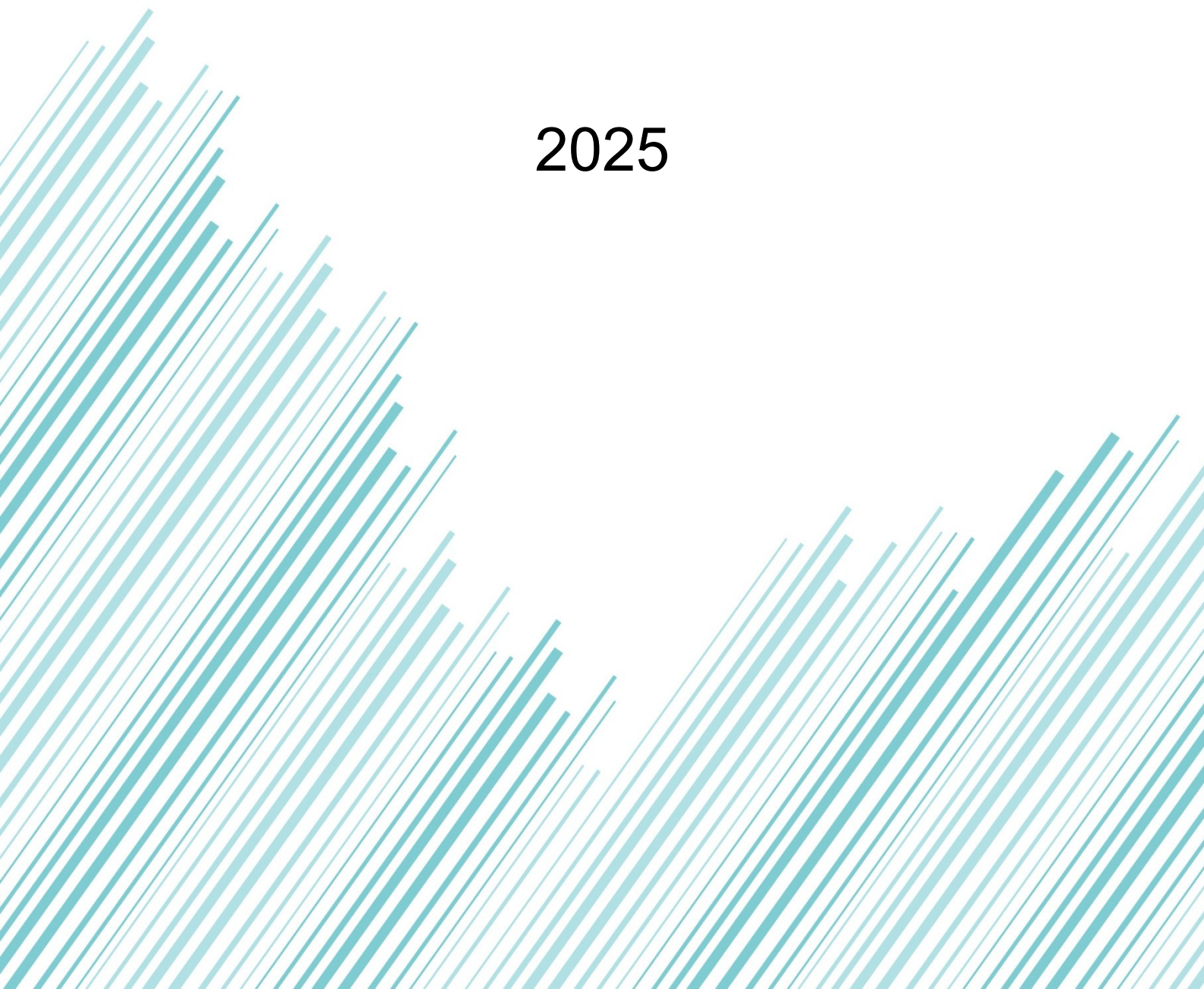




**Penn Italia**

SUSTAINABILITY REPORT

2025



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## INTRODUCTION

This report has been prepared with the aim of illustrating Penn Italia's commitment to environmental, social and governance issues.

ESG (Environmental, Social, Governance) criteria are indicators, consistent with GRI standards, which allow you to assess how a company behaves towards issues:



**Environmental**, respecting the environment in which it operates and actively working to reduce the environmental impact of its activities;



**Social** in terms of relations with local communities, employees, suppliers, customers and in general all interested parties connected with company activities;



**Corporate management** inspired by ethical principles of business continuity, management control (Governance), ensuring maximum transparency of corporate decisions and choices.

