




020

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

A handwritten signature in white ink that reads "Franco Uzzeni". The signature is stylized, with a prominent initial "F" and a cursive script for the rest of the name.

HIGHLIGHTS

€174 m

of economic value generated,
+8% compared with 2019

18,000

pairs of shoes
manufactured per day in factories in
France and Tunisia

17

patents filed
synonymous with the Group's major
commitment to the Research and
Development of innovations



8%

market share

of U-Power Group in Europe, the leading manufacturer of safety footwear in Italy and Europe

46%

female presence

within the Group's staff

98%

logistic

orders processed in time to be delivered

U-Green:

first footwear project with reduced environmental impact, with the full offsetting of greenhouse gas emissions

LETTER TO STAKEHOLDERS



FRANCO UZZENI
PRESIDENT, U-POWER GROUP



Our aim is to become the most authentic and reliable reference point for security of workers through innovative and distinctive design Personal Protective Equipments.

Dear Stakeholder,

In all my businesses, I have always believed that our actions, the goals we set ourselves and how we reach them, are proof of the contribution we want to make with our work

U-Power Group¹ was founded with the aim of becoming the most authentic and safe benchmark for the safety of workers, thus helping to improve the quality of life of people through safe, comfortable, innovative and distinctive design protection devices. An orientation towards the future and the continuous desire to grow and improve have made us an international reality, a market leader. A result for which I wish to firstly thank all U-Power employees and collaborators.

At the same time, 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.

We have thus arrived at the publication of our first Sustainability Report, an expression of all our commitments and goals. This document represents, for us, the first step towards a path of awareness of our social and environmental impacts, as well as a tool to define and disclose the Group's strategy for improvement and sustainable growth.

2020, characterised by the spread of the Covid-19 pandemic, was an important year for us. It tells a lot about our commit-

¹ "At 31 December 2020 U-Invest S.r.l. took on the company name "U-Power Group S.p.A".

ment to protect the health and safety of employees and to integrate sustainability into the way we operate. Being aware of the value of responsible use of resources, in the last year, we have also started the design and production of a first line of "green" footwear, based on the use of materials with reduced environmental impact and on the offsetting of CO₂ emissions associated with production.

Lastly, as a further step towards the creation of value for all our stakeholders, we have embarked on a path to define an increasingly strategic approach to sustainability issues, a choice that is the result of the strategic vision of the Group, which intends to commit itself in the coming years to integration of social and environmental impact objectives into its business model.

The road taken is well defined, but we are aware that much remains to be done. We will continue to use energy, humility and commitment to live up to it.

I hope you enjoy reading this report.



4,349

EMPLOYEES

€174 m

OF ECONOMIC VALUE
GENERATED

+8% compared with 2019

79,796 GJ

GROUP TOTAL ENERGY
CONSUMPTION

-4% vs 2019

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VALUES AND PURPOSE



U-Power Group¹ is a company that is always evolving, a company focused on reinvention and continuous development, whilst always remaining true to itself.

We like to think that every day can be the beginning of something wonderful. A new challenge, a new opportunity, a situation that tests us and enables us to show all our worth.

We are convinced that positive thinking is not an illusion, but a concrete way to face life with a smile, self-confident and strong in one's abilities.

**So, here's our life philosophy:
don't worry, be happy!**

PURSUING EXCELLENCE

We always strive to do better, as individuals and as a company. We never tire of learning and redefining the rules.



LEVERAGING ON CREATIVITY

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



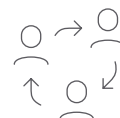
BELIEVING IN TOMORROW

We always look to future-oriented challenges, continuing to seek sustainable solutions where they have not yet been found.



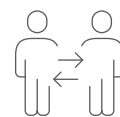
INVOLVING PEOPLE

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



EXPERIENCING DIVERSITY

We are always open to welcoming different voices. We live in multiplicity and dialogue with all generations.



PURSUING SUCCESSFUL SUSTAINABILITY

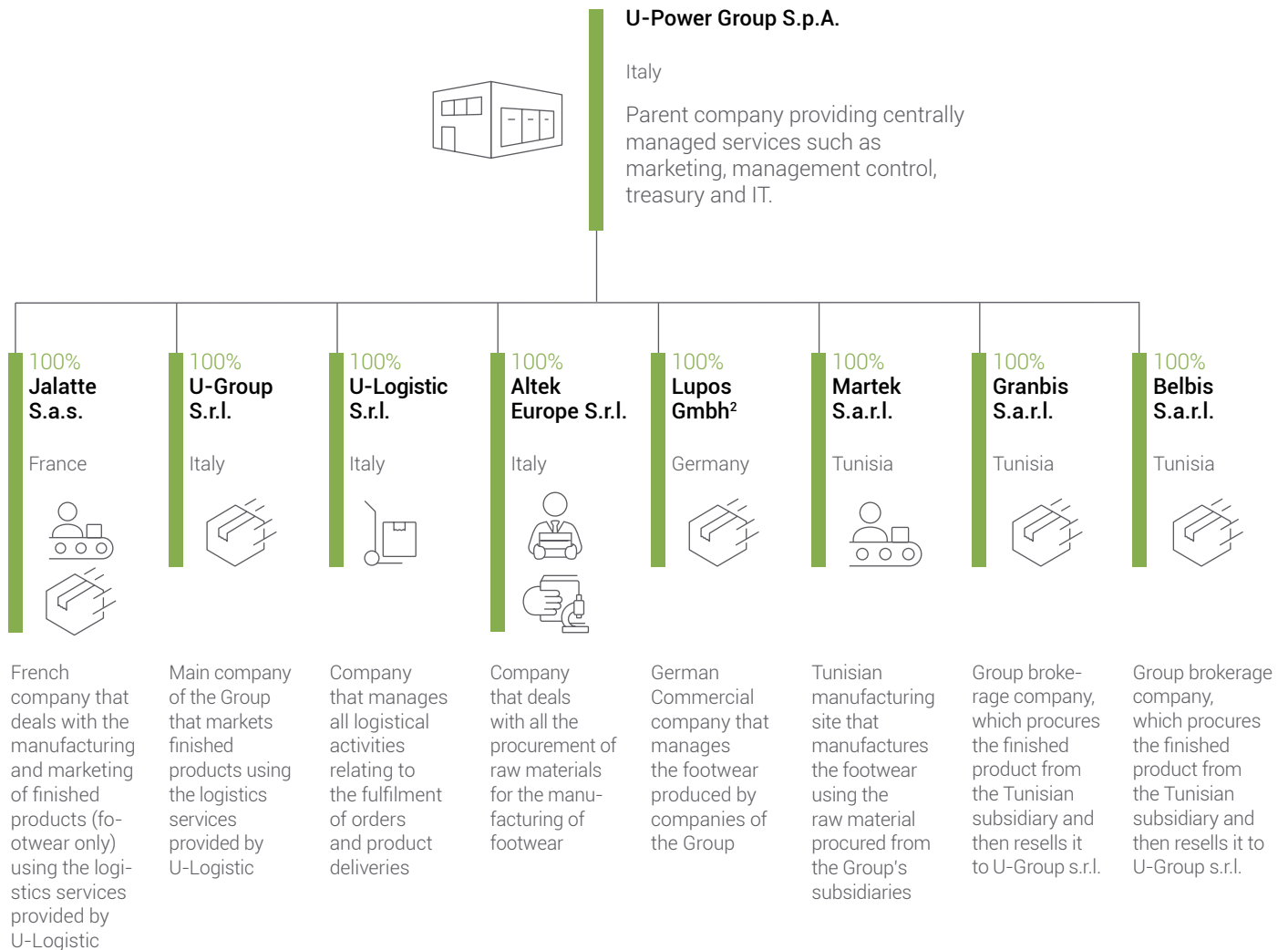
We seek excellence with the responsibility of preserving the environment and resources for future generations.



¹ At 31 December 2020 U-Invest S.r.l. took on the company name "U-Power Group S.p.A"

THE GROUP COMPANIES

The structure and the companies of the Group as at 31.12.2020 are represented below:



Legend



Holding



Manufacturing



Sales



Research and Development



Procurement of raw materials



Logistics

Registered office in Paruzzaro (NO) - Via Borgomanero 50
Share capital: Euro 10,000,000 fully paid up
Tax Code and Company Register of Novara 08482990150
Novara Chamber of Commerce n. 163970 R.E.A.

² On 23 December 2020, the liquidation of the German subsidiary Lupos GmbH began, transferring the commercial activity to U-Group S.r.l..





1

**U-POWER GROUP:
A COMPANY,
A SAFETY PARTNER**

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



U-Power Group¹ (hereinafter “U-Power”) was founded by entrepreneur Pier Franco Uzzeni in 2006, in Paruzzaro (Italy), based on the experience handed down by his father and subsequently gained over 50 years operating in the safety footwear sector.

Since then, the Group has grown to become one of the main players in the sector, a leader in the Italian and European market of work footwear. In recent years, the Group has also entered the technical workwear market with positive results.

In fact, U-Power was founded with the aim of becoming the most authentic and safe benchmark for the safety of workers. Always committed to the continuous improvement of the technical and qualitative features of its products, U-Power Group intends to contribute to improving the quality of life of people, offering Personal Protective Equipment (PPE) that is safe, comfortable, performing and with an attractive design.

U-Power Group is currently an international reality comprising 8 companies, based in 6 different countries, capable of covering all phases of the value chain: from design, to prototyping, to production, to sales and, lastly, to customer service. This breakdown enables the Group to directly and vertically manage the two production units in France and Tunisia and enables effective control over the quality of processes and products whilst respecting the environment and its people.

The widespread and multi-channel distribution network, managed by commercial and logistics companies, guarantees optimal integration with the market and enables U-Power Group to guarantee its customers product availability and prompt delivery, whilst maintaining strong flexibility. The Group's two logistics platforms, in the United Kingdom and Italy, manage the shipment of over 20,000 pairs per day and guarantee the fulfilment of orders in just 24 hours. Logistics management is thus efficient, flexible and perfectly aligned with customer needs: 98% of orders are ready to be delivered on time.

¹ “Following the procedures launched by the Group for the listing, the parent company - “U-Invest S.r.l.” as at 31 December 2020 - took on the company name “U-Power Group S.p.A.”.

UK

Logistics platform
1 Business office

GERMANY

1 Business office

FRANCE

Manufacturing site
2 Business offices

ITALY

Headquarters and logistics platform

SPAIN

1 Business office

TUNISIA

Manufacturing site

Situation as at 31.12.2020

DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE (€k)	2019	2020
Economic value generated	161,197	173,919
Production value	161,048	173,818
Financial income	149	101
Economic value distributed	147,825	144,205
Operating costs	98,412	102,619
Value distributed to employees	27,158	28,407
Value distributed to capital providers	1,925	1,189
Value distributed to the PA	8,080	1,990
Value distributed to shareholders	12,250	10,000
Economic value withheld	13,372	29,714

1.1 A HISTORY OF INNOVATION IN TRADITION

*A long lasting
successful History*



Focus on safety footwear

- Almar files the Aimont brand, specialising in safety footwear. It is in these years that manufactured is transferred to Tunisia and there is a significant increase in pairs manufactured per year. The product is now differentiated by features, price and geographical area.

1988
2000

1950
1987

2000
2005

Almar, the first years

- Pier Franco Uzzeni takes over the company founded in 1950 by his father in Soriso (NO), Italy: Almar. Manufacturing focuses on safety footwear, but sports shoes are also manufactured at the same time, by brands such as Puma and Adidas.

JAL Group



Consolidation

- Pier Franco Uzzeni sells the majority shares of Almar to the CVC investment fund. Almar is thus consolidated with the main European competitors, Jallatte and Lupos, to create the JAL Group. Uzzeni becomes CEO of the Group.



Creation of U-Group

- In 2005, Pier Franco Uzzeni left the JAL Group and founded U-Power with the aim of manufacturing and distributing safety footwear with his own brand, immediately gaining a positive of leadership in the European market.

The new technological era

These are the years of greatest growth of the Group:

- U-Power launches the BASF's revolutionary new lines with Infinergy® technology.
- These are the Group's years of greatest growth:
- In 2020, with a further growth in turnover to approximately €173 million, the levels reached in 2014 will double.

