



Sustainability Report

Impact Report

2025





BEAUTY *beyond* BEAUTY

Beauty expressed through concrete responsibility, inclusion and respect actions, so as to create lasting value and a positive impact on the community and the environment.

Pettenon Cosmetics S.p.A. Società Benefit
Registered office and administrative headquarters at Via del Palù 7/D, 35018, San Martino di Lupari, Padua (IT)
Padua Companies Register number, Tax Code and VAT number: 04937500280
Economic Repertoire no.: PD 430007
Share Capital: EUR 7,500,000.00 fully paid-up



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Letter to Stakeholders

GRI 2-22

Dear Stakeholders,

We are delighted to present our 2025 Sustainability Report, an event that we see not merely as a reporting exercise, but as a confirmation of our clear direction.

Every year, this document charts a journey that evolves, grows and becomes stronger, that of a company which chooses to create value responsibly, combining competitiveness with a positive impact. This year, for the first time, our Sustainability Report covers the entire Pettenon Cosmetics Group, reflecting our commitment to increasingly comprehensive and transparent reporting.

For Pettenon Cosmetics, sustainability is not a separate aspect of our strategy, it is the guiding principle behind our decisions. That is how we view growth, quality and innovation. It is the compass that drives our decision-making, in the awareness that economic performance, social responsibility and environmental consciousness are all part of the same business vision.

People are at the heart of this journey. Indeed, the strength of a company is not measured solely by its figures, but by the people who embody its vision and translate it every day into consistent and responsible decisions. It is this awareness that lends credibility to our strategy and ensures the sustainability of our growth.

Achieving Gender Equality Certification marks a significant milestone in this process. In an organisation where women make up the majority of the workforce and more than half of the leadership roles are held by women, gender equality is not merely a matter of reputation, but a structural factor underpinning balance, innovation and competitiveness.

The same consistency guides our relationships with customers and partners. Listening, quality, reliability and the ability to anticipate needs are not merely secondary attributes, but central

elements of our positioning. We aim to be a reliable partner, capable of combining a strategic vision with a personalised approach.

Our 80th anniversary (1946–2026) is not a time for celebration for us, but a milestone in our responsibility. Eighty years are a solid foundation built up over time; today, that foundation enables us to prepare for a new phase of development.

We see continuity not as preservation, but as evolution. This means strengthening our business model, expanding our international presence and equipping ourselves with the structures and expertise necessary to support more ambitious, robust and sustainable growth.

Being ambassadors of Italian-made products means preserving and innovating this heritage, by combining tradition and research, excellence and responsibility. Promoting Italian-made products is not just a business objective, but a responsibility: it means safeguarding the value of our expertise and contributing to the future of our country.

In over 100 countries, we bring not just products, but a responsible, authentic and mindful vision of beauty. A beauty that combines aesthetics and ethics, performance and respect, growth and positive impact.

Beauty Beyond Beauty encapsulates this commitment. It is the belief that competitiveness and sustainability are not mutually exclusive, but complementary drivers for a business that aims to stand the test of time.

History has brought us this far. The choices we make today will shape the Group for the next 80 years.

A journey we want to continue building together, creating lasting value for people, communities and the environment.



Gratefully,

Luigi Ambrosini

Chief Executive Officer

Pettenon Cosmetics S.p.A. Società Benefit

Letter from shareholders

Dear Stakeholders,

This year, Pettenon Cosmetics celebrates its 80th anniversary. Eight decades built on solid, genuine values: quality, care for people and trust. These values are deeply rooted in the vision of our founder, Mario Pettenon, who incorporated the company in 1946, and which our father embraced and carried forward over the years. Principles that still form the cornerstone of our identity, along with the awareness and sense of responsibility demanded by the challenges of our time.

The transition to Società Benefit (Benefit Corporation) in 2021 formalised a commitment that has, in fact, always been part of Pettenon Cosmetics' DNA: creating lasting value for people, the supply chain and the environment. This is a natural evolution of our business approach focused on the long term and the creation of shared value.

The Sustainability Report reflects a year of concrete decisions consistent with this approach.

We have achieved carbon neutrality at our three production sites, a milestone that reflects our firm commitment to sustainability. The new HELIOS solar farm generates around one million kilowatt-hours annually, covering more than a quarter

of the main plant's energy requirements. At the same time, we have reduced our water consumption by 30% compared to 2023 and, thanks to our partnership with Ogyre, we have helped recover 44,000 kg of waste from the sea. Our commitment also extends to the local area: on the Asiago Plateau, which was severely affected by Storm Vaia, we have planted 1,382 new trees, thereby revitalising a delicate ecosystem.

These results are a testament to a journey developed over time, responsibly and consistently.

Celebrating our 80th anniversary means, above all, looking to the future; we want to continue to innovate whilst remaining true to our values, ensuring the company's growth whilst being mindful of future generations. We believe that tradition and innovation, beauty and sustainability are not separate goals, but parts of a single project.

We would like to thank everyone who contributes to this journey every day: our staff, partners, suppliers, customers and local communities who are all part of our history. It is thanks to you that we can look to the future with confidence and a sense of responsibility.



Gratefully,

Federico Pegorin
Executive Chairman

Gianni Pegorin
Vice-Chairman

highlights 2025

Governance and awards



**Società Benefit
(Benefit
Corporation)**
since 2021



**Best Managed
Company 2025**



**Leader in
Sustainability 2025**



Appointed to the
Executive Board of
Cosmetica Italia



**Silver Medal
EcoVadis**



Signing up to UN Global
Compact Network
Italia *Manifesto Imprese
per le Persone e la
Società* (Businesses
for People and Society
Manifesto)

**Financial
Performance**
in euro

182^{mln}
consolidated
turnover

180^{mln}
Recurring revenue of the parent
company Pettenon Cosmetics



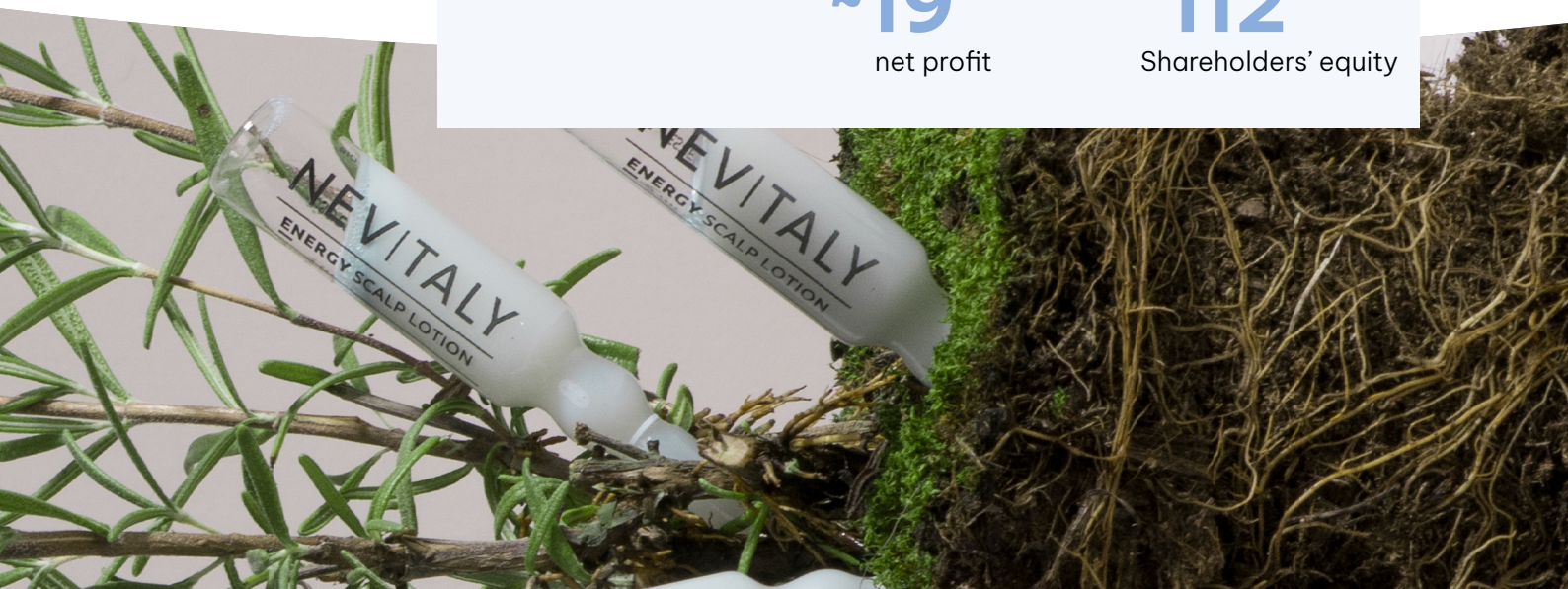
34^{mln}
EBITDA
(EBITDA before
non-recurring items)

181^{mln}
value of production

38^{mln}
costs for staff

~19^{mln}
net profit

112^{mln}
Shareholders' equity



highlights 2025



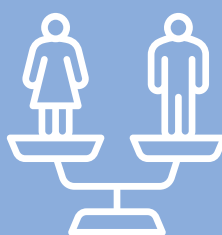
People

616
employees
within the Group

55%
women as a
proportion of the
total workforce


53%
women in managerial
positions

9,778
hours of training
provided
(average of 16 hours
per employee
per year)



**UNI/
PdR 125**
Certification
Gender Equality

Community and supply chain

428,000
€ invested in social
and local initiatives


20+
supported
associations

88%
suppliers based
in Italy

Environment



Carbon Neutrality
Scope 1 and Scope 2
across all production
sites: 408.6 tonnes of CO₂
emissions offset

100%

power from
renewable
sources

30%

energy requirements
from the HELIOS
solar park:
~1,000,000 kWh/year

-30%

water consumption
compared to 2023
(San Martino di Lupari)

>99%

waste sent for recovery
at the main site
(San Martino di Lupari)

15.1%

recycled plastic
(24.8% in branded
products)

~273 tonnes

of virgin plastic
avoided

30.4%

aluminium
recycled

30%

paper
FSC

47.4%

raw materials with
high biodegradability

1,368 tonnes

raw materials
RSPO certified

88.4%

raw materials with
a naturalness index
>0.5 vs 75% in 2024

Environment: conservation and regeneration



44,000

kg of **waste recovered**
from the sea with Ogyre



1,382

trees planted on the Asiago Plateau
(post-Vaia regeneration)



chapter 1 / **the group: identity
and governance**

chapter 1

the group: identity and governance



About Us

GRI 2-1

For **80 years**, Pettenon Cosmetics has been a leading name in the **professional hair care sector**, distinguishing itself as an **ambassador for Italian-made products** on international markets. Our history is characterised by a constant pursuit of excellence, which is reflected in the quality of our products, our innovative processes and our commitment to environmental and social sustainability.

