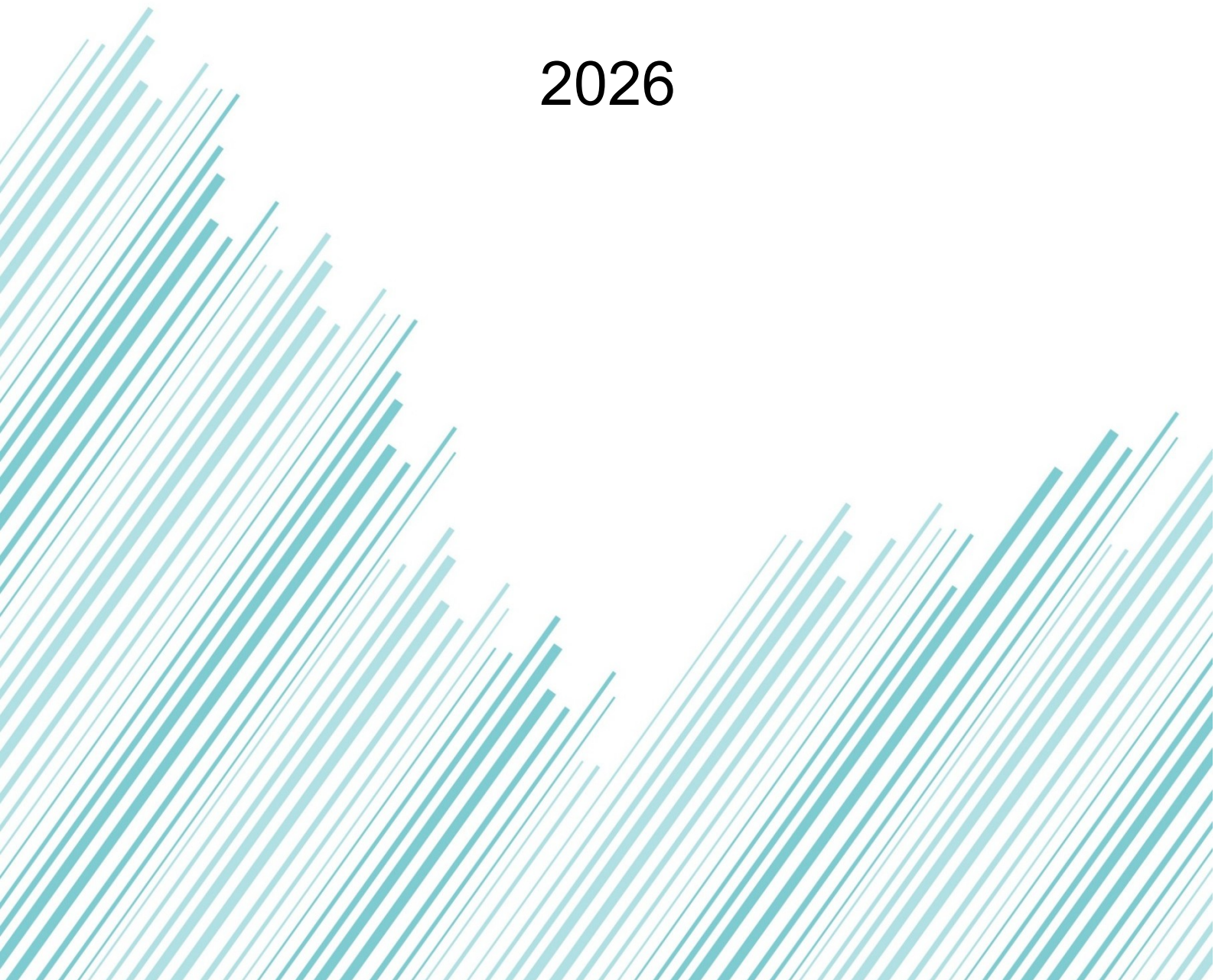




**Penn Solutions GmbH**  
SUSTAINABILITY REPORT

2026



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# INTRODUCTION

This report has been prepared to illustrate Penn Solutions GmbH's commitment to environmental, social and governance issues.