2006
2013

2017
2020

2013
2017



Acquisition and relaunch of JAL Group

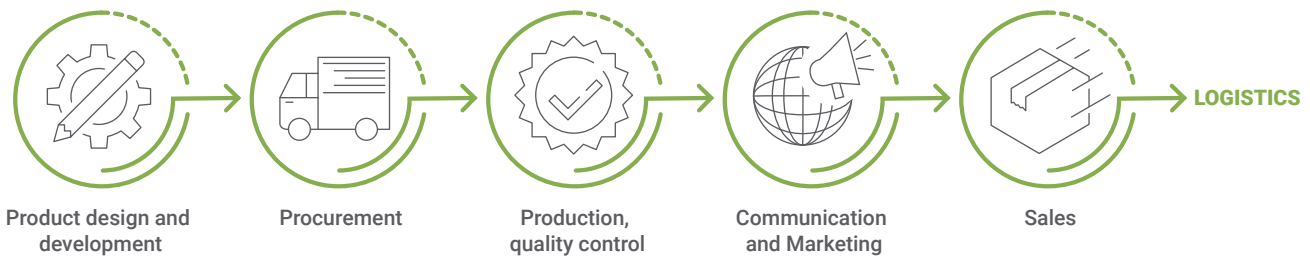
- In 2013, U-Power, leader in the sector, acquires the main assets and brands of JAL Group, which include Jallatte, Aimont and Lupos: U-Power Group is thus founded.
- 2017 is the year in which the Group's financial data recorded sustained growth, especially as a result of the introduction of the Red Lion line and the first results of the recovery of the acquired brands are beginning to be seen.

1.2 THE BUSINESS MODEL

The integrated management of the entire value chain, from Research & Development (R&D) to production and marketing, guarantees flexibility and rapid response to market needs.

The ability to innovate and develop safe and technologically advanced products is in fact the strength of U-Power Group's

strategy, which chooses to follow internally the realisation of its products right from the design stage and to directly manage production in the factories in Tunisia and France. For lower-end footwear and workwear, the company decision is to resort to directly selected, coordinated and periodically verified Asian manufacturers.



PRODUCT DESIGN AND DEVELOPMENT

R&D activities are carried out globally at the two Group centres located in Italy (Trani and Paruzzaro). The R&D activities focus, on the one hand, on the constant search and identification of raw materials, materials and production components and production techniques capable of improving and making the qualitative and technological standards of the products more efficient and, on the other hand, on the constant innovation of the models and style of the products of-

ferred on the market. In doing so, the Group manages to keep up, not only with the needs of its customers in the various geographic areas and industries, but also with the relevant regulations.

Product development includes several phases including: the conception and design of models, prototyping, model creation, control and testing of compliance with the reference standards, right up to the final approval of the new model.

Show rooms.



PROCUREMENT

The Group carries out careful research, qualification and monitoring of its suppliers, their reliability, including from a financial point of view and the compliance of deliveries, from a technical and qualitative point of view, as well as compliance with deadlines. Supplier screening mainly includes financial analyses and evaluation questionnaires that include compliance with regulations and verification of certifications.

PRODUCTION, QUALITY CONTROL

The production of safety footwear - with the exception of the safety footwear of the basic lines - is carried out in the factories located in Tunisia and in France, in which, at the end of 2020, the Group employed approximately 4,300 people. The main production unit is represented by the factories located in Tunisia which account for approximately 87% of the Group's production. The remaining 6% of the production capacity is represented by the factory located in France.

The French factory essentially focuses on the activities of assembling the soles with the uppers produced in Tunisia, with a total daily production of approximately 1,200 pairs. State-of-the-art systems are located at the Tunisian factories, both for the production of uppers and for their assembly, which enable the Group to have a total daily production of approximately 16,500 pairs. After assembling the product, the Group tests and checks the quality of the footwear and the efficiency of the manufacturing process.

Quality control.



COMMUNICATION, MARKETING AND SALES

The Group markets its products, mainly through agents, to distributors and retailers, through which the products are then sold to end users: craftsmen and women, small businesses and workers of medium-large companies operating in the European market. In 2020, the Group made use of the partnership of over 70 sales representatives, of which 31 in Italy, one in Germany, two in the United Kingdom, 22 in Spain and 14 in France.

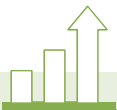
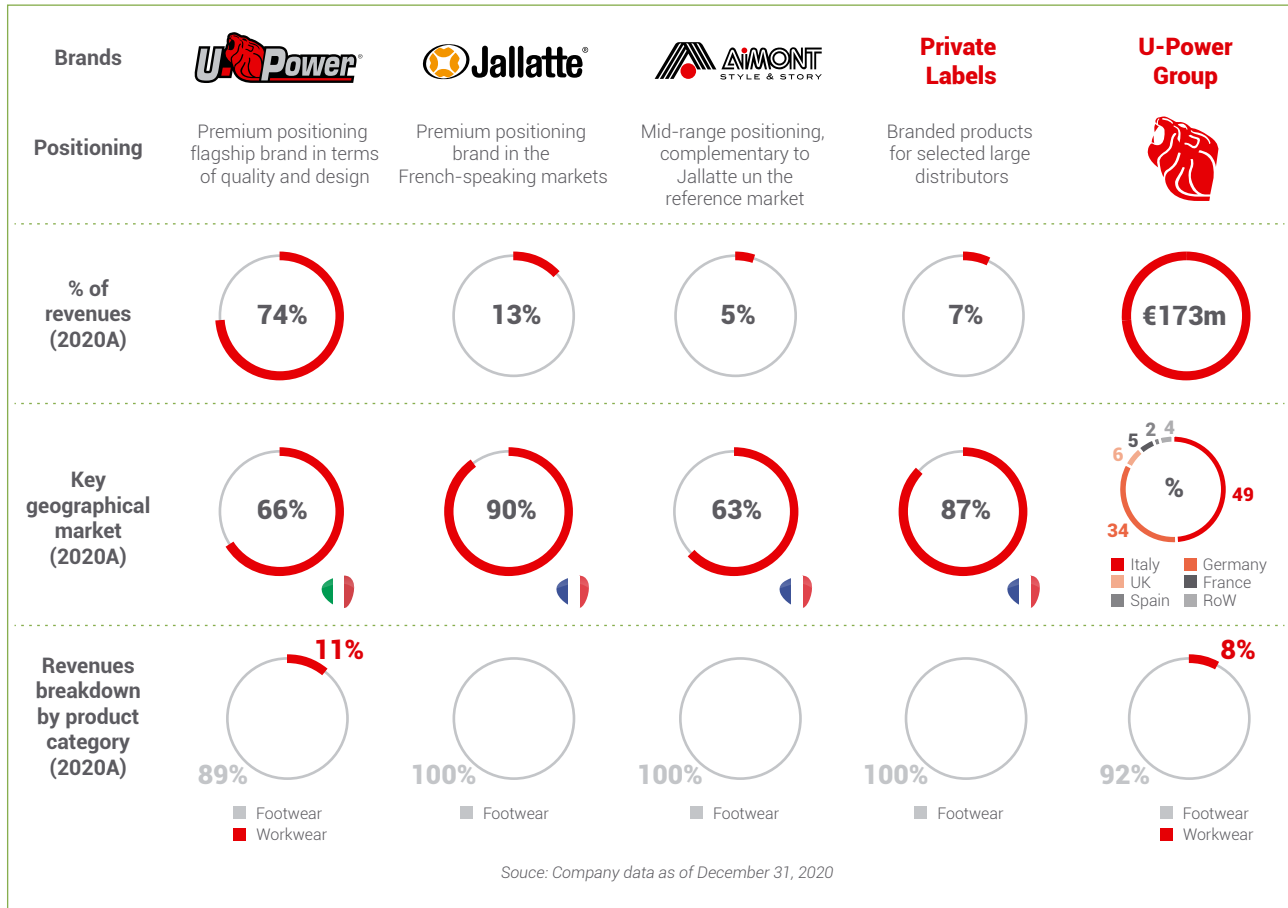
U-Power Group's strategy is to create awareness of the brand directly amongst end consumers, with a view to protecting the brand in the long term, thus communicating the tangible features of product quality and design, as well as a sense of exclusivity and belonging to the Group's tradition.

The marketing and communication policy is implemented through sponsorship campaigns on prime time television broadcasts, on social media and digital channels, as well as sports clubs during the related events and activities, all supported by a high level of customer service.

U-Power Group manufactures and markets both products with proprietary brands, which account for over 90% of its turnover, and products with customer brands, i.e., "private labels", amounting to less than 10% of turnover. U-Power Group has progressively extended its sales in the main European markets, such as Germany, France and BeNeLux, Great Britain, Spain, Poland and Scandinavian countries. The goal, for the next few years, is to increase sales by implementing new and different commercial and marketing strategies.

Spring 2021 - TV Commercial RED 360.





CSF - CRITICAL SUCCESS FACTORS OF U-POWER GROUP

Key elements of the U-Power Group strategy at the basis of its competitive success: "Why do customers buy U-Power Group products and not others?". CSFs can be summarised as follows:

- Integrated value chain with flexible logistics platform
- Brand recognition
- Perception of value by the consumer towards the purchased product, with respect to the origin of production of the product itself
- Technological and design content of safety footwear in relation to various "occasions of use", differentiated in relation to the target markets and countries
- Quality of service to the customer/distributor: ability to ensure very short delivery times and order fulfilment and "refill" of the customer assortment in terms of breadth and depth of range
- Well diversified portfolio of supplementary brands with a wide range of products
- Highly diversified customer portfolio



FOCUS: THE EUROPEAN PPE MARKET

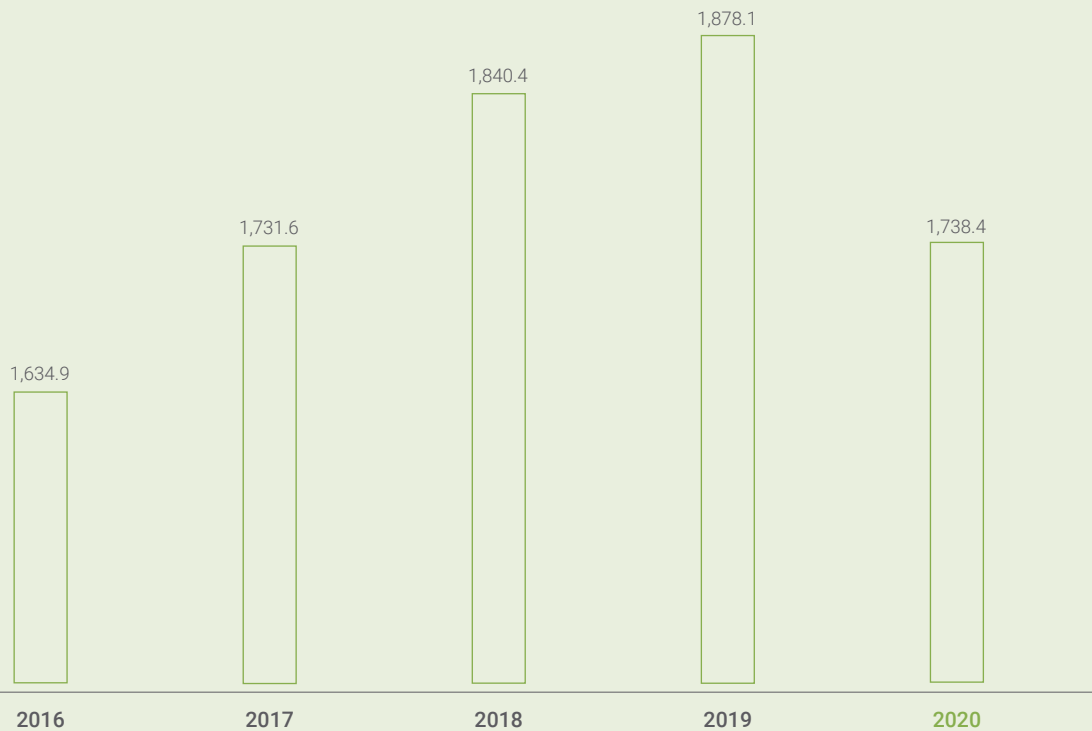
In Europe, the turnover of the PPE market, U-Power Group's reference sector, is estimated to be over €10 billion² and includes four macro-categories: hand protection, foot protection, workwear and other devices safety devices, such as helmets and goggles.

The demand for these products is high and expected to grow in industries with a high risk of occupational accidents, including manufacturing, pharmaceuticals, oil, construction, transport and chemicals. This is why U-Power Group designs, develops, produces and markets innovative solutions, tailored to every need, acting as a Safety Partner attentive to the needs of its customers.

