



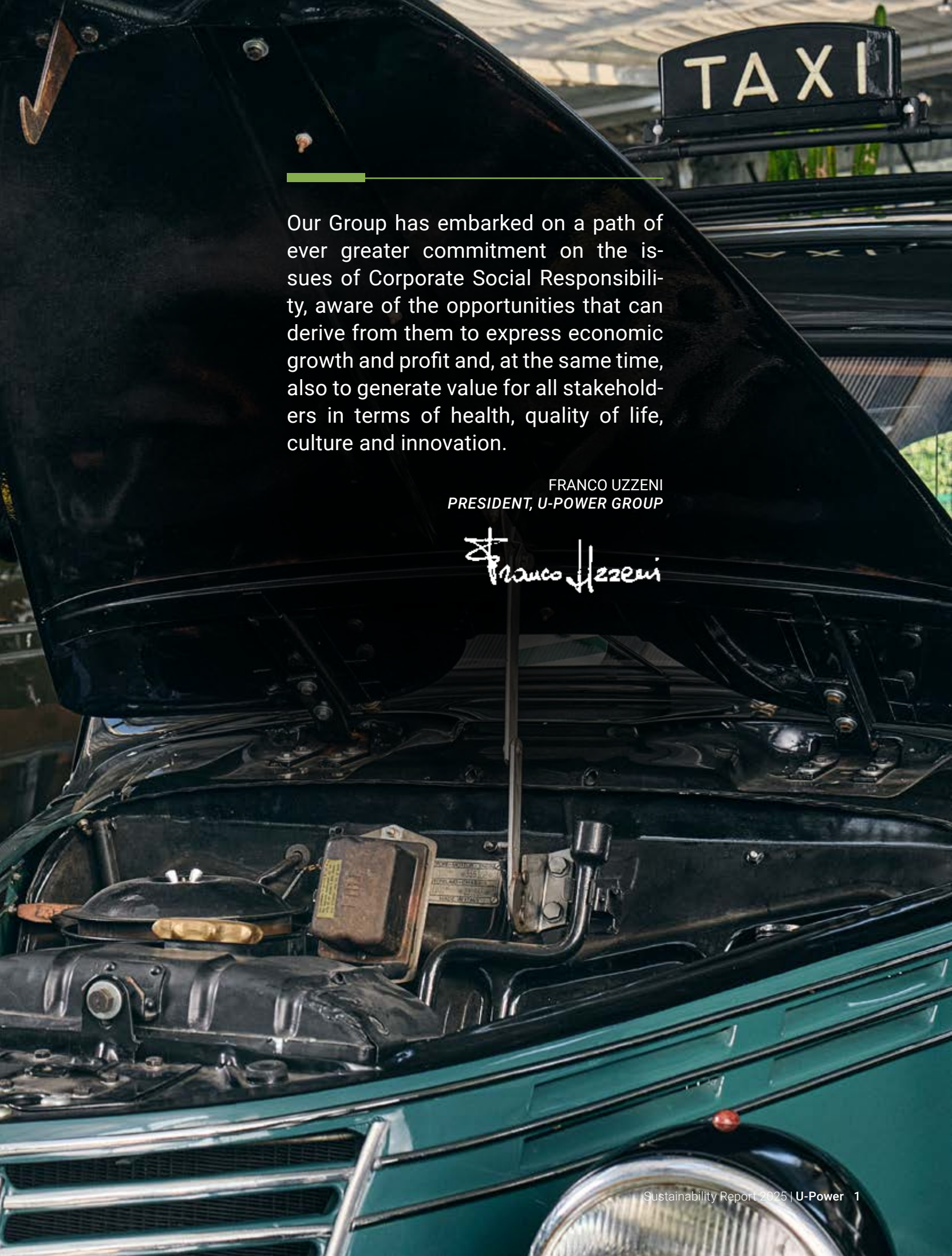
Don't worry... be happy!

20

25

SUSTAINABILITY REPORT





Our Group has embarked on a path of ever greater commitment on the issues of Corporate Social Responsibility, aware of the opportunities that can derive from them to express economic growth and profit and, at the same time, also to generate value for all stakeholders in terms of health, quality of life, culture and innovation.

FRANCO UZZENI
PRESIDENT, U-POWER GROUP

Franco Uzzeni

HIGHLIGHTS

312 MLN€

of economic value generated,
consistent with 2024

6,191,562

total pairs of shoes
sold by the group in 2025

25

patents filed,
synonymous with the Group
great commitment to Research and Development

53

footwear models
certified as Carbon Neutral in
accordance with ISO 14068¹ and

61

models
for which the carbon footprint was
calculated in accordance with ISO 14067²

-37%

cases of accidents
than in 2024

43

short- and medium-term
sustainability targets
identified in the Sustainability Plan

¹ Until 2024, the methodological reference was PAS 2060. Since 2025, the Group has achieved certification in compliance with the ISO 14068-1:2023 standard, in line with regulatory updates and international standards on climate neutrality. For the specified models, the Group has implemented a structured approach to managing greenhouse gas emissions, based on measuring the product carbon footprint (ISO 14067), prioritizing emissions reduction across the value chain, and offsetting the only residual emissions through carbon credits.

² UNI EN ISO 14067:2018 specifies principles, requirements and guidelines for the quantification and reporting of the climate footprint of products (Carbon Footprint of Products - CFP) in accordance with the international standards on Life Cycle Assessment (LCA) (ISO 14040 and ISO 14044).



8%

market share
of U-Power Group in Europe,
number one manufacturer
of safety shoes in Italy and
Europe

45%

female presence
within the Group staff in 2025

LETTER TO STAKEHOLDERS



FRANCO UZZENI
PRESIDENT, U-POWER GROUP



Proud to have reduced accidents by 37% in 2025: safety is at the core of our strategy

Dear stakeholders,


throughout the year, the Group strengthened its leadership position in the safety sector, reaching a turnover of 310 million euro, with a slight increase (+1%) compared to 2024. This result, particularly when viewed in the context of the period of significant uncertainty we are currently experiencing, reflects the trust placed in us by our stakeholders and the quality of our products.

The Group has strengthened its product innovation strategy by launching new lines, such as RED EGO, and consolidated its internationalization strategy, with a particular focus on entering the US market. In this context, U-Power has developed an initial range of safety footwear designed specifically for the US market, combining proven technological solutions with local regulatory standards and operational requirements. This was presented at the National Safety Council (NSC) in Denver, a leading showcase for the occupational safety sector and a strategic platform for enhancing the brand's visibility and engagement with international customers and partners. In parallel with its expansion into the United States, U-Power also joined the International Safety Equipment Association (ISEA), the leading US association for personal protective equipment, which will enable the Group to actively contribute to the development of industry standards. These initiatives confirm the Group's ability to respond to changing markets and expand its product portfolio, while keeping safety, innovation and sustainability at the forefront.

Our strategic vision has long incorporated sustainability as a lever for growth and competitiveness. In a context marked by global challenges – from energy transition to the scarcity of natural resources – the Sustainability Report proves to be a key tool for transparently sharing achievements and future goals. Among the key milestones achieved in 2025, we would like to highlight a 37% reduction in accidents compared to the previous year, an increase in the proportion of female employees to 45% of the workforce, and a 12% reduction in emissions intensity compared to 2024, despite the expansion of our business. These achievements were made possible, in part, by energy efficiency measures and the construction of our new LEED Gold-certified offices and logistics warehouse.

Over the year, we also updated and expanded our Sustainability Plan, which today includes 43 short and medium-term goals in key areas, such as: decarbonisation of production processes, well-being and growth of our people, responsible management of the supply chain and strengthening of our governance and ESG reporting systems. In 2025, the Plan helped to integrate sustainability into the Group's strategic and operational decisions in an increasingly structured manner. The path undertaken together with NB Renaissance allows us to look to the future with determination, aiming to strengthen our international presence and expand product categories, always with a responsible approach oriented to long-term sustainable development.

Enjoy reading!



4,287

EMPLOYEES

310 MLN €

TURNOVER

+1% vs 2024

116,564 GJ

TOTAL ENERGY CONSUMPTION
OF THE GROUP

+8% vs 2024

SHOE: RYAN (RED LEVE) + SOCK: GIADY YF + PANTS: SOLARIS DG + BELT: NITE BELT + T-SHIRT: FIGI GM + VEST: BRIO DG



CONTENTS

Highlights	2
Letter to stakeholders	4
Values and Purpose	8
The Company	9
1. U-Power Group: a company, a safety partner	11
1.1 A history of innovation in tradition	14
1.2 The governance model	16
1.3 Integrating sustainability performance into remuneration schemes	18
1.4 Risk management	18
1.5 Stakeholder dialogue	20
1.6 The business model	22
1.7 Materiality analysis	26
1.8 The ESG action plan	28
EcoVadis	31
2. Environment on the spotlight	33
2.1 Energy and emissions	34
2.2 Water	41
2.3 Materials and Waste	43
3. People	47
3.1 Our team	51
3.2 Diversity, gender balance and protection of human and labour rights	54
3.3 The remuneration system and industrial relations	56
3.4 Training	57
3.5 Our safety	58
3.6 Human rights	59
3.7 Developing a responsible supply chain	60
3.8 U-Power Group communities	62
3.9 Innovation at the service of consumer safety	63
4. Governance	69
4.1 The Organisational Model	70
4.2 Certifications	72
5. Annexes and methodological note	73
5.1 U-Power Group stakeholders	75
5.2 The impact materiality	76
5.3 The calculation methodology	78
GRI Content Index	81

VALUES AND PURPOSE



U-Power Group is a constantly evolving reality that aims to be the most authentic and secure reference point for improving the quality of life of working people, offering a unique capital of experience and knowledge in the Personal Protection Equipment sector.

"Our philosophy *'Don't worry... be happy!'* reflects our Mission, which has always been our commitment to the wearer of U-Power work footwear: every single shoe is a guarantee of true comfort and functionality in the sign of *pure Italian design.*"

This explains our philosophy of life:
'Don't worry, be happy!'

SEARCHING FOR EXCELLENCE

We always try to do better, as individuals and as a company. We never get tired of learning and redefining the rules.



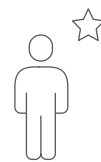
LEVERAGING CREATIVITY

We are unique and non-conventional. We give space to our inner genius.



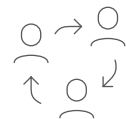
BELIEVING IN TOMORROW

We look at challenges always oriented to the future, continuing to search for sustainable solutions where they have not yet been found.



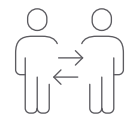
INVOLVING PEOPLE

Bringing empathy, building trust to create long-term relationships.



EXPERIENCING DIVERSITY

We are always open to different voices. We thrive on diversity and dialogue with all generations.



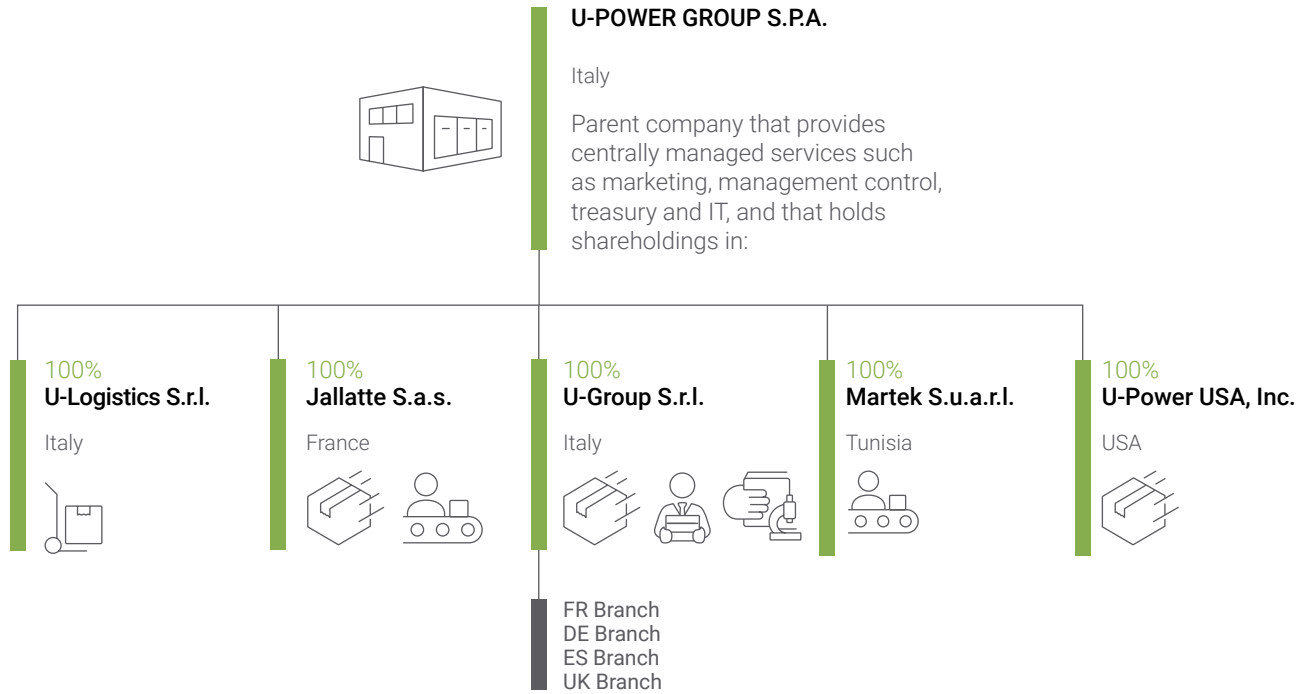
PURSUING SUCCESS

We strive for excellence with the responsibility to preserve the environment and the resources for future generations.



THE COMPANY

The structure of the Group as at 31.12.2025 is shown below:



Company that manages all the logistical activities related to order processing and product deliveries.

French company involved in the production and marketing of finished products (footwear only) using logistics services provided by U-Logistics.

The Group's main company, which markets finished products using the logistics services provided by U-Logistics; the company also handles of all raw material procurement and research and development for footwear production; U-Group, also operates through branches in France, Spain, Germany and the UK.

Tunisian production site producing footwear from raw material purchased from the Group's subsidiaries.

A US-based company that will market finished products on the US market starting from 2026.

Legend



Holding



Production



Sales



Research and Development



Procurement of raw materials



Logistics

Registered office in Paruzzaro (NO) - Via Borgomanero 1

Share social: Euro 10.000.000 interamente versato

Fiscal Code and Novara Companies Register: 08482990150

Novara Chamber of Commerce no: 163970 R.E.A.



A person's hand is visible on the left side of the frame, gesturing with fingers spread. The background is a large window with a view of a modern building with a grid-like facade. The lighting is soft and natural, suggesting an indoor setting.

U-POWER GROUP: A COMPANY, A SAFETY PARTNER

1. U-POWER GROUP: A COMPANY, A SAFETY PARTNER

U-Power Group (hereinafter “U-Power” or the “Group”) was founded by entrepreneur Pier Franco Uzzeni in 2006, in Paruzzaro (Italy), drawing inspiration from the experience handed down by his father and from the over 50 years of activity in the safety footwear sector. Over the years, the Group has grown to become one of the main players in the sector, boasting a leadership position in the Italian and European market for working footwear, as well as excellent results in the technical clothing market.

U-Power mission is to become the **reference point for worker safety**, aiming to improve people quality of life. In order to achieve this, the company is committed to offering Personal Protective Equipment (PPE) that is safe, comfortable, high-performance and attractively designed.

In addition, U-Power is committed to remaining a major player in the market, investing in research and development of new technologies and advanced materials to constantly improve the performance of its products. The company collaborates with sector experts and research institutes to ensure that its solutions are aligned with the latest trends and worker needs.

U-Power Group stands out therefore for its commitment to safety and innovation, combining traditional craftsmanship with the use of the latest technologies, as well as offering high quality products, customised services and technical support to its customers.

The Group consists of six companies, based in 7 countries: U-Power Group S.p.A.; U-Group S.r.l.; Martek S.a.r.l.; U-Logistics S.r.l.; Jallatte S.a.S.; U-Power USA (a company that will be established in the United States at the end of 2025 and therefore does not fall within the scope of this Report as far as environmental, social and governance data are concerned). U-Group S.r.l has subsidiaries in France, Spain, Germany and England.

This strong international network covers all the crucial stages of the value chain: **design, prototyping, production, sales** and customer **support**. Thanks to this complete

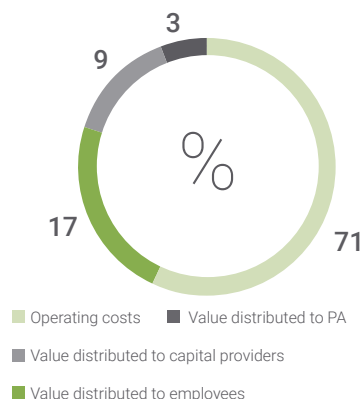
integration, the Group directly manages its two production units in France and Tunisia, maintaining an effective control over the quality of its processes and products, while respecting the environment and the well-being of its employees.

Over the years, the Group has sought to distinguish itself through sustainability and social responsibility initiatives, with the aim of generating long-term value. Specifically, it has promoted a corporate culture based on ethics, sustainability and concern for the community, thus demonstrating an increasingly global vision of the company.

The Group path culminated in 2021, when U-Power decided to amend its articles of association and become a Benefit Corporation. This legal form has given U-Power a corporate identity that drives the Group to commit itself to pursuing aims of common benefit, operating in a responsible and transparent manner towards all its stakeholders.

Through this new vision and corporate structure, U-Power is committed to reconciling business activities with a focus on social and environmental values, collaborating with all stakeholders, including individuals, communities and organisations, in order to achieve a positive impact and contribute to the common good.

Distributed economic value 2025





Situation as at 31.12.2025

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (K€)	2023	2024	2025
Economic value generated	288,296	312,032	312,264
Production value	287,767	310,395	312,117
Financial income	529	1,637	147
Economic value distributed	248,144	265,026	263,673
Operating costs	183,670	186,134	186,624
Value distributed to employees	37,173	42,079	44,207
Value distributed to capital providers	9,120	27,099	23,276
Value distributed to PA	18,181	9,714	9,566
Value distributed to shareholders	-	-	-
Economic value retained	40,152	47,006	48,591

1.1 A HISTORY OF INNOVATION IN TRADITION

The governance structure is responsible for outlining Group strategies and coordinating financial, commercial, and marketing activities to promote growth, the implementation of new initiatives, and the achievement of investment plans.

A long lasting successful History



The focus on safety footwear

- Almar registered the Aimont brand, specialised in safety shoes. During these years, production was transferred to Tunisia and there was a significant increase in the number of pairs produced per year.

1988
2000

1956
1987

2000
2005

Almar, the early years

- Pier Franco Uzzeni took over the Italian company Almar founded in 1950 by his father in Soriso (NO). Production focuses on safety shoes, but at the same time, sports shoes are also produced, from brands such as Puma and Adidas.

Jal Group



The consolidation

- Pier Franco Uzzeni sells majority stake in Almar to the CVC investment fund. Almar is consolidated with leading European competitors Jallatte and Lupos to create the JAL Group. Uzzeni becomes Group CEO.



Creation of U-Group

- In 2005, Pier Franco Uzzeni left the JAL Group and founded U-Power with the aim of producing and distributing safety shoes under his own brand, immediately gaining a leading position in the European market.



The new technological era

These are the years of the Group greatest growth:

- U-Power launches the revolutionary new lines with Infinergy® technology from BASF.
- The Group financial figures show growth for all brands.
- U-Power becomes a Benefit Corporation.
- Launch of the U-Green, J-Respect and Lupos lines, the first totally Carbon Neutral working footwear in accordance with PAS 2060, subsequently updated to comply with ISO 14068.
- In 2023, turnover is 288 million euro, +5.7% compared to 2022.

2006
2013

2017
2023

2013
2017

2023
2025



Acquisition and relaunch of JAL Group

- In 2013, sector leader U-Power acquired the main assets and brands of JAL Group (Jallatte, Aimont and Lupos), thus founding U-Power Group.
- In 2017, the Group financial figures showed a sustained growth, mainly due to the introduction of the Red Lion line and to the first results of the recovery of the acquired brands.

