



# Impact Report

## 2024

Pink Frogs Cosmetics Srl Società Benefit

This Impact Report has been prepared in accordance with the provisions of Article 1, paragraphs 376-384, of Law No. 208 of December 28, 2015, which regulates Società Benefit.

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**Pink Frogs Cosmetics S.r.l. Società Benefit**

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# 1. Organizational overview

Pink Frogs Cosmetics S.r.l. Società Benefit is an Italian company operating in the contract manufacturing of cosmetics, specifically skincare, haircare, personal care, perfumes, and dermocosmetics.

With over 45 years of history, the company has built a solid identity over time, combining innovation, quality, and sustainability.

In 2023, it formalized its social and environmental commitment by becoming a Società Benefit, incorporating common benefit objectives consistent with its long-term path into its bylaws.

The company's headquarters are located in several plants in the southern area of Milan, distributed between Pieve Emanuele and Rozzano. The spaces host R&D laboratories, production facilities, offices, warehouses, an ecological platform for waste management, and areas dedicated to logistics. The structure is designed to support a complete production cycle, from design to the creation of the finished product, also with a full-service approach.

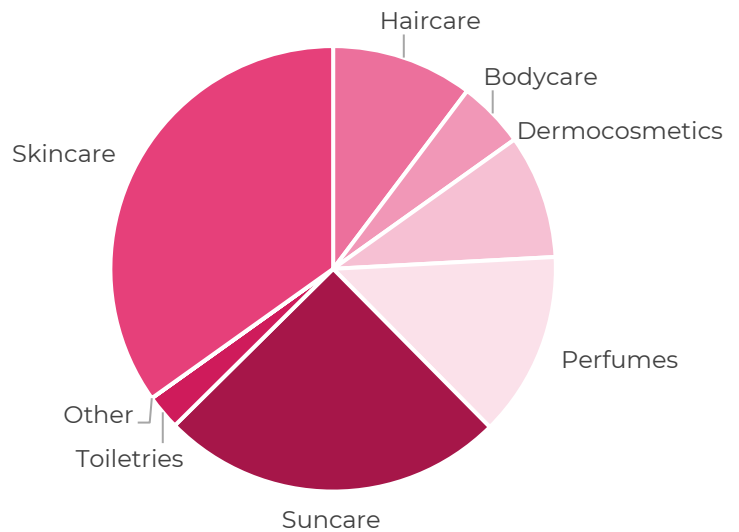
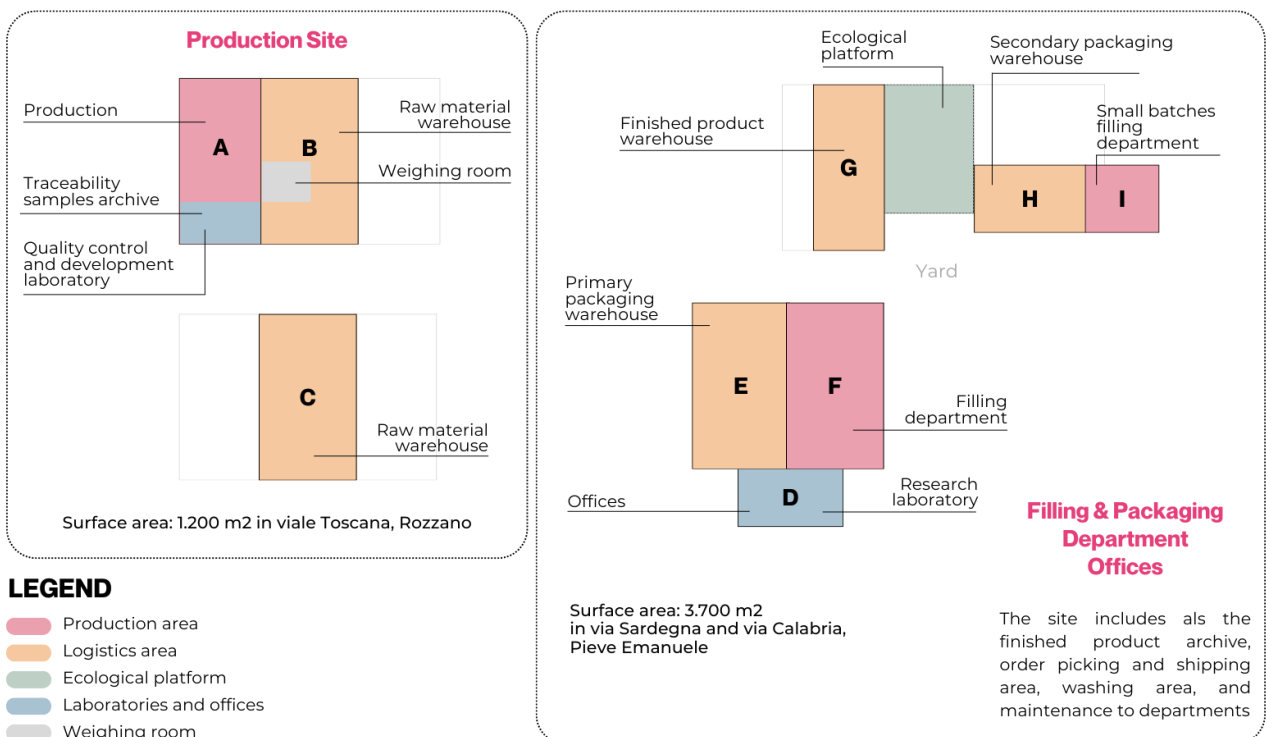