Specifically, the safety footwear sector in Europe has seen a progressive growth in recent years, largely driven by the introduction of higher occupational safety standards and compliance with strict regulations that require the use of safety footwear in the workplace. Historical data, in fact, show a solid market trend supported by a homogeneous legislative framework in all the Member States of the European Union.

Approximately three quarters of the safety footwear produced are sold in the European market by European manufacturers, whilst the remainder is represented by products imported from China and India.

SIZE OF THE EUROPEAN SAFETY FOOTWEAR MARKET FROM 2016 TO 2020 (MILLIONS OF EUROS)³



² Source: EuromonitorConsulting Research February 2021.

³ Euromonitor International from trade interviews and published sources





2

**RESPONSIBLE
BUSINESS
MANAGEMENT**

2. RESPONSIBLE BUSINESS MANAGEMENT

The most ethical and sustainable business is that capable of reconciling its economic objectives with the social and environmental objectives of the territory. In 2020, U-Power Group embarked on a path of increasing commitment to Corporate Social Responsibility (CSR) issues, being aware of the opportunities that can arise therefrom for the company and all its stakeholders.

The materiality analysis and the drafting of the Sustainability Report completed in 2020, the establishment of the Sustainability Unit in early 2021, as well as the start of a process for the production of a first line of footwear with full CO₂ offsetting and for the definition of the main areas of the Group's sustainability commitment are the main activities carried out in this area.

U-Power Workwear.

The Sustainability Unit is part of the Investor Relations Department and plays a management, planning and programming role amongst the various operating units of the Group, promoting the adoption of CSR principles in development policies and business strategies, also intervening in the manufacturing and corporate processes.

As a further confirmation that sustainability is a shared approach promoted by the senior management, the Control, Risks and Sustainability and Related-Party Transactions Committee has been set up at the level of the Board of Directors.

The Committee, comprising 3 non-executive and independent Directors, has been entrusted by the Board of Directors with the oversight of sustainability issues relating to the exercise of the business activity and its dynamics of interaction with stakeholders, the examination and assessment of the strategic lines of sustainability and the related action plan.

2.1 THE GOVERNANCE MODEL

Legality, transparency, fairness, impartiality, integrity, mutual respect and enhancement of human resources are the values and ethical principles that have characterised U-Power Group since its foundation, helping to make it one of the main players in the safety footwear market.

These founding principles have been summarised in the U-Power Group Code of Ethics, finalised and approved in the first months of 2021, the values of which apply to all Group companies, so that they are observed by corporate bodies, employees and all those who contribute to the pursuit of the corporate objectives.

To respond effectively to the challenges of the reference market and to offer coordinated management of activities, U-Power Group has developed a governance model to protect the value of the company in the long term and structured on two main bodies:



- the Board of Directors (BoD), the administrative body in charge of providing for the proper management of the company and of guiding the company in achieving its strategic and organisational objectives;
- the Board of Statutory Auditors, with the task of overseeing compliance with the law and checking the adequacy of the Company's organisational structure and internal control system.

The Board of Directors, in office as at 31 December 2020, comprises a total of 1 Chairman and 2 Directors.

MEMBERS OF THE BOARD OF DIRECTORS

(as at 31 December 2020)

Chairman	Pier Franco Uzzeni
Directors	Michela Lacota Giovanni Falco

Furthermore, as of March 2021, with a resolution of the Board of Directors, U-Power Group adopted the Organisation, Management and Control Model pursuant to Legislative Decree 231/01, applied to all of the Group's Italian offices. The approval of this Organisational Model shall follow a mapping of the risks of committing the relevant offences referred to in Legislative Decree 231/2001 analysed with respect to the operating activities of the relevant companies; many of the alleged offences subject to mapping are also relevant in terms of sustainability; it specifically refers to the fight against active and passive corruption, the protection of the health and safety of workers, as well as the protection of the environment. Consequently, with the approval of the Organisational Models by the Italian companies, the Group's governance shall be enriched with rules and safeguards, in addition to those already provided for by the Code of Ethics, which shall form the basis for the management of social responsibility issues.

Lastly, given the applicability of the 231 Models to the Italian territory only, the Group has decided to adopt an anti-corruption policy, formalised in 2021, extended in its applicability to all Group companies, including those with registered offices in foreign territories. The goal is to prevent corruption by and as regards all U-Power Group staff, as a greater guarantee for all stakeholders.

As of 31st of December 2020, as in previous years, no reports have been received regarding corruption incidents or sanctions for non-compliance with laws and regulations in the social or economic sphere. Furthermore, during the three-year period 2018-2020, there were no episodes of discrimination.



2.2 RISK MANAGEMENT

During 2020, U-Power Group carried out an analysis of non-financial risks that were identified, classified and subsequently qualitatively assessed on the basis of the management and mitigation methods in place.

The risks were identified on the basis of the results of a benchmark analysis, interviews conducted with management and context and risk analyses already carried out for management system purposes. In order to identify the non-financial risks that characterise the sector in which the Group operates, the non-financial information of certain competitor and comparable companies of U-Power Group belonging to the fashion and footwear sector were also analysed. Subsequently, as part of the management interviews, the main risk areas that characterise the various areas of sustainability were examined. Following the interviews, the Group's internal documents were then analysed in order to identify the methods for managing and mitigating the main risks associated with environmental and social issues and aspects of human resource management.


Sustainability risks were included in the broader analysis of financial risks carried out in parallel, which led to the identification of 21 risks associated with U-Power Group's activities, divided into four macro-areas: operational, compliance, financial and strategic risks.

The sustainability risks identified and linked to three macro-areas of sustainability are listed below: employment-related aspects, environmental aspects and social aspects.

Area	Risk	Description of the risk	Management and mitigation methods
 <p>Employment</p>	Inability to retain employees	<ul style="list-style-type: none"> • Increase in turnover rates as a result of the absence of employee welfare and development policies 	<ul style="list-style-type: none"> • The high level of staff loyalty testifies to 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 transmit corporate know-how 	<ul style="list-style-type: none"> • Presence of on-the-job training for workers belonging to all company departments
	Inability to ensure the health and safety of employees	<ul style="list-style-type: none"> • Non-compliance by staff with policies/procedures/legislation concerning occupational health and safety • Failure to update safety procedures in the event of new risks or regulatory obligations • Occupational accidents involving employees or external workers 	<ul style="list-style-type: none"> • Existence of a management system certified according to the ISO 18001 standard (Tunisia) • Use of systems and machinery in line with the law and the most recent safety parameters
	Cases of discrimination, inequality or failure to respect equal opportunities	<ul style="list-style-type: none"> • Failure to respect equal opportunities or other inequalities amongst working staff 	<ul style="list-style-type: none"> • Code of Ethics
	Lack of business continuity tools in key departments	<ul style="list-style-type: none"> • Absence of succession plans for key corporate departments or other mitigation tools 	<ul style="list-style-type: none"> • Project launched for the selection of qualified professionals to strengthen the current group of business managers
 <p>Environment</p>	Inability to meet customer demands and pressures	<ul style="list-style-type: none"> • Inability to meet customer requests 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)
	Inadequate waste management	<ul style="list-style-type: none"> • Failure to comply with regulatory requirements • Environmental impacts relating to incorrect waste management • Reputational damage due to incorrect waste management 	<ul style="list-style-type: none"> • Presence of a management system certified according to the ISO 14001 standard (Tunisia)
	Failure to comply with environmental legislation along the supply chain	<ul style="list-style-type: none"> • Failure to comply with regulatory requirements • Environmental impacts relating to incorrect environmental management by suppliers • Reputational damage due to environmental impacts generated by suppliers 	<ul style="list-style-type: none"> • Site visits to suppliers' plants, by the Group Procurement department, associated with the quality of the raw materials procured
	Inadequate management of energy consumption	<ul style="list-style-type: none"> • Lack of opportunities to reduce operating costs through the implementation of energy efficiency projects • Failure to prepare for regulatory changes (e.g., increase in the cost of energy) 	<ul style="list-style-type: none"> • Presence of a management system certified according to the ISO 14001 standard (Tunisia)

follows >>

<< continued

Area	Risk	Description of the risk	Management and mitigation methods
 Social	Cases of corrupt conduct implemented or incurred by workers and suppliers	<ul style="list-style-type: none"> Cases of active or passive corruptive conduct implemented 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 area of product safety	<ul style="list-style-type: none"> Failure to comply with regulatory requirements Case of faulty products 	<ul style="list-style-type: none"> The main sites of the Group have implemented a quality management system certified according to the ISO 9001 standard The Group periodically monitors and manages compliance with safety-related product certifications (e.g., ISO 20345)
	Failure to comply with socio-economic legislation along the supply chain	<ul style="list-style-type: none"> Failure to comply with regulatory requirements Impacts related to the incorrect management of workers' rights, human rights and social aspects by suppliers Reputational damage due to the impacts generated by suppliers in these areas 	<ul style="list-style-type: none"> The Group Procurement department carries out site visits to suppliers' plants associated with the quality of the raw materials procured
	Inability to offer innovative products in terms of technology and in line with market trends	<ul style="list-style-type: none"> The inability of the Group to be the engine of technological innovation in line with the demands of the market and the state-of-the-art in the sector 	<ul style="list-style-type: none"> Investments in R&D and the continuous search for product innovations (e.g., new materials, design)

Injection carousel.





2.3 OUR SUSTAINABILITY COMMITMENT

The drafting of this Sustainability Report aims to disclose social and environmental performance as well as to maintain and constantly improve transparency towards all U-Power stakeholders. For this reason, a first phase of the process involved the recognition of the main stakeholders of the Group and the identification of the most relevant issues to be reported within the document.



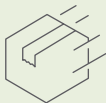
As regards the identification of primary stakeholders, the Group carried out an analysis that saw the engagement of company management and led to the definition of 15 main categories of stakeholders, i.e., those who can influence or be most influenced by the activities of U-Power Group.

OUR MAIN STAKEHOLDERS BROKEN DOWN BY STAGE IN THE VALUE CHAIN

Stage in the value chain	Stakeholder	Main expectations	Engagement methods and instruments
 Product design and development	Competitor	<ul style="list-style-type: none"> • Involvement in initiatives and analysis activities on the trend of the sector for the definition of any common strategies • Implementation of business models and strategies that are open, lawful and transparent • Full respect for free competition 	<ul style="list-style-type: none"> • Partnership • Collaboration with sector and category associations • Participation in events and technical working groups • Direct meetings
	Regulatory and control bodies	<ul style="list-style-type: none"> • Adhesion and compliance with rules and regulations • Participation in the definition of regulations and guidelines 	<ul style="list-style-type: none"> • Dialogue with institutions and participation in working groups • Periodic consultation and joint projects, certification audits
 Procurement	Manufacturers of semi-finished products	<ul style="list-style-type: none"> • Timely and correct compliance with contractual conditions • Continuity in supply requests • Possibility of developing strategic partnerships 	<ul style="list-style-type: none"> • Direct meetings • Site visits • Partnerships • Discussion during the definition of contracts • Continuous relations with the procurement department
	Suppliers of goods or services	<ul style="list-style-type: none"> • Timely and correct compliance with contractual conditions • Continuity in supply requests • Possibility of developing strategic partnerships 	<ul style="list-style-type: none"> • Direct meetings and site visits • Partnerships • Discussion during the definition of contracts • Continuous relations with the procurement department