New shareholders

- In September 2023 NB Renaissance acquired 70% of U-Power Group.
- In 2024, the first lifestyle footwear line (Urban) was launched.
- In 2025, the Group began an expansion process that includes entering the US market.

1.2 THE GOVERNANCE MODEL

The governance structure is responsible for outlining the Group strategies and coordinating financial, commercial and marketing activities to foster growth, the implementation of new initiatives and the achievement of investment plans. In addition, it is responsible for monitoring and assessing the results achieved. The governance model, with a particular focus on ESG issues, comprises the following bodies:

- **Board of Directors (BoD);**
- **Shareholders' Meeting;**
- **Board of Statutory Auditors;**
- **ESG Committee.**

The Board of Directors is the governing body responsible for the proper management of the company and for providing strategic and organisational guidance to the Group in achieving its objectives. It holds broad powers for the management of the Group's ordinary and extraordinary affairs, with the exception of matters which, in accordance with the law and the Articles of Association, fall within the exclusive jurisdiction of the Shareholders' Meeting.

The BoD consists of a minimum of five to a maximum of nine members, including non-shareholders, according to the resolutions of the Meeting. The directors are also appointed by the Meeting on the basis of candidate lists submitted by the shareholders.

All directors, executive and non-executive, must meet the requirements of the law and other applicable provisions

and the requirements of independence. Furthermore, the composition of the Board of Directors must ensure the representation of both the male and female genders.

Directors may be re-elected and, unless the Meeting decides otherwise at the time of appointment, they hold office for a period of three financial years. In addition, the Board may appoint a Secretary, also from outside, and determine the related remuneration.

Finally, in compliance with legal and statutory provisions, the BoD may delegate some of its functions to an executive committee composed of some of its members and/or to a CEO.

Each year, during the planning of activities, the members of the Board of Directors (BoD) are regularly informed of the latest developments regarding sustainability. These meetings allow exploring opportunities related to sustainability reporting, sector trends and regulatory developments that may influence the company strategic and operational choices.

Instead, impact management is delegated to the relevant department heads, who report to the top management, at least once a year, all the relevant updates, and any critical issues, relating to sustainability topics.

The Board of Directors, in its composition at 31 December 2025, consists of a Chair and eight Directors.

Board of Directors by gender and age group			Unit of measure	2023	2024	2025
Directors at 31 December	Women	<30 years	no.	0	0	0
		between 30 and 50 years	no.	1	0	0
		> 50 years	no.	0	1	1
	Total female directors		no.	1	1	1
	Men	<30 years	no.	0	0	0
		between 30 and 50 years	no.	3	4	4
		> 50 years	no.	5	4	4
	Total male directors		no.	8	8	8
Total			no.	9	9	9

As required by the current legislative framework, the Board of Statutory Auditors is the supervisory body responsible for verifying and ensuring compliance with the law and the Articles of Association. It monitors adherence to the principles of proper administration and assesses the effectiveness of the organisational, administrative, and accounting structures adopted by the company, as well as the Group's internal control system.

The Board of Statutory Auditors was appointed during the Shareholders' meeting held in September 2023 and remained in office until the approval of the 2025 annual financial statements. Its members hold office for three consecutive financial years and may be re-elected.

The collegial body responsible for the corporate management consists of three standing and two alternate members.

CHAIR OF THE BOARD OF STATUTORY AUDITORS

(at 31 December 2025)

Chair	Cristian Novello
Standing auditor	Grazini Giovanni Salom Maurizio
Alternate auditor	Agogliati Cristiano Castiglioni Monica Antonia

ESG Committee

The Group's ESG Committee, established in 2024, continued its activities in 2025. The Committee plays a central

role in integrating the principles of sustainability and good governance into corporate strategies and operations. The Committee main responsibilities include defining goals and guidelines for the integration of ESG principles into corporate operations, as well as overseeing the alignment of operations with these goals and approving the related strategic initiatives. The Committee is also responsible for monitoring compliance with applicable ESG regulations and meeting stakeholder expectations, ensuring compliance with the commitments made in terms of environmental sustainability, social responsibility and transparency. Another key function is the assessment of risks and opportunities related to the environmental, social and governance areas, with the aim of identifying and mitigating any critical issues and seizing the opportunities offered by sustainable innovations or improvements in corporate processes. The ESG Committee is the corporate decision-making body for sustainability and reports directly to the Board of Directors.

ESG Committee Members

- Giovanni Falco
- Franco Gandini
- Jean Marie Calame
- Mattia Melani
- Giovanna Forzieri
- Ilaria Nolli
- Emanuele Fogagnolo
- Paloma Lopez Imizcoz

1.3 INTEGRATING SUSTAINABILITY PERFORMANCE INTO REMUNERATION SCHEMES

The Shareholders' Meeting is responsible for determining the remuneration of the members of the governing body and periodically reviewing the amount of this remuneration. The Board of Directors is also subject to variable remuneration, including bonuses, which are regularly determined according to the type and department of the executive, using economic, production and commercial criteria.

As far as sales managers are concerned, their remuneration consists of a fixed and a variable portion, balanced to reflect their contribution to the Group strategic goals, ensuring a fair balance between the interests of the staff and the corporate short- and long-term goals. The short-term variable remuneration, known as Management By Objective (MBO), is structured around quantitative targets that are tailored to the specific department and role.

In this context, as of this year, the Group has implemented an initiative within its Sustainability Plan to establish an incentive system for senior executives that also focuses on ESG goals. The roles covered by the initiative include senior and executive positions such as CFO, COO, HR Manager and ESG Manager.

Executive remuneration plans are individual and vary in terms of the targets set, the weight assigned to the various targets, and the percentage of total remuneration. The most frequently recurring targets include maintaining the EcoVadis Gold medal, implementing a Social Welfare Programme at the Tunisian plant, and completing Phase 1 of the Sustainable Procurement programme.

This first integration initiative represents a further commitment by U-Power to strengthen the alignment between corporate strategy, executive performance and sustainability goals, with a view to consolidating a governance model that is increasingly integrated with ESG principles and long-term oriented.

1.4 RISK MANAGEMENT

The Group carries out a structured sustainability risk analysis process, through which risks are identified, classified and subsequently qualitatively assessed on the basis of the management and mitigation strategies adopted.

Risks were identified through a benchmark analysis, management interviews and context analysis. In particular, the non-financial information of various companies in the fashion and footwear sector was examined in order to identify the main risks. Subsequently, the main risk areas and the management and mitigation methods relating to the various sustainability areas were explored in depth, through interviews with management and analysis of the Group internal documents.

The analysis identified 21 risks related to U-Power Group activities, divided into four macro-areas: operational, compliance, financial and strategic risks. In 2025, the previous analysis was confirmed.

Below are the sustainability risks identified and linked to three macro-areas of sustainability: employment aspects, environmental aspects and social aspects. Although all risks were assessed for their relevance in terms of sustainability impact, only a part of them was found to have potential financial relevance, based on the analyses conducted according to the financial materiality approach foreseen by the CSRD.

Area	Risk	Risk description	Management and mitigation methods
Employment	Inability to retain employees	<ul style="list-style-type: none"> Increased turnover rates as a consequence of the absence of employee welfare and development policies 	<ul style="list-style-type: none"> The high staff retention testifies an adequate welfare even in the absence of formalised policies
	Lack of adequately qualified staff and lack of worker expertise	<ul style="list-style-type: none"> Lack of adequate technical and managerial skills of employees Inability to convey corporate know-how 	<ul style="list-style-type: none"> Presence of on-the-job training of workers in all corporate departments
	Failure to ensure the health and safety of employees	<ul style="list-style-type: none"> Failure of staff to comply with occupational health and safety policies/procedures/legislation Failure to update safety procedures in the face of new risks or regulatory obligations Occupational accidents of employees or external workers 	<ul style="list-style-type: none"> Presence of a certified management system according to ISO 45001 (Tunisia) Use of plant and machinery in line with legal regulations and the latest safety standards
	Cases of discrimination, inequality or failure to respect gender balance	<ul style="list-style-type: none"> Failure to respect gender balance or other inequalities in the workforce 	Code of Ethics
	Lack of business continuity tools in key departments	<ul style="list-style-type: none"> Absence of succession plans for key corporate department or other mitigation tools 	<ul style="list-style-type: none"> Launch of a project to select qualified professionals to strengthen the current group of corporate managers
Environment	Inability to meet customer demands and pressures	<ul style="list-style-type: none"> Inability to meet customer demands in terms of product innovation (e.g. products with reduced environmental impact, use of recycled and recyclable materials) 	<ul style="list-style-type: none"> Development of a product line with reduced environmental impact (U-Green and J-Respect)
	Inadequate waste management	<ul style="list-style-type: none"> Non-compliance with regulatory requirements Environmental impacts due to incorrect waste management Reputational damages due to incorrect waste management 	<ul style="list-style-type: none"> Presence of an ISO 14001 certified management system (Tunisia, France and Italy)
	Non-compliance with environmental regulations along the supply chain	<ul style="list-style-type: none"> Non-compliance with regulatory requirements Environmental impacts due to incorrect environmental management by suppliers Reputational damages due to environmental impacts generated by their suppliers 	<ul style="list-style-type: none"> On-site visits to supplier factories, by the Group Purchasing department, related to the quality of raw materials purchased
	Inadequate management of energy consumption	<ul style="list-style-type: none"> Lack of opportunity to reduce operating costs through the implementation of energy efficiency projects Inadequate preparation for regulatory changes (e.g. increase in energy costs) 	<ul style="list-style-type: none"> Presence of an ISO 14001 certified management system (Tunisia, France and Italy)

continues >>

<< follows

Area	Risk	Risk description	Management and mitigation methods
Social	Cases of corrupt behaviour implemented or suffered by workers and suppliers	<ul style="list-style-type: none"> Cases of active or passive corrupt behaviour by Group employees or suppliers 	<ul style="list-style-type: none"> Group Anti-Corruption Policy (approved in 2021)
	Failure to comply with rules and regulations in the field of product safety	<ul style="list-style-type: none"> Non-compliance with regulatory requirements Cases of product defects 	<ul style="list-style-type: none"> The Group main sites have implemented a quality management system certified according to ISO 9001 The Group regularly monitors and manages compliance with safety-related product certifications (e.g. ISO 20345)
	Non-compliance with socio-economic regulations along the supply chain	<ul style="list-style-type: none"> Non-compliance with regulatory requirements Impacts related to incorrect management of labour rights, human rights and social aspects by suppliers Reputational damages due to the impacts generated by their suppliers in these fields 	<ul style="list-style-type: none"> The Group Purchasing department carries out on-site visits at supplier factories related to the quality of the raw materials purchased Supplier assessment questionnaires are planned
	Inability to offer products that are innovative in technology and in line with market trends	<ul style="list-style-type: none"> Inability of the Group to be a driver of technological innovation in line with market demands and the state of the art in the sector 	<ul style="list-style-type: none"> Investment in R&D and continuous search for product innovations (e.g. new materials, design)

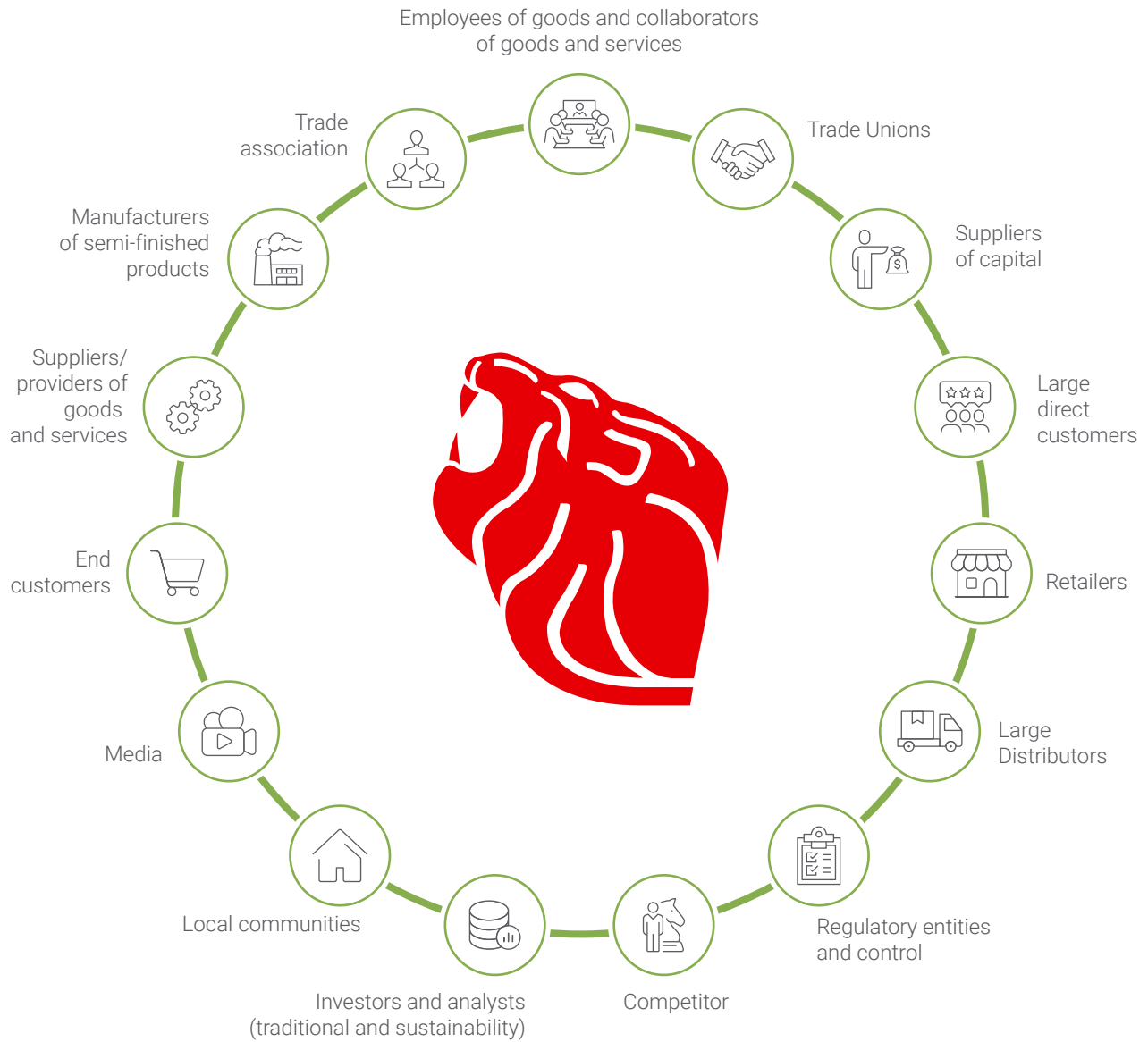
For the aforementioned risks, the management methods and action plans to mitigate their impacts are outlined in the various paragraphs.

1.5 STAKEHOLDER DIALOGUE

This Sustainability Report is seen as a channel through which to communicate social and environmental performance, as well as to maintain and continuously improve

transparency towards all U-Power Group stakeholders. With the awareness that stakeholder relations are key in the process of creating value for the company, the Group is committed to strengthening the engagement process with its stakeholders, who are considered an integral part of the responsible and sustainable management of the business.

With regard to the recognition of primary stakeholders, in 2025 the Group confirmed the analysis involving corporate management and led to the definition of 15 main categories of stakeholders, i.e. those who can most influence or be influenced by U-Power Group activities.



In order to consolidate a relationship of mutual trust, transparency and cooperation, U-Power aims to ensure an active and constant dialogue with all its stakeholders, which is able to enhance the specificity of each category identified through the activation of engagement methods and

communication channels tailored to the needs of individual stakeholders (for engagement activities, please refer to the Methodological Note). In fact, U-Power Group is aware that these moments, being opportunities for mutual growth and enrichment, are a key element for long-term value creation.

1.6 THE BUSINESS MODEL

The integrated management of the entire value chain, from Research and Development (R&D) to production and marketing, ensures U-Power Group flexibility and timeliness in responding to market needs.

The Group is active in the research and development, production and marketing of a wide range of safety footwear for individual protection and safety within the working environment. The main target groups are operators belonging

mainly, but not exclusively, to the industry, agriculture and trade sectors, which are highly regulated in terms of safety standards (such as the chemical industry, building and construction in general and services). The Group is also involved in the marketing of working clothing.

In the safety footwear segment, the Group adopts a vertically integrated business model, directly controlling the entire value chain and employing over 4,200 people. Exceptions are some specific product lines, whose production is outsourced to third-party partners located exclusively in China.



Logistics: The U-Power Group extensive, multi-channel logistics network, supported by two strategic platforms located in Italy and in the UK, plays a key role in shipment management and order fulfilment.



R&D: Research and development (R&D) activities within the U-Power Group are carried out at two dedicated centres located in Trani and Paruzaro. These centres focus on improving and optimising the quality and technological standards of U-Power products, as well as constant innovation in models and style. Product development includes several stages among which:

- conception and design
- prototyping and creation
- control and conformity testing
- approval of the new model



Sales, customer management and marketing: The Group markets its products both under its own brand and, to a lesser extent, under third-party brands (private labels), mainly through Business to Business (B2B) channels. The Group customers include large-scale retail trade operators (Distributors), and small and medium-sized retailers, such as hardware and work stores (Retailers). Through these channels, the products reach end users, such as craftsmen, small entrepreneurs and workers in medium and large-sized companies, mainly active in the European market. Sales are mainly made through a network of agents who interact with thousands of retailers and distributors. In order to promote the brand and strengthen its recognition, U-Power adopts a targeted marketing strategy, which includes advertising campaigns on top TV programs, a structured presence on social media and partnerships with sports clubs. These initiatives aim to consolidate U-Power positioning as a leading brand in the safety footwear and technical clothing sector.



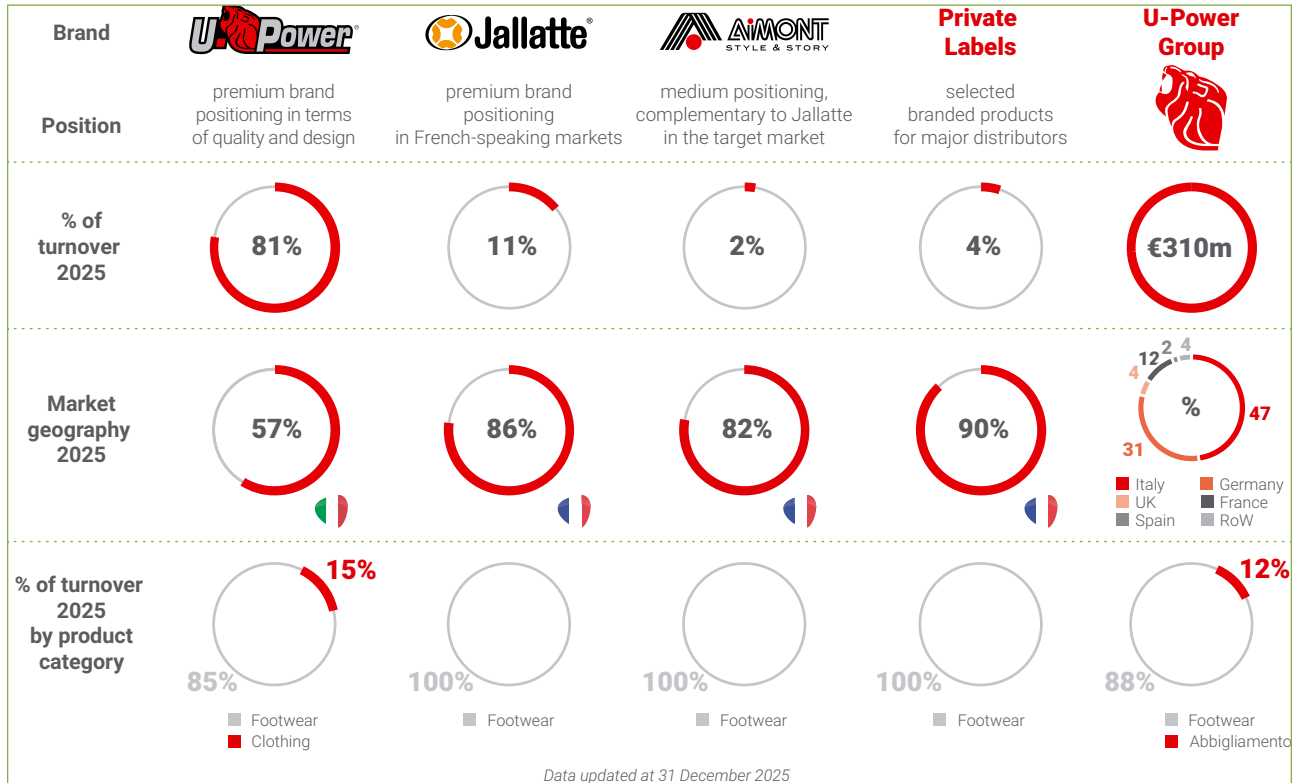
Supply chain: The Group pays particular attention to the management of its supply chain, through a careful supplier research. The goal is to select reliable partners, guarantee the quality of materials and services, and ensure on-time delivery.