Our mission is to interpret beauty through a **modern and responsible approach**, one that embodies **inclusivity, authenticity and respect** for people and the environment. Our commitment to quality and innovation is rooted in values deeply embedded in our corporate culture and drives our strategic decisions towards a **creation of value** shared across the entire value chain.

With effect from **1 January 2025**, **G&P Cosmetics** was merged into Pettenon Cosmetics S.p.A. Società Benefit (Benefit Corporation), marking a significant milestone in the Group's development. The transaction has enabled the company to further strengthen its production structure and consolidate its competitive position in its target markets by leveraging its **expertise in the professional hair colouring sector**.

Our history

The story of Pettenon Cosmetics is a story of **passion, vision and responsibility**. A story that began in 1946, when **Mario Pettenon founded Morgana**, launching a small-scale production of personal care cosmetics.

Thanks to the foresight of the founder and his colleague Arturo Pegorin, the company gradually shifted its focus towards the professional cosmetics sector, developing a specialism in hairdressing products based on quality, reliability and technical expertise.

In **1988**, following the death of Mario Pettenon, ownership was transferred to Arturo Pegorin and his sons Gianni and Federico. The company took the name **Pettenon Cosmetics**, in honour of its founder, embarking on a path of growth that would see it establish itself as a leading player in professional haircare, with an increasingly significant presence on international markets.

2021 marks a major turning point: Pettenon Cosmetics became a **Società Benefit (Benefit Corporation)**, enshrining in its articles of association a commitment to operate not only for financial gain, but also to create shared value for people, communities, the local area and the environment. A decision that reinforces an approach already deeply ingrained in the Group's DNA.

In **2023**, Luigi Ambrosini was appointed Chief Executive Officer, working alongside the owners to steer the company towards an increasingly structured and international profile. In the **2024–2025** two-year period, the Group strengthened its position through **the integration of Biocosm'ethics and G&P Cosmetics**, the "Home of Colour", thereby consolidating its distinctive expertise in the professional hair colouring segment.

Mission and Values

For 80 years, Pettenon Cosmetics has been committed to making high-quality Italian professional cosmetics accessible to everyone and that are well made and good for you.

A commitment that stems from a clear vision of beauty, understood not merely as an end result, but as **a process, a responsibility and a relationship** with people and with the environment in which the company operates.

Over the years, Pettenon Cosmetics has forged its own path by combining **tradition and innovation**. Italian know-how – characterised by ingenuity, creativity and attention to detail – is a distinctive heritage driving the development of products and industrial processes. A heritage that translates into **continuous professional development, skills enhancement and value creation** for all stakeholders, with a view to shared, long-term growth.

The beauty that Pettenon Cosmetics promotes is **professional, accessible and personalised**, capable of evolving in step with the market and the needs of industry professionals. A tangible beauty that takes shape through quality, innovation and the ability to listen.

That is why the company adopts a people-first approach, based on constant dialogue with the market, customers, employees and partners, promoting inclusion, skills development and relationships built on trust.

Throughout this journey, **environmental, social and economic sustainability** has been an integral part of Pettenon Cosmetics' way of working. Not a separate objective, but a guiding principle for long-term business decisions, based on the understanding that doing business means being **responsible towards people, communities and the environment**.

Beauty Beyond Beauty embodies this vision. It is an expression of a kind of beauty that goes beyond appearances and is reflected in everyday choices, in the ability to embrace differences, evolve alongside people, and remain accessible and in step with market trends. A **positive and inclusive** approach to beauty, which aims to create **lasting value and a tangible impact**, both today and in the future.

Our figures

The figures speak for themselves, demonstrating the strength and scope of our Group. With over **616 employees** and a significant proportion of female staff, Pettenon Cosmetics generates an **annual consolidated turnover of €182 million**.

We operate in over **100 countries** worldwide, with international sales accounting for **67%** of total turnover. These figures demonstrate the company's ability to bring Italian excellence in professional cosmetics to global markets.



Our production sites

GRI 2-6

The Group operates through **three highly specialised production centres** strategically located across Italy. Each plant embodies a blend of manufacturing tradition and advanced technology, ensuring high quality standards and a constant capacity for innovation.

San Martino di Lupari (Padua Province)

It's the Group's headquarters and the heart of its professional hair care production. This is where the strategic functions, research and development, and the majority of production capacity are concentrated.

Sansepolcro (Arezzo Province)

Known as "Casa del Colore" (House of Colour), it is a centre of excellence dedicated to professional colouring, embodying the expertise developed by G&P Cosmetics and integrated into the Group from 2025 onwards.

Cartigliano (Vicenza Province)

It's the centre specialising in the development and production of skincare solutions, which rounds off the Group's offering in the skincare sector.

The business model and the value chain

Creating value for stakeholders is at the heart of Pettenon Cosmetics' business model. A model based on a **diversified brand portfolio**, a **well-established international presence** and a strong commitment to **quality, innovation and sustainability**.

The **Professional Hair** division is at the heart of the business: professional hair care products, developed with a strong commitment to environmental sustainability through the increasing use of recyclable and recycled materials, as well as high-quality formulations designed to ensure professional performance and a reduced environmental impact.

Products made in Italy are distributed through various channels: E-commerce, Consumer Retail, Professional Retail and Professional Salon. Alongside this is **Pettenon Cosmetics STUDIO**, a private-label initiative that extends the Group's industrial expertise to external partners through co-creation initiatives, offering comprehensive support from research and development right through to graphic design.

The business model and value chain serve as the framework for integrating sustainability into the company's strategy and for the Double Materiality Analysis presented in the following sections.



Group brands

The Group's brand portfolio reflects the variety and breadth of Pettenon Cosmetics' range: Alter Ego Italy, Nevitaly, Sens.ùs, Fanola, Echosline, Inebrya, Sinesia, Alama Professional, RR, Serical, Behair. Each brand is developed with a particular focus on environmental sustainability and its positive impact on communities.

During 2025, the Group strengthened its private label segment with the launch of **Pettenon Cosmetics STUDIO**, the new brand dedicated to this sector. The logo redesign reflects the evolution of a value proposition focused not only on the product, but on the development of comprehensive solutions, resulting from close and ongoing collaboration with our partners.

ALTEREGO
ITALY

NEVITALY
.nature ethics vision.

sens.ùs®
SENSE AND CONNECT

Fanola
SHAIRING CREATIVITY

Echosline
the *vegan* way

Inebrya
» THE ITALIAN SENSE OF HAIR

SINESIA

ALAMA
PROFESSIONAL

RR
Line
REAL STAR

SERICAL

Be hair
MADE IN ITALY

PETTENON COSMETICS
ITALY
STUDIO



Creating value for stakeholders

GRI 201-1

In 2025, the Group generated **financial value of €188 million**, comprising sales revenue, other operating revenue and financial income. Most of this value has been distributed among the various stakeholders with whom the Group interacts on a daily basis.

The **financial value distributed** amounts to **euro 156 million**, approximately 80% of the value generated. This amount covered operating costs and helped remunerate employees (euro 37.7 million), financial institutions, the public sector and the wider community through contributions, donations and sponsorships.

The **retained financial value**, amounting to **€32 million**, represents the financial resources allocated to the expansion of the Group's business and its financial strength, ensuring its ability to invest in the future and continue to generate value over the long term.



Reclassification of the income statement (€/000)	2024	2025
Revenue	151,098	179,386
Other proceeds from the sale of assets	44	88
Other proceeds	4,340	3,913
Financial income	1,208	4,527
Total financial value generated	156,691	187,914
Operating costs	98,397	109,120
Staff Remuneration	27,805	37,680
Remuneration of lenders	396	393
Public Administration Remuneration	2,061	8,453
External donations	313	348
Total financial value distributed	128,972	155,995
Retained financial value	27,719	31,919

Certifications, Awards and Commitments

The certifications and awards received attest to the soundness of the approach adopted and reinforce Pettenon Cosmetics' credibility as a leader in the professional haircare sector. These results reflect the daily commitment of the entire organisation and confirm that we are on the right strategic course.

The **ISO 14001:2015 certification** attests to the effectiveness of the Group's environmental management system, whilst the **ISO 22716:2007 (GMP)**, renewed in 2024, guarantees the application of good manufacturing practices at every stage of the production process.

In **2023**, the main plant in San Martino di Lupari (PD) obtained the **ISO 14064 certification**, confirming the reliability of the process for quantifying and reporting greenhouse gas emissions, in support of efforts to manage and reduce climate impact.

The **EcoVadis Silver Medal** places Pettenon Cosmetics among the top 25% of companies assessed globally, confirming its performance in the areas of the environment, human rights and labour, ethics, and sustainable procurement.

In 2025, the Group also obtained the **UNI/PdR 125:2022 Gender Equality Certification**, which recognises its commitment to promoting equal opportunities and fostering female leadership.

For the **third consecutive year**, Pettenon Cosmetics has been named one of the **"Sustainability Leaders"** in the *Il Sole 24 Ore* – Statista ranking: out of around 1,500 companies assessed, only 240 were selected.

Innovation Award 2025: Pettenon Cosmetics has been recognised as one of the most innovative companies in north-eastern Italy by the iNEST ecosystem (an innovation consortium promoted by the University of Padua), confirming its ongoing commitment to research and development.

Best Managed Companies: The Group has been selected by Deloitte Private as one of the Italian companies that stand out for their managerial excellence, strategic vision and capacity for sustainable growth.

In addition to these certifications, the Group reaffirms its commitment by adhering to the United Nations Global Compact and the 'Businesses for People and Society' Manifesto, and by joining the Executive Board of Cosmetica Italia in 2025.



Governance Structure

GRI 2-9

Pettenon Cosmetics' governance system is geared towards the Group's responsible and sustainable growth, in line with the company's values and principles. The Company operates a **traditional governance system**, with a **Board of Directors, Board of Statutory Auditors and a statutory audit**, which is carried out by Ernst & Young S.p.A.