follows >>

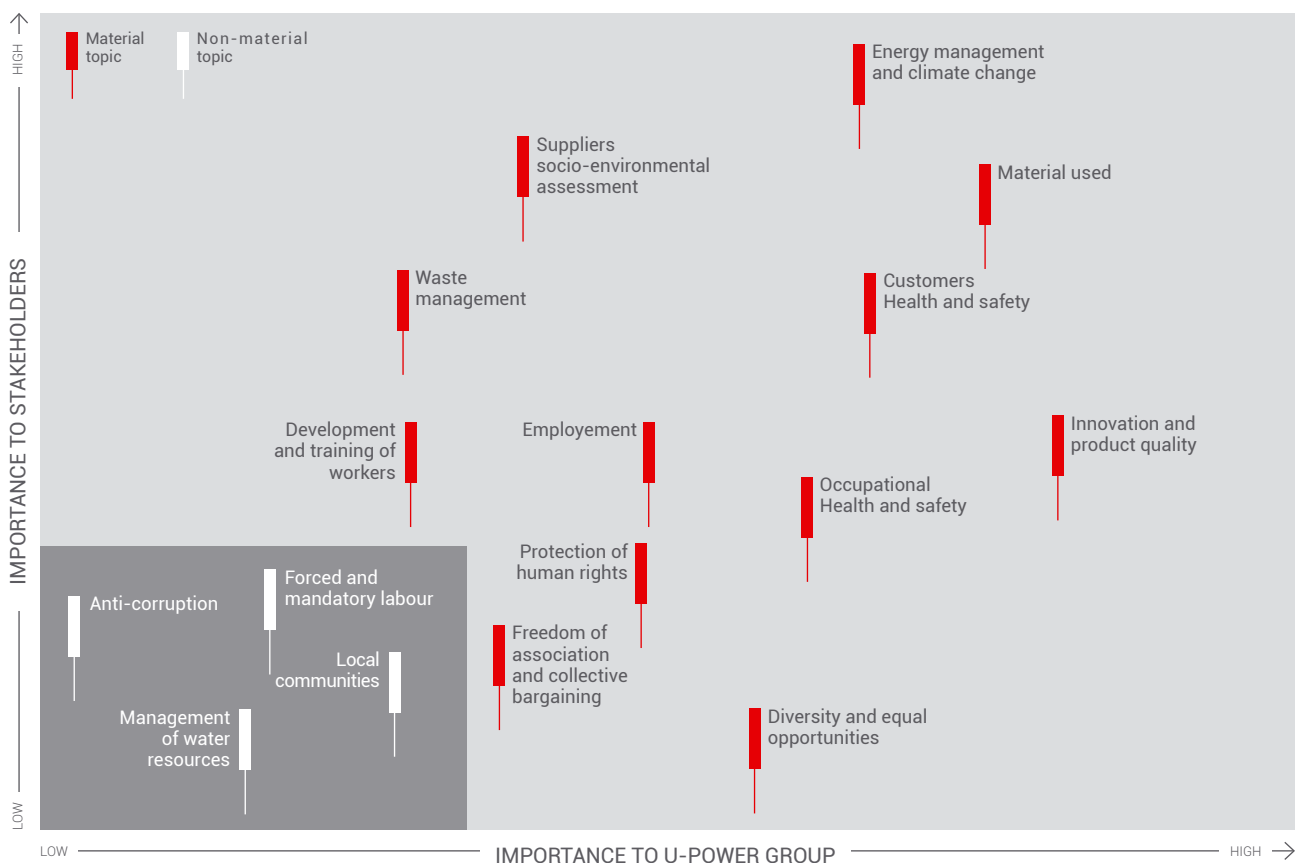
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Stage in the value chain	Stakeholder	Main expectations	Engagement methods and instruments
 Production, quality control	External employee and collaborators	<ul style="list-style-type: none"> • Respect for workers' rights • Protection of occupational health and safety • Adequate training for the development of skills and personal growth 	<ul style="list-style-type: none"> • Area meetings • Visits to points of sale • Internal communication • Definition of objectives and targets • Engagement 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 industry associations
	Trade Unions	<ul style="list-style-type: none"> • Transparency and collaboration 	<ul style="list-style-type: none"> • Open and continuous dialogues • Periodic conferences and meetings • Definition of joint initiatives and projects
	Capital suppliers	<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 • Sharing of information through press releases and periodic meetings
 Communication and marketing	Investors and analysts (traditional and sustainability investors and analysts)	<ul style="list-style-type: none"> • Consolidation and strengthening of the knowledge of the Group and of its business model • Value creation (return on investment and business sustainability) • Transparent and responsible management • Timeliness and willingness to enter into dialogue • Adequate management of risks, including socially responsible risks 	<ul style="list-style-type: none"> • Shareholders' Meeting • Conference calls or periodic meetings following significant disclosures • Price-sensitive disclosures and information • Industry seminars and conferences • Roadshows and events • Daily dialogues (meetings, telephone, email) • 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 media channels • Sponsorships • Television adverts • Conferences • Interviews
	Local communities	<ul style="list-style-type: none"> • Contributing to the creation of value for the territory • Having an open dialogue • Being transparent and providing information on social, environmental and economic issues 	<ul style="list-style-type: none"> • Meetings with representatives of local organisations, of the local communities and of associations
Sales 	End users	<ul style="list-style-type: none"> • Product improvement • Continuous innovation and maximum product quality • Ability to meet specific needs for each type of customer and end user • Contact opportunities and company-customer communication 	<ul style="list-style-type: none"> • Direct and ongoing relations with the sales staff • Customer service • Market analysis • Satisfaction analysis • Website
	Retailers		
	Large-scale retailers		
	Direct customer retailers		

To define the structure and contents of the Sustainability Report, U-Power Group carried out a materiality analysis, in line with the requirements of the GRI Standards and with the aim of identifying issues that have a strong influence on assessments and on stakeholder decisions and a high relevance in terms of the Group's economic, social and environmental impacts. For this reason, in 2020, the issues relevant to competitors and comparable companies, the sustainability trends that emerged in the last year in the safety footwear sector and, more generally, in fashion were analysed and a survey

was carried out of the published articles on the company's activities during this last fiscal year. Subsequently, the company's senior management was involved to assess, from an internal point of view the Group, the impacts - current and future, positive and negative, economic, environmental and social - that the activities of U-Power Group may have on the individual issues in question.

The U-Power Group materiality matrix that emerged from the process described above is shown below.



Aware of the role that companies have in promoting a sustainable development model, U-Power Group has carried out a further analysis aimed at identifying the Sustainable Development Goals (SDGs), defined by the United Nations as part of the 2030 Agenda for Sustainable Development, considered to be more interconnected with company activities. The Group has thus defined the 5 SDGs most closely linked to its activities and its medium- and long-term commitments. Indeed, the SDGs are one of the main

reference points on a national and international level for sustainable development and have the objective of guiding public and private organisations in achieving global and common targets to be achieved by 2030. To align U-Power Group's activities and commitments with the objectives defined by the 2030 Agenda, the 169 targets were also used which identify, for each SDG, the detailed objectives to be achieved and the related qualitative and quantitative disclosures connected thereto⁴.

⁴Business Reporting on SDGs – An analysis of the Goals and Targets (GRI and UN Global Compact).



GENDER EQUALITY

(Target 5.1) Ending all forms of discrimination against all women

U-Power Group is dedicated, every day, to the elimination of any form of discrimination, from the hiring phase to career advancement, in order to ensure equality and equal opportunities for all employees.



CLEAN AND ACCESSIBLE ENERGY

(Target 7.2) Significantly increasing the share of renewables in the global energy mix

Aware of its own impacts and the need for imminent and concrete actions to protect the planet, U-Power Group is committed to conducting its activities in a sustainable way, guaranteeing the protection of natural resources and with the aim of investing in energy efficiency and in the reduction of greenhouse gas emissions.



IGNIFIED WORK AND ECONOMIC GROWTH

(Target 8.8) Protecting labour rights and promoting a safe and secure working environment for all workers

U-Power Group is constantly committed to the development of products capable of guaranteeing its own and all workers the safety necessary to carry out their duties in absolute safety and serenity.



RESPONSIBLE CONSUMPTION AND PRODUCTION

(Target 12.5) Substantially reducing waste production through prevention, reduction, recycling and reuse

Believing in the creation of long-term economic and sustainable value and in continuous innovation, U-Power Group aims to create value and economic growth whilst reducing the amount of waste generated and using materials with a reduced environmental impact.



FIGHT AGAINST CLIMATE CHANGE

(Target 13.3) Increasing awareness and managing the mitigation, adaptation and reduction of the effects of climate change

Aware that climate change is a top priority, U-Power Group is committed to reducing the impact of its products in terms of greenhouse gas emissions, as well as raising awareness amongst its customers on these issues.





3

OUR TEAM

3. OUR TEAM

U-Power Group believes that the success of company operations is mainly based on its people: the enhancement of skills, professional experience, technical know-how are some of the founding aspects of the company. It is, in fact, thanks to the commitment and passion demonstrated over the years by the people of the Group that U-Power Group can today be defined as one of the leaders in the safety footwear market.

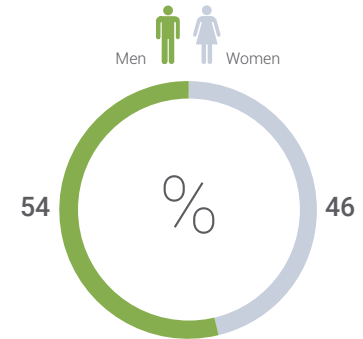
For this reason, the Group invests a great deal of energy in the selection of the best talents, in their professional growth and in the promotion of well-being. U-Power Group is constantly committed to guaranteeing a healthy, safe, collaborative and inclusive work environment, in which diversity is valued and in which each person is enabled to best express their skills, potential and talent.

Sales force meeting.



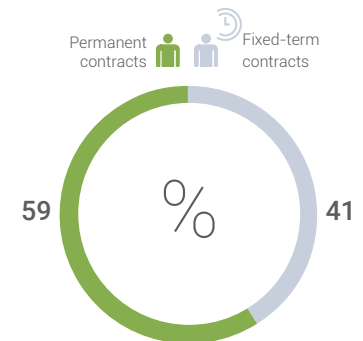
3.1 A PEOPLE'S COMPANY

As of the 31st of December 2020 U-Power Group comprised 4,349 employees and approximately 150 collaborators¹. Despite the impact of the Covid-19 pandemic that characterized last year, the U-Power team grew, with 50 more employees at the end of the year than in 2019.



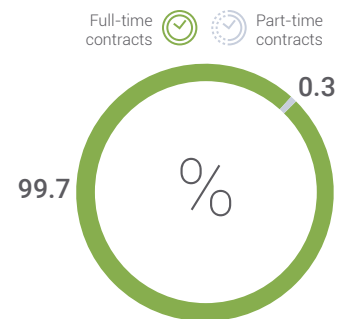
EMPLOYEES BY CONTRACT TYPE AND GENDER

	Permanent		Fixed-term		Total	
	2019	2020	2019	2020	2019	2020
Men	1,252	1,303	1,063	1,061	2,315	2,364
Women	1,090	1,260	894	725	1,984	1,985
Total	2,342	2,563	1,957	1,786	4,299	4,349



EMPLOYEES BY PROFESSIONALISM AND GENDER

	Full-time		Part-time		Total	
	2019	2020	2019	2020	2019	2020
Men	2,311	2,360	4	4	2,315	2,364
Women	1,975	1,974	9	11	1,984	1,985
Total	4,286	4,334	13	15	4,299	4,349



The staff search and selection process is of great importance for U-Power Group, strong in the belief that the creation of long-term value is closely linked to human capital. In 2020, 439 employees were hired, compared with 389 leavers.

U-Power Group is careful to attract and identify talented people who stand out, not only due to high technical-professional and managerial competence, but also due to personal qualities, energy, flexibility, harmony with the Group's

values and, last but not least, a positive and productive relationship and collaboration style, combined with the ability to adapt to a constantly evolving context.

Under the pressure of growth and geographical expansion, the search and selection process is moving towards increasingly international and heterogeneous profiles, in terms of origin and training, as well as on skills and experiences suitable for the Group's prospective challenges.

¹ This figure includes trainees, self-employed workers, temporary workers and agents.

The interest and attractiveness aroused by the companies of the Group are confirmed by the significant number of applications received each year. Specifically, over 50 CVs were received through the company portal in 2020 (confirming the trend of previous years).

NUMBER OF HIRES AND LEAVERS BY GENDER

	Hires		Leavers	
	2019	2020	2019	2020
Men	450	219	123	178
Women	322	220	238	211
Total	772	439	361	389

NUMBER OF HIRES AND LEAVERS BY AGE GROUP

	Hires		Leavers	
	2019	2020	2019	2020
Less than 30 years	392	245	173	208
30-50 years	361	187	176	161
More than 50 years	19	7	12	20
Total	772	439	361	389

INCOMING AND OUTGOING TURNOVER RATE BY GENDER

	Outgoing turnover rate		Incoming turnover rate	
	2019	2020	2019	2020
Men	19%	9%	5%	8%
Women	16%	11%	12%	11%
Total	18%	10%	8%	9%

INCOMING AND OUTGOING TURNOVER RATE BY AGE GROUP

	Outgoing turnover rate		Incoming turnover rate	
	2019	2020	2019	2020
Less than 30 years	44%	30%	19%	26%
30-50 years	12%	6%	6%	5%
over 50 years	6%	2%	4%	5%
Total	18%	10%	8%	9%

Aware of the strategic value that U-Power people hold in the Group's growth and improvement process, U-Power Group is also committed to increasing training hours for its employees and collaborators in the coming years.

