion and sport. Their combination has resulted in a new universe of men's aesthetics: Sport Couture. A cross-synthesis of Fashion and Football, Sport Couture perfectly combines gentleman's tailoring with high-performance athletic wear.

The global brand expansion started in 2013, in markets like Europe, Middle-East, Asia and Latin America in 2016, through the distribution of 45 mono-brand stores through West-Europe (13), East-Europe (19), Middle-East (3) and China (10). Dirk Bikkemberg has a very strong presence in Italy, with over 1000 doors. With stylish, sporty, powerful men as ideal customers, Dirk Bikkembergs products directly target selective fragrance users seeking a sport-stylish premium brand that stands highly above the crowded field of popular athletic labels.

In 2016, inspired by the sporting lifestyle, the brand's first fragrance - Dirk - was launched in Italy, infused with bold values of sexiness, cult of the body, team spirit and ostentation. Sport Couture is a style-driven expression of a new, enlightened masculinity and is the avant-garde spirit of Dirk, the first-ever premium fragrance for football fans aiming to encompass stylish, sporty, and powerful men.
The influence coming from the sport is reinforced with the soccer ball-shaped bottle.



DIRK

Reach your goals





The first fragrance by

BIKKEMBERGS

www.dirkbybikkembergs.com

3.6 Iceberg

Creativity and innovation are the secrets behind Gilmar's success, the company behind the Iceberg brand. Gilmar takes a 360° approach to fashion design and development, pursuing the dream of Giuliana Marchini Gerani and her husband Silvano of creating a lifestyle brand in luxury sportswear inspired by pop art.

Confident, playful, inclusive and sophisticated, nowadays the brand is heading towards a new direction after 40 years. The group has appointed a new Creative Director, James Long, a cornerstone of the booming London fashion scene. The brand is embracing a new era with young brand ambassadors Sarah Synder and Luka Sabbat, taking social media by storm: a new chapter for the Iceberg fragrance, prolonging the success of 2016.

Perfume Holding has entered with Iceberg fragrances the Rive Gauche Russian nationwide retailer, with more than 200 doors. This milestone is key to set the ground for new launches and to start embracing the new fashion brand DNA.



ICEBERG
WHITE



3.7 Sergio Tacchini

Sergio Tacchini is a world known Italian sportswear brand established in 1966 by the Italian eponymous tennis player. During the years, the brand's name became synonymous with Italian style and elegance.
The clothing lines gained international recognition through celebrity endorsements from some of the greatest tennis champions of all time: John McEnroe, Jimmy Connors, Vitas Gerulaitis, Mats Wilander, Gabriela Sabatini, Pete Sampras, Pat Cash, Martina Hingis and Novak Djokovic, with whom the brand has reached 37 Grand Slam victories.

During the period 1980-90, the company has entered new product categories: footwear, accessories and other clothing sectors like skiwear, golf wear, beachwear, and leisurewear.

Today the brand remains a leader in distinctive sportswear, with its authenticity coming from its tennis-related DNA, for discerning consumers who are in search of elegance with an active lifestyle. The brand is now the official technical sponsor of Monte-Carlo Rolex Master Tennis tournament.

Sergio Tacchini perfumes are distributed in Europe and Asia, with a strong presence also in Italy and Russia.



Fantasy Forever



SERGIO TACCHINI

3.8 English Garden

English Garden interprets the unique British style through the lush, perfumed and romantic atmosphere of a real English garden. The scents of plants and flowers as well as their beneficial properties permeates body and soul. All products contain pure natural extracts from the British tradition and are studied to be skin-conscious, avoiding harmful ingredients.

Launched in Italy in 2008, the brand obtained immediately a good response by several key market players, growing +30% in the past 5 years.

The brand portfolio is constantly updated with new products and lines, in order to build a stronger and long lasting positioning in the "nature inspired" cosmetic arena.

The year 2016 was aimed at consolidating the 2015 "Tea body" treatments launch and the other existing lines, recruiting new consumers through many "trial ideas" as discovery kits and travel sizes. After consolidating the presence in Italian market, the process of global expansion of 2016 started with several shops in Germany, while a new expansion is expected in Asian countries and Spain for 2017.



ENGLISH GARDEN

ENCHANTING BRITISH NATURE

The virtues of tea for your skin



From nature, the secret for a more hydrated, regenerated, radiant skin.

White tea effectivness and rosa mosqueta regenerating virtues fused in a ultimate body treatment.

Discover also the powerful virtues of black and green tea.



3.9 Morris

The brand was born in the early 1950s, when the passionate traveler William Morris, after spending a long time in Italy, created a fragrance to keep the intense emotion that Italy made him feel alive. Morris conquered London in the 20th century with his natural elegance and his gentleman's ways, thanks to his entrepreneurship and his shrewd mind. Due to this peculiarity, he was dubbed "scorpion", the symbol of the brand.

Year after year the brand was renovated, in order to keep the path of the olfactive market trends with "easy to wear", fashionable fragrances. The brand offers both best-sellers products for the loyal consumers and more contemporary flavors to satisfy new tastes.

The portfolio ranges from Morris everlasting cologne for man to Gocce, conceived for classic, elegant women, with "Gocce di Napoleon" as its master pillar. The last born Morriselle is a range dedicated to contemporary women with an elegant olfactory palette of intriguing notes.

The continuous relationship between the brand and its customers and the proximity with the production factory are the most important key values for this brand, allowing it to launch the newest products on the market fast and with a good overall response.

2016: the year of contemporary feminine business consolidation

In 2016, Morriselle Le Parfum was launched, in order to expand the feminine contemporary business started in 2014 with Morriselle pour Elle, and creating a new opportunity to recruit younger women attentive to the latest olfactive trends in a value for money product. Refined and elegant, Moriselle Le Parfum is like a glittering gem to celebrate the mystery behind contemporary women.




Morris
blackINTENSE
blackINTENSE
blackINTENSE
EAU DE TOILETTE VAPORISATEUR
3.3 fl.oz.

Morris

3.10 I Coloniali

Founded in 1994, I Coloniali is an Italian brand based on 23 years of expertise in body care rituals inspired by ancient apothecary remedies composed by Maestri Speziali, masters in selecting and blending nature for healing and beauty purposes.

An avant-garde brand for the time, I Coloniali - condensed in the "ritual of self-being", a philosophy inviting women to take care of themselves in line with path of nature. Recyclable pack and a unique hedonistic experience of refined scents and cocooning textures made the brand unique.

This innovative mix produced a big success in the Italian cosmetic market, reaching in a few years more than 10% of share, high awareness as well as the top positioning in some of the most important perfumery stores, such as La Rinascente, Coin, Sephora, Douglas, Marionnaud, Limoni La Gardenia.

After a deep and careful analysis of global consumers' needs and industry changes, Perfume Holding started a long process of brand revamp, in order to allow I Coloniali to express its potential internationally. Thanks to an important collaboration with Pavia University biologists, expert in ancient apothecary recipes and skilled in the modern techniques provided by molecular science, the brand portfolio was revised in order to create a full range of contemporary apothecary skin care treatments for the benefit of face and body. The range, completed at the end of 2016 - to be launched in 2017 - offers original skin care treatments, in which the ancient apothecary recipes are now combined with molecular science actives. A unique combination of precious natural ingredients and scientific compounds to let the remedies travel deeper into the skin to awaken beauty. The packaging keeps the natural look of the original range adding a contemporary touch and a more practical delivery in use. To be in line with the "green market" growing demand, all products are free from harmful substances, are clinically and dermatologically tested, are appraised and rated safe by expert toxicologists as well as made in Italy to the highest quality standards, in controlled and approved environments. All production stages, from raw materials through production up to packaging, are fully controlled in order to deliver a very high quality product. The goal of this new project is to play an important role in the growing natural skin care international arena, leveraging on the original DNA updated to new trends. In terms of distribution, the targets are prestigious perfumery chains and department stores, with the aim to build an image of quality and exclusivity. Country targets for 2017 are Italy, continental Europe and South America. East Europe, USA and Asia - the widest area for skin care category - are targeted for 2018 with specific products.



the potion of youth





ANCIENT
REMEDIES





MOLECULAR
SCIENCE

COLONIALI

EMPOWERED BEAUTY REMEDIES

Main 2016 events are presented below:

February 2016

Special **ICEBERG training** for BAs of Rive Gauche retail chain in Moscow. All attendees participated in interactive workshops that gave them the opportunity to model ice sculptures and study the history and the strategy behind the brand.



Special ICEBERG training for BAs in Moscow.



May 2016

Press launch of **the first fragrance Dirk by Bikkembergs in Milan**.
Involving 4 futsal captains from 4 different countries (Russia, Italy, Netherlands, Spain) as testimonials.



July 2016

International press launch for Atkinsons Old Bond Street Xmas Limited Edition in collaboration with British designer Vicki Murdoch. The fragrance is sold together with a silk scarf designed by Vicki Murdoch with the Old Bond Street print. Key journalists from the countries in which the Group operates participated.





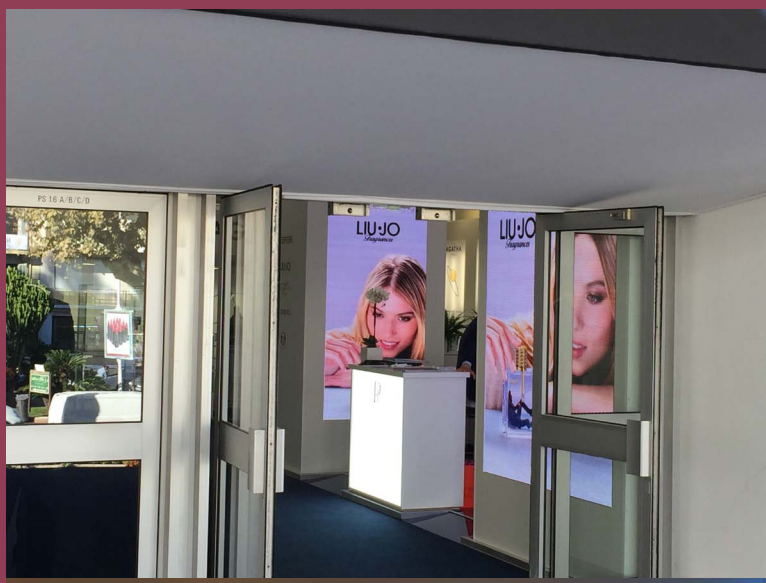
September 2016

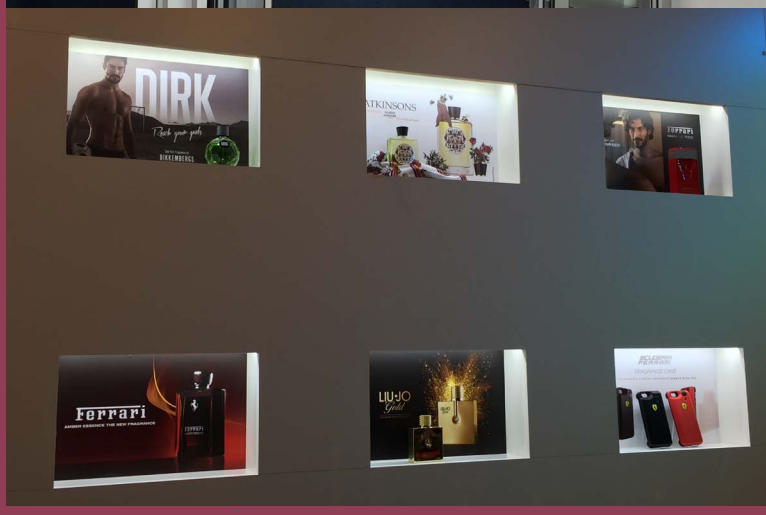
Pre-sale of the Atkinsons Old Bond Street Xmas Limited Edition at TSUM, a luxury department store in Moscow, during the 2016 **Vogue Fashion Night Out.** Several local celebrities visited the booth set up in the store.



October 2016

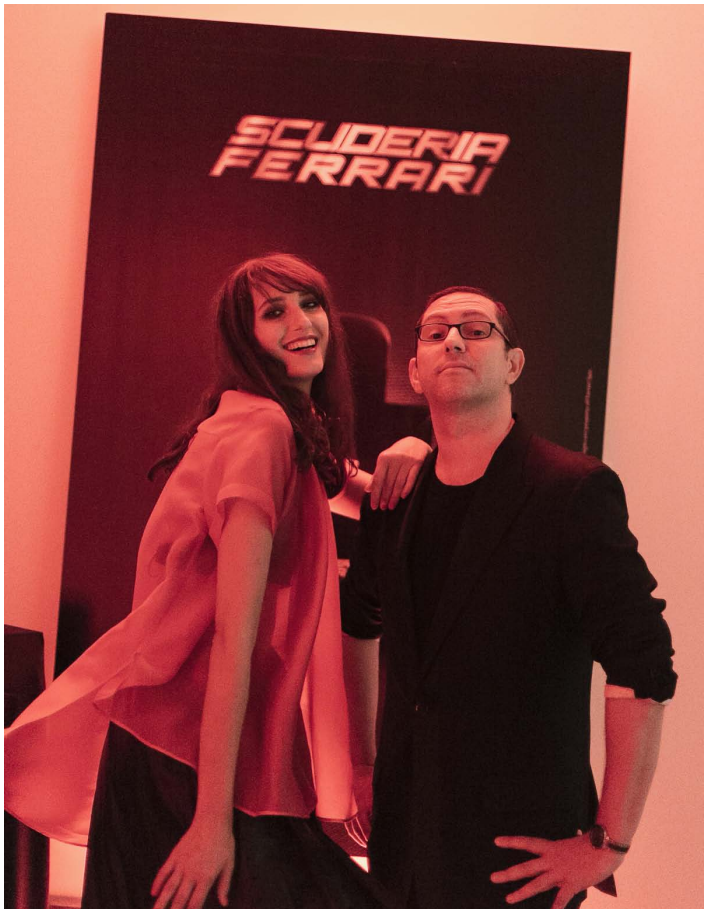
The Group participated in the **TFWA World Exhibition & Conference** in Cannes with a booth for the presentation of their product lines. The most innovative products of the year and future product launches were presented to business partners. Taking part in this event is an opportunity to keep up with new trends in the perfume and cosmetics sector and the perfect occasion to network and meet clients and business partners.





November 2016

Press launch of the Scuderia Ferrari Red and Scuderia Ferrari Black **Fragrance cases** in Madrid, with the presence of many magazine representatives and bloggers.





5. Integrated Approach

Perfume Holding's 360 degree integrated approach is one of the company's key strengths: the Group's activities include the creation, development, production and distribution of the products. Having direct control over all the phases makes Perfume Holding a unique actor within the industry due to its in-depth understanding and expertise of the sector. Perfume Holding's team is composed of professionals with know-how, passion and interest for the company's activities and the internal researchers are strongly committed to providing high quality products that satisfy the market's needs. Perfume Holding is continuously devoted to further developing its internal capacity and expertise throughout all activities and phases.

The 360o integrated approach comprises the following steps:

Design phase
The initial phase involves a kick-off meeting in which the first product concept and timeline are agreed upon. The initial product information is summarized in a brief (including the product details, target consumers, budget and estimated volumes), which is sent to the design agencies, the perfume houses and the marketing agencies for an initial consultation. The information is also shared with Perfume Holding's internal technical experts, in charge of testing and approval. The project undergoes various steps in which the information is re-elaborated and finalized taking into account the feedback and suggestions of all consulted actors.