Processing, production and assembly: U-Power directly manages production through factories located in Tunisia and France. The main production plant in Tunisia, with a surface area of 100,000 m² and a local workforce of approximately 4,000 employees, produces medium-high range products and accounts for about 64% of the pairs produced. The Group also has a production and commercial structure in France, responsible for approximately 5% of total production, where assembly activities are mainly concentrated, through the union of soles with the uppers coming from Tunisia. For some lines of safety footwear, production is outsourced to selected Asian manufacturers (about 31% of total production). In the Technical Clothing segment, the Group is involved in R&D, industrialization and marketing of garments, outsourcing production to third-party manufacturers.

SHOE: MAYA + SOCK: GIADY GF + BERMUDA SHORTS: SOLARIS BB + SWEATSHIRT: URANUS GF





Europe is the main market area for the Group, where it achieved about 96% of its revenues in FY 2025. Thanks to consistently innovative products and marketing and communication strategies aimed at strengthening customer loyalty, the Group has managed to consolidate its leading position in key markets over the years. In 2025, U-Power consolidated its presence in key European markets, recording a slight overall increase in revenue,

driven primarily by its performance in **Spain (+27%)** and by a **substantial stability in Italy (+2%) and France**. In some markets, revenue performance was affected by a more challenging competitive and macroeconomic environment. Overall, these results confirm the robustness of the Group internationalization strategy and the growing recognition of the brand at European level.



MARKET TRENDS AND CONTEXT³

The global PPE market is estimated to be worth **\$31 billion in 2025**, with a projected annual growth rate of **13%** to reach \$65 billion by **2031**, driven by increased worker safety awareness.

In the Asian context, in fact, several industries including construction, food production, chemicals and pharmaceuticals, have experienced a significant increase in the use of such equipment precisely because of an increased awareness of their importance, as well as investments by both public and private entities. In addition, the expansion of the industrial sector helped to further stimulate demand for PPE.

Lastly, this trend is supported by the development of increasingly stringent regulations and high costs associated with occupational risks.

Continuous innovation introduces advanced solutions, such as equipment made of comfortable, lightweight and high-quality fabric. This is an important support for the growth of the PPE market, as it takes into account not only safety requirements, but also aesthetic parameters and advanced technologies. Thanks to these developments, workers can benefit from equipment that offers not only effective protection, but also comfort and style.



PPE IN THE WORLD

The European market for personal protective equipment shows a significant growth potential, supported by strict safety regulations and high standards of occupational protection. Furthermore, this market benefits from advanced healthcare systems and robust industrial sectors that drive steady demand for high-quality protective equipment. In particular, Italy stands out as the fastest growing market in Europe, with a projected annual growth rate of around 12% during the 2024-2029 period. Italian manufacturers have demonstrated significant capabilities in producing high-quality industrial PPE and the market benefits from strong government support for local manufacturing initiatives and the growing adoption of advanced PPE solutions.

However, future prospects indicate that it will be Asia to experience the fastest growth rate in the PPE market, thanks to significant economic development and industrialisation still in progress.

This growth potential is linked to rising compensation costs, the increasing number of occupational accidents, robust economic development and the need to address occupational safety challenges. These aspects will define the next market trends.

³ Personal Protective Equipment Market Size & Share Analysis - Growth Trends & Forecasts (2025 - 2030) (Source: <https://www.mordorintelligence.com/industry-reports/personal-protective-equipment-market>)
Personal Protective Equipment (PPE) Market Size, Share & Trends Analysis Report By Product (Hand Protection, Eye Protection), By End-use (Construction, Manufacturing), By Region, And Segment Forecasts, 2024 - 2030 (Source: <https://www.grandviewresearch.com/industry-analysis/personal-protective-equipment-ppe-market>)

1.7 MATERIALITY ANALYSIS

For the preparation of the Sustainability Report for the 2025 financial year, the Group confirmed the results of the materiality analysis, which was updated in 2023 and already confirmed in 2024. The materiality analysis plays a key role in guiding the Group in its choice of information to be presented in the Sustainability Report. The aim is to achieve an accurate and complete representation of the relevance of the impacts generated by the Group activities, offering a clear and transparent view: in fact, according to the GRI Standards, the identification of material topics is based on the analysis of the actual and potential impacts, positive or negative, that an organisation may have on the economy, the environment and the well-being of people, including respect for human rights and contribution to sustainable development.

The Impact Materiality analysis process, according to GRI standards, consisted of four different stages:

- 1. Understanding the context in which the Group operates:** analysis of the sector by considering various categories of sources external to the Group, including the regulatory framework, reporting standards and industry documents.
- 2. Identification of the Group actual and potential impacts:** analysis of internal documentation in order to identify the impacts applicable to the Group business model. These impacts have been categorised through the following definitions:
 - **Actual or potential:** impact is considered actual when its effects have occurred or are currently occurring. Conversely, it is defined as potential when its effects could occur, but have not yet occurred at the time of analysis;
 - **Positive or negative:** impacts are considered positive when they contribute to the sustainable progress of people, communities and the environment. On the contrary, they become negative when they cause harm to individuals, the community and the environment, and therefore do not contribute to sustainable development.

3. Assessment of the significance of impacts: a level of significance was defined for all impacts according to their degree of severity and likelihood. In particular, the severity of an impact was assessed by taking into account three aspects:

- **Scale:** how severe the impact is and the external context in which the impact occurs, including geography;
- **Scope:** how widespread the impact is along the Group value chain;
- **Irremediable character:** the degree of difficulty in repairing the damage generated by the negative impact.

Specifically, the relevance of actual impacts was determined by assessing only their severity, while for potential impacts, the likelihood was also considered. In the latter case, it was calculated by analysing all the policies, procedures and actions the Group has taken to prevent and mitigate the identified impact.

In the case of potential negative impacts on human rights and corruption topics, the severity of the impact took precedence over the likelihood, as required by the GRI Standard.

4. Prioritisation of the most significant impacts for reporting purposes: in the last stage, two numerical thresholds of relevance were defined in order to classify each impact as follows: **very relevant, relevant and not very relevant**. Impacts with very relevant and relevant significance were subsequently aggregated into material topics.

The table below shows the material topics and their associated impacts that emerged from the Impact Materiality analysis. Impact descriptions are outlined in the Methodological Note, while the relevant GRI Disclosures and specific reporting criteria are detailed in the Content Index.

Material topics	Impacts	Type of impact ⁴
Energy management and climate change	Exploitation of energy resources from non-renewable sources	✓ -
	Contribution to climate change	✓ -
Worker health and safety	Damages relating to worker health and safety	✓ -
Waste management	Generation and treatment of waste and end-of-life product	✓ -
Materials used	Exploitation of non-renewable raw materials	✓ -
Protection of human rights	Violation of human and labour rights	? -
Territorial and community development	Increased employment rate and development of the territory and local communities	✓ +
	Contribution to the development of the industrial fabric in Tunisia	✓ +
Worker development and training	Lack of professional development due to inefficient training activities	? -
Consumer health and safety	Violation of product quality and safety standards	? -
Business ethics	Negative impact on stakeholders due to unfair business practices	? -
Diversity and gender balance	Discrimination in the working environment	? -
Water consumption	Exploitation and pollution of water resources	? -
Research and development of products with reduced environmental impact	Development of products with reduced environmental impact and market consequences	✓ +

⁴ Legend: ✓ Actual impact - Negative impact + Positive impact ? Potential impact

As early as 2024, U-Power initiated a gap assessment process in relation to the requirements set out in the *European Sustainability Reporting Standards* (ESRS), published by the EFRAG (*European Financial Reporting Advisory Group*) and introduced by the *Corporate Sustainability Reporting Directive* (CSRD). The aim of this process is to integrate sustainability principles into corporate strategies in an increasingly structured manner, promoting responsible business management and maintaining a constant monitoring of regulatory developments, including those introduced by the omnibus package.

Among other innovations, the ESRS require the application of the Double Materiality Assessment, a new process for

identifying relevant sustainability topics. Specifically, the analysis is divided into:

- **Impact Materiality:** it involves the identification and assessment of impacts according to the “inside-out” logic, i.e. the impacts generated, actually or potentially, by U-Power and its value chain towards the outside;
- **Financial Materiality:** it involves the identification and assessment in financial terms of the risks and opportunities incurred by the company, according to the “outside-in” logic.

The Group, ahead of legal requirements and in addition to the Impact Materiality already required by the GRI, began to think about the financial implications of sustainability aspects.

1.8 THE ESG ACTION PLAN

The U-Power Group was created and has developed throughout its history, with the aim of becoming the most authentic and reliable reference point for worker safety.

In a context that is increasingly attentive to the impacts that industrial processes produce on society and the environment, the U-Power Group has decided to commit itself to making sustainability a real mission, thus becoming a model of excellence in the sector. In order to meet this new

challenge, the Group has decided to structure its business through the adoption of an integrated strategy, capable of combining economic growth with a path of social and environmental sustainability.

The U-Power Group, by becoming a Benefit Corporation, has included in its articles of association the goals of common benefit to be followed during the exercise of its activities..



In addition to the publication of the Sustainability Report, the company has chosen to consolidate its commitment through the definition of a Sustainability Plan that aligns with the United Nations Sustainable Development Goals (SDGs) and that translates the Group commitments into concrete actions capable of creating long-term value. U-Power Group

has selected 5 specific SDGs that aim to safeguard the planet and the well-being of its inhabitants and that reflect the corporate activities and values, to demonstrate its contribution to achieving these global goals⁵.

The four main areas of intervention are:

U-Circular&Carbon

it focuses on optimising production processes to reduce waste and increase efficiency. In addition, the Group is committed to pursuing the decarbonisation of its activities, reducing greenhouse gas emissions and promoting the use of renewable energy, with a view to a circular economy that enhances recycling and reuse of resources.

U-Innovation Safety

innovation is at the heart of this pillar, with a special focus on products that always guarantee the highest standards of safety and protection. The Group is dedicated to developing innovative solutions that meet the safety needs of workers, integrating advanced technologies and materials with reduced environmental impact.

U-People & Community

it emphasises the importance of people and communities. The Group is committed to promoting diversity and inclusion, ensuring gender balance at all corporate levels. Training and talent development are key aspects, as is employee health and safety. Finally, it aims to actively collaborate with local communities to contribute to their development and well-being.

U-Ethics & Integrity

ethical responsibility and integrity are key to the Group, which is committed to sustainable procurement practices, strict corporate policies and transparent reporting. ESG governance (Environmental, Social, and Governance) management plays a crucial role in ensuring that the company activities are carried out in an ethical and responsible manner.

In summary, the Group Sustainability Plan translates into a concrete commitment to environmental protection, people safety and well-being, respect for diversity and social inclusion, and the adoption of ethical corporate practices.







Through these goals, the U-Power Group positions itself as a responsible leader in its industry, actively contributing to building a more sustainable future.

⁵ Business Reporting on SDGs – An analysis of the Goals and Targets (GRI and UN Global Compact).

Pillar	Initiatives	Target year	Status
 <p>ENVIRONMENT</p> <p>U-Circular & Carbon The circular model and emission reduction</p>   	Installation of a photovoltaic system as part of the construction plan for the new building in Italy	2025	
	Increase in the number of footwear products subject to the CFP (14,067) and subsequently incorporated into the U-Green programme (61 models in 2025, +15% compared to 2024).	2026	In progress
	Development of a packaging programme based 100% on the use of recycled and/or bio based materials (e.g., paper, cardboard or bio based plastics), with the aim of reducing the use of virgin raw materials.	2025	
	Definition of a GHG emissions reduction strategy at Group level	2026	In progress
	Implementation of a waste material recycling and reuse program	2027	In progress
	U-Innovative Safety The development of innovative, sustainable and safe products	Enhancement of the social impact of products with a view to improving the quality of life of workers	2027
 <p>SOCIAL</p> <p>U-People & Community The development of our people and communities</p> 	Establishment of an annual training plan on compliance and digital skills, with a dedicated programme for the Martek site in 2026	2026	Partially completed
	Creation of an internal culture programme to promote occupational safety.	2026	In progress
	Promoting employee well-being by enhancing the company's welfare system and Martek's Social Welfare Programme (55% of initiatives implemented)	2025	Partially completed
	Extension of ISO 45001 certification to all companies within the group	2026	In progress
	Feasibility assessment and launch of initiatives to recycle returned footwear, including the development of projects that benefit the community	2026	In progress

continues >>

<< follows

Pillar	Initiatives	Target year	Status
 <p>GOVERNANCE</p> <p>U-Ethics & Integrity The definition of ethical governance mechanisms</p> 	Development of a Sustainable Procurement programme, including ESG risk analysis, a supply chain assessment system and supply chain traceability. (Completion of Phase 1 for Asian suppliers.)	2025	
	Implementation of the ISO 26000 standard for corporate social responsibility at the Jallatte site.	2026	In progress
	Formalisation of an incentive scheme for the Board of Directors based on ESG criteria.	2027	In progress
	Implementation of a Disaster Recovery system to ensure business continuity even under adverse conditions.	2025	
	Definition and monitoring of the KPIs for financial institutions in the ESG area	2025	
	Maintaining the EcoVadis score	2025	
	Formalisation of initiatives related to the integration of business ethics in all corporate areas	2026	In progress
	Formalization of a stakeholder engagement policy	2027	In progress

ECOVADIS



In 2025, the Group maintained the Gold medal in the EcoVadis sustainability rating, first achieved in 2024. The EcoVadis assessment, recognized globally as one of the leading standards for measuring corporate sustainability, takes into account environmental, social, ethical and procurement criteria. The Gold award places U-Power in the Top 5% of over 150,000 companies assessed worldwide and in the Top 1% of the manufacturing sector, testifying to the Group concrete and constant commitment to responsible and sustainable growth.





2

ENVIRONMENT ON THE SPOTLIGHT

2. ENVIRONMENT ON THE SPOTLIGHT

U-Power Group recognizes the growing importance of environmental challenges and their central role in international agendas. For this reason, it is committed to allocating technical, economic and professional resources to the development of an environmental strategy in line with current regulations and aimed at continuously improving its performance.

In line with its Sustainability Plan, the Group is actively engaged in reducing its environmental impact through interventions on multiple fronts: optimization of logistics, use of innovative and sustainable materials, promotion of circular economy practices and production of energy from renewable sources. U-Power is also defining a structured decarbonisation path, to support the energy transition.

The Group most significant environmental impacts are concentrated in its two production factories in France and Tunisia. At both sites, U-Power is committed to a responsible and efficient resource management throughout the entire production cycle, from raw materials to waste management, with a focus on reducing energy consumption and greenhouse gas emissions associated with its products.

In May 2021, the Group adopted an environmental policy for all companies, which defines clear goals in terms of regulatory compliance, monitoring and continuous improvement of environmental performance, reduction of impacts and staff awareness. For the environmental objectives set out, please refer to section '1.7 The ESG Action Plan'.




As evidence of this commitment, U-Power has certified its Environmental Management System in accordance with the UNI EN ISO 14001 standard, initiating the process in 2021 at its Tunisian production plant and subsequently extending the certification to its other production sites in Italy and France in the following years.

Moreover, in the 2023-2025 three-year period, there were no violations of environmental regulations in the countries where the Group operates.

2.1 ENERGY AND EMISSIONS

U-Power Group is committed to pursuing continuous improvement of energy performance within factories by identifying measures to reduce consumption. This strategy is in line with the Group desire to promote the energy transition through the production and supply of electricity from renewable sources. In addition, U-Power Group has adopted a number of strategies to improve energy efficiency and reduce its environmental impact, including measures to optimise energy consumption and the implementation of sustainable technologies at various operational sites. The aim is to pursue sustainability through concrete actions involving the measurement and monitoring of energy consumption, as well as investments aimed at reducing the company ecological footprint.

Some of the energy efficiency projects implemented or in progress are:

 <p>Photovoltaic system on the new warehouse</p>	<p>In 2024, U-Power Group took a further step towards sustainability by installing a state-of-the-art photovoltaic system on the roof of its new warehouse and distribution centre in Oleggio Castello (NO); in 2025, an additional photovoltaic system was also commissioned on the roof of U-Power Group's offices. The systems result in an annual energy production exceeding 700,000 kWh (766,222 kWh in 2025). This energy is partly used to meet the facilities' internal power requirements and partly fed into the national grid, thereby contributing to the supply of renewable energy.</p>
 <p>LEED Gold certification for new offices</p>	<p>The Group new offices have obtained the LEED Gold certification. This certification, issued by the U.S. Green Building Council, is one of the world's most widely used rating systems for sustainable buildings. The LEED (Leadership in Energy and Environmental Design) certification ensures that the building meets high standards of energy efficiency, water management, indoor environmental quality and use of sustainable materials.</p>
 <p>LED lighting system</p>	<p>Energy efficiency in factories is a key step towards sustainability and optimisation of resources. Through the years, the Group successfully completed a project to renovate the lighting systems at its premises in France and Tunisia, replacing old systems with modern LED devices. This transformation has resulted in a 40% reduction in energy consumption and has helped to reduce the environmental impact at the end of the device life cycle, thanks also to the elimination of hazardous metals. Throughout 2025, U-Power also took action, where necessary, by installing LED fixtures to replace less efficient systems that had reached the end of their service life.</p>

These investments reinforce the Group commitment to reducing the environmental impact of its activities and promoting the use of alternative energy sources, in line with the sustainability and environmental responsibility goals it pursues.

PANTS: HORIZON BC + T-SHIRT: FIGI BC / PANTS: GUAPO GI + T-SHIRT: FIGI GS / BERMUDA SHORTS: MERCURY GF + T-SHIRT: FLUO PF + GLOVE: LOVE





NEW LEED-CERTIFIED WAREHOUSE AND DISTRIBUTION CENTRE

During 2023, U-Power Group expanded its logistics infrastructure with the opening of a new distribution centre in Oleggio Castello (NO), representing a significant step forward in the optimisation of goods loading and unloading processes.

The project involved a state-of-the-art automation system with 50 autonomous shuttles handling the movement of goods, ensuring efficiency and precision. This technological innovation enables a better inventory management, providing a clear view of the parts and product volumes in stock and minimising the risk of errors in orders. Furthermore, the system allows for quick processing of requests and more efficient storage of material, thanks to the use of compact and optimised solutions. As a result, flow management has improved significantly compared to previous years, overcoming the limitations of traditional warehouses, which, managed via a WMS (Warehouse Management System), were unable to perform some basic logistics operations. Printing readable labels directly on the conveyor hubs eliminates the need for additional labelling, further speeding up the process.



On a process level, arm conveyors are present in the entrance area of the new building to assist workers in the unloading of trucks and containers. The cartons are then identified, checked and divided between those that should and should not be stored in the automatic system (cross-docking), then automatically diverted to dedicated chutes.

In 2024 the picking process was automated, leading to a significant reduction in annual goods handling and the number of accidents, as operators are no longer directly involved in the heavy load handling operations, resulting in an increase in overall performance. Several KPIs are now used to measure performance, which were previously unavailable:

- Speed of order execution: orders are now processed daily, compared to the past where orders from previous days were processed.
- Repackaging: absolute accuracy is required in the packaging provided by suppliers. If the package does not meet the requirements of the machine, repacking is necessary. Agreements have been established with suppliers in China and Tunisia to mitigate these problems, as non-compliant packaging stops the entire process.
- Warehouse saturation: monitoring the quantity of materials available and those to be packaged.