TRAINING HOURS BY PROFESSIONAL CATEGORY

	2019	2020
Training hours provided to Executives	7	18
Training hours provided to Managers	85	183.5
Training hours provided to Office Workers	165.5	56
Training hours provided to Manual Workers	41.5	56
Total	299	313.5

TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY

	2019	2020
Training hours per capita per Executive	0.47	1.20
Training hours per capita per Manager	2.58	7.06
Training hours per capita per Office Worker	1.49	0.48
Training hours per capita by Manual Worker	0.01	0.01

TRAINING HOURS BY GENDER

	2019	2020
Training hours provided to women	224.5	75.5
Training hours provided to men	74.5	238
Total	299	313.5

TRAINING HOURS PER CAPITA BY GENDER

	2019	2020
Training hours per capita per woman	0.11	0.04
Training hours per capita per man	0.03	0.10

3.2 THE REMUNERATION SYSTEM

The U-Power Group remuneration system is defined in such a way as to attract, motivate and retain people with the professional qualities required by the Group's business growth prospect. It is based on the principles of equity, equal opportunities, meritocracy and competitiveness with respect to the market.

The definition of the remuneration of the company population takes into consideration specific criteria, including the comparison with the external market and internal equity, the characteristics of the role and the responsibilities assigned, as well as the distinctive skills of the people, always in a broad perspective objectivity, in order to avoid any form of discrimination.

U-Power Group has been implementing an annual remuneration review process for several years, based on two principles: performance and talent. Starting from the results of the annual assessment and the business results, as well as the potential expressed, managers can propose

salary increases for their collaborators. These increases are then discussed in specific steering committee meetings. The approved proposals take into account individual merit, the contribution to the Group's value creation, internal equity and competitiveness with respect to the market. In the countries in which it operates, U-Power Group offers, without substantial differences between men and women, entry salary levels equal to or higher than the minimum required by law or collective bargaining, as highlighted by the analysis carried out in 2020 on the entire company population, including the manufacturing site in Tunisia. The salary in Tunisia was in fact more than 60% higher than the minimum wage.

The managers of the sales force have a remuneration consisting of a fixed and a variable part, adequately balanced according to the contribution to the Company's strategic objectives. The variable component is short-term (Management By Objective) and takes into consideration mainly quantitative objectives of function and role.

U-Power Workwear.



3.3 DIVERSITY AND EQUAL OPPORTUNITIES

U-Power Group operates in an international and multicultural context and considers diversity a capital to be enhanced and, at the same time, a source of competitive advantage for the Group. Bringing people with different backgrounds, experiences, socio-cultural heritage together, enables the Group to better grasp the challenges of a market that is increasingly global and without borders.

Any form of discrimination based on ethnic origin, skin colour, gender, sexual orientation, religion, nationality, age, political opinion, trade union affiliation, marital status, physical or mental disability and any other personal status or characteristics is not tolerated.

U-Power Group recognises the importance of maintaining and promoting human rights and respecting the rights of workers. Therefore, it undertakes to communicate, with

transparency, the developments and methods of resolving any case of alleged discrimination that emerges.

As regards the differences between genders, the percentage weighting of women, out of the total workforce, stands at 46%. The percentage of women is high in all geographical areas and in all professional categories. Women account for 49% of permanent staff and 41% of temporary staff. Furthermore, in 2020, the growth in the incidence of women with full-time contracts continued (46%). The percentage of women at U-Power Group is high, especially with reference to the Tunisian reality, where women account for 45% of the employees of Martek.

Given the significant presence of women in the workforce, in 2019, U-Power Group also offered a free mammography visit plan to all employees of the Tunisian company.

EMPLOYEES BROKEN DOWN BY PROFESSIONAL CATEGORY AND GENDER

	2019		2020	
	Women	Men	Women	Men
Executives	2	13	2	13
Managers	11	22	11	15
Office workers	76	35	79	38
Manual Workers	1,894	2,246	1,893	2,298
Total	1,983	2,316	1,985	2,364

EMPLOYEES BROKEN DOWN BY PROFESSIONAL CATEGORY AND AGE GROUP

	2019			2020		
	< 30 years	between 30 and 50 years	> 50 years	< 30 years	between 30 and 50 years	> 50 years
Executives	0	6	9	0	5	10
Managers	2	8	23	2	9	15
Office workers	9	68	34	11	68	38
Manual Workers	884	2,993	263	801	3,042	348
Total	895	3,075	329	814	3,124	411

3.4 OUR SAFETY

U-Power Group considers the promotion of health and safety a priority principle of its manner of operating. For this reason, health and safety issues are managed as an integral part of the business, in order to protect employees, customers, contractors and anyone who enters the Group's sphere of influence.

U-Power Group operates in full compliance with the requirements defined by the specific regulations applicable in the countries in which it operates, with an approach aimed at continuous improvement. Although the Group's activities, including those strictly associated with production, are not associated with high risks relating to the health and safety of employees, the protection of U-Power Group people is considered an essential condition for all company activities.

The Group is constantly engaged in activities aimed at promoting a culture of prevention and ensuring the safety of

all employees in the workplace. The dissemination of a culture of safety and individual responsibility and the creation of risk awareness are in fact central factors in continuing to offer a safe working environment.

At the head office level, specialist figures (Health and Safety Staff) are responsible for guaranteeing a safe overall working environment that complies with current regulations, defining health and safety guidelines, coordinating monitoring activities and, where necessary, improving safety conditions, overseeing the activities of designers and architects and maintaining relations with the Italian workers' safety representatives.

The Group adopts a preventive approach. Existing offices and factories are subjected to periodic compliance audit activities, through documentary analysis and workplace inspections (auditing of environments and work equipment) and, if necessary, an improvement plan is formulated.

During 2020, the inspections relating to the auditing of the health and safety of employees at the production site in Tunisia continued. These inspections were carried out by both internal staff and external bodies and were preparatory to obtaining the OHSAS 18001 certification, an organisational and management model for the management of safety in the workplace. The effectiveness of the management system adopted is based on a solid analysis of health and safety risks, updated periodically and reported in the Risk Assessment Document ("*Documento di valutazione dei rischi*" - DVR). The risk identification process was carried out by the Group, not only for the manufacturing plant in Tunisia that obtained the Health and Safety certification, but also for the Italian offices and for the logistics hub located in Paruzzaro (Italy), as well as for the French sites. Within the analysis, the risks by job are mapped and the most effective prevention measures identified, considering, as the main factors: the actual probability or frequency of occurrence of an accident or damage to the health and safety of workers, in relation to the extent of the risk and the severity of the consequences.

Following the identification and assessment of specific risks to the health and safety of employees, the methods for controlling these risks and the improvement measures taken or to be taken in order to mitigate the identified risks were defined. Lastly, the individuals in charge were identified, involved in the management of company safety.

Mechanic at work.



In 2020, U-Power Group continued its commitment to monitoring employee injury rates for which a severity index of 6.64 was recorded and no fatal or serious accidents were recorded. The injuries were, in fact, mostly related to superficial wounds and bruises.

In 2020, only one workplace injury related to external collaborators was recorded, for which a total number of hours worked was estimated equal to 254,400 for 2019 and 249,600 for 2020 and a related injury rate of 4.01.

EMPLOYEE INJURY RATES

	2019	2020
Hours worked	9,057,129	6,954,604
Total number of injuries	143	128
<i>of which whilst commuting²</i>	0	0
Total number of occupational injuries with serious consequences ³	0	0
Occupational injury rate ⁴	15.79	18.42
Total number of days lost due to injury	293	231
Severity rate ⁵	6.47	6.64



COVID-19 IMPACTS AND MANAGEMENT

In 2020, the Covid-19 pandemic affected the trend in the markets and influenced the way in which company activities are managed. The U-Power Group immediately implemented a series of measures aimed at guaranteeing the occupational health and safety of all employees, as well as ensuring business continuity. U-Power Group has been able to minimise the impact on its activities, thanks to timely measures and the reactivity of the Group.

Firstly, the Group set up a Focal team dedicated to pandemic management consisting of a representative of the Management and the RLS (Workers' Safety Representative), supported by the Company Doctor and the RSPP (Health and Safety Officer). The Committee dealt with the coordination and centralised management of the emergency, starting from the definition of a regulatory protocol on measures for the containment and spread of the virus in the workplace. These activities were undertaken promptly thanks to the collaboration between U-Power Group and the various national and local public authorities.

The preventive actions envisaged by the protocol included, firstly, the use of smart-working, ordered by the Group and activated by all the company departments that could also carry out their work remotely.

The protocol also dictates specific guidelines and methods to be adopted in all Group offices aimed at containing the spread of the virus: from access methods, both for employees and external suppliers, to measuring the temperature at the time of entry, to facilities, to the reduction of meetings and business trips. Lastly, constant sanitation of the premises was ordered and personal protective equipment was provided to all employees (masks, disinfectant gels, goggles and gloves).

² Injury whilst commuting refers to an accident that occurs during the journey to the workplace and place belonging to the public sector.

³ An occupational injury with serious consequences refers to an accident at work that leads to a death or damage from which the worker cannot recover, does not recover or it is unrealistic to foresee that he/she will recover completely and return to the state of health within 6 months prior to the accident.

⁴ The occupational injury rate is calculated as the number of occupational injuries/ hours worked*1,000,000.

⁵ The severity rate is calculated as days lost due to an occupation injury/hours worked*200,000.

Upper Factory.



3.5 LABOR RELATIONS

U-Power Group recognises and respects the right of workers to be represented by trade unions and maintains, with these representatives, relations based on mutual recognition, dialogue and cooperation.

Relations and negotiations with trade unions are managed in compliance with the highest principles of transparency and fairness and in strict compliance with the laws in force. U-Power Group bases its industrial relations policy on constructive dialogue, which aims at involving workers' representatives and maintaining a good corporate climate with the awareness that solid balances can only be achieved through continuous discussion and constructive dialogue and partnerships.

The search for shared solutions results in a total absence of conflict. Thanks to the climate of collaboration that U-Power Group has established over the years, also in 2020, there were no company strikes or trade union protests by workers directly employed by the Group companies and there were no cases in which the freedom of association and collective bargaining were breached or been found to be at risk.

Specifically, in Tunisia, where the Group's main manufacturing plant is located, it should be noted that, in the last six years of operations, there have been no strikes by the Group's employees.

U-Power Group applies, to 100% of the company population, based in Italy, the Italian National Collective Bargaining Agreement (CCNL) for the footwear sector, which sets out all aspects relating to working conditions, including holidays and leave, remuneration of additional working hours, flexible work organisation and variable participation bonuses.

For the communication to employees of significant changes in the company organisation, U-Power Group complies with the rules set out by the national collective bargaining agreement for the footwear sector.

Lastly, it should be noted that no activities and suppliers have been identified in which the rights of workers to exercise freedom of association or collective bargaining may be breached or that are considered to be at high risk.



INITIATIVES FOR THE U-POWER GROUP COMMUNITY

With the aim of supporting U-Power Group employees, over the years, the company has introduced certain initiatives aimed at supporting the communities in which it operates.

Specifically, at the Tunisian manufacturing site, the company made 23 buses available free of charge to meet the needs of employees who do not live in the immediate vicinity of the factories; by doing so, it guarantees employees both certainty in their hours and, therefore, in their private life, in addition to considerable savings from a financial point of view.

Furthermore, again in Tunisia, the company, at the motivated request of the trade unions, has always made itself available to advance large sums to employees to meet their needs. In 2020, for example, over one million and two hundred thousand dinars were advanced.

Finally, we have always tried to meet the specific needs of employees, such as, for example, by making mammograms paid for by the company available to female employees in Tunisia.





4

**ITALIAN
INNOVATION AND
DESIGN AT THE
CUSTOMER'S
SERVICE**

4. ITALIAN INNOVATION AND DESIGN AT THE CUSTOMER'S SERVICE

U-Power Group creates, innovates and designs to ensure the well-being and health of all workers who use its products. The Group is constantly looking for new technologies that can offer immediate protection to workers, as well as capable of preserving their psychological and physical health in the medium and long term. Effective work shoe, designed according to the best technical solutions, protect the health of workers 360°: U-Power studies human movement and analyses the behaviour of body structures in order to design a product that can make the working environment safer.