Development phase
Once the product details have been finalized and all stakeholders are aligned, the product concept is approved and the development phase begins. Technical briefs with product details are issued and suppliers are consulted. This phase involves the design and selection of materials and components for product manufacturing, as well as the creation and choice of the fragrance and formulation of the product based on the project budget and technical requirements. Sample products are developed and tested by internal experts to ensure packaging is feasible and robust, products are stable and compatible with the packaging materials, and quality standards as well as all regulatory requirements are being met. The Regulatory Affairs division guarantees product compliance with safety and human health requirements, assesses the properties of the product and prepares product labeling. Furthermore, the department formulates the product information file (PIF), which includes a product safety report documenting that a safety assessment has been conducted before production. Finally, the European authorities as well as worldwide Sanitary Registers are notified.

Manufacturing phase
The manufacturing phase takes-off and suppliers send all the necessary components and bulk ingredients for the production of the final merchandise. All the alcohol products are produced at the production plant located at the Group's headquarters (Parma), whereas the remaining products are outsourced to other producers mainly on the national territory. The production includes the creation of the fragrance, the bottling, the packaging and the labeling.

Distribution phase
Finally, as the production volumes are complete, the commercial actors are contacted and the products are distributed to markets worldwide.

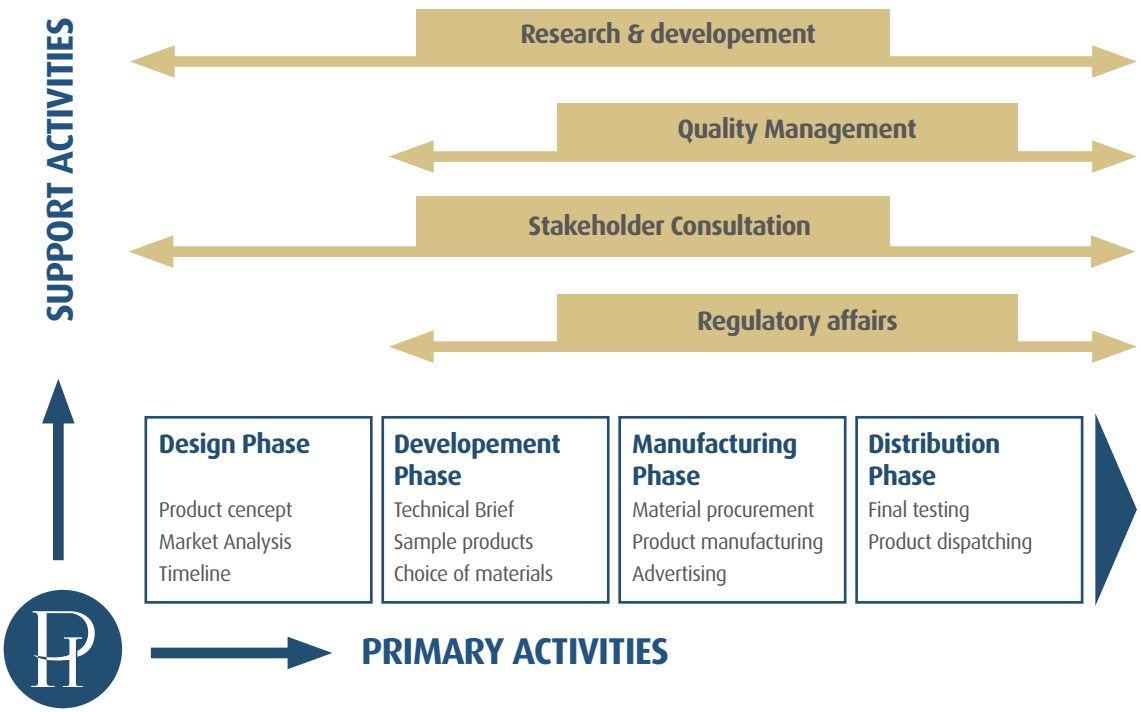
These four phases represent Perfume Holding's primary activities. Each step is shadowed by the overarching support activities: r**esearch and development, quality control** and **stakeholder consultation**.
These activities are performed across all phases and are crucial in ensuring safe and high quality products.

Research and development (R&D) is a fundamental activity as it allows the Group to provide products that satisfy customer's needs, market trends and technical requirements. The R&D team is consulted and participates in each phase (primary activities), for example providing innovative product ideas in the design phase or providing support in the choice of materials in the development phase.

Another central activity is **quality management**, also present throughout all phases, which includes quality planning, quality improvement and quality control. Perfume Holding's activities need to be monitored and controlled continually,

guaranteeing that all quality & safety standards are being met and that the company provides first-rate products to end-users worldwide thanks to Regulatory Affairs support, customs declarations and Sanitary registration.

Stakeholder consultation is one of the company's strengths and is central to the business. All actors are engaged in decision-making processes and provide technical expertise for Perfume Holing's daily activities.



5. Integrated Approach

BOARD OF DIRECTORS *	
Role	**Name**
Chairman	Giovanni Borri
Chief Executive Officer	Consolato Pace
Non Executive Director	Martina Peterlini
Non Executive Director	Paolo Scarlatti
Non Executive Director	Alessandro Fogo
Non Executive Director	Roberto Maestroni
Non Executive Director	Paolo Frigati

**The Board of Director has been appointed on January 9, 2017, after the completion of the merger between Perfume Holding and Morris.*

7.1 Consolidated income statement

(values in thousands of euros)	Remarks	2016	2015
Revenue	23	79,862	79,553
Other revenues and proceeds	24	1,146	1,082
Total revenue		**81,008**	**80,636**
Purchased raw materials and stocks variation	25	(34,712)	(33,866)
Personnel costs	26	(8,922)	(8,495)
Costs for outsourced services	27	(31,649)	(29,211)
Other costs and expenses	28	(1,473)	(2,035)
Total costs		**(76,755)**	**(73,607)**
Amortizations and depreciation	29	(3,178)	(3,164)
Operating result		**1,076**	**3,865**
Financial income	30	543	517
Financial expenses	31	(791)	(1,525)
Reference quota of the Joint Venture operating margins		-	62
Profit before tax		**827**	**2,919**
tax	32	(658)	(2,313)
Net profit		**169**	**606**
Attributable to:			
Group		169	294
Non-controlling interest		-	312

7.2 Consolidated balance sheet as at 31/12/2016

Consolidated balance sheet – ASSETS as at 31/12/2016

(valuea in thousands of euros)	Remarks	31.12.16	31.12.15
Non-current assets			
Intangible assets			
-goodwill		5,314	5,314
-other intangible assets		2,986	3,693
Equipment, plants and machinery		10,035	10,482
Investments in associates and JV		0	371
Receivables from deferred taxes		5,648	6,539
Other non-current assets		1,767	56
Total non-current assets		**25,750**	**26,454**
Current Assets			
Inventory		16,872	20,155
Trade receivables		32,721	34,920
Receivables from subsidiaries		-	915
Other receivables		6,380	6,921
Cash, cash equivalents and short-term deposits		3,645	7,230
Total current assets		**59,619**	**70,141**
TOTAL ASSETS		**85,369**	**96,595**

Consolidated balance sheet – LIABILITIES as at 31/12/2016

(values in thousands of euros)	Remarks	31.12.16	31.12.15
ASSETS			
Share capital		47,454	47,454
Other reserves		1,043	(515)
Benefit Plan Allowance		(24)	(4)
First Time Adoption reserve		(834)	(834)
Retained profit		(5,612)	(3,985)
Profit for the year		169	294
Total Group Equity		**42,197**	**42,411**
Profit of third parties		-	312
Net equity of other third parties		-	31
Total net equity		**42,197**	**42,753**
NON-CURRENT LIABILITIES			
Severance Fund and other funds for employees		634	664
Provisions for contingencies and other charges		3,315	1,377
Non-current financial liabilities		8,266	10,942
Deferred tax liabilities		1,321	1,345
Other non-current liabilities		925	-
Total non-current liabilities		**14,461**	**14,329**
CURRENT LIABILITIES			
Current financial liabilities		2,844	2,633
Trade payables		21,643	23,377
Payables to associated and JV companies		-	7,451
Other liabilities		4,223	6,051
Total current liabilities		**28,710**	**39,513**
TOTAL LIABILITIES		**43,172**	**53,841**
TOTAL EQUITY AND LIABILITIES		**85,369**	**96,595**

7.3 Consolidated cash flow statement

(valuea in thousands of euros)	2016	2015
PROFIT FROM OPERATING ACTIVITIES AFTER TAX	**169**	**606**
Adjustments for the reconciliation of the gross profits before taxes to the net cash flow:		
Amortization and depreciation of buildings, estates, plants and machinery	1,213	1,311
Amortization and depreciation of intangible fixed assets	1,786	1,783
Financial revenues	(543)	(517)
Financial expenses	791	1,525
Income taxes	658	2,313
Reference quota of the profit of subsidiaries and Joint Venture companies	-	(62)
Depreciation of fixed assets	1,071	905
Net variation in Severance fund and pension funds	(30)	(357)
Net variation in risks and contingencies	1,919	276
Net variation in deferred tax assets and liabilities	867	1,235
Variation in current capital:		
(Increase)/decrease in inventories	2,391	1,789
(Increase)/decrease in trade receivables	2,935	2,151
(Increase)/decrease in other non-financial assets	1,184	(5,536)
Increase/(decrease) in trade payables	(8,261)	(3,373)
Increase/(decrease) in tax payables	(1,525)	(2,005)
Increase/(decrease) in other non-financial liabilities	(2,680)	1,516
NET CASH FLOWS FROM OPERATING ACTIVITIES	**1,776**	**2,953**
Investing activities:		
Net investments in tangible fixed assets	(602)	(1,002)
Net investments in intangible fixed assets	(1,079)	(178)
Net (investments)/divestments in financial assets	370	(308)
Acquisition of subsidiaries (net of acquired liquidity)	-	-
Acquisition of minority interests	(1,500)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(2,811)**	**(1,489)**
Financing activities:		
Repayments	(2,676)	-
Increase/(decrease) in financial payables (including derivative liabilities)	(37)	(8,044)
Dividends paid to the Group's shareholders	-	(19)
Dividends paid to minority shareholders		(826)
Capital increase/(decrease)	-	4,000
Variation in foreign-exchange reserve	(5)	254
CASH FLOWS FROM FINANCING ACTIVITIES	**(2,718)**	**(4,635)**
NET VARIATION IN CASH AND CASH EQUIVALENTS	**(3,584)**	**(2,565)**
Net cash and cash equivalents at beginning of the financial year	7,230	9,795
Net cash and cash equivalents at the end of the financial year	3,645	7,230

7.4 Management report of the consolidated financial statement

Dear shareholders,

The financial year closed on December 31, 2016 stands with a consolidated profit of €169 thousand after amortization and depreciation of €3,178 thousand and current, anticipated and deferred taxes totaling negative €658 thousand.

The consolidated financial statement at December 31, 2016 has been prepared in accordance with International Financial Reporting Standards (IFRS). Starting from the report as of December 31, 2016, the directors of Morris Profumi S.p.A. have prepared this financial statement in accordance with IAS/IFRS in order to facilitate comparability with international operators.

The date of adoption of the IFRS was January 1, 2015. The details of the transition to the IFRS principles can be found in the Appendix of the Explanatory Notes of the financial statement as at December 31, 2016, titled "Explanatory Note to the Reconciliation Tables".

This Management Report combines the information contained in the consolidated balance sheet, in the consolidated income statement, comprehensive income statement, in the consolidated cash flow statement and in the explanatory notes of the consolidated financial statement, all based on the financial statements of the Holding and its subsidiaries as at December 31, 2016 which coincides with the closing date of the financial statement of the Holding.

The consolidated financial statement has been prepared in accordance with the principles of transparency and represents a correct and true picture of the Group's financial position.

KEY EVENTS DURING THE FINANCIAL YEAR

The financial year ended December 31, 2016 was characterized by certain corporate operations which fall into the greater reorganization of Morris Profumi Group which had the main objective of providing third parties (credit institutions and licensed subjects) with a single consolidated economic and financial performance statement. Furthermore, the reorganization will allow the elimination of certain juridical entities that are no longer necessary, and consequentially allowing operational savings.

In particular, the main events that impacted Morris Profumi Group in 2016 are the following:

• With the aim of gaining increased and more direct control of the distribution in the Far East, on March 31, 2016 a settlement agreement was undersigned to acquire 49% of the market share (share capital quota) of Perfume Holding Asia from the company Luxasia Investment PTE Ltd;

• On August 8, 2016 the company Perfume Holding SAS presented a merger plan to its shareholders for the incorporation of Perfume Holding Creation & Marketing SAS – France, 100% owned by Perfume Holding SAS, which took place on December 30, 2016 with financial and fiscal effects entering into force as of January 1, 2016;

• On October 3, 2016 the company Perfume Holding SAS presented a trans-border merger plan to its shareholders for the inverse incorporation in Morris Profumi S.p.A., which took place on December 31, 2016 with financial and fiscal effects entering into force as of December 31, 2016;

• In the month of July 2016 a new contract for the exclusive license of the cosmetic products for the brands Iceberg, Twice Iceberg, Iceberg White, Iceberg Man was undersigned with duration until December 31, 2020;

• In occasion of the restructuring of the Morris Profumi Group, in the month of August 2016 the company Perfume Holding Creation & Marketing SAS began a mobility process which concerned around ten people. Following this decision, the creation and marketing activities have been transferred to Parma;

• In the month of October 2016 the shares of Beauty and Luxury S.p.A. (25%), were disposed of;

• In the month of December 2016, a "Settlement Agreement" was undersigned with the aim of proposing a dissolution of the license contract for the products of La Perla and Grigio Perla;

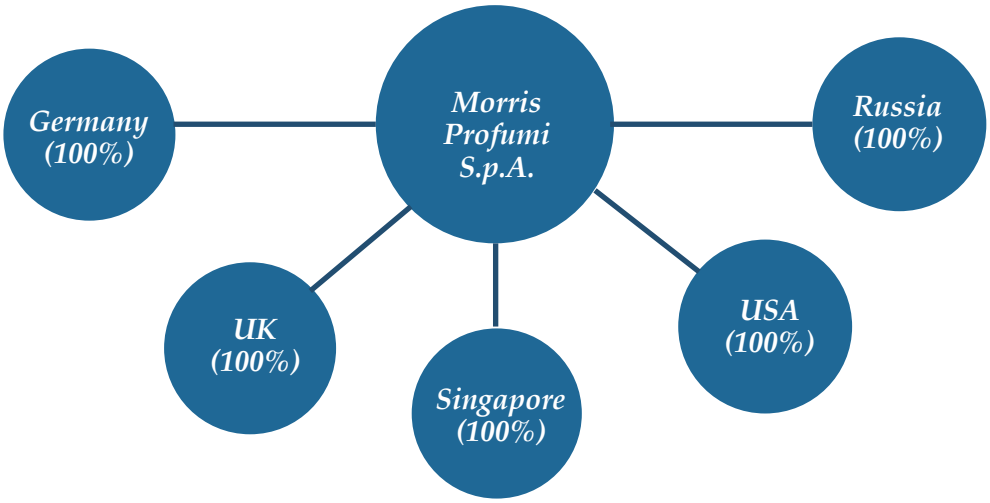
STRUCTURE OF MORRIS PROFUMI GROUP AS AT 31 DECEMBER 2016

The consolidated financial statement as at December 31, 2016 includes the balance sheet and income statement of Morris Profumi S.p.A. (holding company) and its direct or indirect subsidiaries, of which it holds more than 50% of market shares, or otherwise it controls in accordance with the criteria defined by IFRS 10. The consolidation method used is full consolidation.

