



Penn Solutions S.r.l.

SUSTAINABILITY REPORT
Corporate Sustainability Reporting
2026



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INTRODUCTION

This report has been prepared to illustrate Penn Solutions S.r.l.'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;



Social: 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.

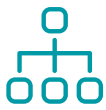
The rise of ESG principles has been driven by the publication of the UN's 2030 Agenda for Sustainable Development, which, through its 17 Sustainable Development Goals, has inspired the strategies and approaches through which sustainability is being implemented in nations and organisations, and by the 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 S.r.l., 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.

This report refers to the year 2025.



THE COMPANY

Penn Solutions S.r.l. has a total of:

		2025
Employees	No.	11

Penn Solutions S.r.l. was founded in 1987 and is a corporate partner of Penn Solutions GmbH.

Penn Solutions S.r.l. oversees the group's creative, development, and marketing activities, adhering to the philosophy "Designed in Italy and Engineered in Germany," and handles outsourced processes such as dyeing based on color charts, various printing techniques, and flocking.

The image below shows the area where the organization is based.



ESG - Environmental, Social & Governance

At Penn Solutions S.r.l., the semi-finished product received is fabric manufactured by Penn Solutions GmbH (Germany) and a single other supplier in Slovenia.

Semi-finished product	tons	2025	
		Germania	Slovenia
		141	26

Annual net profit recorded in 2025 is:

		2025
Annual net profit	€	8,503,992



ENVIRONMENTAL REPORTING

Penn Solutions S.r.l. is strongly committed to environmental protection, both in terms of the impact its operations may have on the surrounding area and, more broadly, in safeguarding the global environment, combating climate change and preventing environmental impacts.

The company considers the full range of impacts of its operations by adopting a 'Life Cycle Perspective'; this means that it does not limit itself to assessing only the impacts linked to its production activities, but goes further by taking into account the entire supply chain and the environmental impact of its products, including their end-of-life.

As evidence of its concrete commitment to environmental issues throughout the supply chain, the company has defined criteria for the qualification of its suppliers. The organisation has a total of 3 suppliers, 100% of whom have been qualified against environmental criteria, ensuring full traceability throughout the supply chain.

To ensure careful management of these aspects and to continuously improve in reducing impacts, Penn Solutions S.r.l. has identified appropriate indicators and introduced measures to monitor and control its own performance.

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



LAND USE

The company-owned areas cover a total surface area of 2,260 square meters.

Of the total area occupied, 300 square meters are designated as green spaces or otherwise unpaved areas, while 1,260 square meters are covered areas and 700 square meters are paved outdoor areas. The ratio of impervious areas to the total area owned by the company is 87%.



ENERGY

Energy is essential to the operations of Penn Solutions S.r.l., and fuel consumption is monitored regularly using appropriate indicators. The table below summarizes the main energy sources and their respective consumption levels.

Energy	u.m.	2025
Electricity consumed purchased from the grid	kWh	45,075
% of renewable energy consumed from the grid	%	0
Natural gas	Smc	12,511

Fuel consumption related to transportation—specifically that of company vehicles—is also monitored, with the following breakdown of consumption:

Fuel	u.m.	2025
Diesel consumption	mc	1.0

For all the fuels listed above and for electricity consumption, atmospheric emissions have been calculated in tons of CO2 equivalents; for details, see the following section.



ATMOSPHERIC EMISSIONS AND REFRIGERANTS

Penn Solutions S.r.l. 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 CO2 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:

Emission source	u.m.	2025
Energy consumption	tCO2e	19.89
Natural gas consumption	tCO2e	25.35
Combustion	tCO2e	2.69
Transportation for product delivery	tCO2e	78.08
Total emissions	tCO2e	126.01

In total, the company emitted 126.01 metric tons of CO2e in 2025 from the use of electricity, fuels, and transportation for product delivery. Penn Solutions S.r.l. has implemented the best technical and plant engineering solutions to reduce pollutants released into the atmosphere and holds the necessary environmental permits.



WATER

Penn Solutions S.r.l. recognises that water is a precious resource, which is why it is committed to reducing water consumption and preventing pollution. The company uses water solely for domestic purposes.

