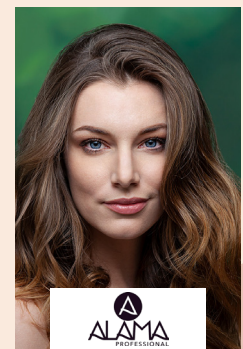
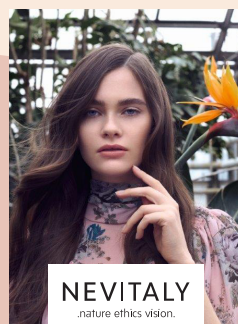
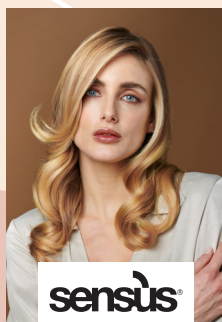
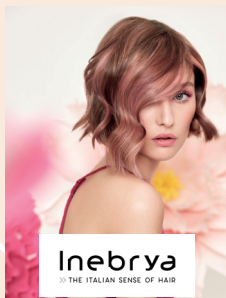


Sustainability Audit and Impact Assessment 2021



Inspired
by sustainability
guided
by beauty



Lettera agli stakeholder

Letter to stakeholders

Operating sustainably and targeting the common good is one of the greatest challenges facing the world.

We fervently believe in an **ethical corporate vision**, something we have inherited from our founding father, Arturo Pegorin: fair and transparent relationships with partners and employees, substantial actions to protect the environment, allowing us to offer increasingly sustainable solutions and provide constant support for the needs of our region. In other words, focussing on the end-to-end ecosystem, not limited to just the use of the product.

In terms of the sustainability of our operations, we have opted for an approach which values substance, as we have always done when it comes to business, and the recent **conversion of Pettenon Cosmetics** to become a benefit corporation makes us proud because this new legal form recognises what we already were and the efforts made by our family to implement tangible actions and initiatives over the years as part of an ethical corporate vision.

We are now reporting these actions to all of our stakeholders in the first Pettenon Cosmetics Sustainability Audit, a **report about our commitment to common benefits** which, as a company, we have always chosen to include in our articles of association.

We hope you enjoy reading it.

Gianni Pegorin, President AGF88 Holding and Pettenon Cosmetics

Federico Pegorin, CEO AGF88 Holding and Pettenon Cosmetics



2021 was a very significant year for our group: we launched new products and collections, we were awarded the “le QUOTABILI21” prize for beauty companies and we completed the conversion of Pettenon Cosmetics to the legal status of benefit company.

We have chosen to become a benefit company after noticing that for far too long companies had been operating with a narrow outlook, failing to give the correct attention to all that surrounds them: we have asked the planet for so much and have not given enough back, only now are we realising, just in time, that our world is not merely a collection of individuals but a series of communities which are interconnected at an environmental, societal and human level.

At Pettenon Cosmetics, we have decided to implement the model of our company by expanding our horizons: **creating added value by adding ethical values, generating profits which are profitable for the world as a whole.**

Becoming a benefit company has allowed us to **change our articles of association**, adding the common benefit goals which we intend to pursue in the interests of our stakeholders. **The beginning, not the end**, of a process of continuous improvement, a journey to guide our innovation and research, not just for the community but for the planet too.

The process to convert to a benefit company involved **a detailed assessment, embracing all of our main stakeholders and corporate functions,**

Lettera agli stakeholder

covering five key areas which form an integral part of the values of Pettenon Cosmetics and the AGF88 Holding Group: research and innovation, protection of the environment, multiculturalism and gender equality, training and development of people and support to the community, with the aim of driving our business' positive impact.

The time has come to implement new business models to support our decision to reposition and internationalise through a strategy of sustainable innovation which is now one of our company objectives.

Over the years, the beauty sector has made great strides forward in differentiating the concepts of natural and sustainable, two approaches which may initially appear similar: the sustainability of a product is only partially derived from the natural origin of the ingredients, on top of which we have to add the packaging, the formula, the way it is used by the end user and the biodegradability of the ingredients.

As part of our research and innovation work, we intend to develop new formulas and products which are more natural and biodegradable, through the application of strict international standards and the use of innovative techniques that help us to reduce the consumption and waste of resources. The new brand that we launched in 2021, Sinesia, is an example of this commitment: using certified products for both the packaging and the formula, some in powdered form and others with a water-saving formula which reduces water use in the rinsing phase, as well as LifeGate and Veganok certified packaging with a reduced environmental impact, the brand brings together all elements of research and innovation, quality and safety, sustainability and sensation.

When it comes to caring for the environment, we are actively working to reduce the impact of our production processes, using smaller and more sustainable amounts of resources, water and energy. Every year, we register a saving of 1,200 tonnes of CO₂ from the 3,600 m² of solar panels which generate around 200,000 kWh of electricity per year and thanks to the San Martino di Lupari site which only uses electricity generated from renewable sources. We pay particular attention to waste management, something which is often given little consideration in the sector: with the internal blow moulding department, we can recover and recycle 100% of out-of-date bottles to create new plastic items, thus reducing amount of waste produced.

In terms of gender diversity and multiculturalism, we want to promote these concepts within both the company and in the local society and region, promoting these values through our brands and products. We will be supported in this mission by local associations, including Women4beauty, of which I am the founder and president, giving active support to female leadership and empowerment through tailored coaching courses and psychological support for women of all ages.

Our support for the training and development of people is targeted at our employees and our key stakeholders. With the "Innovation Days" project, we want to contribute to the personal and professional growth of our colleagues, strengthening the corporate culture and developing collaborative and responsible forms of leadership so that we are ready and united for the challenges and opportunities of the company's development. With the "Growing Together" project, we have set ourselves the objective of promoting entrepreneurship in the region by sharing information and understanding of the world of business among our distributors.

Lettera agli stakeholder

Lastly, when it comes to community support, we intend to play an active role in the development and promotion of the communities where we operate, offering active support through sponsorship, donations and partnerships in numerous projects with national and local organisations and non-profit associations, as well as through social solidarity initiatives, with the aim of celebrating beauty not just in professional cosmetics but also by tangibly strengthening our relationship with the region, involving all stakeholders.

The initiatives, the results achieved in 2021 and the objectives for the future regarding the common goals that we have chosen to formalise in our articles of association, are shown in this report. They tell the story of our journey and commitment in the field of sustainability, which has always been part of the company's DNA and which is increasingly at the centre of the choices and assessments made by our stakeholders.

Afsoon Neginy, Chief Operating Office Business and Sustainability Director of AGF88 Holding and Pettenon Cosmetics



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01 NOTE ON METHODOLOGY

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Note on methodology

Law 208 of 28 December 2015 (**“Stability Law 2016”**), effective since 1 January 2016, introduced a new legal form of company in Italy, the benefit company, defined as one which “in the running of a business, in addition to the aim of distribution of profits, pursues one or more common benefit goals and operates responsibly, sustainably and transparently with people, communities, regions and the environment, cultural and social assets and activities, associations and bodies and other stakeholders”.

To meet these responsibility, sustainability and transparency requirements with stakeholders, benefit companies are required to draw up a report about the pursuit of the common benefit goals, to be appended to the company accounts (**“Impact Report”**), which includes:

a description of the specific objectives, the methods and the actions implemented by the directors to pursue the common benefit goals and any circumstances which have impeded or delayed this;

an assessment of the impact generated using external assessment standards with the properties described in appendix 4 to the Stability Law 2016 and which includes the assessment areas identified in appendix 5 to the same law;

a section dedicated to describing new objectives that the company intends to pursue in the next financial year.

The Impact Report must be published by:

filing it with the relevant Companies Register, together with the financial statements for the year;

publishing it on the company’s website.

Pettenon Cosmetics S.p.A. Benefit Company (**“Pettenon Cosmetics”** or the **“Company”**) has decided to prepare this Impact Report according to the requirements specified by Stability Law 2016, describing the impact generated during the financial year in accordance with the **“GRI Standard”** external assessment standard, the most commonly used methodology in the world for sustainability reporting and for assessing the financial, environmental and social sustainability of companies.



02 ABOUT US



About us

Pettenon Cosmetics, under the management and coordination of the AGF88 Holding Group, is **an Italian company specialising in Professional Hair & Skin Care**, which for 75 years in Italy and abroad has supported quality “Made in Italy” products for professional hairstylists and beauticians. **Serving 100 countries** with a lengthy track record in the main foreign markets, Pettenon Cosmetics is now a company capable of **delivering high-quality professional products, which can be customised** to meet specific market needs and to suit different hair types and conditions.

The **production facility located in San Martino di Lupari** (Padua), which is constantly expanding and evolving, specialises in specific care and beauty treatments for hair and skin, producing a daily average of 341,000 items, including shampoo, face masks, styling products, hydrogen peroxide, and other technical products, making Pettenon Cosmetics a dependable partner for the global professional beauty sector.

Every phase of the production process used to make Pettenon products is carried out in-house, from design and research to blow moulding and silkscreen printing for packaging.

The **internal laboratory**, which specialises in research and development, delivers **high standards of quality and continuous innovation**, thanks to the highly skilled professionals who work there and the many investments made to improve the performance of products and stimulate the search for original formulas and in the meticulous care paid to designing products holistically, combining technology and design.

The **Quality Control department** is responsible for continuously monitoring products thorough screening processes for raw materials, equipment, and semi-finished and finished products, in order to ensure every production batch complies with the high quality standards.



The **microbiology laboratory**, classified biosecurity level II, is structured to ensure that the biological risk is correctly managed and to protect the **well-being of operators and the surrounding environment**. The laboratory, kept at negative pressure, uses an automatic air filtering system. Microbiological analysis ensures thorough screening of the product through, for example, bacteria, mould and yeast counts. All analyses are carried out **in accordance with the guidelines** set out in UNI EN ISO 16212:2017 and UNI EN ISO 21149:2017 and according to the acceptability criteria set out in UNI EN ISO 17516:2015. The laboratory also features instruments **with state-of-the-art technology** which are capable of analysing products in great detail using cytofluorometry, providing additional guarantees and **protecting the health and safety of the end user**.

The **“Hair Innovation Space” Technical Centre** for product testing and development draws on technical professionals and experienced hairstylists who, every day, conduct a number of specific tests on models to demonstrate the performance and functionality results of the products, drawing up protocols for use and making professional suggestions to satisfy the needs of even the most demanding of customers.

Prompt responses to the market, safety for end-users and professional training in the dedicated Acad-

02. About us

emy offer additional guarantees to the professionals who use our products in their salons every day and the stylists who unveil their creative hairstyles on the catwalks of the international fashion circuit.

The **Alter Ego Italy Salon Academy** runs regular training courses for professionals working in the sector to support the acquisition of new skills and knowledge through a wide range of styling formats and techniques.

A partner in creating value for the customer's brand

In addition to its own products, Pettenon places its production site and the technical and creative expertise of its internal teams at the disposal of its clients, to transform projects into finished products.

Part of the work performed at the Pettenon production site is focused on creating **private labels** and **private brands**.

Offering a **complete service**, the team of professionals at Pettenon support customers with projects to customise wide ranges of professional hair care products, assisting them throughout every stage of the process, from formulation and production of semi-finished products to purchasing packaging in creating the artwork for the product.

Pettenon also offers its own products to customers who already have containers, offering a refill service for these containers. Pettenon products can also be purchased in bulk, allowing customers to package them themselves.



02. About us



INNOVATION

Pettenon Cosmetics has always paid great attention to product innovation, introducing new design and production processes within the company, supporting specialisation by its employees and investing in continuous research. The Pettenon product lines combine scientific research, expertise and progress, and are developed to meet the needs of consumers in terms of both quality and performance.



DIGITIZATION

Pettenon Cosmetics has identified digital transformation as one of the cornerstones of its business strategy. The incorporation and combination of digital tools gives the company more visibility, strengthen the relationship with stakeholders and gaining a more in-depth understanding of the new requirements of the market. To this end, the digital strategy for the individual brands has been strengthened, with the aim of enhancing the professional and non-professional communities and raising awareness among users of issues of sustainability and inclusivity. One example is the Fanola Rand which has a fanbase of 58,000 followers. In addition, the process of re-engineering and digitising operating processes has made the company more efficient and increased its level of performance.



SUSTAINABILITY

An awareness that development cannot exist without sustainability is now fully embedded at Pettenon Cosmetics which has made sustainability one of the cornerstones of its business strategy. Incorporating social and environmental sustainability into Pettenon's strategy helps to limit the impact on the environment of its business operations through effective management of resources and a reduction of waste whilst also reinforcing the bond with the region, employees and all partners, generating shared values in the long term. Pettenon Cosmetics' commitment to sustainability is reflected in its conversion to a benefit company, for which the results, KPIs and future objectives are set out in this report and in the future assessment of the social and environmental impact, including through the B Impact Assessment (BIA).



03

OUR STORY:

a long journey through beauty

• • •

Our story

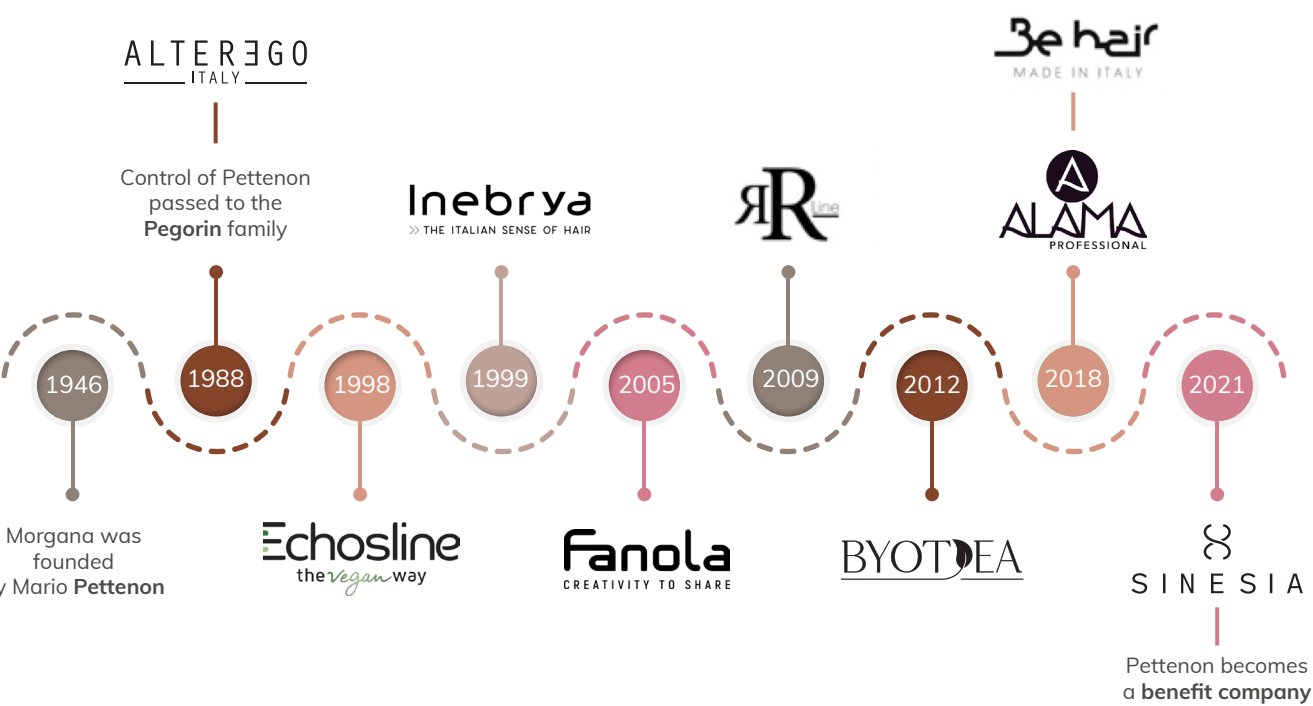
From the small artisan company Morgana founded by Mario Pettenon to an industrial group that looks to the future alongside history, tradition and values.”

