





[GRI 2-1] Pettenon Cosmetics S.p.A. Società Benefit Registered and administrative offices in Via del Palù 7/D, 35018, San Martino di Lupari, Padua (IT) Padua Business Registry Number, Tax Code and VAT Number: 04937500280 REA number: PD 430007 Share capital of 7,500,000.00 Euro fully paid up



Dear Stakeholders.

We are pleased to present our Sustainability Report, a document that represents not only an opportunity for transparent reporting, but above all a moment of reflection and sharing on our concrete commitment to environmental, social, and economic sustainability.

Choosing to become a Benefit Corporation was a natural step in Pettenon's growth. We wanted to formalize a commitment that has always distinguished us: that of generating a positive impact on all the ecosystems that we operate in. For us, sustainability is a shared responsibility that concerns our entire production chain, from raw materials to the finished product, right up to our relationship with the community and the environment.

The Sustainability Report we are presenting is the result of a year of intense and passionate work, during which we continued to pursue our growth objectives with the understanding that economic value cannot be separated from social and environmental value. We have adopted increasingly virtuous practices, enhanced human capital, promoted social inclusion projects, and taken concrete actions to reduce our environmental impact.

In a global context characterized by complex challenges and a growing need for ethical re-

sponsibility, we continue to firmly believe that our role is to actively contribute to building a better future. For this reason, we strive every day to combine innovation and tradition, beauty and sustainability, individual and collective well-being.

We renew our thanks to all those who are with us on this journey: collaborators, partners, vendors, customers, and local communities. It is thanks to their trust and support that we can look to the future with enthusiasm and determination, confident that together we can make a difference.

With gratitude and commitment,

**Federico Pegorin** 

**Executive Chairman** 

Gianni Pegorin

Deputy Chairman

"We firmly believe that our role to actively contribute to build better future."





#### CHAPTER .01

**GRI Table of Contents** 

CHAPTER .OT	
Pettenon Group	
Highlights 2024	9
About us	12
The pillars of Pettenon Cosmetics' strategy	18
Creating value for stakeholders	17
Our business model	2
The brands of Pettenon Cosmetics group	22
The production sites: where Italian quality is born	23
The governance of Pettenon Cosmetics S.P.A. SB	2
CHAPTER .02	
Sustainability at Pettenon Cosmetics Pettenon Cosmetics' sustainability journey	38
Sustainability governance	4(
Materiality analysis	43
Pettenon Cosmetics and the SDGs	46
retterion cosmetics and the abos	
CHAPTER .03	
The five common benefits	
Research and innovation	5
Environmental protection	6
Gender Diversity and multiculturalism	73
Training and development of people	89
Community support	99
CHAPTER .04	
Methodological note	107
CHAPTER .05	



CHAP. 1 PETTENON GROUP

# HIGHLIGHTS 2024







Sustainability Leader 2024



Signatory of the Manifesto
"Businesses for
People and Society"
promoted by Global Compact



#### **ECONOMIC RESULTS**



Regular turnover of

€ 149 million equal to a consolidated turnover of

€ 178 million

Gross operating margin

(EBITDA) of € 28.4 million

A net profit of

€ 15.4 million

Production value of

€ 154.7 million

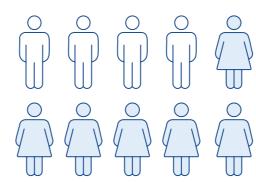
Net worth of

€ 119.3 million

Total personnel costs:

€ 27.8 million

#### SOCIAL



#### **521 EMPLOYEES**

**60% WOMEN** 

52% of the managerial positions are women

6.5% turnover rate

18.1 hours average annual training per employee

€ 344,976 invested in sponsorships and donations

Involvement of

20 associations

## **ENVIRONMENT**

#### **Carbon Neutrality**

of the two plants in San Martino di Lupari (since 2022) and Cartigliano (since 2024) and of corporate events

100%

Offset methane gas

100%

Electricity from renewable sources

21%

reduction of water consumption

13.8%

recycled plastic

88%

of vendors are Italian



CHAP. 1 PETTENON GROUP **SUSTAINABILITY REPORT** 2024

# Our mission and our values

ted every day to promoting beauty in all its forms authentic and conscious beauty, capable of inspiring and connecting people, communities, and the environment, with the aim of building a better

Our mission, in fact, is to take care of the beauty-related desires of every consumer, professional and partner, thanks to a vast range of beauty care products and services faithful to over 75

With the same passion as always, we are commit-years of 'Made in Italy' beauty: beauty done well, accessible to all, tailor-made and of professional quality, attentive to continuous market evolutions, and that does good, because it is sustainable and committed to supporting the path to fulfilment of each and every one.

> Guided by our values, we shape a corporate culture inspired by Beauty Beyond Beauty, combining tradition and innovation, ethics and quality.

#### Offering Italian know-how

For over 75 years, we at Pettenon Cosmetics have been handing down and applying all the know-how of Italian beauty to professional cosmetics, a heritage rich in ingenuity, creativity, and attention to detail. A story of authentic beauty, true to its origins and crafted with method and professionalism, which we strive to transform every day into training and value creation for all our stakeholders, both internal and external.

#### **Conscious innovation**

For us at Pettenon Cosmetics, creating beauty is both a source of pride and a responsibility. Driven by a commitment to continuous improvement that permeates all company functions and processes, we cultivate and enhance our aptitude for innovation every day and in every area.

#### **People-centred**

In creating beauty, we believe in a people-centric approach, rooted in listening, research, and an ever-deeper understanding of the market, the needs, and desires of our Pettenon People, partners, and customers. By always placing people at the centre of our work, we are committed to promoting inclusion, shared growth, and the personal and professional fulfilment of all.

#### **Inclusive beauty**

A concept of positive beauty, capable of embracing differences, evolving with people and their needs, and expanding its definition in a way that is always accessible, inclusive, and market-responsive.

#### Sustainable living

For us at Pettenon Cosmetics, social, environmental, and economic sustainability is more than just a goal: it is a concrete, daily commitment. It is a way of being and acting that inspires all our actions and involves us all, allowing us to create value for the company and for communities as a whole.





#### **Innovation**

To meet the growing needs of an increasingly dynamic and demanding market, Pettenon Cosmetics has always considered research and innovation as essential strategic elements. The company constantly invests in the development of advanced solutions, adopting innovative design and production methods to offer increasingly high-performance products that anticipate market trends and meet consumer demands for quality, sustainability, and effectiveness.

In this context, innovation and technology are at the heart of the company, driving a sustainable and holistic approach to progress. The creation of the Innovation & Technology department has created a hub that integrates technology and know-how to optimize internal processes and promote cross-departmental collaboration. This model allows us to develop increasingly advanced and customized solutions, making innovation the natural connection between sustainability and customer centricity.

Artificial intelligence (AI) plays a central role in this process, supporting the entire innovation cycle, from analysing market trends to optimising formulas and improving production efficiency. At Pettenon, Al is not just a technological tool, but a strategic ally for creating real, lasting value and building a sustainable future.

Innovation is not just technology, but also investment in people.

In fact, people are the fundamental asset that Pettenon's success is based on, the true heart of the company. The company promotes ongoing training and the professional growth of its employees, recognising them as key to addressing market challenges. Workshops, personalised development programmes, and targeted training activities help us develop internal talent and create a stimulating work environment where innovation and improvement are continuous.

This approach allows us to transform advanced skills and research into excellent products, confirming Pettenon's commitment to responsible and sustainable innovation and the creation of lasting value.



#### Customer centricity

Customer satisfaction is at the heart of everything Pettenon Cosmetics does and is a fundamental guiding principle for the entire company strategy. The primary objective is to thoroughly understand customer needs and anticipate their expectations, developing customised solutions that not only meet but anticipate their needs, allowing the company to stand out in the competitive landscape.

This approach permeates all areas of the company, from production to logistics to after-sales service, ensuring that every customer interaction is an opportunity for value and mutual growth.

To strengthen its commitment in this direction, the company places active and constant listening to customers and the market at the heart of its strategy. This process is followed by concrete and targeted actions, including the implementation of numerous end-to-end projects. A significant example of this commitment is the introduction of an advanced Customer Relationship Management (CRM) system, enhanced by the use of artificial intelligence (AI). This innovative technology allows for personalized and more efficient communication, capable of responding to customer needs in real time.

A further step in this direction is the NPS (Net Promoter Score) project, a metric for measuring customer satisfaction and loyalty. The NPS is a fundamental tool for gathering immediate feedback and identifying areas for improvement. This system not only allows us to monitor the quality of the customer experience, but it also triggers a continuous cycle of improvement, where every feedback becomes an opportunity to offer increasingly rewarding experiences that meet expectations.

Pettenon Cosmetics' Value Creation strategy is therefore based on a continuous commitment to customer satisfaction and the development of lasting relationships of trust for sustainable growth.



#### **Sustainability**

For Pettenon Cosmetics, sustainability is a fundamental principle that guides every aspect of the company's strategy. The company believes that sustainable development must be integrated with a responsible approach, which considers environmental and social impacts in daily and strategic decisions. For this reason, sustainability has become a central pillar of operations, which includes both reducing environmental impact and promoting people's well-being, both inside and outside the company.

To support this vision, the Permanent Sustainability Committee (ESG Committee) was created, composed of key corporate roles, with the task of designing, coordinating, and monitoring all activities in line with the sustainability objectives. The committee meets regularly to ensure that every decision respects the principles of social and environmental responsibility.

Sustainability has thus become a distinctive element of Pettenon Cosmetics, not only in production processes, but also in supply chain management, in relationships with employees and local communities. Adopting this approach has allowed us to optimize resources, reduce waste, and stimulate sustainable innovation, creating lasting value, both in terms of business performance and social impact.

The company also promotes initiatives that promote diversity, inclusion, and gender equality, as well as supporting social and local projects, going beyond simple compliance with regulations.

Sustainability, therefore, is a commitment that involves the entire organization and translates into concrete actions capable of generating long-term shared value for the company, its stakeholders, and the environment.

CHAP. 1 PETTENON GROUP



# Creating value for Stakeholders

[GRI 201-1]

In 2024, the Group generated an economic value of 157 million euros, deriving from sales revenues and other operating income, supplemented by financial income. Most of this value was distributed among the various stakeholders that the Group came into contact with through its activities.

In fact, the economic value distributed in 2024 amounts to 130 million euros, equal to approximately 82% of the economic value generated. This amount covered operating costs and contributed to remunerating employees, the financial institutions that the company has existing financing agreements with, the public administration, and the community, in the form of contributions, donations, and sponsorships.

The retained economic value, equal to 28 million euros (18% of the economic value generated), mainly includes the amortization of tangible and intangible assets, deferred taxes, and changes in inventories and represents the financial resources allocated to the expansion of the Group's economic activity and financial solidity.

## Generation and Distribution of economic value

in 2024

DISTRIBUTED ECONOMIC VALUE

RETAINED ECONOMIC VALUE



Reclassification of the income statement (€/000)	2023	2024
Revenue	145,202	151,098
Other proceeds from sale of assets	634	44
Other income	4,642	4,340
Financial income	1,430	1,208
Total economic value generated by Pettenon	151,907	156,691
Operating costs	96,531	98,397
Staff remuneration	23,153	27,805
Remuneration of financiers	485	396
Remuneration of the Public Administration	7,214	2,061
External donations	749	313
Total economic value distributed by Pettenon	128,133	128,972
Economic value retained by Pettenon	23,755	27,719





#### 1946

#### **Mario Pettenon founds Morgana**

In 1946 Mario Pettenon, entrepreneur and philanthropist, founds Morgana together with his trusted collaborator Arturo Pegorin. Thanks to constant research and artisanal production, the company stands out for its expertise and experience, initially focusing on lipsticks, nail polishes, face powders, and perfumes, before specializing in professional products for hairdressers.

#### 2021

#### **Everything evolves**

In 2021, Pettenon Cosmetics takes a decisive step towards sustainability by becoming a Benefit Corporation, confirming its commitment to generating value for people, communities, the environment, and stakeholders, beyond simple profit. This new business organisation seals the company's desire to operate responsibly, sustainably, and transparently, pursuing the common-benefit goals defined in its Articles of Incorporation.

At the same time, two Sustainability Committees were established, key tools for promoting sustainable practices and guiding the company in achieving concrete environmental and social objectives.

#### 2024

#### A new chapter for the group

The Group's consolidation process concluded in 2024 with the integration of the Cartigliano (VI) plant on January 1, 2024, and the merger of G&P Cosmetics, based in San Sepolcro (AR), effective from January 1, 2025.

These two strategic transactions have allowed Pettenon Cosmetics to further strengthen its market position and represent a fundamental step in enhancing the Group's competitiveness and operational efficiency, confirming its commitment to sustainable growth and the solid integration of its expertise, supporting an even stronger and more innovative future.

#### 1988

#### The year of the turning point

After Mario Pettenon's death in 1988, the company goes to the Pegorin family, who guide Pettenon Cosmetics towards a phase of growth and consolidation in professional haircare.

#### 2022

#### Sustainability reporting

In 2022, Pettenon Cosmetics reaches another significant milestone by publishing its first impact report in the form of a Sustainability Report. This document represents an important tool for transparently communicating sustainability efforts and results to stakeholders. In the same year, Pettenon Cosmetics takes full control of G&P Cosmetics s.r.l.

#### 2023

#### New challenges

In 2023, the company further deepens its environmental analysis by measuring the carbon footprint of its operations, obtaining the ISO 14064 Carbon Footprint certification. This result confirms Pettenon Cosmetics' commitment to reducing greenhouse gas emissions and mitigating climate change.

In the same year, Pettenon Cosmetics takes full control of Biocosm'Ethics s.r.l. and appoints Luigi Ambrosini as its new CEO.

CHAP. 1 PETTENON GROUP

# Our business model

[GRI 2-6]

Value creation for customers and stakeholders is at the heart of Pettenon Cosmetics' business model, based on a diversified brand portfolio, international presence and a strong commitment to quality, innovation and sustainability.

#### **Professional Hair & Skin Care**

Production of professional hair and skin care products. The group's brand portfolio is constantly evolving, with a strong commitment to environmental sustainability through the increasing use of recyclable and recycled materials, as well as the development of high-quality formulas designed to ensure professional performance and reduced environmental impact.

#### **Distribution channels**

Made in Italy products are distributed in over 100 countries and are available through various distribution channels, including e-commerce, consumer retail, pro shops, and professional salons.

#### **Private Label**

Personalized service for the production of exclusive lines for third-party customers, with tailored solutions based on the needs of global markets. Through a full-service approach, Pettenon Cosmetics' team of experts supports customers at every stage of the production process, ensuring complete support: from formula research and development, to semi-finished production, to packaging selection and supply, and graphic design.

# The brands of Pettenon Cosmetics group

























The group's brand portfolio is constantly evolving with a particular focus on environmental sustainability, with the ever-increasing use of recyclable and recycled materials, as well as formulas with natural and highly biodegradable ingredients, within a production process that uses a significant amount of renewable energy.

This is combined with an ongoing commitment to creating a positive impact on communities, a cornerstone of brand activities which, through campaigns and specific market activities, promote and contribute to raising awareness of environmental protection, health and wellness, gender equality, and empowerment.

# The production

#### Where Italian quality is born

Pettenon Group is a dynamic and growing company in the cosmetics sector, with three production sites in Italy covering a total area of 105,000 square meters. Alongside production, the Group has an academy and a specialized technical centre. The offering includes a portfolio of brands and a private label service. with innovative and customized products for various distribution channels, both online and offline.