Figure 1. Production breakdown by product type (based on 2024 production data, excluding perfume sampling production)



The organization is led by CEO Matteo Locatelli. Corporate governance is based on principles of responsibility, transparency, and participation.

In 2024, the team consists of 85 people with an average age of around 41, constantly growing in terms of skills and training. The values that guide the company's choices (integrity, innovation, respect for the individual, sustainability, and quality) are the benchmark for every decision.

In 2024, Pink Frogs achieved a turnover of €17.9 million, consolidating its presence on international markets. Production exceeded 26 million pieces per year, with strong growth in the sampling line for perfumery, which accounts for approximately 50% of the volume.

## 2. Common benefit objectives and impact governance

In 2024, as it evolved as a Società Benefit, Pink Frogs Cosmetics updated and consolidated its common benefit objectives, outlining five strategic areas of social and environmental impact consistent with its identity and role in the cosmetics supply chain.

The company pledges to:

- Promote the **well-being and development of its employees** through training programs, professional and personal growth opportunities, and a safe, accessible work environment focused on mental and physical well-being and work-life balance.
- Foster **sustainability along the value chain** by promoting the adoption of responsible environmental practices by suppliers, monitoring compliance with ESG criteria, and supporting those who demonstrate a concrete commitment to reducing their environmental impact.
- Contribute to the **well-being of the local area and community** by supporting initiatives that improve quality of life and promote inclusive social development, including through volunteer projects and corporate social responsibility.
- Support the **learning and growth of new generations** by actively participating in the dissemination of a culture of sustainability and innovation through collaborations with educational institutions, mentoring programs, seminars, and workshops.
- Reduce direct **environmental impacts** through continuous energy efficiency measures, responsible management of natural resources, reduction of emissions, and optimization of waste management processes.

These objectives, which are fully integrated into the company's strategy, guide Pink Frogs' operational decisions and investments, and form the basis for the development of the 2024–2026 corporate sustainability plan.

### Impact governance and internal roles

Responsibility for pursuing benefit objectives is assigned to the Executive Board and the CEO, who regularly integrate ESG issues into strategic and operational decisions. Decisions are supported by the Sustainability Coordinator, who oversees project monitoring, promotes new initiatives, and manages impact reporting.