In 1946, **Morgana** was founded by Mario Pettenon, a businessman, philanthropist and art lover. By working in close partnership with Arturo Pegorin and working skilfully and tirelessly to research formulations and create home-made products, the company immediately stood out for its **expertise and experience**, a combination which is still the hallmark of Pettenon. In the initial years of operation, the company's core business was largely the production of lipstick, nail polish, face powder and perfumes before it later began to **specialise in professional products for hair stylists**.

In **1988**, when Mario Pettenon passed away, Pettenon Cosmetics was taken over by the **Pegorin** family, Arturo and his two sons Giovanni and Federico, who guided the company through a period of expansion and success. Today, Pettenon Cosmetics is **one of the most well-known companies** in the professional hair & skin care sector, with more than 386 employees and a turnover of around €126.8 million. Pettenon's portfolio, which is always growing, has expanded to nine brands with the aim of delivering products that are innovative but, the same time, accessible to diverse customer bases. The next chapter is dedicated to the Pettenon brands.

In 2021, Pettenon Cosmetics officially became a **benefit company** crystallising, in its legal form, its commitment to operating **responsibly, sustainably and transparently** with people, communities, regions and the environment, cultural and social assets and activities, associations and bodies and other stakeholders, pursuing, in addition to the goal of maximising and distributing profits, the **common benefit goals** stated in its articles of association.

03. Our story



Start moments 2021

Although 2021 was by no means an easy year for the professional hair and skin care sector, Pettenon Cosmetics was able to face it with determination and optimism, achieving significant milestones.

March 2021

Pettenon Cosmetics opens a **new office in Milan** dedicated communications and digital development.

June 2021

Pettenon Cosmetics becomes a **benefit company**, crystallising its commitment to operating responsibly, sustainably and transparently with people, communities and the environment, implementing concrete actions to promote ethical growth of the business.

03. Our story



September 2021

Pettenon Cosmetics launches the first **premium Sinesia line**. Afsoon Neginy presented the launch, the creator of the brand and COO Business & Sustainability director of AGF88 Holding. For the first time, the event involved a wide audience comprising customers, professionals from the sector, journalists and international guests.

December 2021

AGF88 Holding is awarded **first prize at the 16th edition of the Pambianco Award leQuotabili21**, rewarding companies in the Fashion, Beauty, Design and Wine sectors on the basis of their economic and financial attributes and their positioning, as well as an assessment of their listing potential conducted by Pambianco, based on defined growth parameters.

February 2022

AGF88 is announced as one of the finalist companies in the "Best Performing Large Company" category at the **fifth edition of the Best Performance Award run by SDA Bocconi School of Management** for Italian companies which stood out in 2021 for their **commitment to the creation of economic, technological, human, societal and environmental value**.

04 OUR BRANDS



Our brands

Alter Ego Italy



The Alter Ego Italy brand, launched in 1988 and currently present in 52 countries, stands out in the professional hair care market thanks to a range of **sophisticated products** which enjoy widespread international recognition. The exclusive Alter Ego products which form the basis for hair care and beauty treatments are the result of **constant research into innovative and high performance technologies** as well as meticulous care and attention to the selection of ingredients to produce ever-more sustainable formulas.

Alter Ego perfectly combines the concepts of efficiency and delicacy, performance and sustainability; it was devised to meet the needs of modern women who want to be beautiful and sophisticated whilst at the same time recognising the urgency of taking more care of the environment.



04. Our brands

Echosline



Created in 1998 and currently present in 58 countries, Echosline was founded as a traditional brand which has its own “**Clean Beauty**” philosophy. With the goal of respecting professionals, consumers and the environment, the brand embarked upon “**The Vegan Way**”, a journey of product innovation and continuous research into **natural biodegradable ingredients**, gaining recognition in the professional hair care market as an **ethical and sustainable brand**. The word “**Echos**” in Italian evokes ideas of environmental sustainability, the bedrock of the brand’s approach, whilst “**line**” refers to the journey still to take to achieve the goal of becoming a 100% vegan brand, with entirely natural products through the use of high-quality eco-certified ingredients. Echosline represents the perfect combination of the concepts of “smart” beauty and sustainability.

The brand’s vision is linked to the concept of **Smart Beauty** for a **reduced impact**: Echosline wants to make beauty ethical and sustainable with **green & vegan** haircare products which are 100% environmentally and consumer friendly.

The brand’s mission is to offer salons all over the world professional treatments that protect **essential beauty**, where simplicity represents the highest expression of authenticity.

04. Our brands

Inebrya



Inebrya derives from the Italian word for “intoxicate” meaning to stimulate, celebrate, and exhilarate. This vision led to the brand’s philosophy when it was founded in 1999 in Italy with the aim of **meeting the needs of haircare professionals** across the globe and creating beauty in all aspects. Today, the brand is present in **64 countries** and thanks to its exhaustive range and the effectiveness of its products it stands out in the professional sector for its **Made in Italy quality**.

Through its irresistible fragrances, refined packaging which plays with colours and soft textures, **Inebrya** combines high levels of product performance with their power of seduction capable of transporting professionals and end users into an **ultra-feminine** and **highly sensory** world.

Each product is designed to **expand the five senses** beyond normal horizons of perception through ultra-feminine fragrances and colours, creating “WOW” effects on hair and offering a seductive and stimulating charm, to deliver **pure pleasure**.



04. Our brands

Fanola



Fanola is the brand based on the **power of colours, creativity and the sharing of its own philosophy** and which, through colours, expresses its personality, its positive attitude and its freedom to try new things. Fanola's personality stands out for its **vivacity** and its **passionate diversity**. It is a brand which loves to dare and to move the concept of beauty a little bit further forward every day, becoming an advocate for **unconventional beauty**, going beyond traditional interpretations of attractiveness, celebrating the beauty of every individual, beyond stereotypes, applauding **inclusivity** and **multiculturalism**.

This **100% Made in Italy** brand, which was launched in 2005 and is currently found in 87 countries, **has exploded abroad thanks to the power of social media**. With these products, hairstylists are free to experiment, to express their creativity and create true **“wow” effects**, making Fanola one of the most distinctive brands on social media, generating thousands of shares in on-line conversations all over the world.

04. Our brands

RR

RR is the line of professional products which can efficiently meet the needs of hairdressers, offering high quality and convenience. The brand was launched in 2009 and is currently **present in 34 countries**, offering a **simple but complete range of products** which combine optimum performance with remarkable ease of use.

Byotea Skin Care



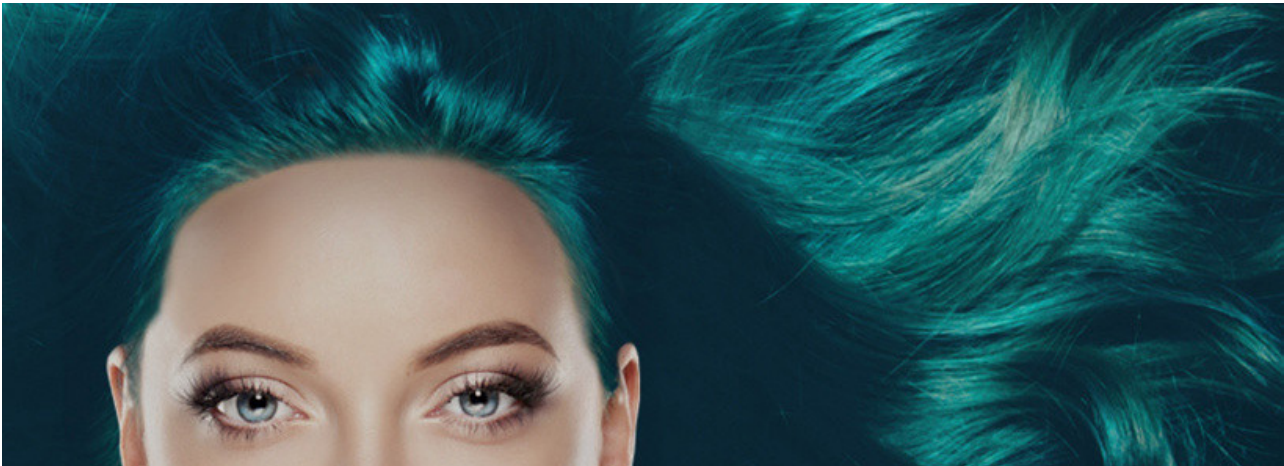
The BYOTEA brand was created to bring **professional quality and expertise** to operators in the sector and into people's homes with the aim of supporting their unique expressions of beauty, celebrating diversity in all forms of beauty, offering awareness and positivity.

The brand, launched in 2012 and available in 37 countries, offers a vast range of **simple yet professional and naturally-inspired products** for treatment of facial and body beauty problems, whilst respecting the skin's physiological balance. The products are developed through careful selection of ingredients, favouring **active ingredients from natural sources** and dermatologically tested formulas. All of the brand's products are vegan, gluten-free, nickel tested and are free from parabens, GMOs, SLS and SLES.



04. Our brands

Alama Professional



Alama Professional was launched in 2000 with the objective of bringing Italian professional quality into people’s homes, making **genuine salon quality accessible to everyone** and guaranteeing, thanks to the ease-of-use of the product, the best possible results. The brand is aimed at large-scale retailers in Italy and is also present in 15 countries. The effectiveness of the results achieved with these products is the result of the formulas tested by professionals in the sector, latest generation ingredients which have been carefully selected, and innovative products which closely follow the key trends in the international professional sector. Malama, which in Hawaiian means “to take care of yourself” underpins the philosophy and the name of the brand which believes in the beauty of each individual’s uniqueness.

Be Hair Italy

Be Hair Italy, which was launched in 2018 and quickly spread to 29 countries, is a brand which is notable for its **technical research and constant interaction with experts in the sector** to create **unique and innovative products** by selecting **technologically advanced ingredients** which deliver high performance standards. A forerunner of **Fast Cosmetics**, the brand has developed products that deliver high-performance in the shortest time possible, meeting the needs of professionals working in the sector and of customers. For example, Be Hair Italy Offers colour-

ing products which are ammonia-free and highly effective treatments with below average waiting times (around 12 minutes). The motto of Be Hair is **Simply Different**, a mantra which reflects the desire, through research, to **reinterpret and rework hair care treatments in a way which is simply different**. The basis of the brand’s philosophy is the conviction that it is not enough just to formulate the right products, there need to be ways of working that are tried and tested and efficient to allow professionals in the sector to express their art.

04. Our brands

Sinesia



The premium brand Sinesia was launched in 2021, the result of the company’s desire to introduce a line of premium professional products onto the market which can promote **hair, scalp and skin care**. Uniting beauty and wellness as part of a holistic concept, Sinesia products have been designed to allow people to take care of every aspect of their head, treating the hair, face and scalp, **making it possible to care for yourself and your time** in line with the **mind the time** philosophy.

The revised texture and consistency of the products gives people a true sensory experience, one which can stimulate emotions and the deep feeling of pleasure and well-being. This is thanks to the innovative formulas and an unwavering attention to selecting ingredients rich in active ingredients, products which incorporate the concepts of multi-functionality, efficiency and sustainability. The brand, which has its roots in the concept of **Greenrich Beauty**, is notable for formulations which largely comply with the parameter of more than 90% natural ingredients in accordance with the ISO 16128 guidelines and the parameters for the biodegradability of ingredients, defined using the OECD 301 method. Safe, vegan formulas combine to offer products as part of a luxury range which is sensory and intensely effective. The brand is currently present in six countries.



05 GOVERNANCE



Governance

[GRI 102-18]

Pettenon Cosmetics is part of the **ASGF88 Holding Group**, an international market leader in professional hair & skin care which has more than 30

years of experience under the management of the brothers Gianni and Federico Pegorin and their father Arturo (who passed away in May 2020).

The group's organisational structure



The AGF88 Holding Group has a market presence with **three specialist production sites**: Pettenon Cosmetics S.p.A. in San Martino di Lupari (Padua) making professional hair and body products, G&P

Cosmetics in Sansepolcro (Arezzo) making professional hair colour creams and Biocosm'ethics in Cartigliano (Vicenza) making professional face, body and hair products.

05. Governance

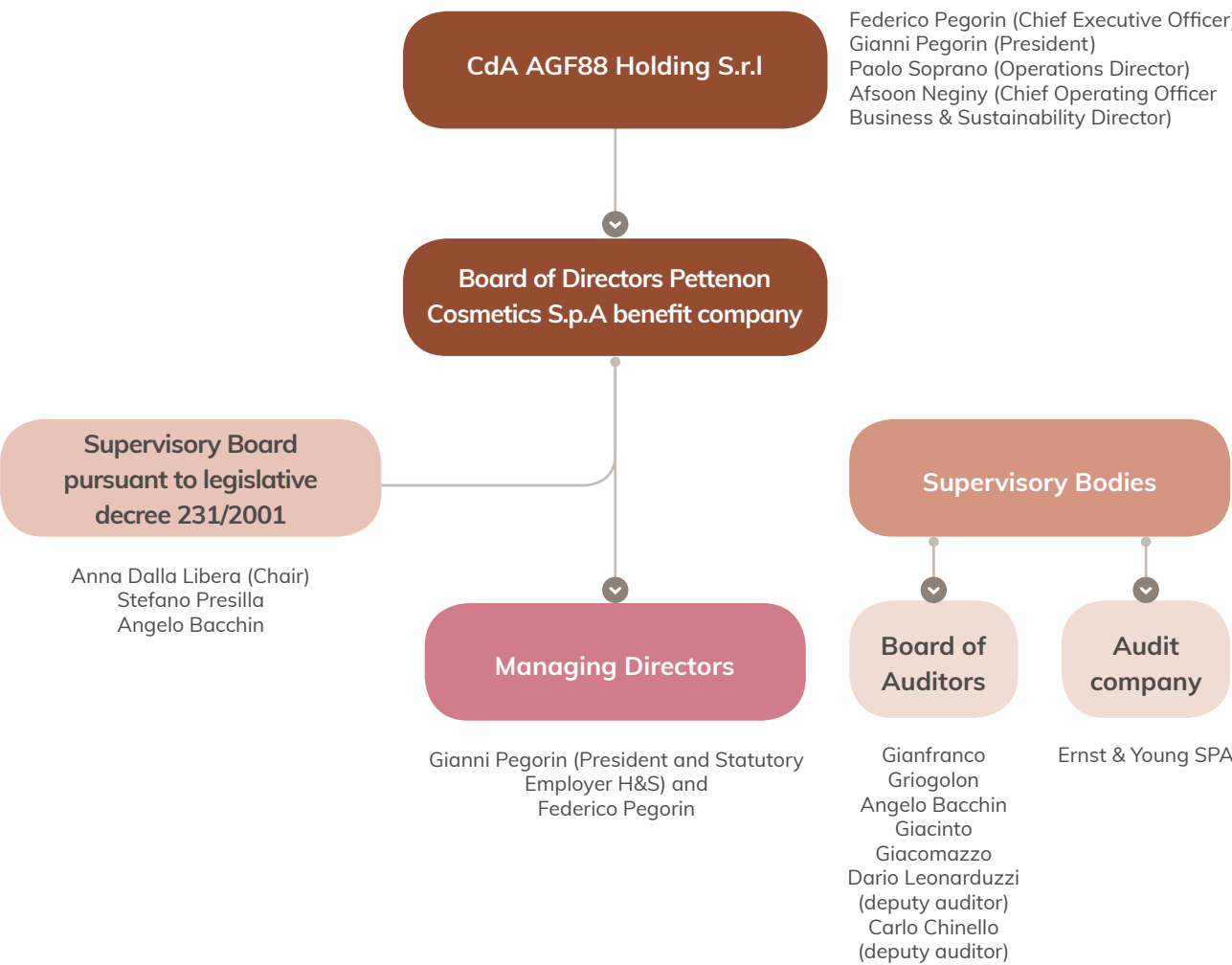
Governance of Pettenon Cosmetics S.p.A. S.B.