In addition, the warehouse has obtained the prestigious LEED Gold certification, which attests not only to the reduction of CO₂ emissions, but also to energy and water efficiency, interior quality and the sustainability of the materials and resources used.

In 2025, further structural and technological measures contributed to improving the overall efficiency of the warehouse: the introduction of a new Supply Chain Manager role and the revision of logistics flows optimised the use of space doubling storage capacity. Outsourcing the warehouse dedicated to the Lifestyle line has also reduced unnecessary handling, with positive effects on both load organisation and energy consumption. Overall, a more centralised and technologically advanced supply chain management has made the automated system even more efficient, helping to reduce operational waste and environmental impact.



Use of electricity from certified GO sources

The commitment to the use of increasingly sustainable energy sources has resulted in the consumption, for the entire year 2025 in Italy and France, of electricity entirely from renewable sources, certified through a Guarantee of Origin (GO).

Carbon Neutral working shoes⁶

U-Power Group, with a responsible and innovative approach, offers safety shoes on the market that combine maximum protection and comfort with respect for the environment, offering consumers greater transparency and supporting them in more informed purchasing choices. With this in mind, the Group launched an ambitious project in 2020, which by 2025 had resulted in the calculation of the product carbon footprint for 61 models using the Systematic Approach methodology certified in accordance with ISO 14067:2018 (Greenhouse

gases – Carbon footprint of products – Requirements and guidelines for quantification). 53 of those models were certified as Carbon Neutral, in accordance with ISO 14068-1:2023 (Climate change management – Transition to net zero). The commitment will continue in 2026, with the certification of 12 additional models. The total number of models on which the product carbon footprint has been measured will rise to 73, of which 61 are certified as Carbon Neutral in accordance with ISO 14068. The Group intends to continue in this direction, further expanding the project in the coming years.

	2023	2024	2025
Number of ISO14067 certified shoe models	48	53	61
Number of footwear models certified under ISO 14067 and Carbon Neutral according to ISO 14068	48	48	53
Sales of products certified as Carbon Neutral in accordance with ISO 14068 (pairs)	41,630	56,586	85,547

During 2025, sales of footwear lines certified as Carbon Neutral in accordance with ISO 14068 increased significantly, with a 51% increase compared to 2024, reaching a total of 85,547 pairs of shoes sold, thus consolidating the Group commitment to sustainability and innovation in the field of occupational safety.

In order to significantly reduce its emissions, the Group has focused on finding materials with a lower environmental impact for its products, favouring components with high

percentages of recycled materials, as well as materials from renewable sources. The main features are:

- **Sole:** anti-abrasive, anti-oil, anti-slip and anti-static, made of 100% polyurethane from renewable raw materials, according to the BASF Group's *biomass-balanced* project.
- **Anti-puncture system:** made from 50% recycled materials and totally "metal-free", it guarantees complete puncture protection, as it is sewn directly onto the upper.

⁶ Until 2024, the methodological reference was PAS 2060. Since 2025, the Group has achieved certification in compliance with the ISO 14068-1:2023 standard, in line with regulatory updates and international standards on climate neutrality. For the specified models, the Group has implemented a structured approach to managing greenhouse gas emissions, based on measuring the product carbon footprint (ISO 14067), prioritizing emissions reduction across the value chain, and offsetting the only residual emissions through carbon credits.

⁷ Until 2024, the methodological reference was PAS 2060. Since 2025, the Group has achieved certification in compliance with the ISO 14068-1:2023 standard, in line with regulatory updates and international standards on climate neutrality. For the specified models, the Group has implemented a structured approach to managing greenhouse gas emissions, based on measuring the product carbon footprint (ISO 14067), prioritizing emissions reduction across the value chain, and offsetting the only residual emissions through carbon credits.

- **Insole:** anatomical and antibacterial, it is made of polyurethane developed by the BASF Group according to the *bio-mass-balanced project*.
- **Upper:** made of 50% recycled material, it guarantees the robust and lightweight features of PUTEK technology.
- **Lining:** highly breathable, it consists of 66% recycled air-tunnel material.
- **Strings:** 100% recycled polyester.
- **Toe cap:** resistant to 200 joules (corresponding to a fall of a 20 kg weight from a height of one metre or to a compression of approximately 1.5 tonnes).

For the conception of the Carbon Neutral shoe lines, compliant with ISO 14068 and characterised by a high level of technology and quality that takes into account the emission profile, U-Power Group collaborated with the BASF Group, which developed a polyurethane derived 100% from renewable sources and certified REDcert².⁸ The latter certifies the use of the biomass-balanced approach, a system designed to ensure that, within the finished product, fossil-based raw materials have been replaced by renewable materials.

The BASF Biomass Balance polyurethane sole, through the replacement of fossil materials with materials 100% from renewable sources introduced upstream in BASF production processes, boasts a 60% reduction in carbon emissions compared to a traditional polyurethane sole. Thanks to the introduction of this material, the CO₂ emissions for the production of a pair of safety shoes were reduced by 12%.

With the aim of reducing emissions during the design and prototyping stages of models, the parent company U-Power Group S.p.A. decided to purchase energy from

renewable sources at the premises of Paruzzaro (offices and warehouse) and Saint-Hippolyte-du-Fort. Furthermore, from January 2022 to December 2025, the Group adopted a series of improvement actions with the aim of reducing CO₂ emissions related to its production processes.

Regarding unavoidable emissions associated with the production of the U-Green, J-Respect and Lupos lines, U-Power Group has implemented a programme, in line with international best practice, with the aim of not only offsetting the emissions generated, but also of promoting social and economic benefits for the community. In particular, the Group purchased carbon credits related to the Xenamnoy Clean Hydropower project, developed in Laos. The project offsets greenhouse gas emissions through the construction of a run-of-river hydroelectric power plant with an installed capacity of 14.8 MW and an annual capacity of 85 GWh supplied to the electricity grid.

Furthermore, in order to communicate its commitment in a transparent way and share it at national and international level, the U-Power Group has joined Carbon Footprint Italy, the Italian programme dedicated to disseminating the results obtained from the quantification of greenhouse gas emissions of products and their reductions. Participation is only open to organisations that have obtained an accredited third-party emissions quantification certificate and that have achieved “zero” net GHG emissions through reduction actions and through the purchase of recognised carbon credits.

The initiatives implemented in the area of energy and emissions contribute to the achievement of the relevant environmental goals, as set out in section ‘1.7 The ESG Action Plan’, which focuses on the targets.

⁸ REDCert² is a European certification used to demonstrate that fossil-based raw materials have been replaced by sustainable renewable materials, using the mass balance approach.

Energy consumption and GHG emissions

In 2025, the total energy consumption in the two production companies of the Group amounted to 116,564 GJ, an increase of 8% compared to the previous year. This is primarily attributable to an increase in diesel consumption for production at Martek, resulting from the launch of a new production department. Indeed, of the total energy consumption, Martek accounts for 76%, the Italian companies account for 16%, and the remaining consumption is attributable to Jallatte in France.

The analysis of energy vectors used in the plants shows that energy consumption includes several sources: elec-

tricity supplied by the national grid, self-generated energy, fuel for the corporate fleet (diesel, petrol and LPG), diesel used for production in Martek, and natural gas used for heating. Of the total self-generated electricity, a share amounting to 505 GJ is not consumed but is instead fed into the national grid.

Furthermore, since 2022, a share of electricity has been purchased from renewable sources certified through Guarantees of Origin (GO), accounting for 12% of the total electricity purchased in 2025⁹.

ENERGY CONSUMPTION WITHIN THE ORGANISATION

	2023	2024	2025
Fuel consumption from non-renewable sources (GJ)			
Diesel	6,090	8,739	16,908
Gasoline	609	1,650	2,825
Natural gas	4,186	9,538	11,471
LPG	0	0	4
Indirect energy consumption (GJ)			
Electricity consumption purchased from the grid (mixed sources)	79,195	87,630	83,103
<i>Of which with Certificates of Origin</i>	4,422	10,680	10,232
Consumption of self-generated and self-consumed electricity from photovoltaic sources	-	703	2,253
Total energy consumption	90,080	108,261	116,564

The Group calculates its direct (Scope 1) and indirect (Scope 2) **greenhouse gas (GHG) emissions** related to energy consumption in accordance with the GHG Protocol guidelines. Scope 2 emissions, resulting from the purchase of electricity used in corporate operations, are calculated according to two different approaches: Location-based, a method that uses an average emission factor referring to the national energy mix, and Market-based, which takes

into account any contractual agreements made with the electricity distributor.

In 2025, the Group's GHG emissions were 11,544 tonnes CO₂¹⁰, a reduction of 10% compared to 2024¹¹. Of this total, Martek accounted for 92%, while Jallatte and the Italian companies emitted 3% and 5% of the Group's greenhouse gases, respectively.

⁹ The figures for 2024 shown in the table 'Energy consumption within the organisation' differ from those reported last year. This change is due to a refinement of the calculation methodologies, which has allowed for greater accuracy in the collection and processing of information.

¹⁰ Data considering Market-based GHG Scope 1 emissions and GHG Scope 2 emissions.

¹¹ The figures for 2024 shown in the table 'GHG emissions – Scope 1 and 2' differ from those reported last year. This change is due to a refinement of the calculation methodologies, which has allowed for greater accuracy in the collection and processing of information.

GHG EMISSIONS – SCOPE 1 AND 2

	2023	2024	2025
Direct GHG emissions - Scope 1 (tCO₂eq)			
Fuel consumption	680	1,305	2,105
Refrigerant gas refills	1,379	1,376	1,575
Total	2,058	2,681	3,680
Indirect GHG emissions - Scope 2 (tCO₂eq)			
Electricity (Market-based)	9,845	10,132	7,864
Electricity (Location-based)	9,914	10,592	8,230
Direct and indirect GHG emissions - Scope 1 and Scope 2 (tCO₂eq)			
Scope 1 and Scope 2 (Market-based)	12,144	12,813	11,544
Scope 1 and Scope 2 (Location-based)	12,568	13,273	11,910
Emission intensity (tCO₂eq/million €)			
Emission intensity	42	42	37

In 2025, the Group recorded a decrease in both absolute Scope 1 and 2 emissions (-10% considering Scope 1 and Scope 2 market-based) and in emission intensity (-12% considering Scope 1 and Scope 2 market-based) compared to 2024. These figures can be attributed to improved process efficiency and to the various initiatives implemented by U-Power to reduce its emissions, which are explained in detail in the dedicated sections of this report.

As part of its efforts to mitigate impacts and improve transparency, in 2025 the Group continued its **Scope 3** emissions monitoring program. This began with reporting on 2 categories in 2023, expanded to 4 categories in 2024, and added 2 further categories in 2025, for a total of 6 reported categories. This progress is an essential element in the process of monitoring and reducing environmental impact at the value chain level.

	2023	2024	2025
Number of Scope 3 categories monitored	2	4	6

Overall, for 2025, the following categories were calculated:

- Category 1 (Purchased goods and services), which includes all upstream (cradle-to-gate) emissions resulting from the production of products purchased or acquired in the reporting year;
- Category 3 (Fuel and energy activities (not included in Scope 1 or 2)), which includes upstream emissions from fuel and energy activities, including the extraction, production and transport of fuels consumed by the Group;
- Category 4 (Upstream transport and distribution), which includes emissions from the transport and distribution of goods and materials purchased by the Group, as well as emissions related to internal logistics between sites and outbound logistics when these services are purchased by U-Power;
- Category 5 (Waste from operations), which includes upstream emissions from waste-related operations, such as third-party disposal and treatment of generated solid waste and wastewater;
- Category 6 (Business travel), which includes emissions from the transport of employees for corporate business in company-owned or third-party operated vehicles, such as planes, trains, buses and cars.
- Category 9 (Downstream transport and distribution), which includes emissions from the transport of finished products to customers, distributors or points of sale, carried out by external logistics operators.

GHG EMISSIONS – SCOPE 3

	2023	2024	2025
Indirect GHG emissions - Scope 3 (tCO₂eq)			
Purchased goods and services (3.1)	-	94,989	74,280
Fuel and energy activities (not included in Scope 1 or 2) (3.3)¹²	3,086	3,256	3,288
Upstream transport and distribution (3.4)	-	-	4,526
Waste from operations (3.5)	142	90	64
Business travel (3.6)	-	164	221
Downstream transport and distribution (3.9)	-	-	29
Total indirect GHG emissions – Scope 3	3,228	98,499	82,409

2.2 WATER

Over the past ten years, the World Economic Forum (WEF) has identified water crises, as well as climate change impacts, as major global threats. This awareness prompted U-Power Group to improve its water consumption reporting.

Water consumption

During 2025, 75 mega litres of water were withdrawn exclusively from the aqueduct, totally discharged through the sewage network¹³. Furthermore, the use of a water risk mapping tool highlighted that the Tunisian factory is located in an area of high water stress¹⁴.

WATER WITHDRAWAL

	2023	2024	2025
Mega Litres			
Total water withdrawal from public aqueduct	72	82	75
<i>Of which from water stress areas</i>	68	76	70
Water discharge	72	82	75
<i>Of which from water stress areas</i>	68	76	70
Water consumption	0	0	0

¹² The data for the years 2023 and 2024 shown in the table 'GHG Emissions – Scope 3' differ from those reported last year. This change is due to a refinement of the calculation methodologies, which has allowed for greater accuracy in the collection and processing of information.

¹³ The water sampled/discharged is fresh water, ≤ 1,000 mg/l total dissolved solids.

¹⁴ Water stress areas are identified using the WRI Aqueduct Water Risk Atlas. For the definition of water stress areas, only those with a high risk are considered, among which the production site in Tunisia.

(FROM LEFT) PANTS: HORIZON DG + SWEATSHIRT: GALAXY DG / PANTS: TREK DG + T-SHIRT: CHRISTAL DG + VEST: BRIO DG



2.3 MATERIALS AND WASTE

The U-Power Group creates, innovates and designs highly technical and high-performance products, starting with a particularly careful choice of raw materials. The selection of materials includes both semi-finished and finished products, including polyurethane components and different types of packaging (such as wood and cardboard). Within the section '1.7 The ESG action plan', the Group defined its commitment to extend the range of certified footwear lines and to diversify the portfolio to increase the use of products with sustainability features, including recycled and bio-based materials.

In 2024, an innovative project for the disposal and recovery of cardboard was launched, with a contract with an authorized supplier coming into effect in 2025. This supplier is responsible for purchasing the cardboard produced, allowing the company to implement material recovery and recycling practices, thus contributing to a more sustainable management of resources and a reduction in environmental impact.

Furthermore, in recent years the Group has been committed to researching alternative and increasingly eco-friendly

materials, such as recycled polyester, fabrics derived from recycled materials and polyurethane produced from renewable raw materials. Currently, one of the hallmarks of U-Power Group products lies in its high-performance materials, which are distinguished both by their quality and by their reduced environmental impact (see Chapter 3 for more details).

In 2024 the Group also introduced the Leather Efficiency Program, a strategic project aimed at reducing waste in leather processing. The program led to the introduction of the first new-generation cutting machines, intended to cover between 25% and 30% of the upper production. The plan includes a progressive expansion of the machine park, with the aim of applying the benefits obtained to an increasingly larger share of production. In 2025, the new cutting machines met the Programme's waste reduction target of 5%.

At the heart of the programme is the reading machine, which is able to detect leather defects at an early stage, optimizing material utilization, reducing waste and improving quality control. Thanks to the Leather Efficiency Programme, the Group recorded a 5%¹⁵ reduction in GHG emissions related to footwear production in 2025.

FY	Leather Efficiency Program – annual coverage (m ²) ¹⁶	Consumption without new machinery (m ²)	Consumption with new machinery (m ²)	Savings achieved (m ²)	Net savings in leather consumed under the program (%)
2024	207,500	67,992	63,266	4,726	2.28%
2025	156,341	135,171	127,220	7,951	5.09%

The initiative represents a further step in the Group innovation path, which aims to constantly improve the efficiency of production processes, while respecting the environment, worker health and customer satisfaction.

In 2025, U-Power launched a structured project to recover defective footwear from returns. The service is managed by a specialised provider, which collects the footwear directly from the company and repurposes the materials for new applications, such as surfacing for playgrounds and

athletics tracks. This initiative, which has been in operation since September 2025, will be expanded in 2026 with the aim of creating entire areas made exclusively from materials recovered from U-Power footwear. During the first collection, almost 700 kg of material was collected and sent for recycling.

Taken together, these initiatives support the Group's progress towards the environmental targets set out and discussed in more detail in section '1.7 The ESG Action Plan'.

¹⁵ For the purposes of calculating the reduction, 339,950 pairs of shoes produced using new machinery in the production process were considered. From this total, a representative sample of 141,665 pairs of shoes was selected, for which the leather consumption (in m²) was analysed both before and after the introduction of the new machinery. Based on this analysis, the percentage of savings achieved was determined. This percentage was then applied to the entire production, in order to estimate the overall reduction in leather consumption attributable to the use of the new machinery.

¹⁶ Annual leather consumption using the new machinery.

Purchased materials

Also in 2025, data collection on materials was carried out in order to analyse the quantities of the different products purchased and used, classifying them by type:

- raw materials;
- materials needed in the production process that are not part of the final product, such as lubricants for industrial machinery;
- semi-finished materials and components, other than the raw materials that are part of the final product;
- packaging materials.

Throughout the year, the Group recorded a reduction in the total quantity of materials purchased and used, a figure consistent with its recent strategic decisions to outsource certain manufacturing activities to foreign suppliers. Indeed, in 2025, the total volume of purchased materials was approximately 11,218 tonnes, a reduction of 20% compared to 2024.

In terms of volume (tonnes), textile and synthetic materials accounted for 38% of the total raw materials purchased, followed by leather, which accounted for approximately 24% of the total. In 2025, packaging – including cardboard, wooden pallets and other packaging materials – accounted for 27% of the total materials purchased, led primarily by cardboard (23%).

PURCHASED MATERIALS¹⁷

	Renewable	2023	2024	2025
Final raw materials (t)				
Leather	No	2,073	3,395	2,725
Metals	No	387	749	622
Total	-	2,438	4,145	3,347
Materials needed in the production process (t)				
Chemicals	No	4,217	120	95
Fats and oils	No	0.2	27	32
Total	-	4,217	147	127
Materials and components other than final raw materials (t)				
Textile and synthetic materials	No	3,180	5,907	4,214
Labels (paper)	No	178	86	69
Rubber	No	14	57	51
Other materials	No	949	540	424
Total	-	4,344	6,590	4,758
Packaging materials (t)				
Paper and cardboard	Yes	333	2,880	2,540
Wooden pallets	Yes	50	202	277
Other packaging (packing tape)	No	1,641	66	169
Total	-	2,023	3,149	2,986
Total materials	-	13,023	14,031	11,218

¹⁷ The data on purchased materials for 2024 and 2025 were collected using a refined methodology, which improved the accuracy of classification and breakdown of the different types of materials. This refinement resulted in some differences from the classification adopted in 2023, while maintaining the consistency of the overall figure, which is nevertheless comparable.

The weight of finished products is not included, as accurate data are not available for outsourced production lines. Over the next few financial years, the Group intends to enhance its data collection methodologies and systems in order to obtain a reliable and consistent estimate for this component as well.

Waste

At the same time, U-Power Group is actively involved in the management and reduction of waste, mainly generated in production factories. The Group ensures full compliance with current regulations in the countries where it operates, working with accredited suppliers to ensure safe and responsible waste management throughout the supply chain.

In 2025, the Group generated a total of 1,276 tonnes of waste, a decrease of 9% compared to the previous year.

All waste is disposed of annually by specialized third-party operators, in compliance with environmental regulations. Of the total, 3% is hazardous waste, mainly waste metal canisters and industrial waste, which is managed carefully and responsibly.