In 2024, the Board of Directors established two **advisory committees**: the **Ethics & Compliance Committee** and the **ESG Committee**, with the aim of strengthening oversight of ethical, compliance and sustainability issues.

The Group has also implemented and keeps constantly updated a **system of delegations and powers of attorney**, designed to ensure a **clear separation of powers**, improve the management of business impacts and minimise **legal and reputational risks**.

The governance system is complemented by specific **sustainability initiatives**, which are described in Chapter 2 – Sustainability Strategy.

The system of governance

GRI 2-9



Ethics, Compliance and Whistleblowing

GRI 2-13, 23, 24, 26 / 205-2, 3

Since 2022, the **Compliance Department** has been operational within the Legal and Corporate Affairs Directorate, with the task of promoting a **culture of compliance** within the organisation. In 2024, the Company completed the update of its **Code of Ethics**, bringing it into line with the transformation process it had undertaken. During 2025, the document was distributed to all staff as part of a training and awareness-raising campaign and is routinely shared with business partners too.

The **Organisation, Management and Control Model pursuant to Leg. Decree 231/2001 (MOG231)** was updated in March 2024. The **Supervisory Body (SB)** ensures compliance with and enforcement of these provisions. There is also an **internal whistleblowing channel** available on the company website, in accordance with Legislative Decree No. 24/2023. Throughout the year, department heads took part in a high-level training session on MOG231, whilst training on the 231 system continued for all new recruits joining the company.

In 2025, there were no reported cases of corruption or anti-competitive practices.

Product quality, safety and compliance

GRI 416-2 / 417-2 / 417-3

All Pettenon Cosmetics products are developed through a structured quality and safety control process, designed to ensure the protection of consumer health, the accuracy of labelling, and the correctness of marketing information and communications, in compliance with current cosmetics legislation (Regulation (EC) No 1223/2009).

As in previous years, in 2024 and 2025 the company did not receive any penalties, fines or warnings relating to the health and safety impacts of its products, nor to non-compliance regarding labelling, information or commercial communications.

Privacy Management

GRI 2-27 / 418-1

Privacy governance is organised through an internal **Privacy Manager**, an external **Data Protection Officer (DPO)** and **Privacy Officers** appointed for each business area, to support the proper application of data protection legislation.

In 2025, there were no breaches or leaks of personal data.





chapter 2 / **sustainability strategy**

chapter 2

sustainability strategy

Sustainability as a strategic lever

Sustainability is a cornerstone of Pettenon Cosmetics' strategy, guiding the Group's decisions in the medium and long term. Every decision is driven by a desire to create shared value, by integrating the protection of people, the environment and the local area into our business model.

This is not a standalone or separate area, but rather a key driver capable of shaping the Group's strategic decisions, product innovation, operational excellence and competitive positioning. This approach enables value to be created on multiple levels, striking a balance between economic performance, social responsibility and environmental protection.

The sustainability strategy is consistent with the guidelines of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), which require clear integration between business strategy, the management of impacts, risks and opportunities, and governance systems.

The Three Pillars of the Strategy

Pettenon Cosmetics' strategy is based on three interlinked pillars that drive operational decisions and shape the company's growth trajectory: **Innovation, Customer Focus and Sustainability.**

Innovation is a key factor in competitiveness. The Group continuously invests in research and development to stay ahead of market trends and offer effective bespoke solutions. Artificial intelligence supports the entire innovation cycle, from trend analysis to formulation optimisation. Continuous training and skills development are essential for making the most of human capital.

Customer-Centricity is a guiding principle that underpins every aspect of our business. Pettenon Cosmetics promotes an approach based on active listening and a thorough understanding of market needs. The use of advanced CRM systems enables us to personalise communications and enhance customer experience. The NPS (Net Promoter Score) project measures customer satisfaction and loyalty.

Sustainability is a cornerstone driving the integration of environmental, social and economic impacts into the business model. The ESG Committee coordinates and monitors the Group's initiatives, fostering the reduction of environmental impact, the empowerment of people and the development of projects benefiting local communities.

Pettenon Cosmetics Società Benefit

Pettenon Cosmetics has been a **Società Benefit (Benefit Corporation)** since **11 June 2021**, enshrining in its articles of association a commitment to pursue, alongside financial performance, specific common benefit objectives relating to sustainability, social responsibility and the protection of the environment and communities.

Common benefit objectives are an integral part of the company's strategy and are monitored against an external standard, with a dedicated annual report.

This structure strengthens the integration of sustainability into the Group's decision-making processes and governance.

The five common benefits set out in the articles of association are: Sustainable Research and Innovation, Environmental Protection, Gender Diversity and Multiculturalism, Training and Empowerment of People, Community Support. Each common benefit underpins specific projects and measurable actions, which are detailed in this document.

Research and Innovation



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



3 GOOD HEALTH AND WELL-BEING



Environmental Protection



13 CLIMATE ACTION



6 CLEAN WATER AND SANITATION



Gender Diversity and Multiculturalism



5 GENDER EQUALITY



Training and development of people



4 QUALITY EDUCATION



Community support



10 REDUCED INEQUALITIES



Double materiality

The materiality assessment is a central element of the sustainability strategy, as it enables the company to focus its efforts on the issues with the greatest impact and to foster a structured and transparent dialogue with stakeholders.

With the introduction of the CSRD, the concept of materiality has been expanded through the **double materiality** principle. This approach requires an assessment of both the impacts of the company's activities on the environment and society (*impact materiality*), and the ESG risks and opportunities that may affect the company's financial performance (*financial materiality*).

During 2025, Pettenon Cosmetics performed a double materiality analysis, taking into account the impacts arising from its direct operations and those generated throughout the value chain. The analysis was carried out with the support of a specialist technical team and in collaboration with representatives from the various departments. The results have been approved by the Sustainability Committee.

Material Topics

The double materiality analysis has enabled us to identify the priority issues that will guide our ESG strategy for the period 2026–2028. The material topics have been aligned with the Five Common Benefits, ensuring consistency among the sustainability strategy, the business model and operational priorities.

In the **environmental** sector, the priority areas are energy, emissions and decarbonisation; water management; waste management and the circular economy; responsible packaging; and low-impact product innovation.

In the **social** sphere, the following priorities stand out: health and safety at work; the well-being and welfare of workers; training and skills development; diversity, equity and inclusion; and local community development.

In the area of **governance**, key issues include: product liability and compliance; sustainable supply chain management; transparency towards consumers; data protection and cybersecurity.

Impacts, risks, Common Benefit and strategic focus

The double materiality analysis has enabled the identification of the **priority ESG themes** that will guide the Group's strategy for the period **2026–2028**, by jointly assessing the **impacts generated by the organisation on the environment and society (inside-out)** and **the risks and opportunities arising from the external environment (outside-in)**.

The material topics have been aligned with the **five Common Benefits**, ensuring consistency among the **sustainability strategy, the business model and the operational priorities**, defining a medium-term strategic focus for each.



Alignment with the Sustainable Development Goals

Environment

Material topic	Main impacts (inside-out)	Risks & Opportunities (outside-in)	Related Common Benefit	2026–2028 Strategic Focus	SDGs
Energy, emissions and decarbonisation	Reduce greenhouse gas emissions and improve energy efficiency through renewable energy and process optimisation.	Risks: volatility in energy prices, carbon pricing, failure to meet climate targets. Opportunities: low-carbon technologies, access to sustainable finance.	Environmental protection	Define and implement a phased decarbonisation plan and strengthen the monitoring of Scope 1–2 emissions, whilst commencing the mapping of Scope 3 emissions.	 
Water resources management	Efficient water use and reduction of the impact on wastewater in production processes.	Risks: water stress, regulatory and operational restrictions. Opportunities: process innovation and water-efficient technologies.	Environmental protection	Reduce water consumption and improve the efficiency of water abstraction through water recovery systems and process optimisation.	 
Waste management and the circular economy	Increased waste recovery and reduced waste sent for disposal.	Risks: rising disposal costs and regulatory constraints. Opportunities: recovery, recycling and reuse of materials.	Environmental protection	Improve industrial waste sorting and promote material recovery throughout production processes.	 
Sustainable packaging	Reduce the use of virgin plastic and increase the use of recycled and certified materials.	Risks: regulatory developments (PPWR, EPR). Opportunities: packaging innovation and strengthening of reputation.	Environmental protection	Implement the Pettenon Sustainable Packaging Charter and incorporate eco-design and PCF criteria into packaging development.	 

Product and innovation

Material topic	Main impacts (inside-out)	Risks & Opportunities (outside-in)	Related Common Benefit	2026–2028 Strategic Focus	SDGs
Research and sustainable innovation	Development of products with a lower environmental impact throughout their life-cycle.	Opportunities: green technologies, open innovation, competitive advantage.	Research and sustainable Innovation	Integrate eco-design, LCA and PCF into product development and strengthen sustainable innovation.	  
Product liability and compliance	Product quality, safety and regulatory compliance.	Risks: regulatory developments (REACH, CLP, PFAS). Opportunities: high standards as a competitive advantage.	Research and sustainable Innovation	Strengthen the compliance framework and ensure that claims are verifiable and consistent.	  
Product quality and customer satisfaction	Continuous improvement in quality and reliability.	Risks: loss of competitiveness. Opportunity: premium demand.	Research and sustainable Innovation	Develop high-performance products with a reduced environmental footprint.	  
Transparency for consumers	Clear and verifiable information on products and their environmental impact.	Risks: greenwashing and a loss of trust. Opportunities: customer loyalty and digital traceability.	Research and sustainable Innovation	Ensure claims are verifiable and communication tools are transparent.	  
Customer-centricity*	Structured customer engagement and integration of ESG data.	Risks: communication inconsistency. Opportunities: customer loyalty and reputation.	Cross-cutting strategic theme	Develop advanced customer feedback systems and sophisticated CRM solutions.	

* The theme of customer centricity has not been linked to a specific SDG, as none of the 2030 Agenda's goals directly covers this area. We chose not to force a match in order to ensure the methodological consistency of the mapping.