Since 2018, an internal Ethics Committee has also been in place, composed of representatives from various company departments. This body acts as a forum for listening and internal dialogue, and is responsible for monitoring compliance with the values expressed in the Code of Ethics, proposing improvement initiatives, and facilitating communication between employees and management.

### Monitoring and evaluation methods

Impact monitoring is carried out through a system of quantitative and qualitative indicators, integrated into the sustainability reporting process, consistent with GRI standards and aligned with the SDGs of the 2030 Agenda.

The sustainability report, prepared every two years, is the main tool through which the company assesses the results achieved, identifies critical issues, and defines new improvement objectives.

To supplement the biennial report, the company periodically (every four months) updates a mini-site dedicated to sustainability, where indicators relating to material issues and ongoing initiatives are published, thus ensuring transparency and timeliness of information to stakeholders.

In addition to measuring results, Pink Frogs promotes a participatory approach, involving key stakeholders (employees, customers, suppliers, local authorities, educational institutions) in discussions, climate surveys, and materiality analyses. This process strengthens the organization's ability to respond proactively to social and environmental expectations.

### 3. Activities carried out to achieve the objectives

#### 3.1 Promoting well-being and personal development

In 2024, Pink Frogs Cosmetics intensified its training activities with the aim of strengthening awareness of the role of each employee within the production process and ensuring constant updates on industry regulations.

An important initiative was the internal training and information course on cosmetic regulation, held by the Regulatory Manager.

This course, consisting of two one-hour modules, was attended by approximately 90 employees and workers, from operational levels to managers, highlighting the cross-cutting importance of the issue within the company. The main objective was to make all employees understand the value and responsibility of their contribution in ensuring product compliance and quality.



Figure 2. Course on cosmetic regulations

At the same time, there has been a strong focus on mandatory training, including workplace safety and apprenticeships, and on optional training dedicated to continuous professional development, including through activities carried out at suppliers, to promote the constant evolution of skills throughout the supply chain.

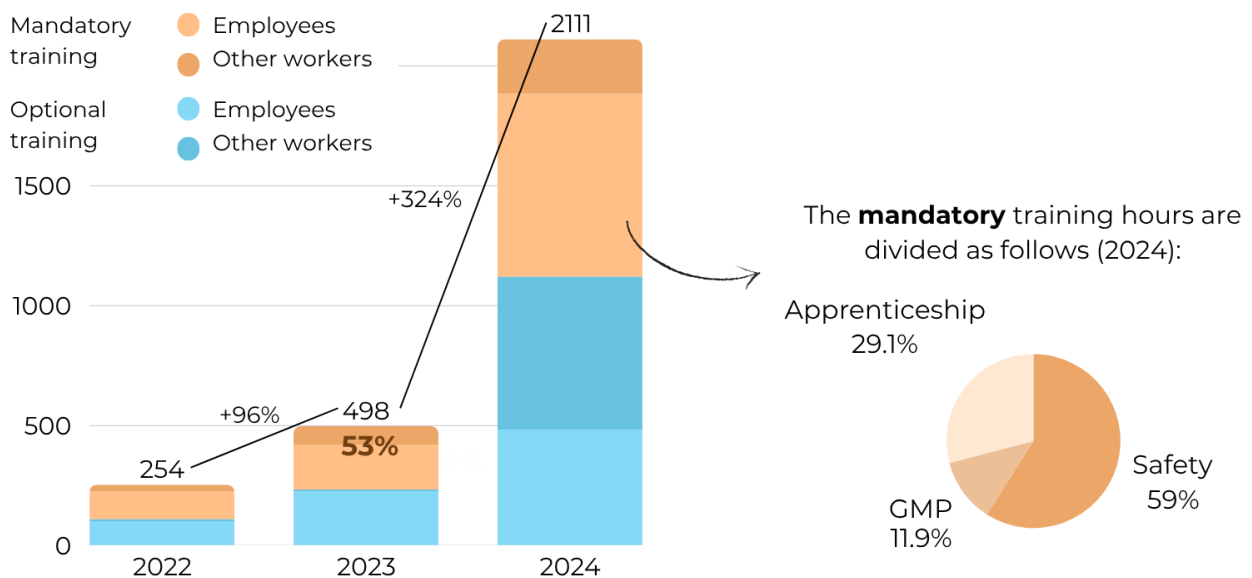


Figure 3. Training hours divided into compulsory and optional, with % compulsory training (2022-2024)