WASTE GENERATED (TONNES)

Type	2023			2024			2025		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Paper and cardboard	-	73	73	-	701	701	-	623	623
Chemical waste	12	88	100	7	-	7	5	-	5
Electrical and electronic waste	1	-	1	4	-	4	4	0	4
Industrial waste	0	95	95	8	491	500	4	551	556
Metal waste	153	39	191	137	28	165	28	23	51
Organic waste	-	8	8	-	5	5	-	6	6
Textile waste	-	20	20	-	28	28	-	31	31
Total	166	322	488	157	1,253	1,410	42	1,234	1,276



3. PEOPLE

The success of the U-Power Group is based on people able to add value through skills, experience and technical know-how. At the core of the corporate management is the team commitment and passion, key elements in responding effectively to market demands. In line with this approach, the HR manager role was introduced with the aim of strengthening the supervision and coordination of activities related to human resources management, from training to professional development, up to occupational health and safety.

People management within U-Power is based on a set of policies and tools that guide organisational behaviour and ensure an ethical, safe and respectful working environment. These include the Human Resources Policy, the Code of Eth-

ics, the 231 Model and the Whistleblowing Procedure, which set out principles, safeguards and responsibilities to protect workers' rights and corporate integrity.

U-Power Group recognizes the value of its people and invests in the selection of the best talents, in professional development and in the well-being of its employees. In 2025, the Group continued the structured and transparent selection process introduced in 2024, supporting a consistent path for internal development. The Group is actively engaged in expanding training opportunities for its employees, going beyond the established minimum requirements. In order to achieve this goal, the Group continues to raise awareness of the importance of non-mandatory training, encouraging

SHOE: BRUCE (RED LEVE)



employees to participate in courses and programs that can enhance their skills and knowledge. In 2025, Group employees completed in-house courses on the use of digital tools; in addition, online training modules on the GDPR, the Code of Ethics and anti-corruption were provided to all employees, including new hires. One-to-one language training for middle managers and executives, as well as training on cybersecurity and artificial intelligence for all employees, are planned for 2026. In addition, health and safety training courses were launched at the Martek plant in Tunisia in 2025.

U-Power Group focus on its employees is manifested through a number of initiatives that demonstrate an ongoing commitment to ensuring fair and favourable working conditions. A concrete example of this dedication is the wage policy adopted by the company in the countries where it operates. U-Power Group ensures that all employees, regardless of their gender, receive an entry wage that not only respects, but often exceeds the legal minimum or that set by collective bargaining. This approach is an integral part of a broader corporate philosophy that places the well-being of employees at the centre of its priorities.

In 2025, the company launched several internships and projects in collaboration with local universities and schools, including the Primo Levi Institute in Seregno and the Politecnico di Milano, and confirmed its participation in master's programmes and specialist courses. These initiatives aim at attracting young talents and contributing to the development of skills in the local area, thus strengthening human capital, the driving force behind the Group innovation and competitiveness.

Employee well-being is a priority for the Group, which has introduced numerous welfare initiatives over the years. In 2025, meal vouchers, which were introduced in 2025, were confirmed, and the Edenred welfare platform was introduced for all Italian employees.

At the Martek production site in Tunisia, U-Power further strengthened its commitment to employee well-being through a structured welfare plan, featuring a wide range of initiatives that provide a tangible response to the needs of the company community. These activities, coordinated by the local social services department, ran throughout 2025, helping to create a more caring and inclusive work environment that is responsive to the needs of employees and their families.

A significant focus was placed on health protection, with prevention programmes for female workers that included

free Pap smears, training sessions on prevention, and the introduction of biopsy testing into the screening package to provide more comprehensive medical support. In parallel, two breast cancer awareness days involved more than 300 employees, with the presence of medical staff and a support programme for cases requiring further clinical investigation.

In terms of social and cultural support, U-Power once again focused on the main festivities of the local community, organising initiatives that promote traditions and a sense of belonging. The celebration of the end of Ramadan and the financial contributions provided for Eid al Fitr (the festival marking the end of the month of Ramadan) enabled the company to support numerous families, while for Eid al Adha (the 'Feast of the Sacrifice', one of the main Islamic religious festivities), rams were donated to female and male workers in conditions of greater economic vulnerability. In addition to these initiatives, several moments of solidarity took place, including participation in a lunch at the Menzel Bourguiba nursing home, helping to strengthen the bond with the local area.

A further area of intervention focused on supporting families and education, with the organisation of the traditional ceremony dedicated to merit-based students: in 2025, 40 scholarships were awarded to the children of employees with the best academic results, accompanied by moments of celebration with their families.

The company's commitment to its community was also demonstrated through initiatives related to professional life and the recognition of employees' work. Throughout the year, numerous retirement ceremonies were held, designed to recognise the contributions of those who have dedicated years to the company's growth. In terms of day-to-day well-being, new ergonomic chairs were introduced in the production departments, improving comfort at workstations.

The promotion of a healthy lifestyle and team spirit was further enhanced through support for sports: in addition to some employees taking part in a 7-a-side football tournament, in 2025, U-Power organized two official recognition ceremonies for the in-house sports teams of Menzel Bourguiba and Menzel Jemil, accompanied by financial support to help fund their seasonal activities.

Also in Tunisia, the plan to invest €1.5 million to improve working conditions continued: 297 air-conditioning units were installed across 11 facilities, resulting in a significant reduction in indoor temperatures. Additionally, although not

required by law in Tunisia, specially designed lightweight, non-slip shoes were provided in 2025 to ensure greater safety and comfort.

For the coming years, the Group plans to sponsor a pilgrimage to Mecca for two employees selected by lottery. In addition, health insurance will be introduced for the entire Tunisian workforce in 2026, and there are plans to create prayer areas outside the factory, with authorised 20-minute breaks.

In 2025, the Group also strengthened its internal communication channels by installing suggestion and complaint boxes at its Tunisian production sites; their contents are reviewed by a dedicated team and have already led to the implementation of tangible changes.

In parallel with the achievements in Tunisia, in 2025 the French plant in Jallatte also strengthened its commitment to employee well-being, quality of working life and local development through a structured programme of social, training and community initiatives. The focus on employees and the local community has translated into activities that combine health and safety, inclusion, internal cohesion and social responsibility.

In the area of health and safety, the company has strengthened its culture of prevention through a structured set of activities. During the 'Semaine QVCT' ('Week of Quality of Life and Working Conditions'), the company organised practical training on correct movements and postures, with the aim of preventing musculoskeletal disorders and promoting safe behaviour in the workplace. The training initiative was accompanied by further awareness-raising activities, including participation in World First Aid Day, which provided employees with useful tools for responding to emergencies.

In 2025, the company also continued its first-aid officer qualification programme, which resulted in 33 employees being trained as 'Sauveteurs Secouristes du Travail' (SST), the French workplace first-aid qualification, with the aim of progressively achieving coverage of between 5% and 10% of the workforce. At the same time, the company continued to strengthen its management systems, operating within the framework of ISO 45001 (occupational health and safety) certification and preparing for the audit for ISO 26000 CSR certification, which focuses on corporate social responsibility.

Inclusion was another key pillar of Jallatte's social strategy. Throughout the year, the site took part in DuoDays, a nationwide French initiative that promotes the integration of people with disabilities through work shadowing days in the company. The commitment to inclusive human resource management was reinforced by the use of an inclusive recruitment process, based on the anonymisation of CVs, and by collaborating with ESAT (Établissements et Services d'Aide par le Travail), French organisations specialising in supporting the professional integration of people with disabilities.

In 2025, the site carried out numerous social and community engagement initiatives, such as collecting used glasses for charities that distribute them to people in vulnerable situations and taking part in charity runs to raise awareness of cancer prevention, including Montpellier Reine and La Zontienne. Throughout the year, the site also reaffirmed its commitment to the world of education, welcoming students on work placements and collaborating with local educational institutions, in keeping with the French tradition of career guidance and exposure to the professions.

At the same time, Jallatte invested in internal cohesion and the quality of working life, organising social events that have now become a tradition at the site, such as the 'Vœux & Gâlette des rois' gathering at the start of the year – an opportunity to share objectives over the traditional French cake – as well as team sports activities, seasonal celebrations and social events such as the Christmas breakfast. In 2025, Jallatte also continued to modernize its company catering service, introducing a more sustainable menu featuring local, organic and plant-based products, in line with employee expectations and the company's growing commitment to responsible corporate welfare management.

As evidence of the effectiveness of the work carried out, in 2025 the site was awarded with the Great Place to Work certification, which recognises the quality of the working environment and employees' trust in the organization.

With this in mind, U-Power is committed to ensuring a healthy, safe, inclusive and meritocratic working environment where everyone can express their talents to the full. The sustainability plan, described in section '1.7 The ESG action plan' includes targeted actions on training, talent development and occupational health and safety, to promote a culture focused on people well-being.

3.1 OUR TEAM

In 2025, the Group had 4,287 employees, 131 contractors¹⁸ and 48 multi-firm agents. The decrease in the number of employees is primarily attributable to the reduction in fixed-term contracts, largely at the Martek site, in line with the aforementioned process of outsourcing activities. Over 99% of our employees work under full-time contracts,

confirming a stable trend over the three-year period and ensuring conditions that are conducive to professional development and the planning of internal activities. While favouring full-time work, U-Power recognizes the importance of flexibility: in 2025, 9 people opted for part-time arrangements, a figure substantially in line with previous years. There are no contracts with non-guaranteed hours, confirming the Group commitment to safeguarding stable and decent working conditions.

EMPLOYEES BY CONTRACT TYPE AND GENDER

	Permanent			Fixed-term			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Men	1,984	2,019	2,342	927	934	9	2,911	2,953	2,351
Women	1,631	1,674	1,929	685	660	7	2,316	2,334	1,936
Total	3,615	3,693	4,271	1,612	1,594	16	5,227	5,287	4,287

EMPLOYEES BY CONTRACT TYPE AND GEOGRAPHICAL AREA

	Permanent			Fixed-term			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Europe	185	206	228	7	11	7	192	217	235
Tunisia	3,430	3,487	4,043	1,605	1,583	9	5,035	5,070	4,052
Total	3,615	3,693	4,271	1,612	1,594	16	5,227	5,287	4,287

EMPLOYEES BY PROFESSIONAL TYPE AND GENDER

	Full-time			Part-time			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Men	2,907	2,951	2,348	4	2	3	2,911	2,953	2,351
Women	2,311	2,327	1,930	5	7	6	2,316	2,334	1,936
Total	5,218	5,278	4,278	9	9	9	5,227	5,287	4,287

EMPLOYEES BY PROFESSIONAL TYPE AND GEOGRAPHICAL AREA

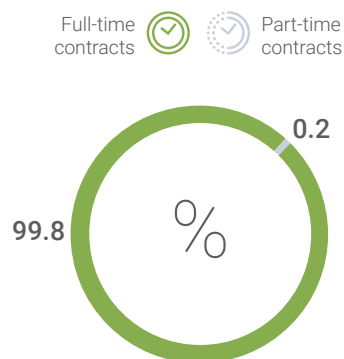
	Full-time			Part-time			Total		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Europe	183	208	226	9	9	9	192	217	235
Tunisia	5,035	5,070	4,052	0	0	0	5,035	5,070	4,052
Total	5,218	5,278	4,278	9	9	9	5,227	5,287	4,287

¹⁸ This figure includes trainees, self-employed workers and temporary workers.

The Group is dedicated to selecting and recruiting staff according to criteria of objectivity, competence and gender balance, aiming for gender and background diversity among candidates. Through the corporate portal, an attempt is made to attract talents with technical, managerial and interpersonal skills in line with the company values.

In 2025, the Group hired 65 new employees, bringing innovation and new ideas to the company. The outgoing turnover rate stood at 24.8%, reflecting the evolution of the Group's production structure, in line with recent strategic decisions to outsource certain manufacturing activities to foreign suppliers, particularly in Asia. These organisational changes have led to the gradual streamlining of specific internal roles. This was partially offset by an incoming turnover rate of 1.5%, confirming the ongoing commitment to attracting

new talent and strengthening a dynamic and evolving workforce, despite the strategic decisions to outsource part of the production.



NUMBER OF HIRES AND TERMINATIONS BY GENDER

	Hires			Terminations		
	2023	2024	2025	2023	2024	2025
Men	219	334	38	255	292	637
Women	218	301	27	226	283	428
Total	437	635	65	481	575	1,065

NUMBER OF HIRES AND TERMINATIONS BY AGE GROUP

	2023	2024	2025	2023	2024	2025
	Less than 30 years	234	356	26	226	290
30-50 years	192	257	32	210	215	544
more than 50 years	11	22	7	45	70	83
Total	437	635	65	481	575	1,065

NUMBER OF HIRES AND TERMINATIONS BY GEOGRAPHICAL AREA

	2023	2024	2025	2023	2024	2025
	Europe	84	54	46	29	29
Tunisia	353	581	19	452	546	1,037
Total	437	635	65	481	575	1,065

INCOMING AND OUTGOING TURNOVER RATE BY GENDER

	Incoming turnover rate			Outgoing turnover rate		
	2023	2024	2025	2023	2024	2025
Men	8%	11%	2%	9%	10%	27%
Women	9%	13%	1%	10%	12%	22%
Total	8%	12%	2%	9%	11%	25%

INCOMING AND OUTGOING TURNOVER RATE BY AGE GROUP

	2023	2024	2025	2023	2024	2025
	Less than 30 years	23%	38%	6%	22%	31%
30-50 years	5%	7%	1%	6%	6%	18%
more than 50 years	2%	3%	0.8%	7%	9%	10%
Total	8%	12%	2%	9%	11%	25%

INCOMING AND OUTGOING TURNOVER RATE BY GEOGRAPHICAL AREA

	2023	2024	2025	2023	2024	2025
	Europe	44%	25%	20%	15%	13%
Tunisia	7%	11%	0.5%	9%	11%	26%
Total	8%	12%	2%	9%	11%	25%

100% of the Group employees are covered by collective bargaining agreements. In particular, all 101 Italian employees are protected by the National Collective Labour Agreement (CCNL) for the footwear sector, which regulates working conditions, including holidays, overtime pay, working flexibility and participation bonuses. In addition, the contract requires that employees be informed in writing in the event of organisational changes such as mergers or sales of business units. In contrast, for the other regions, the employment relationship is regulated according to the specific legislation.

As already mentioned, U-Power Group recognises and protects the right of workers to be represented by trade unions and maintains a relationship with these organisations based on mutual recognition, dialogue and cooperation. The Group handles trade union interactions and negotiations with the utmost integrity and transparency, in compliance with applicable laws.

U-Power Group industrial relations policy is based on constructive dialogue aimed at involving employee representatives and preserving a positive working environment. For U-Power Group, internal communication is a key pillar, as it is not merely a vehicle for information, but also a methodology that fosters cooperation and strengthens the bond of belonging between team members. Particularly during the most critical stages, the use of effective internal communication is essential to preserve security and ensure the company business continuity.

Relations with employees are based on mutual respect and a mature and harmonious relationship system, which made it possible to avoid strikes or union protests in 2025 by workers directly employed by the companies.

Moreover, in 2025, zero incidents of violation or questioning of the freedoms of association and collective bargaining were reported, nor were any suppliers or activities identified where labour rights to these freedoms were not guaranteed or were at risk.

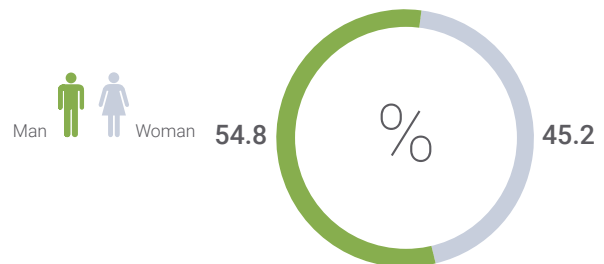
3.2 DIVERSITY, GENDER BALANCE AND PROTECTION OF HUMAN AND LABOUR RIGHTS

U-Power Group does not tolerate any form of discrimination based on ethnicity, religion, language, gender, political opinions or trade union membership. The Group enhances diversity and inclusion as key drivers for innovation, recognizing the unique contribution of people with different backgrounds, experiences and skills.

In 2024, a human resources policy was introduced to promote an inclusive culture and a working environment that enhances individual uniqueness. The Group condemns all forms of exploitation and forced labour, drawing inspiration from the principles of the key conventions of the International Labour Organization (ILO) to ensure respect for human and labour rights.

In the 2023-2025 three-year period, no incidents of child exploitation, forced labour or discrimination were recorded, nor were there any complaints related to respect for human rights or working conditions.

In terms of gender equality, women represent 45.2% of the workforce, with an even distribution across geographical areas and professional categories.



In general, at the contractual level, women represent 45% of the permanent corporate population and 44% of the fixed-term workforce. In 2025, the proportion of women with full-time contracts continues to grow (45%).

In line with the 2023-2025 three-year period, U-Power core workforce falls into the blue-collar **professional category**, which constitutes 94.6% of the workforce. They are followed by white collars at 3.6%, middle managers at 1.2% and, finally, corporate executives at 0.6%. In 2025, the male presence is predominant among executives (75%) and slightly higher among blue-collar workers (55%) and middle managers (54%), within a framework that remains overall stable compared to the previous year. The number of women (67%) exceeds that of men in the white-collar professional category.

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	2023		2024		2025	
	Nr.	%	Nr.	%	Nr.	%
Executives	22	0.4%	23	0.4%	24	0.6%
Women	4	18%	6	26%	6	25%
Men	18	82%	17	74%	18	75%
Middle Managers	38	0.7%	47	0.9%	49	1.2%
Women	15	39%	21	45%	23	46%
Men	23	61%	26	55%	26	54%
White collars	123	2.4%	142	2.7%	157	3.6%
Women	89	72%	93	65%	105	67%
Men	34	28%	49	35%	52	33%
Blue collars	5,044	96.5%	5,075	96.0%	4,057	94.6%
Women	2,208	44%	2,214	44%	1,802	45%
Men	2,836	56%	2,861	56%	2,255	55%
Total	5,227		5,287		4,287	
Women	2,316		2,334		1,936	
Men	2,911		2,953		2,351	

Also in 2025, U-Power's workforce is predominantly in the 30-50 **age group** (71%), followed by employees over 50 (19%). In contrast, the remaining corporate population consists of employees under the age of 30 (10%).

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP

	2023		2024		2025	
	Nr.	%	Nr.	%	Nr.	%
Executives	22	0.4%	23	0.4%	24	1%
<30 years	0	0%	0	0%	3	13%
Between 30 and 50 years	4	18%	4	17%	7	29%
>50 years	18	82%	19	83%	14	58%
Middle Managers	38	1%	47	1%	49	1%
<30 years	5	13%	8	17%	8	16%
Between 30 and 50 years	14	37%	20	43%	21	43%
>50 years	19	50%	19	40%	20	41%
White collars	123	2%	142	3%	157	4%
<30 years	25	20%	24	17%	27	17%
Between 30 and 50 years	65	53%	76	54%	86	55%
>50 years	33	27%	42	30%	44	28%
Workers	5,044	97%	5,075	96%	4,057	95%
<30 years	989	20%	915	18%	378	18%
Between 30 and 50 years	3,448	68%	3,489	69%	2,941	68%
>50 years	607	12%	671	13%	738	14%
Total	5,227		5,287		4,287	

3.3 THE REMUNERATION SYSTEM AND INDUSTRIAL RELATIONS

To ensure the organisation's efficiency and progress, U-Power focuses on building a strong employer brand capable of attracting and retaining skilled talent. To this end, the Group adopts fair and competitive remuneration policies that are aligned with the labour market and consistent with the results achieved.

Remuneration is determined based on objective criteria, which include external benchmarking, internal equity, role responsibilities and distinctive skills, in full compliance with corporate principles and non-discrimination policies. Salaries are determined by supplementing the minimum levels set out in the National Collective Labour Agreement (CCNL) with company-wide agreements and incentive systems based on target achievement, in order to fulfil the commitment to maintain pay levels above 80% of the relevant minimum wage.

In order to incentivise corporate merit, managers can propose salary increases for employees. These propositions are then examined by the steering committees, which assess the results of annual performance, the goals achieved, the potential demonstrated in the fulfilment of their functions and the contribution to the added value of the company, maintaining internal equity and competitiveness in the market.