People and organisation

Material topic	Main impacts (inside-out)	Risks & Opportunities (outside-in)	Related Common Benefit	2026–2028 Strategic Focus	SDGs
Health and safety at work	Prevention of accidents and protection of people's health.	Risks: accidents and occupational illnesses. Opportunities: improvement in workplace atmosphere and employer branding.	Training and Empowerment of People	Strengthen the HSE culture and the monitoring of near-misses.	 
People's well-being and welfare	A better work-life balance, motivation and job security.	Risks: staff turnover and reduced appeal. Opportunities: staff retention and productivity.	Training and Empowerment of People	Develop structured programmes for welfare and work-life balance.	 
Training and skills development	Development of technical, managerial and ESG skills.	Risks: skills gap. Opportunities: talent attraction and development.	Training and Empowerment of People	Increase the number of training hours and link KPIs and MBOs to ESG objectives.	
Diversity, Equity and Inclusion	A fair, inclusive and innovative working environment.	Risks: discrimination and damage to reputation. Opportunities: competitiveness and attracting talent.	Gender Diversity and Multiculturalism	Strengthen DE&I policies and increase the number of women in managerial roles.	 

Community and governance

Material topic	Main impacts (inside-out)	Risks & Opportunities (outside-in)	Related Common Benefit	2026–2028 Strategic Focus	SDGs
Sustainable supply chain management	Improving ESG practices throughout the supply chain.	Risks: human rights, critical raw materials, deforestation. Opportunities: traceable supply chains and ESG ratings.	Environmental Protection / Community Support	Strengthen ESG due diligence of suppliers and develop audit and improvement programmes.	 
Community development and well-being	Create shared value and generate positive impacts on local communities.	Risks: unmanaged local impacts. Opportunities: reputation and social cohesion.	Community Support	Strengthen local partnerships and social responsibility initiatives.	
Distributed financial value	Fair distribution of value to stakeholders.	Risks: socio-economic inequalities. Opportunities: stable relationships and regional development.	Community Support	Measuring and communicating the distributed financial value.	
Data protection and Information Security*	Protection of personal and business data.	Risks: data breaches and cyber-attacks. Opportunity: compliance as a competitive advantage.	Research and sustainable Innovation	Strengthen IT systems and training on digital security and the GDPR.	

* The theme of data protection and cybersecurity has not been linked to a specific SDG, as none of the 2030 Agenda's goals directly covers this area. We chose not to force a match in order to ensure the methodological consistency of the mapping.

Alignment with the Sustainable Development Goals

Pettenon Cosmetics' approach is underpinned by a commitment to contributing to the **Sustainable Development Goals (SDGs)** promoted by the United Nations as part of the **2030 Agenda**.

Based on the double materiality analysis, each material issue has been mapped against the SDGs, identifying the areas in which the Group's activities generate the greatest positive impacts and can contribute most significantly to the achievement of these global goals.

In particular, Pettenon Cosmetics' activities are most closely linked to the following SDGs.



Transition Plan 2026–2028

In **2025** Pettenon Cosmetics has drawn up an **ESG Transition Plan 2026–2028**, designed as a three-phase roadmap, aimed at guiding the Group from strengthening its operational foundations through to achieving a fully mature sustainability management model.

2026 Foundations

Phase dedicated to strengthening the **foundations** of the ESG strategy:

- strengthen **governance** and **ESG data collection systems**;
- launch **structured monitoring of GHG emissions**;
- define processes and guidelines for **sustainable product innovation**.

2027 Differentiation

Phase focused on **market differentiation**:

- systematic application of **ESG criteria** to products, packaging and the supply chain;
- improve **operational efficiency** and **supply chain traceability**;
- incorporate sustainability considerations into decisions regarding brand development and positioning.

2028 Excellence

Phase of **maturity** and **consolidation**:

- fully integrate sustainability into **decision-making and governance processes**;
- product excellence backed by **verifiable claims and solid data**;
- **continuous monitoring of ESG performance** through key performance indicators (KPIs) and structured systems.

The Transition Plan serves as the strategic framework for the evolution of the Group's business model, ensuring consistency between sustainability objectives, industrial growth and long-term value creation.

Sustainability governance

GRI 2-12 | 2-13 | 2-14

The ever-increasing focus on and awareness of sustainability issues, combined with the requirements of current legislation, mean that companies must analyse and review how ESG principles are integrated not only into their business operations and corporate strategy, but also into their governance structure.

To address these needs, therefore, Pettenon Cosmetics has established a sustainability governance framework, which has evolved into the structure adopted in 2024, as described below.

The **Board of Directors** provides strategic guidance and oversight of the company’s activities in relation to ESG impacts. It approves the materiality analysis and the Sustainability Report and, from July 2023, has been acting as **Head of Impact**.

The **Reporting Manager** is responsible for overseeing the Sustainability Report, as well as for collecting and analysing the relevant data.

The **ESG Committee** meets at least once a month and is responsible for assisting the Board of Directors by performing preparatory, advisory and consultative functions. It comprises Department Heads, the Reporting Manager and the Communications Manager. It identifies key sustainability requirements and fosters transparency regarding results.

The **Ethics and Compliance Committee**, which was established in 2024, is chaired by the Chief Executive Officer and plays a crucial role in integrating ethical and sustainability principles into the company’s operations.



Steering Committee and the Head of the Gender Equality Management System have been appointed

As part of its commitment to diversity and inclusion – one of the common benefits it pursues as a Benefit Corporation – Pettenon Cosmetics has established a Gender Equality Steering Committee.

The Committee, constituted by seven members representing various departments within the company, is responsible for defining, implementing and monitoring policies and measures designed to ensure gender equality within the company. Its responsibilities include overseeing the certification process in accordance with the UNI/PdR 125:2022 standard, identifying areas for improvement and promoting an inclusive corporate culture.

The Committee reports directly to senior management, thereby ensuring an effective link between gender equality initiatives and the organisation's strategic decisions. This role within the governance structure ensures that diversity and inclusion are integrated into decision-making processes and aligned with the mission of the Benefit Corporation.

Objective 2026 – Sustainability claims governance

In 2026, the Group will strengthen its governance of environmental and sustainability claims by adopting a structured and collaborative approach to ESG reporting.

The aim is to ensure consistency among commitments, actions and messages, strengthening transparency, credibility and trust with customers and stakeholders, all through shared criteria, cross-departmental validation processes and ongoing dialogue among the departments involved.



Our Suppliers

GRI 204-1

Relationships with suppliers are a key element in our strategy for responsible and sustainable management. The approach adopted goes beyond simply selecting the best business partners; as it promotes procurement practices that have a positive impact on the environment, society and corporate governance.

In 2025, the company worked with **367 suppliers**, of whom **88% were based in Italy**. The total financial value distributed amounted to **euro 65,562,662**, of which euro 23,694,812 relates to the Sansepolcro plant.

Since **2023**, a **structured supplier assessment process** based on ESG criteria has been implemented, using dedicated self-assessment questionnaires.

In the 2024–2025 two-year period, a total of **143 questionnaires** were sent out, with the aim of assessing the ESG maturity of the supply chain and identifying any areas for improvement.

The results show a good overall level of alignment: **49% of suppliers have a high ESG rating, 40% have an average rating**, whilst **11% have a low rating**.

Overall, more than 89% of our partners demonstrate at least an adequate level of commitment to ESG issues.

In 2025, the **Supplier Code of Conduct** was also drawn up, setting out **clear and agreed standards** regarding environmental sustainability, ethical practices, quality, the protection of human rights and working conditions. The Code of Conduct has been **shared** with all suppliers, serving as a common framework for the responsible management of the supply chain.

As a **target for 2026**, the Group has planned to **launch ESG audits** of its suppliers, prioritising the most significant partners and those with average or low ESG scores, in order to verify the information gathered on the ground, support **targeted improvement plans** and gradually strengthen ESG oversight throughout the supply chain.

Shared value: suppliers by geographical area

geographical area	2024			2025		
	number of suppliers	value distributed	value %	number of suppliers	value distributed	value %
Northern Italy	277	€38,203,334	83.0%	277	€54,159,838	82.6%
Central Italy	30	€3,728,886	8.1%	35	€6,687,392	10.2%
South and Islands	7	€184,093	0.4%	9	€458,939	0.7%
Non-EU	41	€3,906,979	8.5%	46	€4,256,493	6.5%
Total	355	€46,023,292	100%	367	€65,562,662	100%







chapter 3 / **environment**

chapter 3

environment

Pettenon Cosmetics' environmental transition

Environmental protection is a key element of Pettenon Cosmetics' sustainability strategy. The Group manages its environmental impact throughout the entire value chain, with a particular focus on energy consumption, water use, waste management and developing products and packaging with a lower environmental impact. From 2025, the scope of the Sustainability Report will include all three of the Group's production sites.

Energy consumption

Pettenon Cosmetics adopts an approach focused on the constant improvement of energy efficiency and the gradual reduction of greenhouse gas emissions, integrating these objectives into the operational management of its production sites. From 2025, the scope of the Sustainability Report will include all of the Group's production sites.

GRI 302-1

Energy consumption by source

UoM: GJ

	2024		2025		
	SML	Cartigliano	SML	Cartigliano	Sansepolcro
Total energy consumption	39,110	2,853	38,829	2,688	18,499
Consumption of methane gas	18,599	1,697	17,443	1,482	10,582
Petrol consumption (vehicles)	1,918	0	2,381	0	0
Diesel consumption (vehicles)	2,630	0	3,195	0	0
Electricity purchased non-renewable	0	0	0	0	0
Electricity purchased renewable	14,624	1,156	12,484	1,206	7,212
Energy from photovoltaic systems	1,285	-	3,326	-	705

* The comparable 2025 data refer to the San Martino di Lupari and the Cartigliano sites in order to ensure comparability over time, given the Group level extension of the Sustainability Report's scope from 2025 onwards.

HELIOS Project Solar farm

GRI 302-4

In 2025, Pettenon Cosmetics inaugurated **HELIOS**, the new solar farm installed at its headquarters in **San Martino di Lupari**, in support of the Group's energy transition.

The plant consists of **1,896 photovoltaic panels**, installed over an area of more than **3,700m²**, with an estimated annual output of over **1,000,000 kWh**, capable of covering approximately **30% of the site's energy requirements**. The project, which took around five months to complete, makes a significant contribution to reducing the emissions associated with the plant's energy consumption.

The HELIOS project represents a long-term investment in renewable energy and a key element of the Group's energy efficiency and decarbonisation strategy.



Sustainable mobility

Alongside its work on energy systems, Pettenon Cosmetics is promoting initiatives to support low-emission transport. By 2025, **75% of the company's vehicle fleet will consist of hybrid vehicles**.

