

2025-26 SUSTAINABILITY REPORT

Pennex Aluminum Company



Driving Sustainable Growth for a Better Future

About This Report

This report reflects Pennex's commitment to building a more sustainable and resilient business. During 2025-2026, we advanced key initiatives across environmental performance, climate action, human rights, responsible sourcing, workplace safety, and governance. Guided by our Vision 2030 strategy, these efforts support our goal of delivering long-term value while responsibly managing our impacts across the value chain.



A New Commitment to Sustainability

2025 marked a step-change in our sustainability journey.

During the reporting period we:

- Completed a **Biodiversity Assessment** across our operational footprint
- Created a **Responsible Sourcing Policy**
- Created a **Supplier Code of Conduct**
- Completed a **Human Rights Impact Assessment (HRIA)**
- Completed an **Environmental and Social Impact Assessment (ESIA)**
- Published an **Environmental Product Declaration (EPD)** for our aluminum billet
- Established a **2025 greenhouse gas (GHG) inventory, independently verified by SCS Global Services**
- Developed a **GHG decarbonization roadmap** on our 2025 baseline that targets a **30% reduction in combined Scope 1 and Scope 2 emissions**

Organizational Scope

This Sustainability Report covers the operations of Pennex Aluminum Company, a leading North American manufacturer of custom aluminum extrusions and fabricated aluminum products. Pennex operates manufacturing facilities in Pennsylvania and Ohio, serving customers across a diverse range of end markets. The report presents Pennex's environmental, social, governance, and product stewardship performance, including data related to greenhouse gas emissions, energy, water, waste, health and safety, responsible sourcing, and community engagement. Unless otherwise noted, all performance metrics, targets, and disclosures included in this report apply solely to Pennex operations and the reporting boundary defined herein.

Unless otherwise stated, this report includes operational data and sustainability disclosures for all Pennex Aluminum Company facilities within the organizational boundary used for Pennex's greenhouse gas inventory and sustainability reporting. Data from affiliated companies within the broader MX Holdings family are excluded unless specifically identified.

1 Executive Summary

Core Values: Safety • Integrity • Caring • Growth

Leadership Principles: Others Before Self • Culture Before Profit • Empowerment Before Authority • Vulnerability Before Comfort • Vision Before Movement

People First Philosophy: Personal, professional, and company growth fostered by the collective rather than the individual

This report outlines the sustainability performance of our organization for the fiscal year ending 2025. In alignment with our Vision 2030 strategy and support for the UN Agenda for Sustainable Development, we have made significant strides in reducing our environmental footprint while fostering inclusive growth within our communities. The year 2025 marked a pivotal point where strategic investments in circular-economy and decarbonization initiatives began yielding measurable returns.

Our commitment deepened materially this year. We completed a biodiversity assessment, published an Environmental Product Declaration (EPD), and established a 2025 GHG inventory that was **independently verified by SCS Global Services**. Building on that verified 2025 baseline, we developed a decarbonization roadmap targeting a **30% reduction in combined Scope 1 and Scope 2 emissions** — a clear signal that sustainability is now integral to our business strategy.

“Our sustainability commitments are not separate from our business strategy — they are integral to it. This report marks our understanding that sustainability is at the forefront of every business decision. We support the 2030 UN Agenda for Sustainable Development and align with principles represented by the UN SDGs.”

— Mike Lefton, Executive Chairman & Matt Rohm, CEO

43,419

Scope 1 + 2 (tCO₂e, 2025)

8.90%

PCRC

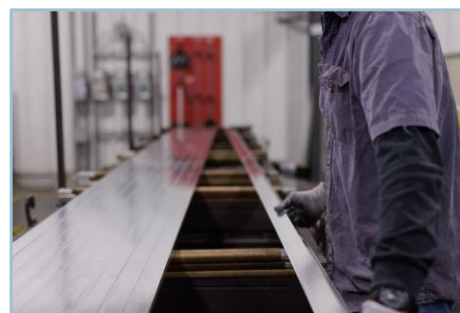
2.90

TRIR Safety Rate

2 Environmental Impact

Carbon Emissions & Energy

Pennex is advancing a long-term decarbonization strategy grounded in measurable, science-aligned ambition. As part of the MX Holdings family, our business model benefits from — and helps accelerate — the transition to a circular, low-carbon economy. Recycled aluminum requires up to 95% less energy to produce than primary aluminum, positioning us competitively in energy intensity and enabling meaningful emissions reductions across the value chain.



2025 GHG Inventory — Verified by SCS Global Services

Independently Verified 2025 Baseline

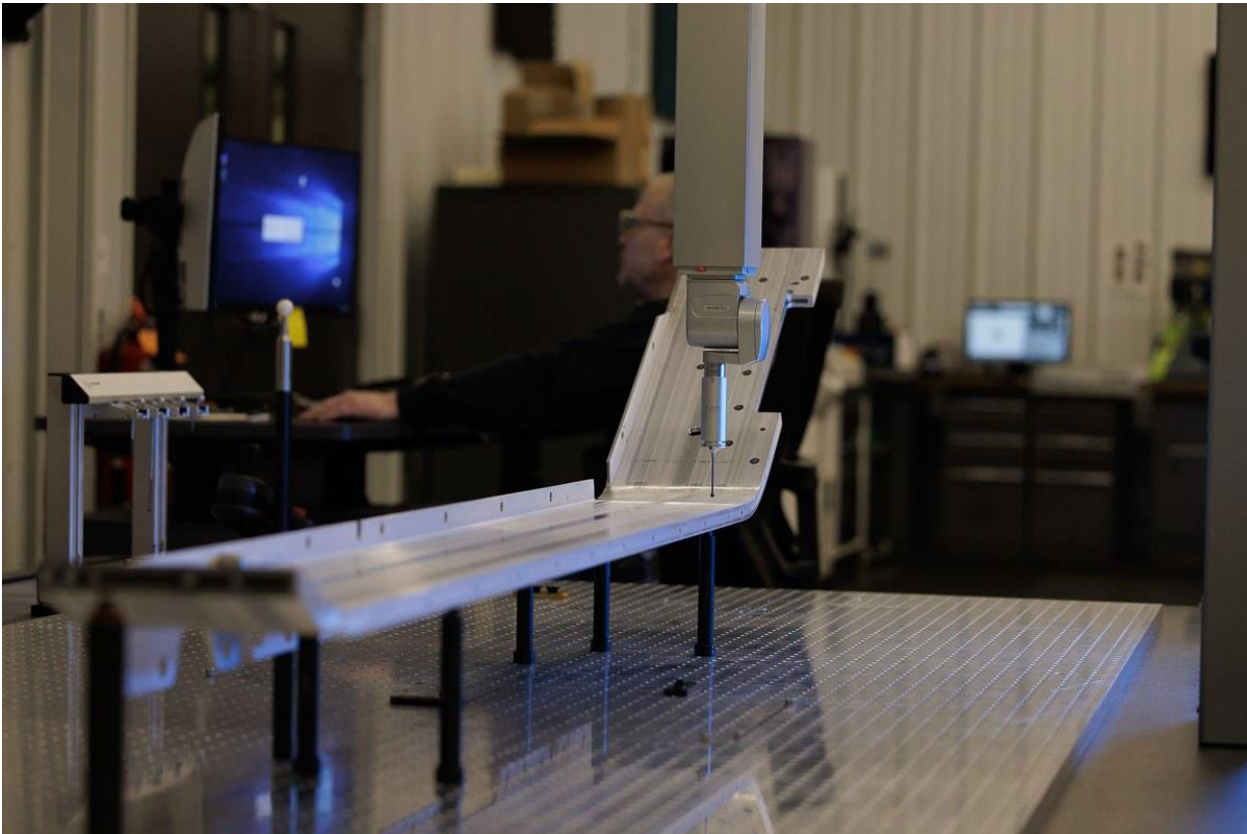
In 2025 we established a comprehensive greenhouse gas inventory covering Scope 1, Scope 2, and Scope 3 emissions across all entities. This inventory was **independently verified by SCS Global Services**, providing a robust, assured baseline for our decarbonization roadmap. 2025 is our baseline year — the foundation for our sustainability commitments and the reference point against which all future progress will be measured.

