LUSOCAL

SUSTAINABILITY REPORT 2025

THE BEST COMPONENTS
YOU WILL NEVER SEE

This Report

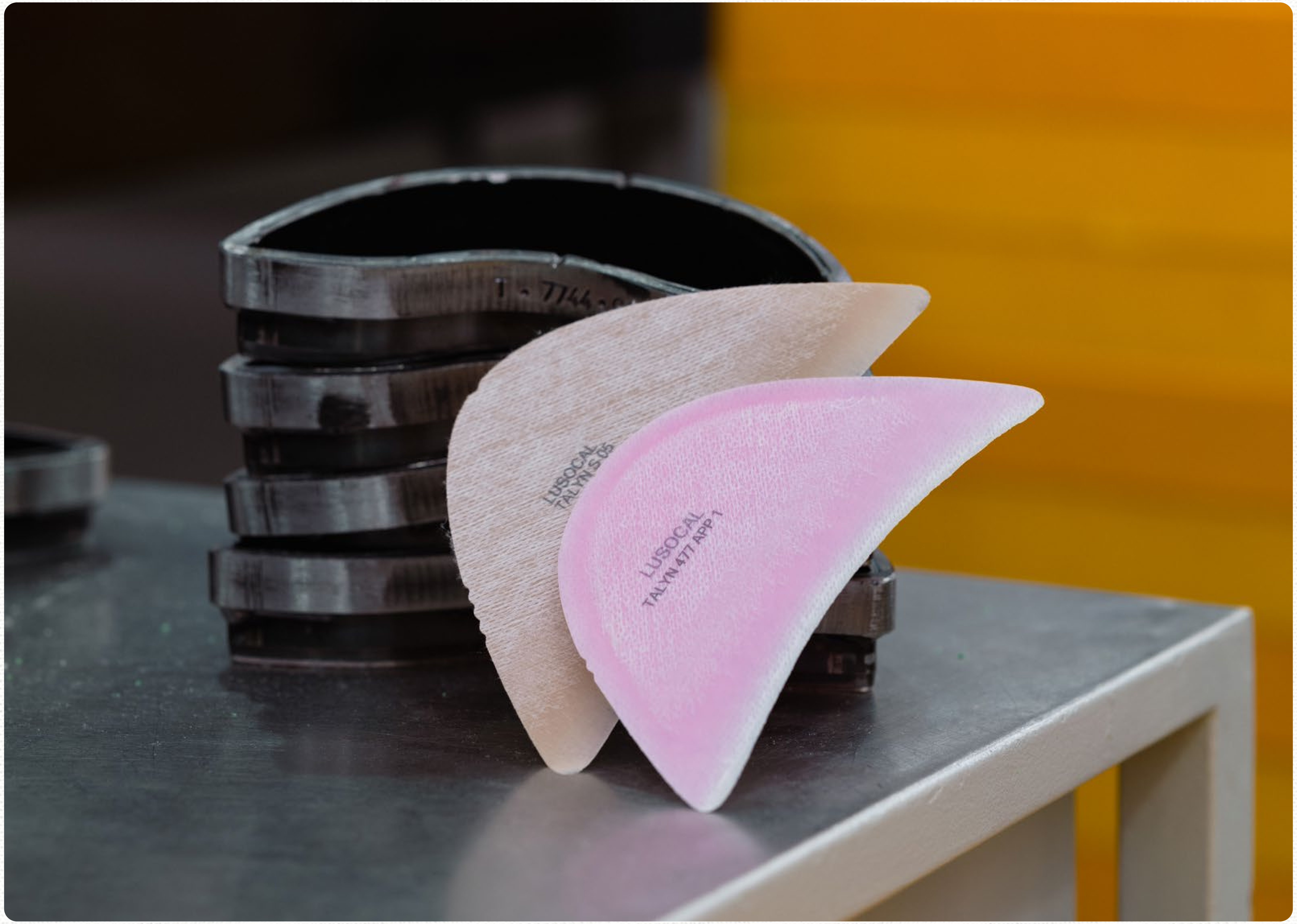
VSME B1

The publication of the Sustainability Report 2025 marks the consolidation of a transparency journey initiated by Lusocal three years ago. This document serves as an accountability tool, enabling the company to share the progress of its environmental, social and governance (ESG) performance with its business partners and other stakeholders.

This report covers information for the period of **January 1st to December 31st 2025** and was prepared in accordance with the VSME (Voluntary Sustainability Reporting Standard for non-listed SMEs). Lusocal chose to apply Option B, which incorporates both the Basic and Comprehensive modules, in order to provide a detailed overview regarding the management of its impacts, risks and opportunities.

The information presented in this report covers the full scope of operations at the company's two production units: **Romariz (headquarters) and Felgueiras (branch)**.

The accuracy of the data and the content of this report have been verified and validated by the management of Lusocal, thus ensuring the commitment of the company to the rigour and reliability of the information disclosed to the market.




MAKING THE WORLD A BETTER PLACE STARTS WITH THINGS YOU WILL NEVER SEE

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Message from Management

Dear stakeholders,

We enter 2026 with the conviction that sustainability remains an essential factor in the resilience and competitiveness of Lusocal. In a global context marked by economic, technological and environmental changes, the ability to adapt and the responsible management of resources are key factors in ensuring the continuity and growth of our business.

The year 2025 represented another important step in the journey of Lusocal towards integrating ESG principles into its strategy. The results achieved reflect the commitment of the company to continuous improvement, translating into investments in energy efficiency, the expansion of renewable energy production and the reduction of emissions associated with its operations. At the same time, we continued to develop initiatives which promote the development of our people, the upskilling of our teams and the strengthening of our relationship with the community.

For 2026, Management remains committed to consolidating this course of action. Lusocal will continue to invest in the innovation of materials and processes, operational efficiency and the digitalisation of procedures, seeking to reduce the environmental impact of its operations and strengthen the competitiveness of the company in an increasingly demanding sector.

We also believe sustainable success depends on the trust built with all those who have a relationship with Lusocal. We will therefore maintain a management approach based on transparency, accountability and strict adherence to the commitments made to customers, employees, suppliers and other partners.

The future of Lusocal will continue to be built on the values which have always guided the company: quality, proximity and responsibility. With the commitment of our teams and the support of our partners, we are confident in our ability to meet the challenges ahead and to continue generating value in a balanced way for all stakeholders.

We would like to thank you all for your trust and cooperation.

Yours sincerely,
Lusocal Management

WHO WE ARE AND HOW WE CREATE VALUE

VSME C1

Experience and Stability in the Sector

Lusocal is a market leader and specialist in the production of toe caps, heel counters and reinforcements for footwear. With more than 35 years of experience at the forefront of the sector, the company provides the invisible components that ensures the comfort, strength and durability of the final product.

The history of the company has been shaped by its in-depth knowledge of materials and by partnerships of excellence, notably its exclusive representation of Tecnogi in Portugal. This strategic collaboration ensures access to cutting-edge materials, ranging from bio-based solutions to the most competitive product ranges, enabling the company to meet the requirements of the Fashion, Safety and Orthopaedics segments with precision.

The current period is marked by a rebranding, a step which reflects the solid foundations of Lusocal and its determination to invest and innovate. More than just a visual change, this process represents the upgrade of tools and the strengthening of skills at the Romariz (headquarters) and Felgueiras (branch) units. The company is preparing for the coming decades with a clear vision, remaining true to its industrial identity and focused on continuous improvement and its commitment to sustainability.

Meet Lusocal

VSME B1

+35
Years at the Forefront of the Sector

2
Production Units

80
Specialised Employees

+250
Active Clients

10 000 m²
Total Facility Area

+1 M
Pairs / Week of Production Capacity

THE LUSOCAL YOU KNOW IS MORE SOLID THAN EVER: WITH DEEP ROOTS AND A CLEAR VISION FOR **THE NEXT 20 YEARS**

Key Milestones

1987

The business began operation in the basement of the founder's home in Romariz

1990

Relocation to the first independent manufacturing unit in Romariz, driven by growing demand

1998

Opening of the branch in Felgueiras to strengthen the proximity to the market and local clients

2001

Permanent relocation of the company's headquarters to its current facility in Romariz

2006

Introduction of a specialised skiving service for toe puffs, an innovative solution in the Portuguese market

2009

Awarded 'SME Excellence' status, a distinction renewed consecutively for ten years

2012

Celebration of 25 years of activity and consolidation of leadership in the components sector

2015

Opening of the current production units at the Felgueiras branch

2017

Launch of the strategic investment in renewable energy sources at both production units

2018

Integration of electric mobility into the company with the acquisition of its first 100% electric vehicle

2021

Achievement of ISO 9001 (Quality) and ISO 14001 (Environment) certifications

2022

Publication of the first Sustainability Report and attainment of Global Recycled Standard (GRS) certification. This year is also marked by the renewal of the SME Excellence status

2024

Publication of the second Sustainability Report, enhancing transparency regarding the company performance

2025

Signing of the Charter of Principles for the Decarbonisation of the Footwear Cluster and publication of the third Sustainability Report. This milestone coincides with the rebranding of Lusocal and its new visual identity