ESG (environmental, social, governance) criteria are indicators consistent with GRI standards that provide an assessment of how a company performs in relation to the following areas:



**Environment:** respecting the surrounding environment and actively working to reduce the environmental impact of its activities;



**Society:** the relationship with local communities, employees, suppliers, customers and all stakeholders linked to the company's activities;



**Corporate governance:** inspired by the ethical principles of business continuity and governance, ensuring maximum transparency in corporate decisions and choices.

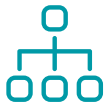
**The rise of ESG principles** has been driven by the publication of the UN's 2030 Agenda for Sustainable Development, which, through its 17 Sustainable Development Goals, has inspired the strategies and approaches through which sustainability is being implemented in nations and organisations, and by the European Dual Materiality Disclosure Regulation (NFD).



**ESG indicators** are important because they make the environmental, social and governance activities, which have long guided the business operations of Penn Solutions GmbH, objective, measurable and comparable through essential audits.



**The content of this report** is aimed at all stakeholders and represents the successful outcome of an 'awareness-raising process' that has led the company to better understand the role it plays in relation to the environment and society.



**The report is structured** with an introduction presenting the company's activities, followed by sections dedicated to each of the three main areas of focus in the ESG report.

The statement refers to the year 2025.



Penn Solutions GmbH has a total of:

Employees	No.	2025
		104

Penn Solutions GmbH is an international company that manufactures and develops innovative fabrics to meet customer requirements.

The following image shows the area where the organisation is located.



At the entrance to the site in Germany is the yarn used for fabric production.

<b>Yarn supplied</b>	Tonnes	<b>2025</b>
		519,272.2

In 2025, the following production volumes were reported:

<b>Fabric produced</b>	m	<b>2025</b>
		1,228,360

The earnings reported in 2025 are:

<b>Profit</b>	€	<b>2025</b>
		15,742,273



## ENVIRONMENTAL REPORTING

Penn Solutions GmbH is strongly committed to environmental protection, both in terms of the impact its activities may have on the surrounding area and, more broadly, in terms of global environmental protection, combating climate change and preventing environmental impacts.

The company considers all the impacts of its activities, adopting a life-cycle perspective, which means it does not limit itself to assessing only the impacts linked to its own production activities; it goes further, considering the entire supply chain and the environmental impact of its products, including the end of the product's life.

As evidence of its concrete commitment to the environment throughout its supply chain, the company has defined criteria for qualifying its suppliers. The organisation comprises a total of 75 suppliers, 80% of whom are qualified against environmental criteria, whilst 80% guarantee full traceability throughout the supply chain.

To ensure careful management of these aspects and continuously reduce impacts, Penn Solutions GmbH has identified appropriate indicators and introduced measures to monitor and control its performance.

The environmental aspects considered and the related indicators are outlined below in the relevant sections.



### ENERGY

Energy is fundamental to Penn Solutions GmbH's operations, and energy consumption is monitored periodically using specific indicators. The table below summarises the main energy sources and their respective consumption.

Energy	u.m.	2025
<b>Electricity consumed purchased from the grid</b>	kWh	1,463,430
<b>% of renewable</b>	%	100%

<b>energy consumed from the grid</b>		
<b>Natural gas</b>	Smc	1,357,470
<b>Self-generated energy from renewable sources</b>	kWh	2,372,234

Fuel consumption related to transport, i.e. for company vehicles, is also monitored. Details of this consumption are shown below.

<b>Fuel</b>	<b>u.m.</b>	<b>2025</b>
<b>Petrol</b>	l	387.1
<b>Diesel</b>	l	451.1

Atmospheric emissions in tonnes of CO<sub>2</sub> equivalent have been calculated for all fuels and the fuels listed above, as well as for electricity consumption. For detailed information, see the following section.