#### San Martino di Lupari (PD)

28.979.115 kg of products

This plant, which also serves as the Group's headquarters, represents the main production site with a surface area of approximately 72,000 square meters. Most of Pettenon Cosmetics S.p.A. SB's production is carried out here, including shampoos, masks, styling products, hydrogen peroxide and other technical items. The plant is equipped with an Integrated Quality and Environmental Management System, compliant with UNI EN ISO 9001:2015, ISO 22716-GMP and ISO 14001:2015 standards. guaranteeing high standards of quality, safety and sustainability. This company management system ensures that products meet the quality and safety requirements expected by consumers and that all stages of production are traceable. The environmental management system promotes continuous improvement of production activities, reducing environmental impacts through prevention, monitoring, and control. Activities are analysed to understand how they affect the environment, defining criteria for evaluating their impact. Indicators monitored periodically include water and energy consumption, waste management, and risks associated with raw materials.

Environmental indicators are constantly monitored to ensure compliance with current regulations and to identify potential areas for improvement. Particular attention is paid to managing water and energy consumption, waste production, and the risk classification of the raw materials.









The full integration of G&P into Pettenon represented a fundamental strategic step in strengthening the group's competitiveness and optimizing its operational effectiveness.

The Company currently has three production plants in Italy and one commercial branch in the United States dedicated to the distribution of one of Pettenon's main brands in the American territory.

All stages of the Pettenon Cosmetics production process are carried out in-house, from design and research to packaging blow moulding and screen printing. This ensures monitoring and ensuring high standards of quality and professionalism, further cementing Pettenon Cosmetics' global reputation as a reliable partner for professional beauty.





Located in Veneto, this production facility supports the main site and contributes to the Group's manufacturing activities, ensuring efficiency and flexibility in product manufacturing.



#### Sansepolcro (AR)

5.275.598 kg of products

Located in Tuscany, this factory specializes in the production of hair colour and represents a strategic hub for the professional hair colour sector. Following the merger of G&P Cosmetics S.r.l. into Pettenon Cosmetics S.p.A. SB, the operating procedures in force at the headquarters have also been extended to this factory, with the aim of unification and continuous improvement.





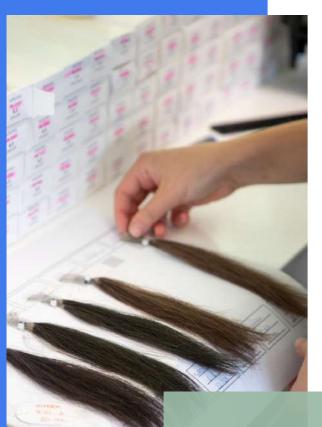


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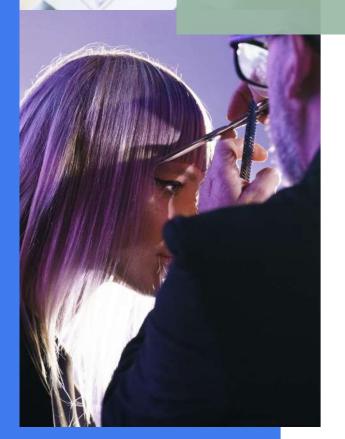
CHAP. 1 PETTENON GROUP



# Academy of beauty and technique

Pettenon Salon Academy, an integral part of the Group, regularly organizes training courses for industry professionals, promoting the development of new skills and abilities through a wide range of training opportunities, from courses dedicated to styles to the numerous techniques.

The reporting scope for the 2024 Sustainability Report includes the main production site (San Martino di Lupari) and the Cartigliano production site. Starting next year, the Company will present an integrated Sustainability Report, covering all three production sites.



Finally, Pettenon Cosmetics "Hair Innovation Space" Technical Centre draws on the expertise of hairdressers and experienced professionals to test and develop products. Through daily tests, the centre verifies the effectiveness and performance of its products, developing protocols for use and professional advice to effectively meet the needs of even the most demanding customers. Pettenon Cosmetics' timely approach to meeting market demands, the safety guaranteed to the end consumer, and the excellent training offered by the academy reflect the company's commitment to industry professionals and international stylists.



**CHAP. 1** | PETTENON GROUP **SUSTAINABILITY REPORT** 2024

# **Pettenon Cosmetics**

#### Governance

the crucial role of a solid corporate governance system to achieve the set strategic objectives and create sustainable value. Our business model is governed

Pettenon Cosmetics SpA SB recognizes and supported by a corporate governance structure oriented towards responsible growth, which aims to generate value for all stakeholders.



#### The administration and control system



**MANAGEMENT BODY: Board of Directors (BoD)** 



**CONTROL BODY:** 

**Board of Auditors** 



**AUDITING** 

**BODY:** 

Legal audit

#### **FEDERICO PEGORIN**

Chairman of the Board of Directors and Managing Director

#### **LUIGI AMBROSINI**

**Chief Executive Officer** (CEO)

#### **GIANNI PEGORIN**

Vice Chairman of the **Board of Directors with** 

#### **5 STATUTORY AUDITORS**

three regular auditors and two substitutes

**EXTERNAL AUDITING FIRM** 

(Ernst&Young S.p.A)

The shareholders' meeting is the full expression of the family-run nature of Pettenon Cosmetics, composed of the holding company AGF88 Holding S.r.l. and brothers Gianni and Federico Pegorin.

[GRI 2-9]

The chosen administration and control system is the traditional one, therefore consisting of a management body represented by the Board of Directors (BoD), composed of shareholder Federico Pegorin as Chairman of the Board of Directors and managing director, shareholder Gianni Pegorin as Vice Chairman of the Board of Directors, also with proxy, and Luigi Ambrosini as Chief Executive Officer (CEO). The Board of Directors is vested with the broadest powers of management and strategic and efficient direction of the Company.

The Board of Directors is supported by a control body, the Board of Statutory Auditors, composed of five members (three regular auditors and two

substitutes) appointed for three financial years. The Board of Statutory Auditors oversees compliance with the law, the company's articles of incorporation, and adherence to the principles of sound management.

The statutory audit of the accounts is assigned to an external auditing firm (Ernst & Young S.p.A).

The Board of Directors has assigned the CEO and his/her management team the task of implementing the strategic directions and carrying out the necessary actions to enable the continued growth of Pettenon Cosmetics.

CHAP. 1 PETTENON GROUP SUSTAINABILITY REPORT 2024

### Governance Committees

As part of its ongoing effort to develop increasingly transparent and responsible governance, in 2024 the Board of Directors established two committees with reporting functions—the Ethics & Compliance Committee and the ESG Committee—to support the Board of Directors on specific matters, as discussed in the section below, Sustainability Governance.



#### System of Proxies and Powers of Attorney

[GRI 2-13]

Pettenon Cosmetics has long implemented and constantly maintains a system of proxies and powers of attorney to ensure a clear separation of powers and to guarantee the best management of Pettenon Cosmetics' impacts on the economy, the environment, and people.

This system is aimed at minimizing the risks that the Company is exposed to, as well as ensuring efficient business flows and processes and a clear and precise distribution of responsibilities.

This approach avoids overlaps and decision-making deadlocks, and at the same time allows—for the benefit of all Pettenon Cosmetics stakeholders—the rapid identification of the roles responsible for individual management-related decisions.

# **Business Ethics and Compliance**

[GRI 2-27]

To strengthen its compliance risk control and prevention system, the Compliance Department was established within Pettenon Cosmetics' Legal and Corporate Affairs Management in March 2022. Its goal is to create and maintain cross-functional oversight across all business units and promote a corporate culture based on the principles of fairness and compliance with the laws and voluntary internal regulations adopted by Pettenon Cosmetics. Throughout 2024, we continued to disseminate a culture of legality and correct behavior as strategic elements of the risk mitigation system inherent in our business operations. In 2024, Pettenon Cosmetics also adopted an Anti-Crisis Procedure to ensure a timely, effective, and appropriate response to situations that could compromise business continuity, damage company assets, or the reputation of Pettenon Cosmetics, its brands, and its products.

[GRI 2-24]

With a resolution dated March 14, 2024, the Board of Directors of Pettenon Cosmetics has once again updated the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 (MOG231) previously adopted with resolution of 9 April 2019 and already updated once with resolution of 29 July 2021.

MOG231 represents the cornerstone tool in preventing the risk of committing criminal offences included in the list of predicate offences for the administrative liability of bodies as set out in Legislative Decree 231/2001. Therefore, in order to raise awareness among MOG231 recipients to adopt correct and transparent behaviour, several internal training and information sessions on MOG231 were organized by Pettenon Cosmetics during 2024.

The Supervisory Body (SB), appointed by the company's Board of Directors with resolution dated 9 April 2019 and reappointed with resolution dated 31 May 2022 for a further 3 years, is responsible for ensuring correct compliance and implementation of the MOG231. The Supervisory Board is composed of three members, one internal member represented by the Legal, Corporate Affairs & Compliance Director of Pettenon Cosmetics and two external members, all with the necessary requirements of autonomy, independence, profes-

sionalism and continuity of action in compliance with the provisions of Legislative Decree 231/2001 and the relative Guidelines for the construction of Organization, Management and Control Models issued by Confindustria.

[GPI 2-23]

A new Code of Ethics was adopted in 2024, which now takes into account the transformation process that the Company is undertaking. The Code of Ethics represents the "Constitutional Charter" of Pettenon Cosmetics, that is, the set of rules and principles whose observance is of fundamental importance for the proper functioning of the internal organization and for improving the Company's external reliability. The Code of Ethics is an effective tool for preventing and minimizing the risk of irresponsible or illicit behavior by those who work on behalf of Pettenon Cosmetics or collaborate with it, because it introduces a clear and explicit definition of the ethical and social responsibilities of all Pettenon stakeholders.

CHAP. 1 PETTENON GROUP SUSTAINABILITY REPORT 2024

[GRI 2-15]

Among its principles, the Code of Ethics establishes the principle of preventing conflicts of interest, thus committing to avoiding them or, where present, identifying them and making decisions based on the best interests of Pettenon Cosmetics. Any company representative who believes they are in a conflict of interest between their personal interests, whether on their own behalf or on behalf of third parties, and the interests of the Company, must immediately report this to their superior, as appropriate, and, in more serious cases, to the Whistleblowing Committee, which, if appropriate, will involve the Board of Directors.

MOG231 and the Code of Ethics are available both on the Pettenon Cosmetics website (https://www.pettenon.it/it/modello-organizzativo-e-codice-etico) and on the company intranet, making them accessible to all recipients. These important documents are shared with all Pettenon Cosmetics staff upon hiring and through specific training programmes, awareness-raising, and communication activities. They are also shared with business partners at the beginning of each relationship (in the form of a clause included in contracts, according to which each third party is required to comply with it).

[GRI 205-3]

During 2024, there were no confirmed incidents of corruption or ongoing or concluded legal actions in relation to alleged anti-competitive conduct. There were no violations of antitrust laws or monopolistic practices, and overall, the Company did not record significant incidents of non-compliance with laws and regulations.

In order for the principles expressed in the Code of Ethics and in the MOG231 to be effectively implemented and protected, in 2024 Pettenon Cosmetics established - in compliance with Legislative Decree 24/2023, the 'Whistleblowing Decree' - its own internal whistleblowing reporting channel via the dedicated IT platform, published and accessible from the Pettenon Cosmetics website (https:// www.pettenon.it/it/whistleblowing). The analysis and management of reports is assigned to the internal Whistleblowing Committee, composed of independent, specifically trained and appointed personnel, according to the methods described in the Pettenon Cosmetics Whistleblowing Procedure. If the report refers to the topics of the MOG231, the Supervisory Body is notified. In 2024, six reports were received through the whistleblowing channel, all of which were closed and filed either because they were resolved through corrective actions or deemed unfounded following specific investigative activities by the Whistleblowing Committee.

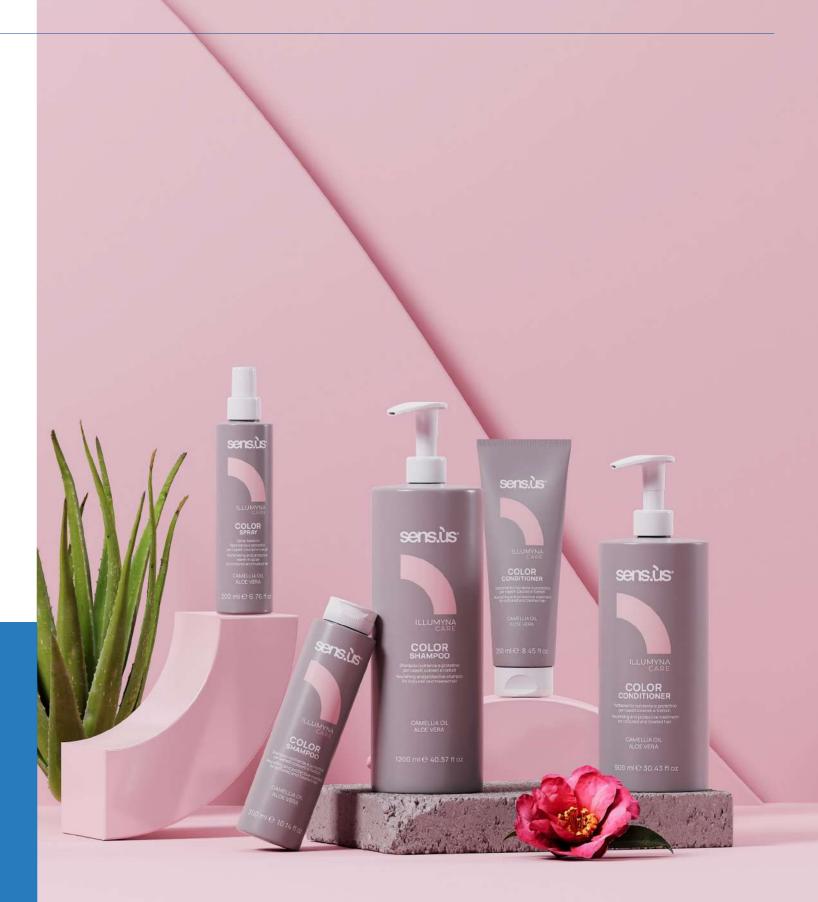


#### **Privacy Management**

[GRI 418-1]

Pettenon Cosmetics ensures the correct, timely, and careful management of privacy obligations through its internal Privacy Deputy—supported by its Legal, Corporate Affairs & Compliance department—an external Data Protection Officer (DPO), and a structured privacy governance system consisting of internal Privacy Representatives identified for specific relevant company areas. The company has also adopted a set of procedures and operating instructions aimed at regulating various issues, obligations, and any new processing in compliance with regulatory requirements regarding the protection of personal data.

During 2024, Pettenon Cosmetics recorded no cases of privacy breaches or loss of personal data of its customers.



CHAP. 2 | SUSTAINABILITY AT PETTENON COSMETICS SUSTAINABILITY REPORT 2024

# 02

# SUSTAINABILITY

at Pettenon Cosmetics

"We believe that sustainability is at the heart of our corporate mission. Through innovation, social commitment and environmental responsibility, we drive change towards a better future for present and future generations."

Luigi Ambrosini,

CEO of Pettenon Cosmetics S.B.



#### The sustainability path of Pettenon Cosmetics

#### **Materiality**

#### Matrix

The definition of the Materiality Matrix with the analysis of the most relevant topics for the company and its stakeholders.

#### Sustainability Committees

The creation of two Sustainability Committees, dedicated to sustainability governance to ensure a concrete and structured commitment.

#### **Benefit Corporation** since 2021

The transformation into Benefit Corporation, confirming the commitment to generating a positive impact on the environment and society.



2023

#### Sustainability

#### Committee

The merger of the two preexisting committees into the new Sustainability Committee - ESG Committee.