In fact, in a highly competitive market context, the Group's success depends on its ability to maintain and increase its market shares through the development of innovative products characterised by the highest quality standards, which consequently respond to the most demanding domestic and international market demands. From heavy industry to extreme climatic conditions, U-Power Group products aimed at accident prevention are designed to offer workers maximum comfort and safety.

4.1 INNOVATION AT THE SERVICE OF SAFETY

The Group owns two R&D workshops in Italy which develop new models and collections every year. Over the past two years, an intense research activity has been developed that has led to the creation and launch of new models and collections with an attractive design and, at the same time, technologically innovative content.

In 2020, U-Power Group filed 4 patents, relating both to the entire work shoe and to innovations on the individual components of the shoe, thus having filed a total of 17 patents.

Air Toe aluminium technology.



INFINERGY®

Infinergy® is a sole insert in expanded polyurethane (TPU, Expanded Thermoplastic Polyurethan) capable of restoring positive energy when walking. Originally conceived by the BASF Group for the sports industry, Infinergy® combines foams made up of closed-cell particles with those of thermoplastic polyurethanes, reinventing traditional cushioning into dynamic cushioning.

U-Power has patented the concept of inserting such a resilient insert in a safety shoe compared with other materials of the sole, in order to guarantee the end user restored energy in every step.

This elastic insert must be visible and tangible and its resilience capacity must comply with DIN 53512.

The sole returns to its original shape immediately after impact: thanks to this high rebound effect resulting from the resilience of the material, the wearer consumes less energy than before. The sole in fact conserves energy during the shoe's adherence to the ground, restoring up to 55% of said energy in the movement phase of the foot, supporting and facilitating the worker's movement.



RED CARPET

The U-Power Group workshops have dedicated themselves to developing tailor-made safety footwear for those who are called to work for many hours in a standing position, without being able to sit or change position. U-Power therefore created the Red Carpet technology, in partnership with the BASF chemical group: inspired by anti-fatigue mats, a sole

was created that can absorb and relieve body stress, reducing the trauma resulting from prolonged stays at fixed work stations. The material used, completely free from harmful substances, reactivates blood circulation and relieves joints, neck and loins and provides support to worker throughout their working day.

U-GREEN PROJECT

With the aim of reducing the environmental impact of its products, in 2020, U-Power Group dedicated itself to the development of U-Green: a project that involves the research and development of products and processes capable of minimising environmental impacts, from the minimisation of waste, to the recovery and reuse of materials, to the reduction of energy consumption and the offsetting of CO₂ through specific projects.

As part of the U-Green project, the Group has devised a line of safety footwear with a reduced environmental impact that, at the same time, guarantees maximum protection and comfort, typical of U-Power Group footwear. For each component of the footwear, U-Power Group has sought the solution capable of combining environmental sustainability and high safety standards:

Laces 100% recycled polyester.

Upper made with 50% recycled material, guaranteeing the PUTEK technology's features of strength and lightness.

Tip (corresponding to a drop of a weight of 20 kg from a height of one metre or to a compression weighing approximately 1.5 tonnes).

Upper resistant to 200 Joules

Insole anatomic and antibacterial, it is made of 100% BASF Group polyurethane, originating from renewable sources.

Anti-perforation system made from 50% recycled materials and completely "metal-free", it guarantees anti-perforation protection over 100% of the surface, as it is sewn directly on the upper.

Sole anti-abrasion, anti-oil, anti-slip and anti-static, made of 100% BASF Group polyurethane, originating from renewable raw materials.

New antistatic technology without seams to increase comfort, avoiding rubbing from contact with the sole of the foot

**U GREEN SHOES
A CHOICE WITH THE ENVIRONMENT IN MIND**

ENVIRONMENTAL COMMUNICATION IN COMPLIANCE WITH THE EN ISO 14021: 2016 STANDARD



QUALITY AND SAFETY ALONG THE SUPPLY CHAIN

The quality and reliability of U-Power products stems from the choice of excellent and certified materials, as well as the proper management of the supply chain. U-Power Group collaborates with over 170 suppliers, with which it has established solid and lasting relationships. Procurement and relations with suppliers are specifically managed centrally in Italy by the company Altek Europe.

U-Power Group carries out a series of activities to ensure that the procured materials comply perfectly with the required and contractual quality standards. U-Power managers periodically visit the manufacturing plants of the major suppliers to check the manufacturing process and the quality of the products purchased. This enables the procured product to be checked even before it is shipped and received by the Group's production or logistics sites.

Certain technical features, such as the water repellency of the fabrics procured, are tested by specialist technicians at the Group's laboratories: if the material does not comply with the technical specifications established during procurement, U-Power shall send a report form to the Italian offices of Altek Europe which, consequently, shall report any complaint procedures to the supplier.

Lastly, every six months, the Group shall ask all the suppliers of the materials composing the U-Power Group safety footwear to update the certification according to the REACH European Regulation, which sets out the rules to be complied with in order to ensure health protection of consumers and the environment through the registration, assessment and authorisation of certain chemical substances used in the manufacturing processes and contained in the products sold, as specified in the Regulation.

Leather.



4.2 YOUR SAFETY

The safety of U-Power Group products is the essential requirement to guarantee consumer confidence in their products. The Group's goal is to aim to ensure maximum comfort and functionality in its items, in order to improve working conditions by also reducing the "invisible" risks to workers' physical and health alteration in the short, medium and long term. This is an ambitious goal that requires research and attention to all technological innovations and continuous tests.

In order to ensure the highest quality of products, the Group's Italian headquarters and Tunisian manufacturing site renewed the certification of their quality management systems in 2020, according to the ISO 9001: 2015 standard. The internationally recognised standard enables the company to monitor and improve both its operational processes related to quality management and customer support. This certification specifically sets out guidelines that are based on seven principles, including customer focus, business improvement and relationship management.

U-Power Group shoes are all certified according to the ISO 20345: 2011 standard, as regards both those sold in EU and those sold in non-European markets. The ISO standard requires minimum requirements that footwear must meet in order to ensure the protection of workers who use them, such as a minimum height of the upper, the presence of a front lining and an insole. These characteristics are essential so that the footwear can be classified as "Safety shoe", also characterised by the presence of a toecap that protects against impact. In addition, depending on the type of use, footwear is integrated with other technical specifications such as the anti-puncture plate.

In addition to "Safety Footwear", U-Power Group also manufactures "Protective Footwear", certified according to ISO 20346:2011 and "Work Footwear" or "Professional Footwear", regulated by ISO 20347:2012. The former are distinguished from safety footwear as they are fitted, in addition to compliance with the minimum requirements, with a lower toecap that protects against impacts with energy of up to 100 Joules. Work footwear, on the other hand, differ from other types in that they do not have a protective toecap and, consequently, are unable to protect against physical, mechanical risks of impact and compression on the toe.

These certifications are assigned by external laboratories and accredited and tracked through an identification number. The related compliance information is declared on all the labels affixed to U-Power Group footwear, reporting the month and year of manufacture, the protection class, the reference standard and its compliance, guaranteeing the safety of each product in function of the different applications.

The Group, in paying the utmost attention to the satisfaction of its customers, tracks and analyses all possible product non-conformities, paying specific attention to all cases of returns carried out in order to conduct statistical analyses and define qualitative improvement actions in the products. Specifically, in the event that customer complaints relate to a specific problem, the company shall open an investigation process in order to understand, analyse and resolve the problem by intervening on a design level. Thanks to this management and intervention model, no significant cases of product non-compliance were ascertained during the three-year period 2018-2020.

Ryder Red 360.







5

**ENVIRONMENT
AT THE CENTRE**

5. ENVIRONMENT AT THE CENTRE

U-Power Group, being aware of the impacts that its business has on the environment and the resulting responsibilities, is committed to managing manufacturing processes in a sustainable and responsible manner, in compliance with the law and seeking to continuously improve its performance.

5.1 PROTECTION OF THE ENVIRONMENT IN OUR CREATION OF VALUE

In terms of the environment, the most significant impacts are focused at the Group's two manufacturing plants, in France and Tunisia; the latter has been designed, from the time of acquisition, with technical specifications designed to meet the needs required by every single phase of the production lines, from the cutting of the fabrics for the upper, to the injection of the sole, to the assembly,

with the primary goal of producing over 1,000 pairs of shoes in one shift.

The Group is committed to the responsible and efficient management of resources throughout all production stages: from raw materials to waste, focusing on reducing energy consumption during production and the impact of its products in terms of greenhouse gas emissions, as well as raising awareness amongst its customers with respect to these issues. To realise these commitments, the headquarters of the manufacturing plant in Tunisia has adopted an Environmental Management System (EMS), in compliance with the UNI EN ISO 14001 standard. This system requires the continuous improvement of environmental performance, through procedures and indications relating to the control of the activities associated with the most significant environmental aspects. Through the EMS, the Group adopts a preventive approach in managing risks associated with environmental aspects, in line with the approach of the ISO 14001 standard, which provides for an analysis of the significant environmental risks associated with the manufacturing site.

Point – Red Lion.



5.2 MANAGING ENVIRONMENTAL IMPACTS

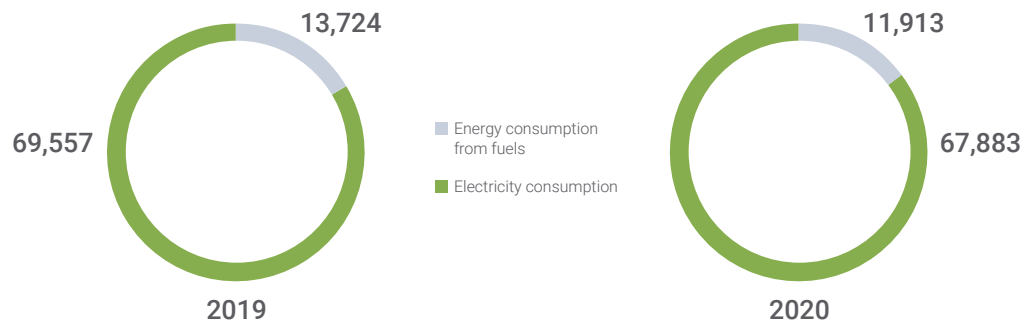
In 2020, the total **energy** consumption at the Groups' two manufacturing companies amounted to 79,796 GJ, down by 4% compared with 2019. Energy consumption includes electricity supplied from the national electricity grid, fuel

consumption for the company fleet, for heating the premises and for manufacturing processes and methane gas, used only at the French plant.

ENERGY CONSUMPTION WITHIN THE ORGANISATION

	2019	2020
Fuel consumption from non-renewable sources (GJ)		
Diesel	4,428	4,515
Petrol	786	690
Natural gas	8,510	6,708
Indirect energy consumption (GJ)		
Consumption of electricity procured from the grid	69,557	67,883

Energy consumption (GJ)



As a result of monitoring energy consumption associated with the manufacturing stages, U-Power Group calculates its direct (Scope 1) and indirect **greenhouse gas (GHG) emissions** associated with energy consumption (Scope 2). The latter specifically considers the emissions resulting from the procurement of electricity used in company activities and

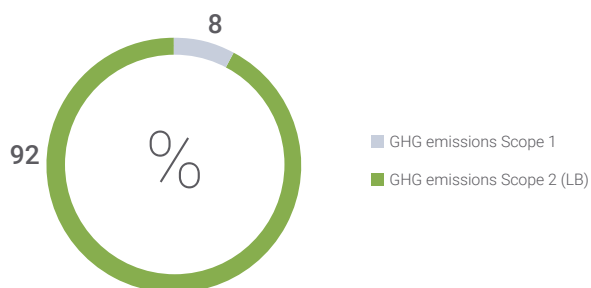
is calculated according to two different approaches: Location-based, a method that uses an average emission factor referring to the national energy mix and Market-based, which considers any contractual agreements entered into with the electricity distributor.

In 2020, the Group's GHG emissions amounted to 9,295 tonnes of CO₂, down by 4% compared with 2019¹.

GHG EMISSIONS

	2019	2020
Direct GHG emissions - Scope 1 (tCO_{2eq})		
Fuel consumption	798	706
Refrigerant gas refills	0	1.43
Total	798	707
Indirect GHG emissions - Scope 2 (tCO_{2eq})		
Electricity (Market-based)	8,897	8,571
Electricity (Location-based)	8,924	8,587

GHG emissions 2020



The control and selection of **raw materials** are crucial activities for ensuring the high quality of the U-Power product. The materials most used in the manufacturing stages are polyurethane-based compounds, various types of fabrics such as leather, synthetics, yarns, as well as steel, aluminium and packaging materials such as plastic, wood and cardboard.