## ATMOSPHERIC EMISSIONS AND REFRIGERANTS

Penn Solutions GmbH is committed to reducing greenhouse gas emissions, i.e. the gases that cause global warming. In line with the 2015 Paris Agreement, which aims to keep the long-term rise in global average temperature well below 2°C, the company has calculated the quantities of CO<sub>2</sub> equivalent emitted during its production processes in terms of energy consumption, transport and refrigerants released into the atmosphere, and has implemented measures to reduce them.

The table below shows a breakdown of the company's atmospheric emissions:

<b>Emission source</b>	<b>u.m.</b>	<b>2025</b>
<b>Transport of raw materials</b>	tonnes of CO <sub>2</sub> eq	522.18
<b>Methane consumption</b>	tonnes of CO <sub>2</sub> eq	2,750
<b>Combustion</b>	tonnes of CO <sub>2</sub> eq	2.09
<b>Waste transport</b>	tonnes of CO <sub>2</sub> eq	0.83
<b>Transport for</b>	tonnes of	250.02

<b>product delivery</b>	CO <sub>2</sub> eq	
<b>Total emissions</b>	tonnes of CO <sub>2</sub> eq	3,525.12

In total, in 2025, the company emitted 3,525.12 tonnes of CO<sub>2</sub>equivalent resulting from the use of electricity, fuels and the transport of raw materials, waste and products. Penn Solutions GmbH has introduced the best technical and plant engineering solutions to reduce the pollution it emits into the atmosphere and to obtain the necessary environmental permits.



## WATER

Penn Solutions GmbH recognises that water is a precious resource, which is why it is committed to reducing water consumption and preventing water pollution. The company uses water in its production processes and for domestic purposes. The sources of supply and volumes are summarised below:

Water supply source	u.m.	2025
<b>Production process</b>	Mc	77,580
<b>Domestic use</b>	Mc	1,159

In total, 78,739 cubic metres of water were supplied in 2025.

The company carries out regular analyses of its wastewater to verify that it complies with environmental regulations and best practice standards.



## WASTE

The company's activities result in the production of special waste.

Penn Solutions GmbH recognises that waste is a resource to be utilised; therefore, with a view to the circular economy, it prioritises the recovery and reuse of waste as much as possible. As evidence of this, in 2025, approximately 11% of waste was sent for recovery operations.

When it is not technically possible to recycle the material, the company sends the waste for energy recovery to generate electricity and heat. Only when there are no alternatives is the waste sent for other disposal operations.

Within the site, there is an area dedicated to the temporary storage of waste. This is managed in compliance with current regulations, implementing all necessary measures to prevent potential environmental damage such as accidental spills.

The quantity of waste produced is constantly monitored. The results of this monitoring are shown below.

Waste produced	u.m.	2025
<b>Hazardous waste</b>	kg	64,030
<b>Non-hazardous waste</b>	kg	107,180
<b>Total waste disposed of</b>	kg	171,210
<b>Recycled waste</b>	kg	18,140
<b>Waste for disposal</b>	kg	153,070

## PRODUCT PACKAGING

The German site packs finished products onto cardboard rolls, wrapped in plastic film and placed on pallets.

The quantities of packaging materials produced are constantly monitored; the monitoring figures for the year 2025 are shown below:

Packaging materials	units	2025
<b>Paper, cardboard</b>	kg	30,519
<b>Adhesive film and tape</b>	kg	9,796
<b>Wooden pallets</b>	kg	8,935



## CHEMICALS

The production process at the German plant requires the use of chemicals for finishing and dyes for colouring. Penn Solutions GmbH monitors the quantity of chemicals used and is

committed to adopting the best strategies to reduce the use of substances that may pose a risk to health or the environment.

In 2025, the following quantities of chemicals were used:

Chemicals	u.m.	2025
Dye	kg	14,025
Other chemicals	kg	342,375
<b>Total chemicals</b>	kg	356,400

It is also essential for the Organisation that the products used comply with the highest internationally recognised standards.

When chemicals are handled within the company, all necessary measures are taken to prevent any spillage of substances that could pose a risk to health or the environment. In 2025, no spills occurred.