**The birth of ESG logics** was taken up by the publication of the UN's 2030 Agenda for Sustainable Development, which through the 17 Sustainable Development Goals has inspired the strategies and ways in which sustainability is taking shape in States and Organizations and by the European Regulations for the double materiality of Financial Statements (NFS)



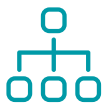
**SUSTAINABLE DEVELOPMENT GOALS**



**ESG indicators** are important because they allow, also through essential verifications, to make objective, measurable and comparable the environmental, social and governance activities that have guided Penn Italia's business operations for some time.



**The content of this report** is aimed at all interested parties and is the culmination of a "path of awareness" that has led the company to better understand the role it plays in relation to the environment and society.



**The structure of the report** consists of and includes an introductory section presenting the company's activities, followed by sections dedicated to each of the 3 macro-areas of interest of an ESG report.

The reporting period is for the year 2024



## THE COMPANY

Penn Italia, has a total of:

		2024
Employees	n	11

The activity of Penn Italia (PI) was founded in 1987 and is a corporate partner of Penn Textile Solutions GmbH (PTS). Penn Italia guarantees the creativity, development and marketing aspects of the group, adopting the philosophy "Designed in Italy and Engineered in Germany", also dealing with external processes, such as dyeing for color chart service, various prints and flocking.

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



At the Italian headquarters, the incoming semi-finished product is the fabric processed by Penn Textile Solutions (Germany) and by a single other supplier in Slovenia.

Semi-finished product	Ton	2024	
		Germany	Slovenia
		125	29

The revenues recorded in 2024 are:

		2024
Economic value generated (Total revenue or revenue)	€	6.834.501



## ENVIRONMENTAL REPORTING

Penn Italia is strongly committed to environmental protection, both for the impacts that its activities can cause on the surrounding area, and on a broader spectrum in the protection of the environment at a global level, in the fight against climate change and in the prevention of impacts.

The company considers the impacts of its activity at 360° by adopting the "Life Cycle Perspective" logic, which means that it does not limit itself to evaluating only the impacts related to its production activity but goes further by considering the entire supply chain and the environmental impact of its products including the end of life.

As a demonstration of the concrete commitment to environmental issues throughout the supply chain, the company has defined criteria for the qualification of its suppliers. The Organization has a total of 4 suppliers, of which 75% have been qualified with environmental criteria, while 25% guarantee full traceability along the supply chain.

To ensure careful management of the aspects and continuously improve in reducing impacts, Penn Italia has identified appropriate indicators and introduced monitoring and control actions for its own performance.

The environmental aspects considered, and the related indicators are illustrated below in dedicated paragraphs.



### LAND USE

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

Compared to the total area occupied, 300 square meters are intended for green or non-waterproofed areas, while 1,260 square meters are intended for a covered area and 700 square meters is the waterproofed outdoor area. The ratio between the waterproofed areas and the total areas pertaining to the company is 87%.

**ENERGY**

Energy is fundamental for the activities carried out by Penn Italia, the consumption of fuels and fuels are periodically monitored through appropriate indicators. The table below summarizes the main energy sources and their consumption.

Energy	u.m.	2024
<b>Electricity consumed taken from the grid</b>	Kwh	45.087
<b>% energy consumed from renewable sources</b>	%	42,99
<b>Natural gas consumption</b>	Smc	12.000

The consumption of fuels related to transport or those relating to company vehicles are also monitored, under the details of consumption:

Fuel	u.m.	2024
<b>Consumption of diesel fuel for transport</b>	Smc	1,0

For all the fuels and fuels listed above and for electricity consumption, atmospheric emissions have been calculated in tonnes of CO2 equivalent, for details see the following paragraph.





## ATMOSPHERIC EMISSIONS AND REFRIGERANT

Penn Italia is committed to reducing greenhouse gas emissions, i.e. the gases that cause global warming. In line with the provisions of the Paris Agreement in 2015, which envisage keeping the increase in the global average temperature well below 2°C in the long term, the company has calculated the quantities of CO<sub>2</sub> equivalent emitted by production processes in terms of energy consumption, transport and emission of refrigerant gases into the atmosphere and implemented actions to reduce them.

In the table below the details of corporate emissions into the atmosphere:

Emission source	u.m.	2024
<b>Transport of semi-finished products</b>	tons CO <sub>2</sub> e	14,18
<b>Power consumption</b>	tons CO <sub>2</sub> e	22,57
<b>Natural gas consumption</b>	tons CO <sub>2</sub> e	24,23
<b>Combustion</b>	tons CO <sub>2</sub> e	2,74
<b>Transportation for product delivery</b>	tons CO <sub>2</sub> e	20,23
<b>Total emissions</b>	tons CO <sub>2</sub> e	83,95

Overall, the company emitted in 2024: 83.95 tons CO<sub>2</sub>e from the use of electricity, fuels and fuels. Penn Italia has introduced the best technical and plant solutions for the abatement of pollutants released into the atmosphere and is equipped with the appropriate environmental authorizations



## WATER

Penn Italia knows that water is a precious resource, which is why it is committed to reducing water consumption and preventing pollution. The company uses water only for domestic use.