SCOPE OF CONSOLIDATION

Company Name	*City or Country*	*Capital in Euro*	*Net equity*	*Type of business*	*Percentage Direct Shareholding*
MORRIS PROFUMI SpA	PARMA	47,454,000	49,281,563	Production, Distribution, R&D - Marketing	*Holding company*
PERFUME HOLDING ASIA PTE LTD	SINGAPORE	64,863	451,915	distribution	*(100%)*
PERFUME HOLDING CORPORATION	NEW YORK	1	62,369	distribution	*(100%)*
MSB PERFUME HOLDING DIFFUSION GMBH	MONACO	25,000	610,732	distribution	*(100%)*
PERFUME HOLDING UK LIMITED	WORKING	1	251,093	distribution	*(100%)*
PERFUME HOLDING RUSSIA OOO	MOSCA	124	-511,566	distribution	*(100%)*
SELECTIVE BEAUTY CORPORATION	NEWYORK	-	-8,061,163	under liquidation	*(100%)*

The structure of the Group can be represented as follows:



The consolidated financial statement as at December 31, 2016 has been prepared by the holding Morris Profumi S.p.A. whose registered office is in Strada Maretto 13, Roncopascolo – Parma – Italy.
The holding company Morris Profumi S.p.A., as an effect of the reverse merger of the company Perfume Holding S.a.s., has inherited a recovery plan defined in 2014 by "Tribunal de Commerce de Bobigny" on the basis of which a predefined payoff schedule for creditors has been defined as follows (by 2019):

2017	2018	2019	TOTAL
265,931	*292,524*	*1,010,537*	*1,568,992*

The necessary resources for the execution of the recovery plan have been allocated to a dedicated fund. The balance of the fund as at December 31, 2016, as shown above, is entirely dedicated to the pay down of the outstanding bills.

The company Morris Profumi S.p.A. is the parent company with registered office in Parma and has been one of the most important actors in the Italian perfume and cosmetics industry over the last 60 years. The company offers a complete integrated approach, with in house product concept development, production and worldwide distribution of all its products. Following the aforementioned merger, as of 2016 the company directly manages the "creation and marketing" activities as well as corporate support services for the entire Group.

The companies MSB Perfume Holding Diffusion Gmbh (Germany), Perfume Holding UK Ltd (UK) and Perfume Holding Obshchestvo Ogranichennoy Otvestvennostyu - PH OOO (Russia), operational since early 2015, carry out distribution activities in all reference sectors through the collaboration with approved and licensed service providers. The subsidiaries Perfume Holding Corporation (U.S.A.) and Perfume Holding Asia Pte Ltd (Singapore) carry out commercial support activities for Morris Profumi S.p.A. in the American and Far East markets.

VARIATION IN THE SCOPE OF CONSOLIDATION

During 2016, the Group structure changed as a result of the operations described in the paragraph "Key events during the financial year".

MACROECONOMIC CONTEXT IN THE REFERENCE SECTOR

In 2016 the overall sales in the cosmetic sector reached Đ10.5 billion, a 5% increase. In a context of stalling demand, company sales are receiving important signals of recovery regarding professional channels. It is however the foreign market demand that is allowing growth in production also in 2016: as a matter of fact, exports have increased by more than 12%.

At the global level, after a period of uncertainty and lack of trust which negatively impacted the markets especially in 2012 and 2013, the industry is recovering allowing Italian cosmetics exports to increase in 2016, often more dynamic than the increase in consumption in the single countries, with resulting expansion in terms of market penetration. Italian producers have a reputation at the global level for their innovative product formulas and dynamics of the services offered. These elements allow the Italian supply chain to reaffirm itself in traditional and emerging markets.

IMPORT/EXPORT

Interest and attention for Made in Italy cosmetics has been increasing since 2010, reinforcing market shares of Italian brands in foreign markets.

2016 was characterized by a positive market performance owing to exports, which increased by +12.3%. The top ten confirmed markets include Germany (+19.0%), France (+6.0%), United States of America (+25.4%), United Kingdom (+4.9%), Spain (+6.4%) and Hong Kong (+3.2%). The markets that have suffered a ranking loss in terms of export destination are United Arab Emirates and Russia, in favor of Netherlands (+16.7%), Poland (+16.7%) and Belgium (+59.8%). Extending the analysis to the top 20, a positive trend is revea-

led for Greece (+10.9%), Switzerland (+11,2%) and Australia (+18.5%).

TRENDS AND RESULTS OF THE GROUP MANAGEMENT

The following tables present an abstract analysis of the financial statement with the aim of providing a clear representation of the current state and performance of Morris Profumi Group. The analysis includes a reclassified income statement, reclassified balance sheet and the main performance indicators.

Non-financial indicators have been used (No-Gaap Measures) mainly for the monitoring and evaluation of the Group's performance. The purpose is to represent the results of conventional and continuous Group management, net of extraordinary/unusual operations, for nature of transaction, ensuring a greater degree of comparability of the results and of the report over time.

The income statement has been reclassified gradually to highlight the gross operating margin (Ebitda) achieved by Morris Profumi Group, which is the difference between revenues and monetary costs associated to purchasing-processing-sales omitting amortization and depreciation of fixed assets, adjustments to shareholding values, eventual positive or negative income components (recurrent and sporadic), types of financing adopted and tax level.

Reclassified income statement

(values in thousands of euros)	2016	%	2015	%
Sale revenues	79,862	100.0%	79,553	100.0%
Other revenues and proceeds	1,146	1.4%	1,082	1.4%
Total operating revenues and proceeds	**81,008**	**101.4%**	**80,636**	**101.4%**
Operating expenses (*)	(73,118)	-91,6%	(73,033)	-91.8%
Gross operating margin (Ebitda) (*)	**7,890**	**9.9%**	**7,603**	**9.6%**
Amortization	(2,920)	-3.7%	(2,970)	-3.7%
EBITA	**4,970**	**6.2%**	**4,633**	**5.8%**

(*) Net of extraordinary and non-recurring items. The 2016 EBITDA Adjusted would be equal to €8.2m mainly excluding the EBITDA loss Bikkembergs launch year.

The Group's management uses the Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted Ebitda) to monitor and evaluate its own operational performance. Therefore, it is not an accounting tool in accordance to IAS/IFRS and it should not be considered an alternative method for the evaluation of the Group's results. As the composition of this tool is not regulated by reference accounting principles, the computation method used by the Group may differ from the one used by other companies, and consequently may not be possible to compare. The item is given by the difference between total revenues and total costs present within the IFRS report net of all extraordinary charges.

The sale revenues have slightly increased compared to the previous year (+0.5%) as there has been a focus on medium-term growth of the strategic brands Atkinson Niche, Liu Jo and Ferrari.

The following table contains revenue data and information on certain activities based on the Group's geographical areas for the year ended December 31, 2016 and 2015:

	2016 turnover €	*2016 % of turnover*	*2015 turnover €*	*2015 % of turnover*
ITALY	26,797	34%	25,376	32%
REST OF EUROPE	23,938	30%	25,532	32%
NORTH AMERICA	3,213	4%	5,391	7%
MIDDLE EAST	8,312	10%	8,623	11%
FAR EAST	8,158	10%	9,359	12%
LATIN AMERICA	9,444	12%	5,271	7%
TOTAL	**79,862**	**100%**	**79,553**	**100%**

The adjusted EBITDA has decreased compared to the previous year (8.1% in 2016 and 10.5% in 2015), net of extraordinary costs. This is due to a different mix of products sold together with increased costs for the strengthening of the commercial network in foreign markets, partially compensated by a slight increase in turnover (+0.5%) The operating margin at the end of the financial year amounts to positive €0.2 million. Here below is a summary table of the main expenditures classified in the 2016 extraordinary management (values are in thousands of euro):

EXTRAORDINARY MANAGEMENT	2016
Reorganization, refurbishment and other expenses	939
Warehouse depreciation fund	627
Revenues and expenses from previous years	662
Total extraordinary revenue/expenses	**2,228**

The balance sheet has been reclassified in order to highlight the corporate investment strategy and the composition of various sources of financing.

Reclassified balance sheet

(values in thousands of euro)

(values in thousands of euros)	2016	%	2015	%
INVESTED CAPITAL				
Fixed Capital				
Goodwill	5,314		5,314	
Intangible fixed assets	2,986		3,693	
Tangible fixed assets	10,035		10,482	
Shareholdings	0		371	
Other assets and anticipated taxes	7,415		6,595	
Total Fixed Capital	**25,750**	**46%**	**26,454**	**50%**
Net Working Capital				
Receivables from clients	32,721		35,835	
Payables to suppliers	(21,643)		(30,829)	
Warehouse	16,872		20,155	
Other short-term assets	5,383		4,829	
Other short-term liabilities	(2,911)		(3,872)	
Receivables/payables for current taxes	(315)		(88)	
Total Net Working Capital	**30,107**	**54%**	**26,031**	**50%**
TOTAL NET INVESTED CAPITAL	**55,857**	**100%**	**52,485**	**100%**
FINANCING SOURCES				
Net Financial Position				
Liquid assets	3,645		7,230	
Current financial liabilities	(2,844)		(2,633)	
Non-current financial liabilities	(8,266)		(10,942)	
Total Net Financial Position	**(7,464)**	**13%**	**(6,345)**	**12%**
Other liabilities				
Deferred taxes	(1,321)		(1,345)	
Severance pay and other employee funds	(634)		(664)	
Provisions for risks and contingencies	(3,315)		(1,377)	
Other non-current liabilities	(925)		-	
Total other liabilities	**(6,195)**	**11%**	**(3,387)**	**6%**
Total Net Equity	**(42,197)**	**76%**	**(42,753)**	**81%**
TOTAL FINANCING SOURCES	**(55,857)**	**100%**	**(52,485)**	**100%**

The main performance indicators used to represent the financial and economic situation of the Group are the following:

Net Invested Capital is the sum of Fixed Assets and Current Assets minus the Liquid Assets minus Current Liabilities net of financial payables and long-term funds.

Net Debt (or Net Financial Position) is the sum of Liquid Assets, current and non-current financial liabilities and debts. The foregoing indicators Net Invested Capital and Net Financial Position, as defined above, are used by the Group as a tool to

monitor and evaluate its own operating trends. Therefore, they are not an accounting tool in accordance to IAS/IFRS and should not be considered alternative methods for the evaluation of the Group's results. As the composition of these tools is not regulated by reference accounting principles, the computation method used by the Group may differ from the one used by other companies, and consequently may not be possible to compare.

Regarding the financial position, please note:

• The reduction in Net Financial Position is mainly due to the one-time costs for the restructuring in France and for the purchase of 49% of Perfume Holding Asia's shares followed by the financial release during the year.

• The reduction in warehouse due to the introduction of a policy for increased product rotation and due to the end of year sales as a consequence of the "Settlement Agreement" of the license contracts for the brands La Perla and Grigio Perla.

• The decrease in short-term liabilities with respect to December 31, 2015 is mainly due to a barter that took place in 2015.

In addition to the evaluation of the Group's net financial position during the reference year (shown in the table above), below is a summary of the cash flow generated/consumed during the financial year as a result of the item "liquid assets":

(values in thousands of euros)	2016	2015
Cash flow net of operating assets	1,945	3,559
Cash flow net of investments	(2,811)	(1,489)
Cash flow before financing activities	**(866)**	**2,071**
Cash flow from financing activities	(2,718)	(4,635)
Total net cash flow	**(3,584)**	**(2,565)**

Other performance indicators

Here below are some of the performance indicators commonly used by the Group to carry out its financial statement analysis, in order to ensure understandability. These indicators have been calculated on the basis of the data in the final financial statement of both business years comparatively as in the following tables:

Profitability ratios of the consolidated financial statement		
	2016	2015
EBITDA/Revenues from sales	8.1%	10.5%
EBITDA/Net Invested Capital	11.6%	15.9%
PFN/EBITDA	1.15	0.76

Liquidity ratio and financial soundness of the consolidated financial statement		
	2016	2015
DI Cash Ratio	2.23	1.75
IN Debt Ratio	0.18	0.15

DI: is the ratio between Current Assets and Liabilities (as in the reclassified balance sheet) and represents the ability of the company to offset its current financial liabilities with its short term assets.

IN: is the ratio between the Net Financial Position (as defined above) and the Net Equity and represents the relationship between third party loans and Net Equity of the Group. Please note the slight decrease in the EBITDA indicators, which exceeds 8% of revenues.

Comparison of the operating margin in the reference period and the net equity of the Group and the holding company

The following table presents a comparison between the net equity as at December 31, 2016 and the operating margin for 2016 from the financial statement of the Holding company, and the corresponding consolidated figures (Group quota) as at December 2016 (values in thousands of euro):

	Operating margin	*Net equity*
Financial statement of the holding company	(1,105)	49,282
Removal of the intragroup margin (after taxes)	178	(797)
Effects of the consolidation of subsidiaries	101	537
Effects of IAS records	995	(6,825)
CONSOLIDATED FINANCIAL STATEMENT	**169**	**42,197**
Net equity and profit of thirds	-	-
CONSOLIDATED FINANCIAL STATEMENT OF THE GROUP	**169**	**42,197**

INFORMATION ON RISKS AND CONTINGENCIES

Morris Profumi Group faces and attempts to limit all risks related to its activities, such as: credit risk, liquidity risk and risk of variations of the foreign exchange rates and interest rates. For these risks, the Group has adopted a management strategy aimed at limiting possible negative impacts on corporate performance. The targets, policies and concepts used to measure and monitor financial risks are presented below. Any financial risks that are not mentioned here will apply as stated in the explanatory notes of the consolidated financial statement in accordance with IFRS 7.

• Credit risk

Credit risk is the risk of default on behalf of a counterpart, where he fails to fulfil his obligations related to a financial instrument or commercial contract, resulting in a financial loss. The Group is exposed to credit risk deriving from its operational activities (especially for commercial credit and credit notes), including deposits through banks and financial institutions.

Commercial credit risk is managed with the use of procedures and verifications issued by the Group. The quality of client credit is verified on the basis of an analytical credit rating sheet; credit limits are established for clients based on the verification. Open client credits are regularly monitored and the transmission to main clients is covered by a credit letter or other forms of insurance.

The need for individual devaluation for main clients is evaluated every year. Furthermore, for most minor clients, grouped into categories, the necessity to reduce the overall value is evaluated. The evaluation is based on historical data. The Group has not received any credit guarantees. The Group believes the risk related to the concentration of commercial credits is low as its clients are located in various sectors and operate in different (and mostly independent) markets.

•Liquidity risk

This is the risk of the company finding itself in a situation is which it is unable to fulfil its obligations regarding financial payables. In the case of the Group, this risk is managed with a detailed and accurate negotiation of payment and collection terms and conditions both for clients and suppliers, as well as consistent monitoring of the cash and fund availability for short-term financial commitments. With the renegotiation of the medium-long term financing, managed by Morris Profumi S.p.A., the Group can execute all payments in compliance with the deadlines established in the new payoff plan until March 31, 2020. This financing requires certain financial covenants to be respected, calculated on the basis of the results of the consolidated financial statement of Morris Profumi S.p.A. and its subsidiaries. As at December 31, 2016, all covenants have been respected.

• Interest rate risk

The interest rate risk represents the risk of a particular financial tool and/or the relative financial flows undergoing a change of value due to the fluctuation of market interest rates. Exposure to interest rate risk derives from the need to finance activities in terms of industrial production, contract acquisition and allocation of liquid assets. Variations of the market interest rates may negatively or positively impact the Group profits, and at the same time directly influence the costs and revenues of a financing and/or investment operation.

The Group regularly carries out an evaluation of its exposure to interest rate risk and controls it by means of financial derivatives in accordance with its own risk management policies.
According to these policies, the use of derivatives for hedging purposes is strictly reserved for the management of exposure to interest rate fluctuations resulting from future money flows as well as asset and liability posts. No derivatives are allowed for speculation activities.

Interest rate swaps (IRS) are the only tools and products allowed for any such hedging purpose.