## ENVIRONMENTAL MONITORING

No environmental audits were conducted in 2025. Details are provided below.

Audits carried out	n	2025
		0



## SOCIAL REPORTING

For Penn Solutions GmbH, people are the most important asset. For this reason, the company is committed to protecting its employees, ensuring that workers' rights and well-being are consistently upheld, and guaranteeing appropriate working conditions throughout the entire production chain.

The company's operations are based on a Code of Ethics, a document setting out the principles of conduct and the ethical and social rules to which all company representatives must adhere. The document also defines the company's ethical and social responsibilities and the values it promotes.

The Code of Ethics was last revised on 28 November 2025

As a demonstration of its commitment to social responsibility throughout the supply chain, the company has established criteria for the qualification of its suppliers.

Penn Solutions GmbH has established an Independent Supervisory Body and an Organisational Model for the prevention of offences.

The Supervisory Body is responsible for continuously verifying compliance with the Organisational Model by all relevant parties, its effectiveness in preventing potential offences, and its updating in the event of changes.

Penn Solutions GmbH's focus on social issues is not limited to the company's own boundaries but is promoted throughout the entire production chain. The company carries out a qualification process for its suppliers that also takes social management criteria into account.

The table below shows some data that best represents the composition of the company's workforce and staff turnover in the period 2025.

Company workforce	p.p.	2025
Number of employees	No.	104
Hours worked per week	h	40
Managers	No.	8
Workers	No.	75
New hires	No.	6
Staff departures	No.	19

The percentage of female employees is as follows.

Women/total employees	%	2025
		30.8

The percentages of women in managerial positions are as follows.

		2025
Women managers / total managers	%	25

The youngest employee in the company is 20 years old. In general, the average age of the company's staff is 49 years. In 2025, 4 apprenticeship contracts will begin.

The table below shows the breakdown of staff by age.

Employees in each age group	n.a.	2025
<b>16–18 years</b>	n	0
<b>19–35 years</b>	n	24
<b>36–55 years</b>	n	35
<b>Over 55</b>	n	43

Penn Solutions GmbH is highly committed to equality and offers all employees equal employment opportunities, removing any barriers that might limit their personal development. The company recognises that diversity can be an asset, helping to achieve its business objectives.



## TRAINING

Penn Solutions GmbH understands that providing training means investing in people to enhance the skills not only of each individual employee but also of the team.

In recent years, numerous training events have been held on various topics and at different levels.

Below is a breakdown of the training activities organised by the company during the reporting period.

Training hours	u.m.	2025
<b>Staff</b>	n	104
<b>Health and safety</b>	h	300
<b>Managers (Directors and Heads of Department) Health and Safety</b>	h	10
<b>Specific health and safety risks</b>	h	3
<b>Social aspects and corporate wellbeing</b>	h	0



## WORKING at Penn Solutions GmbH

At Penn Solutions GmbH, we recognise that a positive working environment is essential not only for achieving our objectives, but also for boosting personal engagement and motivation. Positive, long-lasting relationships also help to retain the company's expertise in the long term.

All employees of the company are guaranteed the freedom to form associations and to exercise their collective bargaining rights.

For Penn Solutions GmbH, diversity is an asset, which is why it is committed to creating an inclusive working environment that allows everyone to realise their potential. The company therefore also has diversity and inclusion indicators, which are outlined below.

Diversity and Inclusion	u.m.	2025
<b>Employees from a foreign country or holding foreign citizenship</b>	n	14
<b>Workers belonging to protected categories</b>	n	2

The ability to balance work and private life is also an aspect on which Penn Solutions GmbH places particular emphasis. The company monitors working hours and calculates overtime. It also periodically checks the consistency of salaries and contracts.

The table below provides details of the hours worked during the reporting period.

Hours worked	u.m.	2025
<b>Weekly standard hours worked</b>	h	40
<b>Overtime</b>	h	0
<b>Trade union representative's office hours</b>	h	75



## HEALTH AND SAFETY

For Penn Solutions GmbH, adequate health and safety protection in the workplace is an essential aspect of business operations. To this end, all necessary preventive and protective measures have been implemented to minimise the risks associated with work activities.