#### **Materiality Analysis**

in line with the new GRI (Global Reporting Initiative) guidelines.

#### **Global Compact**

Member of the Global Compact of the United Nations.

#### **Carbon Footprint**

**Carbon Footprint Certification** according to ISO 14064.

#### Sustainability Leader 2023

Recognition as Sustainability Leader 2023.

#### **CONAI Award** for ecodesign

for the ALAMA trademark.

#### Women's

#### **Empowerment Principles** (WEP).

Implementation of the Women's Empowerment Principles (WEP).

#### **2nd Sustainability** Report

Publication of the 2nd Sustainability Report and Impact Report.



#### Silver Medal

#### ISO 14001:2015

Attainment of ISO 14001:2015 (Environmental Management System) and ISO 22716 (Good Manufacturina Practice - GMP) certifications.

#### **Sustainable Procurement**

#### **Management**

Project launch

#### Life Cycle Assessment

Measurement of Environmental Impacts through the Life Cycle Assessment (LCA) approach.

#### **Carbon Neutrality**

Achieving Carbon Neutrality for the main plant and for corporate events.

#### 1st Sustainability Report

The publication of the 1st Sustainability Report and Impact Report, inclusion in the Future Respect 2022 INDEX, among the 50 most readable sustainability reports and most capable of promoting the culture of sustainability.

#### Sustainability

#### Leader 2024

Confirmed as Sustainability Leader 2024.

#### Silver Medal

#### **Ecovadis**

for sustainability performance.

#### **Business for** People and Society

Signatory of the "Business for People and Society" Manifesto.

#### **3rd Sustainability** Report

Publication of the 3rd Sustainability Report.





for sustainability performance.

#### **ISO 22716**



#### Common benefit goals of

#### **Pettenon Cosmetics**

By notarial deed dated June 11, 2021, Pettenon Cosmetics officially became a **Benefit Corporation**, thus giving legal form to its commitment to operating responsibly, sustainably, and transparently towards people, places, communities, the environment, cultural and social activities, organizations and associations, and other stakeholders, pursuing, in addition to the goal of maximizing profits and sharing profits, one or more common benefit goals.

Benefit Corporations must specifically indicate in their articles of incorporation the common benefit goals that they intend to pursue, through management aimed at balancing the interests of the shareholders with those of anyone that the business may have an impact on. The impact, measured using an external assessment standard, is communicated through an annual report on the pursuit of common benefit.



Pettenon Cosmetics' new Articles of Incorporation have formalized the company's sustainability strategy and incorporated five specific common benefit goals into its corporate objective:

#### **Research and Innovation**

Constant research and development of formulas obtained through innovative techniques used to reduce consumption and waste of resources.

# Training and development of people

Support for training activities aimed at onboarding.

#### **Environmental protection**

Maximizing the use of sustainable materials and packaging and promoting product collection and recycling.

## Gender Diversity and multiculturalism

Designing and developing communications and marketing projects aimed at promoting and disseminating the value of multiculturalism and gender equality.

#### **Community support**

Support for philanthropic initiatives aimed at categories of individuals directly and indirectly involved in corporate activities.

CHAP. 2 SUSTAINABILITY AT PETTENON COSMETICS SUSTAINABILITY REPORT 2024

Pettenon Cosmetics has embarked on a meaning-ful transformation journey, recognizing the importance of integrating sustainability as a cornerstone of its corporate strategy. This evolution is not only a response to growing regulatory demands, but also represents the result of a profound corporate reorganization aimed at increasingly enhancing sustainability.

The arrival of Luigi Ambrosini as CEO, as of October 1, 2023, marked a turning point in Pettenon's growth, with a renewed focus on innovation and product diversification. This new strategic dimension aims to coordinate the brands within the scope of consolidation, adopting a unified approach and integrating sustainability into all aspects of corporate operations – a principle that now underlies the company's operations.

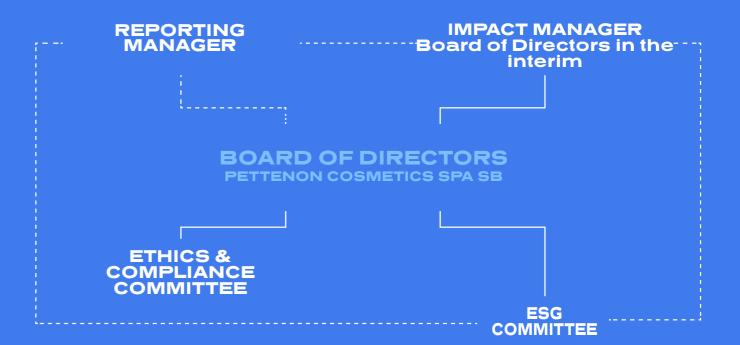
The journey toward sustainability will involve the organization's evolution and the implementation of numerous projects, some already underway and others planned for the coming months, with the ultimate goal of generating a positive and tangible impact on environmental, social, and governance pillars through the definition of a clear and shared ESG roadmap.

In this context, customer and employee centricity are key to Pettenon's approach. The company's new promise to its customers is to offer products and services that meet their needs while fully respecting the environment. Similarly, the company recognizes the immeasurable value of its employees as essential resources for the company's success and growth.

Pettenon Cosmetics' Sustainability Report is not only a reporting document but also a manifesto of commitment to sustainable, ethical, and responsible growth. The company's sustainability vision is a continuous path of improvement and innovation, aimed at creating long-term value for all stakeholders, from customers to employees, from the community to the environment that the company operates in daily.



#### Sustainability governance



[GRI 2-12], [GRI 2-13], [GRI 2-14]

The ever-increasing attention and sensitivity to sustainability topics, combined with the dictates of current legislation, require companies to analyse and review the way in which ESG principles are integrated not only into the business and corporate strategy, but also into the governance structure. To respond to these needs, Pettenon Cosmetics has adopted a sustainability governance system, which evolved into the configuration it assumed in 2024, as described below.

#### THE BOARD OF DIRECTORS

#### THE IMPACT MANAGER

ties, including the ESG and sustainability impacts. It also approves the materiality analysis and the Sustainability Report. Since July 2023, the Board of Directors has served as interim Impact Manager.

The Impact Manager—responsible for implementing, monitoring, and reporting on social impact objectives—ensures that the organization operates responsibly, sustainably, and transparently by developing a common benefit implementation plan and involving company roles appropriately in its realisation. This includes drafting the impact report, which protects the interests of all stakeholders.

CHAP. 2 | SUSTAINABILITY AT PETTENON COSMETICS SUSTAINABILITY REPORT 2024

## THE REPORTING MANAGER

To further ensure compliance with corporate sustainability reporting requirements and to streamline the process of achieving ESG objectives, the company has also introduced the role of Reporting Manager, responsible for overseeing the preparation process, data collection, and drafting of the Sustainability Report.

#### THE COMMITTEES -

# ESG COMMITTEE AND ETHICS & COMPLIANCE COMMITTEE

The committees, implemented and structured by the company to increasingly emphasize ESG values, also play a key role in sustainability governance – supporting the Board of Directors.

Transitioning from an organization divided, in 2023, into a "Technical Sustainability Committee" and a "Corporate Sustainability and Communications Committee"—aimed, respectively, at evaluating

and implementing proposals for improving sustainability in the technical (environmental, research and development, energy and water consumption management, and supply chain) and social and governance fields—Pettenon Cosmetics revised this structure in 2024.

The two aforementioned committees were merged into the Sustainability Committee, chaired by the Chairman of the Board of Directors and composed of all the Department Directors, the Reporting Manager, and the Corporate Communications Manager. This committee was subsequently renamed the ESG Committee following a Board of Directors resolution of April 2024.

The ESG Committee meets at least monthly and is responsible for assisting the Board of Directors with investigative, proactive, and advisory functions in its assessments and decisions regarding sustainability issues. This is particularly true in relation to the various processes and initiatives aimed at ensuring Pettenon Cosmetics' commitment to sustainable development along the value chain and in pursuing the specific common benefit goals identified in the company's articles of incorporation. These include ongoing research and development of formulas obtained through innovative techniques aimed at reducing consumption and waste of resources;

environmental protection by maximizing the use of sustainable materials and packaging; the development of communication and marketing projects aimed at promoting and disseminating the value of multiculturalism and gender equality; support for training activities aimed at onboarding; and support for philanthropic initiatives aimed at categories of individuals directly and indirectly affected by the company's activities.

In defining the sustainability strategy, the ESG Committee performs essential tasks, such as drafting the common benefits management plan, supporting the Impact Manager through assessments, formulating proposals, identifying issues relevant to long-term value creation and conducting materiality analyses, identifying the best strategies and functions to involve in implementing various sustainability projects, and verifying the pursuit of the sustainability plan's objectives by examining its guidelines and implementation methods. The Committee also identifies the main sustainability needs of the core business units (Commercial and Investments) and staff structures for appropriate discussion and decision-making, and provides information and data regarding the internal and external context that the Company operates in. It promotes the transparency of impact results by ensuring their publication on the company website and through appropriate channels. It also expresses, at the request of the Board of Directors, opinions on issues that may have an impact on sustainability issues.

The Chairman of the ESG Committee periodically informs the Board of Directors on the development and implementation of its activities.

Additionally, starting in 2024, the Board of Directors has also established an Ethics and Compliance Committee, chaired by the Chief Executive Officer and at least three Department Directors. It was deemed appropriate to establish the Committee to provide the company and the Board of Directors with a supervisory and governance body that cuts across various company departments and can provide a strategic contribution to better managing regulatory compliance risks, including ESG risks.



The Ethics and
Compliance
Committee also
plays a crucial role
in integrating ethical
and sustainability
principles into
corporate operations,
ensuring that these
are conducted in
compliance with the
Company's Code of
Ethics.



# The process carried out to identify the material topics: materiality analysis

[GRI 2-29], [GRI 3-1], [GRI 3-2]

43

Lgs. D. 254/2016, implementing Directive 2014/95/EU, introduced into Italian law the obligation to report on initiatives implemented and policies adopted in relation to environmental, social, and personnel issues, respect for human rights, and the fight against active and passive corruption. In light of the principles set forth in Article 3 of the Decree, the topics to be included in the document must take into account both specific company circumstances and general industry developments. Pettenon Cosmetics conducted its first materiality analysis in 2021

to identify the issues considered most relevant or "material."

Pettenon Cosmetics has updated its materiality analysis in accordance with the leading European sustainability reporting standard, the Global Reporting Initiative (GRI), following GRI Standard 3 – Material Topics, effective as of 1 January 2023. This standard defines as "material" the topics that generate the most significant impacts on the economy, the environment and people, including human rights.

The analysis was conducted through a structured process, based on a study of the context and the direct involvement of internal and external stakeholders, to evaluate the impacts generated by the company's activities.

The main phases were:

#### **Context analysis**

internal and external and assessment of impacts (positive and negative).

#### **Benchmarks**

of the main competitors and definition of relevant material topics.

#### Stakeholder involvement

(customers, academics, associations, distributors) through interviews and surveys, with ratings from 1 to 5 on the economic, environmental and social impact.

#### Internal involvement

of company contacts to validate the results, discuss the strategic relevance of the topics and define mitigation actions.

#### Impact assessment

based on significance and probability, weighted equally on internal and external assessments (50%-50%) and weighting factors (0.2) on specific topics.

#### **Final classification**

of impacts on 5 levels and identification of priorities for 2024.

The results confirmed the strategic importance of topics such as worker health and safety, diversity and equal opportunities, water management, energy and emissions, research and innovation.

The analysis guides Pettenon Cosmetics' strategies towards the Sustainable Development Goals (SDGs) and industry best practices, supporting the continuous improvement of corporate sustainability.

Since no significant changes occurred in 2023, the analysis is also valid for the 2024 report.

CHAP. 2 SUSTAINABILITY AT PETTENON COSMETICS SUSTAINABILITY REPORT 2024



## The Pettenon Cosmetics value chain and SDGs

#### [GRI 2-6]

Pettenon Cosmetics demonstrates full awareness of the importance of its value chain, that is, the complex flow of interconnected activities that span from product conception to delivery to the end consumer. This awareness guides the company in understanding interactions at every stage, from raw material sourcing and vendor relationships to distribution and product end-of-life management.

It is essential for the company to carefully evaluate sustainability performance along the entire value chain, to fully understand the environmental and social impact and implement continuous improvement, mitigating any negative effects.

The following table summarizes the connection between the common benefits pursued by the company, the material topics and the significant impacts – positive and negative – related to the topics with a very high level of impact, in relation to the United Nations SDGs that Pettenon Cosmetics intends to support throughout all phases of the product life cycle and its value chain.



#### Connection between Common Benefits, Material Topics, Impacts, SDGs and the Value Chain

Common Benefits	Material Topic	Impact Assessment	Positive Impact	Negative Impact	SDGs	Involved Value Chain Phases
Workers' health and safety		****	Prevention of accidents and occupational diseases	Risk of injury due to failure to apply safety measures	3 SOOD HEALTH AND WELL-BEINS	Production, Human Resources
Training and development of people	Training and education	****	Personnel upskilling and reskilling	Possible skills mismatch due to lack of updating	4 DUALITY EDUCATION	Human Resources, Governance
	Workers' welfare	Greers' welfare *** eng		Risk of stress and burnout	3 SOOD HEALTH AND WELL-BEINS	Human Resources, Governance
Gender Diversity and multiculturalism	Diversity and equal opportunities	****	Women's empowerment and inclusion	Risk of discrimination	5 FEMBER  FINALITY	Human Resources, Governance
	Water resources management	****	Reduction of water consumption with waterless formulations	Water consumption in the usage phase	6 CLEEN HUTER AND SAN ENGLISH	Vendors, Production, Consumers
Environmental	Energy and emissions	****	Investments in renewable sources and energy efficiency	GHG emissions in business processes and supply chains	13 CLIMATE ACTION	Production, Distribution, Consumption
protection	Waste *** management		Improving recycling and reducing waste	Industrial waste production	12 RESPONSIBLE CONSLIDER IN AND PRODUCTION	Production, Packaging, End of Life
	Sustainable supply chain management	***	Selection of vendors with high environmental and social standards	Sustainability risks in the supply chain	13 CAMPE	Vendors, Production
	Research and innovation	****	Creating economic and environmental value with sustainable products	No direct negative impacts identified	12 RESPONSIBLE CHOSCHPION AND PRODUCTION	Research & Development, Production, Marketing
Research and	Responsible packaging	***	Reducing the use of plastic and polluting materials	Waste generated by non-recyclable packaging	12 RESPONSIBLE CONSIMPTION AND PRODUCTION	Packaging, Distribution, End of Life
innovation	Product responsibility and quality	***	Greater transparency and safety for the consumer	Possible environmental impacts resulting from production	12 RESPONSIBLE CONSUMPTION AND PROJUCTION	Production, Distribution, Consumption
	Marketing and labelling	***	Clear information for consumers on sustainability and quality	Greenwashing or misleading information	3 SOOD HEALTH  AMD WELL-BEING	Communication, Marketing
Community support	Local community	***	Support for social initiatives and local projects	Possible unmet expectations by the community	10 REDUCE INCOMINES	Local Development, Stakeholder Engagement

The results of the materiality analysis were traced back to 5 levels of impact generated: level 5 means "very high" ratings; level 4 means "medium-high" ratings; level 3 means "medium-low" ratings; level 2 means "low" ratings; level 1 means "very low" ratings.

CHAP. 3 | THE FIVE COMMON BENEFITS SUSTAINABILITY REPORT 2024



As a Benefit Corporation Pettenon Cosmetics has integrated objectives of common benefit into its articles of incorporation, which are pursued in parallel with economic activity.