The increase in mandatory training hours recorded in 2024 is attributable to a combination of factors: an increase in staff numbers compared to 2023 (+12%), the need to renew safety courses expiring during the year, an increase in the number of apprentices (+66%) with the related training obligations, and the renewal of GMP (Good Manufacturing Practices) courses, which are considered mandatory by the company for the purposes of maintaining voluntary quality certification.

In 2024, Pink Frogs launched the **Pink Building** initiative, an internal project aimed at strengthening team spirit and collaboration between different departments.

A group of 4-5 employees, selected from 4 different company functions, spent a day sharing their daily tasks, discussing skills and challenges in an atmosphere of exchange and discussion.

The experience was enriched by social gatherings and an anonymous feedback questionnaire that allowed the impact of the project to be evaluated.

The Pink Building project, in which 100% of employees participated, helped improve team cohesion, promoting mutual understanding and a more inclusive and participatory corporate culture, in line with the objectives of well-being and personal development.



Figure 4. Pink Building

### 3.2 Sustainability along the value chain

In 2024, Pink Frogs Cosmetics updated its **Supplier Code of Conduct**, strengthening its commitments to environmental sustainability and social responsibility.



Figure 5. Products donated to support the Beauty Gives Back fundraiser for La forza e il sorriso Onlus

The update aims to promote responsible practices throughout the supply chain, encouraging compliance with ethical, environmental, and compliance criteria.

The code, which covers requirements for sustainable resource management, worker rights, and environmental compliance, is available on the company website and on a mini-site dedicated to sustainability, to make sure suppliers and stakeholders can easily access it.

Pink Frogs has also actively involved suppliers and partners in social and environmental **supply chain projects**.

A significant example is the co-marketing project carried out with a number of partners, aimed at donating products to support the fundraising efforts of 'La forza e il sorriso', an association sponsored by Cosmetica Italia, which is an integral part of the international Look Good Feel Better group promoting the initiative in 27 countries around the world.

The association promotes beauty workshops for women undergoing cancer treatment at hospitals and associations throughout Italy.



### 3.3 Contributing to the well-being of the territory and local community

The company has consolidated its commitment to the local area and community, promoting initiatives aimed at improving quality of life and fostering inclusive social development.

The company has continued to support important local organizations, including:

- I **Bambini delle Fate**: in particular through the **La Banca del Tempo Sociale** project, which offers children with autism and disabilities opportunities for inclusion and high school students an experience of approaching the social world.  
The project takes place at the Cooperativa Sociale Il Balzo in Rozzano (MI), the territory in which the company operates.
- **Municipality of Rozzano**: Pink Frogs has renewed its contribution to the “**Noi con Voi**” project, promoted by the Department of Social Services, which provides Auser Sempreverdi volunteers with a vehicle to transport elderly and disabled people in the area, following the loan for use of a vehicle initiated in 2019 thanks to the sponsorship of Pink Frogs and other local companies.

In addition, the company has actively participated in broader solidarity initiatives, such as supporting **La Forza e il Sorriso Onlus**, an association that promotes beauty workshops for women undergoing cancer treatment at hospitals and associations throughout Italy, which is part of the international Look Good Feel Better group.

These actions demonstrate Pink Frogs Cosmetics' desire to be a responsible and active player in its local area, valuing dialogue and collaboration with local stakeholders to generate a positive and lasting impact.