Emission Category (2025, SCS-verified)	tCO ₂ e	% of Total
Scope 1 — direct (stationary, mobile, process, fugitive)	31,509	8.1%
Scope 2 — purchased electricity (location-based)	11,910	3.0%
Scope 1 + 2 combined	43,419	11.1%
Scope 3 — value chain (purchased goods, EOL, transport, etc.)	347,443	88.9%
Total (Scope 1 + 2 + 3)	390,862	100%

Source: 2025 Pennex GHG Emission Inventory (verified by SCS Global Services).

2025 Energy Consumption

Energy Source (2025)	Consumption
Purchased electricity	33,904,720 kWh (33,904 MWh)
Stationary fuel combustion (natural gas + propane)	578,508 MMBtu
Total energy (MWh-equivalent)	≈ 203,448 MWh



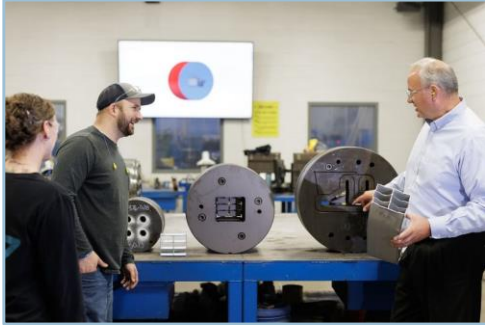
Key Insight — Scope 3 Dominance

Scope 3 represents approximately 90% of our total 2025 footprint (390,862 tCO₂e), led by purchased goods and materials (328,477 tCO₂e) and transportation (9,977 tCO₂e). Our decarbonization strategy therefore focuses heavily on recycled content and supplier engagement.

2025 — The Start of Our Journey

2025 is the first year for which we have established a complete, independently verified GHG inventory. It sets the baseline that anchors our decarbonization roadmap and marks the beginning of our formal, measurable sustainability commitments.

3 Social Responsibility



Employee Welfare & Safety

Safety is non-negotiable and central to our values. Our ultimate aim is a zero injury and illness incident rate, achieved through the collective commitment of every employee. To recognize and reinforce strong safety performance, we maintain a Safety Recognition Standard with three levels based on Total Recordable Injury Rate (TRIR): Good Standing (<4.00), President's Level (<2.00), and Chairman's Level (<1.00). These recognition levels are supported by the deployment of our safety management system and a culture of continuous improvement. All employees receive mandatory safety training and personal protective equipment (PPE) at company expense.

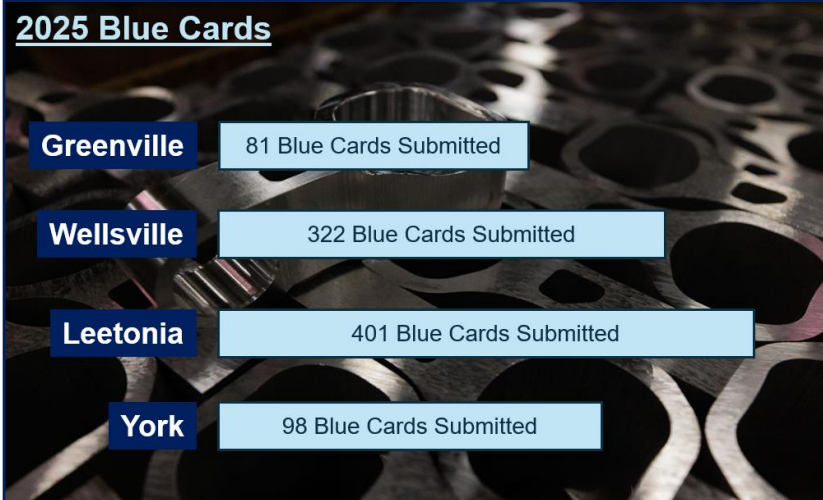
Safety Metric	Target	2025 Result	Status
Total Recordable Incident Rate (TRIR)	2.22	2.90	Not Met
Lost Time Injury Rate (LTIR)	0.85	1.19	Not Met
Safety Training Hours (online — AluminateU)	—	8,656	—
In-person onboarding / LOTO training hours	—	1,632	—

While the 2025 Incident Rate reduction target was not met, Pennex achieved meaningful improvements in safety performance, including fewer DART and restricted-duty cases. Pennex remains focused on building on these positive trends as safety programs and leadership stability continue to strengthen.

Employee Engagement in Safety

Pennex encourages all employees to actively participate in hazard identification and incident prevention through its Blue Card (Safety Action Card) program.

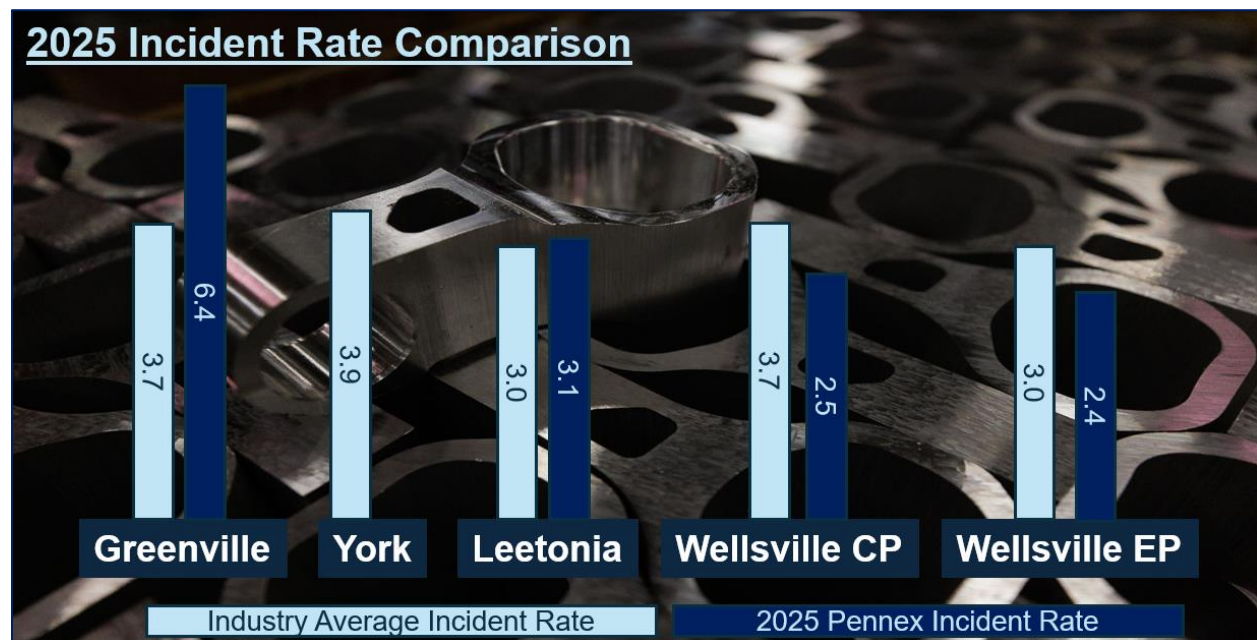
Employees can report safety observations, near misses, and improvement opportunities, which are tracked through the Safety Reporting System and assigned for follow-up and corrective action. During 2025, employees submitted 902 safety action cards across Pennex facilities, demonstrating a strong culture of safety engagement and continuous improvement.