The company is committed to generating a positive impact on its stakeholders through targeted actions in five key areas:





# Research and innovation

The constant research and development of formulas obtained through innovative techniques used with the aim of reducing consumption and waste of resources

# **Environmental** protection

Maximizing the use of sustainable materials and packaging and promoting product collection and recycling aspects







#### Multiculturality and gender equality

Designing and developing communication and marketing projects aimed at promoting and disseminating the value of multiculturalism and gender equality.

# Training and development of people

Support for training activities aimed at onboarding





# **Community support**

Support for philanthropic initiatives provided to categories of subjects directly and indirectly involved in corporate activities

The following sections illustrate the main initiatives implemented for each of these areas, the performance indicators used to measure their impact, the milestones achieved, and future objectives.

CHAP. 3 | THE FIVE COMMON BENEFITS SUSTAINABILITY REPORT 2024

# RESEARCH AND INNOVATION





Constant research and development of formulas obtained through innovative techniques used to reduce consumption and waste of resources.

We apply the maximum care in the selection of raw materials that our formulas are composed of and in the choice of packaging, which is fundamental for preserving the properties of the products and ensure quality and safety.

Our products are subjected to rigorous tests and checks, to ensure they meet high standards of safety and effectiveness, thus contributing to the health and well-being of the end consumer.

# RESULTS 2024 Sustainable raw materials and formulations

**75%** 

of the purchased ingredients are of natural origin (ISO16128)

1,170 tons

of RSPO certified raw materials, equal to 35% of raw materials derived from palm oil

Innovation in Packaging:

24% made of recycled plastic used in proprietary brands

40%

of the production of polyethylene (PE) jars and bottles is managed internally

13.8% recycled

plastic on the total consumption, equal to a saving of 233,000 kg of virgin plastic (+20% compared to 2023)

100%

of obsolete bottles in the blow moulding department are recycled, contributing to waste reduction and the optimization of renewable resources



# Responsible Vendors and Purchases

Collaboration with

#### 355 vendors

(of which 88% in Italy)

for 46 million euros of supplies, with 91.5% destined for Italian vendors.

ESG questionnaires sent: 88

40% high level of compliance

**34%** average level of coverage

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

All Pettenon Cosmetics products are developed following careful and scrupulous controls that guarantee their qualitative compliance, safety for the consumer's health, conformity in labelling, as well as in the information provided and in marketing communications, in compliance with current cosmetic regulations.

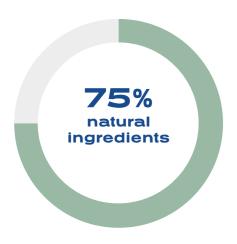
(Reg.1223/2009). As in previous years, also in 2024 the company did not receive any sanctions, fines or warnings regarding the health and safety impacts of its products or regarding the labelling, information and marketing communications displayed on them.

CHAP. 3 | THE FIVE COMMON BENEFITS SUSTAINABILITY REPORT 2024

# The raw materials and the packaging of Pettenon Cosmetics products

#### **Natural Origin and Biodegradability of Pettenon products**

The raw materials used in our production sites in San Martino di Lupari and Cartigliano are carefully selected from vendors who guarantee high quality standards. Through specific processes, calibrated according to the type of product, these materials are transformed into excellent cosmetics.



25% Ingredients with NOI ≤ 0.5

75% of ingredients¹ purchased is of natural origin, with a Natural Origin Index (NOI) above 0.5, confirming the company's preference for natural raw materials.

This value corresponds to **4,702,530 kg** out of a total of over 6,276,000 kg of raw materials purchased.<sup>2</sup>

25% of the ingredients have a NOI ≤ 0.5: of these, 9% are composed of natural ingredients of mineral origin, while 0.02% are natural mineral-based ingredients.

In 2023, a detailed mapping of purchased raw materials was conducted, with the aim of assessing the level of biodegradability of the components used in the production processes.

#### The analysis found that 43.56% of the purchased raw materials are made of ingredients with a biodegradability level greater than 60%.<sup>3</sup>

Narrowing the field to only organic components, the percentage of biodegradable ingredients rises to 83.54%<sup>3</sup>, confirming the company's focus on using raw materials with low environmental impact and consistent with the principles of environmental sustainability and responsibility along the supply chain. Furthermore, in 2024, thanks to the purchase of 1,170 tons of RSPO certified raw materials (Roundtable on Sustainable Palm Oil), which represent 35% of the total raw materials derived

from palm oil, the company has contributed to a reduction in its environmental impact compared to purchasing the same products without certification. The adoption of RSPO certified raw materials supports more sustainable practices, contributing to the reduction of CO<sub>2</sub> emissions and the protection of forests."

# Innovation in packaging

The commitment to innovation and sustainability is also reflected in the choice of materials used for the packaging of Pettenon Cosmetics products.



The company is actively engaged in minimising the use of the most impactful raw materials favouring the use of alternative materials such as recycled and recyclable plastic and FSC-certified paper.

In 2024 the percentage of recycled plastic used is 13.8%, therefore a 20% increase compared to 2023, allowing the company to save 233,000 kg of virgin plastic.

However, excluding Private Label supplies, the percentage of recycled plastic used for corporate brands rises to 24%. This is because, in services provided at the customer's request, the company must adapt the choice of materials to the specific supply needs, as this aspect is not under our direct control.

# 233,000 kg of virgin plastic saved

1 Ingredient is not a raw material. A raw material can also be a sum of ingredients.

2 The calculation was carried out according to the ISO 16128 Natural Origin Inde

2 The calculation was carried out according to the ISO 16128 Natural Origin Index standard, considering components with a NOI > 0.5 as natural.

<sup>3</sup> The calculation follows the OECD 301 (A-F) methods, considering components with a value higher than 60% as biodegradable. The calculation was performed on the organic component, since the inorganic part, from a chemical point of view, cannot undergo biodegradation.



CHAP. 3 | THE FIVE COMMON BENEFITS

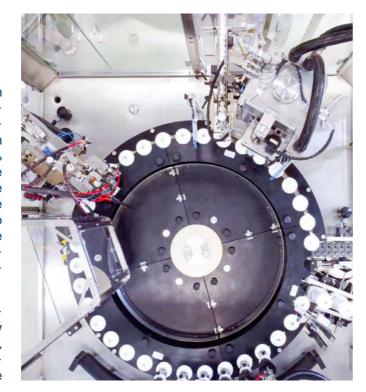
GRI 301-1]; [GRI 301-2]

Materials used by weight	UoM	2022	2023	2024	SML* 2024 Comparable
Total weight of materials used to produce and package the organization's products during the reporting period	t	2,619	2,654	2,811	2,680
Total weight of non-renewable materials used to produce and package products	t	2,574	2,622	2,778	2,649
Plastic	t	1606	1600	1,6884	1,622
Laminated cardboard	t	828	843	930⁵	870
Glass	t	141	179	1606	157
Total weight of renewable materials used to produce and package products	t	45	32	33	31
FSC Paper	t	3	67	5	5
Paper	t	42	26	28	26

# Efficiency and Sustainability in production departments

Furthermore, the company has an internal screen printing, blow moulding, labelling and packaging department that covers 40% of the total production of polyethylene (PE) jars and bottles, with 10.2% consisting of recycled plastic, up from 7.7% in 2023. The department not only helps reduce environmental impact, but also promotes a more responsible production model that focuses on the conscious use of resources. This is also thanks to the ability to recover and recycle 100% of obsolete bottles, which, when reintroduced into the production cycle, promote the optimization of raw material use and production efficiency.

In 2024, several initiatives to promote environmental sustainability were implemented in the Blow Moulding and Internal Screen Printing Departments, with the aim of improving process efficiency, reducing environmental impact, and optimizing the use of resources.



The projects launched in 2023 continued throughout 2024, including studies on packaging weight reduction to reduce the use of plastic in the blow-moulding process. However, it was not possible to apply these activities directly to existing bottles or jars due to two main obstacles: the lack of new brand launch projects dedicated to packaging changes and the excessively tight development times for Private Label projects, which prevented effective studies on high-rotation formats.

Despite these difficulties, weight reduction tests continued in 2024, broadening the solutions explored with the use of more sustainable fillers. These materials, added to plastics, have made it possible to reduce the quantity of plastic in the blow-moulded product, without altering the mechanical properties of the products.

# Introduction of recycled plastic boxes for internal use

Cardboard boxes are gradually being replaced with new plastic boxes containing 30% recycled polypropylene (PP). The project will involve approximately 2,500 boxes per year, helping to more sustainably manage 4,000 kg of end-of-cycle waste. Completion is expected by the end of 2025, with the aim of improving durability and significantly reducing waste production.

#### Separation of black and white plastic waste

A project has been launched to separate black plastic from white plastic, which will allow the annual recovery of between 40,000 and 50,000 kg of high-density polyethylene (HDPE).

#### Elimination of hazardous products when cleaning screen printing frames

The replacement of solvents containing benzene and other toxic substances with safer, plant-based solutions is currently being tested. The goal is to eliminate approximately 700 litres of hazardous solvents per year and, thanks to the increased efficiency of the new products, reduce the quantities required by 50% without compromising productivity.

These initiatives represent an important step towards a more sustainable production model, geared towards reducing waste and using safer, more environmentally friendly materials.

<sup>\*</sup> San Martino di Lupari

<sup>4</sup> In 2024, the total includes 65 tons from the Cartigliano production site.

<sup>5</sup> In 2024, the total includes 60 tons from the Cartigliano production site. 6 In 2024, the total includes 3 tons from the Cartigliano production site.

<sup>7</sup> Erratum: The data relating to the use of FSC paper in 2023 has been updated from

<sup>0.76</sup> t to 6.23 t following the correction of a technical malfunction in the software. The anomaly had originally caused an incorrect entry of the value, which was subsequently corrected to ensure reporting accuracy and transparency.

CHAP. 3 | THE FIVE COMMON BENEFITS

#### **OUR VENDORS AND OUR COMMITMENT** TO SUSTAINABLE SOURCING

We look to the future with the conviction that every purchasing choice can promote an ethical, responsible business model that respects the environment and society. With our commitment and the collaboration of our vendors, we will strive for increasingly informed, innovative, and sustainable procurement.

ement in the company's strategy towards responsible and sustainable management. The approach adopted is not limited to selecting the best business partners, but promotes procurement prac-

The relationship with vendors represents a key el- tices that generate a positive impact on the environment, society, and governance, in line with the principles of the Corporate Sustainability Reporting Directive (CSRD).

#### An approach based on values and responsibility

who share our values. Since 2023, a structured assessment process has been implemented based

Sustainability guides every stage of the purchasing on ESG (Environmental, Social, and Governance) process, encouraging collaborations with vendors criteria, through specific questionnaires aimed at monitoring partners' commitment to environmental, social, and governance issues.

#### This system allows:

Monitoring and improving vendor sustainability performance

Identifying opportunities for improvement in purchasing practices

Promoting internal training to integrate sustainability into business decisions

**Ensuring high standards of responsibility and** transparency along the supply chain

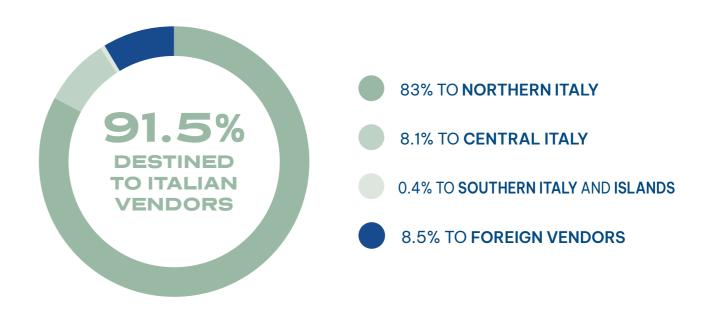
In the two-year period 2023-2024, 88 ESG self-assessment questionnaires were sent to vendors of raw materials, packaging, finished products, and communication materials. The analysis of the results allowed us to classify vendors based on their ESG performance and define targeted actions for continuous improvement. Over 40% of partners demonstrated a strong commitment to ESG criteria, 34% demonstrated medium coverage, while

only 1 vendor did not demonstrate positive practices in this area.

In 2024, the company collaborated with 355 vendors, 88% of which were located in Italy, primarily for the supply of raw materials, packaging, accessories, and communication materials.

Total number of vendors	UoM	2022	2023	2024
Total number of vendors	N	318	336	355
Vendors in the northern area	N	252	265	277
Vendors in the central area	N	23	27	30
Vendors in the southern area and islands	N	6	4	7
Vendors from abroad	N	37	40	41
Total monetary value distributed	€	50,054,088	47,313,239	46,023,292

#### The overall economic value distributed was 46,023,292 euros, divided as follows:



CHAP. 3 | THE FIVE COMMON BENEFITS

SUSTAINABILITY REPORT 2024

# Criteria for Responsible and Sustainable Purchasing

Our purchasing model is not based solely on economic aspects, but integrates sustainability criteria that we consider essential.

#### Among these, we give priority to vendors who:

- Have recognized certifications in the field of environmental and social sustainability
- Adopt production processes that minimize environmental impact, reduce emissions, waste and consumption of natural resources
- Are committed to policies of fairness and the protection of human rights, ensuring fair and safe work conditions for their employees; have solid and transparent governance, demonstrating commitment to compliance with international regulations and best practices

To ensure that these principles are respected, in **2024 we developed our Vendor Code of Conduct**, a document that sets clear standards for our supply chain.

#### This code establishes:

- Precise rules for the adoption of sustainable practices
- A concrete commitment towards ethics, quality and respect for human rights
- Constant checks and monitoring to verify compliance with the established criteria

# Objectives for the future



#### **Supply Chain Sustainability**

- Extension of the ESG questionnaire: Involvement of all vendors in the assessment of environmental, social and governance practices.
- Application of the Code of Conduct: Formal adoption of ethical and sustainable principles as a requirement for business partners.
- ESG assessment integration: Inclusion of ESG parameters in the vendor qualification process through the "Vendor Rating" system. Continuous checks: Periodic monitoring of vendor performance, with support for any improvements.

## **Environmental Impact of the Product**

- Increased recycled plastic while reducing the use of virgin plastic.
- Tool for calculating the total percentage of biodegradability and natural origin of the ingredients that make up the group's raw materials portfolio. By 2025, a tool dedicated to measuring the percentage of biodegradability (according to the OECD 301 method) and natural origin (according to the ISO 16128 standard) of the ingredients used in raw materials will be developed. The goal is to monitor and progressively increase the use of biodegradable and natural ingredients, addressing the complexity of evaluating ingredient mixtures.
- Subsequent development of a new tool for calculating the biodegradability of formulas, to offer the marketing and formulation development teams concrete support in meeting the biodegradability criteria of individual brands.



CHAP. 3 THE FIVE COMMON BENEFITS

SUSTAINABILITY REPORT 2024

# ENVIRONMENTAL PROTECTION





Protecting the environmental system by maximizing the use of sustainable materials and packaging and promoting product collection and recycling aspects

Company consumption

Total electricity consumption 2024:

#### Reducing the company's environmental impact

Pettenon Cosmetics is committed to spreading and consolidating a culture of ecosystem protection, promoting responsible behaviour and providing adequate information and training on energy saving and the proper management of waste and

recyclable materials. The company demonstrates its commitment to environmental sustainability through concrete initiatives aimed at reducing its environmental impact and promoting more sustainable practices in its operations.

#### **RESULTS 2024**

The main production site (HQ) and the Cartigliano site have reached

#### **Carbon Neutrality**

(336,000 kg of CO2 offset for emissions from the company fleet)

New photovoltaic system and energy recycling systems

Significant reduction in water withdrawals

(-21.02% compared to 2023)

# 4,398,381 kWh Total natural gas consumption 2024: 591,935 Sm³ Mobility consumption 73,000 litres Diesel 60,105 litres Petrol

#### **Energy consumption**

[GRI 302-4]

In 2024, Pettenon Cosmetics consumed a total of 41,964 GJ of energy, of which only 2,854 GJ occurred at the Cartigliano production site, equal to 6.8% of total consumption.