Mission, Vision and Values

Mission

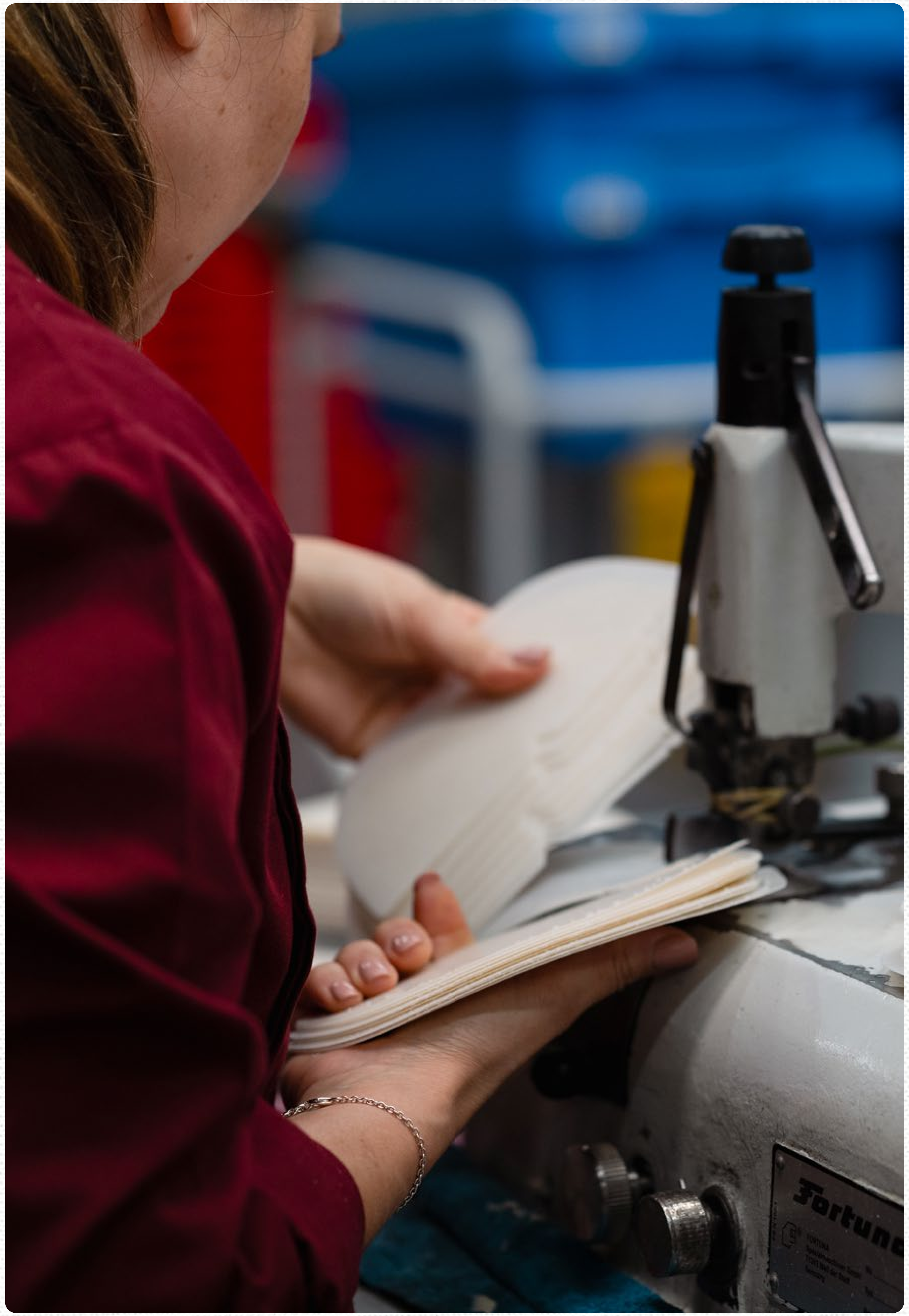
To develop and supply technical components for the footwear industry to the highest standards of quality, reliability and sustainability. We strive to be a trusted partner to manufacturers, guaranteeing consistent solutions, a responsive service and ongoing support to ensure the outstanding performance of the final product.

Vision

To consolidate our leadership in the domestic market and become an international benchmark for sustainable innovation in the footwear components sector. Built on a legacy of over 35 years at the forefront of the industry, we look to the future through continuous improvement, the ability to overcome challenges and adapt to the industry's evolving global demands.

Values

TRUST
RIGOUR
QUALITY
PROXIMITY
SUSTAINABILITY
TRANSPARENCY
RELIABILITY
TECHNICAL EXPERTISE



Geographical Presence

Santa Maria da Feira

Headquarters
Rua de Romariz nº 1100
3700-904 **Romariz**
40.938, -8.460

4 710 m²
Available Area

2 688 m²
Covered area

Felgueiras

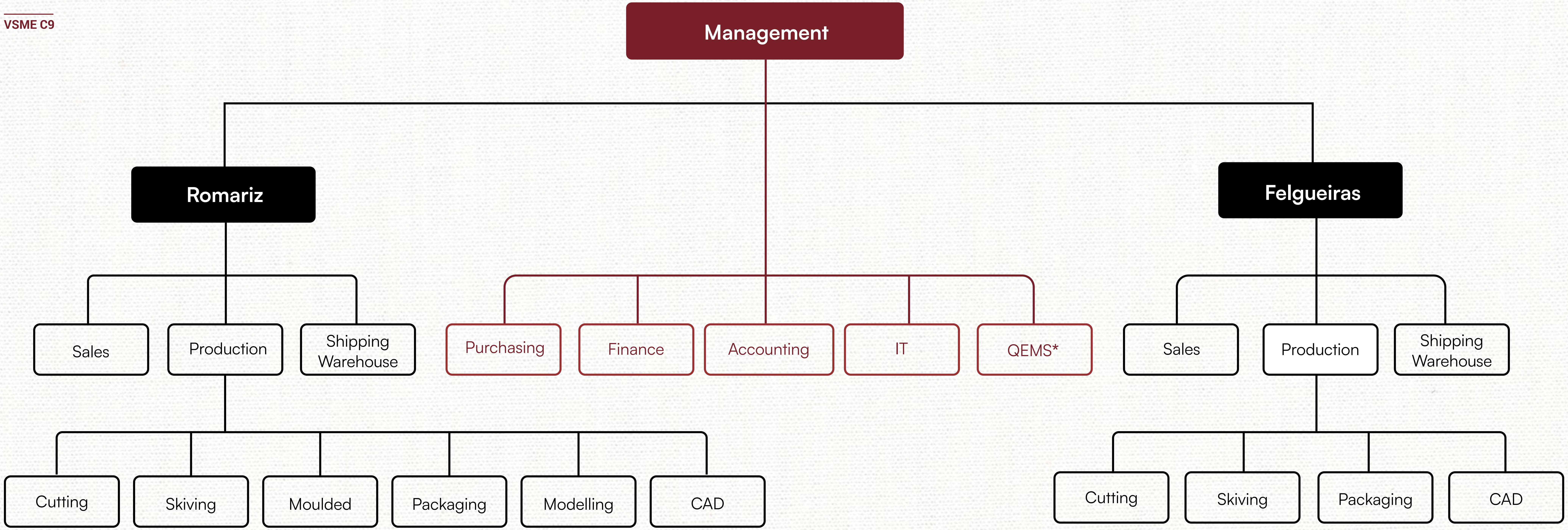
Branch
Rua Padre José Peixoto Dias 793,
Margaride (Santa Eulália)
4610-285 Felgueiras
41.386, -8.211

7 940 m²
Available Area

5 460 m²
Covered area

Organisational Structure

VSME C9



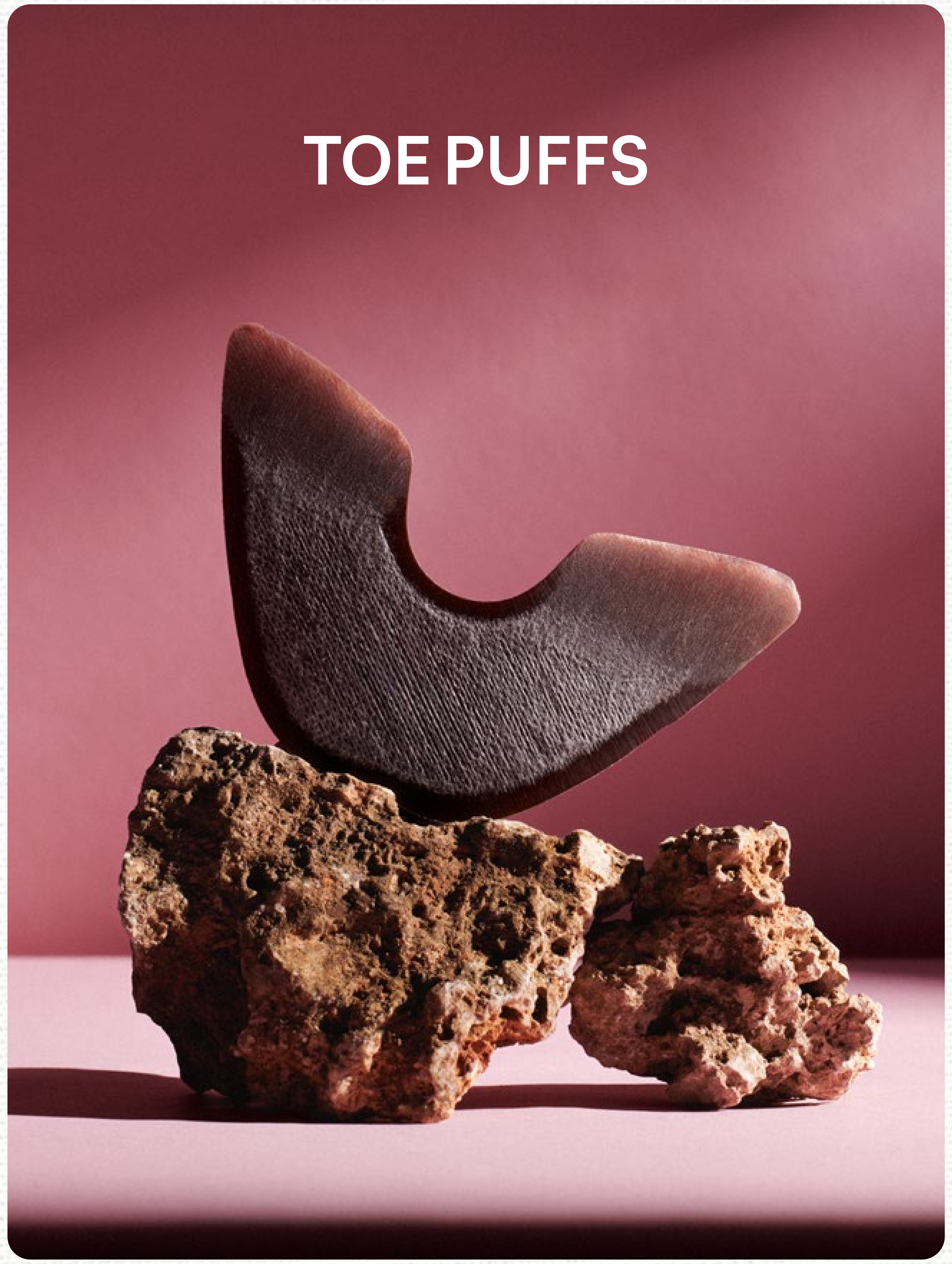
Lusocal is organised into autonomous departments which work collaboratively. This structure ensures each area has the expertise required to provide clients with rigorous technical support.