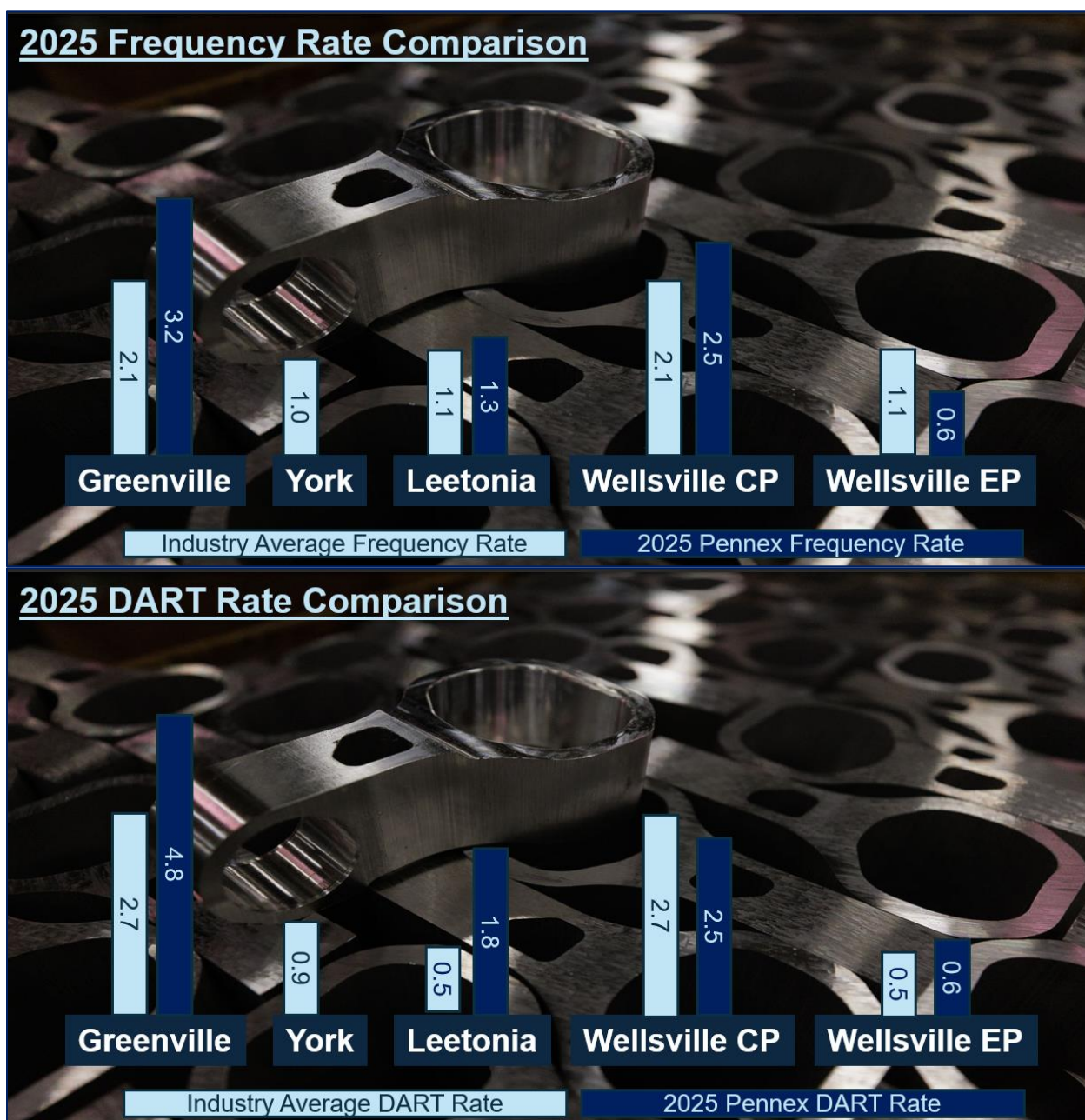


Safety Performance Benchmarking

Pennex monitors safety performance against industry benchmarks at the facility level. During 2025, several operations performed at or below applicable industry averages, including York and Wellsville Extrusion Press operations, while other facilities remained focused on targeted improvement initiatives. Performance trends and proactive reporting programs continue to support Pennex's long-term objective of achieving world-class safety performance.

The York facility achieved a recordable incident rate and frequency rate of 0.0 during 2025, outperforming applicable industry benchmarks and demonstrating strong safety performance.





Employment Metrics

We track workforce composition, recruitment, retention, and diversity as part of our social-performance management.

Key 2025 indicators are summarized below:

Employment Metric	2025	Employment Metric	2025
Employee retention rate	72.2%	Voluntary turnover rate	21.9%
Women in workforce	22.2%	Women in senior management	8.33%
Total female managers	14.1%	Underrepresented groups	17%

Employment Metric	2025	Employment Metric	2025
Total headcount	465	New hires (2025)	188
New-hire / turnover by age	Provided in Appendix A	Collective-bargaining coverage	0%

Community Engagement & UN SDG Alignment

Our Community Engagement workgroup drives initiatives aligned with the United Nations Sustainable Development Goals (SDGs), providing a framework for our sustainability efforts and ensuring globally relevant actions. We have identified material SDGs that align with our principles, core values, and mission to deliver a clean, circular, sustainable business with economic growth for all.

UN SDG	Alignment to the Goals
8: Decent work & economic growth <i>"Others before self"</i>	Within our society and our community, we are committed to the elimination of all forms of forced labor, abolition of child labor, all forms of discrimination in employment and occupation, supporting freedom of association and collective bargaining. Through our various business lines from trading to recycling and finally to high precision manufacturing, we strive to provide prospects for job and career development. We foster this by enabling a platform where people can make a contribution as a valued employee and can expect to receive fair compensation to better their lives and the community in which they live and serve.
12: Responsible Consumption & Production <i>"Culture before profit"</i>	This goal has connectivity across all three ESG criteria which is material to our operations and our eco system. Sustainable consumption and production is about promoting resource and energy efficiency, sustainable infrastructure and providing access to basic services, decent jobs and a better quality of life for all. Through our track record of finding solutions and being creative, we have demonstrated the value of recycling and sustainable production. We are reviewing technological and investment opportunities which will expand our contribution, making working more efficient, providing better resources to our workforce, increasing recycling rates and reducing carbon footprint. We have a collective code of conduct and ethics which steer us in our procurement and supply chain assessment. These

	collective principles promote sustainable lifestyles for consumers, society and communities.
UN SDG	Alignment to the Goals
SDG 7 & 13: Clean and Affordable Energy for all and Climate Action <i>"Global Corporate Citizen"</i>	Our brand essence and leadership principles, forces us to always aspire to be a good corporate citizen. To fulfil this aspiration, we fully support urgent action to combat climate change. Through our success in recycling which feeds into the circular economy, we absolutely know resource efficiency lowers carbon footprint and is less burdensome to the planet. We acknowledge there is more work to be done and will look at viable options presented to us with regards to access to increasing recycling rates and access to renewable energy where possible.

4 Governance & Sustainability Management

Strong governance underpins Pennex's sustainability strategy and commitment to responsible business practices. Sustainability oversight is supported through MX Holdings' governance structure, including executive leadership, management review processes, and cross-functional collaboration across Environmental Health & Safety, Human Resources, Procurement, Operations, and Sustainability functions.

During 2025-2026, Pennex significantly strengthened its sustainability management system in support of its Aluminium Stewardship Initiative (ASI) certification efforts. This included enhancements to ESG governance, responsible sourcing processes, human rights due diligence, stakeholder engagement, environmental and social risk assessment, biodiversity management, climate strategy, and occupational health and safety programs.