A Health and Safety Manager has been appointed within the company (last appointed on 31/12/2025). This person is responsible for identifying, assessing and managing health and safety risks in the workplace and for coordinating the Health and Safety Service.

A culture of workplace safety is fostered at all levels of the company through dedicated training events and the appointment of Workers' Safety Representatives, who are responsible for representing workers on matters of health and safety at work. Fire and first-aid teams have been appointed and undergo regular refresher training to verify the necessary skills (the first-aid team's last refresher training took place on 30 April 2024; the fire team's last refresher training took place on 2 July 2024).

The effectiveness of the measures introduced to protect health and safety at work is demonstrated by the number of accidents recorded. Here too, monitoring is essential to enable the company to assess the situation and implement improvements.

	u.m.	2025
<b>Total accidents</b>	n	1
<b>Serious injuries (&gt; 40 days)</b>	n	0
<b>Time lost due to injuries</b>	Days	6



## SOCIAL MONITORING

Ethical and social protection audits were conducted in 2025. Details are provided below.

Annual ethical/social audits	n	2025
		4



## GOVERNANCE

When we talk about governance, we are referring to the company's decision-making structure and identifying the means and tools used to achieve its objectives.

For Penn Solutions GmbH, governance means defining the process management structure, the company's objectives and the methods for achieving them, as well as creating a set of rules and tools to monitor progress.

The fundamental principles that the organisation aims to promote through governance processes are:

- the creation of shared value;
- sustainable and resilient development;
- combating corruption;
- the responsible use of natural resources and the fight against climate change.

By strengthening its leadership in CSR (corporate social responsibility) matters, Penn Solutions GmbH is confident of achieving its objectives and becoming a benchmark in terms of sustainability and social/cultural responsibility.

On 31 December 2025, Penn Solutions GmbH updated its organisational chart, which defines the roles and responsibilities of company staff.



## ECONOMIC VALUE GENERATED AND DISTRIBUTED

Generating value is an essential aspect that defines the existence of every company.

For Penn Solutions GmbH, generating value means not only making a profit through its activities, but also combining its profitability with social and environmental considerations. During business operations, environmental and social aspects must therefore be safeguarded in the long term without compromising economic and financial performance.

The company monitors its economic performance in terms of economic value generated and distributed.

The annual net profit in 2025 is:

<b>Annual net profit</b>	€	<b>2025</b>
		15,742,273

The company has 260 active customers who made purchases in 2025.

As regards the economic value distributed, the table below shows the details calculated for the 2025 financial period.

	u.m.	2025
<b>Current assets</b>	€	2,411,322
<b>Current liabilities</b>	€	591,148
<b>Equity</b>	€	3,054,769
<b>Liabilities</b>	€	1,190,859



## BUSINESS CONTINUITY

To ensure business continuity, the company should be able to assess and manage in advance the risks that could disrupt operations or even threaten the organisation's existence. By adopting risk management models at all levels, the company becomes resilient to change.

About the supply chain, Penn Solutions GmbH has identified 7 key suppliers, i.e. those whose failure could cause problems for business continuity.

Regardless of their importance to the business, 60% of suppliers were found to be compliant, considering appropriate governance criteria such as the presence of specific certifications, a code of ethics, Form 231, etc., i.e. the requirements necessary to work with Penn Solutions GmbH.

The company has a suitable and secure area for data management.

In addition to the supply chain, fundamental aspects for business operations were also considered. These include, for example, risks related to climate change (already addressed in the Environment chapter), cybersecurity and full regulatory compliance.

The company has not been subject to cyber-attacks.

Remote working was identified as an opportunity, enabling certain business activities to continue. Two people spent a few days a week last year working remotely. Following the pandemic, remote working has become a tool for the company to enable those who can to better balance work and private life.



## GOVERNANCE MONITORING

Over the last year, governance protection audits have been carried out, the details of which are set out below.

Annual governance audit	No.	2025
		1