Pettenon Cosmetics is managed by a Board of Directors comprising two members, Gianni Pegorin, Chair of the Board, and Federico Pegorin, CEO, who have separately been granted all powers of ordinary and extraordinary governance, with the exception of those which under law or the company’s articles of association are reserved for the Board of Directors. They are both legal representatives of the company.

The company has appointed a **board of auditors** to oversee the company, comprising five members, the Chair, two statutory auditors and two deputy auditors.

The external company Ernst & Young SPA is appointed as the independent auditor.

The **compliance and oversight system** of Pettenon Cosmetics is illustrated below:



05. Governance

In accordance with the requirements of **legislative decree 231/2001** and with an awareness of the importance of introducing and effectively implementing a suitable system to prevent the commission of illegal acts within the company, the company has introduced – with the Board of Directors’ ruling dated 9 April 2019 – an **Organisation, Management and Control Model pursuant to legislative decree 231/2001** (so-called “Model 231”), subsequently updated with the ruling of 29 July 2021, on the grounds that said model constitutes a valid instrument for informing the intended audience of the need to behave correctly and transparently, in order to prevent the risk of criminal acts being committed which fall under the set of predicate offences for the corporate responsibility of organisations, specified by legislative decree 231/2001.

In addition, the Pettenon Cosmetics Board of Directors – in a ruling dated 9 April 2019 – set up, pursuant to article 6 of legislative decree 231/2001, the **Supervisory Board** (“SB”), consisting of multiple members, appointed to oversee the implementation of the Model 231.

The SB comprises three members who perform their duties by reporting regularly to the Board of Directors and who meet the requirements of autonomy, independence, professionalism and continuity of action in accordance with the provisions of the Decree and the Confindustria guidelines.

On the basis of the provisions of Law 179 of 30 November 2017 containing “provisions for the protection of whistleblowers reporting offences or unlawfulness which they have become aware through public or private employment” (“**Whistle-blowing Law**”), the company has provided multiple communication channels, access to which is reserved to members of the SB only, for reporting any illegal behaviour, based on specific and consistent facts, or violations which the whistleblower has become aware of through their work.

These procedures for making reports are designed to ensure complete confidentiality for whistleblowers, in order to prevent retaliation or any other form of discrimination or penalisation against them.

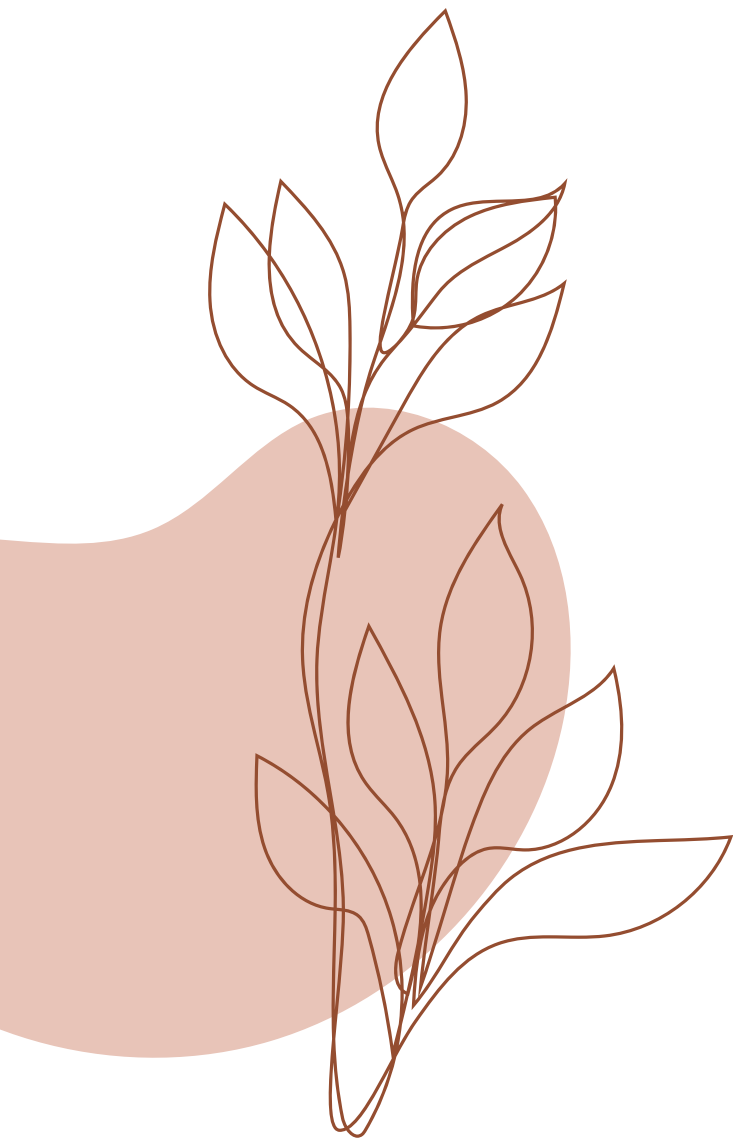
[GRI 102-16]

Pettenon Cosmetics, aware of the need to ensure corporate activities are performed in accordance with the rule of law, has introduced a **Code of Ethics**, which sets out a series of principles, values and behavioural standards to be applied in the management of the business which the company recognises as being correct and which it requires its corporate bodies and employees to comply with, as well as those of third parties which, for any reason, have business relations with the company.

The company has made the Code of Ethics and the General Section of the Model 231 available on its website, as well as publishing the Special Part of Model 231 on its company intranet, so these documents can be read by stakeholders.

In order to strengthen its compliance system and prevent the risk of non-compliance, the Board of Directors – in a ruling dated 22 March 2022 – introduced a **compliance department within its Legal and Corporate Affairs department**, with the objective of ensuring cross-sectional oversight of all corporate activities in order to promote a corporate culture based on intervals of correctness and compliance with the law and prevent, in that sense, the risk of incurring legal or administrative sanctions, significant financial losses or reputational damage as a result of violations of mandatory regulations, in other words self-regulation.

05. Governance



[GRI 205-3]

All employees and commercial partners of the group must familiarise themselves with and comply with the company's internal anti-corruption regulations by accepting the clause contained in the contracts they sign. During 2021, in line with the previous financial year, no instances of corruption have been recorded.

The supply chain

[GRI 102-9]

Pettenon Cosmetics manages relationships with the supply chain through internal policies that allow the correct purchase procedure to be implemented for raw materials and the definition of a system for selecting, approving, monitoring, and re-approving suppliers in order to guarantee aspects such as the safety, legality and quality of the materials.

During 2021, the company was supplied by **273 suppliers**, largely from **Italy (88%)**, covering the following main categories: suppliers of raw materials, suppliers of packaging, suppliers of communication materials and accessories and subcontracting.

In total, the economic value distributed to suppliers by Pettenon was €41,024,199.

The supply chain	Unit	2020	2021
Total number of suppliers	No.	284	273
Suppliers in northern Italy	No.	231	220
Suppliers in central Italy	No.	18	18
Suppliers in southern Italy and the islands	No.	3	4
Suppliers from abroad	No.	32	31
Total distributed monetary value	€	37,295,358	41,024,199

05. Governance

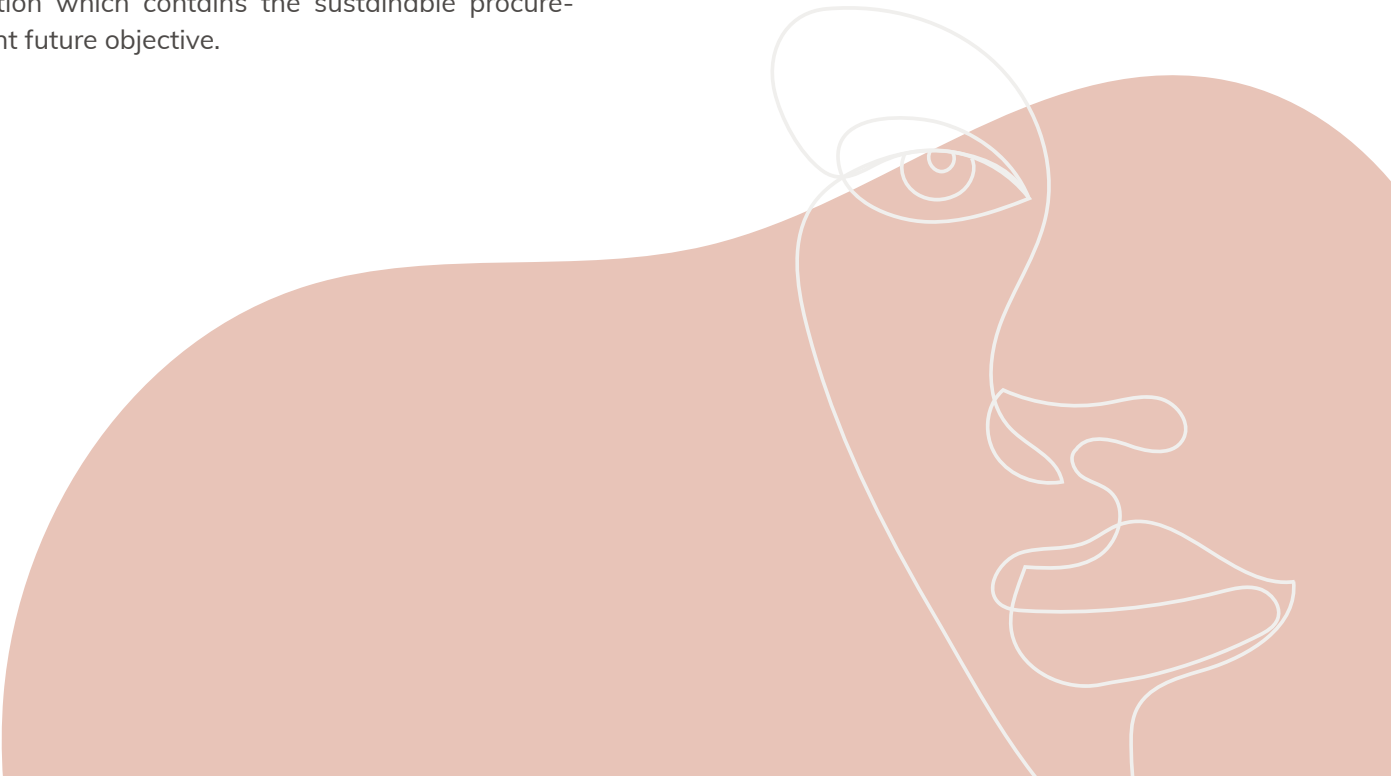
The sustainable procurement project

During 2021, based on an understanding that the supply phase has an environmental, social and economic impact on the region where the company is based, Pettenon began a **project to raise awareness and collect information about issues of environmental and social stability and governance with regards to its suppliers.**

Among the actions taken, the company has begun an assessment process of its main suppliers by means of a **self-assessment questionnaire** with the aim of assessing the main parameters which have an effect on sustainability such as, for example, the presence of an environmental management system, procedures for supporting the community in the region where it is based and the presence of defined policies for reducing greenhouse gas emissions.

Specifically, the questionnaire was submitted to the 29 most important and strategic supplies of Pettenon in terms of purchase volumes. During 2022, the sustainability sections of the questionnaire will be widened, adding further information for an overall assessment of the supplier.

Please refer to the “Protection of the environment” section which contains the sustainable procurement future objective.



06 SUSTAINABILITY GOVERNANCE

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Sustainability governance

[GRI 102-18]

Pettenon Cosmetics, with a view to promoting the uptake of sustainability principles within the company, has introduced **sustainability governance** as described below.

In accordance with the provisions of the Stability Law 2016, the Pettenon Cosmetics Board of Directors – in a ruling dated 15 December 2021 – has appointed an **impact manager**, who has been assigned the task and responsibility of ensuring that the company operates responsibly, sustainably and transparently as well as pursuing the common benefit goals identified in the company's articles of association and the interests of the categories of stakeholders. Specifically, the impact manager will draw up a management plan for the common benefits; the manager will be responsible for the involvement of all corporate functions in the implementation of the plan; he/she will support the directors by providing information and data about the internal and external context in which the company operates; he/she will promote transparency of the impact results, ensuring they are published on the website and through the relevant channels.

In particular, the position has been created within the group of “**sustainability director**”, responsible for developing company sustainability projects and promoting integration across all of the companies in the AGF88 Holding Group in these projects. The main areas of responsibility include the coordination of all sustainability-related activities and the two managerial committees dedicated to the subject, ensuring that the strategy is applied in cooperation with all company departments.

The group has also introduced a “**reporting manager**”, process of drawing up the sustainability report, the collection of data and processing of the same, to ensure fulfilment of the requirements relating to the company's sustainability reporting.