In 2024, approximately 40 Pink Frogs Cosmetics employees took part in the **Pittarosso Pink Parade**, a non-competitive 5 km walk. The event is promoted by the Umberto Veronesi ETS Foundation to raise awareness and funds for the fight against women's cancers, and the company's participation, combined with communication about the event, helped to spread messages of prevention and solidarity.



Figure 6. Pittarosso Pink Parade

### 3.4 Supporting the learning and growth of the younger generations

Pink Frogs Cosmetics is committed to strengthening its efforts to promote a culture of sustainability and innovation among the younger generation through numerous training and awareness-raising initiatives.

Several company representatives have taken part in various events, including **conferences, workshops, testimonials, and case studies**, many of which focused on ESG issues, helping to share Pink Frogs' best practices and sustainability journey.

Pink Frogs has also collaborated with educational institutions by **participating in university theses** and has continued to host **guided tours and open days** for schools and other stakeholders. In 2024, 32 students took part in an open day event, with an organized tour, and six participants from other stakeholders took part in additional sharing sessions.

Overall, in 2024, Pink Frogs recorded 13 events with stakeholders, up from 7 in 2023 and 2 in 2022.

These initiatives demonstrate Pink Frogs Cosmetics' commitment to investing in the education and engagement of the younger generation, contributing to the creation of a more sustainable and conscious future.

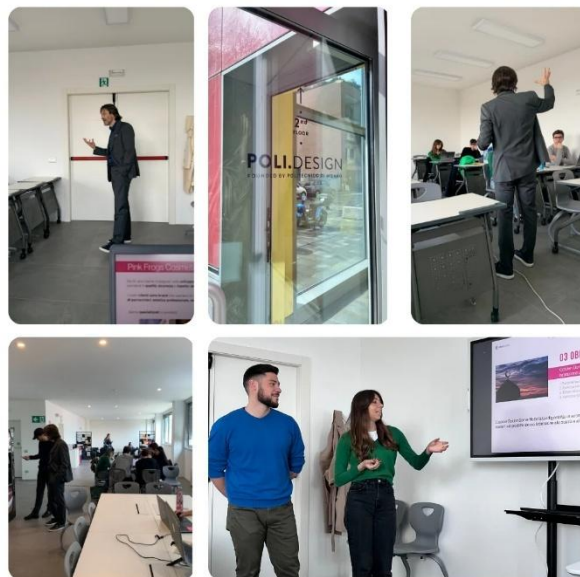


Figure 7. Sharing best practices and business experiences

### 3.5 Environmental impact reduction

In 2024, Pink Frogs Cosmetics strengthened its commitment to responsible waste management, with a particular focus on reducing mixed waste.

The company has entered into a partnership with a **new specialized supplier** that supports a process of improvement in the **qualitative differentiation of waste**. Thanks to this approach, it has been possible to optimize separate waste collection and reduce the amount of undifferentiated waste, contributing to effective environmental management.

The project is constantly evolving and is monitored on an ongoing basis, with the aim of extending these good practices to all areas of the company's production and logistics.

**Energy consumption** and **related emissions** are also monitored, with the aim of reducing the emissions that the company releases into the environment through its activities.

## 4. Impact Assessment

Impact assessment is an essential part of the journey as a Società Benefit. Pink Frogs Cosmetics has adopted an integrated monitoring system that combines indicators based on international GRI standards with ad hoc internal metrics, in line with its common benefit objectives.