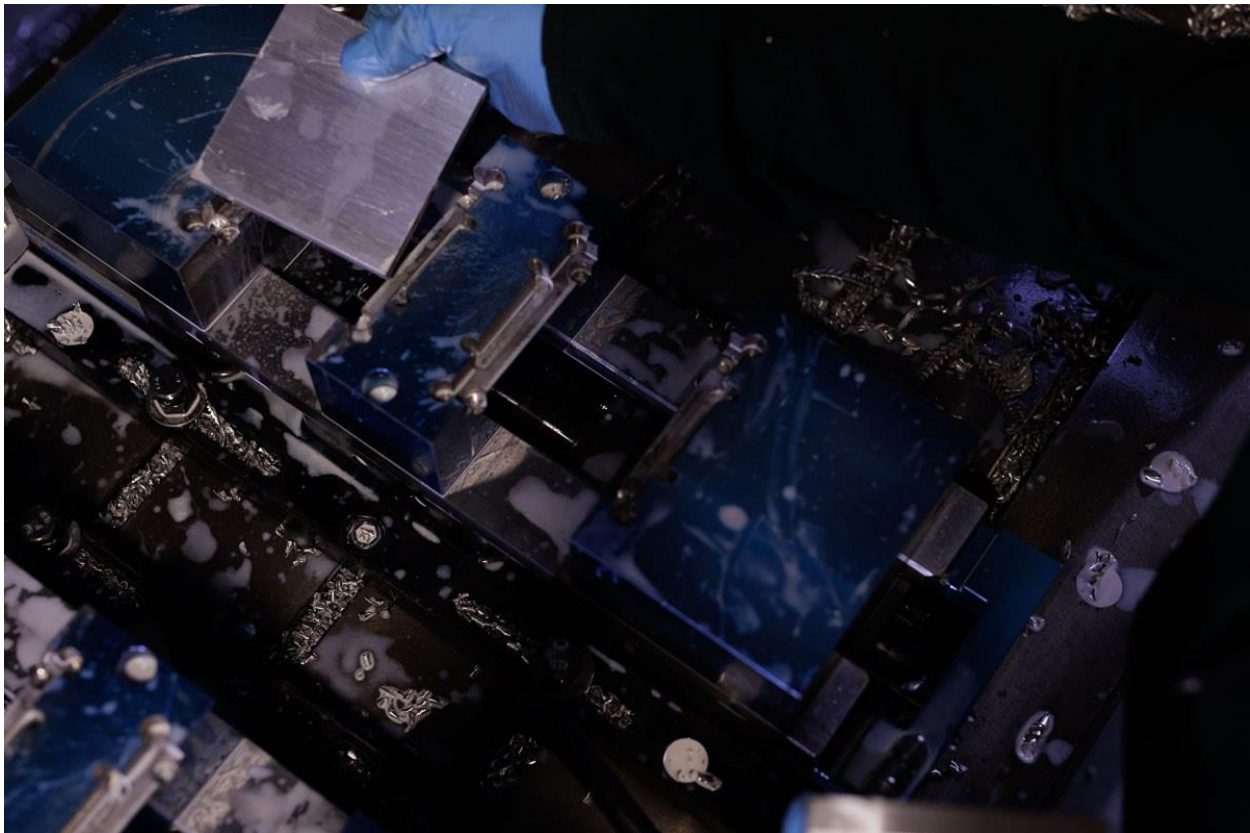
Core Sustainability Framework

- **ESG Policy** – Establishes the Company's sustainability commitments and governance approach.
- **Human Rights & Social Due Diligence** – Supported by a Human Rights Impact Assessment (HRIA) aligned with the UN Guiding Principles on Business and Human Rights and ILO Core Labour Standards.
- **Responsible Sourcing Program** – Includes a Responsible Sourcing Policy, Supplier Code of Conduct, supplier due diligence processes, and risk-based supplier engagement.
- **Environmental & Social Risk Management** – Supported through environmental and social impact assessments, biodiversity assessments, and management system reviews.
- **Climate & Decarbonization Strategy** – Guided by Pennex's GHG Inventory, emissions reduction roadmap, and ongoing climate-related performance monitoring.
- **Occupational Health & Safety Management** – Supported through documented safety programs, training, risk management processes, and continuous improvement initiatives.
- **Grievance & Whistleblower Mechanisms** – Accessible, confidential, and non-retaliatory channels available to employees, suppliers, contractors, community members, and other stakeholders.
- **Business Ethics & Compliance** – Includes policies addressing ethical conduct, anti-corruption, anti-bribery, data security, and corporate accountability.

This governance framework enables Pennex to identify and manage sustainability risks and opportunities, drive continuous improvement, and support transparent engagement with employees, customers, suppliers, investors, and communities.

5 Supplier Sustainability Program

Pennex launched a Supplier Sustainability Survey to better understand sustainability practices across our supply chain and identify opportunities for collaboration and continuous improvement. The survey evaluated key topics including environmental management, labor and human rights, ethics, responsible sourcing, and governance. Results are used to assess supplier sustainability performance, support risk management efforts, and strengthen alignment with Pennex's Responsible Supply Chain Management Policy. We will leverage these insights to foster meaningful supplier engagement, identifying opportunities to learn from sustainability leaders while supporting suppliers in advancing their own sustainability initiatives through collaboration and knowledge sharing.

**22**

Suppliers Surveyed

70%

Response Rate

75%

Avg Compliance

6 Responsible Production & Sustainability Management



Our ASI Journey

Pennex is committed to integrating sustainability into its business strategy, operational decision-making, and stakeholder engagement processes. Our approach is supported by policies, management systems, and performance monitoring programs that promote responsible environmental stewardship, ethical business conduct, safe workplaces, and respect for human rights throughout our operations and supply chain.

As part of this commitment, Pennex became a Full Member of the Aluminium Stewardship Initiative (ASI) in 2025, joining a global network dedicated to advancing responsible production, sourcing, and stewardship throughout the aluminum value chain.

✓ ASI Member Since October 2025

Pennex believes that strong governance, responsible sourcing, environmental stewardship, and employee engagement are essential to creating long-term value for customers, employees, suppliers, communities, and other stakeholders. We remain committed to continuous improvement and transparent reporting as we advance our sustainability journey.

Sustainability in Action

During 2025, Pennex continued to strengthen its sustainability framework through initiatives focused on:

Focus Area	Key Activities
Governance	Enhanced ESG oversight, business conduct expectations, and stakeholder engagement processes.
Human Rights & Labor Practices	Completed a Human Rights Impact Assessment and expanded grievance and reporting mechanisms available to employees, suppliers, contractors, and community stakeholders.
Responsible Sourcing	Implemented a Responsible Sourcing Policy and Supplier Code of Conduct to strengthen supply chain due diligence, supplier engagement, and risk management practices.

Focus Area	Key Activities
Environmental Stewardship	Continued management of environmental impacts through structured environmental management programs, emissions monitoring, waste reduction initiatives, and biodiversity assessments.
Climate Action	Advanced greenhouse gas inventory management, emissions reduction planning, and long-term decarbonization strategy development.
Health & Safety	Maintained comprehensive health and safety programs focused on employee engagement, training, hazard identification, and continuous improvement.
Circularity	Expanded the use of recycled aluminum and supported closed-loop material flows that reduce reliance on primary aluminum and contribute to a circular economy.

7 Our Commitment to Transparency

This report demonstrates Pennex's commitment to transparency by providing stakeholders with meaningful information on our environmental, social, and governance (ESG) performance, progress, and priorities. Through open disclosure and continuous improvement, we aim to promote accountability, build trust, and create long-term value for our employees, customers, suppliers, communities, and other stakeholders.

Governance & Business Integrity

Governance Approach and Material Impacts

The Company manages environmental, social, and governance (ESG) risks and opportunities through an established governance framework designed to support transparency, accountability, and responsible business conduct.

Oversight of ESG matters is integrated within the Company's governance structure, with executive leadership responsible for strategic direction and dedicated workgroups supporting the management of environmental, social, and community-related topics. These workgroups are responsible for identifying, evaluating, and addressing ESG risks and opportunities across the organization.

The Company applies a materiality-based approach to identify its most significant environmental, social, and economic impacts. Through internal stakeholder engagement and structured assessments, the Company has identified key material topics, including:

- Energy and greenhouse gas emissions
- Materials and waste
- Employee health, safety, and wellbeing
- Business ethics and regulatory compliance
- Responsible sourcing and supply chain engagement
- Employee retention and recruitment

These material topics guide the Company's sustainability priorities, risk-management activities, and continuous-improvement efforts. The Company regularly reviews its governance processes and material impacts to ensure alignment with evolving business conditions and stakeholder expectations.

Compliance and Regulatory Matters

Pennex is committed to compliance with all applicable legal and regulatory requirements across its operations. The Company maintains processes to identify, monitor, and address compliance obligations and regularly evaluates its performance against applicable requirements. During the 2025 reporting period, Pennex did not receive any material fines, judgments, penalties, or non-monetary sanctions for non-compliance with applicable environmental, labor, health and safety, or business-related laws and regulations. An OSHA inspection conducted at the Greenville facility in July 2025 resulted in a penalty that was issued in January 2026. The matter was addressed in accordance with our established corrective action and compliance processes. Information regarding

material litigation or regulatory actions involving the Company would be publicly disclosed in accordance with applicable legal requirements.

Payments to Governments and Political Contributions

The Company maintains a policy that prohibits political contributions and limits payments to governments to those that are legally required and contractually obligated, such as taxes, regulatory fees, and permits.

During the reporting period, the Company made no reportable payments to governments beyond legally required obligations and no political contributions.

All payments to governmental entities are subject to internal controls to ensure they are lawful, transparent, and appropriately authorized.

Grievance Mechanism and Stakeholder Feedback

The Company maintains a formal grievance mechanism to enable employees, contractors, suppliers, and external stakeholders to raise concerns related to environmental, social, ethical, and human-rights matters.

The mechanism is designed to be accessible, confidential where appropriate, and free from retaliation. Concerns may be submitted through multiple channels, including anonymous reporting options (via our third-party ethics hotline, Lighthouse).

All grievances are reviewed and addressed through a structured process to ensure timely and fair resolution. The Company uses insights from grievances to strengthen internal processes and support continuous improvement.

Information on how to submit a concern or grievance, including access to the Company's grievance reporting channels, is available on the Company's website: [Provide Us With Your Feedback - Form by Asana](#).