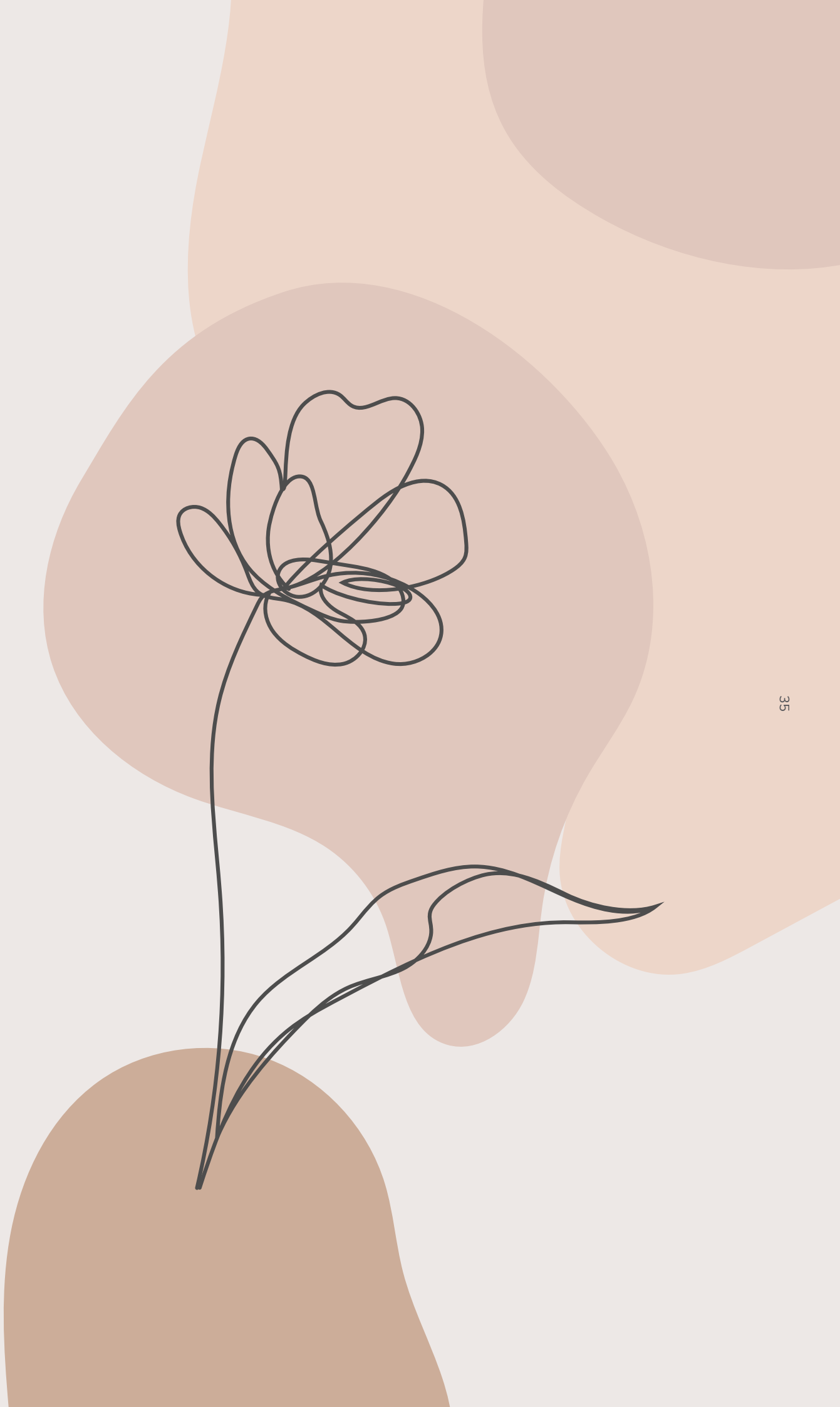
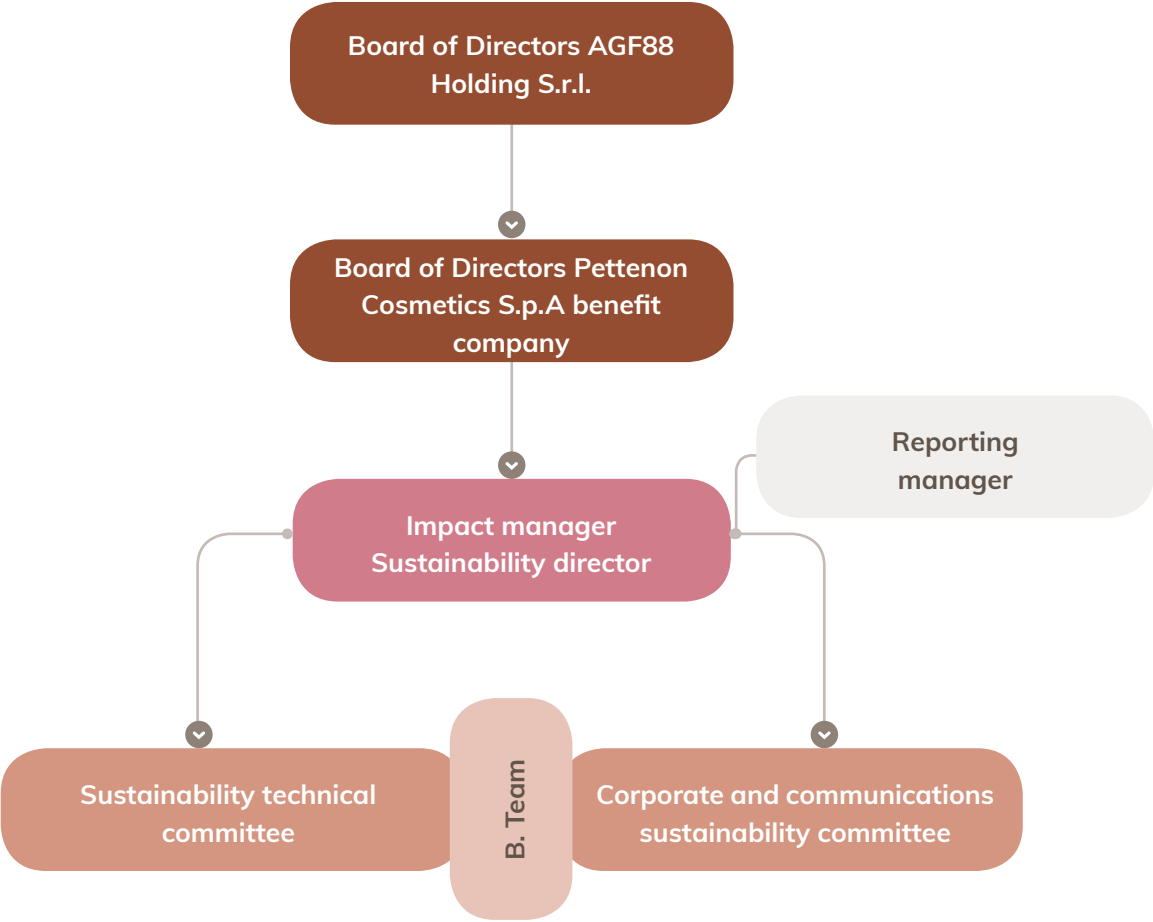
The **sustainability technical committee** is responsible for discussing, proposing and assessing issues of sustainability relating to the environmental footprint of the company's activity. In particular, activities relating to the research and develop into formulas, energy consumption, the water footprint of the production side and the supply chain. The committee consists of: the R&D Director, the operations director, the formula area manager, the purchasing and contractor manager, the marketing managers, the facilities manager (design department), the blow moulding and silk screen printing manager and the private label manager.

The **corporate and communications sustainability committee** discusses and assesses aspects relating to the company's social sustainability and governance. In particular, the management of human resources in terms of health and safety, training, well-being of employees, external aspects regarding the local community, consumers and the impact on the community in terms of significant aspects such as diversity and inclusion. The corporate and communications sustainability committee is made up of: the legal and corporate affairs director, the human resources and contract manager, the communication director, the marketing managers and the corporate communications manager.

o6. Sustainability governance

In addition, Pettenon Cosmetics has introduced the **B. Team** with the goal of **Raising awareness, informing and involving its employees and key local bodies** in the corporate sustainability project, through an internal and external communications plan and structured departmental activities. The

work group has the goal of **spreading the corporate culture** with a particular focus on environmental and social sustainability values and **strengthening the involvement** of its employees, contractors and stakeholders.



07 SUSTAINABILITY STRATEGY

• • •

Sustainability strategy

“The conversion to a benefit company is a source of great pride for us because this new legal form recognises what we already were and the efforts made by our family to implement tangible actions and initiatives over the years as part of an ethical corporate vision. With the conversion of Pettenon Cosmetics to a benefit company, we want to continue to drive forward this approach through fair and transparent relationships with our partners and employees”.

Gianni Pegorin, President of AGF88 Holding

[GRI 102-40; 102-42; 102-43; 102-44; 102-45; 102-46; 102-47]

With the notarial deed dated 11 June 2021, Pettenon Cosmetics officially became a **benefit company** crystallising, in its legal form, its commitment to operating responsibly, sustainably and transparently with people, places, communities, the environment, social and cultural activities, organisations and associations and other stakeholders, pursuing, in addition to the goal of maximising and distributing profits, common benefit goals.

Benefit companies must specify in the purpose section of their articles of association the common benefit goals to be pursued, through management which seeks to balance the interests of shareholders with those of everyone who may be affected by the company's business.

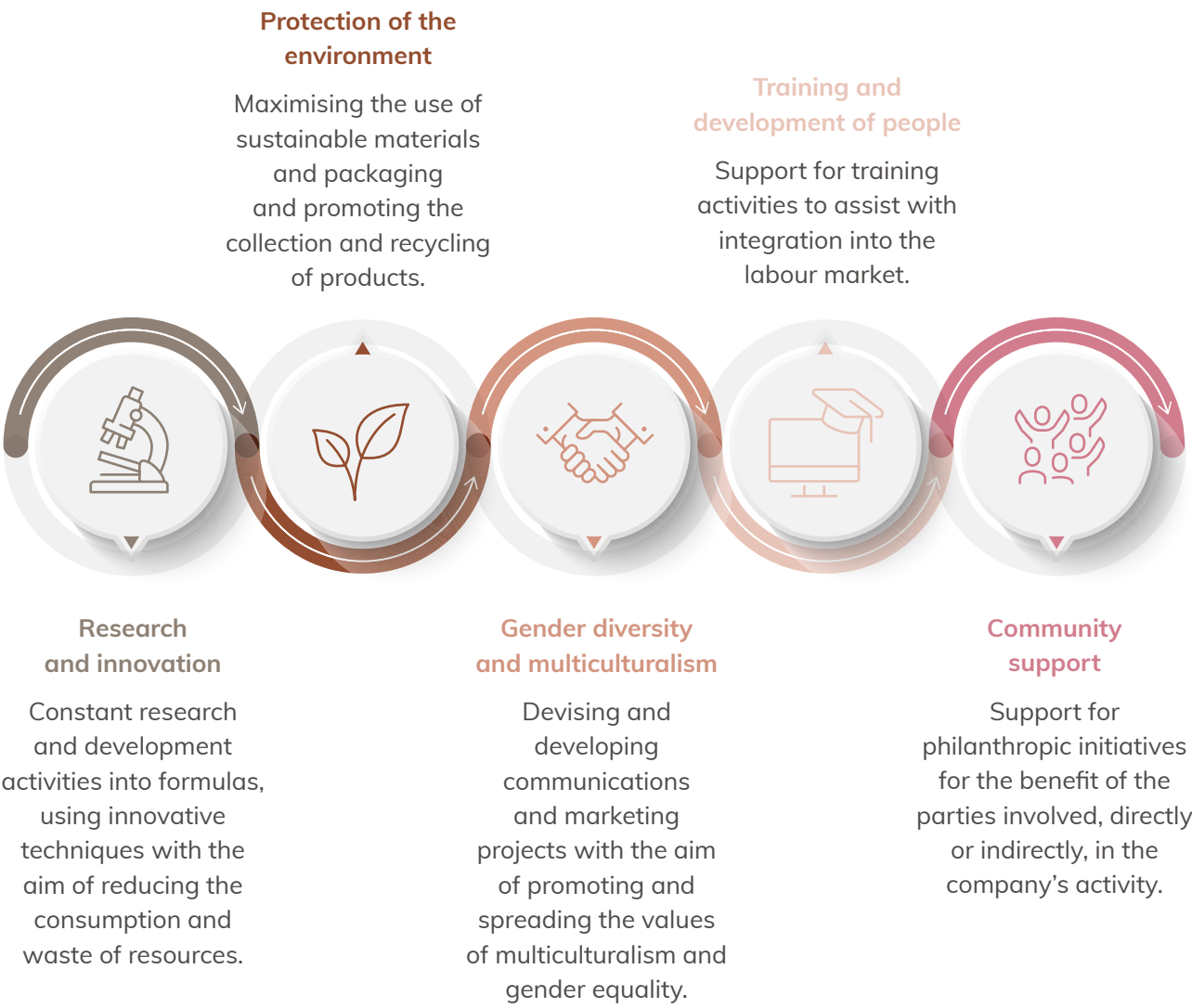
This impact must be measured through the use of an external assessment standard and communicated through an annual report regarding the fulfilment of the common benefits.



07. Sustainability strategy

The new articles of association of Pettenon Cosmetics have allowed the company's sustainability strategy to be formalised, incorporating **five specific common benefit goals** in the articles of association:

Mindful sustainability and beauty



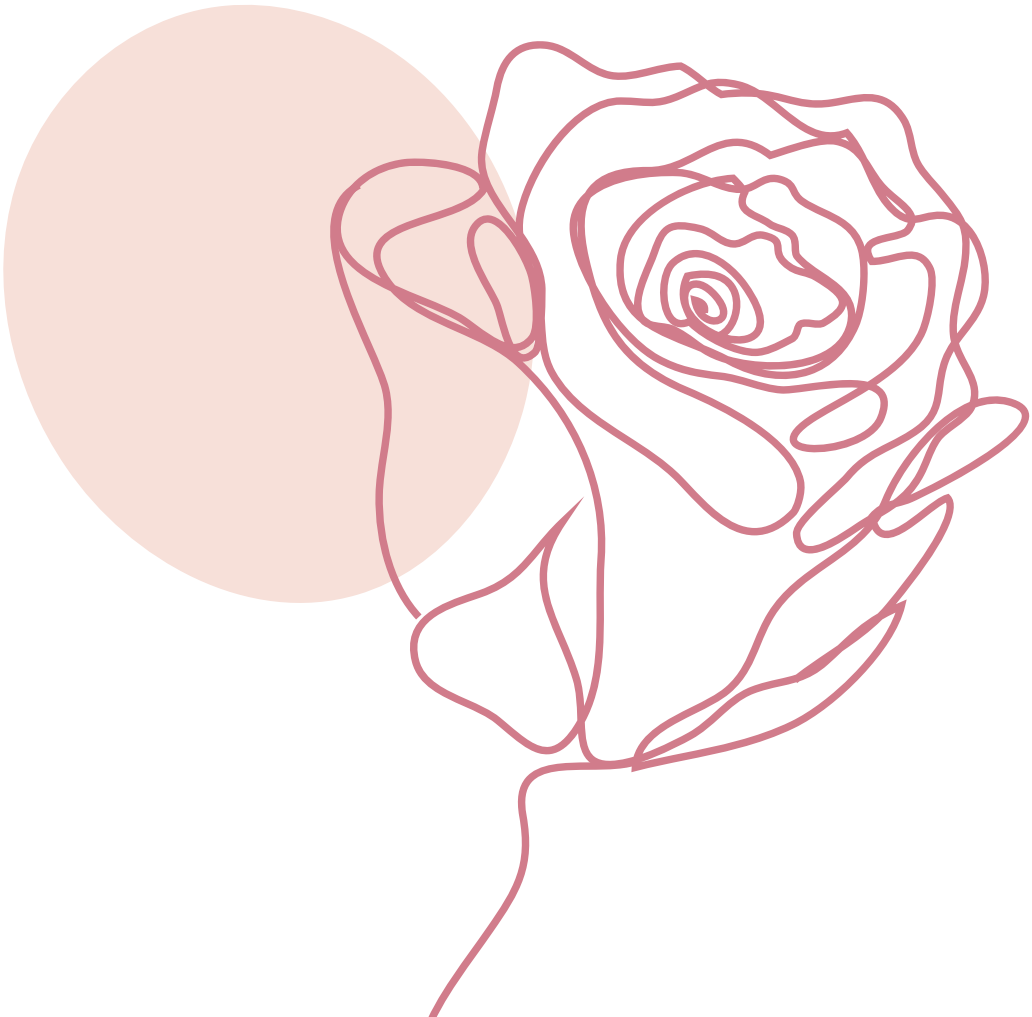
07. Sustainability strategy

The process used to identify the common benefits: materiality analysis

The **materiality analysis** is an innovative way of assessing the business, by incorporating the requirements of stakeholders into the company strategies.

The materiality analysis process is conducted in line with the main international standards to **identify the stakeholders of Pettenon Cosmetics** and to **assess the relevant issues for the company**. These areas are those where the company needs to define its commitments, to be reported and realised.

During 2021, Pettenon Cosmetics began its initial materiality analysis to guide a strategic review of the relevant issues for the company and its stakeholders, to be included in its articles of associations as a benefit company. The analysis was conducted with assistance from a specialist company, with the following key stages:



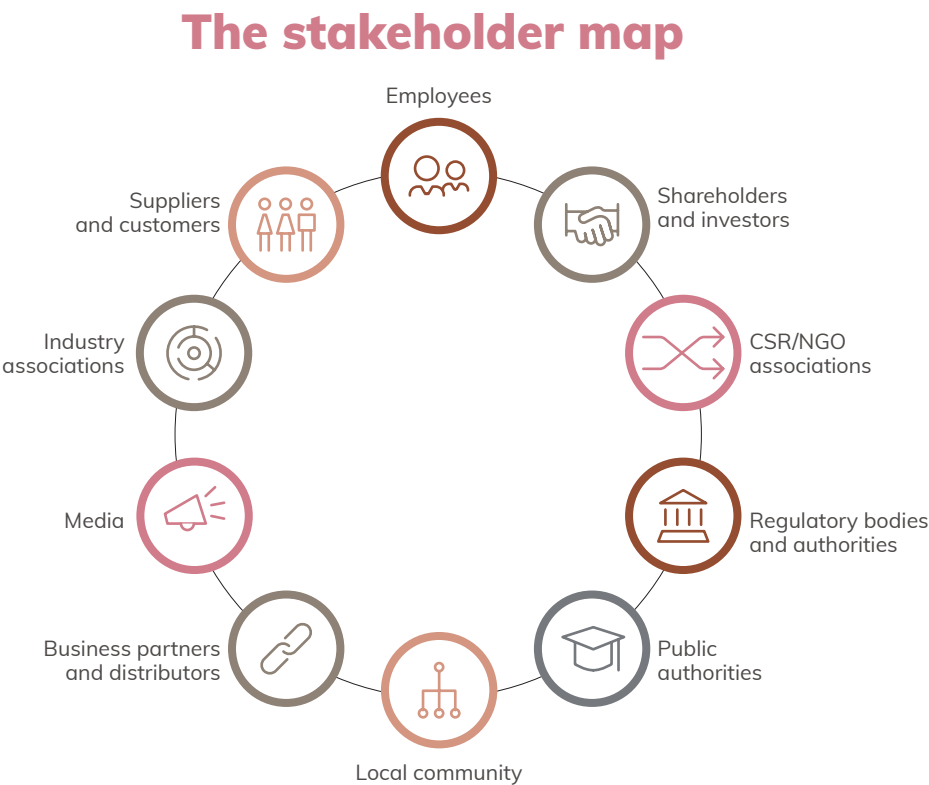
07. Sustainability strategy

1. Identification of stakeholders and potentially relevant issues

The stakeholders and potentially relevant issues for Pettenon Cosmetics have been identified using an **internal context analysis**, with the aim of analysing the activities and projects delivered by the company and identifying strategic priorities and the associated contribution to sustainability, and an **external context analysis** through a benchmarking process to

identify stakeholders and relevant issues based on peers considered to be the key players in the sector.