The company's activities focus on the direct connection between the market and the production unit. The sales and development teams are at the core of this process, ensuring client requirements are accurately incorporated into the manufacturing process.

Management coordinates the innovation strategy with the support of all departments. This collaborative approach enables the continuous improvement of the existing product range and the development of new solutions for the fashion, safety and orthopaedic sectors. The knowledge and experience of the teams are the cornerstones which ensure the stability of the operations and compliance with the required quality standards.

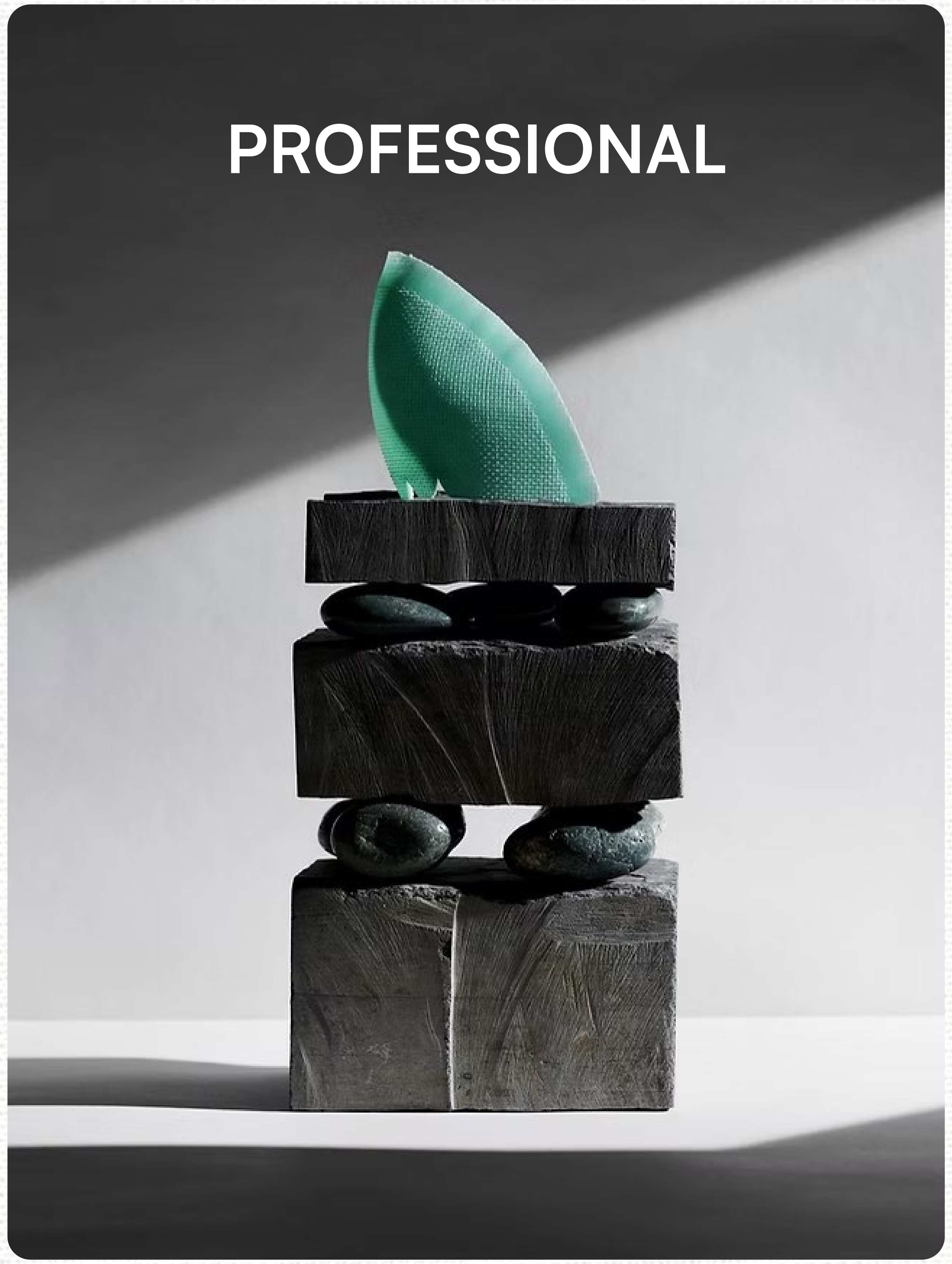
* Quality and Environmental Management System

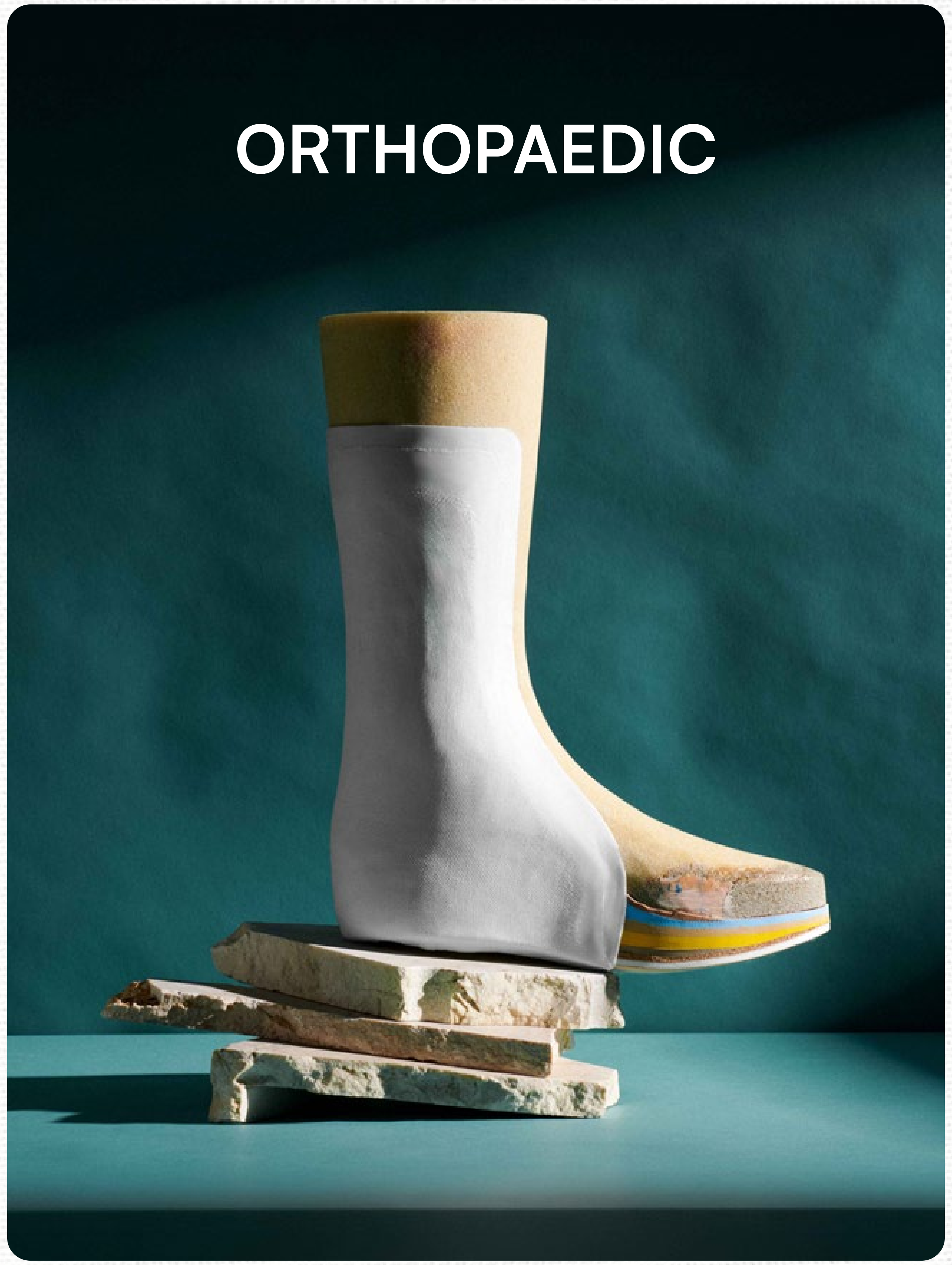
Expertise and Product Portfolio



RAW MATERIALS FROM **RENEWABLE, BIODEGRADABLE, RECYCLED, RECYCLABLE**

Market Segments





Principles Underpinning Our Work

VSME B2

The activity of Lusocal is guided by principles which combine production efficiency with respect for the environment and people. These pillars form the principles of the Quality and Environmental Policy of the company.