100% of the electricity used comes from renewable sources.

In 2024, total electricity consumption was 4,398,381 kWh, of which 321,192 kWh were attributed to the Cartigliano production site. The main site consumed 4,077,189 kWh, a substantially stable value compared to 4,062,085 kWh in 2023.

In addition to electricity, 591,935 Sm³ of methane gas were consumed during 2024, of which 49,505 Sm³ (8.4%) were attributed to the Cartigliano production site. 100% of the emissions generated by its use were offset directly by the vendor. Regarding corporate mobility, in 2024, 73,000 litres of diesel and 60,105 litres of petrol were consumed, for a total of approximately 4,549 GJ of energy. This value represents a 14.9% increase compared to the 3,960 GJ consumed in 2023, mainly due to the growth in the company's workforce and the increase in the number of company vehicles in circulation.

During 2024, no refrigerant gas consumption was recorded, unlike 2023, when 40 kg of R-407C was used.

In 2024, Pettenon Cosmetics completed two strategic projects to improve energy efficiency and reduce its environmental impact.

#### **Photovoltaic and Energy Recovery**

In cosmetics production, mixtures must be cyclically heated and cooled to ensure compliance with quality standards. Temperature regulation in production processes occurs through cascade technological systems, which mainly use water up to 85°C and steam for temperatures above 100°C.

Thanks to a waste heat recovery system (thermal waste), it was possible to drastically reduce the use of process water, with a 95% decrease compared to the previous year; in 2023, this use represented approximately 30% of total water consumption.

The new plant is managed by an automated supervision system, equipped with intelligent sensors that optimize operations in real time.

At the heart of the system is a heat pump powered by a next-generation photovoltaic system which, combined with the existing systems, will allow for an annual production of 1 GWh, equal to 25% of the total energy requirement. In 2024, an additional contribution of 188,157 kWh was recorded from the new photovoltaic system, corresponding to an increase of 81.85% compared to the previous year.

Furthermore, the new photovoltaic system, installed on the roof of the 250-space company parking lot, is also equipped with charging stations for electric vehicles.

These initiatives represent an important milestone in Pettenon Cosmetics' sustainability strategy, confirming the company's commitment to adopting innovative solutions to reduce environmental impact and transitioning to an increasingly sustainable production model.

[GRI 302-1]

Energy consumption broken down by source	UoM	2022	2023	2024	SML* 2024 Comparable
Total	GJ	37,617	38,087	41,964 <sup>8</sup>	39,110
Methane consumption	GJ	18,123	18,177	20,296 <sup>9</sup>	18,599
Petrol consumption for the car fleet	GJ	1,510	2,200	1,918	1,918
Diesel consumption for the car fleet	GJ	2,442	2,357	2,631	2,630
Consumption from purchased electricity (non-renewable)	GJ	0	0	0	0
Consumption from purchased electricity (renewable)	GJ	14,805	14,624	15,83410	14,678
Energy consumption from photovoltaic panels (renewable)	GJ	737	730	1,285	1,285

<sup>\*</sup> San Martino di Lupari

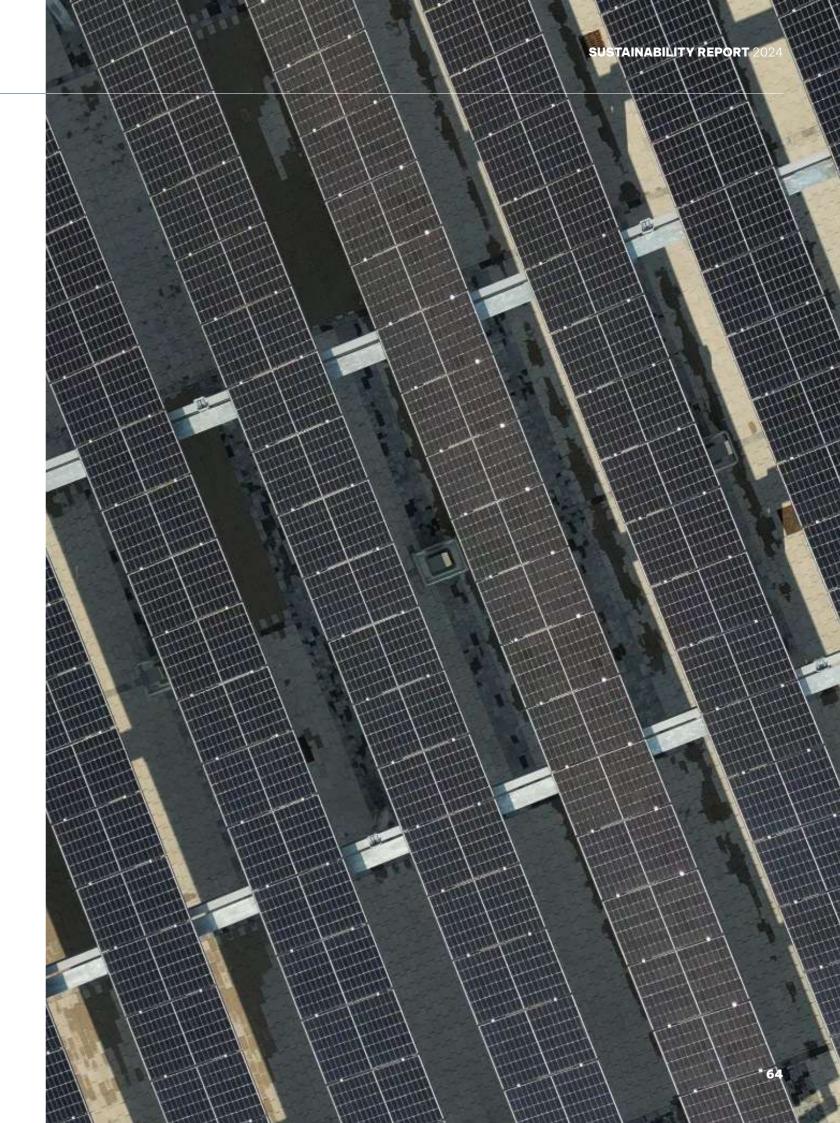
In 2024, Pettenon Cosmetics continued to monitor its energy intensity index, which measures the energy used per tonne of production. The overall energy intensity index was 1.24 GJ/tonne, considering both production sites.

The main site (San Martino di Lupari) recorded an energy intensity of 1.19 GJ/tonne, an increase of 5.3% compared to 2023, when it was 1.13 GJ/tonne.

The Cartigliano production site showed a higher index, of 2.50 GJ/tonne, contributing to the overall increase.

These data highlight the need to further optimize production processes, particularly in the most energy-intensive areas. The goal for 2025 is to progressively reduce this index, promoting increasingly efficient and sustainable practices.

<sup>&</sup>lt;sup>10</sup> In 2024, the total includes 1,156 Gj from the Cartigliano site



<sup>8</sup> In 2024, the total includes 2,853 Gj from the Cartigliano site 9 In 2024, the total includes 1,697 Gj from the Cartigliano site

CHAP. 3 | THE FIVE COMMON BENEFITS SUSTAINABILITY REPORT 2024



# Pettenon Cosmetics' Commitment to Environmental Sustainability

Sustainability and reducing environmental impact are key priorities for Pettenon Cosmetics. The company began its concrete journey towards a more sustainable model in 2022, with the adoption of the OLCA (Organizational Life Cycle Assessment) analysis. This crucial tool allowed us to thoroughly analyse the environmental impact of our business activities, focusing on the company's product portfolio. Thanks to this assessment, Pettenon Cosmetics was able to precisely identify the areas on which to focus improvement efforts.

Subsequently, the company took a further step by measuring the carbon footprint of its main production facility, in line with ISO 14064 certification. The data relating to this analysis were reported in the 2023 Sustainability Report, offering a transparent and detailed view of the environmental impact along the entire value chain. This approach has allowed us to identify the main sources of emissions and develop targeted strategies for their reduction.

However, due to the expansion of the company's scope between 2024 and 2025, with the integration of two new companies into the Group, the decision was made to postpone the development of the emissions reduction plan until 2025. This choice allows us to include new companies in the plan, ensuring a more comprehensive and effective approach to environmental sustainability.

#### **Greenhouse gas emissions**

Pettenon Cosmetics is committed to reporting direct and indirect greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol, i.e., according to the distinction between Scope emissions: Scope 1 identifies emissions from sources owned and controlled directly by Pettenon Cosmetics, and Scope 2 identifies emissions from electricity production imported and consumed by the

company. The accounting took into consideration the specific Global Warming Potential (GWP) of each greenhouse gas, which expresses its contribution in relation to the effect of CO2, whose reference potential is equal to 1. Emissions are measured in tonnes of CO2 equivalent (tCO2e).

[GRI 305-1; 305-2]

Greenhouse gas emissions	UoM	2022	2023	2024	SML 2024 Comparable
Scope 1	Ton. CO <sup>2</sup> eq.	1,247.78	1,401.65	1,546.7711	1445.52
Scope 2 (location based)	Ton. CO <sup>2</sup> eq.	1,074.44	1,084.66	1,057.4212	980.20
Scope 2 (market based)	Ton. CO <sup>2</sup> eq.	0	0	0	0

#### The commitment to Carbon Neutrality

With the support of ClimatePartner—a service provider that guides companies on the path to Net Zero—the San Martino di Lupari production site, Pettenon Cosmetics' main facility, and the Cartigliano production site have achieved carbon neutrality. An important milestone, the result of a diversified strategy on three levels:



Measuring and monitoring of all emissions from activities under the direct control of the company (Scope 1 and 2).



Reducing emissions through energy efficiency measures and the use of electricity from 100% renewable sources.



Offsetting residual emissions by supporting certified socio-environmental projects that promote  $\rm CO_2$  absorption and the generation of high-quality carbon credits.

In 2024, thanks to these actions, the company offset a total of  $336,000 \text{ kg of CO}_2$ .

Furthermore, Pettenon has neutralized approximately 8,000 kg of CO<sub>2</sub> generated by its corporate events, supporting climate protection and social impact initiatives.

 $<sup>^{11}</sup>$  In 2024, the total includes 101.25 Ton CO2 eq generated by the Cartigliano site

 $<sup>^{12}</sup>$  In 2024, the total includes 77.22 Ton CO2 eq generated by the Cartigliano site

#### Our projects for the climate and communities

Our offsetting strategy translates into a concrete contribution to projects that generate environmental and social value, in collaboration with qualified partners such as ClimatePartner and Dolomiti Energia.

Thanks to Dolomiti Energia's 100% CO<sub>2</sub> Offset Gas supply, we support offsetting initiatives with direct benefits for people and the environment:

#### **EFFICIENT STOVES FOR COOKING**

Distribution of low-consumption wood stoves in rural communities, for:

# Reducing CO₂ emissions

# Improving air quality

Reducing health risks linked to combustion fumes

#### AQUEDUCTS POWERED WITH RENEWABLE ENERGY

Construction of 5 aqueducts in 7 villages in southern Ethiopia, for:

Ensuring safe access to water for approximately 8,000 people

Reducing emissions with solar or gravity pumping systems



# WITH CLIMATEPARTNER WOMEN EMPOWERMENT (India)

We support access to credit for female micro-entrepreneurs in rural areas to purchase solar lamps and water filters.

- Improved quality of family life
- Extension of business hours
- Reduced fuel use and strengthening women's economic autonomy

# PROTECTING BIODIVERSITY AT CAMPO DEI FIORI PARK (Italy)

• Ecosystems and territorial resilience.

#### HYDROELECTRIC POWER IN VIRUN-GA NATIONAL PARK (DR Congo)

- Over 90,000 MWh/year of renewable energy
- 3 tons of CO<sub>2</sub> avoided
- Respect for the natural landscape

#### **ACCESS TO DRINKING WATER (Eritrea)**

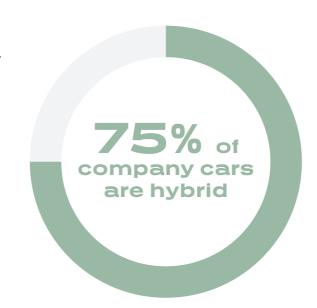
- Repair of damaged community wells in Zoba Maekel district and water filters.
- Improved public health
- Sustainable management of water resources

https://climate-id.com/en-gb/organisations/AAGF88/2024

#### Sustainable mobility

75% of the company car fleet is now hybrid. Electric charging stations, currently dedicated to company vehicles, have been installed at the plant with the aim of promoting the ever-increasing use of low-emission vehicles.

A concrete choice to further reduce environmental impact and promote a culture of sustainability within and outside the company.



#### **Waste management**

Pettenon Cosmetics is committed to managing and enhancing the factory's waste materials through their recovery and recycling.

All material waste produced at production sites, such as waste from packaging materials, is separated and, where possible, recovered and reused within production processes. The materials in question are mainly the plastic used for bottles and the packaging paper of the products. The production site is equipped with a filtration and purification system that reduces the amount of liquid waste produced and reuses the resource before final disposal through filtration processes. In 2024, this plant allowed the complete recovery of the quantity of liquid waste produced.

In the three-year period 2022-2024, the company confirmed its commitment to responsible waste management, achieving significant results in terms of reducing its environmental impact and demonstrating a constant focus on sustainability.

After a significant reduction in total waste in 2023 (-38.8% compared to 2022), an increase was recorded in 2024 due to the greater production of sludge resulting from biological treatment and the increase in the other waste category (14.1%). The main site recorded a total of 965.6 tonnes during

the financial year, equal to an overall reduction of 30.1% towards 2022.

Despite this increase, Pettenon Cosmetics has maintained a particular focus on reducing hazardous waste destined for disposal, which remains at very low levels of 1.7 tonnes in 2024. Furthermore, non-hazardous waste destined for disposal continues to be zero, confirming the company's commitment to promoting the recovery and reuse of materials.

Finally, as already reported in the "Research and Innovation" chapter, the internal blow-moulding department allows the company to recover and recycle 100% of obsolete bottles to create new plastic elements, thus reducing waste materials.

In 2024, the Cartigliano site produced a total of 854.2 tons of waste, of which approximately 800 tons was aqueous waste. This high quantity is due to the lack of an internal purification plant, which inevitably leads to a greater volume of liquid waste.

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

Waste produced destined for and not for disposal	UoM	2022	2023	2024	SML 2024 Comparable
Total	t	1,382.4	846.3	1,819.8	965.6
paper and cardboard packaging	t	167.3	178.3	119.9	119.9
composite packaging	t	0	0	0	0
plastic packaging	t	33.7	29.9	30.0	30.0
wooden packaging	t	125	113.4	102.0	99.9
mixed material packaging	t	142	141.7	214.1	170.6
iron and steel metal packaging	t	38.7	15.4	11.6	10.7
packaging containing residues of hazardous substances	t	730	66.6	74.0	72.1
Sludge produced by biological treatment	t	69.4	169.6	263.4	263.4
aqueous washing solutions and mother liquors	t	0	0	0	0
aqueous liquid waste				799.9	0
other waste	t	76.2	131.5	204.9	199.0
Total weight of waste not destined for disposal	t	1,382	846.0	1,018.2	963.9
Total weight of hazardous waste not destined for disposal	t	730.3	67.4	149.3	147.2
Total weight of non-hazardous waste not destined for disposal	t	651.7	778.6	868.9	816.7
Total weight of waste destined for disposal	t	0.4	0.3	801.6	1.7
Total weight of hazardous waste destined for disposal	t	0.4	0.3	1.7	1.7
Total weight of non-hazardous waste destined for disposal	t	0	0	799.9	0



## Echosline for plastic pull

Our brand **Echosline** supported the recovery of waste from beaches, parks and streets in Italy. During the 81st Venice Film Festival, where we were style partner at Villa powered by Giffoni Hub, we collected 1.2 tons of waste. In 2024, we funded the collection of 4,000 kg of waste with Piantando's Plastic Pull project.