Environmental Stewardship

Water Management and Usage

The Company manages water use as part of its environmental-management practices and monitors water withdrawal and consumption across its operations. Water is primarily used for process cooling, industrial processes, facility operations, and all usage is controlled in accordance with applicable permits and regulatory requirements.

The Company tracks water usage internally and implements measures to improve efficiency and reduce consumption where feasible.

During the reporting period, total water consumption was approximately **22.7 million gallons**, with ongoing initiatives focused on improving water efficiency.

UNESCO World Heritage 'No-Go' Commitment

The Company maintains a 'No-Go' commitment for UNESCO World Heritage Properties and does not operate within or develop projects affecting these areas. This commitment is embedded within our environmental and sustainability policies.

Management of Environmental and Social Impacts

The Company maintains processes to identify, assess, and manage actual and potential environmental and social impacts associated with its operations and business relationships. These processes include stakeholder engagement activities, materiality assessments, environmental management programs, human rights due diligence, and periodic reviews of environmental, social, and governance (ESG) risks and opportunities. Findings are integrated into business planning, risk management, and continuous improvement initiatives.

These processes are embedded within the Company's governance and risk-management framework and are supported by cross-functional participation from Operations, Environmental Health & Safety, Human Resources, Procurement, Sustainability, and executive leadership. Material environmental and social topics are reviewed periodically to support effective risk mitigation, performance improvement, and responsible decision-making.

The Company allocates resources to address identified risks and opportunities and implements measures to prevent, mitigate, and, where appropriate, remediate potential impacts. This includes maintaining accessible grievance mechanisms, engaging stakeholders, assessing human rights risks, and promoting responsible sourcing practices throughout the supply chain.

Emissions, Effluents & Waste

The Company monitors air emissions, effluents, and waste streams from its operations and manages them in accordance with applicable permits. Waste is managed under the material-topic "materials and waste," with emphasis on recycling, scrap utilization, and diversion. There were no reportable spills or releases during the reporting period.

Human Rights & Communities

Indigenous Peoples' Rights

The Company is committed to respecting the rights of Indigenous Peoples in accordance with internationally recognized standards, including UNDRIP and ILO Convention 169.

The Company has assessed the geographic scope of its operations and has determined that it does not operate in, or conduct activities affecting, lands, territories, or rights of Indigenous Peoples. As such, Indigenous Peoples-specific engagement processes, including Free, Prior, and Informed Consent (FPIC), were not required during the reporting period.

The Company maintains this commitment and will apply these principles should future operations or business relationships present potential impacts to Indigenous Peoples.

Land Use and Resettlement

The Company is committed to minimizing potential impacts on land use and avoids activities that may result in physical or economic displacement of communities.

The Company has assessed its operations and determined that it does not engage in activities that result in displacement or require resettlement. Accordingly, no resettlement activities or Resettlement Action Plans (RAPs) were required during the reporting period.

The Company maintains this commitment and will align with internationally recognized standards, including IFC Performance Standard 5, where future activities may present potential land or community impacts.

Labour Rights, Occupational Health & Safety, and Anti-Corruption

Labour rights (including prohibitions on child labour and forced labour, freedom of association, working hours, remuneration, and non-discrimination) are addressed through our Human Rights Policy and Code of Ethics and Conduct, which fully support the Universal Declaration of Human Rights and the ILO Core Conventions on Labour Standards. Occupational health and safety is governed by our Safety Recognition Standard (see Section 3). Anti-corruption and anti-bribery are governed by our zero-tolerance Anti-corruption and Bribery Statement and Whistleblower Mechanism (see Section 4).

Conflict-Affected & High-Risk Areas

Pennex integrates responsible sourcing and human rights due diligence into its broader risk management framework. Through its Responsible Supply Chain Management Policy and Supplier Code of Conduct, the Company applies a risk-based approach to supplier due diligence that considers conflict-affected and high-risk areas (CAHRAs), human rights concerns, governance risks, material origin, traceability, and other potential adverse impacts within its supply chain. Suppliers are expected to support transparency, maintain appropriate information regarding upstream material sources where reasonably available, cooperate with due diligence requests, and implement controls to identify and manage sourcing-related risks.

Pennex seeks to avoid contributing to armed conflict, serious human rights abuses, unlawful activity, or other significant adverse impacts through its sourcing activities. When supplier or sourcing-related risks are identified, the Company may implement enhanced due diligence measures, request supporting documentation, require corrective actions, conduct additional monitoring, or reassess the supplier relationship based on the nature and severity of the identified risk.

Supplier-related concerns may also be reported through Pennex's grievance and reporting mechanisms, which are intended to provide accessible, confidential, and non-retaliatory channels for raising concerns related to responsible sourcing, human rights, ethics, or other supply chain matters. Through these processes, Pennex supports continuous improvement and responsible business practices throughout its supply chain.

Emergency Preparedness & Business Resilience

Pennex maintains emergency preparedness and business resilience processes across its operating facilities to support the protection of employees, contractors, visitors, neighboring communities, assets, infrastructure, and the environment. The Company's Business Resilience Plan applies to Pennex employees and locations and is designed to support preparedness, response, recovery, and review during crisis events, including situations that may require operations to be suspended or significantly altered.

The Business Resilience Plan addresses potential environmental, social, governance, safety, operational, reputational, and business continuity impacts. The plan is reviewed at least annually, following significant business changes that alter risk profiles, or whenever a control gap is identified.

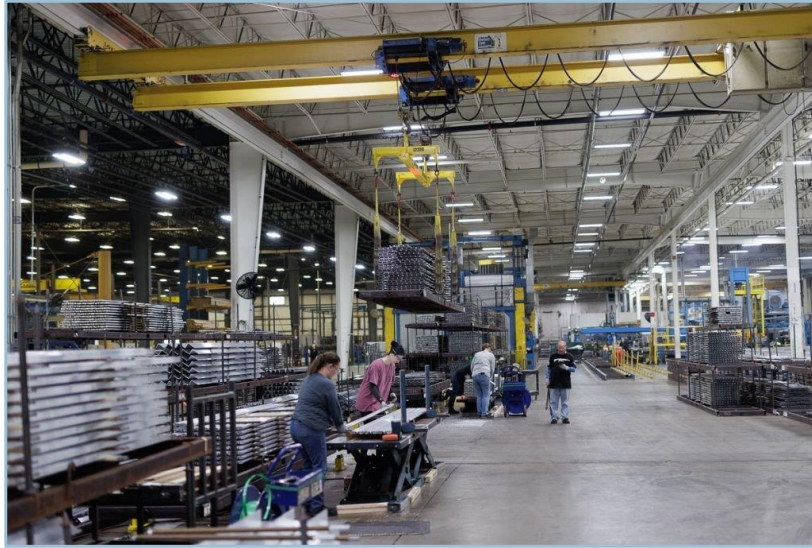
Pennex's emergency preparedness program includes risk assessment, defined control measures, monitoring and inspection activities, crisis communication protocols, workforce impact planning, utility and communication interruption response, key equipment failure planning, transportation disruption planning, security response, medical emergency response, fire response, natural disaster response, and environmental incident response.

During periods of suspended or reduced operations, Pennex maintains emergency response capabilities by updating emergency contact information, keeping fire protection systems operational, ensuring spill response materials remain accessible, maintaining emergency access routes, and conducting inspections, environmental monitoring, equipment preservation activities, security audits, and emergency system checks. Site management is responsible for ensuring these activities are completed and documented appropriately.

Before resuming operations following a disruption or shutdown, Pennex evaluates restart-related risks through activities such as pre-startup safety reviews, equipment integrity inspections, environmental system verification, safety system reviews, and workforce retraining where necessary. Records related to inspections, maintenance, environmental monitoring, incidents, and risk assessments are maintained to support accountability, continuous improvement, and organizational learning.

Pennex also maintains emergency response procedures for medical emergencies, fires, natural disasters, and environmental incidents. These procedures emphasize life safety, timely engagement of emergency services when needed, compliance with site-specific evacuation programs, and implementation of applicable environmental management, permitting, and reporting requirements through the Company's EHS Management System. Facility-specific emergency service contact information is maintained for all Pennex operating locations.