Electric charging points have also been installed at the San Martino di Lupari plant, currently reserved for company vehicles, with the aim of encouraging the gradual adoption of vehicles with a lower environmental impact.

Energy intensity

Energy intensity is calculated as the ratio of total energy consumption to **production volumes** (tonnes of finished product).

GRI 302-3

Energy intensity

UoM: GJ/tonne

	2024		2025		
	SML	Cartigliano	SML	Cartigliano	Sansepolcro
Energy intensity	1.19	2.50	1.18	2.93	3.39
Overall energy intensity	1.58				

* Energy intensity is calculated as the ratio of energy consumption associated with production processes (in GJ) to production volumes (tonnes of finished product). For the purposes of this indicator, fuel consumption by the company's vehicles is excluded, as it is not directly attributable to production. The Group's overall energy intensity does not represent the average of the individual sites' intensities, but rather an indicator weighted on the basis of production volumes.

Greenhouse gas emissions

GRI 305-1 305-2					
Greenhouse gas emissions UoM: tonnes of CO₂ equivalent					
	2024		2025		
	SML	Cartigliano	SML	Cartigliano	Sansepolcro
Scope 1 Direct emissions	1,546.77	101.25	1,453.53	89.32	644.27
Scope 2 Location based	1,057.42	77.25	794.08	81.32	458.73
Scope 2 Market-based	0.0	0.0	0.0	0.0	0.0

* Market-based Scope 2 emissions are zero, as 100% of the power purchased by the Group comes from certified renewable sources. The location-based Scope 2 figures are reported for the sake of transparency and in accordance with the GHG Protocol's recommendations.

In 2025, following the measurement and reduction of Scope 1 and Scope 2 emissions, the Pettenon Cosmetics Group offset its remaining unavoidable emissions by supporting certified climate projects, in line with the Net Zero Cycle promoted by ClimatePartner.

The total volume of emissions covered by offsetting amounts to **408.57 tCO₂**, relating specifically to emissions from the company’s vehicle fleet and refrigerant gases at the Sansepolcro site, as well as a residual portion of the Group’s activities.

The offsetting was achieved through a contribution to a certified **international project**, selected for its high environmental and social value, which helps reduce global greenhouse gas emissions and improve the socio-economic conditions of the local communities involved.

The Group’s approach prioritises the direct reduction of emissions across its operational activities; carbon offsetting serves as a complementary tool for managing emissions that cannot currently be eliminated, in line with the principles of transparency and climate responsibility.

Water resources management

GRI 303-1

Pettenon Cosmetics recognises water as a shared and limited resource and promotes its responsible use throughout the entire value chain. Water management is an integral part of the Group's environmental strategy and is based on an approach aimed at progressively reducing water abstraction, as well as recovering and reusing water in production processes.

The water used in production processes is drawn from artesian wells owned by the company, under licences duly authorised by the relevant authorities. A smaller proportion is allocated to sanitary facilities and domestic uses within the building.

At the San Martino di Lupari (PD) site, a number of measures to improve the efficiency of water management have been introduced in recent years. Among these, in **2024 a system for recovering the cooling water used in the production mixers** was completed, which has helped significantly reduce water abstraction.

In **2025**, thanks to this initiative and further optimisation of production processes, the site's water withdrawal stood at **70,496 m³**, representing an **overall reduction of approximately 30% compared to 2023**. The result confirms the effectiveness of the efficiency measures introduced and the company's commitment to more efficient water management.

In 2025, following the expansion of the reporting scope of the Sustainability Report, the Cartigliano and Sansepolcro sites were also included in the monitoring of water withdrawals, with a view to gradually harmonising management and reporting practices across the Group.

All of the Group's water abstractions take place in areas classified as having a **medium risk of water stress**, according to the main reference sources, underscoring the importance of careful and responsible use of this resource.

GRI 303-3

Water abstraction per site UoM: m³

Indicator	2024		2025		
	SML	Cartigliano	SML	Cartigliano	Sansepolcro
Water withdrawal	84,596	2,582	70,496	2,801	24,010

Waste management and the circular economy

GRI 306

Waste management is a key consideration for industrial activities in the cosmetics sector. Pettenon Cosmetics adopts an approach focused on waste prevention, the proper management of different types of waste, and the gradual increase in the quantities sent for recovery, in line with the principles of the circular economy and applicable environmental legislation.

In 2025, the site at **San Martino di Lupari** continued to demonstrate excellent performance in waste management, as in previous years.

Of the **961.3 tonnes of total waste produced**, over **99% was sent for recovery** through recycling and other forms of waste recovery, whilst the amount sent for disposal remained negligible (0.5 tonnes).

An analysis of waste streams at San Martino di Lupari shows a clear predominance of **non-hazardous waste sent for recovery (761.3 tonnes)**, alongside **hazardous waste sent for recovery (199.4 tonnes)**, which is managed by authorised operators in accordance with current legislation.

This result reflects the effectiveness of source-separation practices and well-established management processes.

In 2025, the site in **Cartigliano** produced **1,243.1 tonnes of waste**, an increase compared with 2024. The increase is mainly attributable to **greater diversification of production**, which requires more frequent **cleaning and sanitisation of equipment**, resulting in higher volumes of non-hazardous liquid and aqueous waste.

From 2025, following the extension of the reporting scope to the entire Group, the **Sansepolcro** site has also been included in the monitoring of waste streams. The inclusion of the site has led

to an increase in the total volume of waste produced and sent for disposal at an aggregate level, particularly as a result of **liquid waste streams**, which have a significant impact on the Group's overall figures.

Within the new reporting scope, the San Martino di Lupari site continues to serve as the internal benchmark for management practices focused on recovery and the minimisation of waste disposal, helping to promote best practices across the Group.

GRI 306-3 306-4 306-5							
Waste							
UoM: tonnes							
Category	2024			2025			
	SML	Cartigliano	Group total	SML	Cartigliano	Sansepolcro	Group total
Total waste produced	965.6	854.2	1,819.9	961.3	1,243.1	3,494.7	5,699.2
Waste not intended for disposal (recovery)	963.9	54.3	1,018.2	960.8	42.8	410.6	1,414.1
of which hazardous	147.3	2.1	149.4	199.4	3.9	30.0	233.3
of which non-hazardous	816.7	52.2	868.9	761.3	38.9	380.6	1,180.8
Waste destined for disposal	1.7	799.9	801.6	0.5	1,200.3	3,084.2	4,285.1
of which hazardous	1.7	0.0	1.7	0.5	0.0	138.9	139.4
of which non-hazardous	0.0	799.9	799.9	0.0	1,200.3	2,945.3	4,145.6



Product Innovation with Reduced Impact

GRI 301-1 | 301-2

Naturalness and biodegradability

In the cosmetics sector, formulation choices and the selection of raw materials affect the environmental impact throughout the product's entire life cycle. Pettenon Cosmetics is gradually integrating environmental criteria into its research and development processes, from the selection of raw materials to decisions on packaging and communication.

In 2025, an in-house system for calculating the naturalness of formulations in accordance with ISO 16128 was developed and put into operation.

The system enables calculating automatically the overall naturalness of formulations, the management and updating of naturalness data for each raw material used, and access to a structured database classifying ingredients in accordance with the ISO 16128 methodology.

The tool is currently being used by the Research and Development team to steer formulation development towards solutions with a higher natural content.

In terms of natural content (NOI index according to ISO 16128), **88.4% of the raw materials** purchased in 2025 for the SML and Cartigliano sites have a **natural origin index of over 0.5, compared with 75% in 2024**.

In 2025, **26% of the palm oil-based raw materials** used by the Group were certified by the RSPO (Roundtable on Sustainable Palm Oil), amounting to 1,368 tonnes. The use of certified raw materials contributes to the responsible management of the supply chain.

With regard to biodegradability, Pettenon uses the OECD 301 (A-F) protocol to assess the biodegradability of each ingredient in its formulations.

In 2025, **47.4% of the raw materials** purchased for the SML and Cartigliano sites – excluding those that are entirely **inorganic and fragrances** – consisted of **more than 60% organic ingredients that are biodegradable within 28 days**, according to the OECD 301 test. The calculation does not

take into account raw materials consisting exclusively of inorganic ingredients, nor does it include fragrances, as the method does not apply to these categories.

The Sansepolcro site, which specialises in the production of hair dyes, will be included in the financial statements from 2025 onwards. The specific chemical composition of the formulations used in this product category means that the indicators of naturalness (ISO 16128) and biodegradability (OECD 301) are less representative. For this reason, these indices have not yet been calculated, and a dedicated methodological approach will be developed over the coming years.

System for assessing the biodegradability of raw materials

In 2025, an in-house system was developed to assess the biodegradability of raw materials based on the **OECD 301 criteria**. The system enables the assessment of biodegradability even in the case of mixtures of ingredients, facilitates the monitoring of the raw materials portfolio, and integrates available scientific data to support evidence-based decision-making.

The **methodological validation protocol**, developed with the support of an **independent third party**, is currently being finalised, with the aim of ensuring the scientific rigour and transparency of the calculation method. The document will set out the methodological framework, the rules for implementation, and the procedures for data management and analysis.

In 2026, the **tool for calculating the biodegradability of complete formulations** is expected to be finalised with the definition of an operational protocol – comprising procedures and operating instructions developed in collaboration with Quality Assurance – methodological validation with the support of an independent third-party body, documentation of the scientific basis and application rules of the method, and the integration of the data management and analysis system.

The tool will enable Research and Development and Marketing teams to verify compliance with the biodegradability criteria defined for the various brands, support the development of formulations with a lower environmental impact, and validate environmental claims on the basis of transparent scientific and methodological principles.

During 2026, a structured and codified process for the management of commercial and corporate communications will be developed, with the aim of ensuring compliance with current European legislation – including the future Green Claims Directive – alignment with the Group’s sustainability strategy and policies, as well as consistency and transparency in environmental communication with consumers. The guidelines will also provide support to marketing and sales teams in defining and validating environmental claims.

▶ **88.4%** raw materials with a naturalness index >0.5

47.4% raw materials with high biodegradability

1,368 t raw materials certified RSPO



Sustainable Packaging

GRI 301-2

Packaging plays a central role in the cosmetics industry, contributing significantly to a product's environmental impact throughout its life cycle. The development of packaging solutions with a lower environmental impact is a key area for reducing resource use and promoting recyclability.