Analysis of the context and internal sources has identified the **stakeholder map** and the **relevant issues for Pettenon Cosmetics**.



Relevant issues for Pettenon Cosmetics

Responsibility to clients/products

- Responsible packaging
- Marketing and labelling
- Responsibility and product quality
- Research and innovation

Responsibility to the environment

- Energy and emissions
- Waste management
- Management of water resources

Responsibility to people

- Diversity and equal opportunities
- Occupational health and safety
- Well-being of workers
- Training and education

Social responsibility

- Local community
- Sustainable management of the supply chain

07. Sustainability strategy

2. Prioritisation of relevant issues and stakeholder engagement

In line with the requirements of the Global Reporting Initiative Standards (GRI standards), various elements of have been collected to assess **two relevant aspects** (internal and external) and to prioritise potentially relevant issues as well as identifying those to be included in the articles of association.

In particular, internal and external relevance has the examined by sharing an **on-line survey**:

- with **key external stakeholders** (identified from customers, organisations or universities, suppliers and journalists) with a total of around 50 responses;
- with 40 **employees** selected to ensure the representativeness of at least two employees per area of production, according to the size of the department;
- with the company **management**.

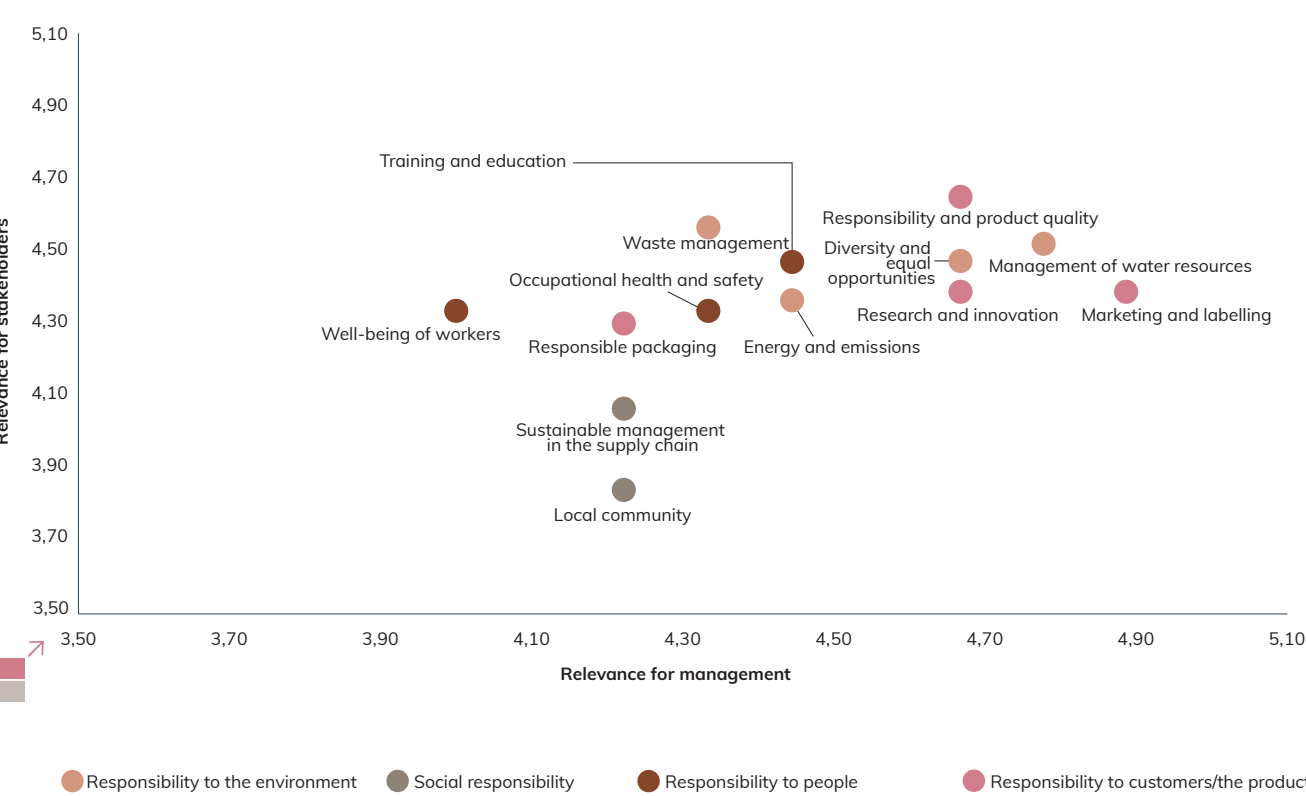
07. Sustainability strategy

3. Definition of the materiality analysis and identification of the common benefits

The **materiality matrix** is a graphical tool which summarises the results of this kind of analysis, plotting the assessment of the internal relevance to the company (the management) on the x-axis and the assessment of the external relevance (stakeholders) on the y-axis. Based on the outcomes, all of the topics have been considered to be material.

As a result of the findings of the materiality analysis process, the cross-sectionality of the “human rights”, “corporate governance and accountability” and “compliance and business ethics” topics has been assessed. These issues will not be reported as separate subjects but instead will be reported cross-sectionally with other issues, where appropriate.

The Pettenon Cosmetics materiality matrix is as follows:



07. Sustainability strategy

The contribution of Pettenon Cosmetics to sustainable development goals

[GRI 102-12]

As a result of the findings of the engagement process with key stakeholders, the material topics have been linked to the five common benefits and, in parallel, with the **United Nations Sustainable Development Goals** which Pettenon Cosmetics intends to support through its commitment and initiatives.

The table below summarises the connection of the common benefits identified by the company, the United Nations Agenda 2030 Sustainable Development Goals and the material topics.

Common benefit	Sustainable Development Goals – SDGs	Material topics
Research and innovation	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>Ensuring sustainable models of production and consumption</div>	<ul style="list-style-type: none">Marketing and labellingResponsible packaging
Research and innovation	<div>3 GOOD HEALTH AND WELL-BEING</div> <div>Ensuring a healthy life and promoting well-being for everyone at any age</div>	<ul style="list-style-type: none">Research and innovationResponsibility and product quality
Protection of the environment	<div>13 CLIMATE ACTION</div> <div>Adopting urgent measures to combat climate change and its consequences</div>	<ul style="list-style-type: none">Sustainable management of the supply chainEnergy and emissionsWaste managementManagement of water resources
Gender diversity and multiculturalism	<div>5 GENDER EQUALITY</div> <div>Achieving gender equality and the empowerment (improving the strength, self-esteem and awareness) of all women and girls</div>	<ul style="list-style-type: none">Diversity and equal opportunities
Training and development of people	<div>4 QUALITY EDUCATION</div> <div>Delivering quality, equal and inclusive education and promoting permanent learning opportunities for all</div>	<ul style="list-style-type: none">Occupational health and safetyWell-being of workersTraining and education
Community support	<div>10 REDUCED INEQUALITIES</div> <div>Reducing inequalities within and between nations</div>	<ul style="list-style-type: none">Local communities

08 THE FIVE COMMON BENEFITS

...

The five common benefits

Pettenon Cosmetics, by adopting the **benefit company legal form** has included in its articles of association the **common benefit goals** that it intends to pursue alongside its business. The company has chosen to continue to promote a series of actions including research and innovation, caring for the environment, multiculturalism and gender equality, training and development of people, and social initiatives, to foster common benefits and promote the positive impact of the business on its stakeholders.

The subsequent sections of this report will set out, for each of the aforementioned common benefit goals, the key initiatives introduced by Pettenon Cosmetics, the KPIs used to quantify their impact, future objectives and the main highlights.

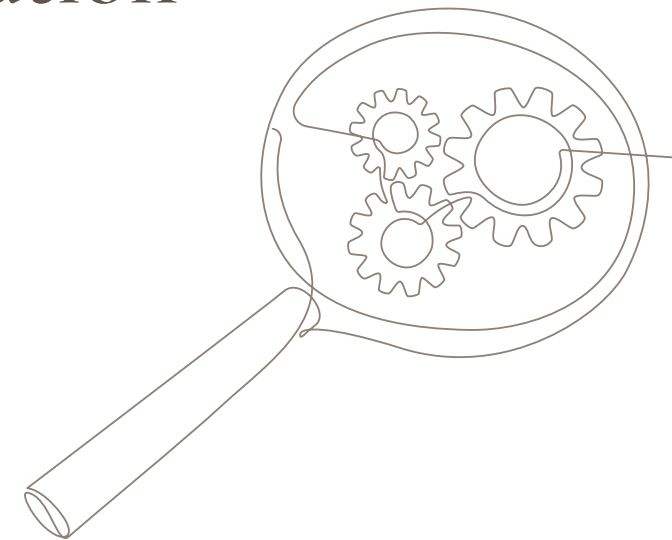


09 RESEARCH AND INNOVATION



Research and innovation

Constant research and development activities into formulas, using innovative techniques with the aim of reducing the consumption and waste of resources.



HIGHLIGHTS

- Research and innovation in support of beauty and ensuring safety with more than 27,500 analyses per year.
- Launch of the new Sinesia brand, with products that are certified for both packaging and the formula.
- Calculation of the naturalness of new products using the ISO 16128 validated methodology and defining minimum naturalness parameters.
- Application of the OECD 301 method (Regulation EC 648/2004) to determine the biodegradability of the raw materials which make up Pettenon products and defining minimum biodegradability parameters.

To ensure the highest degree of professionalism for its products, Pettenon Cosmetics makes continuous **investments to support safety and quality, through highly qualified and expert people, continuous training and specialist consultancy** with international partners.

Continuous **monitoring and updating of European and non-EU cosmetics regulations** protecting professionals and customers across the globe, offering products which are compliant and ever-more customisable services.

The **internal research and development laboratory** works on creating new formulas for products which can effectively meet the needs of different markets. The laboratory, which continuously cooperates with technical centres in the field, performs stability tests and analyses relating to both the quality and the harmfulness of products. The regulatory department provides 360° documentary support.

09. Research and innovation

Open factory 2021



For the first time, Pettenon Cosmetics opened the doors of its factory for the **seventh edition of OpenFactory**, the manufacturing cultural open day organised by ItalyPost. The event offered a real journey through the San Martino di Lupari site, where participants could follow every step in the process as a cosmetic product takes shape. Laboratory, raw materials store, mixing, packaging, silkscreen printing and blow moulding were the departments which welcomed visitors who are able to discover some of the “secrets” of the world of beauty.

The **quality and control laboratories**, with highly qualified personnel, is responsible for performing all necessary controls to guarantee the quality of the products. Chemical tests are performed at multiple levels of the production process: from raw materials, via semi-finished products, to the finished product. The **microbiology laboratory** is biosecurity level II, with an automatic inbound and outbound air filtering system. Furthermore, it is kept negative pressure to ensure complete safety for operators working there. In order to ensure product quality, a differentiating factor in the market, the laboratory was constructed using very similar criteria to the pharmaceutical sector.

Pettenon's commitment is crystallised in the application of a **quality management system which complies with ISO 9001** and the use of production processes based on scientific and standardised methods.

The **chemical and microbiology laboratories** are brand-new; all surfaces are smooth and easily sterilised. As a further guarantee, the group uses external certification bodies for calibration, maintenance and validation of the correct functioning of its instruments.

Thanks to the multi-disciplinary approach to the research carried out in the internal laboratories and to ensure continuous development of its products, the company invests in the internal development of **patents** which relate chiefly to cosmetics formulas and the composition of Pettenon products and the design and packaging. To date, the company holds four different patents.

[GRI 416-2; 417-2; 417-3]

All of the products which Pettenon Cosmetics S.p.A. S.B. produces and markets are the result of a detailed and thorough control process which ensures their **compliance in terms of quality and consumer safety** and the **conformity in terms of labelling and marketing communication**, in accordance with the applicable cosmetics regulations (in particular regulation 1223/2009). No justified complaints have been received regarding end-user health and safety, product information labelling and marketing communication. Therefore, there are no sanctions, fines or warnings against the company.

09. Research and innovation

Innovation of formulas

Fully aware of its responsibility to the environment, Pettenon Cosmetics pays particular attention **to the innovation, quality, safety and sustainability** of its products, designed to allow people to take care of themselves and, at the same time, protect the environment, generating shared and long-lasting value. The ongoing commitment to innovation research, scientific progress and the will of the company to continuously improve have led to the development of a wide range of professional products offering high performance but also with a growing focus on the **sustainability of formulas**.

The naturalness and biodegradability of Pettenon products is determined by applying strict international standards. In particular, the naturalness of Pettenon products, which is higher than 90%, is calculated by applying **the ISO 16128 guidelines**, guidelines which define the procedures for validating the calculation of levels of naturalness of the biological content of cosmetics and/or their ingredients, whilst biodegradability is assessed using the **OECD 301 guidelines** on the raw materials of the product, the sum of which, for part of the products, is greater than 85%.

Innovation in packaging

The commitments to innovation and sustainability is also reflected in the **choice of materials used for packaging** Pettenon products. The company is actively committed to minimising the use of materials with a higher impact, favouring the use of **alternative materials** such as **recycled and recyclable plastic and recycled or FSC certified paper**.

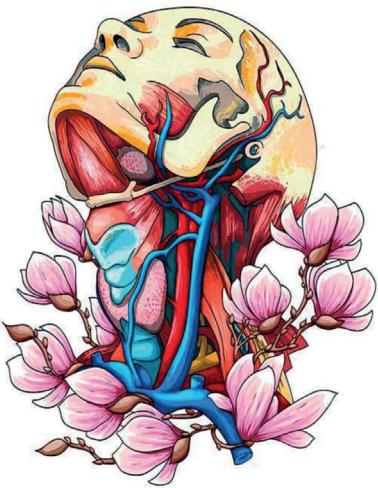
During 2021, the company's internal sustainability committee's have defined and approved **recyclability parameters** for packaging and new Pettenon products, meaning a use of a minimum of 50% recycled materials.

The company also has an internal **silkscreen printing, blow moulding, labelling and packaging department** to best respond to the requirements of its clients and, at the same time, monitor consumption and the impact of these production processes. The blow moulding department, which allows **100% of out-of-date bottles to be recovered and recycled** (around eight tonnes per year), accounting for 46% of the company's production of PE bottles and jars, of which 2.9% is recycled plastic. A 10% increase in internal recycled materials is planned by 2023.

Thanks to internal production of bottles and the **programme to reduce the weight of packaging**, the Alama brand has achieved a 23% annual reduction in plastic, equivalent to 2,600 kg of plastic.

09. Research and innovation

Sinesia is greenrich beauty:
Rich and sustainable formulas because less is not always more.



The new brand launched by Pettenon in 2021 incorporates all of the elements of **research and innovation, quality and safety, and sustainability and sensation.**

This green approach to formulas from Sinesia does not result in a significant reduction in the list of ingredients, with a risk of reducing the effectiveness of the cosmetic product, but rather with INCI rich in active ingredients, combined to obtain the highest levels of performance, thanks to both their intrinsic characteristics and the synergy of the formula. This has introduced the concept of **GREENRICH BEAUTY**, where safe, vegan formulas come together with functional power in a luxury range which is sensory and intensely effective.