8 Goals & Achievements



2025 Site Safety Level Standing

Site	2025 Safety Level Standing
Greenville	Not Good Standing
Leetonia	Not Good Standing
Wellsville	Good Standing
York	President's Level
Moulton	Good Standing

2025 Employee Engagement Survey

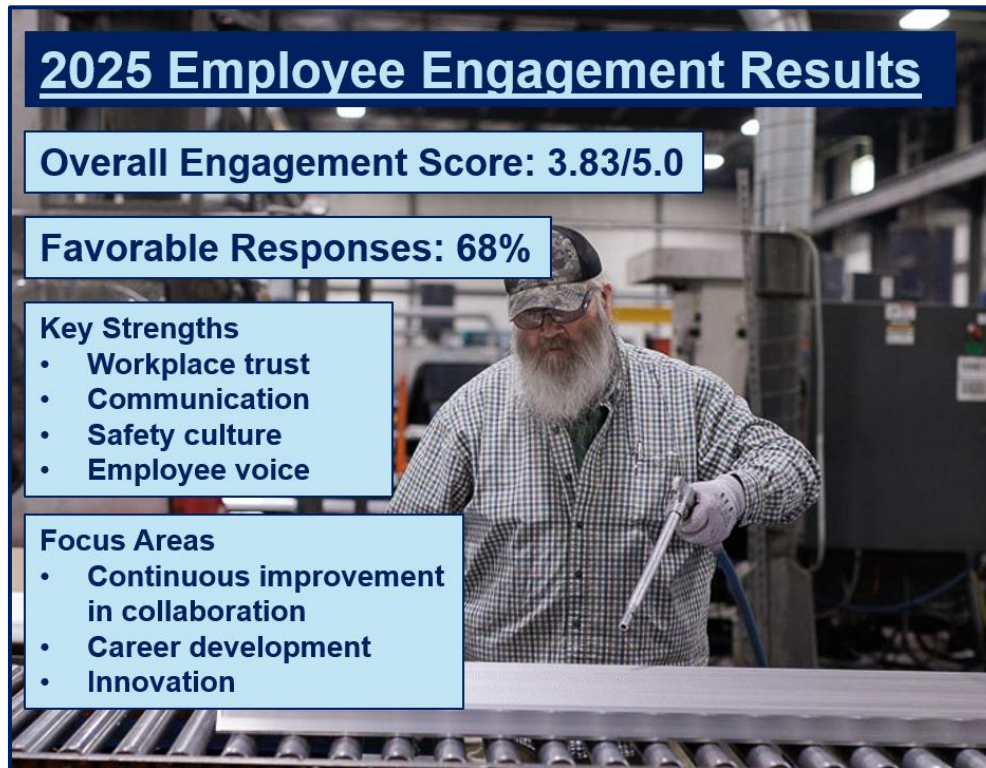
Pennex employees participate in the MX Holdings employee engagement survey, which provides insight into workplace culture, communication, safety, and employee experience across the broader organization. In 2025, the survey achieved an overall engagement score of 3.83, with 68% of responses rated favorable.

Survey results highlighted strengths in workplace trust, communication, and safety culture.

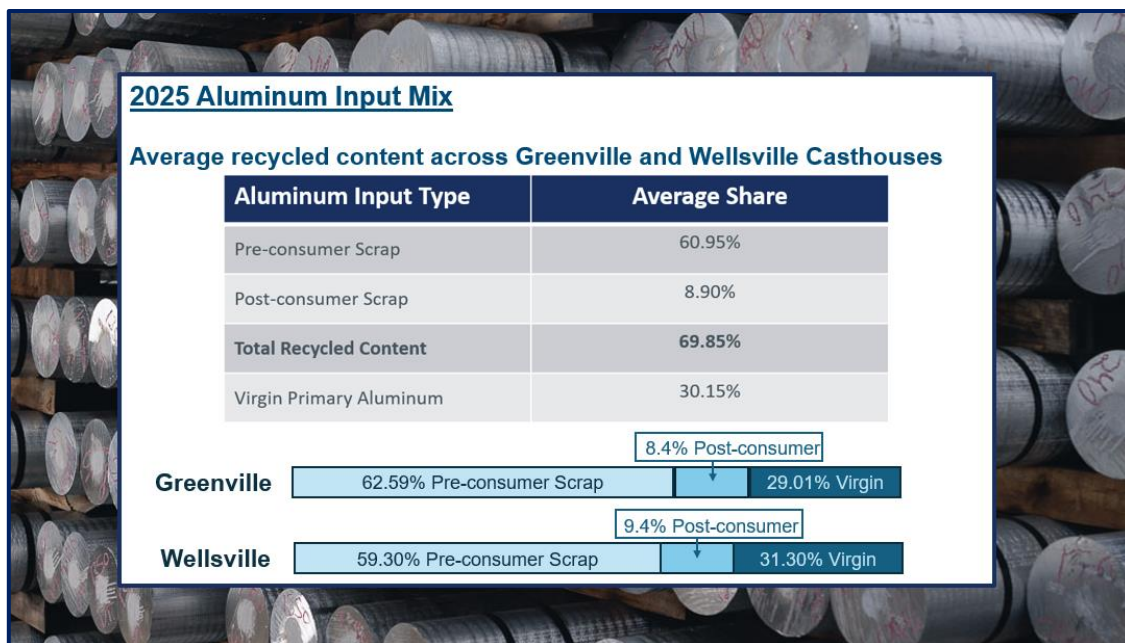
Employees reported high levels of comfort sharing mistakes and learning from them, speaking up about unsafe practices, and having open discussions within their teams. Employees also expressed a strong intention to remain with the organization, reflecting positive levels of engagement and commitment.

Pennex uses insights from the MX Holdings engagement survey to support continuous improvement efforts related to communication, collaboration, employee development, and workplace culture.

Employee feedback remains an important input in helping Pennex maintain a safe, inclusive, and supportive work environment.



Recycled Content in Aluminum Inputs



Recycled Content in Aluminum Inputs

Pennex continues to prioritize the use of recycled aluminum as a key component of its sustainability strategy. During 2025, recycled material represented approximately 69.8% of aluminum inputs across Greenville and Wellsville operations, reducing reliance on carbon-intensive primary aluminum and supporting circular material flows.

9 Climate Strategy & Carbon Reduction Roadmap



Pennex recognizes climate change as a significant global challenge and is committed to reducing greenhouse gas (GHG) emissions across its operations while supporting responsible growth and operational efficiency. Using its independently verified 2025 GHG inventory as a baseline, Pennex has established a long-term emissions reduction roadmap focused on measurable improvements in energy performance, operational efficiency, and emissions management.

Decarbonization Roadmap — 2025 Baseline

Baseline and Reduction Target

Using our SCS-verified 2025 baseline of **43,419 tCO₂e** (combined Scope 1 + Scope 2), our decarbonization roadmap targets a **30% reduction in combined Scope 1 and Scope 2 emissions and a 15% reduction in Scope 3 emissions by 2030**. This 2025 baseline marks our commitment to measurable, verifiable decarbonization.

Summary of the GHG Reduction Plan

Pennex has established 2025 as its baseline year for emissions management and reduction planning and has adopted a goal to reduce combined Scope 1 and Scope 2 GHG emissions by 30% and reduce Scope 3 GHG emissions by 15% by 2030. This decarbonization roadmap will be advanced through energy efficiency improvements, equipment modernization, increased use of recycled aluminum inputs, evaluation of electrification opportunities, and renewable energy initiatives. Progress toward this target will be reviewed annually and incorporated into future sustainability reporting.

Our “**GHG Decarbonization Roadmap — 2025 Baseline**” accompanies this report and details the full reduction plan, glide path, and initiative-level contributions.

Decarbonization Initiatives

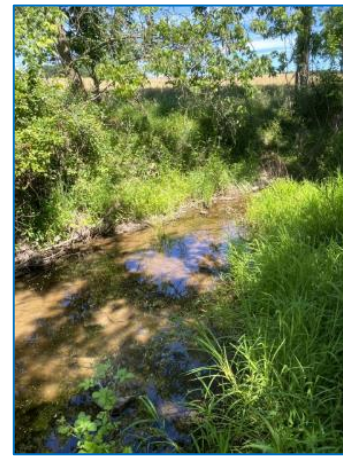
Key Reduction Initiatives

Pennex intends to achieve emissions reductions through a combination of operational improvements, technology investments, and continuous improvement initiatives, including:

- Increasing energy efficiency across manufacturing operations.
- Upgrading equipment and infrastructure to improve energy performance.
- Optimizing natural gas-intensive processes and combustion systems.
- Expanding energy monitoring and metering capabilities to improve visibility and identify reduction opportunities.