From 2025, reporting on packaging materials will be extended to the entire Pettenon Cosmetics Group, including the sites in San Martino di Lupari, Cartigliano and Sansepolcro, for a total of **4,739 tonnes of materials used**.

In 2025, the proportion of **recycled plastic** used will be **15.1%**, an increase of 1.3% compared to 2024 (13.8%), enabling the Group to incorporate **272.7 tonnes of post-consumer recycled plastic** into its packaging instead of virgin plastic.

However, excluding private-label products, the **percentage of recycled plastic used for the company's own brands** rises to **24.8%**. This is because, in the case of services provided at the customer's request, the company must adapt its choice of materials to the specific requirements of the supply, as this aspect is not under its direct control.

The results for aluminium are also significant: **30.4% of the aluminium used across the Group comes from recycled sources** (166.8 tonnes out of a total of 548.3 tonnes), the highest proportion of recycled material across all categories. As for paper, **30% is FSC-certified** (Forest Stewardship Council), guaranteeing that it comes from responsibly managed forests.

The company has an in-house **blow-moulding department** that accounts for approximately **43% of total production** of polyethylene jars and bottles, with **11% made from recycled plastic** (compared to 7.7% in 2023). The department enables the **recovery** and recycling of **100% of obsolete bottles**, reintroducing them into the production cycle.



In 2025, as part of efforts to innovate products and optimise packaging, the **new Alama bottle** achieved an **estimated 37% reduction in CO₂ emissions** per unit compared with the previous bottle.

Taking into account sell-in sales volumes from the date of market launch (June 2025), the **estimated total reduction** amounts to **25,293 kg of eCO₂¹**.

Among the objectives for **2026**, the **Packaging Research and Development** department aims to **ensure that packaging is fully compliant, both in terms of regulations and documentation, with the new European Regulation 2025/40 – PPWR** (Packaging and Packaging Waste Regulation).

To this end, strategic development guidelines will be established for packaging materials and components, with a view to supporting the evolution of the product portfolio in line with regulatory requirements and sustainability principles.

¹ This figure is based on a comparative assessment of packaging carried out with the support of ClimatePartner.

GRI 301-1
**Materials used
by weight**

UoM: tonnes

	2024			2025			
	SML	Cartigliano	Group total	SML	Cartigliano	Sansepolcro	Group total
Total materials used	2,680	131	2,811	2,871	154	1,715	4,739
Non-renewable materials	2,649	129	2,778	2,762	120	985	3,877
Plastic	1,622	66	1,688	1,697	61	43	1,801
Laminated cardboard	870	60	930	899	63	389	1,351
Glass	157	3	160	167	5	5	177
Aluminium	0	0	0	0	0	548	548
Renewable materials	31	2	33	32	3	729	763
FSC-certified paper	5	0.0	5	6	0	221	227
Paper	26	2	28	26	2	507	535



Partnership with OGYRE

Protection of marine ecosystems

In **2025**, Pettenon Cosmetics entered into a partnership with **Ogyre**, an Italian start-up dedicated to the protection of marine ecosystems. Over the course of 24 months, the project aims to collect over **88,000 kg of marine litter**, equivalent to approximately **5% of the Group's total Plastic Footprint**.

The materials are collected directly from fishermen, brought ashore, **tracked and catalogued**, and then sent for **recycling or sustainable disposal**. Every stage of the process is monitored using blockchain technology, ensuring transparency and traceability.

The project also encourages the active involvement of **fishermen** and **coastal communities** through a system of financial incentives and initiatives aimed at preventing marine pollution.



Reforestation of the Asiago Plateau

In **2025**, Pettenon Cosmetics contributed to a **reforestation project on the Asiago Plateau**, developed by **ClimatePartner** in collaboration with **4Tree**, to support the regeneration of areas affected by the **2018 Storm Vaia**.

The initiative involves the creation of a **mixed forest covering approximately 30 hectares**, designed to be resilient to climate change. Thanks to the Group's contribution, **1,382 new trees** have been planted.

The project also included opportunities for **internal engagement**, including a webinar on climate action and a **community tree-planting day**, thereby raising awareness and encouraging active participation among the Group's staff.



Results for 2025, Targets for 2026 and alignment with Common benefits

The environmental targets for 2026 are a concrete step forward in the Group's transition, one aimed at strengthening the tools used to monitor, analyse and manage environmental impacts.

Priorities include strengthening our response to climate change, by enhancing the monitoring of greenhouse gas emissions and beginning to map Scope 3 emissions, as well as tightening controls on water consumption at production sites.

At the same time, the Group intends to improve waste management and traceability, incorporate environmental criteria into packaging design through Product Carbon Footprint (PCF) assessments, and structure product innovation to encourage the development of product ranges characterised by the use of natural and traceable ingredients.

These objectives contribute to the gradual consolidation of a systemic approach to sustainability, in line with the Common Benefits **Environmental Protection and Research and Innovation**.

The table summarises the path taken in 2025 and the development priorities for 2026, in line with the Common Benefits driving the actions of the Benefit Corporation.

Common Benefit	2025 Results	2026 Objective
Environmental protection	Carbon neutrality achieved across the Group's three production sites (408.6 tonnes of CO ₂ offset)	Strengthen the monitoring of Scope 1–2 GHG emissions and begin mapping Scope 3 emissions
Environmental protection	100% of the electricity purchased comes from renewable sources	Reduce energy consumption through industrial efficiency measures and renewable energy sources
Environmental protection	Photovoltaic generation of approximately 1,000,000 kWh per year (30% of the main site's energy requirements)	Improve the energy efficiency of sites
Environmental protection	30% reduction in water consumption compared with 2023	Strengthen consumption monitoring by site and continue to optimise processes
Environmental protection	44,000 kg of marine litter recovered (in partnership with OGYRE) and 1,382 trees planted (in partnership with ClimatePartner)	Consolidate existing environmental projects and launch new initiatives to protect ecosystems
Research and sustainable Innovation	15.1% recycled plastic used (+1.3 percentage points compared with 2024)	Incorporate environmental criteria into packaging through Product Carbon Footprint assessments
Research and sustainable Innovation	30.4% of the aluminium used comes from recycled sources	Increase the use of materials with a lower environmental impact in packaging
Research and sustainable Innovation	30% of the paper used is FSC-certified	Increase the use of certified renewable materials
Research and sustainable Innovation	Launch of supply chain traceability with ESG audits and shared standards for suppliers	Strengthen traceability and integration of ESG criteria throughout the supply chain
Research and sustainable Innovation	Implement the system for calculating the naturalness of formulations (ISO 16128) and develop an in-house method for assessing the biodegradability of raw materials (OECD 301)	Complete the system for assessing the biodegradability of formulations and draw up company guidelines on green claims





chapter 4 / **social**

chapter 4

social

Empowerment, inclusion and well-being

For Pettenon Cosmetics, social sustainability is a concrete commitment that is reflected in valuing people, promoting a fair and inclusive working environment, and contributing to community development. The social dimension serves as a strategic driver for the Group's responsible growth and is a key factor in building trust, a sense of belonging and the creation of shared value.

Signing up to the “Businesses for People and Society” Manifesto

GRI 2-28

For the second year running, Pettenon Cosmetics has renewed its commitment to the Manifesto promoted by the UN Global Compact Network Italy. This reaffirms our commitment to enshrining the principles of the Manifesto into our business strategies and practices, strengthening the central role of people, the community and social wellbeing in corporate decision-making.

Employment, workforce composition and dynamics

GRI 2-7 | 2-8 | 401-1

In 2025, Pettenon Cosmetics continued to expand its workforce. The increase in the total number of employees is attributable both to the expansion of industrial operations and to the widening of the scope of reporting, which now includes the Sansepolcro site, as well as the consolidation of the Group's operations.

In 2025, the Group had **616 employees**, of whom **55% were women and 45% were men**. The proportion of women in positions of responsibility remains significant: **53% of middle managers**

are women, whilst **women account for 31% of senior managers**. Furthermore, **26 employees belong to protected categories**, confirming our commitment to inclusion and compliance with current legislation.

The Group's workforce comprises **16 senior managers, 55 middle managers, 264 office staff and 281 production workers**. In 2025, Pettenon Cosmetics also employed **3 non-permanent staff**, whose duties are supervised by the company. All of the Group's employees are covered by the relevant **National Collective Labour Agreement (CCNL)**.

Staff composition

GRI 2-7 | 405-1

Indicator	2024	2025
Total employees (N)	521	616
Women %	60	55
Men %	40	45
< 30 %	22	20
30-50 %	58	59
> 50 %	21	21
Female managers %	31	31
Female middle managers %	52	53
Female white collar workers %	75	75
Female blue collar workers %	47	38
Female employees in protected categories (N)	17	26

* The percentages refer to the breakdown of staff as a proportion of the total workforce.

Over the course of the year, there were **64 new arrivals and 52 departures**. Staff turnover trends reflect both the Group's organisational development and the natural turnover of staff.

GRI 401-1

Indicator	2024	2025
New hires (N)	82	64
Women (%)	61	52
< 30 (%)	32	41
30-50 (%)	45	50
> 50 (%)	23	9
Employees leaving (N)	34	52
Women (%)	53	48
< 30 (%)	26	25
30-50 (%)	56	52
> 50 (%)	18	23

* The percentages indicate the distribution of new hires and departures out of the total number of events recorded during the period.

Diversity, Equity and Inclusion

GRI 405-1 | 405-2 | 406-1

Pettenon Cosmetics promotes a corporate culture based on respect for people, the celebration of differences and the guarantee of equal opportunities, recognising diversity as a key asset for innovation and sustainable growth.

In **2025**, the Group obtained the **UNI/PdR 125 Gender Equality Certification**, which attests to the adoption of policies and processes aimed at promoting equality, recognising skills and reducing gender gaps.

The **Code of Ethics** safeguards people's physical, cultural and moral integrity and condemns all forms of discrimination. No reports of discrimination were received during the reporting period.



Pay equity and the gender pay gap

GRI 405-2

Our commitment to women's empowerment is also reflected in our monitoring of pay equity. The Group analyses the ratio between the average pay of women and men by job category, adopting remuneration policies based on structured and objective criteria.

Salary progression is determined by the nature of the role and takes into account four main factors: seniority, positioning relative to market benchmarks, performance quality and potential. For managerial positions, there is a variable **incentive scheme** (MBO), of which up to **10%** linked to the achievement of ESG targets.