1

Focus on the Client and Excellence

Client satisfaction is the foundation of business success. Lusocal is committed to delivering products of the highest quality through the continuous improvement of its manufacturing processes and strict adherence to delivery deadlines.

2

Valuing People

Production quality is inseparable from a cohesive team. The company ensures appropriate working conditions and fosters a collaborative environment among all employees within the organisation.

3

Eco-efficiency and Environmental Protection

Environmental protection is promoted through the efficient use of resources. The operational focus of the company is on minimising the impacts of its activity, prioritising the reduction of CO_2 emissions and responsible management of waste.

4

Rigour and Continuous Improvement

Compliance with environmental and product legislation is a fundamental pillar. Based on the ISO 9001 and ISO 14001 standards, the company is committed to the continuous improvement of the effectiveness of its Management System.

Certifications and Acknowledgements

VSME B1

SME Excellence

The SME Excellence status reflects economic stability, financial soundness and competitive capacity of Lusocal in the Portuguese market. This public distinction was awarded to the company for 10 consecutive years, from 2009 to 2017, and was proudly renewed for the 2023 financial year. This long-standing consistency demonstrates the economic sustainability of the company, which provides the fundamental foundation for the development of its environmental and social pillars.

ISO 9001 and ISO 14001

Obtained in 2021, the international ISO 9001 (Quality Management) and ISO 14001 (Environmental Management) certifications attest to the regulatory compliance and continuous improvement of the operations of Lusocal. The integration of these standards ensures the production of components is carried out in accordance with the highest standards of quality management, while also providing systematic monitoring and the mitigation of environmental impacts throughout the entire production cycle.

GRS — *Global Recycled Standard*

Achieved in 2022, the Global Recycled Standard (GRS) certification reinforces the commitment of Lusocal to circular economy and the traceability of raw materials. This international certification guarantees compliance with strict requirements regarding the recycled content of products, while ensuring responsible social and environmental practices, as well as the safe management of chemicals throughout the entire value chain of the manufactured components.

ESG Performance

2024 vs 2025

VSME B1

	2024	2025
Employees	69	80
Number of internal training hours	+3 300 h	+2 100 h
Turnover	+8,9M €	+9,3M €
EBITDA	+500k €	+970k €
Balance	+6,2M €	+6,3M €

	2024	2025
Renewable energy usage rate	86%	85%
Energy generated for self-consumption at UPAC	59%	79%
Valorization of generated waste	79%	77%
Scope 1 emissions $tCO_2eq.$	33,80	32,06
Scope 2 emissions $tCO_2eq.$ *(Location-based)*	27,97	29,62
Scope 2 emissions $tCO_2eq.$ *(Market-based)*	0	0

STRATEGIC APPROACH

Stakeholder Engagement

At Lusocal, we view engagement with our stakeholders not as a mere reporting formality, but as a dynamic mechanism for risk management and innovation. As we enter our third year of sustainability reporting, we are consolidating a culture of transparency, where active listening has evolved from being an occasional practice to a structural one.

As specialists in the production of technical components, namely toe puffs, heel counters and reinforcement panels, we recognise our performance has a multiplying effect throughout the footwear value chain. If our components fail to meet sustainability or technical compliance requirements, our clients' final products will also fall short. For this reason, our strategic approach is based on three fundamental pillars:

1 • Technical and Sector-Specific Approach

We collaborate closely with technology centres and associations to anticipate regulatory requirements and ensure the safety and compliance of materials, even before they reach the market. This collaboration with organisations such as CTCP and APICCAPS ensures our production meets the highest standards of quality and sustainability.

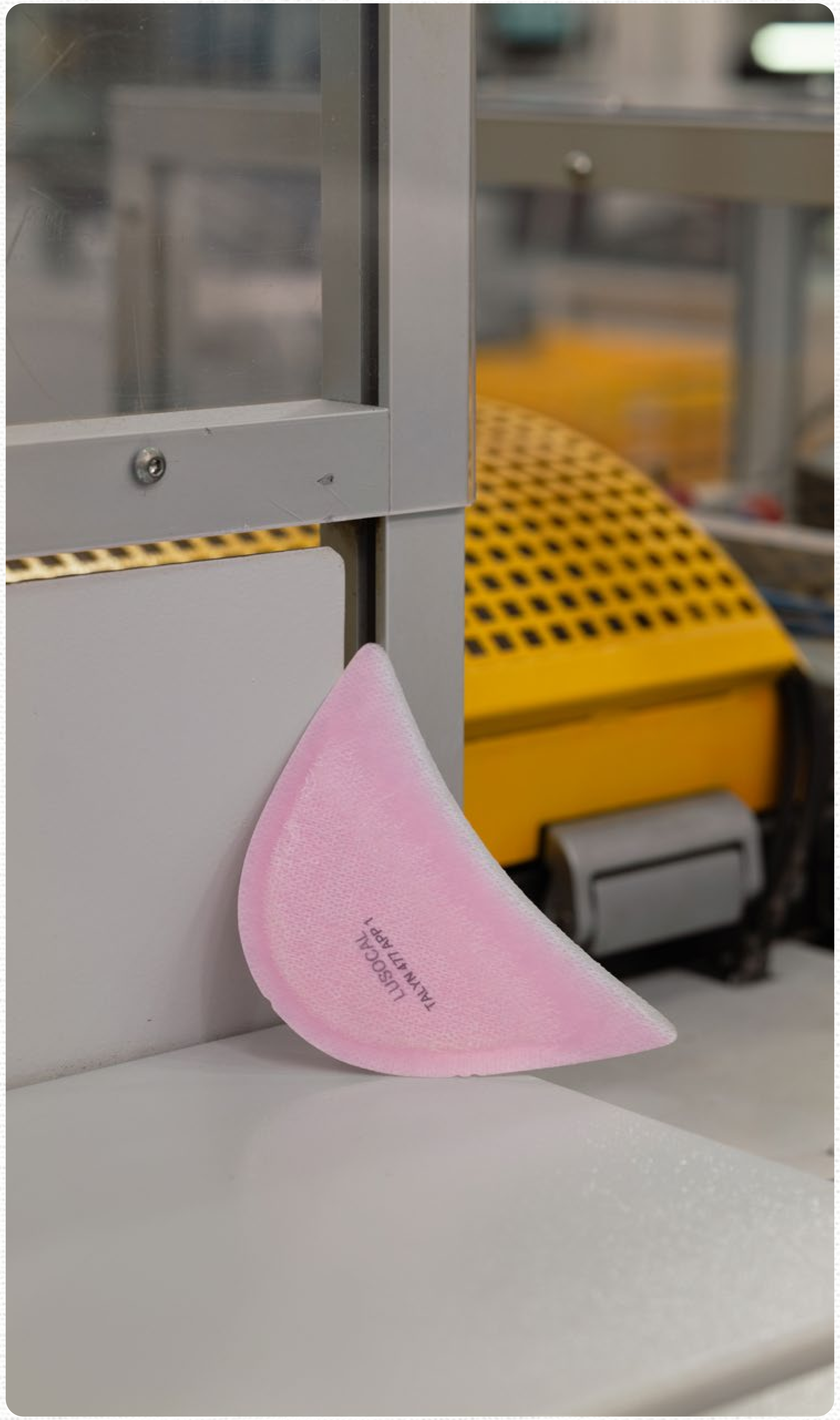
2 • Co-creation with Clients

Direct engagement with footwear manufacturers enables Lusocal to move beyond being mere suppliers to becoming development partners. This proximity allows us to tailor the technical properties of our materials to the specific ambitions of each brand, whether for fashion, safety or orthopaedic footwear.

3 • Impact on the Local Ecosystem

With a presence in major industrial hubs such as Romariz and Felgueiras, we recognise our responsibility in maintaining a resilient manufacturing ecosystem. Investing in people and supporting the local community are fundamental to our long-term continuity and to strengthening the Portuguese business fabric.

This continuous engagement process enables Lusocal to filter out market noise and focus its efforts on what truly matters, ensuring every component embodies not only technical quality but also an ethical and environmental commitment shared by all.



Engagement and Communication Channels

MANAGEMENT

Strategic Focus
- Define the overall strategy and assess ESG risks and opportunities based on real business scenarios
- Ensure strategic decision-making reflects company sustainability values

Communication Channels
- Strategic planning meetings and continuous reporting regarding performance indicators
- Daily management and communication focused on operational agility

EMPLOYEES

Strategic Focus
- Value human capital and promote health and safety at work to enhance operational efficiency
- Monitor team motivation as a driver for quality improvement

Communication Channels
- Coordination meetings and technical and behavioural training programmes
- Satisfaction surveys and internal systems for sharing suggestions

CLIENTS

Strategic Focus
- Identify technical requirements and monitor satisfaction regarding the innovation and effectiveness of components
- Ensure technical communication is clear and adds value to the final product

Communication Channels
- Specialised technical support and regular sales visits to production units
- Participation in international trade fairs and periodic assessment surveys

SUPPLIERS

Strategic Focus
- Ensure environmental and social compliance throughout the supply chain to strengthen the resilience of partnerships
- Promote technical alignment and ethical business relationships

Communication Channels
- Regular technical visits and audits to ensure quality standards
- Periodic performance assessment and strategic alignment meetings

BANKS / INSURANCE COMPANIES

Strategic Focus
- Manage financial risks and secure access to strategic financing through transparent relationships
- Establish strong relationships based on trust to underpin future investments

Communication Channels
- Sustainability reporting and institutional follow-up meetings
- Sharing of audited financial information and transparency in risk management

PUBLIC ENTITIES AND ASSOCIATIONS

Strategic Focus
- Ensure full compliance with legal obligations and participate in sector innovation projects
- Monitor trends and standards which shape the future of footwear in Portugal

Communication Channels
- Direct support for local organisations and promotion of close engagement
- Promotion of career opportunities and stimulation of local talent

COMMUNITY

Strategic Focus
- Create value and local employment in the regions of Romariz and Felgueiras
- Strengthen company reputation through socially responsible conduct

Communication Channels
- Direct support for local organisations and promotion of close engagement
- Promotion of career opportunities and stimulation of local talent

Materiality Analysis

The definition of the material topics of Lusocal results from an analysis process which aligns the business strategy with the expectations of its ecosystem. For this report, a methodology based on **internal consultation of external perspectives was adopted**, ensuring that the priorities reported reflect the ongoing dialogue the company maintains with each stakeholder group. This process has been developed and refined since 2023, when the company published its first sustainability report, enabling a more mature and comparative view of the issues which most significantly impact its operations and the footwear components sector.