• Currency exchange risk
The currency exchange risk represents the likelihood of changes in currency exchange rates caused by fair value or changes in future cash flow exposure.

As the company operates internationally, it is exposed to a currency exchange risk. More specifically, the Group carries out transactions in USD in North/South America and Asia and in GBP in Great Britain.

The flow of USD is continuously monitored to enable payments to suppliers and for periodic one-off sales.

The flow of GBP results from the sales to local client and based on the financial availability of the branches, GBP are transferred to them through an intercompany invoice. Also in this case, periodic one-off sales are organized and the currency exchange is monitored.

• Other risks

For any other risk, the company has established adequate insurance coverage against the main insurable occurrences.

Prevention and control

Although Article 45 of the Italian legislative decree n. 5/12 "Decreto semplificazioni" repealed Article 34 comma 1 letter g) and comma 1-bis of the decree n. 196/2003 abolishing the obligation to publish and annually update a document on safety, the company decided to keep an updated internal document named "Registro degli adempimenti Privacy", in line with previous years.

Morris Profumi S.p.A. is the data owner ("Titolare del trattamento").

The general data processor ("responsabile generale del trattamento") for electronic processing and on paper processing is INFOR S.p.A. Group. The responsible has to ensure vigilance in accordance to instructions relating to privacy, issued by the data owner. Furthermore, he is responsible for the annual update of the documentation in support of the compliance respect of privacy, of the written appointment of the designated and of the verification of the realization of the education plan.

The registered offices of INFOR GROUP are in Via Sardi 14/B Alberi, Parma.

RESEARCH AND DEVELOPMENT ACTIVITIES

R&D activities globally refer to the company and evaluate its overall flows and actions, analyzing the impact of each single decision. The main goal of R&D is to ensure continuous quality improvement and product safety, as well as extensive customer satisfaction.

The most strategic development decisions, especially in terms of new products, are the result of a tight collaboration with the marketing roles of the company in order to ensure in-depth understanding of the market and furnish the best products to the customers and their final consumers.

Based on this concept, the R&D team studies the technical innovation needed to perfection the existing products, create new ones and enhance their production processes.

The first Product R&D Lab was set up at Morris in 2009 after the merger of Atkinsons and Morris Profumi S.P.A. old laboratories. At present, the R&D Lab employs a team of 4 technical experts in the following fields: Organic chemistry, Biology Health products, Inorganic chemistry and general chemistry. The team processes the design of the Creation/Marketing departments into a project pooling together different skills and complementary know-how for the achievement of one common target: infuse dreams with safety.

The value of all R&D processes has changed over time moving out of the initial activities relative to the mere fragrance production (fragrances are still the main product of the company) into research and development of alcohol-free essences. Our lab can outline, develop and optimize any cosmetic formulas, and work out different compositions by appearance, color, texture, and functionality. Furthermore, skin-care products are produced in collaboration with a group of external partners.

Additionally to new products and fragrances, the lab is available, if needed, to adjust the existing formulas to the new European and international Standards without infringing or exceeding the predefined costs.

NEW PRODUCT FORMULAS 2016	
PRELIMINARY FORMULAS FOR NEW PRODUCT DEVELOPMENT (COLOR, CRASH TEST, PRE TEST)	**436**
FORMULAS THAT PASSED COLOR/CRASH/PRE-TEST AND WENT INTO CREATION DEPT./MKTG/CLIENTS	**94**
Of which:	
• skin care formulas	70
• fragrance formulas	24
• customized formulas for external clients (other than Morris Profumi/Perfume Holding)	12
FORMULAS SUBMITTED FOR FINAL VERIFICATION FOR FUTURE PRODUCTION (STABILITY TEST/PRODUCT COMPATIBILITY TEST)	**63**
Of which:	
• existing formulas adjusted to new EU and international standards	10
• customized formulas for external clients (companies other than Morris Profumi/Perfume Holding)	8
NEW PRODUCT FORMULAS THAT WENT INTO PRODUCTION DURING THE SAME YEAR	**17**
Of which:	
• skin care formulas (outsourced productions)	1
• fragrance formulas	16

All products are dermatologically tested to ensure maximum customer safety. All clinical and dermatological tests are carried out by an external specialized lab. Before the market launch, each product undergoes a dermatological test to make sure that it is not going to irritate skin or cause unnecessary tightness. Dermatological tests are an efficient way to exclude any possible adverse effect during use.

A contaminated product or a product that is prone to microbiological contamination is not safe for consumer health.

For this reason, specific tests are carried out to evaluate the efficacy of the preserving system.

Moreover, each new product undergoes a sensory test and evaluation, enabling the assessment of consumer preferences and the motivation of their choices. Each product is tested by experienced panelists (in-house and outsourced), and based on their reactions, a sensory profile of the product is established. Every skin care product also undergoes clinical tests aimed at assessing their performance and ensuring that they are suitable for the application and recommendations stated.

Moreover, each new product undergoes a sensory test and evaluation, enabling the assessment of consumer preferences and the motivation of their choices. Each product is tested by experienced panelists (in-house and outsourced), and based on their reactions, a sensory profile of the product is established. Every skin care product also undergoes clinical tests aimed at assessing their performance and ensuring that they are suitable for the application and recommendations stated.

TESTS MANAGED BY RESEARCH & DEVELOPMENT LAB IN 2016	
PRODUCT STABILITY TEST- DETERMINATION OF A PRODUCT SHELF LIFE (7 stress conditions – monthly controls over 3/6 months)	**14** **4**
Out of which not strictly related to a new launch but for: • improvement of existing formulas or formulas in development (financial, safety, quality)/adjustment to national and international legislation • evaluation of new raw materials (new preservatives, fillers, surfactants, etc.)* • evaluation of the performance of existing skin care formulas produced in new production facilities	 40 30* 4
PRIMARY RODUCT-TO-PACKAGING COMPATABILITY TESTS (7 stress conditions – monthly controls over 3/6 months)	**86**
PRODUCT SENSORY TESTING (Olfactory pleasure/ skin care sensory perception • managed by a team of internal voluntary panelists (total number of persons involved: approx.70) • managed by a team of external voluntary panelists (total number of persons involved: approx.45)	**31** 21 10
DERMATOLOGICAL TESTS (SKIN TOLERANCE) IN COLLABORATION WITH AN EXTERNAL SPECIALISED LAB	**63**
MIRCOBIOLOGICAL SAFETY TESTS (ALCOHOL-FREE PRODUCTS) IN COLLABORATION WITH AN EXTERNAL SPECIALISED LAB	**44**
CLINICAL EFFICACY TESTS IN COLLABORATION WITH AN EXTERNAL SPECIALISED LAB	**17**

** this year, due to the timing of product launches, the stability tests were not customized but were already finalized and concomitant to new products*

Activities in 2016

In 2016, the company continued its usual research, development and innovation activities, with a specific focus on the following projects:

• Ferrari: designed and developed Ferrari "Radiant Bergamot EDT"; designed and developed 1 new EDP Ferrari Forte with respective product line extensions to be launched in 2017.

• Liu-Jo: launched "Liu-Jo Gold EDP", followed by an innovative i-Phone cover. Development of an EDP, "Lovely U" with accompanying products characterized by a new fragrance and new packaging to be launched in 2017.

• Atkinsons: launch of two new EDP in the product line Oud Collection "His Majesty The Oud", "Her Majesty The Oud"; design and development of 1 new fragrance for the product line Contemporary "Pirates' Grand Reserve EDP", 1 for the product line Legendary "Californian Poppy EDT" to be launched in 2017.

• Iceberg: design of packaging and selection of fragrance for the next Dual Launch planned for 2018.

• Sergio Tacchini: launch of a new male essence "Monte Carlo EDT"; design and development of "Smash EDT" characterized by a new fragrance and new packaging, available to consumers in early 2017.

• I Coloniali: design and development of around 30 new skin-care references, mainly for facial care. Important innovation in terms of packaging and product formula which distinguish these products from the previous "I Coloniali" products. To be launched in 2017.

• Dirk Bikkemberg: acquisition of a new license for the brand, which involved Research and Development team for the study and development of a new fragrance and packaging used for the realization of an EDT, deogas, shower gel

and after shave.
The product also comes with an innovative packaging.

• Xmas: graphic design, development of accessories and of packaging for 114 references across all of Perfume Holding's brands.

• Cost Saving: Research and Development team focused on an important project implemented to reduce material and packaging costs as well as the reduction of skincare product procurement costs, verifying technical and industrial data to ensure quality and productivity levels are sustained for all brands. The outcome of this project resulted in a reduction of around €1 million in material costs.

• Research and Development activities are also concentrated on continuously ensuring legal and regulatory compliance of each brand's formulas.

Research and Development activities take place at the registered offices in Via Maretto 13, Roncopascolo, Parma.

MANAGEMENT EVOLUTION FORECAST

The results in the first few months of the financial year are below the budget forecasts; this is due to the economic juncture of the Italian and Middle Eastern markets and to the stalled sales to one of our main Italian clients, involved in company operations. However, the management is developing a sales recovery plan in order to mitigate these deviations.

TRANSACTIONS WITH RELATED PARTIES

Regarding operations undertaken with related parties, including intragroup operations, they do not qualify as atypical or unusual, falling under the Group's normal activities. These operations are regulated by market conditions, taking the characteristics of goods and services into consideration.

The Group has business relationships with:

• Companies controlled by the Holding's shareholders qualified as related parties: Limoni e Gardenia

• Companies such as Beauty & Luxury, of which the company held 25% market share in 2015. As mentioned in the "Key events during 2016", in October 2016 the shares were disposed of.

Here below are the individual settlements with related parties that have affected the income statement and the financial position as at December 31 2016. All transactions have been strictly conducted under normal market conditions and solely for the interest of the Group.

OTHER INFORMATION

OWN SHARES
No subsidiary of the Group holds any shares.
DIVIDENDS
The company has not distributed any dividends for the business years 2014, 2015 and 2016.

7. Financial Information

This Sustainability Report refers to Morris Profumi Group. The Group is also commercially known as Perfume Holding and for this reason the names “Perfume Holding” and “the Group” are used interchangeably in this Report, both referring to Morris Profumi Group. The Group logo has not changed.

The reference “Morris Profumi S.p.A.” solely refers to the parent company.

2016 Sustainability Report

PERFUME HOLDING



Contents

CEO Letter 74
1. About the Group 75
1.1. 2016 Company Highlights 75
1.2. Approaching Sustainability 76
1.3. Perfume Holding and its Corporate Governance 79
1.3.1 Corporate Governance 79
Perfume Holding's priorities 81
2. Product stewardship 82
2.1. Responsible products 82
2.2. Quality and safety for customers 84
2.3. Product Innovation and R&D 85
2.4. Labeling and packaging 86
2.5. Customer satisfaction 87
2.5.1. Customer privacy 88
3. Creating value for people and society 89
3.1. Employees 89
3.1.1. Development and training 90
3.1.2. Health & Safety at work 91
3.2. Supporting the local community 92
3.3. Value creation 93
4. Respecting the environment 94
4.1. Energy and Emissions 94
4.2. Water 95
4.3. Waste 96
4.4. Animal welfare 97
5. Note on Methodology 98
6. Performance Indicators 100
7. Explanation of the material topics and its boundaries and correlation with GRI Standards 104
8. Correlation between UN Global Compact and GRI Standards 106
9. GRI Standards – Content Index 107

CEO Letter

This document represents the Group's first Sustainability Report and is a very important achievement for us. It will be marked as a key milestone for the company, manifesting our commitment to sustainability. In fact, the publication of this report falls exactly ten years after Morris Profumi obtained the environmental certification UNI EN ISO 14001.

The company's priority is ensuring our business activities respect both the environment and people, and together with the implementation of our Environmental, Safety and Social Responsibility Policy, our objective is to reach the perfect balance between natural resource consumption and economic growth in the long run, while working towards sustainable development and an improved quality of life.

The environmental and social issues that we face on a daily basis push us to shift our attention towards sustainability more and more, thriving to reach the equilibrium between environmental, economic and social aspects and ensuring we meet the needs of current generations without compromising the needs of future generations.

Hence, it is clear that manufacturing companies play an important role in this context and we do not want to pull back, contrarily, we want to be an example in demonstrating that it is possible for financial growth and protection of nature and people to go hand in hand and in line with green economy and sustainable development principles.

For this reason, we have adhered to the UN Global Compact and we are committed to working in conformance with its ten principles – which focus on labor, human rights, environment and anti-corruption – and working in consonance with the Agenda 2030 for Sustainable Development, which builds on the 17 Sustainable Development Goals of the United Nations. These goals include poverty eradication, gender equality, health & safety and fighting climate change.

Our achievements have been many, but the sustainability path is still long and we want to walk it with courage, faith and enthusiasm. We want this report to be the first of a long series in demonstrating our concrete and constant commitment.

Dino Pace
Chief Executive Officer

1.1 2016 Company Highlights

15 brands

360° integrated approach

€81 million 2016 revenues

Distribution in **80** countries

55k pieces/day production capacity

176 employees

More than **30** training courses

74% women

84% of the workforce based in Parma

62% of waste sent to recovery plants

538.9 tCO_2eq GHG Emissions

10% reduction in water discharge compared to 2015

1.2 Approaching Sustainability

Within a context of increasing awareness and worldwide attention for sustainability topics, in 2016, Perfume Holding decided to embark on its journey towards corporate sustainability, seeking to grow the business while considering both positive and negative impacts of its operations on society and the environment, and publishing its **first Sustainability Report**. This report aims to give a clear picture of the Group's approach to sustainability, bringing institutional, economic and social insights related to the main internal and external initiatives the Group has promoted, highlighting the impact generated and the value created for society.

For the preparation of this Report, Perfume Holding carried out a materiality analysis in order to identify and address all the relevant sustainability issues for the Group's business and its stakeholders. The process was undertaken by applying the 2016 GRI Sustainability Reporting Standards and was composed of several phases.

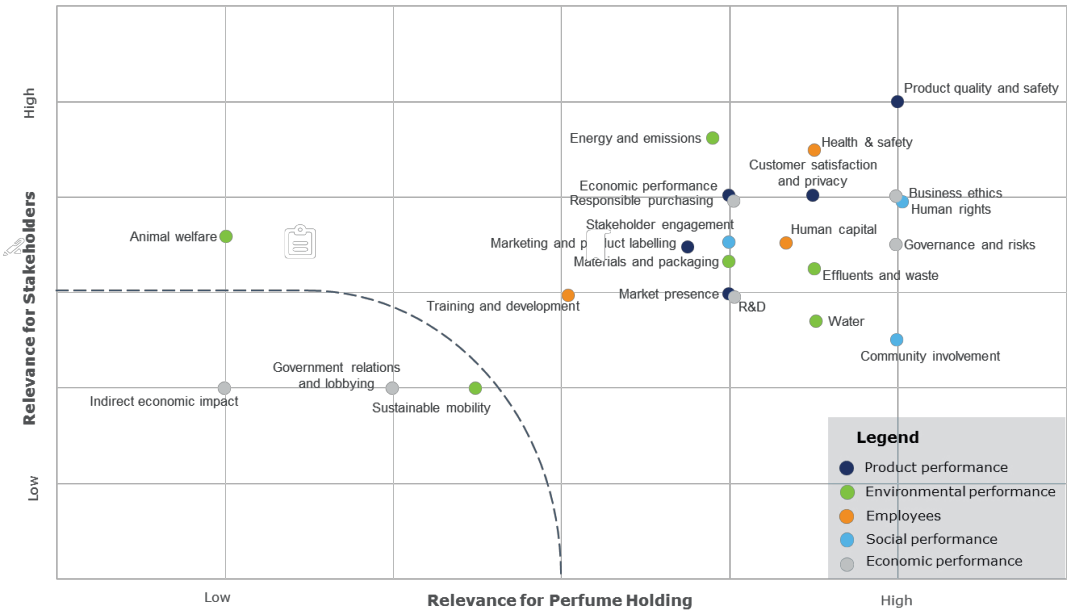
First, Perfume Holding identified and selected its stakeholders to be involved in the materiality analysis – through a preliminary analysis (e.g. industry benchmark) – in order to better understand their expectations and translate them into actionable objectives.