GRI 405-2

Ratio of women's basic pay to men's UoM: %

Category	2024	2025
Total	98	96
Managers	96	100
Middle Managers	85	89
Employees	133	99
Blue-collar	95	94

Total	97	96
Managers	95	100
Middle Managers	86	88
Employees	129	99
Blue-collar	94	94

* The report sets out the average pay of women compared to that of men by occupational category. Any discrepancies are influenced by the composition of the workforce and length of service and do not represent differences in pay for the same role.

Compensation & Benefits

GRI 2-19 | 2-20

Pettenon Cosmetics adopts compensation & benefits policies based on fairness, transparency and the development of its people, in line with the Group's growth strategy and sustainability objectives.

Remuneration policies are established in accordance with current labour legislation and applicable collective agreements, taking into account internal dynamics and market benchmarks, with a view to ensuring **internal equity and external competitiveness**.

The **Human Resources Department** is responsible for drawing up and updating remuneration policies, in coordination with the **Chief Executive Officer** and with the approval of the **Board of Directors**, ensuring transparency, fairness of processes and equal treatment.

The remuneration system for managerial positions includes a variable component (MBO) linked to the achievement of Group, business and individual targets. From 2025, **up to 10% of the incentive** is linked to the achievement of **ESG targets**, thereby strengthening the integration of sustainability into incentive schemes.

Well-being, Welfare and Quality of Working Life

GRI 401-3 | 2-19 | 2-20

People's well-being is a strategic priority for Pettenon Cosmetics. The Group promotes welfare and work-life balance policies with the aim of improving quality of life and supporting long-term job security.

In 2025, a number of organisational flexibility measures were confirmed, including:

- up to 50% remote working for suitable roles;
- a short working week with an early finish on Fridays for non-shift workers;
- part-time contracts and flexible working hours for specific roles.

The Group ensures access to the parental leave provided for under current legislation, whilst monitoring return-to-work rates and staff retention. In 2025, **45 employees** took parental leave; the **return-to-work rate** was **91%**, with a **12-month retention rate of 100%**.

GRI 401-3

Indicator	Gender	2024	2025
Employees entitled to leave (N)	Total	204	174
Managers	Men	128	72
Middle Managers	Women	76	102
Employees who have taken leave (N)	Total	50	45
Managers	Men	12	7
Middle Managers	Women	38	38
Employees who have returned to work (N)	Total	50	41
Managers	Men	12	7
Middle Managers	Women	38	34
Employees who have returned to work and are still in post after 12 months (N)	Total	48	41
Managers	Men	12	7
Middle Managers	Women	36	34

In 2025, there was an **increase in the number of men taking leave**, indicating a growing sharing of family responsibilities and greater corporate focus on promoting a work-life balance.

The Welfare Scheme, accessible via the **AON ONEflex** portal, allows employees to convert their profit-sharing bonus into services and reimbursements. In 2025, the **“Pettenon Welfare Estate”** project was also launched, involving 70 families.

In 2025, the focus on mental wellbeing was strengthened through a partnership with Uno-bravo, which offers all staff members four free online counselling sessions. The Group has also renewed its participation in the **Vivere in Salute** programme run by the **Umberto Veronesi Foundation**, which is dedicated to prevention. In 2025, the programme included dermatological screenings, breast examinations and free mammograms, as well as informative webinars on prevention for men and women, with the support of specialist doctors.

During 2025, a number of practical and administrative support initiatives were also rolled out, including a free **assistance service for completing Tax Form 730**, made available to all members of the Group, with the aim of simplifying the management of tax obligations and contributing to the overall well-being of employees.



Training and skills development

GRI 404-1 | 404-2

Continuous professional development is a strategic tool for supporting the Group's competitiveness and skills development.

In **2025**, a total of **9,778 hours of training were provided**, amounting to an **average of 15.9 hours per employee**, including technical, professional and managerial training, as well as compulsory training on health and safety at work.

The training activities focused in particular on the development of soft and technical skills, corporate governance and ESG issues, in line with the priorities of the 2026–2028 ESG Plan.

GRI 404-1

Total training hours by gender and category
UoM: hours

Indicator	2024	2025
Total	9,404	9,778
Men	2,659	4,660
Women	6,755	5,118
Managers	655	599
Middle Managers	1,995	1,826
Employees	6,080	5,669
Blue-collar	674	1,684

GRI 404-2

Average training hours per employee
UoM: hours

Indicator	2024	2025
Overall average	18.1	15.9
Men	12.6	16.8
Women	21.7	15.1
Managers	40.9	37.4
Middle Managers	36.9	33.2
Employees	24.1	21.5
Blue-collar	25.3	6.0

Partnership with CUOA Business School

In 2025, Pettenon Cosmetics strengthened its partnership with CUOA Business School. As a Supporting Partner, the company offers everyone the opportunity to enrol in master's programmes and executive courses at a special discounted rate.

The **Corporate Value Academy**, organised in collaboration with CUOA, involved Sales Account Managers and Agents in a programme designed to foster a culture of financial literacy across the organisation. Throughout the year, the company also hosted international students from the CUOA-IBS summer programme, sharing a vision of beauty, innovation and Italian craftsmanship.

Performance appraisal and professional development

GRI 404-3

The **Performance Dialogue** launched in 2024 is a key tool for performance appraisal and for supporting staff development. The process includes structured opportunities for discussion between managers and staff, aimed at assessing performance, setting objectives and guiding career development.

In 2025, **325 employees**, representing **53% of the workforce**, received a formal performance review and a professional development plan. The survey covered **88% of senior managers**, **86% of middle managers** and **81% of white-collar staff**. For staff, the process was implemented on a limited basis (10%), taking into account the specific organisational and operational characteristics of the production departments.

The gender breakdown of the employees assessed is consistent with the overall composition of the workforce: **67% of those assessed are women and 33% are men**.

The differences in the coverage of the Performance Dialogue compared to 100% are mainly due to staff turnover: the process is not applied to new recruits who have been with the company for less than six months.

Health and Safety at Work

GRI 403

People's health and safety is a priority for Pettenon Cosmetics and is managed through the Risk Assessment Document (RAD), specialist assessments and a structured system of monitoring and continuous improvement.

In **2025, 10 non-serious injuries** were recorded, with a rate of **12.03 injuries per million hours worked** (831,000 hours in total). **There were no fatalities, serious injuries or occupational illnesses.**

The system includes regular workplace audits, monitoring of PPE use, and specific procedures for managing injuries and near misses, with monthly reviews and the identification of preventive and corrective measures. In addition, 'Safety First' briefings are held during each shift in the production departments.

Training and awareness-raising activities continued throughout the year, including a staff training session on the Heimlich manoeuvre.



Engagement and Corporate Culture

Employee engagement is fostered through **All Employee Meetings, Management Team Meetings and the Innovation Board**, a cross-departmental team with a bottom-up approach. From 2025, digital screens installed in company premises will display brief updates on ESG issues, helping foster a culture of sustainability and encourage active participation.

Community and Local Area

GRI 413-1

In 2025, Pettenon Cosmetics supported **more than 20 organisations**, with a total investment of **428,000 euros** in sponsorship and financial contributions, excluding any product donations. Some of the initiatives are multi-year in nature; the amount shown reflects the total value of the projects supported and not a breakdown by financial year. These initiatives promote health, inclusion, culture, education and active participation, in line with the company's values and the common benefit principle.

Health, Prevention and Wellbeing

Pettenon Cosmetics has long supported the **Umberto Veronesi Foundation**, sharing its commitment to prevention and the promotion of scientific research. In 2025, the company funded a research grant at the University of Padua, focusing on the study of the mechanisms underlying ovarian cancer resistance to chemotherapy.

Through the "Little Prince" project: Heart-Safe Companies" initiative run by the **Ometto Foundation**, the company has installed a fourth defibrillator at its headquarters and donated a defibrillator to the San Martino di Lupari Sports Hall, home to the Alama Lupe Basket team.

Social Inclusion and Rights

The partnership with **QUID**, a social enterprise based in Verona that promotes the inclusion of vulnerable people in the workplace, was further strengthened in 2024 and 2025, particularly in the areas of culture and training. The webinar "Walk the Talk – Walking Together Towards a More Inclusive Culture" addressed topics such as privilege, diversity and inclusive behaviour.

Support for **Gruppo Polis**, a consortium of social cooperatives that has been active in the Padua area for over 25 years, contributes to projects such as Casa Viola (a shelter for women who are victims of violence), La Bussola (a day centre for homeless people), Mosaico and New Team Mosaico (centres for the inclusion of people with disabilities).

To mark **World Refugee Day**, the company organised the webinar "A Day in the World" in collaboration with UNHCR. Meetings with **Ca' Leido** to raise awareness of autism have also continued.

The “**VolontariAmo**” project enables employees to spend a paid working day volunteering with partner organisations, thereby promoting active participation and social responsibility.

Culture, Education and Beauty

The partnership with the **Peggy Guggenheim Collection** strengthens the link between art, culture and mindful beauty. Thanks to this partnership, the team at Pettenon Cosmetics can enjoy specially curated cultural experiences that promote well-being and inspiration.

Support for **I Bambini delle Fate** helps fund projects for children and young people with disabilities, including Ca’ Leido, a day centre for people with autism. The company also supports **La Forza e il Sorriso Onlus**, which helps women undergoing cancer treatment through mindful beauty workshops.

In 2025, 123 students from various schools took part in guided tours and in-depth sessions focusing on innovation, sustainability and production processes in the professional cosmetics sector.

Local Community

For the third year running, Alama Professional is a **gold sponsor** of **Alama Lupe Basket**, a women’s Serie A1 team based in San Martino di Lupari. The partnership demonstrates a commitment to supporting women’s sport, promoting gender equality and women’s empowerment.

In 2025, Pettenon Cosmetics supported **Castelfranco in Rosa**, an initiative dedicated to promoting a healthy lifestyle and preventing breast cancer, by acting as a sponsor and fielding a Pettenon Cosmetics team.



Results for 2025, Targets for 2026 and alignment with Common Benefits

In 2026, the social objectives are focused on consolidating people-centred policies, fostering an inclusive culture and developing community-oriented initiatives.

The definition of quantitative indicators will be progressively refined in line with developments in internal monitoring systems.

The table summarises the path taken in 2025 and the development priorities for 2026, in line with the Common Benefits driving the actions of the Benefit Corporation.