In accordance with the **ISO 16128 guidelines**, the ingredients used to create the Sinesia products achieve **99% naturalness**. In addition, these same ingredients offer a **biodegradability index**, calculated using the **OECD 301** method, of up to **98%**. Sinesia products are produced using **Ingredients and packaging materials** which are free from animal products and therefore are completely **Vegan friendly** and certified **VEGANOK**.

Sinesia was born out of a desire to protect and respect the environment and natural resources. Sinesia products, thanks to their innovative **water-saving formula** provide a total water saving in the rinsing stage of between **8% and 40%** compared with standard professional products. In addition, the brand has created **entirely water-free powdered products**.

The brand also incorporates innovation in its choice of **packaging materials**. Sinesia bottles are made using **up to 100% recycled plastic** and the labels are made in a way that allows consumers to correctly dispose of and recycle them. Some products in the line are packaged in **glass vials**, a material which is infinitely recyclable and which preserves the effectiveness of the product and maintains its purity. The **paper** used for secondary packaging is **recyclable, biodegradable and FSC zero mission certified**.

09. Ricerca e innovazione

For some of the products in the line, such as shampoos, creams and face masks, the brand offers consumers the option of **purchasing refills of the products only**, helping to reduce the quality of waste products and consumption of packaging materials such as bottles and small tubes.

The brand has therefore chosen to sign up to **Impatto Zero® from LifeGate** to reduce the environmental impact of its products and to tangibly offset its emissions by protecting an area of forest in Madagascar.



OBJECTIVES FOR THE FUTURE

- Create new Pettenon products and formulas in accordance with the minimum parameters defined by the company for naturalness and biodegradability.
- Implement a structured plan to reduce the environmental impact of packaging.
- Increase the % of raw materials purchased with environmental and/or social certifications.
- Define the environmental impact of Pettenon products by analysing the full life-cycle (product LCA).

10 PROTECTION OF THE ENVIRONMENT



Protection of the environment

Protecting the environment by maximising the use of sustainable materials and packaging and promoting the collection and recycling of products.

Pettenon Cosmetics, in line with the sustainability strategy adopted by the AGF88 Group, undertakes to roll-out and embed a **culture of protecting the ecosystem**, promoting responsible behaviours and providing suitable information and training about energy saving and the correct management of waste and recyclable materials. The company backs up its commitment to raising awareness of environmental sustainability issues in its **Earth Friendly** programme, which defines the **guidelines for the sustainability and environmental commitment**.

HIGHLIGHTS

- 3,600 m² of state-of-the-art solar panels which currently generate around 200,000 kWh of clean power per year.
- 100% of electricity from renewable sources used in the San Martino di Lupari site.
- 98% reduction in waste water with the use of the new filtration and purification system.

“Easier said than done”



To incentivise the reduction of single-use plastics, the company has provided its employees with **personalised water bottles** to replace plastic bottles. A concrete gesture which symbolises the **company’s ongoing commitment to environmental sustainability** and which, through gestures like this, seeks to reduce its environmental impact through the involvement of all employees, to make a difference together.

10. Protection of the environment

Energy usage

The company's industrial buildings use the latest technologies to reduce the environmental impact: **3,600 m² of state-of-the-art solar panels** currently producing around 200,000 kWh of clean power a year, alongside the **use of electricity from 100% renewable sources** at the San Martino di Lupari site.

Pettenon Cosmetics has installed an LED lighting system with built-in presence sensors and devices that **adjust the voltage** which, alongside new highly energy efficient mixing systems, help to provide an annual energy saving of around **2.1%**.

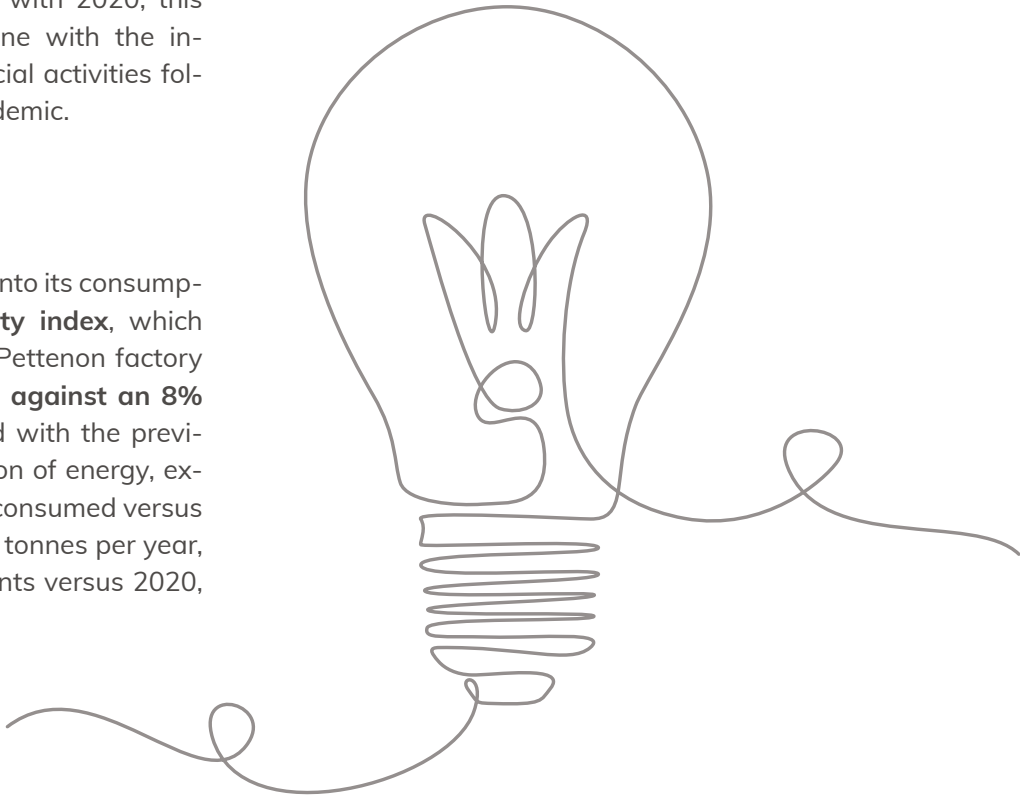
[GRI 302-1]

Energy usage by source	Unit	2020	2021
Total	GJ	23,688	31,329
Consumption of methane gas	GJ	12,812	14,850
Consumption of petrol for the vehicle fleet	GJ	N/A	725
Consumption of diesel for the vehicle fleet	GJ	N/A	1,749
Consumption of purchased electricity (non-renewable)	GJ	0	0
Consumption of purchased electricity (renewable)	GJ	10,080	13,194
Consumption of electricity from solar panels (renewable)	GJ	796	811

During 2021, Pettenon Cosmetics consumed **31,329 GJ of energy**. Compared with 2020, this consumption has increased in line with the increase in the company's commercial activities following the recovery from the pandemic.

[GRI 302-3]

Pettenon Cosmetics has included into its consumption analysis **the energy intensity index**, which indicates the energy used in the Pettenon factory per tonne of production. In 2021, **against an 8% increase in production** compared with the previous financial year, the consumption of energy, expressed as the amount of energy consumed versus the total quantity of production in tonnes per year, increased by 0.11 percentage points versus 2020, **equivalent to 1.04 GJ**.



10. Protection of the environment

Greenhouse gas emissions

Pettenon Cosmetics undertakes to report **direct and indirect greenhouse gas emissions (GHG)** according to the provisions of the greenhouse gas protocol, using the Scopes classification of emissions, where Scope 1 indicates emissions from sources owned and directly controlled by Pettenon Cosmetics and Scope 2 indicates emissions from the generation of electricity imported and con-

sumed by the company. The calculation takes account of the global warming potential (GWP) of each greenhouse gas, which indicates its contribution to the CO₂ effect, the benchmark value for which is 1. Emissions are measured in terms of CO₂ equivalent (tCO₂e).

[GRI 305-1; 305-2; 305-3]

Greenhouse gas emissions	Unit	2020	2021
Scope 1	Ton. CO ₂ eq.	743	1,045
Scope 2 (location based)	Ton. CO ₂ eq.	782	1,016
Scope 2 (market based)	Ton. CO ₂ eq.	0	0

The Echosline forest

Pettenon Cosmetics, via the Echosline brand, actively supports **Treedom**, an organisation committed to tree planting worldwide.

In 2021, to mark World Environment Day, Echosline **donated 350 fruit trees**, 200 in Cameroon and 150 in Madagascar, to promote food security amongst the local population, increase local agricultural resources and, at the same time, protect and restore biodiversity and combat desertification and soil erosion. In addition, the 350 trees selected for the Echosline forest are estimated to have **a capacity of absorbing 34 tonnes of CO₂ equivalent from the atmosphere**.



10. Protection of the environment

Waste management

Pettenon Cosmetics is committed to **managing and using waste materials** on the site by recovery and recycling them.

All waste material generated on the site, such as waste packaging, are **sorted** and, if possible, **recovered and reused in the production processes**. The materials in question are largely the plastic used for bottles and paper used for packaging products.

[GRI 306-3; 306-4; 306-5]

Waste products for disposal or otherwise	Unit	2020	2021
Total	t	2,583.8	1,516.6
Paper and cardboard packaging	t	147.9	166.7
Composite packaging	t	12.6	6.5
Plastic packaging	t	32.6	40.0
Wood packaging	t	106.0	155.5
Mixed materials packaging	t	112.0	107.0
Iron-steel metal packaging	t	40.0	32.8
Packaging containing residues of harmful substances	t	190.4	826.0
Mud produced by biological treatments	t	-	40.4
Water-based washing solutions and mother liquors	t	1,928.5	32.0
Other waste	t	13.6	109.5
Total weight of waste not destined for disposal	t	644.4	1,429.6
Total weight of hazardous waste not destined for disposal	t	192.4	827.3
Total weight of non-hazardous waste not destined for disposal	t	451.9	602.3
Total weight of waste destined for disposal	t	1,939.4	86.8
Total weight of hazardous waste destined for disposal	t	1,928.8	59.5
Total weight of non-hazardous waste destined for disposal	t	10.6	27.3

In 2021, the waste produced by Pettenon Cosmetics fell by 41%. This result is largely thanks to the new wastewater purification system which has seen a **98% reduction in water-based washing solutions and mother liquors** and a reduction in

In 2021, a **filtration and purification system** was installed on the site to both reduce the amount of waste liquid produced and, thanks to the filtration process, reuse the resource before finally disposing of it.

Lastly, as reported above in the “research innovation” section, through the **internal blow moulding department** the company is able to **recover and recycle 100% of out-of-date bottles** to create new plastic parts, thereby reducing the amount of waste generated.

the transport of waste liquids. Also during 2021, the percentage of waste recovered increased, reaching 94.2% in 2021.

10. Protection of the environment

Water use

[GRI 303-3]

Pettenon Cosmetics considers water to be a precious resource and is therefore committed to minimising the consumption of water, wherever possible favouring its reuse during the production processes and avoiding any waste. To this end, the company has introduced **consumption monitoring software** which can keep a daily track on the use of water in the cooling and production processes by registering the consumption each day, with the aim of properly identifying any critical issues and preserving this resource.

During 2021, as a result of the increase in production mentioned above, consumption of water increased by 10% (98,905 m³). All water offtake comes from areas with a water stress classification of medium.

As part of the continuous improvement approach, the company has launched a series of **projects aimed at reducing the consumption of water** in the production processes and during the different stages of use of the products in the Pettenon portfolio. Alongside this, the **consumption monitoring process** has been consolidated and **targeted awareness campaigns** have been implemented, focused on the company’s internal staff and contractors of Pettenon.

Wami Water

“This project dovetails perfectly with the journey we began last year as a benefit company and allows us to take tangible steps to protect our planet”

Afsoon Neginy,
Chief Operating Officer & Sustainability Director, AGF88 Holding

Pettenon Cosmetics, to mark World Water Day, signed up to “**WATER EQUALITY**”, a project supporting equal access to water, promoted by WAMI. The project allows the company to offset the water footprint of Pettenon employees for two months and donate a total of 10 million litres of water to a district in Norwood, Sri Lanka, where 86% of families have no access to water resources.



OBJECTIVES FOR THE FUTURE

- Measure the environmental footprint of the organisation (LCA).
- Define a corporate strategy and policies for the sustainable management of suppliers (sustainable procurement).
- Achieve carbon neutrality of the site (Scope 1 and 2).
- Run training workshops for staff on sustainable procurement.

11 GENDER DIVERSITY AND MULTICULTURALISM ...

Gender diversity and multicultural-

Devising and developing communications and marketing projects with the aim of raising and spreading the values of multiculturalism and gender equality.

or mental disabilities, personal beliefs, political opinions, trade unionism, and other personal characteristics not related to work.

[GRI 406-1]

The policies put in place by the company ensure that **all staff** are treated correctly and fairly, from senior management to individual operating units, promoting a **working climate based on principles of freedom, equality and fairness**. Pettenon encourages its employees and all contractors to report any violations of these principles using its **whistleblowing** tools, with a guarantee that the personal details of the whistleblower and the alleged perpetrator of the violation will be kept confidential. As in previous financial years, in 2021 **no reports were received** regarding instances of discrimination.

The company's commitment to issues of diversity, inclusion and gender equality is also reflected in the **policies and initiatives advanced and supported by the company**. Pettenon is committed to promoting **female leadership**, by supporting women in every aspect of corporate life. 2021 saw **51% of managerial position held by women** at Pettenon Cosmetics (female executives and managers).

HIGHLIGHTS

- Number of female employees in managerial positions: 51%.
- % of employees aged 30 or younger: 23%.
- 50 Woman4Beauty members (in the first three months of existence of the association).
- Launch of the Beauty W/O Fear project to support women victims of domestic violence.

Pettenon's work on gender diversity and multiculturalism is focused chiefly on two areas: valuing diversity and multiculturalism in the company, and in the surrounding society and region, including through its brands and products.

As set out in its **Code of Ethics**, Pettenon Cosmetics promotes a culture of diversity and inclusion, protecting the physical, cultural and ethical well being of all employees and contractors. Pettenon has introduced a management system to ensure freedom and individuality **firmly denouncing harassment and discriminatory behaviour** on the basis of age, gender, sexual orientation, marital or family status, religion, language, ethnic or national origin, physical



II. Gender diversity and multiculturalism

[GRI 405-1]

Staff breakdown	Unit	2020	2021
Total	No.	330	386
By gender:			
Men	No.	143	168
	%	43%	44%
Women	No.	187	218
	%	57%	56%
By age group:			
Under 30 years	No.	77	90
	%	23%	23%
Between 30 and 50	No.	188	223
	%	57%	57%
Over 50	No.	65	73
	%	20%	20%
Total number of employees by category and gender	Unit	2020	2021
	No.	330	386
Total executives	No.	9	10
Men	No.	5	6
	%	56%	60%
Women	No.	4	4
	%	44%	40%
Total managers	No.	29	37
Men	No.	14	17
	%	48%	46%
Women	No.	15	20
	%	52%	54%
Total administrative workers	No.	152	182
Men	No.	41	51
	%	27%	28%
Women	No.	111	131
	%	73%	72%
Total operators	No.	140	157
Men	No.	83	94
	%	59%	60%
Women	No.	57	63
	%	41%	40%

II. Gender diversity and multiculturalism

Total number of employees by category and age bracket	Unit	2020	2021
	No.	330	386
Total executives	No.	9	10
Under 30 years	No.	-	-
	%	-	-
Between 30 and 50	No.	2	3
	%	22%	30%
Over 50	No.	7	7
	%	78%	70%
Total managers	No.	29	37
Under 30 years	No.	-	-
	%	-	-
Between 30 and 50	No.	18	22
	%	62%	59%
Over 50	No.	11	15
	%	38%	41%
Total administrative workers	No.	152	182
Under 30 years	No.	48	55
	%	32%	30%
Between 30 and 50	No.	88	107
	%	58%	59%
Over 50	No.	16	20
	%	11%	11%
Total operators	No.	140	157
Under 30 years	No.	29	35
	%	21%	22%
Between 30 and 50	No.	80	91
	%	57%	58%
Over 50	No.	31	31
	%	22%	20%

In addition, to promote a culture of gender, Pettenon Cosmetics promotes projects and actively supports associations in the region.