Piantando is a Benefit Corporation committed to projects with high social and environmental impact.

CHAP. 3 | THE FIVE COMMON BENEFITS **SUSTAINABILITY REPORT** 2024

#### **PROJECT - RECYCLING Personal Protective Equipment (PPE)**

environmental strategy. The goal is to reduce waste production and promote the recovery and valorization of resources, in a circular economy perspective.

Waste management is a fundamental pillar of our Every year we take targeted actions to minimize our environmental impact and improve the efficiency of collecting and treating waste generated by our op-

#### **Recycling PPE Safety Shoes**

Among the initiatives launched, the project dedicated to the recycling of used safety shoes deserves attention. At the end of their life cycle, the shoes are delivered to the department managers and subsequently placed in special containers, thus starting the recovery process. The shoes are transformed into new materials, used to produce sound-absorbing panels, carpets for gyms and playgrounds, as well as desk tops and other furnishings.

This initiative makes a concrete contribution to reducing CO<sub>2</sub> emissions and disposal costs by valorizing corporate waste and promoting a truly circular economy. The project also represents an opportunity for all employees to participate, becoming an active part of the shift towards more sustainable and responsible resource management.

#### **Water consumption**

Pettenon Cosmetics considers water a precious resource and is therefore committed to limiting water consumption as much as possible, encouraging, where possible, the reuse of the resource used during production processes and limiting waste.

During 2024, Pettenon Cosmetics completed an innovative system for the recovery of cooling water used in production mixers, with the aim of optimizing water consumption. This system allows for water reuse, reducing approximately 30% of total annual water withdrawal.

In 2024, Pettenon Cosmetics used 84,600 m<sup>3</sup> of water at the main site, recording a 21% decrease compared to 2023, when consumption was

At the same time, the company achieved a significant reduction in water intensity, down to 2,899 m³ per ton of product, a decrease of approximately 19% compared to the previous year, thanks to a more efficient use of resources and targeted consumption optimization interventions.

The Cartigliano production site recorded water consumption of 2,582 m<sup>3</sup> during 2024.

All water withdrawals were carried out in areas classified as being at medium risk of water stress. underlining the importance of responsible and sustainable use of water resources.

# **Objectives** for the future

+30%

To increase self-generated electricity by 30%

-30%

To reduce overall water consumption by 30%



# GENDER DIVERSITY AND MULTICULTURALISM



#### **RESULTS 2024**

**60%** female employees

of management positions are held by women

Signatory of the Manifesto

"Business for People and
Society" promoted by the UN
Global Compact Network Italia

Adoption of the Welfare Plan with a

**44.70%** conversion rate of the bonus into welfare

Access to working from home:

up to 50% for compatible roles



Designing and developing communication and marketing projects aimed at promoting and disseminating the value of multiculturalism and gender equality.

Pettenon Cosmetics promotes gender diversity and multiculturalism both within the company and in society, enhancing diversity and ensuring an inclusive environment. The company's Code of Ethics protects the physical, cultural and moral integrity of employees, condemning any form of discrimination based on personal characteristics unrelated to work.

[GRI 406-1]

The policies adopted by the company **ensure the correct and fair behaviour of all staff**, from the highest levels to the individual operating units, in favour of a work environment **inspired by the prin**-

ciples of freedom, equity and loyalty, encouraging the reporting of violations through the Whistle-blowing system, in compliance with Legislative Decree 24/2023.

Similarly to previous financial years, no reports of discrimination were received in 2024.

Pettenon Cosmetics' commitment to diversity, inclusion, and gender equality is reflected in the initiatives it supports. The company is committed to promoting female leadership by enhancing women in every aspect of corporate life.

[GRI 2-7]

Staff composition	UoM	2022	2023	2024
Total number of employees	N	437	460	521
Man	N	188	186	210
Men	%	43%	40%	40%
	N	249	274	311
Women	%	57%	60%	60%
	N	104	111	113
Age under 30 years	%	24%	24%	22%
A 1 1 20 150	N	256	258	300
Age between 30 and 50 years	%	59%	56%	58%
	N	77	91	108
Age over 50 years	%	18%	20%	21%

In 2024, 97% of employees (of which 41% men and 59% women) was employed on a permanent basis, while the remaining 3% (of which 33% men and 67% women) have temporary contracts; the company did not hire employees without non-guaranteed hours.

[GRI 405-1]

Total number of employees by category and gender	UoM	2022	2023	2024
	N	437	460	521
Total Executives	N	13	13	16
Men	N	10	10	11
	%	77%	77%	69%
Women	N	3	3	5
	%	23%	23%	31%
Total Managers	N	39	41	54
Men	N	18	19	26
	%	46%	46%	48%
Women	N	21	22	28
	%	54%	54%	52%
Total White Collar Workers	N	207	224	240
Men	N	59	57	61
	%	29%	25%	25%
Women	N	148	167	179
	%	71%	75%	75%
Total Blue Collar Workers	N	178	182	211
Men	N	101	100	112
	%	57%	55%	53%
Women	N	77	82	99
	%	43%	45%	47%



Total number of employees by category and age group	UoM	2022	2023	2024
	N	437	460	521
Total Executives	N	13	13	16
Age under 30 years	N	-	-	-
	%	-	-	-
Age between 30 and 50 years	N	7	4	4
	%	54%	31%	25%
Age over 50 years	N	6	9	12
	%	46%	69%	75%
Total Managers	N	39	41	54
Age under 30 years	N	-	-	-
	%	-	-	-
Age between 30 and 50 years	N	27	24	33
	%	69%	59%	61%
Age over 50 years	N	12	17	31
	%	31%	41%	39%
Total White Collar Workers	N	207	224	240
Age under 30 years	N	62	60	64
	%	30%	27%	27%
Age between 30 and 50 years	N	120	138	151
	%	58%	62%	63%
Age over 50 years	N	25	26	25
	%	12%	12%	10%
Total Blue Collar Workers	N	178	182	211
Age under 30 years	N	42	51	49
	%	24%	28%	23%
Age between 30 and 50 years	N	102	92	112
	%	57%	51%	53%
Age over 50 years	N	34	39	50
	%	19%	21%	24%

Pettenon Cosmetics has joined the **Manifesto** "Business for People and Society", promoted by Network Italia, the local network of the United Nations Global Compact, the largest global initiative for corporate sustainability. This act underlines the company's dedication to integrating these crucial topics into its business strategies and practices, and to strengthening the centrality of people, the community and social well-being in corporate choices, with the goal of creating a fair and inclusive work environment for all.

Furthermore, Pettenon Cosmetics actively supports projects and initiatives in favour of local associations involved in the promotion of gender culture. The company is also strongly oriented towards prevention, promoting various social activities and programmes dedicated to people's well-being within it. These initiatives are implemented through awareness-raising courses, information campaigns and collaborations with organizations that share the same values of inclusion and social responsibility.

# I live healthy at the company

For the second year in a row, Pettenon Cosmetics has joined the Veronesi Foundation's "Vivere in Salute" (Living Healthy) programme, an initiative aimed at spreading the culture of prevention through clear, immediate, and scientifically validated information.

After addressing the issue of female cancers in 2023, the 2024 programme focused on skin cancer prevention. The company offered its employees two important activities:

#### An informative webinar

A meeting dedicated to skin health, with insights into the risks and the opportunity to ask questions to an expert doctor.

#### A mobile clinic at the company

Free skin screening to detect any pathologies, made available directly in the workplace.

The initiative was well received, with a total of 199 employees participating in the webinar and mobile clinic visits, confirming the company's interest and focus on prevention and health. With this initiative, Pettenon Cosmetics reaffirmed its commitment to promoting well-being, investing in concrete awareness-raising and prevention activities for its employees.



# Alter Ego Italy supports breast cancer research with Veronesi Foundation

In 2024, Alter Ego Italy strengthened its commitment to scientific research and social innovation, focusing on supporting the fight against triple-negative breast cancer (TNBC). Our brand is funding a research project in Biochemistry and Molecular Biology at the Veronesi Foundation, established in 2003 by Professor Umberto Veronesi, to support advanced studies on the mechanisms of tumour macrophage transformation, with the aim of identifying new therapeutic strategies for patients affected by this disease.

One of the highlights of the year was the research grant award ceremony on May 15, an event attended by medical and scientific experts and company representatives. This initiative has consolidated Alter Ego Italy's desire to be an active player in medical progress and health promotion.

Through these actions, Alter Ego Italy has demonstrated how the beauty sector can be a driver of positive change, combining innovation and solidarity to contribute to a better future.

The Beauty Gives Back and Love is in the Hair charitable initiatives in support of La forza e il sorriso Onlus have raised €63,500, which will be used to further the non-profit's mission: to increasingly extend free beauty workshops to women affected by cancer.



#### **⊗ Pettenon Cosmetics for QUID**

In 2024, Pettenon Cosmetics launched a major sustainability and social inclusion project in collaboration with QUID, a Verona-based social enterprise that offers employment and training opportunities to vulnerable people, with a particular focus on women at risk of unemployment.

The initiative was launched with the aim of raising employee awareness of sustainability and social responsibility issues, while promoting a circular economy based on the recovery of high-quality materials. Through this partnership, a process of recovery, design, and production entirely Made in Verona was initiated, resulting in the creation of sustainable garments and accessories, crafted from top-quality surplus fabrics.

This collaboration not only promotes the responsible reuse of resources, but also actively supports the employment of vulnerable people, offering them new career prospects.

The initiative is part of our corporate philosophy of "Beauty Beyond Beauty", where beauty is not limited to products, but is also expressed through values of ethics, sustainability, and a positive impact on the community.



# Alama Professional's commitment to the community: supporting the Race for the Cure

In line with the values of Pettenon Cosmetics and our commitment to social sustainability, Alama Professional renews its support for women by participating for the first time in the Race for the Cure, the largest event in the world for the fight against breast cancer, organized by Komen Italia. The event, now in its twenty-fifth year, took place in Rome and represents a significant moment of sharing, awareness, and prevention. The Race for the Cure offers a full programme of activities, including conferences, sporting events, and free checkups, promoting prevention and wellness. For Alama Professional, beauty is also synonymous with care, inclusion, and solidarity.



#### 

For the second year in a row, ALAMA is a gold sponsor of Lupe Basket. Alama Professional continues to support Lupe Basket, the A1 Series women's team, renewing its partnership as the gold sponsor of the San Martino di Lupari's first women's team, a highly prestigious team in the national basketball scene. This collaboration represents a clear sign of ALA-MA's constant commitment to promoting gender equality, diversity and inclusion in sport, actively contributing to the valorization of women's sport and its values.



#### **♦ Fanola for CROSSABILI**

Pettenon Cosmetics sponsored the participation of Mattia Cattapan, founder of the non-profit association CROSSABILI, in the 2024 Italian Autocross Championship. Thanks to his adapted Fanola-branded Kart Cross, Mattia became the first disabled driver in Italy to win the 2024 Formula Drive Kart Cross Category, successfully competing against able-bodied athletes. The CROSSABILI association promotes inclusion, independence, and fun through sports and shared activities for people with disabilities.



#### **⊗ Fontana Foundation**

Pettenon Cosmetics has offered its support to the Fontana Foundation, acting as a sponsor through two important initiatives. The Jaza Kikapu project in Kenya aims to improve the economic situation of the poorest families in Laikipia County by enhancing the role of female heads of households, in line with the objectives of gender diversity and multiculturalism.

The World Social Agenda Project, a programme that annually involves 50 teachers and 1,000 students from Padua and its province, promotes reflection on global issues to educate future citizens, consistent with the goal of training and empowering people.



Board, a cross-functional team established between late 2023 and early 2024. With a team of approximately 13-14 members from various company departments, the Board brings together people united by a passion for digital and technological innovation, sustainability, and creating value for our stakeholders.

The Innovation Board operates in a dynamic and inclusive manner: membership is open to anyone with valid ideas, which then lead to real projects involving various company departments. The Board meets periodically for brainstorming, discussing ongoing projects, and developing action plans.

#### The innovation board's guiding principles include:

#### **Active** involvement of co-workers

leveraging ideas from across the organization, in a bottom-up approach

#### Customer centricity

with solutions (products and services) that respond to the new needs of the market and consumers

#### **Development** of innovative projects

to improve products and processes, including and promoting Al in the company

#### **Projects implemented in 2024:**

#### **Formula Automatch**

Artificial Intelligence software connected InCloud software that allows one to design to our PLM (Centric) that helps laboratomix, reducing time-to-market.

#### **Potion Al**

a formula starting from an INCI found on ry technicians select the best formulation the web, suggesting percentage ranges of ingredients and supporting the search for new potential materials.

CHAP. 3 | THE FIVE COMMON BENEFITS SUSTAINABILITY REPORT 2024

#### **ESG Training: Involvement at all levels**

The ESG training programme was designed in 2024 with the aim of actively involving people at all levels of the company, promoting a deep understanding of sustainability principles. The training course addressed the key concepts of sustainability, the sustainability report, and Pettenon SB's five common benefit objectives. The sessions, organized for all company areas, were structured in groups of 20 participants each, with each meeting lasting 1.5 hours. This approach has enabled us to involve over 300 people, raising awareness and encouraging a concrete commitment to sustainability in every aspect of the organization.



#### All employee meetings

"All Employee Meetings" are periodic meetings held every two months by the company to involve all employees, regardless of their role or department. These are broad-based internal communication opportunities that can take place in person, remotely, or in a hybrid format. Their purpose is to engage the entire company workforce in ESG projects and provide updates on projects and company progress.

# Corporate Monitors and Sustainability PILLS

During 2024, the company installed digital monitors throughout its offices to improve internal communication and raise awareness of sustainability issues. Through these tools, the company shares updates on news, projects, and key sustainability pills, fostering greater awareness and responsibility among all employees. This initiative is part of a broader commitment to transparency and active involvement of the company population.

#### Student visits

Pettenon enthusiastically welcomes students from all over the world, offering them the opportunity to experience the company and the cosmetics industry first-hand. During these visits, participants can learn more about the values that guide the company's operations, its commitment to innovation and sustainability, and explore the product creation process. These moments represent an opportuni-

ty for exchange and growth, allowing students to come into contact with a dynamic and ever-evolving company.

In 2024, 123 students from various schools visited Pettenon, participating in training sessions and guided tours of the company.



#### **Participation in CSR Events**

Pettenon Cosmetics continues its commitment to Corporate Social Responsibility (CSR) by participating in events dedicated to sustainability, business ethics, and community wellness, with the aim of promoting concrete projects in line with its corporate values.

#### **MAIN INITIATIVES 2024**

## **CSR and Social Innovation Salon**

Verona

Mario Greganti, Chief HR & Organization Officer, participated in the "Racconti del territorio (Stories of the local area)" talk, highlighting the importance of people in corporate strategies and the company's commitment to a positive and lasting social impact.

28

MARCH '24

"Team Success and Leadership Lessons" Event San Martino di Lupari

Luigi Ambrosini, CEO of Pettenon, participated in the roundtable discussion alongside representatives of sports and corporate leadership, highlighting teamwork, integration, and female talent.