The materiality assessment was carried out through a technical analysis involving the Management, the Finance Department and the Manager of the Quality and Environmental Management System. Drawing on their in-depth knowledge of daily interactions with the seven stakeholder groups, five key stages were followed:

1 • Update

Review of the list of material topics based on the previous year's assessment and on cross-sector sources, as well as the VSME reporting framework.

2 • Assessment

Prioritisation of issues based on the history of dialogue and the requirements identified among clients, financial institutions and public entities.

3 • Alignment

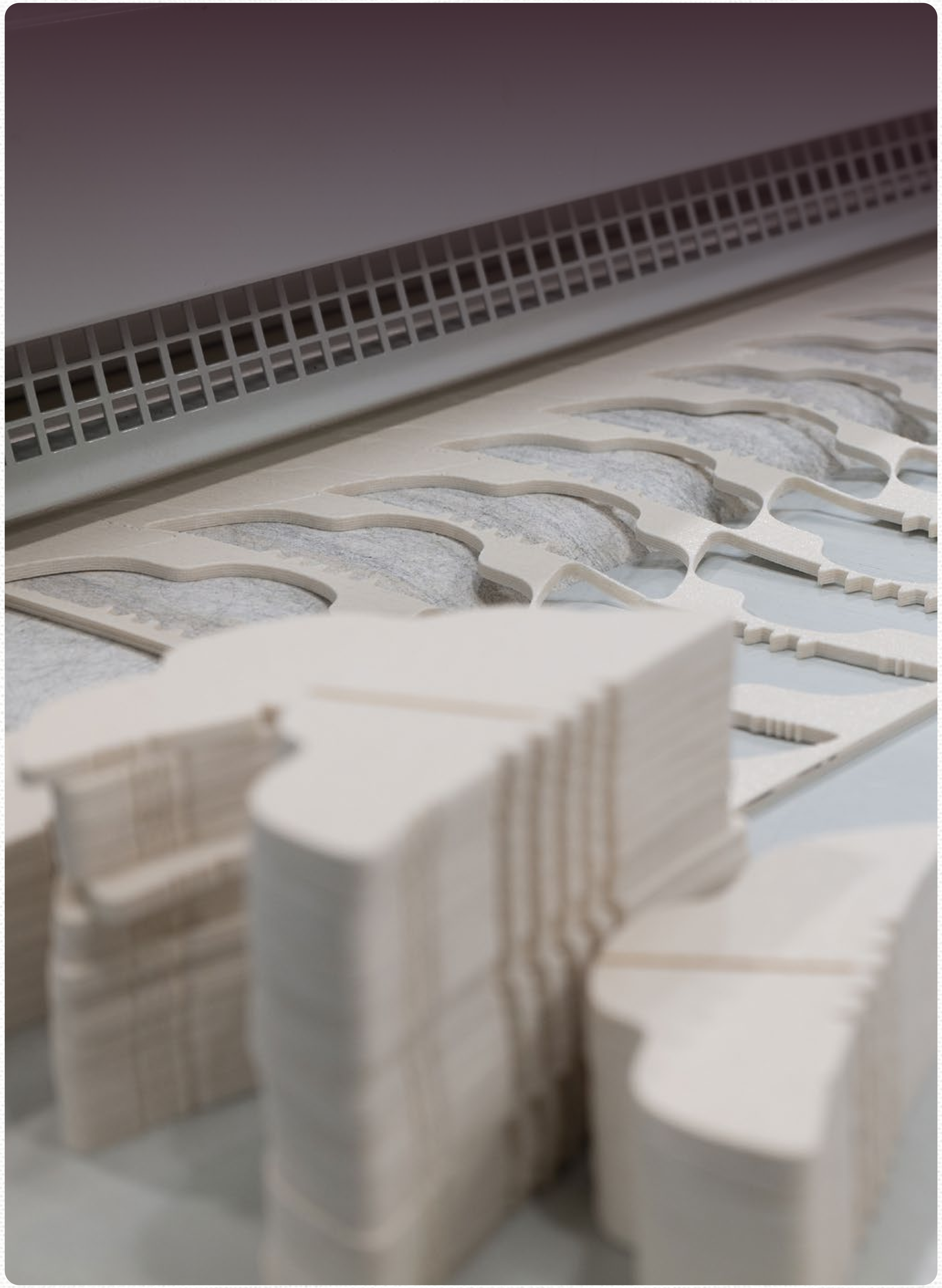
Validation of the topics against the operational resilience and strategic objectives of Lusocal.

4 • Consolidation

Development of the Materiality Matrix and definition of the performance indicators to be monitored.

5 • Criticality Analysis

Classification of results into critical and sensitive topics to guide internal management and the definition of specific action plans.



As in previous assessments, most topics have retained their position in the matrix, demonstrating a solid strategy. However, the following stand out in 2025, due to their high scores and critical relevance:

Economic-Financial Performance — This emerges as the pillar which underpins the longevity of the company, ensuring Lusocal maintains both the investment and innovation capacity required to meet market demands.

Reputation — This topic reflects the trust built over more than 35 years and reaffirms the technical rigour and ethical standards applied to every solution developed. It is the decisive factor in retaining a solid client base.

Cybersecurity — This has become an absolute priority to ensure operational continuity and the protection of sensitive data, in a context of increasing digitalisation and use of new management and internal communication tools.

Well-being of Employees — This has taken on an even more strategic role with the growth of the team to 80 people and is fundamental to ensuring a safe and motivating working environment which supports the production pace of the company.

Lusocal material topics

ENVIRONMENT

Circular Economy

Scope

To enhance the product life cycle, focusing on the reincorporation of production waste and the development of components using recycled or biodegradable materials, aligning innovation with the reduction of the environmental impact.

Indicators

- % of final product that is recyclable
- % of recycled final product
- Consumption of biodegradable materials

Alignment with the SDGs

9 12

Energy Efficiency and Decarbonisation

Scope

To reduce the carbon intensity of operations through the continuous investment in renewable energy, the monitoring of GHG emissions and the transitioning towards a more sustainable mobility within the company's fleet.

Indicators

- Total GHG emissions(Scope 1 and 2)
- Rate of renewable energy use
- Energy generated for self-consumption (UPAC)
- Carbon Intensity

Alignment with the SDGs

7 13

Waste Management

Scope

To maximise waste recovery, ensuring rigorous separation and proper routing of the different waste streams generated at production units, prioritising recovery operations over landfill disposal.

Indicators

- Waste recovery rate
- Generated waste per unit produced
- % of hazardous waste

Alignment with the SDGs

12

SDG legend

7 Affordable and clean energy
9 Industry, innovation and infrastructure
12 Responsible consumption and production
13 Climate action

Lusocal material topics

SOCIAL

Well-being of Employees

Scope

To ensure a safe, healthy and rewarding working environment, with a focus on Health and Safety at Work (HSW) and on promoting work-life balance and mental wellbeing for all staff.

Indicators

- Adjusted Gender Pay Gap (GPG)
- Salary Ratio vs. National Minimum Salary
- Number of workplace accidents
- Incidence rate of workplace accidents

Alignment with the SDGs

8

Community and Local Action

Scope

To strengthen social commitment to the region by maintaining an active stance in supporting local institutions and initiatives in Romariz and Felgueiras, reinforcing ties with the surrounding community.

Indicators

- % of employees residing in local municipalities
- Total value of donations made