II. Gender diversity and multiculturalism



Woman4Beauty

The association **Woman 4 Beauty (W4B)** was founded in 2021, inspired by the idea of **boosting female empowerment and leadership and supporting the full development of women in a professional environment**. W4B currently has around 50 members, and thanks to contributions and partnerships with women from different backgrounds and with diverse experiences it is able to offer a range of professional growth activities to suit the needs and goals of the women members.

The project is built on four pillars: **a focus on professional development activities; differentiation of coaching programs; active participation in the association** through series of meetings; sharing of a vision of female value through the involvement of professionals as mentors who guide the growth programs for members from the moment they join.

W4B supports members, offering a joint approach to programs to develop the skills and qualities of women, via:

- **Talent coaching:** focusing on young women looking for guidance to select their career path;
- **Upskilling coaching:** aimed at professional women who want to expand their leadership model or who, having reached a senior position, are looking to enhance their model;
- **Reskilling coaching:** aimed at supporting women who are looking for a new challenge in the world of work or who want to gain new professional opportunities.

In addition, W4B organises **round table sessions**, cycles of meetings with themes designed to create, with the support of key figures, circular discussions and opportunities for exchange between members to share new points of view and new opportunities and to promote alliances between women and the art of resilience.

Working groups, on the other hand, take the form of workshops and seminars designed to bring out the full potential of the participants through practical and experiential activities.

In the initial months of the association's existence the following events have been organised: 3 working groups, 4 round tables and 25 mentoring sessions. Pettenon Cosmetics actively supports and promotes the association by, for example, incentivising participation by its own employees in the meetings and programs run by the association.



II. Gender diversity and multiculturalism

Beauty W/O Fear: beauty, safely

“The awareness of the hairstylist will support women to understand that there are special dedicated services and it is important not to take decisions for them, to maintain the utmost confidentiality, and not to act alone to protect the safety of women and their children”.

Alice Zorzan, area manager for combating gender-based violence at the Polis group and author of the protocol and educational videos for salons

Beauty Without Fear is an international project launched by Inebrya, in partnership with the Polis group and Casa Viola, to **support women who are victims of domestic violence**. The project, represented by W/O, refers to the ambition for a world WithOut Fear and also evokes the concept of “Women against Offence”. The salons who have signed up to the initiative have received the national assistance number for domestic violence and an international protocol which allows hairstylists to learn how to recognise and manage the delicate subject of domestic violence, in order to take the right steps when dealing with a potential victim of violence.

On 25 November 2021, the international day for eliminating violence against women, the second stage of the Beauty W/O Fear project was launched, when hairstylists will present their customers with **sachets of Inebrya treatment with the message “TAKE CARE & DISCOVER”**, inviting them to scan a QR code linking to the Beauty W/O Fear project dedicated to women: in five short videos, they will be able to listen to their emotions, reflect about their relationship, learn about aspects of violence, recognising the consequences in order to understand that “there is a way out of violence” by contacting the national anti-violence line. Inebrya has had the landing page translated into 8 languages, demonstrating the international reach of the initiative, involving the 64 countries worldwide where the brand is distributed, tailoring the protocol with the national anti-violence line for each country and making it an effective tool for offering tangible support to anyone.



II. Gender diversity and multiculturalism

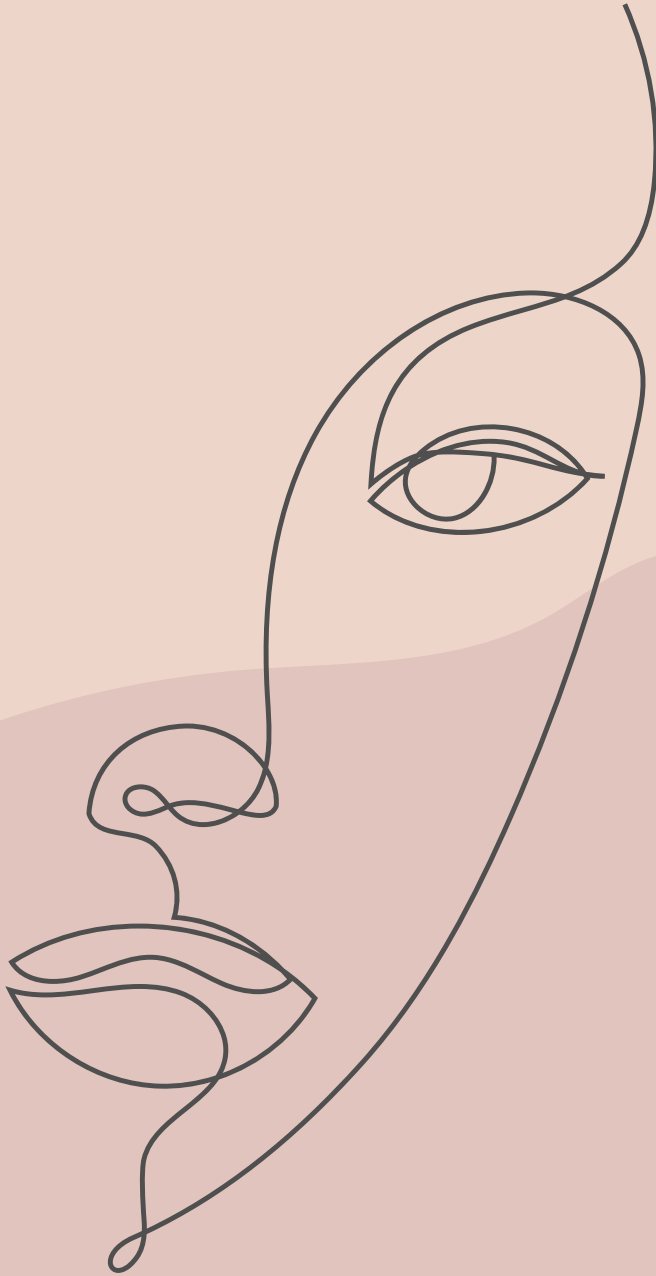
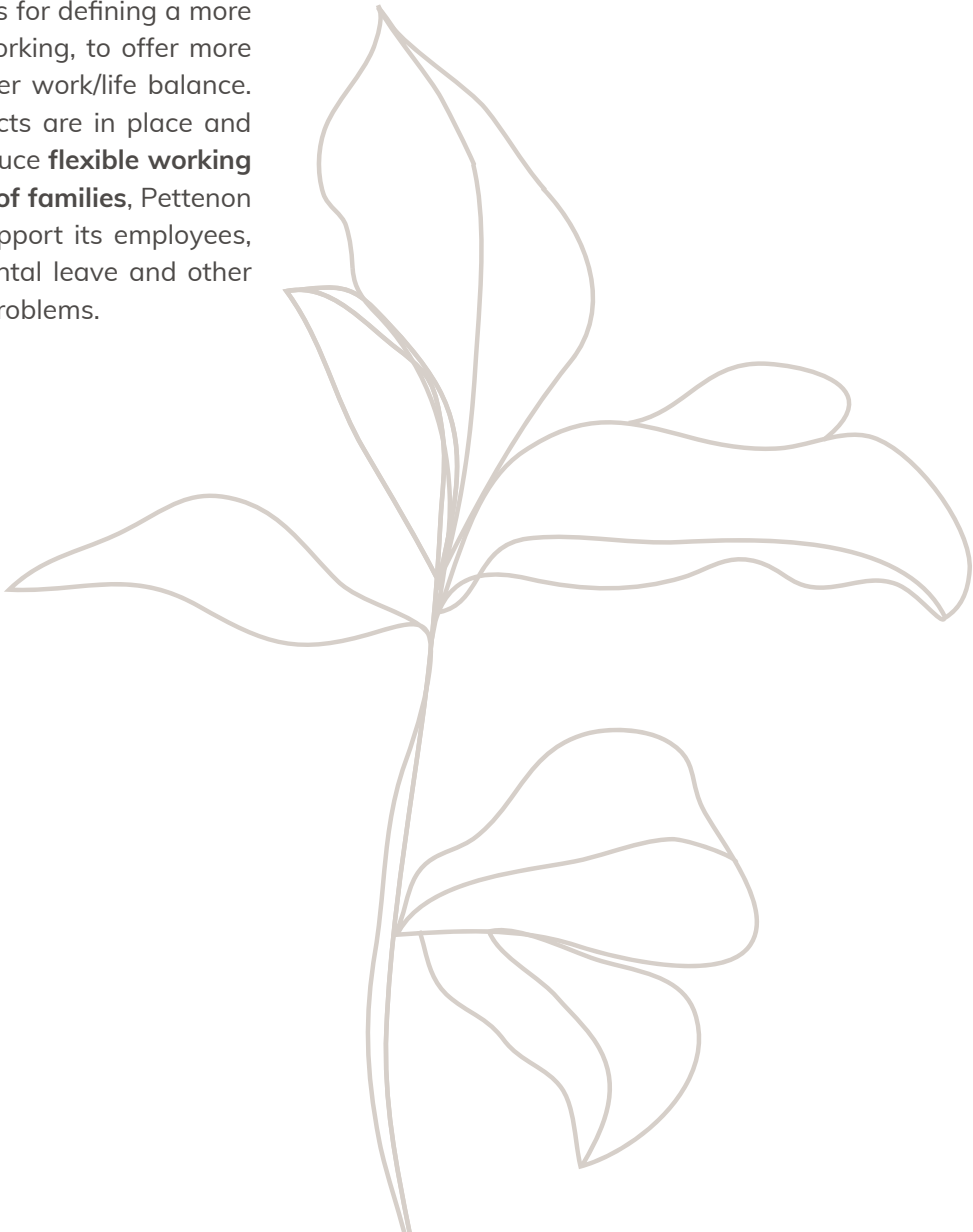
Welfare and Work/Life Balance

Pettenon Cosmetics has identified the cornerstones of its corporate policy as those policies which balance the professional and the private life, as well as for welfare to support the needs of families, because they make a positive contribution to the well-being of employees, reducing the gender divide and preventing career breaks.

With regard to targeted initiatives in the **work/life balance** plan, in 2021 Pettenon introduced remote working for all employees in administrative areas (up to 50% of work days), providing collaboration and team working tools, in line with the “work from anywhere” philosophy. This trial has helped to provide a solid basis for defining a more structured basis for smart working, to offer more working flexibility and a better work/life balance. In addition, **part-time** contracts are in place and some departments can introduce **flexible working hours**. **To support the needs of families**, Pettenon has introduced policies to support its employees, in particular supporting parental leave and other difficult situations for family problems.

OBJECTIVES FOR THE FUTURE

- Creating a company change management programme for diversity and inclusion.
- Continuing and enhancing the programmes promoting diversity and multiculturalism in the company and the local area, including through the company's brands and products.



12 TRAINING AND DEVELOPMENT OF PEOPLE

• • •

Training and development of people

Support for training activities to assist with integration into the labour market.

People are our strength

[GRI 404-1; GRI 404-2]

Every year, based on analysis of the training needs identified, Pettenon Cosmetics designs, plans and delivers a **training plan** for all employees, proposed by the Training and Human Resources development departments and shared with the managing directors.

The training programs may relate to one of four **macro areas**:

- **managerial training**, to deliver continuous professional updating and improvement, and to get a full understanding of new elements in the sector and aspects relating to the wider situation such as current legislation, strategies implemented by leading competitors and new market demands. In 2021, courses have been run relating to: contractor management, leadership, and inter-company training;
- **specific technical training**, to look in more depth at specific issues and to allow employees to gain special technical skills;
- **professional training**, to develop and refresh the cross-discipline skills of employees and to promote professional growth by improving the quality of the work performed. In 2021, Pettenon launched the following programs: linguistic and communications training, managing emotions, negotiation;

HIGHLIGHTS

- Around 7,000 hours of training delivered, with an average of 18 hours of training per employee, an increase of 34% compared with the previous year.
- Holding the fifth edition of Innovation Days.
- Creating the “B. Team”, an internal work group for raising awareness about sustainability issues.
- 35% of employees hired aged 30 or younger.

Pettenon Cosmetics and the world of professional hair care is going through a period of significant change, a result of the current political and economic situation and the gradual digitalisation of the market. Pettenon has identified **the training of its employees and contractors** as a key tool for promoting the company’s growth and maintaining the quality of service offered to its customers. The **training plan** developed by the company supports the professional growth and development of all workers, through continuous and targeted learning, dynamic management of skills and promoting professional attitudes of individuals, ensuring that everyone can work to the best of their abilities, in a healthy and safe workplace.

12. Training and development of people

• **mandatory training**, complying with the requirements of current legislation. Staff at Pettenon have attended courses on: employee health and safety, IT security and data protection and money-laundering regulations.

Depending on the subject area in question and the desired knowledge level for people to reach, the Training and Human Resources Development Department identifies the most effective and efficient **training methods** from those available, such as: SAP training, intensive workshops and training sessions, targeted technical training (internal and external), e-learning courses, webinars, conventions and conferences.

Pettenon organises specific **onboarding programs** for new employees, with the aim of providing them with sufficient knowledge and all necessary tools to quickly integrate into the company. These programs include meetings with teams from different departments, visits to the factory, specific technical training, training on company procedures and policies, and sharing of the corporate culture.

[GRI 401-1]

In 2021, based on a largely positive turnover (+41%), the onboarding activity involved all of the 88 new employees.

New employees hired by age and gender	Unit	2020	2021
All new employees hired during the year	No.	42	88
Men	No.	22	41
	%	52%	47%
Women	No.	20	47
	%	48%	53%
Aged 30 or younger	No.	18	31
	%	43%	35%
Between 30 and 50	No.	22	46
	%	52%	52%
50 or over	No.	2	11
	%	5%	13%
Total number of employees who left the organisation during the year	No.	62	47
Men	No.	31	25
	%	50%	53%
Women	No.	31	22
	%	50%	47%
Aged 30 or younger	No.	26	15
	%	42%	32%
Between 30 and 50	No.	26	22
	%	42%	47%
50 or over	No.	10	10
	%	16%	21%

12. Training and development of people

Pettenon Cosmetics, via its brand Alter Ego Italy, makes available its **internal academy, the Salon Akademy** for professional training, designed to inform and train partners by organising events, technical seminars and webinars about the key changes in the sector and sustainability practices. Activities are organised by both internal staff and external partners. The Akademy brings together the principles of sustainability and is committed to spreading best practice, such as recycling and combating waste.

Innovation days

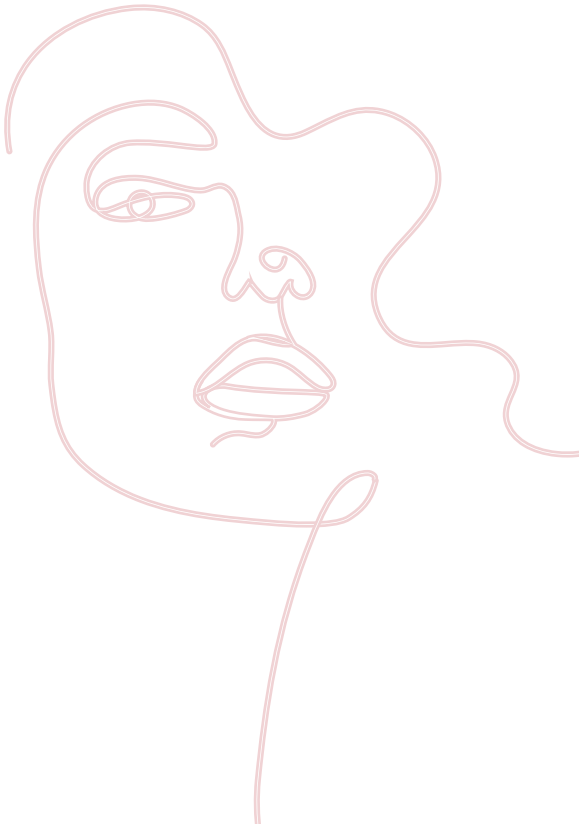


Innovation days is a project which seeks to support the development of skills and knowledge of Pettenon employees through digital or face-to-face courses. The project involves **delivering a number of structured modules taking an in-depth look at relevant issues** relating to, for example, the sustainability of products and production processes, the personal and professional growth of individuals and understanding the current social and economic situation, to allow the course participants to be better prepared for the challenges of the future.