11

APRIL'24

Road to Green: Logistics Innovation

Bracchi

Pierpaolo Campolonghi, Group Logistics Manager, presented Pettenon's responsible approach to sustainable logistics, in line with its strategy to reduce environmental impact.

05

**JUNE '24** 

Round Table on "Gender Equality and its Impact on Business" Sky Italia

During the Winning Women Institute event, Pettenon shared the company's best practices for diversity and inclusion, highlighting its free breast screening programme, support for Lupe Basket, adherence to the Women Empowerment Principles, and gender equality certification process.

**25**JUNE 24



#### Welfare and work-life balance

programmes, as well as welfare programmes to support family needs, as cornerstones of its company policy, as they positively contribute to employee well-being, reduce the gender gap, and combat career interruptions.

Regarding targeted work-life balance initiatives, Pettenon Cosmetics guarantees agile working (up to 50% of work days) for all employees whose roles allow it, providing collaboration and team working tools, in line with the "work from anywhere" philosophy. This policy has laid a solid foundation for a more structured remote working approach, ensuring greater work flexibility and a better worklife balance. Furthermore, part-time employment contracts are available, as well as the possibility of adopting flexible work hours for some depart-

To support family needs, Pettenon Cosmetics adopts policies that promote parental leave and support other family challenges. As a further welfare measure for its employees, Pettenon Cosmetics has implemented electronic vouchers that can be used at participating businesses.

Pettenon Cosmetics identifies work-life balance As of July 2023, the company has also adopted the short week arrangement for non-shift employees, offering them the opportunity of leaving early on

> Regarding welfare initiatives, in 2024 the company developed and launched a Welfare Plan, via the AON ONEflex portal, where employees can access a range of services and reimbursements by converting their participation bonuses and taking advantage of special offers and discounts. If a Participation Bonus is converted, the company also adds an 8% conversion bonus to the basic bonus for all its employees. The initiative has received great enthusiasm from the company, recording a bonus conversion rate of 44.7% in 2024.

#### Promoting mental health: the partnership with Unobravo

In 2024, Pettenon Cosmetics strengthened its To facilitate access and use of the platform, the commitment to people's wellness through a mental health initiative, promoting a caring and sustainable work environment, also from an emotional and psychological perspective. Starting October 2nd, all company employees have had access to four free psychological support sessions thanks to the partnership with the online therapy service Unobravo.

This collaboration stems from the awareness that mental health is essential to the quality of life, even in the workplace, where people spend an average of four to eight hours a day. The initiative's objective is to provide concrete tools to support people in managing daily challenges and reaching their full potential, both personal and professional.

company organized a dedicated Welcome Day, illustrating the services offered, the platform's features, and the various types of psychological support available.

Through this initiative, the company wanted to highlight the value of mental health, investing in the well-being of its employees and contributing to the creation of a healthier, more serene, and inclusive work environment.

# **Objectives** for the future



# TRAINING AND DEVELOPMENT OF PEOPLE



# Support for training activities aimed at increasing the competitiveness of its people

#### **RESULTS 2024**

More than 9,000 hours of training delivered

#### 18 average hours

of training per employee

Investment in training with the participation of

#### 14 resources

in Masters or courses taught by Business Schools.

Turnover rate of

6.5%

Participation of over

#### 80 people

at the Innovation Days 2024 event

Implementation of

#### "Performance

#### Dialogue"

with 100% coverage for executives, managers and white collar workers

Pettenon Cosmetics and the professional haircare sector are undergoing profound transformations, influenced by the current political and economic context and the increasing digitalization of the market.

The company considers the ongoing training of its employees and collaborators a strategic tool to support business growth and maintain high standards of quality in customer service. The company's training programme promotes the professional development of all employees through ongoing and targeted learning paths, dynamic skills management, and the development of individual aptitudes, while ensuring a safe, healthy, and inclusive work environment.



#### People are our strength

[GRI 404-1] [GRI 404-2]

Every year, based on an analysis of identified training needs, Pettenon Cosmetics designs, plans, and implements a training plan for all employees, proposed by the Human Resources Training and Development department and shared with the Board of Directors.

Corporate training programmes are divided into four macro-areas, aimed at supporting people's professional growth and ensuring continuous updating of skills:



#### **Management Training**

This aims to strengthen leadership and management skills, with a focus on market developments, current regulations, and competitor strategies. In 2024, courses on management, leadership and negotiation were delivered.

#### **Technical-Specialist Training**

Dedicated to improving specific technical skills to support employees in carrying out their duties, aimed at developing transversal skills to improve the quality of work. In 2024, language training, communication, and Microsoft Office suite courses were activated.

#### **Mandatory Training**

In line with current regulations, this includes courses on occupational health and safety, cybersecurity, data protection, anti-money laundering, and the 231 Organizational Model.

To support these programmes, the Skilla Training Platform is active, providing access to dedicated content to deepen one's knowledge of the company, explore thematic briefs on strategic pillars, and follow training programmes specifically structured for different needs.

Pettenon Cosmetics pays special attention to new hires through structured onboarding programmes, designed to ensure rapid and effective integration

within the organization. These programmes include meetings with teams from various departments, visits to production facilities, specific technical training, in-depth analysis of company procedures and policies, and an immersion in the company culture. The goal is to provide new resources with all the tools and knowledge necessary to integrate seamlessly and actively contribute to the company's success.

Total hours of training per year per employee	UoM	2022	2023	2024
Total number of training hours by gender	h	<b>14,364</b> <sup>13</sup>	8,256	9,404
Men	h	6,033	3,199	2659
Women	h	8,331	5,057	6755
Total number of training hours by employee category	h	14,364	8,256	9,404
Executives	h	956	373	655
Managers	h	3,009	1,374	1995
White collar workers	h	4,769	4,732	6080
Blue collar workers	h	5,630	1,777	674

Average hours of training per year per employee	UoM	2022	2023	2024
Average total number of training hours by gender	h	32.7	17.9	18.1
Men	h	31.9	17.2	12.6
Women	h	33.4	18.5	21.7
Average total number of training hours by employee category	h	32.7	17.9	18.1
Executives	h	73.5	28.7	40.9
Managers	h	77.2	33.5	36.9
White collar workers	h	23.0	21.1	24.1
Blue collar workers	h	31.6	9.8	25.3

<sup>&</sup>lt;sup>13</sup> The particularly high number of training hours recorded in 2022 is mainly due to the widespread provision of mandatory occupational health and safety training. This contributed significantly to the overall increase in training hours compared to following years.



#### [GRI 405-2]

In 2024, Pettenon Cosmetics recorded incoming and outgoing turnover rates of 16% and 6.5%, respectively, confirming the overall positive trend of headcount growth in recent years.

New employees hired by age and gender	UoM	2022	2023	2024
Total new employees hired during the year	N	99	84	82
Men	N	45	27	32
	%	45%	32%	39%
Women	N	54	57	50
	%	55%	68%	61%
Under 30 years of age	N	40	36	26
	%	40%	43%	32%
Between 30 and 50 years of age	N	44	39	37
	%	44%	46%	45%
Over 50 years of age	N	15	9	19
	%	15%	11%	23%
Total employees who left the organization during the year	N	61	52	34
Men	N	30	26	16
	%	49%	50%	47%
Women	N	31	26	18
	%	51%	50%	53%
Under 30 years of age	N	15	18	9
	%	25%	35%	26%
Between 30 and 50 years of age	N	30	21	19
	%	49%	40%	56%
Over 50 years of age	N	16	13	6
	%	26%	25%	18%

#### [GRI 405-1]

In line with the previous year, in 2024 approximately 3.3% of the company's employees belonged to protected categories (3.7% in 2023).

Employees belonging to protected categories	UoM	2022	2023	2024
	N	16	17	17
Under 30 years of age	N	0	2	1
Men	N	0	0	0
Women	N	0	2	1
Between 30 and 50 years of age	N	6	5	5
Men	N	3	1	1
Women	N	3	4	4
Over 50 years of age	Ν	10	10	11
Men	N	6	4	4
Women	N	4	6	7

#### [GRI 401-3]

Regarding parental leave and other maternity-related benefits, in accordance with current legislation, 50 people availed of them in 2024, all of whom returned to work, resulting in a 100% return rate. The retention rate of employees who have taken parental leave is approximately 96%.

Parental leave	UoM	2022	2023	2024
Total number of employees entitled to parental leave	N	112	166	204
Men	N	47	100	128
Women	N	65	66	76
Total number of employees who took parental leave	N	28	45	50
Men	N	5	7	12
Women	N	23	38	38
Total employees who returned to work during the reporting period after taking parental leave	N	26	32	50
Men	N	5	7	12
Women	N	21	25	38
Total employees who returned to work after taking parental leave and who are still employed by the organization in the 12 months following their return	N	25	32	48
Men	N	5	7	12
Women	N	20	25	36

CHAP. 3 | THE FIVE COMMON BENEFITS **SUSTAINABILITY REPORT** 2024

#### [GRI 405-2]

Pettenon Cosmetics' commitment to female empowerment is reflected in its efforts to reduce the gender pay gap. The company has long placed factors: seniority, position with respect to market particular emphasis on this issue, completely clos-salary curves, quality of performance and potening the gap in management roles and continuing its tial. commitment to improving its performance in other professional categories. Furthermore, overall, there has been a progressive increase in the remuneration package for all professional categories compared to the previous year.

Salary progression, in addition to being related to the content of the role, takes into account four main

Ratio of basic salary and remuneration between women and men	UoM	2022	2023	2024
Ratio of women's base salary to men's base salary by category	%	93%	112%	98%
Executives	%	122%	136%	96%
Managers	%	85%	82%	85%
White collar workers	%	87%	91%	133%
Blue collar workers	%	97%	96%	95%
Ratio of women's remuneration to men's remuneration by category	%	107%	110%	97%
Executives	%	135%	135%	95%
Managers	%	90%	83%	86%
White collar workers	%	75%	89%	129%
Blue collar workers	%	87%	96%	94%

## **Innovation Day**

A project that aims, through digital and/or in-person courses, to support the development of Pettenon Cosmetics employees' knowledge and skills.

The project involves the delivery of several structured modules to explore relevant topics such as the sustainability of products and production processes, the personal and professional growth of individuals, innovation, and digitalization, thus enabling participants to better address the challenges of the future. Created in collaboration with external experts and prestigious local universities, the format aims to strengthen corporate culture and promote collaborative and responsible leadership. Great attention is also paid to developing soft skills,

such as problem solving, flexibility, teamwork, conflict management, and effective communication.

85 people participated in the last edition, held in July 2024 at the H-FARM campus. The event, dedicated to innovation and customer centricity, included an engaging workshop in which a personalized Al assistant was designed to improve the company's customer-centric approach.



#### Participation in Master courses 2024

In 2024, Pettenon Cosmetics invested in the professional growth of its resources, involving a total of 13 employees in qualified training courses at prestigious institutions.

## **Executive Master in Project Management**

participant followed the course at the **24h Business School** 

# Marketing and Sales Training at Bologna Business School (BBS)

- participant in the Master in Sales & Marketing
- participants in the Master in Branding
  & Marketing Management in the beauty
  sector
- participant in the Master in Trade Marketing & Sales Management.

#### **Quality and Human Resources**

- participant completed the Master in Lead
  Auditor with Bureau Veritas:
- participant followed the **Master in HR with ISTUM**;
- participant attended the **Master in Quality Assurance with MASPF.**

These investments in advanced training demonstrate the company's commitment to developing its team's skills, with a focus on strategic areas such as project management, marketing, sales, quality, and human resources management. This training programme strengthened strategic and operational skills, contributing to the professional growth of both individuals and the organization.

# **Objectives for the future**

#### Internal platform for sustainability:

the creation of a digital space on the intranet for updates and success stories on ESG topics. The goal is to promote a corporate culture oriented towards sustainability, accessible to all employees.

#### **Specialized ESG Training:**

The development a structured training programme with various levels of depth to raise awareness and increase skills on sustainability topics.



CHAP. 3 | THE FIVE COMMON BENEFITS SUSTAINABILITY REPORT 2024

#### **COMMUNITY SUPPORT**



Support for philanthropic initiatives aimed at categories of individuals directly or indirectly affected by corporate activities.

#### **RESULTS 2024**

[GRI 413-1]

Pettenon Cosmetics plays an active role in the development and promotion of the communities that it operates in, supporting numerous projects of national and local non-profit organizations and associations through sponsorships, donations, and collaborations, as well as social solidarity initiatives. With these initiatives, the company aims to enhance beauty not only through professional cosmetics, but also through a concrete strengthening of the relationship with the local area and the involvement of all stakeholders.

Support for over 20 associations nationwide

**20** associations € 344,976.00

The launch of a pilot project

"VolontariAmo"

Donations of products to San Patrignano, Sant'Egidio, Opera di Sant'Antonio, and, through Protection4Kids, to selected orphanages in Poland

**Donations** 



#### Our social commitment in 2024

#### **Polis Group**

Continuing with previous years, Pettenon Cosmetics actively supports Polis Group, a consortium of 5 Paduan social cooperatives that have been dedicated to supporting disadvantaged people for over 25 years. These cooperatives provide educational, rehabilitative, residential and employment services by promoting job placement of disadvantaged people and supporting the culture of acceptance, inclusion and solidarity. Of the initiatives, the following are worth mentioning:

CASA VIOLA: a project that offers secret shelter and support for housing and employment for women victims of violence and their children. The name is a tribute to Franca Viola, a pioneer in the fight against shotgun marriage in Italy, with two apartments designated separately for women in social distress and victims of domestic violence with minor children.

LA BUSSOLA ("THE COMPASS"): A day centre that provides support for the homeless, promoting social and occupational reintegration and actively involving guests in running the centre.

MOSAICO AND NEW TEAM MOSAICO: Day Centres that facilitate the social inclusion of people with disabilities through training and integration with the local network.

In 2024, Pettenon Cosmetics launched the paid volunteering pilot project "VOLONTARIAMO", offering all employees the opportunity to dedicate a work day to volunteer activities. Each person was able to choose whether to participate in initiatives organized in collaboration with local organizations, such as the Polis Group day centre, or to suggest associations of their own choice. The initiative involved over 58 employees in activities such as cleaning common areas and participating in workshops with guests, promoting moments of sharing and team building. To underline the significance of the project, members of top management, including the CEO and the owners, also took part.

Additionally, Polis Group organized a webinar on gender-based violence on November 25, the International Day for the Elimination of Violence against Women. The webinar was open to all company employees and locations, was broadcast via internal monitors, and was attended live by over 208 people.

#### "I bambini delle Fate ("Children of the Fairies")" social enterprise

"I Bambini delle Fate" is a non-profit social enterprise that funds social projects managed by associations of parents, organisations or hospitals, intended for children and youngsters with autism and disabilities thanks to the support of companies and individuals in the local area. The social enterprise exclusively finances projects of associations, organisations and hospitals whose consumers are children and youth with autism and disabilities, and their families. The funded projects implement rehabilitative and social inclusion actions that improve the lives of those affected by autism and disabilities and guarantee relief to their families.

CA' LEIDO, AUTISM CENTRE: Cà Leido, a day care centre for minors and teens with autism spectrum disorders. Cà Leido is a welcoming and familiar place where children can feel at home thanks to a psychoeducational project that helps them develop cognitive and social skills to improve their quality of life.

LIBERAMENTE ONLUS: deals with school-related challenges and learning difficulties. The non-profit organization welcomes youth using unconventional, non-clinical methods, according to the principle of not being problem-oriented but rather looking beyond. In an emotionally safe environment, youth have the opportunity to discover and enhance their unique characteristics, learn to manage their emotions, and navigate different situations and relationships.