Alignment with the SDGs

1 11

Talent Retention

Scope

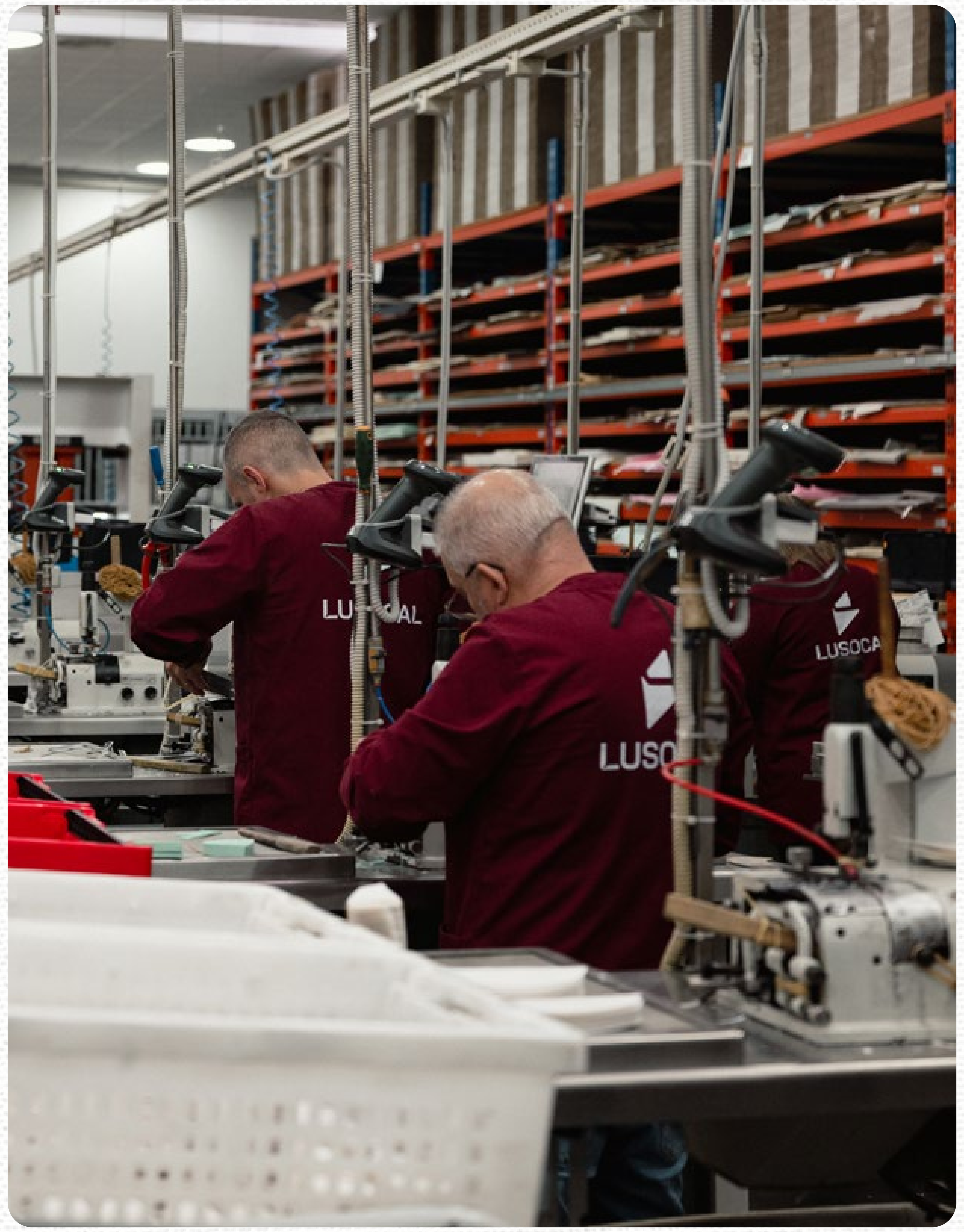
To invest in human capital, ensuring continuous training programmes which develop technical and behavioural skills of the team, preparing them for the challenges of innovation and quality in the footwear sector.

Indicators

- Total number of internal training hours
- Average number of training hours per gender
- Employee turnover rate
- Absenteeism rate

Alignment with the SDGs

4 8



SDG legend

1 No poverty
4 Quality education
8 Decent work and economic growth
11 Sustainable cities and communities

Lusocal material topics

GOVERNANCE

Economic-Financial Performance

Scope

To ensure the sustainability and solidity of the business through financial management which guarantees the creation of long-term value, enabling continuous reinvestment in the modernisation and growth of the company.

Indicators

- Turnover
- EBITDA
- Balance

Alignment with the SDGs

1 3 8

Quality Management and Responsible Procurement

Scope

To maintain operational and value chain excellence, by strictly complying to the Quality Policy (ISO 9001) and extending these ethical and environmental criteria to the selection and assessment of suppliers.

Indicators

- Maintenance of Certifications (ISO 9001, ISO 14001, GRS)
- % of local suppliers
- % of suppliers with ISO certification

Alignment with the SDGs

9 12

Reputation

Scope

To consolidate the brand's image of trust, by guiding actions with integrity and transparency towards clients and partners, reinforcing the position of Lusocal as a benchmark for quality in the market.

Indicators

- Degree of compliance with payment deadlines
- Number of corruption reports or incidents

Alignment with the SDGs

16

Organisational Resilience and Flexibility

Scope

To ensure strategic adaptability by maintaining an agile structure and processes which enable quick and effective responses to market changes and any disruptions in the supply chain.

Indicators

- Number of active production units
- Capacity Response and delivery

Alignment with the SDGs

9

Cybersecurity

Scope

To protect digital assets and information by implementing robust security measures to safeguard critical business data, employee privacy and intellectual property against cyber threats.

Indicators

- Number of internal training sessions about cybersecurity
- Number of data breach incidents

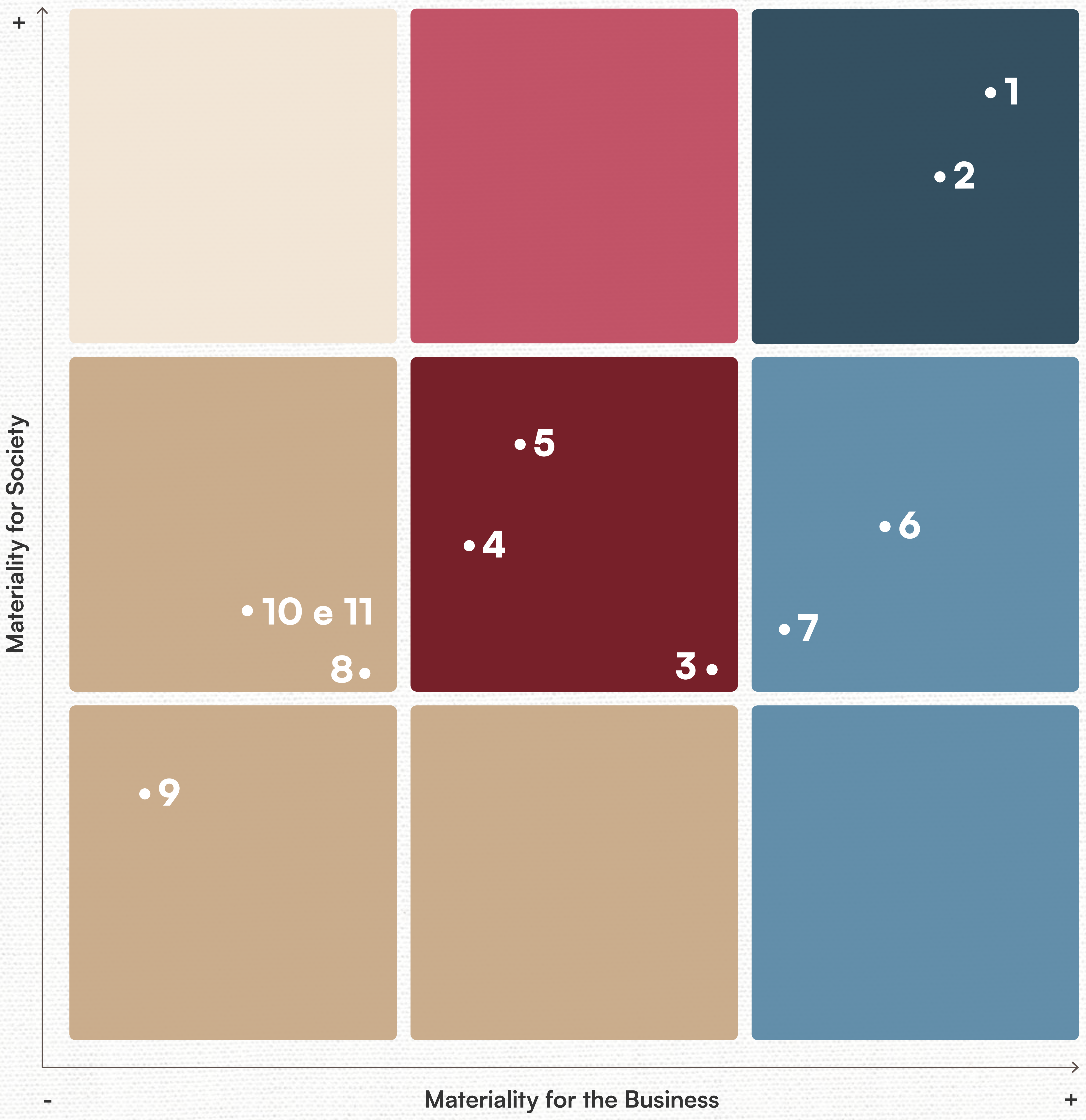
Alignment with the SDGs

9 16

SDG legend

1 No poverty
3 Good health and well-being
8 Decent work and economic growth
9 Industry, innovation and infrastructure
12 Responsible consumption and production
16 Peace, justice and strong institutions