The format of Innovation Days, which this year celebrated its fifth edition, features **contributions from external professionals and prestigious universities and academies in the region** in the wonderful setting of Bardolino on Lake Garda: time dedicated to professional and personal develop-

ment of talent, building the corporate culture and growing collaborative and responsible forms of leadership to tackle the everyday challenges of evolving the company.

The first two days of training were focused on the theme of change, one of the keystones of Pettenon in its constant growth. The days featured a series of contributions on leadership, the ethics of change and the importance of training in a changing world, before concluding with a number of workshops. Some of the key subject areas which emerged were innovation, sustainability and digitisation, crucial subjects at a time of great social transformation.



12. Training and development of people

B. team

The aim of the B. Team is to raise awareness, inform and involve employees and key local bodies in the corporate sustainability project, through an internal and external communications plan and structured departmental activities. The work group has the goal of spreading the corporate culture with a particular focus on environmental and social sustainability values, using communication tools such as:

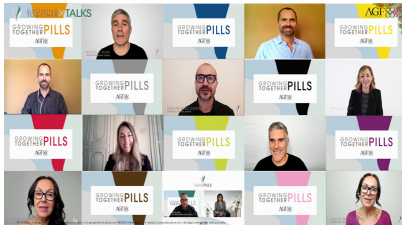
- surveys, to obtain feedback on the perceptions of numerous stakeholders about the company’s current commitment to sustainability;
- a focus group, to swiftly collect feedback and opinions;
- training and information events to share with the stakeholders the company’s macro objectives and define the departmental micro-objectives;
- workshops, to raise awareness among participants of the main initiatives implemented by the company;
- internal newsletters and communications to increase the distribution of “green” messages and raise awareness among each department about issues of sustainability.

Pettenon Cosmetics also undertakes to **promote entrepreneurship among companies in the region**, with tools to support training and share values relating to the world of business and sustainability.

12. Training and development of people

Growing together x talks

Growing together is a **training programme for distributors** launched with the aim of promoting entrepreneurship in the region by sharing knowledge and information relating to the world of business. the aim of the project is to produce an e-learning course containing 12 pill videos lasting a total of 18 hours on issues of particular relevance to get a better understanding of the benefits of the current world of work and to seize the opportunities it offers. The training process is based on integrated approach combining the social context, innovation and sustainability.



Bologna Business School

In December 2021, the AGF88 group, through its subsidiary Pettenon Cosmetics, formally became part of Bologna Business School as a supporter member.

The aim is to begin a synergetic, profitable and long-lasting partnership on issues such as sustainability, innovation and digital transformation, with particular regard to the cosmetics sector.



OBJECTIVES FOR THE FUTURE

- Increase investments for training on issues of sustainability and expand the audience for sustainability training courses by involving all stakeholders (e.g. Innovation Days, growing together).
- Continue and enhance the training and development courses for people (talent coaching, reskilling and upskilling).
- Delivering a training programme to all employees on the organisational model and code of ethics.
- Implement a smart working policy.

13 COMMUNITY SUPPORT

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Community support

Support for philanthropic initiatives for the benefit of the parties involved, directly or indirectly, in the company's activity.

HIGHLIGHTS

- In 2021, Pettenon Cosmetics actively supported the local community by financing a variety of projects and associations to the total value of around €250,000.

[GRI 102-12; 413-1]

Pettenon Cosmetics plays an active role in the development and promotion of communities where it operates, actively supporting through sponsorship, donations and partnerships a number of projects with non-profit organisations and associations in Italy and abroad and through social solidarity initiatives, with the aim of celebrating beauty not just through professional cosmetics but also through tangible actions to build relationships with the region and involve all stakeholders.

The main partnerships realised 2021 are set out below.



13. Community support

Polis group

Pettenon Cosmetics actively supports the **Polis group** which brings together **five social cooperatives** in the Padua area which have been operating for more than 25 years **supporting people in difficulty**. These social cooperatives run educational, rehabilitation and residential and occupational services, supporting job placement programs for disadvantaged people and supporting a culture of acceptance, inclusion and solidarity. For several years, **a service has been in place offering shelter and social and employment support for women who are victims of violence and trafficking**.

- **Casa Viola:** a project founded with the aim of offering women who are victims of violence and their children accommodation at a secret and protected address and a support programme to get back to work and find housing. The name Casa Viola was chosen to honour Franca Viola, the first woman in Italy to refuse a shotgun marriage. The facility is divided into two apartments designed to separately house:

- women in socially disadvantaged situations, to begin a program focused on independence and getting back to work and finding housing;
- women who are victims of domestic violence, accompanied by children, to begin a program focused on independence and getting back to work and finding housing.

- **La Bussola**, a day centre which seeks to meet the primary needs of the homeless. A centre offering shelter and more: at La Bussola they seek to help people to get back on their feet, with social unemployment rehabilitation programs and an approach which seeks to involve guests in managing the centre to create a greater sense of responsibility.

- **Mosaico and New Team Mosaico**, these day centres are designed to meet a fundamental need for social inclusion of people with disabilities through training and relationships with the regional network.

“Città della Speranza” NPO foundation

The “Città della Speranza” foundation was set up on 16 December 1994 in memory of Massimo, a young child who died from leukaemia. The main aim of the foundation was to raise funds to build a new modern paediatric oncohematology department because the existing one at the time was completely inadequate and unsuitable for accommodating sick children and their families in a dignified manner.

Franco Masello, Virginio Zilio, Carlo Mazzocco and Luigi Zanesco, who at the time was the clinical director of paediatric oncohematology in Padua, acted as promoters for the project and managed to get companies and private citizens involved in raising the necessary capital to build the new facility, which was opened in 1996. Today, the paediatric oncohematology clinic, run by Giuseppe Basso, is connected with the leading centres in Italy around the world and, thanks to the financing provided by Città della Speranza, is the leading centre in the country for diagnosing acute leukaemia and for the molecular characterisation of lymphomas and sarcomas. It is also the coordinating centre for Italian and European diagnosis and treatment protocols for lymphomas, sarcomas, tumours of the brain and liver, and rare tumours. Since 2014, the clinic has been the regional coordination centre of the Veneto paediatric oncology network.

The foundation invests around €2 million per year into scientific research and has an international scientific committee which assesses which projects will be funded.



13. Community support

“I Bambini delle Fate” Foundation

“**I Bambini delle Fate**” is a not-for-profit foundation that **finances social projects** run by associations of parents, organisations and hospitals **aimed at children with autism and disabilities**, supported by companies and private individuals in the region. The foundation deals exclusively with financing projects for associations, organisations and hospitals to benefit children with autism and disabilities and their families. The projects financed deliver rehabilitation and social inclusion activities that improve the lives of those suffering from autism and disabilities and provide relief for families. Pettenon Cosmetics supports:

- **CALEIDO**, autism centre: Cà Leido, educational day centre for minors – adolescents with autism spectrum disorders. Cà Leido is a welcoming and friendly place where children can feel at home, with a structured psychological and educational program that helps to develop cognitive and social skills with the aim of improving quality of life.
- **Liberamente Onlus:** a not-for-profit organisation that deals with school and learning difficulties. The organisation welcomes children with unconventional, non-clinical, methods based on the principle of not just focussing on the problem itself but going further. In an emotionally supportive setting, the children have the opportunity to learn and develop their own attributes, manage their emotions and deal with difficult situations and relationships.
- **F.A.R.C.E.L.A.:** a project with the aim of socially including children who suffer from disabilities by building different forms of independence, in line with the philosophy “I can do it myself”. The project offers a range of different activities, including: art therapy, inclusive basketball, music therapy, swimming and a theatrical workshop.



CROSSabili

“It was a unique experience to have styling professionals and experts on hand, who were able to understand us and value us. It was a real boost of self esteem. It was great to be a model for a well-known brand like Fanola, demonstrating that CROSSabili is much more than just sport. A project which definitely needs to be repeated”.

Mattia Cattapan, founder of CROSSabili

Pettenon Cosmetics supports, through Fanola, the CROSSabili association, a not-for-profit organisation which offers people with disabilities a range of activities aimed at inclusion, sharing, fun, independence, and sport. To mark the launch of the hair colouring products range, “Color Zoom”, Fanola has decided to launch a partnership with the CROSSabili association to deliver the kick-off campaign “Human Colors”. Fanola selected some of the youngsters from the association to “transform them” into models. This campaign, dedicated to inclusive beauty and freedom of expression, seeks to transmit a positive message, linked to ideas of creativity, character, the joy of life and freedom of expression.



13. Community support

Caring is sharing



Pettenon Cosmetics took immediate steps to support the people of Ukraine with initiatives that included:

- a fund-raising campaign involving all employees of the company. The money raised an additional matching contribution was donated to the Italian Red Cross and the Medok Clinic;
- a monthly contribution to support Poland with its work helping Ukrainian refugees;
- a collection of urgently needed goods to send a wide variety of assistance to the people of Ukraine.

OBJECTIVES FOR THE FUTURE

- Define a corporate citizenship policy or manifesto.
- Continue to support the associations and organisations in the region.



14 GRI STANDARDS TABLE



GRI standards table

GRI standards referred to in the Sustainability Audit		Section/Direct Reference
Impact assessment area: Corporate governance		
102-1	Name of the organisation	2. About us
102-2	Activities, brands, products and services	4. Our brands
102-3	Head office of the organisation	2. About us
102-4	Countries in which the organisation operates	2. About us
102-5	Ownership structure and legal form	2. About us
102-6	Markets served	2. About us
102-7	Size of the organisation	2. About us
102-8	Information about employees and other workers	Almost all workers are on permanent contracts. Employees on fixed-term contracts in 2021 totalled 44 (approximately 11%). Employees on part-time contracts in 2021 totalled 19 (approximately 5%).
102-9	The supply chain	5. Governance
102-10	Significant changes in the organisation and the supply chain	In 2021, no significant changes to the organisation and their supply chain were recorded
102-11	Precautionary principle	The organisation manages the main risks through its management systems, code of ethics and MOG 231.
102-12	External initiatives	7. Sustainability strategy; 13. Community support
102-13	Membership of associations	The company is a member of the following industry associations: Assindustria Venetocentro, Federchimica and Cosmetica Italia
102-14	Declaration of a senior manager	Letter to stakeholders
102-16	Description of the values, principles, standards and code of conduct	5. Governance
102-18	Governance structure	5. Governance
102-40	List of groups of stakeholders	7. Sustainability strategy
102-41	Collective bargaining agreements	100% of Pettenon employees are covered by collective bargaining agreements

14. GRI standards table

GRI standards referred to in the Sustainability Audit		Section/Direct Reference
102-42	Identification and selection of stakeholders	7. Sustainability strategy
102-43	Procedures for involving stakeholders	7. Sustainability strategy
102-44	Key topics and critical issues raised	7. Sustainability strategy
102-45	Subjects included in the consolidated financial statement	7. Sustainability strategy
102-46	Process for defining the contents of the report	7. Sustainability strategy
102-47	List of aspects identified as material	7. Sustainability strategy
102-48	Revision of information	This is the first Sustainability Audit
102-49	Changes in reporting	This is the first Sustainability Audit
102-50	Reporting period	From 1 January 2020 to 31 December 2021
102-51	Publication date of most recent report	This is the first Sustainability Audit
102-52	Reporting frequency	Annual
102-53	Contact information and useful addresses for requesting information about the report and its contents	info@pettenon.it
102-54	Indication of the “in accordance” option selected	Core option
102-55	GRI standards table	14. GRI standards table
102-56	Report external insurance	Not envisaged
205-2	Communication and training about anti-corruption policies and procedures	The members of the Board of Directors, when approving the Organisation Model, are informed of the anti-corruption policies and procedures adopted. All employees must familiarise themselves with and comply with the anti-corruption rules by accepting the clause contained in their employment contracts. All commercial partners of the group are required to comply with the code of ethics and the organisation management model, pursuant to legislative decree 231/01, when signing the contract.
205-3	Instances of corruption uncovered and actions taken	Again in 2021, as with the previous financial year, no instances have been recorded of corruption or lawsuits involving employees of the organisation or operators of external networks.

14. GRI standards table

GRI standards referred to in the Sustainability Audit		Section/Direct Reference
206-1	Anti-competitive behaviour	In 2021, as in previous financial year, the organisation has not recorded any legal cases relating to unfair competition, anti-trust and monopolistic practices.
418-1	Documented claims of breaches of data protection and loss of client data	In 2021, as in the previous financial year, no proven complaints have been registered of instances of leaks, theft or losses of sensitive client data
Impact assessment area: Other stakeholders (customers) Common benefit goals: Research and innovation		
103	Managerial approach	9. Research and innovation
416-2	Instances of non-compliance with impacts on the health and safety of products and services	9. Research and innovation
417-2	Instances of non-compliance regarding information and labelling of products and services	9. Research and innovation
417-3	Instances of non-compliance relating to marketing communications	9. Research and innovation
Impact assessment area: The environment Common benefit goals: Protection of the environment		
103	Managerial approach	10. Protection of the environment
302-1	Energy use within the organisation	10. Protection of the environment
302-3	Energy intensity	10. Protection of the environment
303-3	Water offtake	10. Protection of the environment
305-1	Direct emissions of greenhouse gases (Scope 1)	10. Protection of the environment
305-2	Indirect emissions of greenhouse gases (Scope 2)	10. Protection of the environment
306-3	Waste generated	10. Protection of the environment
306-4	Waste not destined for disposal	10. Protection of the environment
306-5	Waste destined for disposal	10. Protection of the environment
Impact assessment area: Workers, other stakeholders (region and community) Common benefit goals: Gender diversity and multiculturalism		
103	Managerial approach	11. Gender diversity and multiculturalism
405-1	Diversity in governance bodies and among employees	11. Gender diversity and multiculturalism
406-1	Instances of discrimination and corrective measures applied	11. Gender diversity and multiculturalism

14. GRI standards table

GRI standards referred to in the Sustainability Audit		Section/Direct Reference
Impact assessment area: Workers, other stakeholders (region and community)		
Common benefit goals: Training and development of people		
103	Managerial approach	12. Training and development of people
401-1	New recruits and turnover	12. Training and development of people
403-2	Identification of hazards, risk assessments and incident investigations	The company has a health and safety policy contained in its risk assessment document. Procedures have been defined to identify and analyse injuries and near-misses and preventative and corrective actions have been defined. All of the company's employees have the option of notifying any issues to the company doctor through the dedicated communication channel.
403-9	Occupational injuries	In 2021, six non-serious injuries were recorded in the workplace, 40% fewer than in the previous financial year. The injury rate, calculated as the ratio of the number of recordable occupational injuries and the number of hours worked (537,017.17) multiply by 1,000,000 hours worked, is 11.1.
403-10	Occupational illnesses	In 2021, as in previous financial years, no occupational illnesses were recorded.
404-1	Average number of hours of training per year per employee	12. Training and development of people
404-2	Skills refresher programs for employees and transition support courses.	12. Training and development of people
Impact assessment area: Other stakeholders (region and community)		
Common benefit goals: Community support		
103	Managerial approach	13. Community support
413-1	Activities involving the local community, impact assessments and development programmes	13. Community support