In 2024, a new employee management software was implemented. At present, the team is actively working to optimize and strengthen the system, with the aim of creating a more organized and functional structure that can effectively support the growth and performance improvement of employees.

SHOE: LANCASTER (RED INDUSTRY GREEN)A



3.4 TRAINING

Today's changing and evolving scenario requires new skills, professionalism and flexibility to adapt. The Group recognises the importance of its collaborator development and, over the years, it has been committed to enhancing their skills and ensuring their professional development.

In 2025, the Group delivered a total of 25,632 hours of training, a significant increase compared to the previous year. The middle-management category benefited most from training activities, with approximately 13 hours of training per per-

son, followed by office staff and senior managers. Overall, over the three-year period 2023-2025, the Group's training hours followed a non-linear trend, reflecting the evolution of training initiatives in the various financial years. The high volume recorded in 2023 can be attributed to the launch of a structured training programme in Tunisia, focusing on occupational health and safety. In 2024, activities focused on consolidating the measures already taken and planning the expansion of the training programme. In 2025, the figure once again increased significantly, in line with the implementation of planned programmes and the enhancement of training in health and safety, digital skills and technical training.

TRAINING HOURS BY PROFESSIONAL CATEGORY

	2023	2024	2025
Hours of training provided to Executives	95	114	230
Hours of training provided to Middle Managers	455	222	653
Hours of training provided to White Collars	519	1,801	1,518
Hours of training provided to Blue Collars	22,793	10,779	23,231
Total	23,862	12,449	25,632

TRAINING HOURS PER CAPITA PER PROFESSIONAL CATEGORY

	2023	2024	2025
Training hours per capita per Executive	4.3	5.0	9.6
Training hours per capita per Middle Manager	12.0	4.7	13.1
Training hours per capita per White Collar	4.2	12.7	9.7
Training hours per capita per Blue Collar	4.5	2.1	5.7

TRAINING HOURS BY GENDER

	2023	2024	2025
Training hours provided to women	13,272	7,018	14,854
Training hours provided to men	10,590	5,898	10,778
Total	23,862	12,916	25,632

TRAINING HOURS PER CAPITA BY GENDER

	2023	2024	2025
Training hours per capita per woman	5.7	3.0	7.7
Training hours per capita per man	3.6	2.0	4.6

3.5 OUR SAFETY

Protecting the physical, mental and social well-being of employees is a priority for U-Power Group, which promotes safe and healthy working environments through preventive measures, continuous training and health surveillance. The Group operates in full compliance with the regulations in force in the countries where it is present, with the aim of improving its performance in terms of health and safety.

Even in the absence of high-risk activities, U-Power considers staff protection to be essential. To this end, it promotes a culture of prevention and employs a dedicated health and safety staff, responsible for verifying regulatory compliance, defining guidelines, inspecting environments and equipment, and managing dialogue with worker representatives.

Since 2021, the Tunisian production site undergoes internal and external inspections leading to ISO 45001 certification, which has now been extended to 97% of the workforce. In

2025, Jallatte also obtained ISO 45001 certification, and the Group has begun preparations for the audit in Italy scheduled for 2026.

The risk analysis is carried out at all sites, in Italy, Tunisia and France, and concerns the specificities of each working role. Among the preventive measures taken: procedures for the safe handling of chemicals, storage and transport, and phonometric analyses of noise levels, which in the different departments vary between 73.05 and 96.5 dB(A). Based on these results, corrective measures are implemented to contain noise exposure within safety limits and to protect worker hearing health.

In 2025, accident monitoring recorded 82 cases, with an accident rate of 9, down from the previous year. There were no occupational accidents related to external collaborators, for which the total number of hours worked was estimated at 13,596 with a related accident rate of 0. In addition, in 2025, there were 3 commuting accidents, which occurred during company-organised travel and did not result in serious injuries.

EMPLOYEE ACCIDENT INDICES

	2023	2024	2025
Hours worked	12,048,111	10,944,029	9,079,556
Total number of accidents	147	130	82
<i>of which resulting from commuting accidents¹⁹</i>	9	0	3
Total number of occupational accidents with serious consequences ²⁰	0	2	2
Occupational accident rate ²¹	12.2	11.9	9.0
Occupational accident rate with severe consequences ²²	0	0.2	0.2

¹⁹ A commuting accident is an accident that occurs on the way between the workplace and a place belonging to the private sphere, only when the transport was managed by the organisation.

²⁰ An occupational accident with serious consequences is defined as an occupational accident that leads to death or injury from which the workers cannot recover, do not recover, or it is unrealistic to expect that they will fully recover to the state of health prior to the accident within 6 months.

²¹ The occupational accident rate is calculated as the number of occupational accidents/hours worked*1,000,000.

²² The occupational accident rate with severe consequences is calculated as the number of occupational accidents/hours worked*1,000,000.

3.6 HUMAN RIGHTS

U-Power Group recognizes the value of human rights and is committed to transparently handling any reports of discrimination, child exploitation, forced labour, and human rights violations received through the dedicated whistleblowing channel it has established. In the 2023-2025 three-year period, no such cases were identified.

	2023	2024	2025
Cases of discrimination	0	0	0
Child exploitation / forced labour	0	0	0
Complaints / violations relating to human rights or working conditions	0	0	0

SHOE: RYAN (RED LEVE)



3.7 DEVELOPING A RESPONSIBLE SUPPLY CHAIN

The Group is actively committed to maintaining trusting relationships with its suppliers, recognising the importance of these relationships not only to offer value to customers and ensure high quality, but also to guarantee respect for workers and environmental protection in the supply chain. The company is committed to collaborating with suppliers, sharing values and goals for a responsible and sustainable business development, thus ensuring a positive social and environmental impact. The company has a code of business conduct that governs all relations that U-Power has with its collaborators and various external entities (including suppliers). It covers both social issues such as child labour and safety for workers and environmental issues, encouraging environmental protection.

During 2024, the Group drew up a **sustainable procurement policy**, committing to adopt and promote the values of integrity, respect for human rights and environmental

protection throughout its supply chain, in line with its Code of Ethics, Human Resources Policy and Environmental Policy. The aim of the policy is to strengthen the existing business relations between the Group and its suppliers, going beyond minimum compliance requirements. Accordingly, U-Power requires its suppliers and business partners to comply with all the applicable laws and regulations in the countries in which they operate, and expects them to incorporate the standards and principles set forth in the policy, actively making every effort to achieve such standards and disseminate them among their employees, stakeholders and other suppliers.

The quality and reliability of Group products depend on the choice of excellent, controlled materials and proper supply chain management. U-Power Group works with more than 170 suppliers with whom it has established solid and long-term relationships.

SUSTAINABLE PROCUREMENT



In 2025, the Group continued to conduct internal assessments of raw material suppliers, contractors and subcontractors. In 2024 the company started to establish a structured supplier assessment system, with the aim of comprehensively mapping all partners supplying raw materials, products and services. This process is part of a broader procurement evolution project aimed at integrating ESG (environmental, social and governance) criteria in the selection and management of suppliers, including through the administration of specific assessment questionnaires.



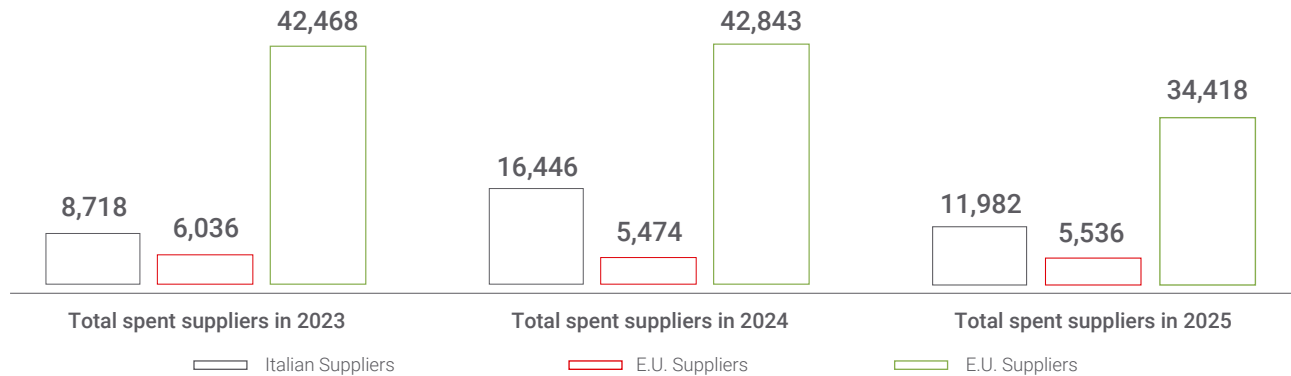
In particular, in 2025, the first questionnaire specifically designed to assess Asian suppliers was distributed, thereby initiating a structured process for monitoring ESG performance throughout the supply chain. 94% of the suppliers involved completed the questionnaire, and 33% of footwear, apparel and glove suppliers achieved a score above 75/100. Furthermore, 78% of suppliers hold at least one certification, the most common being ISO 14001 (45%). The questionnaire also identified the areas where suppliers are most advanced, namely energy management, where 71% of suppliers achieved a score above 75/100, and Employee Health & Safety, where 63% of suppliers achieved a score above 75/100.



Furthermore, U-Power Group plans to assess 30% of its suppliers according to ESG risk criteria by 2027.

In terms of procurement policies, during 2025, U-Power strengthened its procurement strategy by favouring Italian suppliers, allocating 66% of expenditure to local suppliers. This decision supports the Italian economy and strengthens the relations with local companies, contributing to a stronger industrial fabric.

Total expenditure by suppliers, broken down by geographical area



At the same time, 11% of expenditure was invested in European suppliers, taking advantage of the diversity and specialisation of the market, while only 23% was allocated to non-European suppliers. This distribution aims to reduce environmental impact and improve operational agility.

U-Power managers also periodically visit the production factories of the most relevant suppliers to check the production process and the quality of the purchased products, in order to verify the purchased product even before it is shipped and received by the Group production or logistics premises. In

2025, on-site audits of the most important suppliers continued, with regular visits to verify production processes.

Moreover, every six months, all the suppliers of the materials that will make up the safety shoes are required to update their certification according to the REACH European Regulation, which establishes the rules to be respected to ensure the protection of consumer health and of the environment through the registration, assessment and authorisation of certain chemical substances used in production processes and contained in the products sold, indicated in the Regulation.

3.8 U-POWER GROUP COMMUNITIES

U-Power Group aims to ensure the well-being of its employees and to actively contribute to the well-being of the community. In line with its values and articles of association, U-Power supports the development of charitable initiatives that benefit society. Its commitment to the community is based on the 2030 Agenda, which promotes collaboration between businesses and local realities to achieve sustainable development goals. During 2025, the Group continued to be involved in the communities and territories in which it operates, becoming a reference point not only for employment and economic development, but also as an important partner for the community. U-Power Group has chosen to systematically engage in supporting initiatives and organizations that generate positive impacts for the development and enhancement of the communities in which it operates.

In the first months of 2025, the company welcomed students of the Fashion department of the **Primo Levi Institute of Seregno**. This meeting represented an important opportunity for exchange, a bridge between the world of education and that of work, during which U-Power shared its know-how with young talents, fuelling a constructive and stimulating dialogue. In the previous months, the students faced a design challenge: to create an innovative outfit, designed to meet the specific needs of craftsmen such as electricians, plumbers and carpenters. Each project sought to respond to the needs of the working world, through creativity and innovation. The Group is convinced that investing in the younger generation is crucial for the future of the industry: collaboration between companies and schools is a powerful engine for the development of new ideas and the training of skilled and motivated professionals.

In addition, in the spring, U-Power was invited as a guest lecturer for the Master's in Sport Business Management programme at the 24 Ore Business School to share the company's history, production, growth, sustainability, and its sports marketing and sponsorship strategies. The session was interactive and involved students presenting projects in response to a detailed brief focusing on the strategic use of sport and, in particular, the use of media to promote the brand.

These initiatives demonstrate the Group's commitment to creating synergies with the world of education and investing in young talents, by opening the company's doors and offering them a tangible opportunity to put their skills into practice and engage with real business dynamics.

The Group also supports a number of sports clubs both in Italy and Tunisia with annual donations, helping to spread healthy habits, promoting physical activity and team play.

U-Power has renewed its commitment as **main sponsor of AC Monza** for the 2025/2026 season. This partnership has given U-Power the opportunity to strengthen its presence in the world of sport and to share the values of commitment, determination and success that unite both companies.



The Group also continues to be the **Official Back Jersey Partner of FC Internazionale Milano**, an agreement that will last until 2027.



The partnership between U-Power, Europe's leading brand in work footwear and clothing, and FC Internazionale Milano, a leading football team, is based on shared values and a common drive to improve performance, with a strong focus on innovation, sustainability and excellence.

In addition, sponsorship of the German club 1. FC Nürnberg was confirmed for 2025, further strengthening the Group's presence in the world of sport.

Also in the field of sport, U-Power joined the Futabel project, a football team made up of young people with various disa-

bilities, aimed at promoting their integration. Thanks to the company's funding, away trips were organised, kits bearing the U-Power logo were produced, and the team was able to participate in a national tournament.

Finally, U-Power took part in the Laurens Charity Night, a charity dinner at which goods and services are auctioned to raise funds for the promotion of sport in disadvantaged communities.

3.9 INNOVATION AT THE SERVICE OF CONSUMER SAFETY

Today's ever-changing and evolving scenario requires a solid brand strategy, geared towards developing products with distinctive design, which are increasingly innovative, yet can guarantee comfort and safety. U-Power Group is constantly searching for new technologies that respond to the principles of sustainability, that can offer all-round protection in the immediate term and that can also preserve psycho-physical health in the medium and long term.

The Group focus is, therefore, not only on producing a high quality product, but also on finding technical solutions capable of reducing its impact by redefining and developing new production processes.

Red Leve

Characterised by extreme lightness, the Red Leve line is a collection of working shoes that includes seventeen models of extremely lightweight safety shoes free of animal components. Each shoe is made with a breathable nylon upper and an anti-abrasion toe protection, making them a great choice for warmer weather. The Wingtex air tunnel lining is also breathable, while the anti-puncture insole is lighter, but equally safe.

The models are designed with the aim of reducing the weight on the legs, thus minimising the expenditure of energy during foot movement, with an overall benefit to the entire body and an overall reduction in the perception of tiredness and swollen legs at the end of the day. The safety shoes of the Red Leve line provide lightness, guaranteeing all the safety that has always been acknowledged to the U-Power brand and required by European regulations. The new generation polyurethane compound sole, together with the toe cap Airtoe® Aluminium, have made it possible to considerably reduce the weight of the footwear by passing all protection and safety tests, guaranteeing a quality and high-performance product.

Infinergy®

For the production of state-of-the-art footwear, U-Power Group has once again partnered with the world's leading chemical manufacturer, the BASF Group, which has developed Infinergy®. Infinergy technology is a sole insert made of expanded thermoplastic polyurethane (TPU) that can return positive energy while offering a lightweight, high-strength alternative for walking. This innovative material, conceived by the BASF Group for the sports world, combines foams consisting of closed-cell particles with thermoplastic polyurethanes, thus ensuring dynamic cushioning.

The Group has patented the insertion of such an insert in safety footwear, for example in the new Red Lion and Red Fit models for the US market, allowing the end user to maintain energy levels longer than any traditional sole, ensuring lightness and freedom of movement with the possibility of reducing muscular-skeletal disorders. This elastic, visible and tangible insert is characterised by resilience according to DIN 53512²³.

The sole also returns to its original shape after impact, saving energy in the ground grip stage and returning it in the foot movement stage by up to 55%. Due to this rebound effect, resulting from the resilience of the material, the wearer consumes less energy than before.

Red Carpet

In order to provide the right support for staff who work long hours in a standing position, the U-Power Group R&D laboratories have developed dedicated safety footwear designed to provide the right posture support and revitalise the affected areas subjected to stress. The **Red Carpet** technology, developed in collaboration with the BASF chemical Group, is designed to absorb and relieve body stress, reducing the trauma resulting from pro-

²³ Technical Standard issued by the German Deutsches Institut für Normung. In particular, standard 53512 refers to the determination of rubber rebound resistance using Schob pendulum.

longed standing at stationary workstations. The material used, totally free of harmful substances, is able to reactivate blood circulation and provide relief to joints, neck, loins and support the worker throughout the working day, ensuring comfort and safety. In terms of innovation, it was a real breakthrough; originally conceived for the sports world, it revolutionised running footwear. BASF has succeeded in this technical performance by combining foams made of closed-cell particles with thermoplastic polyurethanes.

Red Stratos

The Group has further expanded its portfolio with the new Red Stratos footwear line, designed to deliver an advanced combination of comfort, technology and lightness. At the heart of this innovation is Super Critical Technology, a next-generation foam integrated into the sole that absorbs impact and returns energy with every step, delivering a natural feeling of propulsion and reducing fatigue throughout the working day. The range features a NanoFiber Toecap, an ultralight, completely metal-free toecap, an HRO rubber outsole for excellent traction even on challenging surfaces, and a variety of uppers – from U-KNIT stretch fabric to suede and high-tenacity PUTEK Star – to ensure durability, breathability and maximum comfort to suit different work requirements.

Lifestyle Clothing and Shoe Line

U-Power Group offers not only safety footwear, but also a wide range of working clothing designed for different sectors and conditions, which includes various garments such as jackets, vests, trousers, Bermuda shorts, sweat-shirts, t-shirts, polo shirts, shirts, working socks and thermal underwear. Even when it comes to working clothing, maximum attention is paid and the selection of materials is key. U-Power stands out on the market for the quality, technical features and mechanical resistance of its *Softshells* – in particular the *Softshell U-Tex* – equipped with a thermoplastic polyurethane (TPU) membrane which guarantees the fabric a high degree of waterproofing, breathability and wind resistance. This membrane is coupled externally with a 4-way stretch fabric with a water-repellent treatment that protects it from external humidity and rain and, internally, with a Micro-Grid Fleece that provides high comfort and quick dry properties. To complete its range of technical clothing, U-Power has introduced the MULTIPRO line, developed to provide multi risk protection in complex working environments. Made from high-performance materials, the collection offers inherent and permanent pro-

tection against the main occupational hazards, combining durability, ergonomics and thermal comfort.

Additionally, the Group has expanded its offering to include a line of lifestyle shoes, which are designed to offer comfort and style, while maintaining the standards of quality and innovation that U-Power is known for. In fact, in 2024, the company launched several new models, including sneakers from the Urban and U.Lite lines, both of which are compliant to EN ISO 20347:2022, which specifies the basic and additional requirements for working footwear used for general purposes. In particular, the U.Lite sneakers were officially presented at the Expoprotection – the international exhibition on risk prevention and management held in Paris every two years – and are intended for the HoReCa (Hotel, Restaurant, Café/Catering) sector, which includes all the activities related to hospitality and catering, and the civilian footwear market.

Research and innovation

The Group has two research and development laboratories in Italy, one located in Paruzzaro (NO) and the other in Trani (BT), which develop new models and collections every year. The starting point is the design of high-tech, high-quality models that take into account not only comfort and safety requirements, but also health protection issues and the risks of muscular-skeletal disorders due to posture and repetitive motion during work. The preliminary study is increasingly focused on the in-depth analysis of workstations and working processes in terms of ergonomics. This means that, in addition to safety aspects, consideration is also given to the primary conditions and problems that workers may face in carrying out their tasks, to offer them increasingly high-performance and effective solutions to guarantee their well-being.

Furthermore, our R&D activities are focused on the one hand on the ongoing research and identification of raw materials, production materials and components, and/or techniques that can improve the quality and technological standards of our products and make them more efficient, also in response to evolving customer needs, and, on the other hand, on the continuous innovation of the models and styles of the products we offer on the market. In this framework, over the past few years, U-Power Group started a fruitful cooperation with the bodies and authorities that set standards in the field of occupational health and safety, through constant dialogue and the development of joint projects.