For this reason, no detailed figures have been provided, as water consumption is negligible.



WASTE

Penn Solutions S.r.l. recognises that waste is a resource to be utilised; therefore, in line with the principles of the circular economy, it prioritises the recovery and reuse of waste wherever possible.

As Penn Solutions S.r.l. is not a manufacturing site, the only waste it produces is domestic waste generated by office activities, which is disposed of via the local council's waste collection service.



PRODUCT PACKAGING

At Penn Solutions S.r.l., the fabrics are simply cut. The materials used are exclusively wooden pallets, plastic film and stretch film. The quantities used are as follows:

Packaging	u.m.	2025
Wood pallets	kg	3,240.00
Transparent Film PE 100MY H.2500mm	kg	2,058.00
Stretch film Manu	kg	150.00
Stretch film light MY23	kg	93.12



CHEMICALS

The company's operations require the use of auxiliary chemicals. At the Penn Solutions S.r.l. site, which already receives the semi-finished product, no chemicals were used on site.



ENVIRONMENTAL MONITORING

Environmental compliance audits were carried out over the three-year period; details are provided below

Annual environmental audit	No.	2025
		1



SOCIAL REPORTING

For Penn Solutions S.r.l., people are our 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 standards 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 15 September 2025.

As evidence of its concrete commitment to social issues throughout the supply chain, the company has established criteria for the qualification of its suppliers. The organisation has a total of three suppliers, 100% of whom have been qualified against social criteria.

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

The Supervisory Body is responsible for constantly verifying compliance with the Organisational Model by all those subject to it, its effectiveness in preventing potential offences, and its updating in the event of changes.

Penn Solutions S.r.l.'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.

Supplier qualification	u.m.	2025
Suppliers qualified based on social management criteria / total	%	100

The table below sets out some figures that provide a clearer picture of the composition of the company's workforce and staff turnover in 2025.

ESG - Environmental, Social & Governance

Company workforce	u.m.	2025
Employees	No.	11
Hours worked by company staff	h	19,929
Managers (Senior managers, Middle managers, Supervisors)	No.	1
Total number of office staff	No.	7
Total number of production staff	No.	4
New hires	No.	0
Staff departures	No.	0
Voluntary departures	No.	0

The turnover rate (incoming/outgoing) is as follows.

	u.m.	2025
Turnover replacement rate (new hires/departures)	%	0

The proportion of women is:

	u.m.	2025
Women/Total	%	63.6

The youngest employee in the company is 25 years old. On average, the workforce is 48 years old.

The table below shows the company’s workforce breakdown by age group:

Employees in each age group	u.m.	2025
16–18 years	No.	0
19–35 years	No.	2
36–55 years	No.	6
Over 55	No.	3

Penn Solutions S.r.l. is deeply committed to the principle of equal opportunities, with the aim of offering all employees the same opportunities at work and removing any barriers that might hinder their personal development. The company recognises that diversity can be a valuable asset and help us achieve our objectives.



WORKING at Penn Solutions S.r.l.

At Penn Solutions S.r.l., we recognise that a positive working environment is essential not only for achieving our objectives, but also for boosting staff engagement and motivation. Positive, long-lasting relationships also help to retain the company’s expertise over the long term.

All company employees are guaranteed freedom of association and the right to collective bargaining.

For Penn Solutions S.r.l., diversity is an asset; for this reason, the company is committed to creating an inclusive working environment that encourages everyone to realise their potential.

Indicators relating to diversity and inclusion are also provided, as outlined below:

Diversity and Inclusion	u.m.	2025
Employees from a foreign country or holding foreign citizenship	No.	1

Penn Solutions S.r.l. is constantly committed to improving the well-being and quality of life of its employees.

One of the company’s main objectives was to introduce an early finish policy on Fridays, allowing employees to finish the working week at 1.30 pm. The initiative was designed to promote a better work-life balance, offering more free time to devote to personal and family activities.

During 2024, Penn Solutions S.r.l. successfully implemented this measure. The introduction of early Friday finishes has had a significant positive impact on employees' well-being, helping to significantly improve their work-life balance.