Analysis of data collected over the three-year period 2022–2024 shows positive developments on several fronts:

- **Employee well-being and development:** the average number of training hours per employee has increased significantly (optional training hours rose from 1.48 in 2022 to 5.69 in 2024), signaling greater investment in widespread professional growth.
- **Sustainability along the value chain:** in 2024, the Supplier Code of Conduct was updated and published on the institutional website and on the mini-site dedicated to sustainability, as a first step towards greater accountability in the supply chain.
- **Well-being of the territory and local community:** financial support for projects with a social and health impact continued and grew in value, with a particular focus on inclusion, solidarity mobility, and support for women undergoing cancer treatment.
- **Learning and growth of the younger generations:** opportunities to share business experiences have increased, with nine participations in workshops and conferences in 2024 (seven of which were on ESG topics), mentoring and collaboration activities with schools and universities, as well as company visits for students and stakeholders.
- **Environmental impact reduction:** GRI 306 data show a slight overall decrease in waste generated compared to 2023, and a significant improvement in the proportion of waste not destined for disposal (down from 386,984 kg in 2023 to 134,878 kg in 2024), thanks to the adoption of new, more sustainable management solutions and a change in the reference supplier.

Scope	GRI Indicator	Description	2022	2023	2024
Promoting well-being and personal development	GRI 404-1: Training hours per employee	Average hours of training provided to employees	3,17	5,51	14,73
		of which optional training	1,48	3,01	5,69
Sustainability along the value chain		Update to the Supplier Code of Conduct			updated
Contributing to the well-being of the territory and local community		Financial support for community and local initiatives (La Banca del Tempo Sociale, Noi con Voi, La Forza e il Sorriso Onlus, Pittarosso Pink Parade)	17.400 €	17.400 €	18.360 €
Supporting the learning and growth of the younger generations		Number of conferences, workshops, company testimonials, and case studies attended	2	3	9
		on ESG topics	2	3	7
		Participation in thesis (through data sharing and/or interviews)	0	3	2

		Open doors to schools – Number of participants	0	36	32
		Open doors to schools – Number of visits	0	1	1
		Open doors to other stakeholders – Number of participants	0	0	6
		Open doors to other stakeholders – Number of visits	0	0	1
Environmental impact reduction	GRI 306-3 – Waste produced	Total weight of waste generated (in kg)	1.615.767	1.615.990	1.588.784
	GRI 306-4 – Waste diverted from disposal	Total weight of waste diverted from disposal (in kg)	322.695	386.984	134.878
	GRI 306-5 – Waste directed to disposal	Total weight of waste directed to disposal (in kg)	1.293.072	1.229.006	1.453.906
	GRI 302-1 - Energy consumption within the organization	Total energy consumption from nonrenewable sources in MWh	413,34	677,19	810,58
		Total energy consumption from renewable sources in MWh	303,45	165,63	0
		Total energy consumption within the organization in MWh	716,78	842,82	810,58
	GRI 305-1 - Direct GHG emissions (Scope 1)	Direct GHG emissions (Scope 1) in t CO2 eq	83,8	103,0	92,7
	GRI 305-2 - Indirect GHG emissions (Scope 2)	Gross location-based indirect GHG emissions from energy consumption (Scope 2) in t CO2 eq	91,00	99,97	105,91
		Gross market-based indirect GHG emissions from energy consumption (Scope 2) in t CO2 eq	1,48	51,11	105,91

## 5. Impact management method

Impact management at Pink Frogs Cosmetics is based on a clear, cross-functional structure that integrates common benefit objectives into the company's strategy and day-to-day operations.

### Roles and responsibilities

Ultimate responsibility for pursuing benefit objectives lies with the CEO and the Executive Board, who integrate ESG criteria into decision-making processes.

A Sustainability Coordinator is in place to provide support, with the following functions:

- monitoring social and environmental impact projects,
- proposing and promoting new initiatives consistent with benefit objectives,
- collecting and validating data useful for reporting.

Since 2018, an internal Ethics Committee has supported the company's values. Composed of representatives from all company departments, it serves as a forum for discussion, oversight, and proposals on issues of ethics, organizational culture, and internal relations.



### Processes and tools

Impact monitoring is structured on:

- a system of KPIs and indicators (GRI and internal), updated annually,
- internal and cross-functional discussions, in which results and areas for improvement are shared,
- stakeholder engagement activities, including materiality analysis, meetings with educational institutions, and suppliers.