- Evaluating electrification opportunities where technically and economically feasible.
- Assessing renewable electricity opportunities and other lower-carbon energy alternatives.
- Increasing the use of recycled aluminum inputs where operationally practical.
- Incorporating emissions reduction considerations into future capital planning and operational decision-making.

10 Biodiversity & Ecosystem Protection



In 2025, Pennex completed a biodiversity assessment across its operational footprint to better understand potential biodiversity impacts associated with its operations. The assessment evaluated operational sites, surrounding habitats, protected areas, and species of conservation concern. The assessment identified no significant biodiversity impacts associated with current operations and determined that facilities present a low biodiversity risk profile. Pennex maintains environmental controls and management practices designed to avoid or minimize adverse impacts on biodiversity and will continue to consider biodiversity impacts during future development, expansion, and land-disturbance activities. The Company also maintains a "No-Go" commitment for UNESCO World Heritage Properties as outlined in its ESG Policy.

Biodiversity Enhancement Commitments

While the assessment concluded that no formal Biodiversity Action Plan was required, it identified several opportunities to further strengthen biodiversity performance across our sites. Pennex is committed to implementing these enhancements as part of our ongoing environmental stewardship, prioritizing actions that expand native habitat, protect sensitive species, and integrate biodiversity considerations into how we plan and operate.

Planned enhancements include:

- Implementing vegetation-clearing timing restrictions to avoid breeding and nesting periods.
- Increasing native pollinator habitat and converting portions of maintained turfgrass to native plantings.
- Installing bird and bat nesting and roosting structures where appropriate.
- Conducting biodiversity monitoring and species reviews ahead of any future facility expansion projects.
- Continuing employee awareness and habitat stewardship efforts across our facilities.

Leetonia Walking Trail — An Upcoming 2027 Project

Among our facilities, Leetonia contains the greatest amount of undeveloped land and natural habitat, including agricultural fields, hedgerows, wetlands, and woodland edges that can support species such as barn owls, Indiana bats, and monarch butterflies. Building on this setting — and on the community partnerships we strengthened through our Earth & Arbor Day celebration in Leetonia — we are planning a new walking trail at our Leetonia facility as an upcoming project for 2027. The trail is intended to connect employees and the local community with these natural areas while

showcasing the native plantings and pollinator habitat created through our biodiversity enhancement program.

Restoration Efforts

Pennex employees support local environmental restoration initiatives, including community clean-up efforts. These activities help improve local ecosystems, enhance community spaces, and reflect Pennex's commitment to environmental stewardship beyond our facility boundaries.



Pennex team members supporting restoration efforts in Greenville.

11 Community Spotlight: Earth & Arbor Day



Planting for the Planet — Pennex team members, local partners, and families at the Earth & Arbor Day celebration in Leetonia.

In April, Pennex was proud to partner with the Village of Leetonia, the Leetonia Shade Tree Commission, and Leetonia Beehive Coke Ovens Park to host a Planting for the Planet Earth & Arbor Day celebration focused on community, stewardship, and connection to our environment.

The event brought together families, local partners, and Pennex team members for an afternoon of hands-on activities, including a community tree planting and a kids' plant-a-pot with pot decorating. A tree donated by the Northeast Ohio Public Energy Council (NOPEC) was planted, with remarks from Leetonia Mayor Kevin Siembida, who shared a moving reflection on legacy, community investment, and the importance of caring for our planet.

A 100-Year Story of Reuse

One small detail made the day especially meaningful: the clay pots the children used to plant their flowers were more than 100 years old — reclaimed from Lutz, a local greenhouse in Salem, Ohio, where they had spent decades buried beneath the greenhouse floor. When the current owners uncovered thousands of them during a renovation over 20 years ago, they chose to keep the tradition of reuse alive rather than discard them. This event marked a special milestone: the final 70 of those pots found new life in the hands of Leetonia children — a perfect reflection of the reuse, history, and growth at the heart of Earth & Arbor Day.



The NOPEC-donated tree planting with remarks from Mayor Kevin Siembida (left) and the children's plant-a-pot activity (right).

We are grateful to our local partners, volunteers, and families who joined us — and especially to the children who decorated pots, planted seedlings, and reminded us that sustainability often begins with simple, hands-on moments. At Pennex, we believe environmental stewardship is strongest when it starts locally, grows through partnership, and brings people together.



12 Innovation & Sustainable Technology

Innovation is central to our circular, low-carbon business model. We published an Environmental Product Declaration (EPD) for our aluminum billet, providing transparent, life-cycle-based environmental information to customers and supporting responsible procurement decisions across the value chain.



Environmental Product Declaration (EPD)

Our published EPD quantifies the life-cycle environmental profile of our aluminum billet and reflects the benefits of recycled content — recycled aluminum requires up to 95% less energy than primary aluminum.

13 Stakeholder Engagement & Materiality

At Pennex, stakeholder engagement is an essential component of our sustainability strategy and helps us understand the environmental, social, and governance (ESG) topics that are most relevant to our business and stakeholders. Through ongoing dialogue with employees, customers, suppliers, shareholders, community representatives, and leadership, we strive to identify both the sustainability impacts of our operations and the sustainability-related risks and opportunities that may influence long-term business performance.

To support this effort, Pennex utilizes a double materiality assessment approach. This process considers both:

- Financial Materiality – how sustainability-related topics may affect the Company's financial performance, operations, competitiveness, and long-term value creation.
- Impact Materiality – how Pennex's activities may positively or negatively affect people, communities, and the environment.

By evaluating both perspectives, Pennex is better positioned to prioritize sustainability initiatives, allocate resources effectively, and respond to evolving stakeholder expectations.

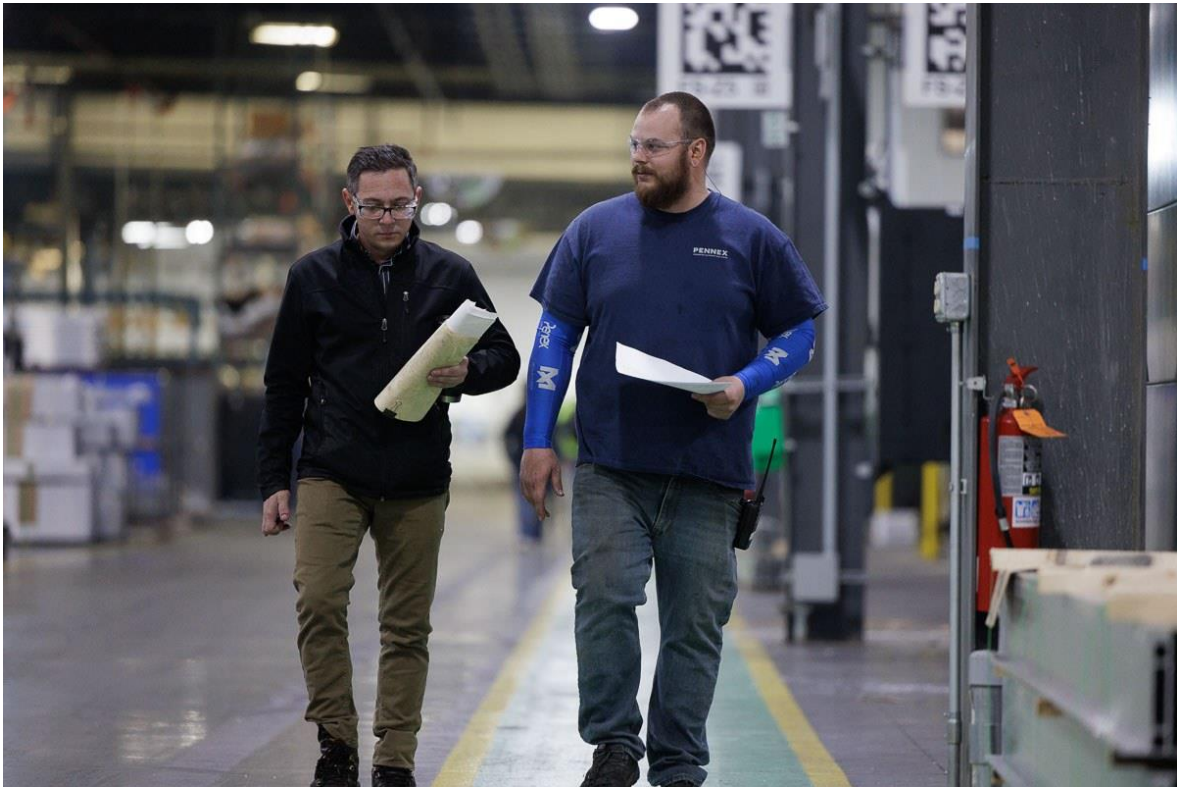
Stakeholder Engagement Process

The materiality assessment process included engagement with internal and external stakeholders who possess knowledge of Pennex's operations, business strategy, and sustainability priorities. Stakeholder feedback was gathered through a combination of leadership discussions, interviews, and reviews of sustainability risks, opportunities, industry expectations, and regulatory trends.