Specifically, over the last year, as part of the U-Green project, the Group has paid particular attention to the search for materials with a lower environmental impact, such as recycled polyester, fabrics generated from recycled materials and a specific type of polyurethane produced from renewable raw materials. The Group's commitment is to continue the constant search for the best performing materials both in terms of quality and environmental performance.

U-Power Group is also involved in the **management and reduction of waste**, mainly resulting from the production process. The Group constantly monitors the applicable regulations on waste management and disposal in the countries in which it operates and collaborates with accredited suppliers in order to comply with laws and regulations and to promote best practices. In 2020, the Group generated a total of 2,965 tonnes of waste at its plants, recording a slight increase of 5% compared with 2019.

In the three-year period 2018-2020 there were no cases of breach of the environmental regulations in force in the countries in which the U-Power Group operates.

¹ Data considering Scope 1 GHG emissions and Scope 2 Location-Based GHG emissions.

Red Industry Green.







METHODOLOGICAL NOTE

METHODOLOGICAL NOTE

This document comprises the first U-Power Group Sustainability Report. The reporting scope includes all the fully consolidated companies of U-Power Group. Within the report, when we refer to "U-Power Group" we refer to all the companies of the group. Instead, when the characteristics of only one or the other company differ, a specific reference shall be made with the name thereof. There were no significant organisational changes in 2020. However, it should be noted that, following the procedures launched by the Group for the listing, which shall end in 2021, the parent company - "U-Invest S.r.l." as at 31 December 2020 - took on the company name "U-Power Group S.p.A."

The data and information contained in this document refer to the activities carried out by U-Power Group during 2020 (from January to December 2020), unless otherwise specified. The indicators presented in the Report, for comparative purposes, are also reported for the two-year period 2019-2020, where available and accompanied by a comment on their performance in order to allow for comparison and comparability of the Group's performance over time. To give a correct representation of performance, the use of estimates was limited as much as possible; where recourse has been made, these are based on the best methods available and appropriately indicated.

The document was prepared in accordance with the fifth generation of guidelines for sustainability reporting of the Global Reporting Initiative (GRI), the GRI Sustainability Reporting Standards 2016 and subsequent versions, according to the

"Core" option and in accordance with the required content and quality principles. It should also be noted that, as regards the GRI 403 (Occupational Health and Safety) and GRI 306 (Waste) standards, U-Power Group adopted the most updated versions, published in 2018 and 2020, respectively. At the end of the document there is a table with the index of contents relating to the requirements of the GRI standard, both general and related to specific material topics.

This document has not been audited by an independent third-party company.

As at the date of publication of this Report, no significant events that occurred in 2020 relevant for the purposes of the sustainability report are known, except for what has already been described in said document regarding the evolution of the Group's Governance structure and the recent COVID-19 pandemic.

THE REPORTING PRINCIPLES

To ensure the quality of the information reported, the Reporting Principles, defined by the GRI 101 Standard, were followed in the preparation of the Report: Foundation (completeness, sustainability context, stakeholder inclusiveness and materiality for defining the contents of the report and accuracy, reliability, clarity, comparability, balance, timeliness for quality assurance).

THE MATERIAL ISSUES

In consideration of the Group's value chain, the scope of the impacts and the GRI Disclosure used for reporting purposes are identified below for each material issue.

The issue	Parties generating impacts	Scope of impacts	Topic GRI reconciliation
Energy and climate change management	U-Power Group	U-Power Group	302 - Energy 305 - Emissions
Material used	U-Power Group	U-Power Group	301 - Materials
Customer health and safety	U-Power Group	U-Power Group Consumers	416 - Customer health and safety
Innovation and product quality	U-Power Group	U-Power Group	-
Supplier Socio-environmental assessment	U-Power Group	U-Power Group Suppliers	414 - Supplier social assessment 308 - Supplier Environmental assessment
Waste management	U-Power Group	U-Power Group	306 - Waste
Employment	U-Power Group	U-Power Group	401 - Employment
Occupational health and safety	U-Power Group	U-Power Group External workers	403 - Occupational health and safety
Worker development and training	U-Power Group	U-Power Group	404 - Training and education
Protection of human rights	U-Power Group	U-Power Group	406 - Non-discrimination
Diversity and equal opportunities	U-Power Group	U-Power Group	405 - Diversity and equal opportunities
Freedom of association and collective bargaining	U-Power Group	U-Power Group	407 - Freedom of association and collective bargaining

For each material issue, the management and organisational model was reported and discussed together with the main risks, generated or incurred, associated with the issues and resulting from the Group's activities, its products, services or commercial relationships. Lastly, it should be noted that, both for U-Power and for its stakeholders, the issues of compliance with laws and regulations and business ethics are considered essential for the Group's activities and, therefore, are reported through the following GRI aspects: 201 Economic Performance, 205 Anti-Corruption, 307 Environmental Compliance, 419 Socio-Economic Compliance.

THE CALCULATION METHODOLOGY

The contents of this Sustainability Report have been defined by a working group, defined for the purpose of drafting the sustainability report, based on the materiality analysis. The qualitative and quantitative data of a social, environmental and economic-financial nature were gathered, on an annual basis, through specific data collection forms and interviews with the active involvement of the main corporate functions of the Group.

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

EMPLOYMENT-RELATED DATA

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

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

Accident rates are calculated as shown below:

- Occupational injury rate: number of injuries/ hours worked*1,000,000
- Injury rate with serious consequences: number of injuries with serious consequences, i.e., which recorded a total of days of absence exceeding 6 months/hours worked*1,000,000
- Severity rate: number of days lost due to injury/hours worked*200,000

The calculation of the frequency and severity rates does not include injuries whilst commuting.

ENVIRONMENTAL DATA

For environmental data, where not available, conservative estimation methods were used which therefore led to the choice of the hypotheses associated with the least positive environmental performance for the Group. The reporting of environmental data is extended only to the Group's manufacturing plants, located in Tunisia and France.

ENERGY CONSUMPTION

The conversion factors used to standardise energy consumption originate from the DEFRA "UK Government GHG Conversion Factors for Company Reporting – Fuel properties" table, for 2019 and 2020.

GREENHOUSE GAS EMISSIONS

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

- Direct emissions (Scope 1): emissions relating to fuel consumption were determined using the emission factors reported in DEFRA's "UK Government GHG Conversion Factors for Company Reporting", in the 2019 and 2020 editions.
- Indirect emissions (Scope 2): indirect emissions correspond to the consumption of electricity. For the calculation of emissions relating to electricity according to the "market-based" method, the factors present in Figure 4 of the "European Residual Mixes" document (editions 2019), published by the Association of Issuing Bodies, were taken into consideration for France. For Tunisia, for which the residual mix emission factor is not available, in accordance with the provisions of the reporting standards, the same factor as the "location-based" method was used. For the 2020 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 were specifically taken into consideration at the time of publication of this document (2018 data).

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

For information and further information on this document, please contact:

U-Power Group S.p.A.
sustainability@u-power.it

U-Power high visibility workwear.







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GRI CONTENT INDEX

GENERAL DISCLOSURES		
Organisational		
102-1	Name of the organisation	U-Power Group S.p.A.
102-2	Activities, brands, products and services	§ 1. U-Power Group: a company, a safety partner, pag. 12-18
		§ 4. Italian innovation and design at the customer's service, pag. 44-47
102-3	Location of headquarters	Via Borgomanero, 50 Paruzzaro (NO) 28040 Italy
102-4	Location of operation	§ 1. U-Power Group: a company, a safety partner, p. 13
102-5	Ownership and legal form	§ 1. U-Power Group: a company, a safety partner, p. 12
		§ 2.1 The governance model, pag. 22-23
102-6	Markets served	§ 1.2 The business model, pag. 16-19
102-7	Scale of the organisation	§ 1. U-Power Group: a company, a safety partner, p. 13
		§ 3.1 A people company, p. 33
102-8	Information on employees and other workers	§ 3.1 A people company, p. 33
102-9	Supply chain	§ 1.2 The business model, pag. 16-17
		§ 4.1 Innovation at the service of safety, p. 47
102-10	Significant changes to the organisation and its supply chain	§ Methodological note, p. 58
102-11	Precautionary principle or approach	In all of its actions, U-Power Group applies the principle of prudence through careful monitoring of the activities carried out.
102-12	External initiatives	§ 2.3 Our sustainability commitment, pag. 26-27
102-13	Membership to associations	U-Power Group S.p.A. does not belong to any association or organisation.
Strategy		
102-14	Statement from senior decision-maker	§ Letter to Stakeholders, pag. 4-5
Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour	§ Values and purpose, pag. 8-9
		§ 2. Responsible business management, pag. 22-25
Governance		
102-18	Governance structure	§ 2.1 The governance model, pag. 22-23

GRI Standards	Disclosure	Page, references, notes and omissions
Stakeholder engagement		
102-40	List of stakeholder groups	§ 2.3 Our sustainability commitment, pag. 26-27
102-41	Collective bargaining agreements	§ 3.5 Labour relations, p. 41
102-42	Identifying and selecting stakeholders	§ 2.3 Our sustainability commitment, pag. 26-27
102-43	Approach to stakeholder engagement	§ 2.3 Our sustainability commitment, pag. 26-27
102-44	Key topics and concerns raised	§ 2.3 Our sustainability commitment, p. 28
		§ Methodological note, p. 59
Reporting practice		
102-45	Entities included in the consolidated financial statements	§ Methodological note, p. 58
102-46	Defining report content and topic Boundaries	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological note, pag. 58-59
102-47	List of material topics	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological note, pag. 58-59
102-48	Restatement of information	§ Methodological note, p. 58
102-49	Changes in reporting	§ Methodological note, p. 58
102-50	Reporting period	§ Methodological note, p.58
102-51	Date of the most recent report	The document comprises the first U-Power Group Sustainability Report
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	§ Methodological note, p. 60
102-54	Claim of reporting in accordance with GRI Standards	§ Methodological note, p. 58
102-55	GRI content index	§ GRI Content Index, pag. 64-71
102-56	External assurance	§ Methodological note, p. 58

GRI Standards Disclosure

Page, references, notes and omissions

ECONOMIC PERFORMANCE INDICATORS		
Economic performance		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 1. U-Power Group a company, a safety partner, pag. 12-13
		§ 2.2 Risk management, pag. 23-25
GRI 103-3	Evaluation of the management approach	§ 1. U-Power Group a company, a safety partner, pag. 12-13
GRI 201-1	Direct economic value generated and distributed	§ 1. U-Power Group a company, a safety partner, p.13
Anti-corruption		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological note, p. 59
GRI 103-2	The Management approach and its components	§ 2.1 The governance model, pag. 22-23
		§ 2.2 Risk management, pag. 23-25
GRI 103-3	Evaluation of the management approach	§ 2.1 The governance model, pag. 22-23
GRI 205-3	Confirmed episodes of corruption and actions taken	§ 2.1 The governance model, p. 23
ENVIRONMENTAL PERFORMANCE INDICATORS		
Materials		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 5. Environment at the centre, p. 52
		§ 2.2 Risk management, pag. 23-25
GRI 103-3	Evaluation of the management approach	§ 5.2 Managing environmental impacts, pag. 53-54
GRI 301-1	Material used by weight or volume	The weight and volume of the materials used are not reported, as the data are not available. The Group is taking action to implement data collection to report, as of next year, this disclosure.

GRI Standards	Disclosure	Page, references, notes and omissions
Energy		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 5. Environment at the centre, pag. 52-54
GRI 103-3	Evaluation of the management approach	§ 5. Environment at the centre, pag. 52-53
GRI 302-1	Energy consumption within the organisation	§ 5.2 Managing environmental impacts, p. 53
		§ Methodological note, p. 60
Emissions		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 5. Environment at the centre, pag. 52-54
GRI 103-3	Evaluation of the management approach	§ 5. Environment at the centre, pag. 52-54
GRI 305-1	Direct (Scope 1) GHG emissions	§ 5.2 Managing environmental impacts, p. 54
		§ Methodological note, p. 62
GRI 305-2	Energy indirect (Scope 2) GHG emissions	§ 5.2 Managing environmental impacts, p. 54
		§ Methodological note, p. 60
Waste		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 5. Environment at the centre, pag. 52-54
GRI 103-3	Evaluation of the management approach	§ 5. Environment at the centre, pag. 52-54
GRI 306-1 (2020)	Waste generation and significant waste-related impacts	§ 5.2 Managing environmental impacts, p. 54
GRI 306-2 (2020)	Management of significant waste-related impacts	§ 5.2 Managing environmental impacts, p. 54
GRI 306-3 (2020)	Waste generated	§ 5.2 Managing environmental impacts, p. 54 It should be noted that the details of the categories of waste produced are not available. The Group undertakes to report this aspect as of the next reporting year.