The biennial report is the main tool for assessment and transparency, useful for guiding the 2024–2026 sustainability plan and defining medium-term objectives. It is integrated with the mini-site dedicated to sustainability, where indicators related to material issues are updated periodically to ensure transparency and timeliness of information to stakeholders.

### **Role of Open-es as a third-party monitoring tool**

To ensure transparency and reliability in measuring social and environmental impact, the Benefit Corporation uses Open-es as a third-party monitoring and evaluation tool. Open-es provides an independent data collection and analysis system, which helps to validate the performance indicators presented in this report.

It should be noted that Open-es is used every two years, in line with the impact reporting frequency adopted by the company. Therefore, some data referring to the most recent period may be acquired through other internal tools or processes, pending the next update via Open-es.

Limitations:

- Open-es provides technological and methodological support, but does not replace a formal audit or external certification process.
- The two-year frequency may result in a delay in updating some information, which will be included in the next report.

The use of Open-es helps to improve the quality and transparency of reporting, in line with the regulations governing benefit corporations and best sustainability practices.

## 6. Critical issues and obstacles encountered

During 2024, Pink Frogs Cosmetics continued to strengthen its commitment to common benefit objectives, but encountered some critical issues that limited the full implementation of certain measures or slowed progress on some strategic areas.

### **Resources and organizational structure**

Although there is a person formally dedicated to coordinating sustainability activities, the small size of the organization means that many processes—in particular, the collection of ESG data—are still managed manually and with the cross-functional contribution of various company departments.

Some areas, such as the environment, face limitations due to structural constraints at the current headquarters, which are not fully adequate to support more ambitious initiatives. A new headquarters is currently being designed, which will offer greater opportunities to integrate environmental criteria and improve overall impact management.

### **Involvement of the value chain**

Despite the update of the Supplier Code of Conduct and some initial attempts to involve suppliers in shared projects, dialogue with suppliers and partners remains unsystematic. The absence of a structured channel for engagement and ESG assessment mechanisms along the value chain has slowed down the path towards a truly sustainable and inclusive supply chain.

### **Project maturity**

Some initiatives aimed at generating shared benefits are still in an exploratory or embryonic phase. In particular, in dual-purpose projects, the impact objective has not yet been accompanied by systematic measurement or structured indicators. This limits the possibility of fully assessing their effectiveness in terms of the impact generated.

### **Impact measurement**

The use of GRI indicators remains partial: not all benefit areas have KPIs that can be associated with international standards, and for some qualitative activities (such as promoting a culture of sustainability or participating in training events), internal discussions are still ongoing on the definition of relevant metrics that can be replicated over time.



## 7. Commitments and objectives for 2025

For 2025, Pink Frogs Cosmetics is committed to continuing and strengthening its social and environmental sustainability journey, with a focus on concrete and measurable initiatives that contribute to creating shared value for all stakeholders.

In particular, the main objectives are:

- Promote the enhancement of the skills of people with current or potential care responsibilities through dedicated projects that support an inclusive corporate culture, attentive to **gender equality and work-life balance**.
- Provide internal training courses to **promote well-being and health** in the workplace, with a particular focus on **correct posture** and the prevention of musculoskeletal disorders, as well as a specific course on **logistics safety** for warehouse employees.
- Resume the “**Circular Beauty**” project, which aims to give new life to surplus cosmetic products through solidarity partnerships with non-profit organizations and suppliers in the cosmetics supply chain, creating a virtuous circle of circular economy and solidarity.
- Strengthen **relationships with local schools**, increasing the number of company visits and expanding collaborations with educational institutions to promote the spread of a culture of sustainability and innovation among the younger generation.
- Maintain constant monitoring of **impact indicators**, integrating the ESG reporting system to improve the transparency and quality of information shared with stakeholders.
- Strengthen **value chain management** by promoting the adoption of the updated Code of Conduct among suppliers and structuring a more effective system for monitoring and exchanging information on ESG issues.
- Continue to improve **waste management and quality differentiation**, with the support of specialized suppliers, and optimize logistics routes to reduce environmental impact and transport-related emissions.
- Work on increasing the types of Scope 3 **emissions** calculated, with a view to quantifying the entire value chain and seeking to reduce the emissions currently monitored.