F.A.R.C.E.L.A.: A project aimed at socially integrating children with disabilities by building different forms of autonomy, in line with the "I can do it myself" philosophy. The project includes various activities, such as art therapy, integrated basketball, music therapy, swimming, and the "Farcela" theatre workshop.



CHAP. 3 | THE FIVE COMMON BENEFITS **SUSTAINABILITY REPORT** 2024

#### **Pettenon Cosmetics alongside the** non-profit "Città della Speranza ('City of Hope')" Foundation Onlus

The "Città della Speranza" Foundation was founded on 16 December 1994 in memory of Massimo, a child who passed away from leukaemia. The Foundation's primary objective was to raise funds to build a new, modern paediatric oncohaematology ward, as the existing one was completely inadequate and unsuitable for providing decent accommodation for sick children and their families.

Franco Masello, Virginio Zilio, Carlo Mazzocco and Prof. Luigi Zanesco, who at the time was the Director of the Paediatric Oncohematology Clinic in Padua, became promoters of the project and managed to involve businesses and individuals to collect the capital needed to build the new facility, which was inaugurated in1996. Today, the Paediatric Oncohematology Clinic, run by Prof. Giuseppe Basso, is connected to the most important centres in Italy and the world and, thanks to funds from the Città della Speranza, it is the national reference centre for diagnosing acute leukaemia and molecular characterisation of lymphomas and sarcomas and the Coordination centre of national and European protocols of diagnosis and treatment of lymphomas, sarcomas, brain and liver tumours and rare tumours. Since 2014, the Clinic is also the Regional paediatric oncology coordination centre for the Veneto region. The Foundation invests about 2 million euros a year in Scientific Research and has set up an International Scientific Committee that evaluates the projects to be financed.

In particular, in recent years, the association has devoted considerable effort to improving the production of muscle tissue through the use of various biomaterials and stem cells. The primary objective of this research is to create materials designed to treat a series of neonatal malformations, including congenital diaphragmatic hernia, omphalocele, and gastroschisis, conditions characterized by severe muscle defects that significantly compromise the quality of life of affected newborns, if they do not prove fatal. The progress made in this study has not only allowed for the systematic development and controlled production of such materials, which can be personalized using the patient's own cells and successfully translated into the clinical setting, but has also contributed to broadening knowledge regarding the different biomaterials used.



#### **Pettenon supports** "La Forza e il Sorriso" Onlus

**Sorriso Onlus**". the Italian version of the international "Look Good Feel Better" programme, active since 1989 and which has helped over 2 million people in and self-esteem. The message we want to convey is 27 countries, 12 of which are European. This initiative clear: beauty can be a source of strength, hope, and organizes free beauty workshops for women appreciation for each person's uniqueness. undergoing cancer treatment, hosted at hospitals and volunteer associations throughout Italy.

It is a collective social responsibility project sponsored by Cosmetica Italia - the national association of cosmetic companies - with the aim of promoting mitment to promoting wellness and inclusivity. conscious and inclusive beauty.

Pettenon Cosmetics actively supports "La Forza e il The non-profit organization offers concrete support to women facing the challenging journey of cancer treatment, helping them rediscover trust, well-being,

> Pettenon Cosmetics supports this project not only through donations but also as a supporting member, thus strengthening its ongoing and structured com-



#### Support for local events

commitment to supporting the local community by actively participating in various sporting and charity events in the area. Supported events include:

"Aperyshow", April 24-28, 2024, through the ALAMA brand as the main sponsor. This is a charity event that combines live entertainment, music, live bands, artistic performances, and fun in Arsego. Open to all, it aims to engage the community to support a charitable cause and make a difference in the lives of the needy.

"Castelfranco in Rosa" on May 19, 2024, a 7km walk through the streets of the city to raise awareness of breast cancer prevention. Pettenon participated with a company team that won 5th place in terms of number of participants;

"Brenta Half Marathon and Rosa del Brenta" on September 29, 2024 in Bassano del Grappa;

"3rd Arturo Pegorin Memorial Tournament", organized by Cogitana Calcio ASD, held from 13 to 26 May 2024

Pettenon Cosmetics has demonstrated its The company's goal in these initiatives was to provide a contribution through sponsorship or product donation, thus highlighting its support for events that promote sport, wellness, and social commitment within the community. This participation reflects the company's focus on promoting local businesses and encouraging a healthy and socially-inclusive lifestyle.

Other community support projects:

Support for Caritas Group, as part of volunteering actions, in collaboration with the parish of San Martino di Lupari to provide support to people experiencing financial hardship and vulnerability;

Sant'Egidio Community, product donation;

San Patrignano Community, product donation;

Opera Sant'Antonio di Padova, donation of products for the in-house salon for the centre's

Cooperativa Carovana, product donation;

Protection4Kids, product donation to orphanages



# **Objectives** for the future

#### **Structured corporate** volunteering:

organizing dedicated days to encourage the active participation of employees in local social projects.

#### **Testimonials and workshops:**

regular meetings with local associations to raise employee awareness and promote ESG culture.

#### To promote joint planning with associations.

developing shared projects and measuring social impact through the definition of social KPIs, annual internal reporting, and transparent sharing of results with employees.



# METHODOLOGICAL NOTE

[GRI 2-2][GRI 2-3][GRI 2-4][GRI 2-5]

Law No. 208 of December 28, 2015 (the "2016 Stability Law"), in force since January 1, 2016, introduced a new type of business organisation in Italy: the "Benefit Corporation," defined as "those companies which, in the exercise of an economic activity, in addition to the purpose of dividing its profits, pursue one or more purposes of common benefit and operate in a responsible, sustainable and transparent way towards people, communities, territories and the environment, cultural and social goods and activities, cultural entities and activities, associations and other stakeholders."

Law no. 208 of 28 December 2015 ("Stability Law 2016"), in force since 1 January 2016, introduced a new type of business organisation in Italy: that of "Benefit Companies", defined as those companies that:

"in the exercise of an economic activity, in addition to the purpose of dividing its profits, pursue one or more purposes of common benefit and operate in a responsible, sustainable and transparent way towards people, communities, territories and the environment, cultural and social goods and activities, cultural entities and activities, associations and other stakeholders."

To meet the requirements of responsibility, sustainability and transparency towards stakeholders, Benefit Corporations are required to prepare a report on the pursuit of the common benefit, to be attached to the corporate financial statements ("Impact Report"), which includes:

- description of specific objectives,
- · description of the methods and
- description of the actions implemented by administrators to pursue the common benefit goals
- description of any circumstances that prevented or slowed this down

The impact assessment generated using the external assessment standard with the characteristics described in Annex 4 to the 2016 Stability Law and which includes the evaluation areas identified in Annex 5 of the same law; a section dedicated to describing the new objectives that the Company intends to pursue in the following financial year.

The Impact Report must then be disseminated by:



submitting it to the competent Business Registry, together with the financial statement



publication on the Company's website

Pettenon Cosmetics S.p.A. Società Benefit ("Pettenon Cosmetics" or the "Company") has decided to prepare this Impact Report based on the requirements set by the 2016 Stability Law, describing the impact generated by its activities in accordance with the international assessment standards of the Global Reporting Initiative, the "GRI Standards", initially published in 2016 and updated during 2021. This report was prepared using the "with reference" approach.

This document refers to the period from January 1, 2024 to December 31, 2024 and has not been subjected to external assurance activities. The scope of the data and information contained in the document exclusively concerns the Pettenon Cosmetics headquarters and the Cartigliano office.

To request further information about the contents of Pettenon Cosmetics' 2024 Sustainability Report, please contact the Company at the following email address: info@pettenon.it and sustainability@pettenon.it

BEAUTY BEYOND BEAUTY. 110



CHAPTER 05 | GRI TABLE OF CONTENTS **SUSTAINABILITY REPORT** 2024

## Declaration Pettenon Cosmetics S.p.A. Società Benefit has reported the information contained in this table, GRI content for the period 01/01/2024 - 31/12/2024 of use

with reference to the GRI Standards.

GRI 1 used GRI 1: Fundamental principles - 2021 Version

	Standards referenced in the ainability Report	Chapter Direct reference
GRI 2	General disclosure	
2-1	Organizational details	Cover
2-2	Bodies included in the sustainability reporting	4. Methodological note
2-3	Reporting period, frequency and point of contact	4. Methodological note
2-4	Review of information	4. Methodological note With reference to GRI 305-1 and 305-2, the company has introduced a revision of the quantitative data reported following a change in the measurement methodologies used compared to fiscal year 2021.
2-5	External assurance	4. Methodological note
2-6	Activities, value chain and other business relationships	Pettenon Group     Sustainability at Pettenon Cosmetics
2-7	Employees	3. The five common benefits
2-8	Non-employee workers	In 2024, Pettenon Cosmetics employed 25 non- employee workers whose duties are controlled by the company.
2-9	Structure and composition of governance	1. Pettenon Group
2-12	Role of the highest governing body in overseeing impact management	2. Sustainability at Pettenon Cosmetics
2-13	Delegation of responsibility for impact management	2. Sustainability at Pettenon Cosmetics
2-14	Role of the highest governing body in sustainability reporting	2. Sustainability at Pettenon Cosmetics
2-22	Declaration on the sustainable development strategy	Letter to stakeholders
2-23	Policy commitment	1. Pettenon Group
2-24	Integration of policy commitments	1. Pettenon Group
2-27	Compliance with laws and regulations	1. Pettenon Group
2-28	Membership in associations	The company is a member of the following trade associations: Assindustria Venetocentro, Federchimica and Cosmetica Italia.
2-29	Approach to stakeholder engagement	2. Sustainability at Pettenon Cosmetics
2-30	Collective agreements	All Pettenon Cosmetics employees are covered by a national collective bargaining agreement.
GRI 3	Material topics	
3-1	Process of determining material topics	2. Sustainability at Pettenon Cosmetics
3-2	List of material topics	2. Sustainability at Pettenon Cosmetics

	Standards referenced in the ainability Report	Chapter Direct reference
Impa	ct assessment area: Corporate gover	nance
201-1	Economic value directly generated and distributed	1. Pettenon Group
204-1	Proportion of spending on local vendors	3. The five common benefits
205-2	Communication and training on anti-corruption policies and procedures	The members of the Board of Directors, upon approval of the Organization, Management and Control Model pursuant to Legislative Decree 231/01 become aware of the anti-corruption policies and procedures adopted by the company. All employees are required to know and comply with the anti-corruption rules by accepting the clause included in their employment contract.  Starting in 2022, Pettenon Cosmetics will train all its employees on the anti-corruption policies adopted by the Group through training on the Organization and Management Model pursuant to Legislative Decree 231/01 and Code of Ethics adopted since 2019. All employees, with the exception of the blue-collar workers, benefited from the above-mentioned training.  Upon signing the contract, all the company's commercial partners are required to comply with the Code of Ethics and the Organization, Management and Control Model pursuant to Lgs. D. 231/01.
205-3	Confirmed incidents of corruption and actions taken	In 2024, as in the previous year, there were no reported cases of corruption or legal actions involving employees of the organization or external network operators.
206-1	Anti-competitive behaviour	During 2024, like the previous year, the organization did not record any legal actions related to unfair competition, antitrust or monopolistic practices.
418-1	Complaints filed regarding privacy breaches and customer data leaks	During 2024, like the previous financial year, no substantiated complaints were recorded regarding incidents of leakage, theft, or loss of sensitive customer data.
	ct assessment area: Other stakehold	
301-1	non benefit goals: Research and inno	3. The five common benefits
301-1	Materials used by weight or volume  Materials used that come from recycling	3. The five common benefits
416-2	Incidents of non-compliance regarding health and safety impacts of products and services	3. The five common benefits
417-2	Incidents of non-compliance regarding information and labelling of products and services	3. The five common benefits
417-3	Cases of non-compliance regarding marketing communications	3. The five common benefits

CHAPTER 05 | GRI TABLE OF CONTENTS

GRI Standards referenced in the Sustainability Report		Chapter Direct reference	
Impact assessment area: Environment  Common benefit goals: Environmental protection			
302-1	Energy consumption within the organization	3. The five common benefits	
302-3	Energy intensity	3. The five common benefits	
302-4	Reduced energy consumption	3. The five common benefits	
303-3	Water withdrawal	3. The five common benefits	
305-1	Direct greenhouse gas emissions (Scope 1)	3. The five common benefits	
305-2	Indirect greenhouse gas emissions (Scope 2)	3. The five common benefits	
306-3	Waste produced	3. The five common benefits	
306-4	Waste not intended for disposal	3. The five common benefits	
306- 5	Waste destined for disposal	3. The five common benefits	
Impact assessment area: Workers, Other stakeholders (local area and community) Common benefit goals: Gender Diversity and multiculturalism			
405-1	Diversity in governance bodies and among employees	3. The five common benefits	
405-2	Ratio of basic salary and remuneration between women and men	3. The five common benefits	
406-1	Incidents of discrimination and corrective measures taken	3. The five common benefits	
		takeholders (local area and community)	
	non benefit goals: Training and devel		
401-1	New hires and turnover	3. The five common benefits	
401-3	Parental leave	3. The five common benefits	
403-2	Hazard identification, risk assessment and incident investigation	The organization has developed a formal health and safety policy, detailed in the Risk Assessment Document. Procedures for identifying and analysing injuries and near-misses have been defined, and preventive and corrective actions have been prepared. All company employees have the opportunity to report any problems to the occupational physician through the dedicated communication channel.	
403-3	Occupational health services	To protect the health of its employees, the company has implemented a health surveillance programme that requires workers to undergo medical checks, specifically tailored to their job description and associated risk levels.	
403-4	Worker participation and consultation on occupational health and safety programmes and relative communication	In the production departments, the company has installed a "Safety and Quality Noticeboard" as a tool for informing and engaging workers, and a form has been developed to collect workers' suggestions regarding workplace safety. Furthermore, the company maintains an ongoing dialogue with the three Workers' Safety Representatives, who actively participate in a series of coordination meetings.	

GRI Standards referenced in the Sustainability Report		Chapter Direct reference	
403-5	Worker training on health and safety at work	In terms of health and safety at work, the company organizes the following courses: General training, Low/high risk specific training, Supervisor training, First aid training, Training for the use of the AED, Fire prevention training, Forklift training, Manager training and Area-specific training.	
403-6	Promoting workers' health	To facilitate workers' access to non-work-related medical and healthcare services, the company requires its employees to enrol in the Health Care Fund for workers in the chemical, chemical-pharmaceutical, chemical fibre, and abrasives, lubricants, and LPG industries (Faschim). This is a fund created to meet the needs of its members and their families, with the aim of helping them pay for healthcare costs. This service aims to offer greater options for healthcare needs, coverage for both normal needs and major unforeseen events, and protection for the member and their family.	
403-7	Prevention and mitigation of health and safety impacts at work directly related to business relationships	The company has conducted an assessment of its employees' exposure to hazardous substances, outlining strategies for preventing and mitigating the effects on health and safety within the Risk Assessment Document (RAD) specifically dedicated to chemical hazards.	
403-9	Accidents at work	During 2024, 13 incidents of non-serious injuries in the workplace were recorded. The accident rate, calculated as the ratio between the number of recordable accidents at work and the number of hours worked (637,712.33) multiplied by 1,000,000 hours worked, is equal to 20.	
403-10	Occupational diseases	In 2024, in line with previous years, no cases of occupational diseases were recorded.	
404-1	Average hours of annual training per employee	3. The five common benefits	
404-2	Employee upskilling programmes and transition assistance programmes	3. The five common benefits	
404-3	Percentage of employees receiving periodic performance and professional development reviews	3. The five common benefits	
Impact assessment area: Other stakeholders (local area and community) Common benefit goals: Community support			
413-1	Activities involving: local communities, impact assessments and development programmes	3. The five common benefits	