Materiality Matrix



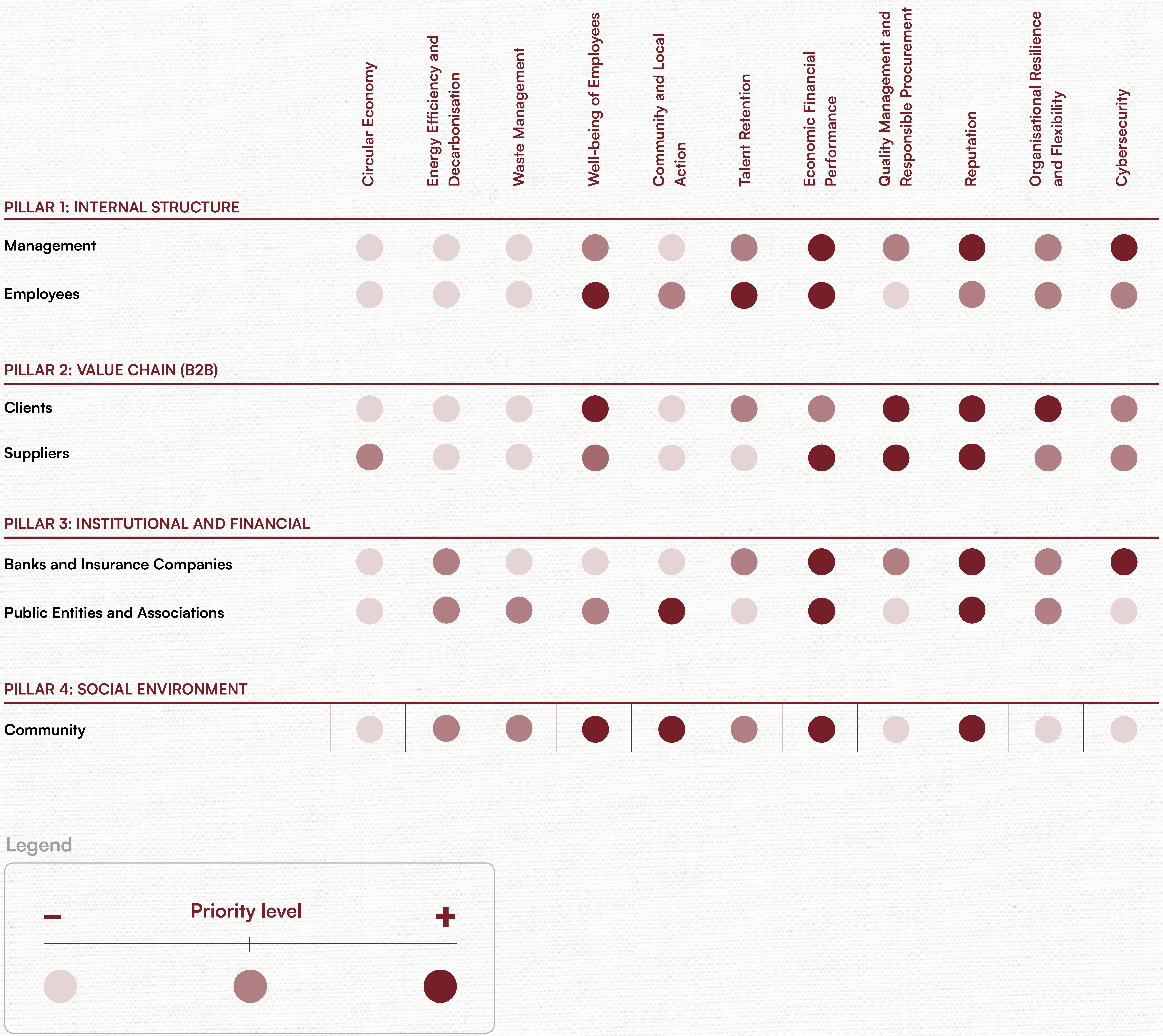
1 Economic-Financial Performance
2 Reputation
3 Talent Retention
4 Quality Management and Responsible Procurement
5 Organisational Resilience and Flexibility
6 Well-being of Employees
7 Cybersecurity
8 Circular Economy
9 Waste Management
10 Community and Local Action
11 Energy Efficiency and Decarbonisation

- Business-sensitive topics
- Low materiality
- High materiality for society
- Medium materiality
- Critical topics
- High materiality for the business

Priority given by stakeholders to material topics

The materiality analysis makes it possible to identify the level of priority which each stakeholder group assigns to sustainability topics. This assessment reveals a natural diversity in the importance attributed to the analysed topics, as the significance of each is linked to the nature of each group and the specific characteristics of its relationship with Lusocal.

Through this detailed approach, Lusocal avoids the dilution of specific needs into an overall average and ensures a transparent view of the individual expectations of each stakeholder group.



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ENVIRONMENT

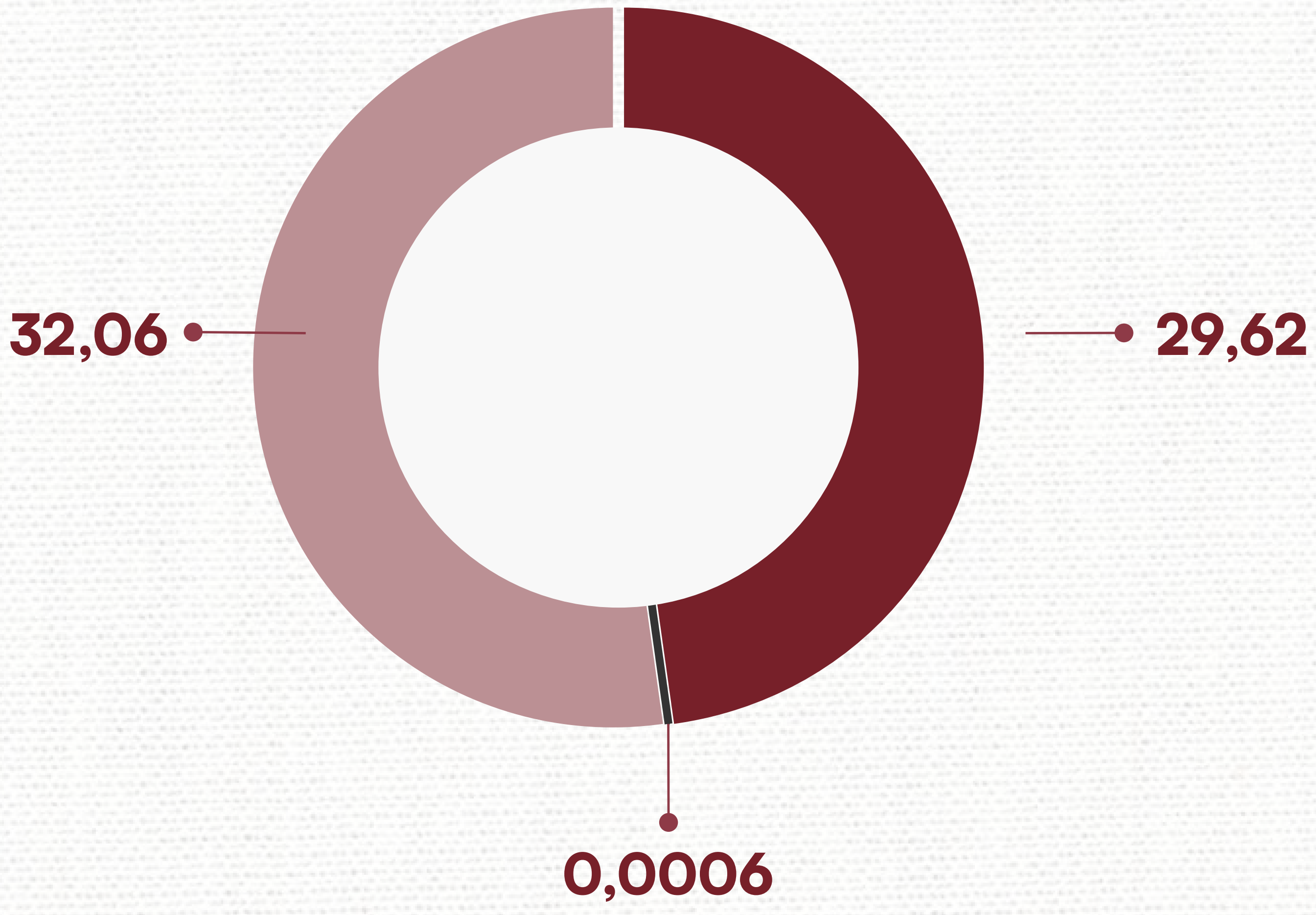
Energy Efficiency and Decarbonisation

VSME B3

The global climate crisis and the urgent transition to a low-carbon economy represent an unavoidable commitment for the business sector. In the footwear sector, this environmental responsibility translates into the urgent need to decouple production growth from the consumption of fossil resources. For Lusocal, this vision is a strategic priority, underpinned by a clear ambition to reduce its carbon footprint through the rigorous monitoring of emission sources and the continuous investment in high-efficiency technologies.

This path requires a precise and transparent assessment/mapping of the impact of the company, structured in accordance with the main international standards. Emissions are therefore assessed in two fundamental scopes: Scope 1, which covers the direct impact resulting from fuel consumption by the vehicle fleet and the use of solvents in the manufacturing process, and Scope 2, which reflects the indirect emissions associated with the electricity purchased to power the production units in Romariz and Felgueiras. A clear understanding of this current breakdown provides the analytical basis required to prioritise sustainable investments and to consolidate an increasingly cleaner operation.

Carbon footprint 2025 (tCO_2eq/year)



Note: Scope 2 emissions calculated using the location-based method, in accordance with the mandatory requirements of the VSME standard.

0, 00243
kg CO_2eq/pair
Emissions per pair*

0, 00662
kg CO_2eq/€
Carbon Intensity*

** Indicators calculated using the location-based method (Scope 2), in accordance with the guidelines of the VSME standard.*