### Main objectives for 2025:

- Provide at least two training courses dedicated to well-being and safety in the workplace.
- Launch at least one new edition of the Circular Beauty project, involving at least three partners and non-profit associations.
- Increase the number of school visits and opportunities for discussion with educational institutions by 30%.
- Launch at least one project dedicated to skills development and work-life balance.
- Reduce the number of trips related to waste collection by 10% compared to 2024.

These commitments represent the basis for continuing to integrate common benefit objectives into the company's strategy and operations, with the aim of consolidating Pink Frogs Cosmetics as a benchmark in the cosmetics sector for social and environmental responsibility.



## 8. Appendix

### Methodological note

In the impact assessment process, Pink Frogs Cosmetics adopted a mixed monitoring system, combining standardised GRI indicators with ad hoc internal KPIs.

Some common benefit objectives, such as community involvement or support for educational initiatives, are not directly attributable to a specific GRI indicator. In these cases, the company has chosen to present the most significant data anyway, in line with its participatory approach and transparency objective.

This information should be understood as qualitative or quantitative performance indicators, even if not formally codified according to an external standard.

### Using Open ES as a monitoring tool

To monitor social and environmental impacts, in 2023 the company used the Open ES tool, recognized as a third-party tool compliant with current regulations for benefit corporations. Open ES allows quantitative and qualitative data to be collected to support the measurement of key impact indicators.

It should be noted that the use of Open ES was planned on a biennial basis, therefore no new survey was filed through this platform for the current year. The next use of Open ES is scheduled for 2025, in line with the two-year monitoring strategy.

This choice allows Open ES data to be integrated with internally collected information, ensuring an in-depth and continuous analysis of impacts over time, while taking into account the time constraints of data collection frequency using this external tool.

## Glossary

Term	Brief definition
Società Benefit (SB)	Companies that, in addition to profit, formally pursue common benefit objectives (e.g., environmental, social) in their statutes.
Common Benefit	Positive, concrete, measurable impact on people, the environment, and the territory, voluntarily generated by an SB.
ESG	Acronym for Environmental, Social, Governance: criteria for assessing the sustainability of an organization.
GRI (Global Reporting Initiative)	International standards for sustainability reporting. They help make ESG data comparable.
SDGs (Sustainable Development Goals)	17 goals of the UN 2030 Agenda for fair and sustainable global development.
Stakeholder	Parties that influence or are influenced by the company's activities (e.g., employees, customers, suppliers, local communities).
Scope 1, 2, 3	Classification of CO <sub>2</sub> emissions: <ul style="list-style-type: none"><li>- Scope 1: direct emissions from the company</li><li>- Scope 2: emissions from purchased energy</li><li>- Scope 3: indirect emissions along the supply chain (e.g., transportation, suppliers)</li></ul>
KPI (Key Performance Indicator)	Quantitative/qualitative indicators that measure performance against targets.
Materiality (analysis of)	Process for identifying the most relevant ESG issues for the company and its stakeholders.
Circular Economy	Economic model based on reuse, recycling, and waste reduction, applied here to the cosmetics sector.
Open-es	Collaborative platform for measuring and managing the ESG performance of industrial supply chains..

In accordance with current legislation, this Impact Report is published on the institutional website of Pink Frogs Cosmetics Srl Società Benefit, in the section dedicated to sustainability and transparency, accessible to stakeholders.

Milano, 21/04/2025

Sole Administrator

Matteo Locatelli

A handwritten signature in black ink, reading "Locatelli Matteo". The signature is written in a cursive, flowing style.