Then, the Group is constantly searching for new renewable or recycled raw materials to reduce the environmental impact of the entire life cycle of products, and for the elimination of

production defects in order to offer a highly reliable finished product.

The focus is therefore on creating a high quality product that can actively contribute to the well-being of workers and that pays constant attention to social and environmental issues.

Tests are also underway to reduce the use of polyurethane in insoles, with the aim of maintaining the product's high quality standards while reducing its environmental impact.

The Group has demonstrated its success in research and development, especially in its ability to outperform its competitors in developing cutting-edge technologies and products that meet the most advanced industry standards. As of 2025, U-Power Group has accumulated a total of 25 patents, proving its leadership in the industry. These patents protect the entire range of working shoes, as well as the many innovations introduced in each footwear component.

Patents with the greatest market impact

	AIRTOE	Ultra-lightweight toe cap that guarantees water resistance and safety
	Save&FlexPlus	Exclusive "metal free" anti-puncture textile insole
	Stressout System	Innovative tongue that accompanies walking without stressing the instep
	Wingtex	Inner air tunnel lining for healthy feet

Quality and consumer safety

Product safety is a key requirement for U-Power Group to maintain consumer confidence. In order to ensure the highest quality standards, the Group two production sites and the general office in Italy operate in compliance with ISO 9001:2015, which was extended to the Trani modelling department in 2025. In line with the provisions of the standard, systems have been implemented to monitor operational processes related to quality management and customer support. These systems are an essential reference for planning, implementing, monitoring and continuously improving the organization goals.

All U-Power Group footwear, both those marketed in European and non-European markets, are also certified according to **UNI EN ISO 20345:2022**, which regulates the general requirements that safety footwear must comply with in order to guarantee maximum worker protection during use. Requirements include the minimum height of the upper, the presence of an impact protection toecap, a front lining and an insole, key features for the shoe to be classified as "Safety footwear". In addition, depending on the type of use, the footwear can be supplemented with other technical specifications, such as anti-hole foil.

In addition to "Safety footwear", U-Power Group produces "Protective footwear", certified according to **ISO 20346:2022** and "Working footwear" or "Professional footwear", standardised by **ISO 20347:2022**. The former differ from Protective footwear because they have, in addition to the minimum requirements, a lower protective toe cap against impacts with energy up to 100 joules. The latter, on the other hand, do not protect against physical, mechanical risks of impact and compression on the toe, as they do not have a protective toe cap.

This ISO certification system is awarded and verified by external laboratories, accredited and tracked through an identification number. The relevant conformity information is present and visible on all the labels attached to footwear. In addition, the label contains information about the month and year of manufacture, protection class, reference standard and conformity.

Another key element of the Group's innovation strategy is consumer safety, which is ensured through a structured quality control system that covers every stage of the product life cycle. In order to always ensure the high quality of the products offered, the Group pays the utmost attention to customer satisfaction. In addition to the testing activities required by the relevant technical standards and the checks carried out in its in-house laboratories, in order to verify the actual effectiveness of its products during use, the Group systematically monitors returns and complaints, considered a tangible indicator of performance in terms of quality and protection. For each case, statistical analyses are carried out, in order to define quality improvement actions in the products. Specifically, the company usually opens an investigation process in order to understand, analyse and resolve the issue by intervening at the project level, if the complaints relate to a specific problem. In 2025, 0.21% of returns and complaints were recorded out of the total number of pairs sold (down from 0.22% in 2024), all due to accidental (aesthetic or shape) and non-substantial defects, i.e. not related to the safety of the footwear. Thanks to this management and intervention model, no significant cases of product non-conformity were detected during the 2023-2025 three-year period. This result has a positive impact on customers, who can rely on products that offer consistent protection and performance over time.

SHOE: JOE (RED LEVE) + PANTS: HORIZON BC + JACKET: WINK BC







4 GOVERNANCE

4. GOVERNANCE

4.1 THE ORGANISATIONAL MODEL

On 22 March 2021, the Board of Directors resolved to approve the Organisational, Management and Control Model pursuant to Legislative Decree n. 231/01, extending it to all the Group prestigious Italian premises. The approval came after a careful mapping of the risks related to relevant offences, as required by Legislative Decree n. 231/2001, some of which are relevant in terms of sustainability, including the fight against active and passive corruption, the protection of worker health and safety, and environmental protection. An anti-corruption policy was drafted and implemented in 2024.

In accordance with the 231 Model, the Board of Directors established the Supervisory Body, chaired by the Chair of the Board of Statutory Auditors, which has autonomous powers of initiative, supervision and control, as provided for in article 6 of Legislative Decree n. 231/2001. Specifically, the Supervisory Body is responsible for supervising and adjusting the 231 Model, including any updates, as well as preparing a summary report to be submitted to the Board of Directors and the Board of Statutory Auditors, containing a summary of the activities carried out, the problems encountered and an account of the reports received during the period.

As part of the adaptation to the 231 Model, a “Whistleblowing” system was set up in 2023 through a dedicated procedure. This system makes it possible to report and manage violations of the decree that could compromise the integrity of the Group, including issues such as environmental damages, product safety and compliance, and corruption practices or improper data management.

In accordance with the Sustainability Plan 2024-2027, the Group has confirmed for 2025 the goal to maintain 0 non-compliance cases each year concerning incidents of corruption, anti-competitive practices and improper data management. This target was fully met: indeed, throughout 2025, no cases of non-compliance or financial or non-financial penalties were identified in these areas.

The company has appointed a Data Protection Officer (DPO) responsible for GDPR compliance, thus ensuring a careful management of data protection regulations. In 2024, mandatory privacy training was successfully completed, with no reports of issues recorded, while in 2025, training sessions were delivered on the 231 Organizational Model and whistleblowing. Furthermore, a detailed disclosure on cookies has been provided, ensuring transparency and clarity regarding the use of data by the company. The Organisational models of Italian companies and the Code of Ethics²⁴ provide a solid basis for addressing social responsibility issues.

In fact, the Code of Ethics, approved in 2021 by the Board of Directors, also clearly defines values, principles and criteria for conduct. The Code was prepared in accordance with the main national guidelines on human rights, corporate social responsibility and corporate governance. Furthermore, the principles of legality, transparency and compliance are also applied in the other Group companies, according to local regulations, if any.

With the aim of further strengthening the corporate ethical culture and ensuring that every employee is fully informed and involved, the decision was taken to distribute the Code of Ethics to all staff. This initiative provides for the Code to be made available to all employees, through internal communication channels, to ensure that every member of the Group can read it and fully understand its content and importance. This stage is essential to enable all employees to internalise the values and standards of conduct that the Group expects to be respected and promoted, thus contributing to an ethical, responsible and inclusive working environment.

The principles are applied to all Group companies, so that they are observed by corporate bodies, employees and all the persons involved in the pursuit of the corporate goals. According to the Code, the target groups are required to ensure that all business decisions are made in the interest of the Group, thus avoiding all situations in which a conflict of

²⁴ The Code of Ethics can be found at the following link: U-Power Group: Group corporate documents.

interest may arise between personal or family business activities and the duties held, such as to interfere with or impair the ability to make decisions in an impartial and objective manner.

Specifically, the members of the Board of Directors are required to follow them in defining the goals of the Group businesses, in proposing investments and implementing projects, as well as in any decisions or actions. The members of the Board of Statutory Auditors, on the other hand, ensure respect for and compliance with the contents of the Code of Ethics in the performance of their duties. Similarly,

executives, in implementing their activities, are inspired by the same principles, both within the Group, strengthening cohesion and the spirit of mutual cooperation, and with regard to third parties.

As at 31 December 2025, as in previous financial years, no reports were received through the Group whistleblowing procedure, nor were there any cases of corruption, anti-competitive conduct, violations of anti-trust and anti-monopoly laws, penalties for non-compliance with laws and regulations in the social or economic sphere, IT incidents or data breaches.

	2023	2024	2025
Reports received via the whistleblowing channel	0	0	0
Cases of corruption	0	0	0
Anti-competitive conduct/ antitrust violations / monopoly practices	0	0	0
Penalties for non-compliance with laws/regulations (social/economic area)	0	0	0
Cyber incidents / data breaches	0	0	0
Breaches of environmental regulations	0	0	0
Significant product non-conformities (safety/quality)	0	0	0

4.2 CERTIFICATIONS

In addition, in order to fulfil its commitments, the production factory in Tunisia has adopted an Environmental Management System (EMS). Through the EMS, the Group adopts a preventive approach in managing risks related to environmental aspects, in line with the approach of ISO 14001, which provides for an analysis of relevant environmental risks related to the production site. In addition, in 2025, internal audits were carried out for the renewal of the ISO 9001 and ISO 14001 certifications, confirming the Group's ongoing commitment to maintain-

ing high standards in terms of quality and environmental management.

During 2025, the Group extended the ISO 45001 certification – relating to the occupational health and safety management system, already active at the Tunisian site – to the French production site. Furthermore, in December 2025, Jallatte underwent an audit for ISO 26000 CSR certification, marking a key step in strengthening the Group's commitment to corporate social responsibility.

Company	ISO 9001	ISO 14001	ISO 45001
U-Group S.r.l (Italy)	•	•	
Jallatte S.a.s (France)	•	•	•
Martek (Tunisia)	•	•	•
% of total employees covered²⁵	98%	98%	97%

²⁵ Considering the specificity of U-Power, due to the large number of employees at the Tunisian site, the Group calculates the percentage of employees covered by certifications by relating the number of employees at the certified site to the total number of Group employees.





ANNEXES AND METHODOLOGICAL NOTE

ANNEXES AND METHODOLOGICAL NOTE

This document constitutes the sixth Sustainability Report and includes all fully consolidated companies of the U-Power Group within its reporting scope, with the exception of U-Power USA, a company established in 2025 but which became operational in 2026. The wording “U-Power Group” in the document refers to all the companies within the group, while the name of the company has been used for the features referring only to one or the other company. It is reported that, in 2021, the articles of association were amended on the basis of the Benefit Corporation model. Furthermore, in 2023, the Group was acquired by the NB Renaissance fund (see Chapter 1 for more details).

The parent company, U-Power Group S.p.A., has its registered office in Paruzzaro (NO), Via Borgomanero; the premises of the other companies are geographically represented in Chapter 1. The scope and reporting period of the Sustainability Report coincide with that of the Financial Report publicly filed by the Company, except for the U-Power USA company²⁶.

The figures and information in this document refer to the activities carried out by U-Power Group during the 2025 financial year (from January to December 2025), unless otherwise specified, in line with the Financial Report. The indicators presented in the Report, for comparative purposes, are also reported for the 2023-2025 three-year period, where available, and they are accompanied by a commentary on their performance so as to allow comparison and comparability of the Group performance over time. Any changes in the 2023 and 2024 data that have occurred as a result of an update of the calculation methodology are clearly and precisely stated in the text in correspondence with the change. It should also be noted that, while

the environmental data for 2023 were calculated only for the production sites in Tunisia (Martek S.a.r.l) and France (Jallatte S.a.s), in the 2024-2025 two-year period the Italian premises (U-Power Group S.P.A, U-Logistics S.r.l and U-Group S.r.l) were also considered.

The reporting standard adopted by the group for the preparation of the Sustainability Report are the GRI Sustainability Reporting Standards 2021 published by the Global Reporting Initiative (GRI), and mandatory for sustainability documents published according to these Standards as of 1 January 2023. In particular, the document was prepared as per the “In accordance” option of the GRI Standards and in compliance with the Reporting Principles defined in Section 4 of GRI 1 - Foundation 2021: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. At the end of the document there is a table with an index of contents related to GRI requirements, both general and related to specific material topics.

This document has been audited by an independent third party company. The document was then audited by the appointed auditor EY S.p.A. on the basis of the principles and guidelines contained in ISAE3000 (International Standard on Assurance Engagements 3000 - Revised) of the International Auditing and Assurance Standards Board (IAASB). Quantitative indicators that do not refer to any general or topic-specific disclosure of the GRI Standards, which are reported on the pages indicated in the Content Index, are not subject to limited review by EY S.p.A.

As of the date of publication of this Report, there are no known significant events that occurred in 2026 relevant to sustainability disclosure.

²⁶ During the 2025 financial year, a commercial subsidiary was established in the United States of America, wholly owned by the Parent Company. Within the U-Power Group's consolidated financial statements, this entity has been consolidated using the line-by-line method and has contributed to the Group's results since April 2025. However, it was not included within the scope of the Sustainability Report because, during 2025, the company exclusively undertook preliminary commercial and organizational activities, without generating material environmental, social, or governance impacts relevant to the Group's sustainability reporting.

5.1 U-POWER GROUP STAKEHOLDERS

Value chain stage	Stakeholders	Main expectations	Ways and means of involvement
Product design and development	Competitor	<ul style="list-style-type: none"> • Involvement in initiatives and analysis activities on sector trends for the definition of possible common strategies • Implementation of open, lawful and transparent business models and strategies • Full respect for free competition 	<ul style="list-style-type: none"> • Partnerships • Collaboration with sector and trade associations • Participation in events and technical working tables • Face-to-face meetings
	Regulatory and control bodies	<ul style="list-style-type: none"> • Adherence to and compliance with rules and regulations • Participation in the development of regulations and guidelines 	<ul style="list-style-type: none"> • Dialogue with institutions and participation in working groups • Regular consultation and joint projects, certification audits
Procurement	Manufacturers of semi-finished products	<ul style="list-style-type: none"> • Punctual and correct fulfilment of contractual conditions • Continuity in supply requests • Possibility of developing strategic partnerships 	<ul style="list-style-type: none"> • Direct meetings • On-site visits • Partnerships • Discussions during contract definition • Ongoing relations with the purchasing department
	Suppliers of goods and services	<ul style="list-style-type: none"> • Punctual and correct fulfilment of contractual conditions • Continuity in supply requests • Possibility of developing strategic partnerships 	<ul style="list-style-type: none"> • Direct meetings and on-site visits • Partnerships • Discussions during contract definition • Ongoing relations with the purchasing department
Production, quality control	Employees and external collaborators	<ul style="list-style-type: none"> • Respect labour rights • Protect occupational health and safety • Be adequately trained for skills development and personal growth 	<ul style="list-style-type: none"> • Area meetings • Point of sale visits • Internal communication • Definition of goals and targets • Involvement activities • Sharing of informal feedback • Training and induction programmes for new hires
	Trade associations	<ul style="list-style-type: none"> • Collaboration, inclusion and participation in activities and programmes 	<ul style="list-style-type: none"> • Active participation in local and international associations • Sharing of best practices with sector associations
	Trade Unions	<ul style="list-style-type: none"> • Transparency and collaboration 	<ul style="list-style-type: none"> • Open and ongoing dialogues • Regular meetings • Definition of joint initiatives and projects
	Capital providers	<ul style="list-style-type: none"> • Transparency and timely and complete sharing of information 	<ul style="list-style-type: none"> • Continuous and transparent dialogue with the financial community • Information sharing through press releases and regular meetings

continues >>

<< follows

Value chain stage	Stakeholders	Main expectations	Ways and means of involvement
Communication and marketing	Investors and analysts (traditional and sustainability ones)	<ul style="list-style-type: none"> Consolidating and strengthening knowledge of the Group and of its business model Value creation (return on investment and business sustainability) Transparent and accountable management Timeliness and readiness for dialogue Adequate risk management including socially responsible risks 	<ul style="list-style-type: none"> Shareholders' Meeting Conference-calls or periodic meetings following relevant communications Price-sensitive communications and information Seminars and conferences Roadshows and meetings Daily dialogue (meetings, telephone, e-mail) Institutional website
	Media	<ul style="list-style-type: none"> Communication of news, programmes, activities, initiatives Transparent and truthful communication 	<ul style="list-style-type: none"> Press releases Social channels Sponsorship TV commercials Conferences Interviews
	Local communities	<ul style="list-style-type: none"> Contribute to the creation of value for the territory Have an open dialogue Be transparent and provide information on social, environmental and economic topics 	<ul style="list-style-type: none"> Meetings with representatives of local organisations, local communities and associations
	End users	<ul style="list-style-type: none"> Product improvement Continuous innovation and highest product quality 	<ul style="list-style-type: none"> Direct and ongoing relations with sales staff
Sales	Retailers	<ul style="list-style-type: none"> Ability to respond to specific needs for each type of customer and user 	<ul style="list-style-type: none"> Customer service Market analysis Satisfaction analysis Website
	Large distributors	<ul style="list-style-type: none"> Possibility of company-customer contact and communication 	
	Large direct customers		

5.2 THE IMPACT MATERIALITY

Material topics	Impacts	Description of impacts
Energy management and climate change	Exploitation of energy resources from non-renewable sources	U-Power Group various procurement processes and production activities use energy resources of fossil origin that generate and release greenhouse gas emissions into the atmosphere during combustion. Emissions can be direct, if generated by sources located within the company perimeter, or indirect if generated by energy purchased and consumed by the company. The latter can be reduced through the purchase of renewable energy covered by Guarantee of Origin (GO) certificates.
	Contribution to climate change	The U-Power Group value chain activities involve energy consumption during the operation of production plants, as well as in the manufacturing of materials and transport of both materials and finished products.
Worker health and safety	Damages relating to worker health and safety	The Group activities are complex and involve numerous players along the entire supply chain. Lack of adequate occupational safety measures and lack of relevant training can lead to serious accidents during raw material procurement, production processes and logistical input and output operations.
Waste management	Generation and treatment of waste and end-of-life product	If not managed correctly, waste is generated in the shoe production stages, which can have negative consequences on the environment and human health. The effects of waste generation can extend beyond the places where waste is generated and disposed of. In order to mitigate these effects, it is important to adopt responsible and sustainable waste management practices to minimise environmental impact and preserve people health.

continues >>

<< follows

Material topics	Impacts	Description of impacts
Materials used	Exploitation of non-renewable raw materials	U-Power Group uses different types of raw materials, the sourcing of which has a global dimension. Resource scarcity and mismanagement, as well as conflicts in the regions where the procurement chain of the sector extends, are increasingly affecting the ability to reliably source materials. In particular, in recent years, U-Power has been working to find cutting-edge solutions for the use of materials with a smaller environmental footprint.
Protection of human rights	Violation of human and labour rights	The Group activities are articulated and complex, involving a large number of suppliers and operations globally. Failure to monitor these stages could lead to a failure to protect the human rights of the workers concerned along the value chain. U-Power Group workers are traditionally represented by trade unions and covered by collective agreements. However, failure to address these topics could lead to disputes with employees and, in extreme cases, to strikes.
Territorial and community development	Increased employment rate and development of the territory and local communities	The Group activities are deeply linked to the territories in which it operates and to the communities with which it works. U-Power Group market leadership, as well as continuous growth, contribute to the economic and social development of territories, through the creation of jobs along the entire value chain and the generation of positive impacts on surrounding communities.
	Contribution to the development of the industrial fabric in Tunisia	In the countries in which it operates, U-Power Group offers, without differences between men and women, entry wage levels equal to or higher than the minimum required by law or collective bargaining. As shown by the analysis carried out in 2020 on the entire corporate population, including the production premise in Tunisia, wages are 60% above the minimum wage, contributing to the development of the industrial fabric.
Worker development and training	Lack of professional development due to inefficient training activities	U-Power Group type of business requires specialised professionals who are up-to-date with the latest regulations. Failure to develop the skills of employees could have negative consequences not only on business, but also on the worker health and safety and on the quality of the products sold.
Consumer health and safety	Violation of product quality and safety standards	The Personal Protective Equipment sector, due to its nature, has worker safety as a priority. If these topics are not adequately monitored and managed, it is possible to incur cases of regulatory non-compliance with consequent impacts on both the company and the health and safety of end users.
Business ethics	Negative impact on stakeholders due to unfair business practices	Any conduct that contravenes laws and regulations relating to corruption and competitiveness may have an impact not only on the Group reputation, but also on the market and the stakeholders with which it cooperates.
Diversity and gender balance	Discrimination in the working environment	Geographical location, required skills and types of work mean that the Group and the suppliers strive to create an inclusive environment that enhances employee diversity. In fact, people may be relegated to marginal roles on the basis of their ethnic group, gender or religion due to a recruitment system unfavourable to certain categories, thus reducing inclusion.
Water consumption	Exploitation and pollution of water resources	Water resources are generally used for the production of raw materials and finished products purchased by the Group, and only marginally during production. However, proper water management is crucial in footwear production to preserve water resources and minimise environmental impact.
Research and development of products with reduced environmental impact	Development of products with reduced environmental impact and market consequences	Over the years, U-Power has been able to reconcile profit goals with sustainable business innovation. In fact, the group has developed a line of products with reduced environmental impact (Carbon Neutral shoes according to ISO 14068 ²⁷), influencing the industry and competitors in the market.