Common Benefit	2025 Results	2026 Objective
Gender Diversity and Multiculturalism	Achievement of UNI/PdR 125 certification	Maintain and strengthen certification through a continuous improvement plan
Gender Diversity and Multiculturalism	Launch of DE&I initiatives and awareness-raising events	Develop an ongoing training and awareness programme
Training and Empowerment of People	Flexibility policies and active work-life balance measures	Strengthen and monitor work-life balance policies
Training and Empowerment of People	Initiatives to support people's well-being	Enhance psychological well-being and preventive measures
Training and Empowerment of People	Structured and ongoing training programmes	Strengthen professional and managerial skills in line with the strategic plan
Training and Empowerment of People	Initial training initiatives on ESG issues	Promote ESG awareness through multi-level training programmes
Training and Empowerment of People	Internal communication tools and opportunities for active discussion	Strengthen internal dialogue and engagement through structured tools
Community Support	Support for over 20 organisations	Introduce tools for measuring social impact





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methodological note

chapter 5

methodological note

GRI 2-2 | 2-3 | 2-4 | 2-5

Law No. 208 of 28 December 2015 (“2016 Stability Law”) introduced the legal form of “Società Benefit” (Benefit Corporations) in Italy, defined as companies which, in the course of their business, pursue one or more common benefit objectives in addition to the aim of distributing profits, and which operate in a responsible, sustainable and transparent manner.

Benefit Corporations are required to prepare an Impact Report, to be attached to the company’s financial statements, which must include a description of the objectives and actions taken to pursue common benefits, an assessment of the impact generated, and the new objectives for the following financial year.

Pettenon Cosmetics has prepared this document in accordance with the requirements of the 2016 Stability Law, describing the impact generated in line with the international standards of the **Global Reporting Initiative (GRI Standards)**, 2021 version. The approach adopted is the “with reference” approach.

This document covers the period **1 January 2025 – 31 December 2025** and has not been subject to external assurance. The scope covers the headquarters in San Martino di Lupari, the Cartigliano premises and the Sansepolcro premises.

In addition to the GRI standard, this report includes an initial financial materiality assessment, in line with the EFRAG guidelines, in preparation for future ESRS and CSRD requirements.

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GRI Table of Contents

Declaration of use:

Pettenon Cosmetics S.p.A.
Società Benefit has reported the information contained in this GRI Content Index for the period 1 January 2025 – 31 December 2025 in accordance with the GRI Standards.

GRI 1 used:

GRI 1: Foundation 2021

GRI Standards referred to in the Sustainability Report

GRI 2 General disclosure

2-1	Organisational details	Cover; 1. The Group – About Us
2-2	Entities included in the sustainability reporting	6. Methodological note
2-3	Reporting period, frequency and contacts	6. Methodological note
2-5	External Assurance	6. Methodological note
2-6	Activities, value chain and other business relationships	1. The Group – Our production sites; Our business model
2-7	Employees	4. Social – Employment, workforce composition and dynamics
2-8	Workers who are not employees	4. Social – Employment, workforce composition and dynamics
2-9	Governance structure and composition	1. The Group – Governance Structure
2-12	Role of the highest governing body in overseeing impact management	2. Sustainability Strategy – Sustainability Governance
2-13	Delegation of responsibility for impact management	1. The Group – Ethics, Compliance and Whistleblowing
2-14	Role of the highest governance body in sustainability reporting	2. Sustainability Strategy – Sustainability Governance
2-19	Remuneration policies	4. Social – Remuneration & Benefits
2-20	Remuneration determination process	4. Social – Remuneration & Benefits
2-22	Sustainable Development Strategy Statement	Letter to Stakeholders
2-23	Policy commitments	1. The Group – Ethics, Compliance and Whistleblowing
2-24	Integration of policy commitments	1. The Group – Ethics, Compliance and Whistleblowing
2-26	Mechanisms for requesting clarification and raising critical issues	1. The Group – Ethics, Compliance and Whistleblowing
2-27	Compliance with laws and regulations	1. The Group – Privacy Management
2-28	Membership 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 Strategy – Sustainability Governance
2-30	Collective agreements	4. Social – Employment, workforce composition and dynamics

GRI 3 Material topics		
3-1	Process for determining material topics	2. Sustainability Strategy – Double Materiality
3-2	List of material topics	2. Sustainability Strategy – Material Topics
GRI 3 Material topics		
201-1	Directly generated and distributed financial value	1. The Group – Creating value for stakeholders
204-1	Proportion of spending on local suppliers	2. Sustainability Strategy – Our Suppliers
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205-3	Established incidents of corruption and actions taken	1. The Group – Ethics, Compliance and Whistleblowing
206-1	Anti-competitive behaviour	1. The Group – Ethics, Compliance and Whistleblowing
418-1	Complaints regarding breaches of privacy and loss of customer data	1. The Group – Privacy Management
Impact assessment scope: Other stakeholders (customers) Common benefit purpose: Research and innovation		
301-1	Materials used by weight or volume	3. Environment – Sustainable Packaging; Product Innovation
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416-2	Instances of non-compliance relating to the health and safety impacts of products and services	1. The Group – Product quality, safety and compliance
417-2	Instances of non-compliance regarding the provision of information and labelling of products and services	1. The Group – Product quality, safety and compliance
417-3	Cases of non-compliance concerning marketing communications	1. The Group – Product quality, safety and compliance
Impact assessment scope: Environment Common benefit purpose: Environmental Protection		
302-1	Energy consumption within the organisation	3. Environment – Energy consumption
302-3	Energy intensity	3. Environment – Energy consumption
302-4	Reducing energy consumption	3. Environment – Energy consumption (HELIOS Project)
303-1	Interactions with water as a shared resource	3. Environment – Water Management
303-3	Water withdrawal	3. Environment – Water Management
305-1	Direct greenhouse gas emissions (Scope 1)	3. Environment – Greenhouse gas emissions
305-2	Indirect greenhouse gas emissions (Scope 2)	3. Environment – Greenhouse gas emissions
306-3	Waste produced	3. Environment – Waste management and the circular economy

306-4	Waste not destined for recovery	3. Environment – Waste management and the circular economy
306-5	Waste directed for disposal	3. Environment – Waste management and the circular economy
Impact assessment scope: Workers, other stakeholders (local area and community) Common benefit purpose: Gender diversity and multiculturalism		
405-1	Diversity in governing bodies and among employees	4. Social – Diversity, Equity and Inclusion
405-2	Ratio of basic pay and remuneration between women and men	4. Social – Pay equity and Gender Pay Gap
406-1	Incidents of discrimination and corrective measures taken	4. Social – Diversity, Equity and Inclusion
Impact assessment scope: Workers, other stakeholders (local area and community) Common benefit purpose: Training and empowerment of people		
401-1	New recruitments and turnover	4. Social – Employment, workforce composition and dynamics
401-3	Parental leave	4. Social – Well-being, Welfare and Quality of Working Life
403-2	Hazard identification, risk assessment and accident investigation	The organisation has drawn up a formal health and safety policy, which is set out in detail in the Risk Assessment Document. Procedures have been established for identifying and analysing accidents and near-misses, and preventive and corrective measures have been put in place. All company employees can report any issues to the occupational health doctor via the dedicated communication channel.
403-3	Occupational health services	In order to protect the health of its employees, the company has implemented a health surveillance programme which requires workers to undergo medical fitness assessments, specifically tailored to the nature of their work and the associated levels of risk.
403-4	Employee participation and consultation on occupational health and safety programmes and related communication	The company has installed a “Safety and Quality Noticeboard” in its production departments as a means of keeping staff informed and engaging them, and a form has been set up to collect staff suggestions regarding health and safety at work. In addition, the company maintains an ongoing dialogue with the three employee safety representatives, who actively participate in a series of coordination meetings.
403-5	Worker training on occupational health and safety	With regard to health and safety at work, the company organises the following courses: General training, Specific training for low/high-risk areas, Training for supervisors, First aid training, Training in the use of automated external defibrillators (AEDs), Fire safety training, Forklift training, Management training and area-specific training.

403-6	Workers' health promotion	To facilitate employees' access to non-work-related medical and healthcare services, the company will enrol its staff in the Healthcare Fund for workers in the chemical, chemical-pharmaceutical, man-made fibres, abrasives, lubricants and LPG sectors (Faschim). This is a fund set up to meet the needs of its members and their families, with the aim of helping them cover their healthcare costs. This service aims to provide greater options when medical care is required, cover for everyday needs as well as major unforeseen events, and protection for members and their families.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	The company has carried out an assessment of its employees' exposure to hazardous substances, setting out strategies to prevent and mitigate the effects on health and safety within the Risk Assessment Document (RAD) specifically dedicated to chemical hazards.
403-9	Accidents at work	4. Social – Health and safety at work
403-10	Occupational Diseases	4. Social – Health and safety at work
404-1	Average annual training hours per employee	4. Social – Training and skills development
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404-3	Percentage of employees receiving regular performance and professional development appraisals	4. Social – Performance appraisal and professional development
Impact assessment scope: Other stakeholders (local area and community) Common benefit purpose: Community support		
413-1	Activities involving local community involvement, impact assessments and development programmes	4. Social – Community and Local Area

In-depth analysis

Double Materiality Analysis

The Double Materiality Analysis process was divided into five main stages, in line with European best practice and the requirements of the ESRS.

Context analysis:

an assessment of the company's operating environment, the Business Plan and key international best practices, identifying market trends and relevant regulatory requirements.

Identification of ESG impacts:

an analysis of the positive and negative impacts generated by the company's activities throughout the entire value chain.

Assessment of ESG risks and opportunities:

mapping based on severity and probability, taking into account the potential short-, medium- and long-term impacts on the business.

Strategic alignment:

aligning material topics with business priorities and the Five Common Benefits.

Internal validation:

cross-departmental discussion and final approval by the Sustainability Committee.

The **most significant positive impacts** relate to: efficient water management; decarbonisation and increased use of renewable energy; eco-design and responsible packaging; training, well-being and development of people; inclusion and gender equality; and financial value redistributed across the region.

The main **risks** identified include: extreme weather events and water stress; changes in environmental and product regulations; cybersecurity and data protection; reputational risk and greenwashing.

The main **opportunities** relate to: eco-innovation in packaging and formulations; green chemistry technologies; certified clean beauty and premium positioning; access to sustainable finance instruments.

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