Stakeholder Mapping



Next, the Group identified the most significant economic, environmental and social aspects that could potentially influence the assessment and decisions of stakeholders. These topics were analyzed on the basis of the results of an industry benchmark and the GRI Sustainability Reporting Standards. Subsequently, both internal and external stakeholders were surveyed in order to evaluate and prioritize the topics based on their importance to the Group and to its key stakeholders. Finally, these topics were mapped to create the **first materiality matrix** which, on the x-axis, represents the relevance of the topics for Perfume Holding, and on the y-axis, their relevance for stakeholders. The picture emerging from the matrix serves as a tool for defining the Group's sustainability strategy, hence the aspects that are covered within this Report.

The matrix will be reviewed and updated when necessary to ensure it fully reflects the Group's sustainability priorities, critical issues and future opportunities.



The most relevant topics, presented in the top-right corner, mostly relate to the product quality, business responsibility, environment and health & safety. These topics reflect Perfume Holding's priorities and its commitment to its customers and its people, and are therefore the focus of this Report. The topics that fall below the dashed line are classified as irrelevant to the Group's core business.

UN GLOBAL COMPACT

In order to reinforce its dedication to sustainability, Perfume Holding became a signatory of the UN Global Compact in 2016 and is committed to working towards its 10 principles. The global initiative, supported by the United Nations, is based on universal sustainability principles addressing four key areas: **Human Rights, Labor, Environment** and **Anti-corruption**. In being a signatory to the UN Global Compact and integrating the principles into the company's core business, Perfume Holding not only confirms its main responsibilities to people and the planet, but also sets the stage for long-term success.

UN GLOBAL COMPACT

WE SUPPORT

Perfume Holding's Sustainability Path

Perfume Holding has been working towards sustainability for many years. The key steps in the Group's sustainability journey are the following:

• 2007

• Morris Profumi S.p.A. obtains the **UNI EN ISO 14001:2004** certification. For the first time, a roadmap with environmental, health and safety targets is defined, to be updated on an annual basis.

• 2013

• The Code of Ethics is approved by the Board of Directors of Morris Profumi S.p.A.

• Morris Profumi S.p.A. obtains the **UNI EN ISO 22716:2008** certification.

• The production plant in Parma is thermally insulated.

• 2015

• Morris Profumi S.p.A. earns the "**Silver Recognition Level**", ranking among the top 30% of performers evaluated by EcoVadis[1].

• For the first time, Perfume Holding includes non-financial information into the 2015 Annual Report, in order to provide stakeholders an overview of its sustainability approach.

• 2016

• Perfume Holding becomes a signatory of the UN Global Compact in 2016 and defines its commitment towards its 10 principles.

• The Group prepares its first Sustainability Report.

[1] Ecovadis is a collaborative platform that rates sustainability performance of companies based on CSR policies and supply chain management.

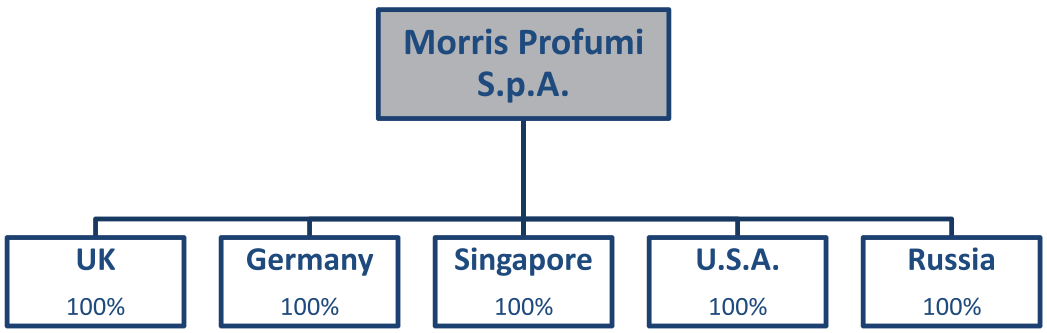
1.3 Perfume Holding and its Corporate Governance

Perfume Holding is an international Group that offers a unique integrated approach, from the creation to the production and distribution of perfumes.

Driven by creativity and passion, the Group boasts a prestigious portfolio[2], consisting of proprietary brands such as Atkinsons London 1799, I Coloniali, English Garden and Morris, and also licensed brands like Dirk Bikkembergs, Ferrari, Iceberg, Liu Jo, Sergio Tacchini and the addition of Fiat 500 as of 2016.

Perfume Holding's corporate goal is to be the leader in the niche and selective segment of perfumes and cosmetics markets. Its scientific know-how and its unique integrated approach allow for the choice of the finest essences in the laboratory, a strategic distribution through the network, product selection according to the target market, as well as outstanding marketing and communications.

Perfume Holding's operations are mainly based in Italy with R&D, Regulatory Affairs, Quality Control, Manufacturing and Production, Sales, Finance, Marketing and Creation departments. Products are distributed in over 100 countries, with representative offices in the U.S.A., United Kingdom, Germany, Italy, Russia, United Arab Emirates and Singapore.



The Group is owned by Investindustrial, a leading European investment firm, and Orlando Management, a company operating in the private equity sector.

1.3.1 Corporate Governance

Corporate governance is the driving force behind all the decision making processes and plays a key role in establishing relationships of trust between the Group and its stakeholders: integrity and ethical behavior of all members and collaborators is key to maintaining Perfume Holding's reputation and to ensure trust of all parties.
Perfume Holding has implemented a control and governance system based on a Board of Directors, comprising 7 members, which is entrusted to ensure the ordinary and extraordinary management of the Company.

[2] A more detailed description of the Product Portfolio can be found in the Group's 2016 Annual Report

Board of Directors*

Giovanni Borri Chairman	**Consolato Pace** Chief Executive Officer	**Martina Peterlini** Advisor	**Paolo Scarlatti** Advisor
Alessandro Fogo Advisor	**Roberto Maestroni** Advisor	**Paolo Frigati** Advisor	

**The Board of Director has been appointed on January 9, 2017, after the completion of the merger between Perfume Holding and Morris.*

Perfume Holding recognizes the importance of ethical behavior and social responsibility in the conduct of its corporate and business affairs and is committed to respecting the legitimate interests of its stakeholders and the community in which it operates. Although there is no specific training dedicated to human right policies or procedures, the Group's conduct and activities are guided by the Code of Ethics of Morris Profumi S.p.A., which was approved by the Board of Directors in 2013 and shared throughout the Group. This Code of Ethics represents the set of ethical values and standards of conduct, already deeply rooted in the Group's culture, on which people working for the Group base their activities. The Code of Ethics is an instrument designed to preserve the value and the integrity of the company over time and represents a set of positive principles and standards the Group has chosen to adopt as a concrete expression of its commitment.

Moreover, the Group believes respect for Human Rights is the foundation for liberty, justice and peace. The organization, management and control model adopted complies with the provisions of Legislative Decree 231/2001 and implements procedures, criteria and sanctions designed to ensure compliance with ethical values and standards of conduct set in the Code of Ethics. A number of preparatory activities have been carried out for the construction of a risk prevention and management system in line with the provisions of Legislative Decree 231/20013. Furthermore, the Group also takes environmental aspects into consideration in its risk management approach.

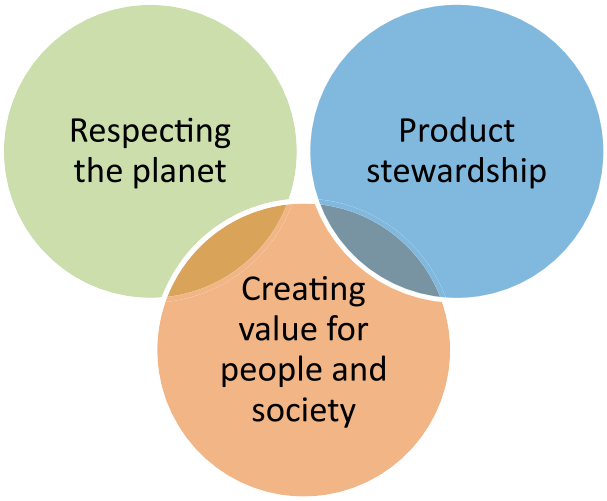
As a result of Perfume Holding's attention to these topics, no incidents of discrimination or corruption were recorded in the year.

[3] More information is provided within the Code of Ethics and the 231 Model (both available on the website)

Perfume Holding's priorities

The following chapters focus on the three key areas that guide Perfume Holding's sustainability agenda, based on the materiality analysis.

In particular, these priorities can be clustered into three different dimensions:

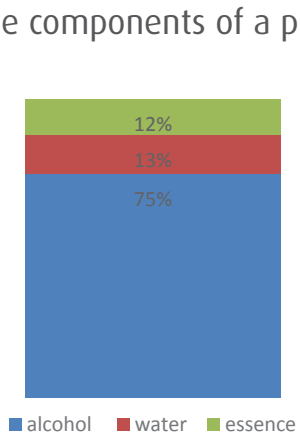


The year 2016 in brief

- Product stewardship
  - More than **400 new product formulas** tested
  - Development of **new skincare products**
- Creating value for people and society
  - **26.7 tons of products donated** to charity
  - More than **1000 hours of employee training**
- Respecting the environment
  - **10% reduction** in water discharge
  - **0.77% reduction** in absolute electricity consumption

What's inside your perfume? [1 page focus]

For the production of the fragrance, the primary materials used are alcohol (usually around 75-78% of the fragrance), essence and water. In 2016, 527 tons of alcohol and 95 tons of essence were used in the production plant. Furthermore, around 95 tons of water were also used for the preparation of fragrances in 2016.

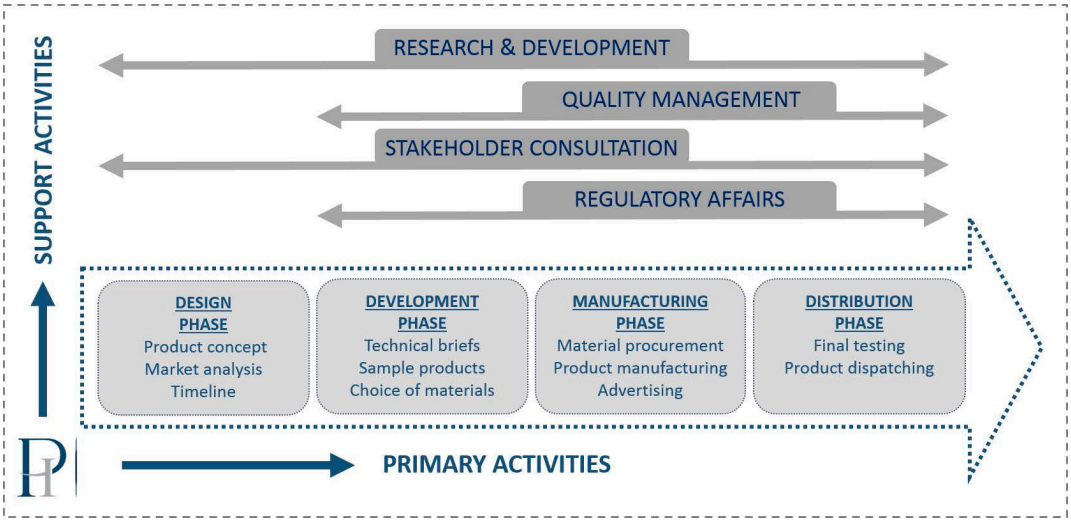


The main components for the production of perfume bottles and their packaging are glass, paper and cardboard, plastic (ferrules, caps, pipettes) and aluminum. All components are sourced from suppliers and not produced by the company itself. Glass, paper and aluminum are highly recyclable materials, and for this reason Morris Profumi S.p.A. sorts them separately from the remaining material in order to ensure they undergo a recovery process. The company is committed to eliminating secondary packaging of certain product lines in order to reduce paper and cardboard consumption. The reduction in packaging size is also very important for the Group, with the aim of maintaining an adequate proportion between the size of perfume bottles and their packaging and consequentially reducing the amount of packaging required per product.

2.1 Responsible products

Perfume Holding's 360 degree integrated approach is one of the company's key strengths: the Group's activities include creation, development, production and distribution of products. Having direct control over all stages makes Perfume Holding a unique actor within the industry due to its in-depth understanding and expertise of the sector. The Group works with suppliers throughout all activities, from product design to product distribution.

The following figure illustrates Perfume Holding's 360o integrated approach:



360o Integrated Approach[4]

The Group's impacts lie not only in its operations and final products but also in its suppliers' and customers' operations. For this reason, Perfume Holding is committed to ensuring responsible procurement and excellence throughout the value chain. The Group has a qualification and evaluation procedure for suppliers as well as for subcontractors, which mainly consists in a questionnaire with queries on the quality management system, environmental impact, health and safety of employees and CSR approach. A quality audit is conducted for all new subcontractors in order to sign a quality agreement to guarantee quality standards and procedures are being met. This allows Perfume Holding to ensure all suppliers and subcontractors apply the Group's standards throughout the supply chain. Furthermore, all environmental authorization is assessed to ensure their validity and respect of expiry dates. Suppliers are then ranked according to their responses and if any specific issues are identified, corrective actions are taken (e.g. official communication, audits, etc.).

In 2016, a total of 96 suppliers (51%) have been assessed and the Group is committed to extending the process to 100% of suppliers. In addition, main suppliers are also required to sign Perfume Holding's Code of Ethics and operate in compliance with its principles.

[4] A detailed description of the Integrated Approach can be found in the Group's 2016 Annual Report

2.2 Quality and safety for customers

100% of products are compliant with relevant EU regulations

One of Perfume Holding's key priorities is offering high quality and safe products to customers. 100% of products are compliant with relevant European regulations and are assessed for health and safety impacts by qualified external safety experts before being launched into the market. The **product safety assessment** process involves expert knowledge with respect to the product composition, the chemical and physical properties of the ingredients, the manufacturing process and the method of application of the product. All the data needed for safety assessment is kept by the Regulatory Affairs department as part of the Production Information Forms (PIFs) and Cosmetic Product Safety Reports (CPSRs). The experts undertaking the assessment combine their in-market experience with best available techniques in order to perform proper safety evaluations. Relevant information is also collected from the distributors of the products, as they have useful sales and market information.

The main steps of a safety assessment are:

- Ingredient testing, including potential effects of product packaging on the safety of the product;
- Identification of the final product and its compliance with Good Manufacturing Practices (GMP);
- Stability testing of the product before and during the use-phase, ensuring no additional safety risks are identified;
- Analysis of product performance to ensure safety of exposure to substances. When possible, the safety margins are obtained. In cases where it is not possible to obtain the safety margins, bibliographic information of the ingredients is evaluated in order to assess health and safety impacts;
- Verification of the product labeling to ensure accuracy of the instructions and warning information provided and that all legal requirements are being met.

No episode of non-compliance relating to product quality and safety has been reported in 2016.