GRI Standards	Disclosure	Page, references, notes and omissions
Environmental compliance		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 5. Environment at the centre, pag. 52-54
GRI 103-3	Evaluation of the management approach	§ 5. Environment at the centre, pag. 52-54
GRI 307- 1	Non-compliance with environmental laws and regulations	§ 5.2 Managing environmental impacts, p. 54
Supplier environmental assessment		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 4.1 Innovation at the service of safety, p. 47
GRI 103-3	Evaluation of the management approach	§ 4.1 Innovation at the service of safety, p. 47
GRI 308-1	New supplier that were screened using environmental criteria	§ 4.1 Innovation at the service of safety, p. 47 It should be noted that the Group did not assess suppliers on the basis of environmental criteria.
SOCIAL PERFORMANCE INDICATORS		
Employment		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 3. Our team, pag. 32-34
GRI 103-3	Evaluation of the management approach	§ 3. Our team, pag. 32-34
GRI 401-1	New employee hires and employee turnover	§ 3.1 A people company, p. 34
		§ Methodological note, p. 60

GRI Standards	Disclosure	Page, references, notes and omissions
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Occupational health and safety		
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GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 3.4 Our safety pag. 38-39
GRI 103-3	Evaluation of the management approach	§ 3.4 Our safety pag. 38-39
GRI 403-1 (2018)	Occupational health and safety management system	§ 3.4 Our safety pag. 38-39
GRI 403-2 (2018)	Hazard identification, risk assessment and incident investigation	§ 3.4 Our safety pag. 38-39
GRI 403-3 (2018)	Occupational health services	§ 3.4 Our safety pag. 38-39
GRI 403-4 (2018)	Worker participation, consultation and communication on occupational health and safety	§ 3.4 Our safety pag. 38-39
GRI 403-5 (2018)	Worker training on occupational health and safety matters	§ 3.4 Our safety pag. 38-39
GRI 403-6 (2018)	Promotion of worker health	§ 3.4 Our safety pag. 38-39
GRI 403-7 (2018)	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	§ 3.4 Our safety pag. 38-39
GRI 403-8 (2018)	Workers covered by an occupational health and safety management system	§ 3.4 Our safety pag. 38-39
GRI 403-9 (2018)	Work-related injuries	§ 3.4 Our safety p. 39
		§ Methodological Note, p. 60

Training and education		
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GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 3.1 A people company pag. 33-35
GRI 103-3	Evaluation of the management approach	§ 3.1 A people company pag. 33-35
GRI 404-1	Average hours of training per year per employee	§ 3.1 A people company p. 35

GRI Standards	Disclosure	Page, references, notes and omissions
Diversity and equal opportunity		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 3.3 Diversity and equal opportunities, p. 37
GRI 103-3	Evaluation of the management approach	§ 3.3 Diversity and equal opportunities, p. 37
GRI 405-1	Diversity of governance bodies and employees	§ 3.3 Diversity and equal opportunities, p. 37
Non-discrimination		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.1 The governance model, pag. 22-23
		§ 2.2 Risk management, pag. 23-25
GRI 103-3	Evaluation of the management approach	§ 2.1 The governance model, pag. 22-23
GRI 406-1	Incidents of discrimination and corrective actions taken	§ 2.1 The governance model, p. 23
Freedom of association and collective bargaining		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 3.5 Labour relations, p. 41
GRI 103-3	Evaluation of the management approach	§ 3.5 Labour relations, p. 41
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	§ 3.5 Labour relations, p. 41
Supplier social assessment		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 4.1 Innovation at the service of safety, p. 47

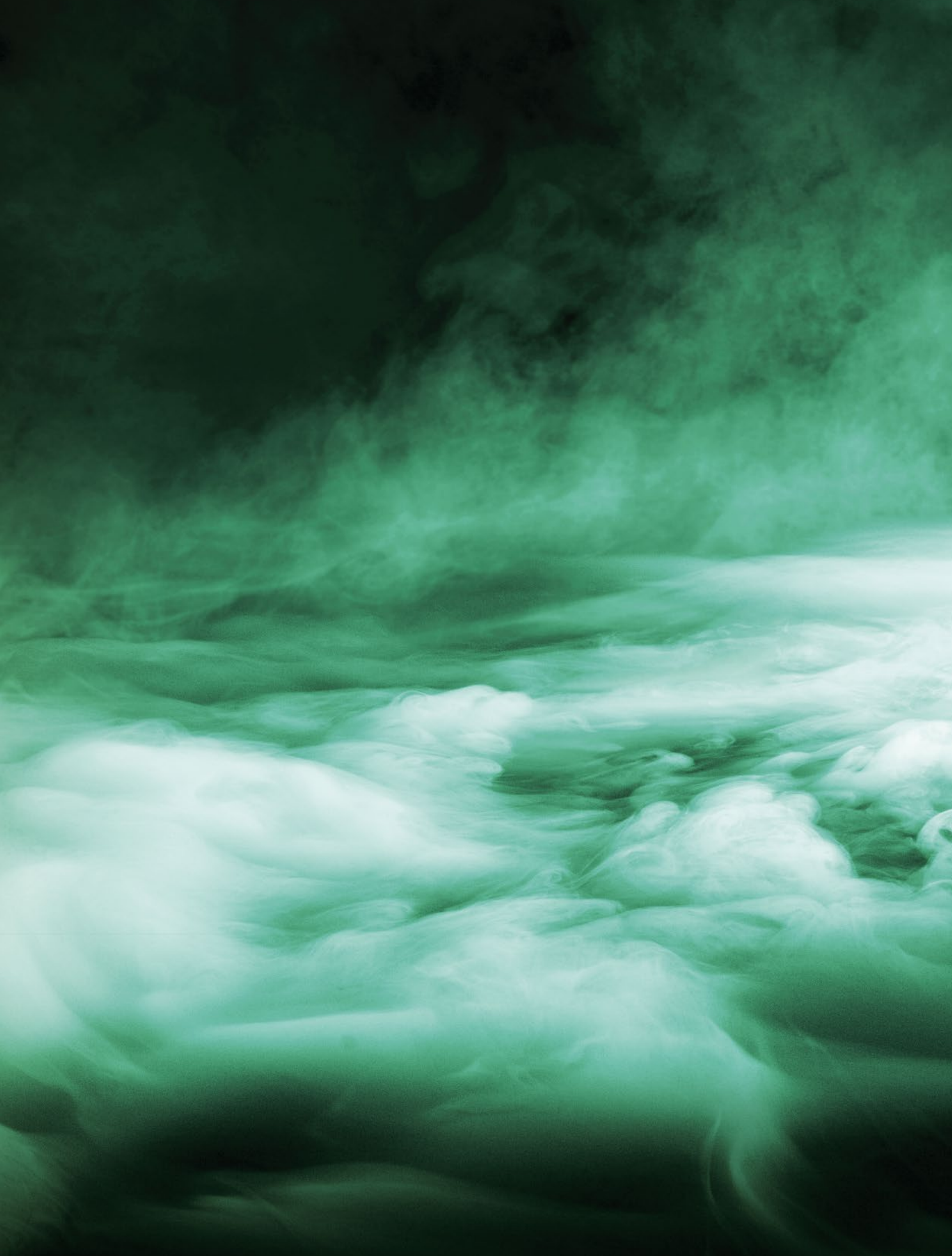
GRI Standards	Disclosure	Page, references, notes and omissions
GRI 103-3	Evaluation of the management approach	§ 2.2 Risk management, pag. 23-25
		§ 4.1 Innovation at the service of safety, p. 47
GRI 414-1	New suppliers that were screened using social criteria	§ 4.1 Innovation at the service of safety, p. 47 It should be noted that the Group did not assess suppliers on the basis of social criteria.
Customer health and safety		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 4.2 Our safety p. 48
GRI 103-3	Evaluation of the management approach	§ 4.2 Our safety p. 48
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	§ 4.2 Your safety, p. 48
Socio-economic compliance		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
GRI 103-2	The Management approach and its components	§ 2.2 Risk management, pag. 23-25
		§ 2. Responsible business management, pag. 22-23
GRI 103-3	Evaluation of the management approach	§ 2. Responsible business management, pag. 22-23
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	§ 2. Responsible business management, p. 23
Innovation and product quality (non-GRI topic)		
GRI 103-1	Explanation on the material topic and its Boundary	§ 2.3 Our sustainability commitment, p. 30
		§ Methodological Note, p. 59
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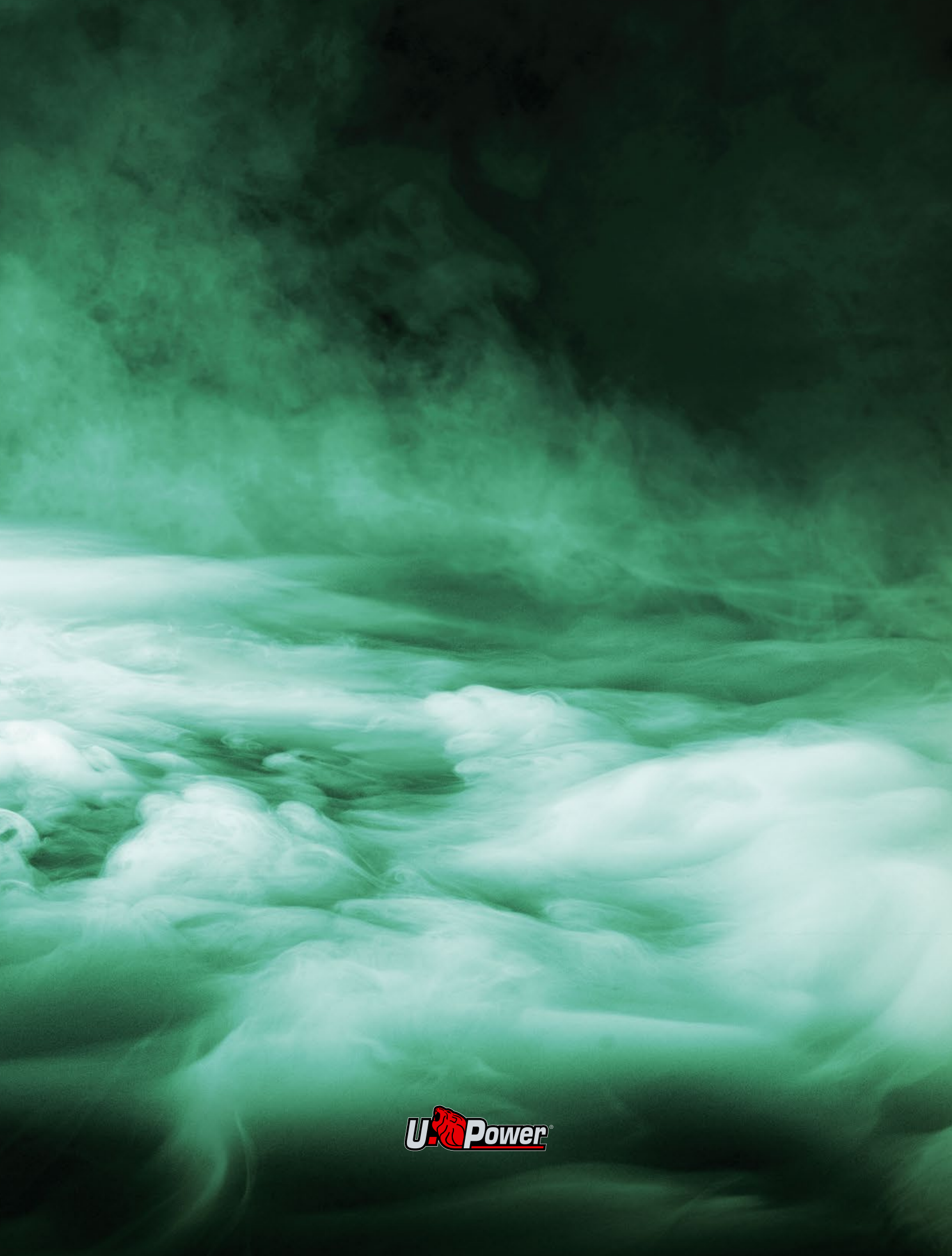
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