HEALTH AND SAFETY

For Penn Solutions S.r.l., ensuring adequate health and safety protection in the workplace is an essential aspect of the company's operations. To this end, all necessary preventive and protective measures have been put in place to minimise the risks associated with work activities.

A Health and Safety Manager has been appointed within the company (last appointment made on 11 March 2016), whose role is to identify, assess and manage health and safety risks in the workplace and to coordinate the Health and Safety Service.

The culture of workplace safety is shared at all levels of the company through dedicated training sessions and the appointment of Workers' Safety Representatives, whose role is to represent workers on matters relating to health and safety at work. Fire and First Aid Teams have been appointed and undergo regular refresher training to verify the necessary skills (last First Aid Team refresher training carried out on 08/07/2022, last Fire Prevention Team refresher training carried out on 05/12/2018).

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
Accidents	No.	0
Accidents with a predicted recovery time of more than 40 days	No.	0
Days absent from work due to accident	Days	0

To protect the health of its employees, Penn Solutions S.r.l. carries out specific health checks tailored to the duties performed by each employee. Over the past year, 100% of employees have undergone health checks. The results of the monitoring are set out below:

	u.m.	2025
Recognised occupational diseases	No.	0
Health surveillance	No.	11
Employees subject to health surveillance	%	100



SOCIAL MONITORING

Ethical and social compliance audits were carried out during 2025; details are provided below:

Annual ethical, social and safety audit	No.	2025
		1



GOVERNANCE

When we talk about governance, we are referring to the framework through which business decisions are made and the methods and tools required to achieve objectives are identified.

For Penn Solutions S.r.l., governance means defining the company's objectives, the management structure, the processes and methodologies for achieving them, and the creation of a set of rules and tools through which to monitor their progress.

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

- the creation of shared value;
- sustainable and resilient development;
- the fight against 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 S.r.l. is confident that it can achieve its objectives and become a benchmark in terms of sustainability and social and cultural responsibility.



VALUE GENERATED AND DISTRIBUTED

Value creation is a fundamental aspect that defines the very existence of every business.

For Penn Solutions S.r.l., creating value does not simply mean generating a profit from its activities, but rather combining corporate profitability with social and environmental considerations. During its operations, the company must therefore safeguard environmental and social considerations in the long term without compromising its economic and financial performance.

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

Annual net profit is shown below:

	u.m.	2025
Annual net profit	€	8,503,992

The company has 541 active customers who made purchases in 2025.

Penn Solutions S.r.l. has established a risk management fund, i.e. a reserved portion of the balance sheet to cover potential risks (non-payment, disputes, etc.), which amounts to 1.55% of the company's balance sheet. Furthermore, Penn Solutions S.r.l. has a supplementary customer indemnity fund amounting to 2.40% of the company's balance sheet.

Details of the distributed economic value are shown in the table below:

	u.m.	2025
Current assets	€	5,349,472
Current liabilities	€	355,446
Equity	€	4,263,342
Bank borrowings	€	0
Employee wages and benefits	€	609,526



BUSINESS CONTINUITY

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

About the supply chain, Penn Solutions S.r.l. has identified two significant suppliers, namely those whose absence could cause problems for the continuity of business operations.

Regardless of their significance to the business, 100% of suppliers have been assessed against criteria of good governance, such as the presence of specific certifications, a code of ethics, the 231 Model, etc., which are essential requirements for working with Penn Solutions S.r.l.

The company has established a suitable and secure area for data management. In addition to the supply chain, key aspects of business operations were also considered, including risks related to climate change (already addressed in the "Environment" chapter), cybersecurity, and full regulatory compliance.

The company has not been the target of any cyber-attacks; furthermore, it has carried out simulations of attempts to obtain confidential information or to create "backdoors" into its IT system by sending professional 'phishing' requests to the organisation's staff, with the aim of testing the company's awareness of the issue and the security of its systems.



GOVERNANCE MONITORING

Throughout 2025, governance compliance audits were carried out; details are provided below:

Annual governance audit	No.	2025
		1