²⁷ Until 2024, the methodological reference was PAS 2060. Since 2025, the Group has achieved certification in compliance with the ISO 14068 1:2023 standard, in line with regulatory updates and international standards on climate neutrality. For the specified models, the Group has implemented a structured approach to managing greenhouse gas emissions, based on measuring the product carbon footprint (ISO 14067), prioritizing emissions reduction across the value chain, and offsetting the only residual emissions through carbon credits.

5.3 THE CALCULATION METHODOLOGY

Qualitative and quantitative social, environmental and economic-financial data were collected, on an annual basis, through special data collection forms and interviews with the active involvement of the Group main corporate departments. In order to give a fair representation of performance, the use of estimates has been limited as much as possible; where they have been used, they are based on the best available methodologies and appropriately reported.

In addition to what has already been reported in the text, the methodological indications for some indicators in this Sustainability Report are provided below.

STAFF DATA

For each reporting year, the calculation of U-Power Group staff (broken down by geographical area, gender, contract type and type of work) is based on data received from the various sales and production subsidiaries and is expressed in headcount at 31 December.

The rate of hires and turnover, broken down by gender, age group and geographical area, is calculated using the number of employees relative to the type of subdivision considered.

The accident indices were calculated as follows:

- Occupational accident rate: number of accidents/hours worked*1,000,000
- Accident rate with serious consequences: number of accidents with serious consequences, i.e. with a total number of days of absence exceeding 6 months/hours worked*1,000,000

The calculation of frequency rates does not include commuting accidents according to the GRI methodology.

ENVIRONMENTAL DATA

For environmental data, where not available, conservative estimation methodologies were used, resulting in the selection of assumptions associated with the least positive environmental performance for the Group. The reporting of environmental data is extended only to the Group production factories located in Tunisia and France for 2023, while it is also extended to Italy for 2024 and 2025.

ENERGY CONSUMPTION

The conversion factors used to standardise energy consumption come from the DEFRA "UK Government GHG Con-

version Factors for Company Reporting - Fuel properties" table, for 2023, 2024 and 2025.

GREENHOUSE GAS EMISSIONS

Greenhouse gas (GHG) emissions are reported according to the guidelines defined by the main internationally recognised standards; in particular, reference is made to the GHG Protocol Corporate Accounting and Reporting Standard. The calculation was carried out using the following formula: activity data (e.g. kWh of purchased electricity) multiplied by the respective emission factor. Emissions were calculated in terms of CO₂ equivalent (gases included: CO₂, CH₄, N₂O) according to the following methodology:

- Direct emissions (Scope 1): emissions related to fuel consumption were determined using the emission factors reported in the DEFRA "UK Government GHG Conversion Factors for Company Reporting", 2023, 2024 and 2025 editions.
- Indirect emissions (Scope 2): indirect emissions correspond to electricity consumption. The factors in Figure 4 of the document "European Residual Mixes" (2022 editions for 2023, 2023 edition for 2024, 2024 edition for 2025), published by the Association of Issuing Bodies, for France and Italy, were taken into account for the calculation of electricity emissions according to the "market-based" method. For Tunisia, for which the residual mix emission factor is not available, in accordance with the reporting standards, the same factor as for the "location-based" method was used. For the calculation of the latter, the factors present in "Table 49 - Main socio-economic and energy indicators", published by Terna in the International Comparisons section, and available in their most recent version at the time of publication of the document (2019 data, for 2023 and 2024, 2024 data for 2025) were taken into consideration.
- Indirect emissions (Scope 3): Value chain-related GHG emissions, not accounted for as Scope 1 or Scope 2 emissions, fall into this category. Based on the GHG Protocol, the following categories were reported for the 2023-2025 three-year period:
 - Category 1: For the calculation of this category, the emission factors from the Ecoinvent database were used. The entire Group is included in the scope of the calculation.
 - Category 3: For the calculation of this category, the emission factors reported in the DEFRA "UK Government GHG Conversion Factors for Company Reporting" for 2023, 2024 and 2025 were used. The scope of the calculation includes all the premises in Tunisia, France and Italy.

- Category 4: For the calculation of this category, the emission factors reported in the DEFRA "UK Government GHG Conversion Factors for Company Reporting" for 2025 were used. The entire Group is included in the scope of the calculation.
- Category 5: For the calculation of this category, the emission factors from the Ecoinvent database were used. The scope of the calculation includes all the premises in Tunisia, France and Italy.
- Category 6: For the calculation of this category, the emission factors reported in the DEFRA "UK Government GHG Conversion Factors for Company Reporting" for 2024 and 2025 were used. The entire Group is included in the scope of the calculation.

- Category 9: For the calculation of this category, the emission factors reported in the DEFRA "UK Government GHG Conversion Factors for Company Reporting" for 2025 were used. The entire Group is included in the scope of the calculation.

The indicators shown represent the best possible estimate based on the data available at the time of drafting this Report.

For information and further information on this document, please contact:
U-Power Group S.p.A.
sustainability@u-power.it

SHOE: KICK (RED LION)







GRI CONTENT INDEX

GRI CONTENT INDEX

Declaration of use	U-Power Group S.p.A. submitted a report in accordance with the GRI Standards for the period 1 January 2025 – 31 December 2025.
GRI 1 used	GRI 1 - Key Principles - version 2021
Relevant GRI sector standards	Not applicable

GRI Standard	Disclosure	Location	Omissions		
			Omitted requirements	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organisational details	1. U-Power Group: a company, a safety partner Methodological note			
	2-2 Entities included in the organisation sustainability reporting	Methodological note			
	2-3 Reporting period, frequency and point of contact	Methodological note			
	2-4 Review of information	Methodological note			
	2-5 External assurance	Methodological note Audit report			
	2-6 Activities, value chain and other business relations	1.6 The business model			
	2-7 Employees	3.1 Our team			
	2-8 Non-employees	3.1 Our team			
	2-9 Governance structure and composition	4.1 The Organisational Model			
	2-10 Appointment and selection of the highest governing body	4.1 The Organisational Model			
	2-11 Chair of the highest governing body	4.1 The Organisational Model			
	2-12 Role of the highest governing body in impact management control	4.1 The Organisational Model			
	2-13 Delegation of responsibility for impact management	4.1 The Organisational Model			

continues >>

<< follows

GRI Standard	Disclosure	Location	Omissions		
			Omitted requirements	Reason	Explanation
GRI 2: General Disclosures 2021	2-14 Role of the highest governing body in sustainability reporting	4.1 The Organisational Model			
	2-15 Conflicts of interest	4.1 The Organisational Model			
	2-16 Communication of critical issues	4.1 The Organisational Model			
	2-17 Collective knowledge of the highest governing body	4.1 The Organisational Model			
	2-18 Performance assessment of the highest governing body	3.3 The remuneration system and industrial relations			
	2-19 Remuneration standards	3.3 The remuneration system and industrial relations			
	2-20 Procedure for determining remuneration	3.3 The remuneration system and industrial relations			
	2-21 Annual total remuneration ratio	-	Incomplete disclosure	Information not available/incomplete	At present, the Group does not have a system that allows the aggregation of information. The Group is taking steps to implement a data collection to report on this disclosure as of next year.
	2-22 Statement on the sustainable development strategy	Letter to stakeholders			
	2-23 Commitment in terms of policy	4.1 The Organisational Model			
	2-24 Integration of commitments in terms of policy	4.1 The Organisational Model			
	2-25 Processes to remedy negative impacts	4. Governance 3. People 2. Environment on the spotlight			

continues >>

<< follows

GRI Standard	Disclosure	Location	Omissions		
			Omitted requirements	Reason	Explanation
GRI 2: General Disclosures 2021	2-26 Mechanisms for requesting clarification and raising concerns	4.1 The Organisational Model			
	2-27 Compliance with laws and regulations	4.1 The Organisational Model			
	2-28 Membership of associations	U-Power Group S.p.A. is not a member of any association or organisation.			
	2-29 Approach to stakeholder engagement	2.3 Stakeholder dialogue			
	2-30 Collective contracts	3.3 The remuneration system and industrial relations			
MATERIAL TOPICS					
GRI 3: Material topics 2021	3-1 Process of determining material topics	1.6 Materiality analysis			
	3-2 List of material topics	1.6 Materiality analysis			
Territorial and community development					
GRI 3: Material topics 2021	3-3 Managing Material Topics	1. U-Power Group: a company, a safety partner 3.1 Our team 3.8 U-Power Group communities			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1. U-Power Group: a company, a safety partner			
GRI 401: Employment 2016	401-1 New hires and turnover	3.1 Our team			
Business ethics					
GRI 3: Material topics 2021	3-3 Managing Material Topics	4.1 The Organisational Model			
GRI 205: Anti-Corruption 2016	205-3 Established incidents of corruption and actions taken	4.1 The Organisational Model			
GRI 206: Anti-competitive conduct 2016	206-1 Legal actions relating to anti-competitive conduct, trust activities and monopolistic practices	4.1 The Organisational Model			

continues >>

<< follows

GRI Standard	Disclosure	Location	Omissions		
			Omitted requirements	Reason	Explanation
Materials used					
GRI 3: Material topics 2021	3-3 Managing Material Topics	2.3 Materials and Waste			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2.3 Materials and Waste			
GRI 308: Environmental assessment of suppliers 2016	308-1 New suppliers that have been assessed using environmental criteria	During 2025, the Group assessed 80% of new suppliers on the basis of environmental criteria			
Water consumption					
GRI 3: Material topics 2021	3-3 Managing Material Topics	2.2 Water			
GRI 303: Water and effluents 2018	303-1 Interaction with water as a shared resource	2.2 Water			
	303-2 Management of Impacts related to water discharge	2.2 Water			
	303-3 Water withdrawal	2.2 Water			
	303-4 Water discharge	2.2 Water			
	303-5 Water consumption	2.2 Water			
Energy management and climate change					
GRI 3: Material topics 2021	3-3 Managing Material Topics	2.1 Energy and emissions			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	2.1 Energy and emissions			
GRI 305-2: Emissioni 2016	305-1 GHG direct emissions (Scope 1)	2.1 Energy and emissions			
	305-2 GHG indirect emissions from energy consumption (Scope 2)	2.1 Energy and emissions			
	305-3 Other GHG indirect emissions (Scope 3)	2.1 Energy and emissions			
Waste management					
GRI 3: Material topics 2021	3-3 Managing Material Topics	2.3 Materials and Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2.3 Materials and Waste			
	306-2 Management of significant waste-related impacts	2.3 Materials and Waste			
	306-3 Waste generated	2.3 Materials and Waste			

continues >>

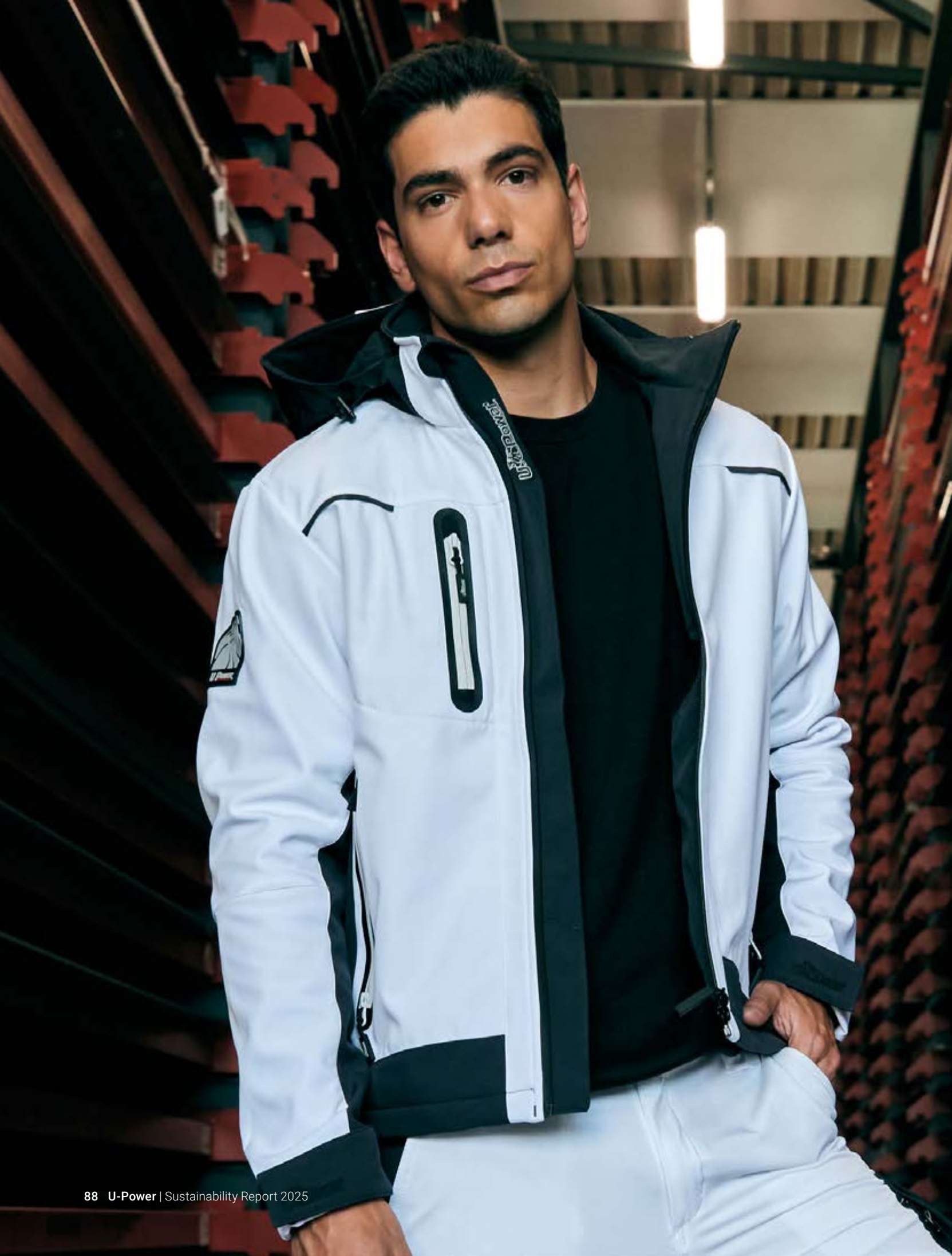
<< follows

GRI Standard	Disclosure	Location	Omissions		
			Omitted requirements	Reason	Explanation
Worker health and safety					
GRI 3: Material topics 2021 GRI 403: Occupational health and safety 2018	3-3 Managing Material Topics	3.5 Our safety			
	403-1 Occupational health and safety management system	3.5 Our safety			
	403-2 Hazard identification, risk assessment and accident investigation	3.5 Our safety			
	403-3 Occupational health services	3.5 Our safety			
	403-4 Worker participation and consultation and communication on occupational health and safety	3.5 Our safety			
	403-5 Occupational health and safety training for workers	3.5 Our safety			
	403-6 Worker health promotion	3.5 Our safety			
	403-7 Prevention and mitigation of occupational health and safety impacts within the business relationship	3.5 Our safety			
	403-8 Workers covered by a health and safety management system	3.5 Our safety			
	403-9 Occupational accidents	3.5 Our safety			
Worker development and training					
GRI 3: Material topics 2021	3-3 Managing Material Topics	3.1 A company of people			
GRI 404: Training and education 2016	404-1 Average hours of annual training per employee	43.1 A company of people			
Diversity and gender balance					
GRI 3: Material topics 2021	3-3 Managing Material Topics	3.2 Diversity, gender balance and protection of human and labour rights			
GRI 405: Diversity and gender balance 2016	405-1 Diversity in governance bodies and among employees	3.2 Diversity, gender balance and protection of human and labour rights			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective measures adopted	3.2 Diversity, gender balance and protection of human and labour rights			

continues >>

<< follows

GRI Standard	Disclosure	Location	Omissions		
			Omitted requirements	Reason	Explanation
Protection of human rights					
GRI 3: Material topics 2021	3-3 Managing Material Topics	3.3 The remuneration system and industrial relations			
GRI 407: Freedom of association and bargaining agreements 2016	407-1 Activities and suppliers where the right to freedom of association and collective bargaining may be at risk	3.3 The remuneration system and industrial relations			
GRI 408: Child labour 2016	408-1 Activities and suppliers at significant risk for incidents of child labour	3.2 Diversity, gender balance and protection of human and labour rights			
GRI 409: Forced or compulsory labour 2016	409-1 Activities and suppliers at significant risk for incidents of forced or compulsory labour	3.2 Diversity, gender balance and protection of human and labour rights			
GRI 414: Social assessment of suppliers 2016	414-1 New suppliers that have been assessed using social criteria	During 2025, the Group did not assess any new suppliers on the basis of social criteria			
Consumer health and safety					
GRI 3: Material topics 2021	3-3 Managing Material Topics	1.6 Materiality analysis			
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance involving health and safety impacts of products and services	1.6 Materiality analysis			
Research and development of products with reduced environmental impact					
GRI 3: Material topics 2021	3-3 Managing Material Topics	2.1 Energy and emissions 3.9 Innovation at the service of consumer safety			
ASPECTS NOT COVERED BY GRI INDICATORS					
-	Number of footwear models certified under ISO 14067 and Carbon Neutral according to ISO 14068	2.1 Energy and emissions			
-	Net savings in leather consumed under the Leather Efficiency Program	2.3 Materials and Waste			
-	Number of Scope 3 categories monitored	2.1 Energy and emissions			





REPORT ON THE SUSTAINABILITY REPORT



Shape the future
with confidence

EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Independent auditors' report on the Sustainability Report 2025 (Translation from the original Italian text)

To the Board of Directors of
U-Power Group S.p.A.

We have been appointed to perform a limited assurance engagement on the Sustainability Report 2025 of U-Power Group S.p.A. and its subsidiaries (hereinafter also the "Group" or the "U-Power Group") for the year ended on December 31st, 2025.

Directors' responsibility on the Sustainability Report

The Directors of U-Power Group S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "*Global Reporting Initiative Sustainability Reporting Standards*" issued by GRI - *Global Reporting Initiative* ("GRI Standards"), as described in the paragraph "Annexes and methodological note" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of U-Power Group regarding the sustainability performance, as well as the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQM Italy 1), under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with principle of "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

EY S.p.A.
Sede Legale: Via Meravigli, 12 - 20123 Milano
Sede Secondaria: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 3.000.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998



Shape the future
with confidence

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the *ISAE 3000 Revised* ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the methods of analysis and understanding of the reference context, the identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
2. comparison between the economic and financial data and information reported in the paragraph "U-Power Group: a company, a safety partner" of the Sustainability Report with those included in the U-Power Group's consolidated financial statements;
3. understanding of the processes underlying the generation, recording and management of significant qualitative and quantitative information included in the Sustainability Report.

In particular, we conducted interviews and discussions with the management of U-Power Group S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level
 - a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for the production site of Menzel Bourguiba (Tunisia) of Martek S.a.r.l., that we have selected based on its activities, relevance to the consolidated performance indicators and location, we carried out on site visits and remote interviews, during which we discussed with the managers of the company functions involved in the sustainability reporting process and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.



Shape the future
with confidence

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the U-Power Group for the year ended on December 31, 2025 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Annexes and methodological note" of the Sustainability Report.

Milan, 20 April 2026

EY S.p.A.
Aldo Alberto Amorese
(Auditor)

This report has been translated into the English language solely for the convenience of international readers.



All photos used are property of U-Power
www.u-power.it

Creative concept,
design and layout





113

SOLO USO
MAGAZZINO
PROGRESSIVO: II



U-Power
Don't worry... be happy!