Morris Profumi S.p.A. demonstrated its commitment to continuous quality improvement by obtaining the ISO UNI EN 22716:2008 certification in June 2013. ISO UNI EN 22716:2008 is a harmonized standard and guideline for Good Manufacturing Practices (GMP) in the cosmetic sector. The application of such standards allows to comply with provisions of the new European regulation 1223/2009 governing the composition, labelling and packaging of finished cosmetic products and ensuring a high degree of safety, transparency and objectiveness of product information. Holding the ISO UNI EN 22716:2008 certification requires having a Quality Assurance System that, in order to maintain product warranty and safety, guarantees high quality and security of finished products through various procedures, such as: process mapping; criticality monitoring; internal and external planned audits in order to verify the compliance of the processes; and, employee training in line with Standard Operating Procedures (SOP). The Standard also certifies compliance with GMP throughout the whole supply chain.

Morris Profumi S.p.A. is the first company in the perfume manufacturing industry to obtain the ISO UNI EN 22716 certification by DNV Business Assurance in Italy. Being certified implies the entire staff is working towards a common target in awareness of quality procedures and policies as well as their impact on everyday operations and human health.

2.3 Product Innovation and R&D

The research and development (R&D) laboratory presents a combination of passion for science and intuition for creativity. The mission of the R&D department is to fulfil the continuously increasing requests of customers who see cosmetics as a daily necessity. The creation of new product formulas is a meticulous process: in order to define the perfect formula, adjustments need to be made ingredient by ingredient until the perfect outcome is achieved.

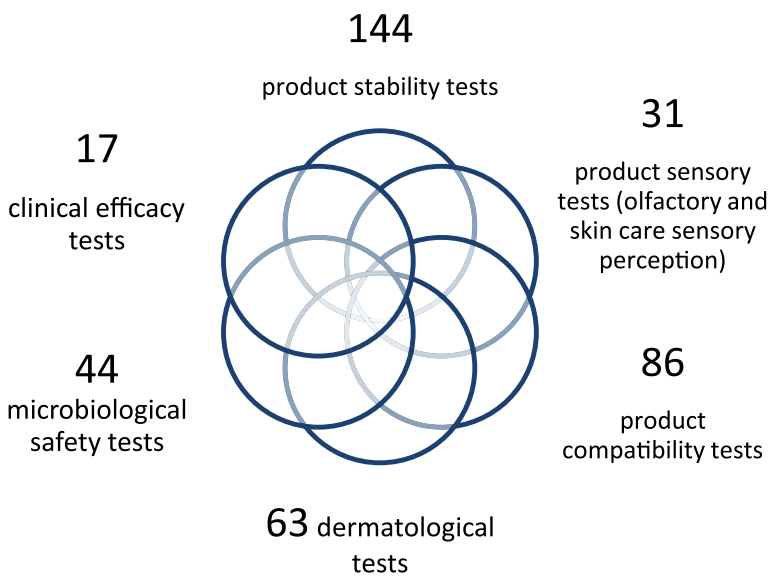
Working in the laboratory, with the use of cutting-edge resources, the scientists explore the resources offered by the market and follow a set of criteria in order to choose which ingredients to use for Perfume Holding's formulas. When possible, suppliers of primary resources are chosen according to their commitment to social and environmental responsibility. For example, suppliers with certifications relating to product traceability and working conditions are prioritized for the procurement of ingredients. The R&D lab cooperates with external partners to translate scientific discoveries into healthy skincare products.

In 2016, in collaboration with the University of Pavia, Perfume Holding developed innovative formulas for a new generation of "I Coloniali" skin care products in which scientific excellence is mixed with the knowledge of traditional herbs and spices.

Moreover, in 2016 an innovative perfume flask was developed by Perfume Holding: a phone cover integrated with a perfume container that allows consumers to have ready-to-use and accessible perfume anytime and anywhere. The product was designed maintaining the chemical characteristics of the perfume, ensuring thermal and physical isolation for the mobile phone.



The R&D lab develops and tests hundreds of product formulae every year. These formulae undergo several stages before being approved for production and launch. In 2016, 436 preliminary product formulas were tested for new product development out of which 63 formulas were approved for production and 17 effectively produced in 2016 after undergoing several testing phases[5]. The remaining 46 could be used for future production. The tests managed by the R&D lab are represented in the following figure:



2.4 Labeling and packaging

Perfume Holding ensures customers have access to accurate and adequate information on the products and services they consume, both from a product labeling and a marketing communication perspective. Fair and responsible marketing communications, transparency on product composition and their proper use and disposal, allows customers to make informed choices.

Perfume Holding's internal policy on labeling and packaging is defined and supervised by the Regulatory Affairs department and is periodically updated. Products, product packaging and product labeling are compliant with all relevant European regulations applicable to the industry and contain all necessary information to sell products worldwide, including Asia, Russia, Far East, Middle East, and South America. Required product information includes product components, content, and safe use and disposal of the product. Distributors must check the packaging of the products and verify that re-

[5] For more detailed data and information regarding the R&D lab activities in 2016, please refer to the Group's 2016 Annual Report.

quired information is present on the label, including whether certain information is in the language required under the applicable national law.

Furthermore, all of Perfume Holding's fragrances are compliant with the Standards of the International Fragrance Association (IFRA Standards), a globally accepted and recognized risk management system for the safe use of fragrance ingredients. The Standards represent a self-regulating framework of the industry, based on risk assessments carried out by an independent Expert Panel.

A Cosmetic Product Safety Report is prepared for every finished product being placed on the market and is reviewed on a regular basis. To that end, potential undesirable effects on human health resulting from product use are filed and taken into account in the next safety assessment of the product. For packaging in direct contact with the cosmetic product, specific regulatory verifications are carried out.

All of Perfume Holding's products comply with applicable regulations, including:

- **Regulation 1223/2009** of the European Parliament governing the composition, labeling and packaging of finished cosmetic products in the European Union. The regulation was adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry. It also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals.
- **Directive 94/62/EC** of the European Commission on packaging and packaging waste.
- **REACH (EC 1907/2006)** regulation on the use of chemicals.
- **Directive 75/324/EEC** regarding aerosol dispensers.
- **Regulation (EC) No. 1272/2008** on labeling and packaging of substances and mixtures.

2.5 Customer satisfaction

Perfume Holding keeps customer care and product quality at the top of its agenda. In 2016 the percentage of reclaimed products and their packaging material was below 1% and no product batches were taken off the market. Customer complaints are managed through an internal Standard Operating Procedure (SOP) for Complaint Management as required by ISO UNI EN 22716:2008 and ISO UNI EN 9001:2005, which include procedures for quality management, customer satisfaction and guidelines for complaints handling in organizations.

The SOP Complaint Management provides guidance for handling complaints related to both commercial and non-commercial activities. These procedures are intended to benefit both Perfume Holding and its customers, and provide opportunity for improvements in products, processes, company reputation and competitiveness. Furthermore, the value of efficient SOP Complaint Management within a global marketplace becomes even more evident as it ensures consistent complaint treatment and reinforces customer confidence, loyalty and satisfaction.

In particular, the complaint management process allows Perfume Holding to:

- provide a complainant with access to a transparent

and responsive complaint management process;
• enhance its ability to resolve complaints in a consistent, systematic and responsive manner;
• enhance its ability to identify trends and eliminate causes of complaints;
• improve the organization's operations;
• create a customer-focused approach to resolving complaints, and encourage employees to improve their skills in working with customers.

End-users can directly contact Perfume Holding and the company's internal policy requires all signals to be singularly addressed within 24 hours by the Quality Assurance division. Each filed complaint is assessed for non-compliance with regulations and/or voluntary codes. As prescribed by the internal policy, all complaints are analyzed and corrective or preventative actions are taken when required.

The nature of complaints in 2016 were in line with previous years. The percentage of complaints classified as technically founded was around 45% (33 cases). The severity of the technically founded complaints was also aligned to previous years:

• 55% critical defect: important defect which inhibits the use by the end-user;
• 27% major defect: which inhibit the purchasing of the product by the end-user;
• 18% minor aesthetical defects: which give a negative impression on the quality of the product to the end-user.

Complaints filed for reasons that are not related to technical defects are also addressed by Perfume Holding, classified as "unfounded". These types of complaints allow to understand how certain customers actually perceive the products and services offered by the company and take preventative actions. In 2016, the percentage of unfounded complaints was 55%, of which 79% were from end-users and the remaining 21% from suppliers, distributors and partners.

2.5.1 Customer privacy

All personal data which identifies the final consumer is censored in accordance with the classification of the internal code. Personal data includes: name and surname, email address, telephone number and any data that could identify the final consumer. Moreover, the email addresses of complainants are accessible solely to the defined internal reference person. During 2016, Perfume Holding received no complaint concerning breaches of customer privacy and loses of customer data.

The sustainable value generated by Perfume Holding relies, in large part, on the relationship with its people and the local community in which the Group operates.

In order to promote sustainable growth, a company needs to rely on human resource capability and willingness to implement and act on all strategic decisions of the management. People are the most important, central resource and are treated as the crucial factor for the company's success. At the same time, the Group relies on society and its resources, and consequentially benefits from the value generated for the society itself.

For these reasons, the value generated for employees and society is one of the key focus areas that guide Perfume Holding's sustainable pathway.

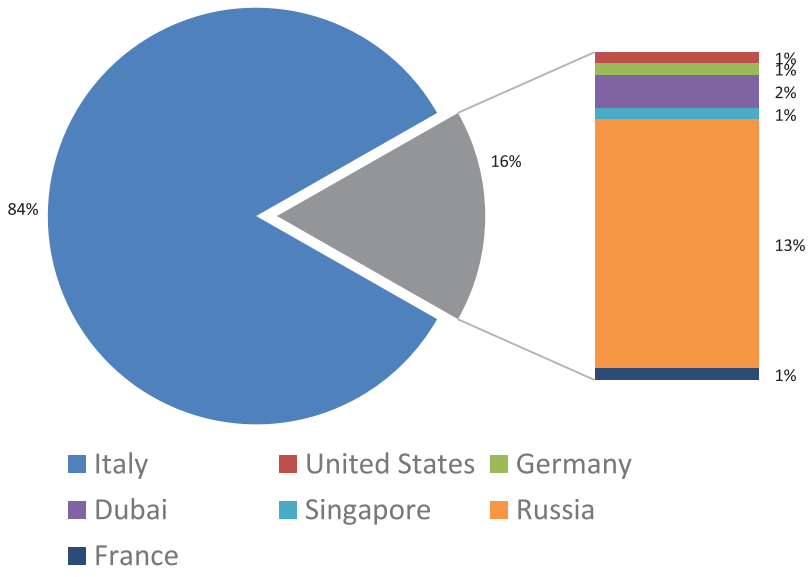
3.1 Employees

Perfume Holding considers its workforce a fundamental, strategic factor for the achievement of the company's objectives. For this reason, it protects and values its staff, with the aim of improving and enhancing the wealth and competitiveness of the skills that each employee has.

As at 31 December 2016, the Group had **176** employees, **4%** higher compared to 2015, showing a prevalence of women compared to men (**74%** of women against **26%** of men). The Group employees are distributed mainly in the Italian production site (**84%** in Parma, Morris Profumi S.p.A.); the remaining 16% are based in Russia, Dubai, Germany, France, United States and Singapore.

176
employees
(+4% on 2015)

74%
Women



Total number of employees by gender and geographical area						
Country	As at 31st of December 2016			As at 31st of December 2015 *		
	Male	Female	Total	Male	Female	Total
Italy	37	110	**147**	32	108	**140**
United Stated	1	-	**1**	-	-	**-**
Germany	1	-	**1**	1	-	**1**
Dubai	2	1	**3**	-	-	**-**
Singapore	-	1	**1**	-	2	**2**
Russia	4	18	**22**	n.a.	n.a.	**17**
France	-	1	**1**	n.a.	n.a	**10**
Total	**45**	**131**	**176**	**33**	**110**	**170**

**For 2015, the gender breakdown is not available for Russia and France*

The Group mostly provides permanent contracts (**96%**, in 2016) for its employees in order to promote retention and development, while enhancing, at the same time, the employees' feeling of being a part of the Group. In 2016, **93%** percent of employees worked full-time, remaining almost unchanged with respect to the prior year (94% in 2015). Interim employees have been hired for seasonal changes to the production line.

All of Perfume Holding's employees are covered by collective bargaining agreements, as required by national law. Minimum notice periods can be found in corporate policies and standard employment contracts. Moreover, Morris Profumi S.p.A. has an internal business policy that includes employee contract details in addition to the general reference legislation.

Sustainability in the workplace

In order to increase employees' awareness of environmental issues, the Group will endeavor to actively promote and participate in public initiatives (e.g. "Puliamo il mondo").

3.1.1 Development and training

Perfume Holding offers equal employment opportunities to all employees based on professional qualifications and capabilities, without any form of discrimination. The selection, recruitment, remuneration and career development plans are based exclusively on merit and skills, without any discrimination regarding political or religious beliefs, membership of unions, race, language, gender, age, working timetable, family status or role within the company, in compliance with the current and relevant legislations and employment contract.

Regarding people training

and development, Perfume Holding strongly supports continuous skill development of its employees. All training activities have been designed to improve both interpersonal relationships and to establish a positive work environment.

Induction for new employees is usually carried out in Parma, Perfume Holding's headquarters, introducing the Group's culture and explaining the basic policies to be followed. Furthermore, the Group monitors the training hours related to environment, health and safety and process quality/Good Management Practices (GMP) topics. In particular, regarding the production site, each employee is informed on the environmental and safety aspects the activities through the delivery of an informative booklet. In addition, each employee receives training on the above mentioned themes through specific courses organized internally or externally. Each year, a training plan is prepared, verifying deadlines and training requirements on environmental, occupational safety and quality/GMP processes.



33 courses
1.104 hours

In 2016, **33 training courses** were organized on **environmental and safety issues**, for a total of **1,104 hours** of training (**7.5 hours per person**), of which 66% to women and 34% to men due to the largest number of women in the company. On average, each employee participated in 3 courses throughout the year.

Perfume Holding is also active in promoting high quality of work of its employees and work-life balance. On this issue, at the productive site in Parma, for example, the Group has a contract with local public transportation to provide a shared and free bus for its employees. This solution is aimed at increasing the awareness of environmental practices, provide transportation options to employees who do not own a vehicle and enhance employee safety on the way to work. The company provides a bonus for working parents to cover part of preschool fees. Furthermore, the company has a canteen that provides meals at a reduced.

3.1.2 Health & Safety at work

Perfume Holding works hard to ensure a culture of safety, by developing awareness of risks, promoting responsible behavior on the part of all employees and endeavoring to preserve employee health & safety, especially with preventative actions. The Group works to reach the goal of "zero injuries".



An updated **Environmental, Safety and Social Responsibility Policy** will become effective in 2017

In particular, the holding company, Morris Profumi S.p.A. has implemented a work safety management model following the UNI-INAIL guidelines. The management system includes a business policy, training plans and other numerous procedures (such as non-compliance management, emergency management, periodic monitoring of all plant facilities, communications management, etc.). All the risks[6] faced by the company are constantly monitored, and four security audits are carried out each year, in accordance with Model 231. Meetings are organized periodically with all manufacturing departments and different area managers to discuss business issues and take on suggestions on health and safety at work, environment and quality.

Perfume Holding's activities present a low number of accidents: in 2016, a total of **4 injuries** were recorded at the production site in Parma, which lead to **123 days of absence**. Due to the considerably limited number of employees and hours worked and as a consequence of the high number of lost days per injury in 2016, each episode deeply influenced the calculation of injury rates, and makes it difficult to analyze their general trend. All of the recorded injuries in 2016 were classified as minor and did not strongly impact the health of any employees. Health and safety indicators are reported in the "performance indicators" section, at the end of this Report.

3.2 Supporting the local community

Perfume Holding holds direct, responsible relationships with the community in which it operates. The company has been engaged in charitable activities with local organizations for several years, usually donating products to volunteering associations, in order to support their activities.