For this reason, detailed data have not been reported, water consumption is a negligible amount.



## WASTE

Penn Italia is aware that waste is a resource to be exploited, which is why from a circular economy perspective it prefers the recovery and reuse of waste as much as possible.

Since Penn Italia is not a production site, the only waste produced is household waste generated by office activities and disposed of through municipal collection.



## PRODUCT PACKAGING

On the Italian site, the fabrics are only cut. The products used are exclusively wooden pallets, plastic film and stretch film. Below are the quantities used:

Packaging	u.m.	2024
<b>Wood pallets</b>	Kg	4360
<b>Transparent Film PE 100MY H.2500mm</b>	Kg	1032
<b>Manu Stretch Film</b>	Kg	228



## CHEMICAL SUBSTANCES

The activities carried out by the company require the use of auxiliary chemicals. For the Penn Italia site, which already receives the semi-finished product, there was no use of chemicals on the site.



## ENVIRONMENTAL SURVEILLANCE

During the three-year period, environmental protection audits were carried out, details are available below

Annual audit - environment	n	2024
		1



## SOCIAL REPORTING

For Penn Italia, people are the most important value. For this reason, the company is committed to protecting its employees, constantly guaranteeing respect for the rights and well-being of workers and adequate working conditions throughout the production chain.

The company's operations are based on a Code of Ethics, i.e. a document that lists the principles of conduct and the ethical and social standards to which all company representatives must comply. The document also defines the ethical and social responsibilities of the company and the values it promotes.

The last revision of the Code of Ethics was carried out in 2024-12-31

As a demonstration of its concrete commitment to social issues throughout the supply chain, the company has defined criteria for the qualification of its suppliers. The Organization has a total of 4 suppliers, of which 100% have been qualified with social criteria.

Penn Italia has an Independent Supervisory Body and an Organizational Model for the prevention of crimes.

The Supervisory Body has the task of constantly verifying compliance with the Organisational Model by all recipients, its effectiveness in preventing any offences and updating it in the event of changes.

Penn Italia's attention to social issues is not limited to company boundaries alone, but promoted along the entire production chain. The company carries out a qualification of its suppliers that also considers social management criteria.

Supplier qualification		2024
Qualified suppliers with social/total management criteria	%	100

The table below shows some data that allow us to better frame the composition of the company population and turnover in the year 2024.

Company Population		2024
<b>Employees</b>	n	11
<b>Hours worked by company staff</b>	h	20.088
<b>Managers (Managers, Managers, Supervisors)</b>	n	1
<b>Total number of employees</b>	n	7
<b>Total number of workers</b>	n	4
<b>Recruitment</b>	n	0
<b>Personnel exits</b>	n	1
<b>Voluntary exits</b>	n	1

The income/expense turnover compensation rate is as follows.

		2024
<b>Turnover compensation rate (income/expenses)</b>	%	0

The female presence is percentagewise:

Women/Total	%	2024
		63,6

The youngest worker in the company is 24 years old. In general, the average age of the company population is 46 years.

The table below shows the company composition by age group

Employees by age groups		2024
Employees by age group: 16-18	n	0
Employees by age group: 19-35	n	2
Employees by age group: 36-55	n	8
Employees by age group: >55	n	1

Penn Italia is very attentive to the issue of equal opportunities in order to offer all employees the same opportunities at work, removing any form of obstacle that may limit the development of everyone's personality. The company is aware that differences can be an important resource and help achieve goals.



## WORKING at Penn Italia

At Penn Italia, we know that a positive working climate is essential for achieving the set goals, but also for increasing people's involvement and motivation. Positive and long-term relationships also promote the maintenance of company know-how in the long term.

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

For Penn Italia, diversity is a resource, which is why it is committed to creating an inclusive work environment that encourages the expression of everyone's potential. Also, for the aspects of diversity and inclusion there are the indicators that are illustrated below:

Diversity and inclusion		2024
Employees with foreign origins or citizenship	n	1

Penn Italia is constantly committed to improving the well-being and quality of life of its employees.

One of the key goals the company has set itself is the introduction of an early closure policy on Fridays, allowing employees to end the working week at 1:30 pm. This initiative aims to promote a better work-life balance by giving employees more free time to pursue their personal and family pursuits.

In 2024, Penn Italia successfully implemented early Friday closing. This measure had a significant positive impact on employees' well-being, improving their work-life balance.