Key inputs considered during the assessment included:

- Applicable environmental and social regulations
- Customer expectations and market trends
- Industry best practices
- Existing policies and management systems
- Sustainability risks and opportunities across the value chain
- Internal operational priorities and strategic growth objectives

The results were reviewed and validated by leadership to ensure alignment with Pennex's business strategy and long-term sustainability objectives.



Using Materiality to Guide Our Sustainability Strategy

The materiality assessment serves as a foundation for Pennex's sustainability program and helps guide decision-making, goal setting, and resource allocation. The findings support our focus on improving operational efficiency, strengthening responsible sourcing practices, developing and retaining talent, maintaining strong governance standards, and advancing our environmental performance.

Pennex will continue to periodically review stakeholder feedback and material sustainability topics to ensure our sustainability strategy remains responsive to changing business conditions, stakeholder expectations, and emerging ESG trends.

Top Material Topics (Scored High on Both Financial & Impact)

1. Energy and Emissions
2. Business Conduct
3. Materials and Waste
4. Responsible Procurement
5. Employee Retention and Recruitment

14 Human Rights & Social Standards

Our approach is guided by the UN Guiding Principles on Business and Human Rights. We fully support the Universal Declaration of Human Rights and the ILO Core Conventions on Labour Standards.

During 2025-2026, Pennex completed a Human Rights Impact Assessment (HRIA) covering its manufacturing operations and key business relationships. The assessment evaluated actual and potential impacts on employees, contractors, supply chain workers, applicants, and surrounding communities and identified occupational health and safety, contractor and supply-chain labor conditions, and access to grievance and remedy mechanisms as priority areas for ongoing management and improvement. The assessment found no severe or systemic human rights violations within Pennex operations.

To strengthen human rights due diligence beyond our direct operations, MX Holdings implemented a Responsible Sourcing Policy and Supplier Code of Conduct that establish expectations for labor rights, freedom of association, fair treatment, non-discrimination, prevention of forced labor and child labor, health and safety, ethical business conduct, and environmental responsibility throughout the supply chain. Suppliers are expected to maintain risk-based due diligence processes and implement management systems capable of identifying, preventing, mitigating, and remediating human rights risks within their own operations and supply chains.

Pennex maintains multiple channels for raising concerns and seeking remedy. Employees may report concerns through management, Human Resources, or the Company's confidential ethics reporting mechanisms. In addition, employees, contractors, suppliers, supply-chain workers, customers, and community members may submit concerns through the grievance mechanism available on the Pennex Sustainability webpage. These channels are intended to be accessible, confidential, non-retaliatory, and supported by documented investigation and resolution processes.

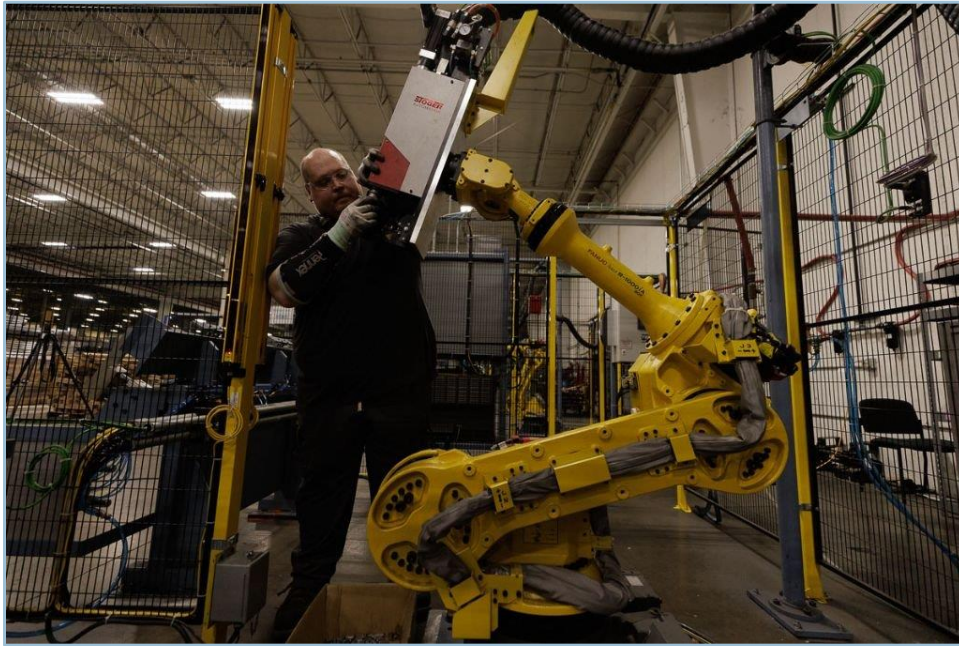
Pennex remains committed to continuous improvement in human rights performance through ongoing risk assessment, stakeholder engagement, employee training, supplier engagement, and periodic review of our management systems and due diligence processes.

15 Future Commitments (2026 Targets)



Category	2026 Target
GHG Emission Reductions	30% combined Scope 1 & 2 reduction by 2030 (2025 baseline)
Supply Chain	Expand Supplier Sustainability Survey
Safety Performance	All sites at Good Standing or better, while also realizing a 15% reduction in Total Recordable Incident Rate.

16 Performance Data Summary



Environmental KPIs (2025)

22.7M Water Consumption (Gallons)	33,904 Electricity Use (MWh)	43,419 Scope 1 + 2 (tCO ₂ e)
610 Landfilled Waste Generated (metric tons)	0% Renewable Energy	83.4% Waste Diversion
347,443 Scope 3 (tCO ₂ e)		

Social KPIs (2025)

8.33% Women in Senior Mgmt	22.2% Women	21.9% Turnover Rate
22.2% Total Female Managers	17% Underrepresented Group	72.2% Retention Rate

17 Reporting Frameworks

This report has been prepared in accordance with the GRI Standards: Core option and aligns with TCFD recommendations. Our 2025 GHG inventory was independently verified by SCS Global Services.

18 Looking Ahead & Sustainability Roadmap: 2025–2050



2026 Strategic Priorities

1. **Advance Climate Action:** Implement priority projects identified through Pennex's decarbonization roadmap and continue strengthening greenhouse gas management and emissions reduction efforts.
2. **Increase Circularity:** Expand the use of recycled aluminum and support circular material flows that reduce environmental impacts while improving resource efficiency.
3. **Strengthen Responsible Sourcing:** Enhance supplier engagement, due diligence, and transparency across the supply chain through implementation of responsible sourcing and human rights programs.
4. **Support Biodiversity & Environmental Stewardship:** Integrate findings from site biodiversity assessments into operational planning and identify opportunities to protect and enhance local ecosystems.
5. **Invest in Our People:** Foster a safe, inclusive, and engaged workplace through employee development, health and safety initiatives, workforce feedback, and continuous improvement programs.
6. **Embed Sustainability into Business Decision-Making:** Continue integrating sustainability considerations into governance, risk management, capital planning, and long-term business strategy.

“Sustainability is a journey, not a destination. We remain committed to setting ambitious, science-based targets.”

Commitment to Transparency

We remain steadfast in our commitment to transparent reporting and continuous improvement. We thank our stakeholders for their continued trust and partnership as we build a sustainable future together.

Mike Lefton
Executive Chairman

Mark Butterfield
President

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Appendix A - Workforce Data

New Hires by Age Group (2025)

Age Group	New Hires
18-24	40
25-34	51
35-44	48
45-54	32
55-64	15
Over 64	2
Total	188

Employee Turnover by Age Group (2025)

Age Group	New Hires
18-24	64.5%
25-34	56.7%
35-44	46.9%
45-54	36.4%
55-64	40.3%
Over 64	42.2%

Turnover rates are calculated using employee data from January 1, 2025 through December 31, 2025.