In 2016, the Group donated around **26 tons of products** (e.g. body wash, etc.) to associations helping the communities affected by the earthquakes that hit central Italy and provided financial support to LILT association (Lega Italiana per la Lotta contro i Tumori).



26 tons of products donated to charity is sent to recovery plants

Moreover, in 2016 the Group was involved in several other initiatives supporting local communities, such as:

• the Group sponsored cultural events for the city of Parma, such as the "Festival Verdi" festival and sport events (e.g. "**Giocampus**" summer camp);

• a number of employees of Morris Profumi S.p.A. participated in the environmental volunteering initiative "**Puliamo il Mondo**" promoted by Legambiente;

[6] At Morris Profumi S.p.A, the productive site, the main risks include: fire risk, explosion hazard, chemical risk, biomechanical overload risk due repetitive work and manual handling of loads.

• the company participated in educational projects ("**alternanza scuola-lavoro**") hosting students for temporary internships;

• the Group promoted an initiative from **CONAI** regarding paper recycling in the month of September: for every additional ton of collected paper (taking September 2015 as baseline) an economic compensation was collected for the communities affected by the earthquake. In 2016, around 3,200 kg of paper were collected.

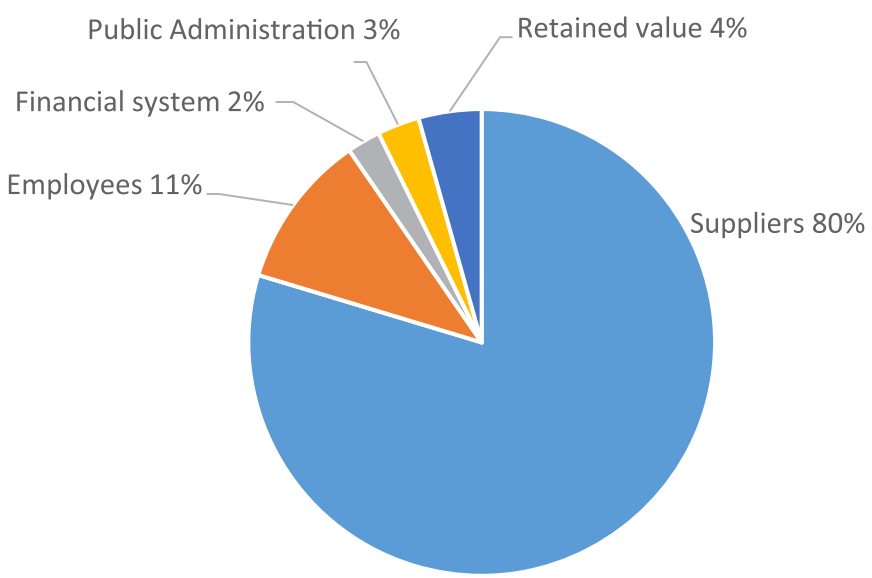
+ 3,200 kg
of paper collected
compared to
September 2015

3.3 Value creation

The added value represents the wealth produced by the Group which is distributed to its stakeholders under various forms. Data related to creation and distribution of the added value provides, an indication of how the Group has created values for its stakeholders through a reclassification of the consolidated income statement and highlights the economic effects generated by the business' management.

During 2016, the added value generated by the Group amounts to **€ 80,078,000**. It is mainly distributed towards suppliers and employees and is broken down as follows:

Distribution of the 2016 added value



Morris Profumi has been committed to respecting the environment and expanding its activities sustainably for many years. The head company (Morris Profumi S.p.A.) holds the UNI EN ISO 14001:2004 certification as of 2007 and is working to align the company to the new reference standard ISO 14001:2015 by February 2018. In 2016, the top management proposed an **Environmental, Safety and Social Responsibility Policy**, effective from 2017, with the aim of reaching the perfect balance between natural resource consumption and long-term economic growth while ensuring high quality of life to present and future generations. The main objectives of the policy include reducing pollution and ensuring compliance with environmental regulations.

Perfume Holding monitors and assesses environmental risks and opportunities (as required by ISO 14001) to subsequently set guiding targets and objectives. Furthermore, the Group is committed to: improve employee training and development; ensure all collaborations have high levels of attention for environmental and social aspects; systematically measure all environmental indicators and periodically communicate progress and achievements to all employees.

There have not been any cases of non-compliance with environmental regulations or standards were verified in 2016.

The Group, for the first time in 2016, started working on the calculation of its **Carbon Footprint** in order to periodically monitor their impacts and implement preventative and corrective measures to reduce the Group's impacts.

4.1 Energy and Emissions

Although the production process, in general, is not energy intensive, energy consumption of the production plant is monitored on a monthly basis. Morris Profumi S.p.A. consumes electricity and natural gas, the latter solely for heating purposes. In 2015, an energy audit was conducted and the results confirmed that the majority of the company's energy consumption derives from heating/cooling, hence highly dependent on external climatic conditions.

- 0.77%
Decrease i absolute electricit consumption

Total energy consumption in 2016 was **5,364 GJ**, 1.4% higher compared to 2015.

Energy reduction targets have been set and the Group is committed to aligning all activities to these objectives. Several initiatives have been introduced in order to work towards these goals. For example, installation of LED lighting in internal and external

Energy consumption within the organization by fuel type (GJ), Morris Profumi S.p.A.		
Fuel type	As at 31st of December 2016	As at 31st of December 2015
Natural gas	2,830	2,737
Electric energy	2,534	2,553
Total	**5,364**	**5,290**

spaces; installation of timers for air-conditioners and vending machines for office closing hours; employee education and awareness raising; and the application of darkening film on several external windows.
Total greenhouse gas (GHG) emissions amounted to **538.9 tCO2eq** and include Scope 1 and Scope 2:

• **Scope 1 emissions** include direct emissions of GHGs from installations owned or controlled by Morris Profumi S.p.A. (e.g. natural gas, diesel fuel, continuous leasing fleet) and in 2016 amounted to 267.9 tCO2eq.
• **Scope 2 emissions** include indirect emissions from energy consumption, that is, GHG emissions from electricity, heat and steam imported and consumed by Morris Profumi S.p.A. (e.g. electricity) and in 2016 amounted to 271.0 tCO2eq.

Emissions (tCO_2eq), Morris Profumi S.p.A.		
Scope	As at 31st of December 2016	As at 31st of December 2015
Scope 1	267.9	259.1
Scope 2	271.0	273.1
Total	**538.9**	**532.2**

In 2013, the entire production plant was thermally insulated, significantly reducing CO2 emissions resulting from lower energy requirements for heating. In addition, Morris Profumi S.p.A. reached its 30% target of business trips with collective means of transportation (company shuttle), another initiative introduced to reduce emissions.

Nitrogen oxides (NOx) and Volatile Organic Compounds (VOCs) are also monitored to ensure emissions are minimized and compliant with standards and regulations.

4.2 Water

At the headquarters in Parma, water for manufacturing and office activities is mainly sourced from public aqueducts and is monitored every month. The company also uses well water for irrigation purposes and for the fire system. If irregular values are detected, the company intervenes in order to identify the causes and take corrective measures. Over the years, the irrigation system has been optimized with the installation of an automated mechanism.



10% reduction in water discharge

The Group promotes employee education and sharing of best practices to reduce water consumption and waste.

To ensure efficient monitoring of the quality of water flows and potential water contamination, two little wells for water withdrawal were installed in 2016 to allow the company's internal experts to regularly extract small samples for testing. All tests that have been completed have confirmed the high quality of the groundwater streams under the production plant and office headquarters
.
Total **water consumption** in 2016 amounted to 4,462 cubic meters, of which around 1000 cubic meters were used for irrigation.

Water consumption by source (m^3), Morris Profumi S.p.A.		
Source	As at 31st of December 2016	As at 31st of December 2015
Groundwater	1,005	568
Municipal water supplies	3,457	3371
Total	**4,462**	**3,939**

Morris Profumi S.p.A.'s **water discharge** totaled 3,274 cubic meters, a 10% reduction with respect to 20157. The main sources of water discharge are sanitation facilities and only a small portion is due to production activities. The company owns an authorized and regulated water purification plant used to treat all volumes of water discharge before it is emitted into a surface water body. The purifier is constantly monitored and the quality of the wastewater is tested by a qualified external lab every two weeks. Perfume Holding's efforts to reduce waste discharge include the retrofitting of sanitation facilities and the constant education and awareness raising on water consumption for all employees.

4.3 Waste

Perfume Holding has a waste management procedure in place throughout the entire productive plant to regulate the sorting process according to waste type. A proper sorting and management of waste allows for all waste types to be destined to proper recovery and treatment processes and avoids waste flows sent to landfill and incineration.



62% of waste generated is sent to recovery plants

In 2016, the total amount of waste generated at the Group's headquarters in Parma was around **245 tons**, a 17% increase compared to 2015, due to the handling of waste resulting from the closing of the offices in Milan and Paris. However, thanks to Perfume Holding's efficient collection and sorting processes, in 2016, 62% of the waste generated was sent to recovery plants.

Waste production by type and disposal method (t), Morris Profumi S.p.A.						
Disposal method	As at 31st of December 2016			As at 31st of December 2015		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Recovery (including energy recovery)	7.8	144.2	**152.0**	4.1	119.2	**123.3**
Incineration	-	55.7	**55.7**	-	50.4	**50.4**
Landfill	-	33.8	**33.8**	-	34.8	**34.8**
Preliminary deposit	1.5	2.4	**2.9**	1.4	0.01	**1.4**
Total	**9.3**	**236.1**	**245.4**	**5.5**	**204.5**	**209.9**

In 2016, Morris Profumi S.p.A. collected around **38.6 tons of recyclable material**, including 32.9 tons of wooden pallets, 2.1 tons of paper and 3.6 tons of mixed packaging, and returned them to suppliers for reuse.

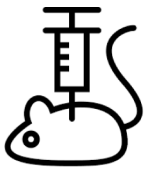
In the headquarters' canteen, an automatic water dispenser has been installed in order to reduce the consumption of plastic bottles. The reduction in waste resulting from plastic bottles is estimated to be around 510kg per year, the equivalent of **33 thousand bottles.**

Furthermore, Perfume Holding is committed to minimizing the quantities of unsold products that go to waste and is determined to channel at least 40% of unsold products to charity.
In order to reduce waste products, the company has a procedure in place to allocate the quantities of unsold products to retailers that have had high demand for those products. When this is not possible, the products are collected at the production plant and donated to charity. In 2016, 26.7 tons of waste were avoided by donating unsold products to charity.

33,000 bottles avoided per year thanks to the water dispenser

In 2016, around 30% of paper purchased at the headquarters was recycled and around 70% held Ecolabel and FSC certifications.

4.4 Animal welfare



No animal testing

All of Perfume Holding's products and ingredients are tested with alternative procedures in order to ensure safe and high quality products. Perfume Holding complies with the European Directive against animal testing (2003/15/EC), in force since 2004, hence does not allow any form of animal testing for its products. Furthermore, as of 2009, it is prohibited to market products containing ingredients that have been tested on animals (EC No 1223/2009).

5. Note on Methodology

This first 2016 Sustainability Report, represents an evolution towards a transparent and structured reporting process, developed by the Group for the benefit of its stakeholders. It supplements the information regarding sustainability disclosed in the 2016 Annual Report, providing details on the Group's sustainability performance and the industry's key indicators, and giving the proper attention to the expectations of all stakeholders who, either directly or indirectly, are interested in the activities of the Group.

The document is prepared in accordance with the "GRI Sustainability Reporting Standards" issued in 2016 by the GRI – Global Reporting Initiative. The breadth and detail with which the issues in the Sustainability Report are covered are a reflection of the materiality analysis carried out according to the approach described in the paragraph "Approaching sustainability". The level of adherence to the GRI Reporting Standards is "In accordance – Core option".

Scope of reporting

This document is the first public edition of Morris Profumi Group's Sustainability Report. The Group is also commercially known as "Perfume Holding" and for this reason "Perfume Holding" and "the Group" are used interchangeably in this Report, both referring to Morris Profumi Group. The Group's logo has not changed. The reference "Morris Profumi S.p.A." solely refers to the parent company.
The reported information and data refer to 2016 (from 1 January 2016 to 31 December 2016), unless otherwise noted. Any data referring to previous years is presented for comparative purposes only, so as to allow an assessment of the evolution of the Group's operations over time. Where the data comes from estimates, it is flagged accordingly. The performance indicators were collected on an annual basis and the reporting frequency will be annual.

The scope of the reported data in some cases is different from the origin of the data, as following:

• the operating and financial data refers to the Group (parent company and subsidiaries consolidated on a line-by-line basis) and were taken from the Annual Report as at 31 December 2016;

• for human resources information, the reporting scope refers to the Group (parent company and subsidiaries consolidated on a line-by-line basis), with the exception of the data related to training and health and safety indicators, which refers only to Morris Profumi S.p.A.

• for environmental data, the reporting scope refers to Morris Profumi S.p.A. The Group's headquarters are in Strada Maretto 13, Roncopascolo (Parma). The scope of reporting is
consistent with the content reported above with the exception of some data explicitly indicated in the text.

The reporting period considered (ended 31 December 2016) was characterized by certain corporate operations which fall into the greater reorganization of Morris Profumi Group. These changes are described in detail in the 2016 Annual Report.

Calculation criteria

Several operating departments of the Group have been actively involved in the process of data gathering and report drafting, in order to shape the Report. One of the ultimate objectives of the Group is, through

the Sustainability Report,

to further strengthen its reporting system, and to enhance the accuracy and reliability of the information and data provided.

As for the calculation criteria:

• The **Injury Rate** is calculated as the ratio between the total number of injuries leading to an absence of more than 1 day (excluded the one in which the injury happened) and the total number of hours worked, multiplied by 200,000.

• The **Lost Day** Rate is calculated as the ratio between the total number of lost days (due to injuries or occupational diseases) and the total number of hours worked, multiplied by 200.000.

• The **Absentee Rate** is calculated as the ratio between the total number of absentee days lost and the total days scheduled to be worked.

• The **Occupational Disease Rate** is calculated as the ratio between the frequency of occupational diseases and the total number of hours worked.

• Direct (**scope 1**) and indirect energy emissions (**scope 2**) have been calculated using the GHG Protocol emission factors

For further information about this Sustainability Report, please contact:
Morris Profumi S.p.A. Strada Maretto 13 403126 Roncopascolo (PR) - Italy Tel: + 39 0521 662111 e-mail: parma@perfumeholding.com

6.1 Human Resources indicators

Total number of employees by employment contract and gender

Total number of employees by employment contract and gender						
Type of employment contract	As at 31st of December 2016			As at 31st of December 2015 *		
	Male	Female	Total	Male	Female	Total
Permanent	45	124	**169**	33	110	**143**
Temporary	-	7	**7**	-	-	**-**
Total	**45**	**131**	**176**	**33**	**110**	**143**

* The breakdown and total value for 2015do not include data for France and Russia

Total number of employees by employment type and gender

Total number of employees by employment type and gender						
Full-time/Part-time	As at 31st of December 2016			As at 31st of December 2015 *		
	Male	Female	Total	Male	Female	Total
Full-time	44	119	**163**	32	103	**135**
Part-time	1	12	**13**	1	7	**8**
Total	**45**	**131**	**176**	**33**	**110**	**143**

* The breakdown and total value for 2015 do not include data for France and Russia

Total number of employees by employment category and gender

Employees by employment category and gender						
Employment category	As at 31st of December 2016			As at 31st of December 2015 *		
	Male	Female	Total	Male	Female	Total
Senior Managers	8	2	**10**	5	1	**6**
Middle Managers	8	14	**22**	7	6	**13**
White collars	21	60	**81**	12	46	**58**
Blue collars	8	55	**63**	9	57	**66**
Total	**45**	**131**	**176**	**33**	**110**	**143**

* The breakdown and total value for 2015 do not include data for France and Russia

Total number of employees by employment category and age group

Employees by employment category and age group								
Employment category	As at 31st of December 2016				As at 31st of December 2015 *			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Senior Managers	-	6	4	**10**	-	3	3	**6**
Middle Managers	-	9	9	**18**	-	8	5	**13**
White collars	6	64	15	**85**	4	45	9	**58**
Blue collars	4	39	20	**63**	5	40	21	**66**
Total	**10**	**118**	**48**	**176**	**9**	**96**	**38**	**143**

* The breakdown and total value for 2015 do not include data for France and Russia

Total number of governance bodies' members by gender and age

Governance bodies' members by gender and age group														
Board Members	As at 31st of December 2016							As at 31st of December 2015						
	<30		30-50		>50		Total	<30		30-50		>50		Total
	M	F	M	F	M	F		M	F	M	F	M	F	
	-	-	4	1	2	-	**7**	-	-	2	1	2	-	**5**

Total number of external workers by employment category and gender for Morris Profumi S.p.A.