## HEALTH AND SAFETY

For Penn Italia, ensuring adequate health and safety protection in the workplace is an essential aspect for carrying out company activities. To this end, all prevention and protection measures have been adopted to minimise the risks associated with work activities.

A Head of the Prevention and Protection Service has been appointed in the company (last appointment made on 2016-03-11) whose task is to identify, assess and manage risks to health and safety in the workplace and coordinate the Prevention and Protection Service.

The culture of safety at work is shared at all company levels through dedicated training sessions and through the appointment of Workers' Safety Representatives, who have the task of representing workers about occupational health and safety aspects. Firefighting and First Aid Teams have been appointed and are subject to periodic updates to verify the necessary skills (last update First Aid Team carried out on 2022-07-08, last update Fire Prevention Team carried out on: 2018-12-05).

The demonstration of the effectiveness of the actions introduced for the protection of health and safety at work is given by the number of accidents recorded. Also in this case, monitoring is essential to allow the company to assess the situation and implement improvement actions.

	u.m.	2024
<b>Injuries</b>	n	0
<b>Accidents with more than 40 days of prognosis</b>	n	0
<b>Days of absence from work due to injury</b>	Gg	0

In order to protect the health of its employees, Penn Italia carries out specific health surveillance based on the tasks performed by each employee. In the last year, 100 % of workers have been subjected to health surveillance. The following are the results of the monitoring:

	u.m.	2024
<b>Recognised occupational diseases</b>	n	0
<b>Health surveillance</b>	n	11
<b>Employees subject to health surveillance</b>	%	100



## SOCIAL MONITORING

During 2024, ethical and social safeguards were carried out, details are available below

Annual ethical/social/safety audit	n	2024
		1





## GOVERNANCE

When we talk about Governance, we refer to the structure through which business decisions are developed and the methods and tools for achieving the objectives are identified.

For Penn Italia Governance means defining what the company objectives are, the structure of the management of the processes and methodologies for their achievement and the creation of a set of rules and tools through which to monitor their progress.

The fundamental principles that the Organization wants to promote through governance processes are:

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

By strengthening its leadership in CSR (Corporate Social Responsibility) issues, Penn Italia is confident that it can achieve its goals and become a reference model in terms of sustainability and social and cultural responsibility.



## ECONOMIC VALUE GENERATED AND DISTRIBUTED

The generation of value is a fundamental aspect that characterizes the existence of every company.

For Penn Italia, generating value does not only mean obtaining a profit from the activities carried out, but combining corporate profitability with social and environmental dimensions. During business operations, therefore, the environmental and social dimensions must be protected in the long term without compromising economic and financial performance.

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

Net annual revenues are as follows:

<b>Economic value generated (Total revenue or revenue)</b>	€	<b>2024</b>
		6.834.501

The company has 545 active customers, who made purchases in 2024.

Penn Italia has a fund for risk management, i.e. a reserved portion of the budget to deal with potential risks (non-payments, disputes, etc.) which is equal to 1.4% of the company's budget. In addition, Penn Italia has a supplementary customer indemnity fund equal to 2.38% of the company's balance sheet.

As regards the economic value distributed, the table below shows the details calculated over the three-year reporting period.

	u.m.	2024
<b>Current assets</b>	€	5.170.894
<b>Current liabilities</b>	€	825.589
<b>Net worth</b>	€	4.423.340
<b>Payables to banks</b>	€	0
<b>Employee Wages and Benefits</b>	€	470.178



## BUSINESS CONTINUITY

To ensure business continuity, the company must be able to assess and manage in advance the risks that could cause the interruption of activities or even undermine the existence of the organization. By adopting risk management models at all levels, the company becomes resilient to change.

As far as the supply chain is concerned, Penn Italia has identified 2 significant suppliers, i.e. those who, in the event of absence, could cause problems for the continuity of business activities. Service providers such as waste disposers are also considered.

Regardless of whether they are significant for the business, 100% of suppliers have been qualified considering criteria of correct governance such as the presence of specific certifications, code of ethics, Model 231, etc., i.e. essential requirements to be able to work with Penn Italia.

The company has equipped itself with a suitable and protected area for data management.

In addition to the supply chain, key aspects of the company's activities were considered, such as climate change risks (already addressed in the "Environment" chapter), IT security and full legislative compliance.

The company has not received cyber-attacks, it has also carried out simulations of attempts to seize confidential information or to allow "bridges" on the computer system through professional "trap" requests to the Organization's staff, to test the level of sensitivity in the company to the issue and the security of its systems.

The company had the opportunity to verify its resilience to change during the year 2019 due to the Covid-19 pandemic.



## GOVERNANCE SURVEILLANCE

Governance safeguarding audits were carried out during 2024, details are available below

<b>Annual Audit - governance</b>	n	<b>2024</b>
		1