Number of external workers by employment category and gender						
Employment category	As at 31st of December 2016			As at 31st of December 2015		
	Male	Female	Total	Male	Female	Total
Self-employed persons	5	1	**6**	5	1	**6**
Workers hired through external agencies	-	8	**8**	-	5	**5**
Total	**5**	**9**	**14**	**5**	**6**	**11**

Employee hiring and turnover rate by gender for Morris Profumi S.p.A.

Employee hiring and turnover rate by gender						
Rate and percentage	As at 31st of December 2016			As at 31st of December 2015		
	Male	Female	Total	Male	Female	Total
Hiring rate	24%	7%	**12%**	34%	14%	**19%**
Turnover rate	11%	5%	**7%**	19%	25%	**24%***

* The turnover rate in 2015 is due to an internal company restructuring, which was managed in agreement with trade unions

Employee hiring and turnover rate by age group for Morris Profumi S.p.A

0								
Rate and percentage	As at 31st of December 2016				As at 31st of December 2015			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Hiring rate	44%	12%	4%	**12%**	44%	16%	19%	**19%**
Turnover rate	22%	8%	2%	**7%**	0%	19%	42%	**24%***

* The turnover rate in 2015 is due to an internal company restructuring, which was managed in agreement with trade unions

Average hours of training by employment category and gender for Morris Profumi S.p.A.

Average hours of training by employment category and gender								
Average hours	As at 31st of December 2016				As at 31st of December 2015			
	Total hours	Average men *	Average female	Total average	Total hours	Average men *	Average female	Total average
Senior Managers	**28**	-	14.0	4.7	**11**	2.8	-	2.8
Middle Managers	**68**	8.5	-	3.8	**45**	4.0	2.8	3.5
White collars	**392**	11.8	4.5	6.5	**216**	7.4	2.8	3.8
Blue collars	**616**	13.0	9.3	9.8	**408**	20.3	3.9	6.2
Total	**1,104**	**10.1**	**6.7**	**7.5**	**680**	**9.7**	**3.4**	**4.9**

* The value for average hours of training for men is higher because of their participation in fewer, longer courses compared to females

Health and safety indicators by employees and external workers for Morris Profumi S.p.A.

Health and safety indicators				
Number and rate	As at 31st of December 2016		As at 31st of December 2015 *	
	Employees	External workers	Employees	External workers
Injuries	3	1	-	-
Occupational disease rate	-	-	-	-
Work-related fatalities	-	-	-	-
Absentee days	92	31	-	-
Absentee rate	42%	n.a.	-	-
Injury Rate	2.6	3.7	-	-
Lost Day Rate	80.3	116.0	-	-

* In 2015 no injuries or occupational diseases were recorded

6.2 Environmentalperformanceindicators

Materials used by weight for Morris Profumi S.p.A.

Non-renewable materials used by weight (t)		
Material	As at 31st of December 2016	As at 31st of December 2015
Alcohol	527.00	543.00
Essence	95.00	103.00
Glass	14,578.00	15,962.00
Paper and cardboard	3,864.00	3,959.00
Plastic	1,836.00	1,450.00
Aluminum	55.10	24.60
Steel	32.49	37.80
Total	**20,987.59**	**22,079.40**

The following table presents the correlation between material topics for the Group and GRI Standard aspects and the explanation of the material topics and their boundaries.

#	Material Topic	GRI Standard Aspect	Explanation	Boundary	
				Where the impact occurs	Perfume Holding's involvement
1	Product quality and safety	Customer health and safety	Creating and selling high quality, long-lasting, safe and sustainable products	Perfume Holding; Suppliers	Direct; Contribution
2	Business ethics	Anti-corruption	Promotion of a good Corporate Governance, inspired by the highest standards related to ethics, integrity and compliance to laws and regulations	Perfume Holding; Suppliers	Direct; Contribution
3	Human rights	Human rights assessment	Respect, promotion and protection of human rights	Perfume Holding; Suppliers	Direct; Contribution
4	Governance and risks	n.a.	Implementation of a structured system that allows toidentify, evaluate and manage risks from an economic, social and environmental point of view	Perfume Holding	Direct
5	Community involvement	Local communities	Involvement and support of local communities through activities and initiatives	Perfume Holding	Direct
6	Health and safety	Occupational health and safety	Complying with laws and regulations concerning security, prevention, hygiene and health in the workplace	Perfume Holding	Direct
7	Customer satisfaction and privacy	Customer privacy	Management of customer privacy and ability to build customer relationships that are long-lasting and based on trust	Perfume Holding; Distributors and franchising	Direct; Contribution
8	Effluents and waste	Effluents and waste	Promotion of an efficient waste management policy	Perfume Holding	Direct
9	Water	Water	Promotion of sustainable water management	Perfume Holding	Direct
10	Human capital	Diversity and equal opportunities	Implementation of decent working practices and adequate working conditions tœnsure equal opportunities	Perfume Holding	Direct
11	Energy and emissions	Energy; Emissions	Promotion of energy efficiency policies and contribution to climate change mitigation and adaptation	Perfume Holding	Direct; Indirect
12	Economic performance	Economic performance	Creation and distribution of economic value	Perfume Holding	Direct
13	Responsible purchasing	Supplier environmental assessment	Selecting suppliers, collaborators and business partners through fair and transparent processes	Perfume Holding	Direct
14	Stakeholder engagement	n.a.	Involvement of key stakeholders in decision-making processes	Perfume Holding	Direct
15	Materials and packaging	Materials	Use of safe and sustainable materials, including responsible packaging	Perfume Holding; Suppliers	Direct; Contribution

16	Research and development	n.a.	Research and development activities in order to improve product quality	Perfume Holding; Schools and Universities	Direct; Contribution
17	Market presence	n.a.	Presence of the organizationat the national and international level	Perfume Holding	Direct
18	Marketing and product labelling	Marketing and labelling	Providing accessible and adequate information on the impacts of products	Perfume Holding	Direct
19	Training and development	Trainingand education	Offering training and development programs to strengthen employee skills	Perfume Holding	Direct
20	Animal welfare	n.a.	Promotion and safeguard of animal welfare	Perfume Holding	Direct

8. Correlation between UN Global Compact and GRI Standards

The following table presents the correlation between the 10 principles of the UN Global Compact and the GRI Disclosures covered in this Report, which aims to become a *Communication on Progress (COP)*, a document that communicates to Perfume Holding's stakeholders its progress in applying the 10 Principles to its core business.

Category	UN Global Compact Principle	GRI Standard Disclosure
Human Right	Businesses should support and respect the protection of internationally proclaimed human rights	412-1, 412-2, 103-2, 413-1
	Business should make sure they are not complicit in human right abuses	414-1
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	102-41, 402-1
	Businesses should uphold the elimination of all forms of forced and compulsory labor	409-1
	Businesses should uphold the effective abolition of child labor	408-1
	Businesses should uphold the elimination of discrimination in respect of employment and occupation	102-8, 401-1, 404-1, 405-1, 406-1
Environment	Businesses should support a precautionary approach to environmental challenges	302-1, 303-1, 305-1, 305-2, 305-3, 305-7
	Businesses should undertake initiatives to promote greater environmental responsibility	302-1, 303-1, 305-1, 305-2, 305-3, 306-1, 306-2, 301-3, 307-1, 308-1, 103-2
	Businesses should encourage the development and the fusion of environmentally friendly technologies	n.a.
Anti-corruption	Businesses should work again corruption in all its forms, including extortion and bribery	102-16, 205-3

The following table presents the GRI Disclosures covered by this Report according to the option "In Accordance-core", as prescribed by the GRI Sustainability Reporting Standards 2016 of the Global Reporting Initiative. For each Disclosure, a brief description is provided and the paragraph of the 2016 Sustainability Report in which the information can be found. A specific comment is provided for Disclosures that have not been covered, or have only been partially covered.

Disclosure	Description	Paragraph/Notes
GENERAL STANDARD DISCLOSURES		
Organizational profile		
GRI 102-1	Name of the organization	5 (Note on Methodology)
GRI 102-2	Activities, brands, products, and services	1.3
GRI 102-3	Location of headquarters	5 (Note on Methodology); 1.3
GRI 102-4	Location of operations	5 (Note on Methodology)
GRI 102-5	Ownership and legal form	1.3
GRI 102-6	Markets served	1.3
GRI 102-7	Scale of the organization	1.1; 3.1
GRI 102-8	Information on employees and other workers	3.1; 6.1
GRI 102-9	Supply chain	2.1
GRI 102-10	Significant changes to the organization and its supply chain	5 (Note on Methodology)
GRI 102-11	Precautionary Principle or approach	1.3.1
GRI 102-12	External initiatives	1.2; 8
GRI 102-13	Membership of associations	1.2; 8
Strategy		
GRI 102-14	Statement from senior decision-maker	CEO Letter
GRI 102-15	Key impacts, risks and opportunities	1.3.1; 3.1.2
Ethics and integrity		
GRI 102-16	Values, principles, standards, and norms of behavior	1.3.1
Governance		
GRI 102-18	Governance structure	1.3.1
Stakeholder engagement		
GRI 102-40	List of stakeholder groups	1.2
GRI 102-41	Collective bargaining agreements	3.1
GRI 102-42	Identifying and selecting stakeholders	1.2
GRI 102-43	Approach to stakeholder engagement	1.2
GRI 102-44	Key topics and concerns raised	1.2
Reporting practice		
Disclosure	Description	Paragraph/Notes
GRI 102-45	Entities included in the consolidated financial statements	5 (Note on Methodology)
GRI 102-46	Defining report content and topic Boundaries	1.2; 7
GRI 102-47	List of material topics	1.2
GRI 102-48	Restatements of information	5 (Note on Methodology)

GRI 102-49	Changes in reporting	5 (Note on Methodology)
GRI 102-50	Reporting period	5 (Note on Methodology)
GRI 102-51	Date of most recent report	5 (Note on Methodology)
GRI 102-52	Reporting cycle	5 (Note on Methodology)
GRI 102-53	Contact point for questions regarding the report	5 (Note on Methodology)
GRI 102-54	Claims of reporting in accordance with the GRI Standards	5 (Note on Methodology)
GRI 102-55	GRI content index	9
GRI 102-56	External assurance	This report has not been externally assured.
TOPIC SPECIFIC STANDARDS		
ECONOMIC		
Material aspect – Economic performance		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	3.3
GRI 201-1	Direct economic value generated and distributed	3.3
Material aspect – Business ethics		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	1.3.1
GRI 205-3	Confirmed incidents of corruption and actions taken	1.3.1
ENVIRONMENTAL		
Material aspect – Materials		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	2
GRI 301-1	Materials used by weight or volume	2; 6.2 The Group is committed to extending the reporting on data on materials used
Material aspect – Energy		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	4.1
GRI 302-1	Energy consumption within the organization	4.1
Material aspect – Water		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	4.2
GRI 303-1	Water withdrawal by source	4.2
Material aspect – Emissions		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	4.1
GRI 305-1	Direct (Scope 1) GHG emissions	4.1
Disclosure	Description	Paragraph/Notes
GRI 305-2	Energy indirect (Scope 2) GHG emissions	4.1
Material aspect – Effluents and waste		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	4.2
GRI 306-1	Water discharge by quality and destination	4.2
GRI 306-2	Waste by type and disposal method	4.3
Aspect – Environmental compliance		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	4
GRI 307-1	Non-compliance with environmental laws and regulations	4
Material aspect – Supplier environmental assessment		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	2.1
GRI 308-1	Negative environmental impacts in the supply chain and actions taken	2.1

SOCIAL		
Aspect – Employment		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	3.1
GRI 401-1	New employee hires and employee turnover	3.1; 6.1
Aspect – Labor/management relations		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	3.1
GRI 402-1	Minimum notice periods regarding operational changes	3.1
Material aspect – Occupational Health and Safety		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	3.1.2
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, an absenteeism, and number of work-related fatalities	3.1.2; 6.1
Material aspect – Training and education		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	3.1.1
GRI 404-1	Average hours of training per year per employee	3.1.1; 6.1
Material aspect – Diversity and equal opportunities		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	3.1
GRI 405-1	Diversity of governance bodies and employees	3.1; 1.3.1; 6.1
Aspect – Non-discrimination		
GRI 103-1;103-2; 103-3	Explanation of the material topic, themanagement approach and ar evaluation of the management approach	1.3.1
GRI 406-1	Incidents of discrimination and corrective actions taken	1.3.1
Material aspect – Human rights assessment		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of themanagement approach	1.3.1
GRI 412-1	Operations that have been subject to human rights reviews or impac assessments	1.3.1
Material aspect – Local communities		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	3.2
GRI 413-1	Operations with local community engagement, impact assessments, ar development programs	3.2; 3.3
Aspect – Supplier social assessment		
Disclosure	Description	Paragraph/Notes
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	2.1
GRI 414-1	Negative social impacts in the supply chain and actions taken	2.1
Material aspect – Customer health and safety		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	2.2
GRI 416-1	Assessment of the health and safety impacts of product and servic categories	2.2
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts c products and services	2.2
Material aspect – Marketing and labeling		
GRI 103-1;103-2; 103-3	Explanation of the material topic, the management approach and a evaluation of the management approach	2.4
GRI 417-1	Requirements of product and service information and labeling	2.4

PARMA
Morris Profumi Spa
Strada Maretto, 13
43126 Roncopascolo (PR) Italy
phone +39 0521 662 111
parma@perfumeholding.com

NEW YORK
Perfume Holding Corp.
60 Broad Street Suite 3502
New York, NY 10004

newyork@perfumeholding.com

SINGAPORE
Perfume Holding Asia Pte. Ltd.
108, Middle Road, the Prospex,
Singapore 188967

singapore@perfumeholding.com

Wiesbaden
MSB Perfume Holding Diffusion GmbH
Rheingaustraße 32
65201 Wiesbaden, Germany

wiesbaden@perfumeholding.com

LONDON
Perfume Holding UK Limited
SAS House
1 Chertsey Road, Woking
Surrey GU21 5AB
wiesbaden@perfumeholding.com

DUBAI
Morris Profumi Spa (dmcc branch)
Jumeirah Bay Tower X3 Plot No:
JLT-PH2-X3A Jumeirah Lakes
Towers Dubai, UAE
dubai@perfumeholding.com

MOSCOW
Perfume Holding LLC
1-ya Tverskaya Yamskaya st.
23, bld.1, ent. 3 125047 Moscow,
Russia
moscow@perfumeholding.com

MILANO
Perfume Holding
Via Savona, 87
20144 Milano (MI) Italy
phone +39 02 359 60200
milano@perfumeholding.com



PERFUME HOLDING

www.perfumeholding.com