Scope 1 Emissions: Direct Impact

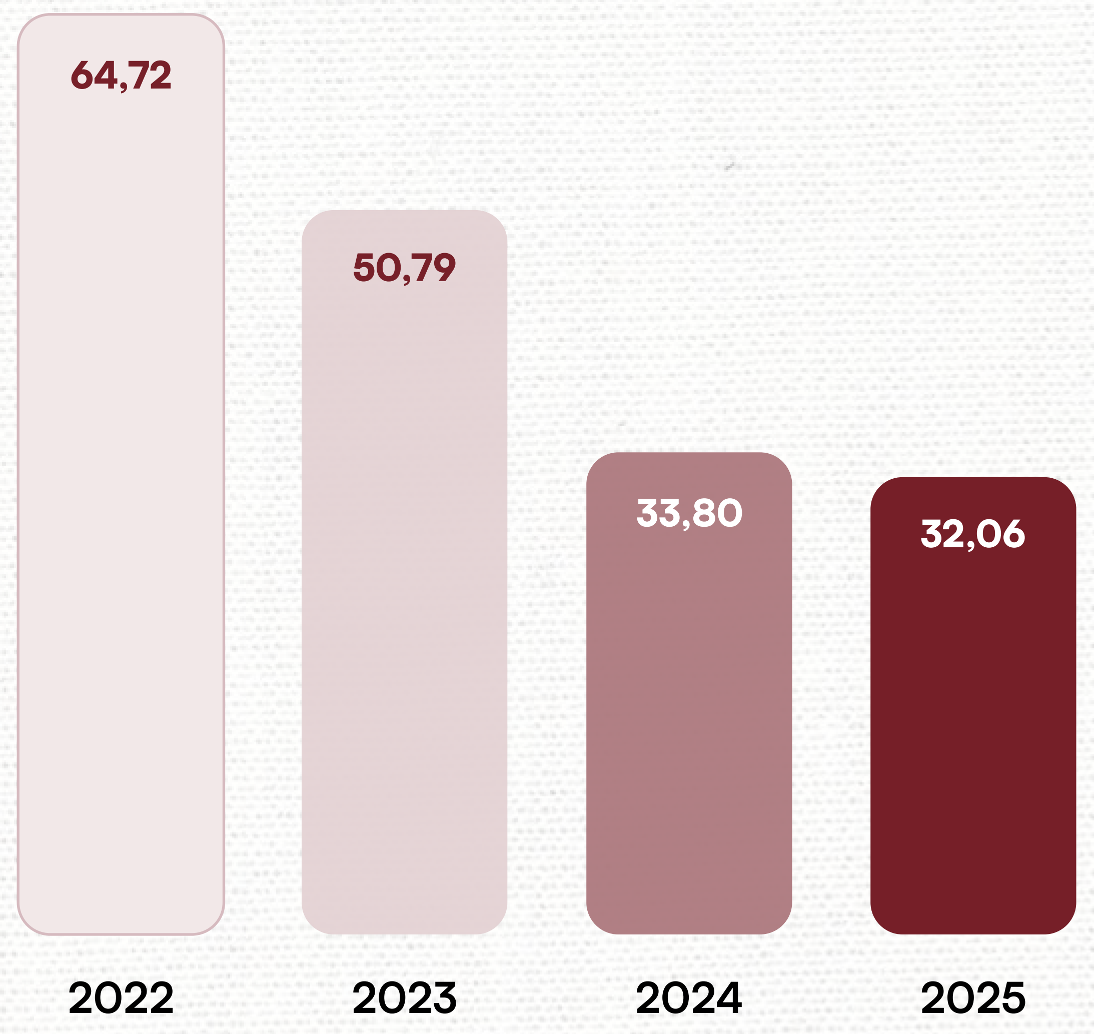
Scope 1 covers the direct sources of impact under our immediate control, with the vehicle fleet accounting for almost all of the internal relevance within this specific group of indicators. The direct inventory is completed by accounting for the consumption of solvents in the manufacturing process. It should be noted that, due to the nature of our component manufacturing process , the need to use solvents is inherently very low, resulting in a residual and insignificant impact of these fugitive emissions on the overall carbon footprint of the company. Furthermore, our production units show an eco-efficient profile by recording zero emissions resulting from stationary combustion, as no gas or other fossil fuels are used for heating or operating the facilities.

The evolution of these indicators between 2022 and 2025 indicates a continuous downward trajectory, with a cumulative reduction of over 50% in direct emissions over these four years. This result reflects the dynamism of an operation which is growing in the market without neglecting its environmental responsibilities, proving it is possible to optimise logistics processes and reduce climate impact at the same time.

This positive performance is directly linked to our commitment to the electrification of mobility. By the end of 2025, the vehicle fleet of Lusocal clearly reflected this commitment, comprising 10 fully electric vehicles, 2 hybrid vehicles and just 8 diesel vehicles.

Looking ahead, the plan is to consolidate this path towards decarbonisation. In the short term, the plan is to expand the fleet with the acquisition of two more electric vehicles, prioritising their use for daily travel. In the long term, Lusocal aims to complete the transition of its entire fleet to electrified vehicles, ensuring the growth of the company goes hand in hand with carbon neutrality.

Evolution of Scope 1 Emissions ($tCO_2eq/year$)



Scope 2 Emissions: Energy Consumption and Indirect Impact

Scope 2 emissions reflect the indirect impact associated with the consumption of electricity purchased to operate the facilities and equipment of the company. Presenting these results using two distinct methodologies provides a transparent and rigorous overview of environmental performance of Lusocal. The location-based method quantifies the impact based on the average carbon intensity of the electricity generated and distributed via the national grid, serving as a common statistical benchmark. In contrast, the market-based method highlights the actual impact resulting from specific contractual choices of Lusocal, taking into account the emission factors of the selected energy suppliers and investments in renewable energy sources.

The evolution of the indicator between 2022 and 2025 demonstrates the success of the energy transition strategy of the company. One of the main pillars of this autonomy is its own production infrastructure, through the installation of photovoltaic panels at the Romariz and Felgueiras units, which have a combined total capacity of 465 kW. This capacity makes it possible to achieve energy self-sufficiency during specific periods of higher solar radiation and ensures that, at present, around 85% of the total electricity consumption of Lusocal comes from renewable sources through in-house generation and the purchase of green energy. In addition to this investment in its production environment, Lusocal entered into a contract for the supply of electricity from 100% renewable sources in 2024. This strategic decision made it possible to fully offset the indirect emissions calculated under the market-based method, maintaining a net zero emissions record of zero tCO_2eq in 2024 and 2025.

From a location-based perspective, the data show an overall downward trend compared with 2022, although there is a slight upward fluctuation between 2024 and 2025. This temporary increase is directly associated with the positive business performance of the company, in a year marked by growth in turnover and the consequent increase in the number of units actually produced at Lusocal, which required greater use of the national electricity grid.

It should be emphasised that achieving zero emissions under the market-based method is not regarded by Lusocal as a licence for unlimited or unregulated energy consumption. Obtaining energy entirely from clean sources does not diminish the ongoing commitment of the company to energy efficiency. Accordingly, the organisation remains focused on continuously raising awareness among its teams regarding the importance of responsible energy use, promoting an internal culture based on the efficient use of energy and the elimination of operational waste.

0, 000113
kWh/€

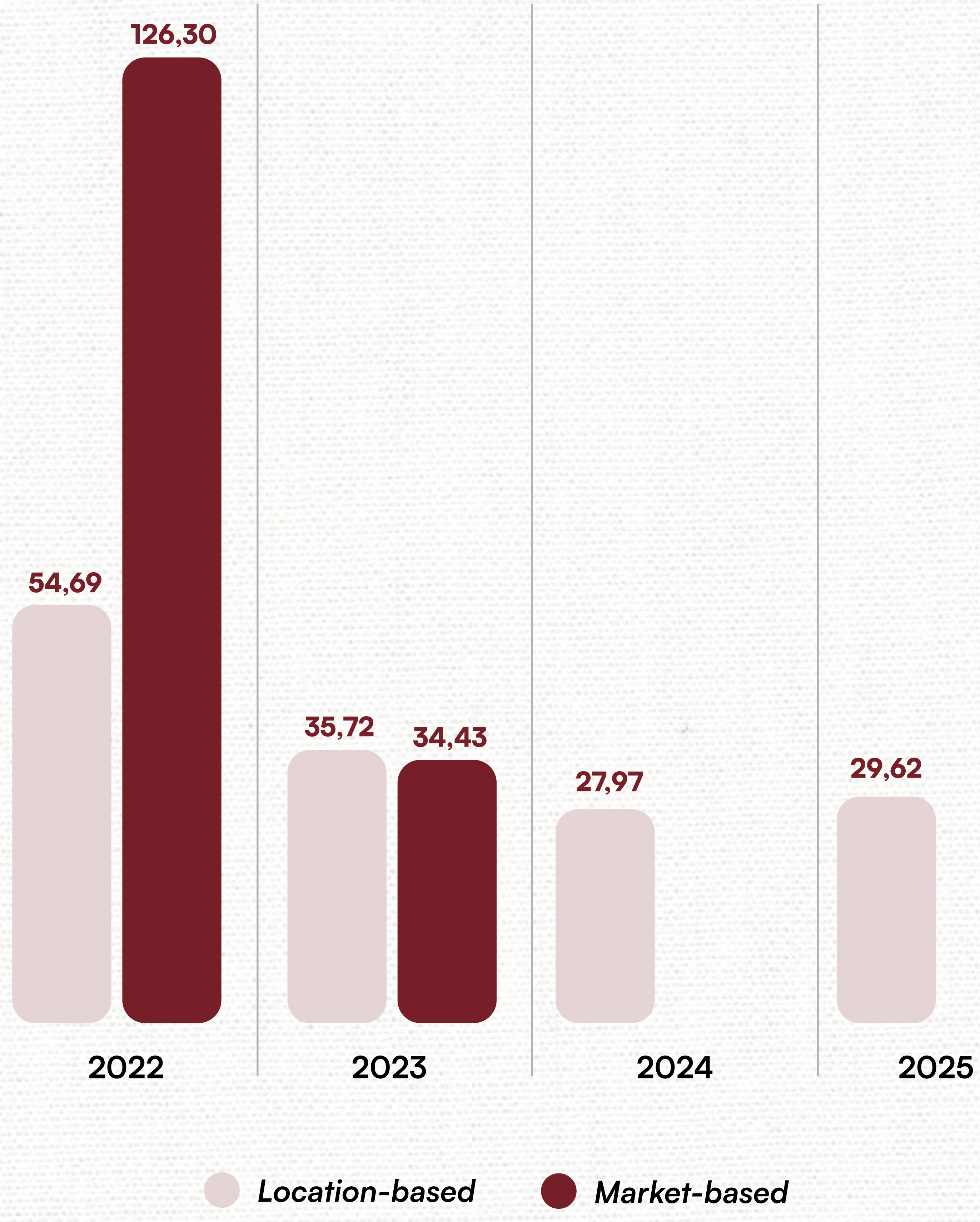
Energy Efficiency*

85%

Renewable energy usage rate

** Indicators calculated using the location-based method (Scope 2), in accordance with the guidelines of the VSME standard.*

Evolution of Scope 2 emissions (tCO_2eq/year)



Strategic alignment and commitment to the future

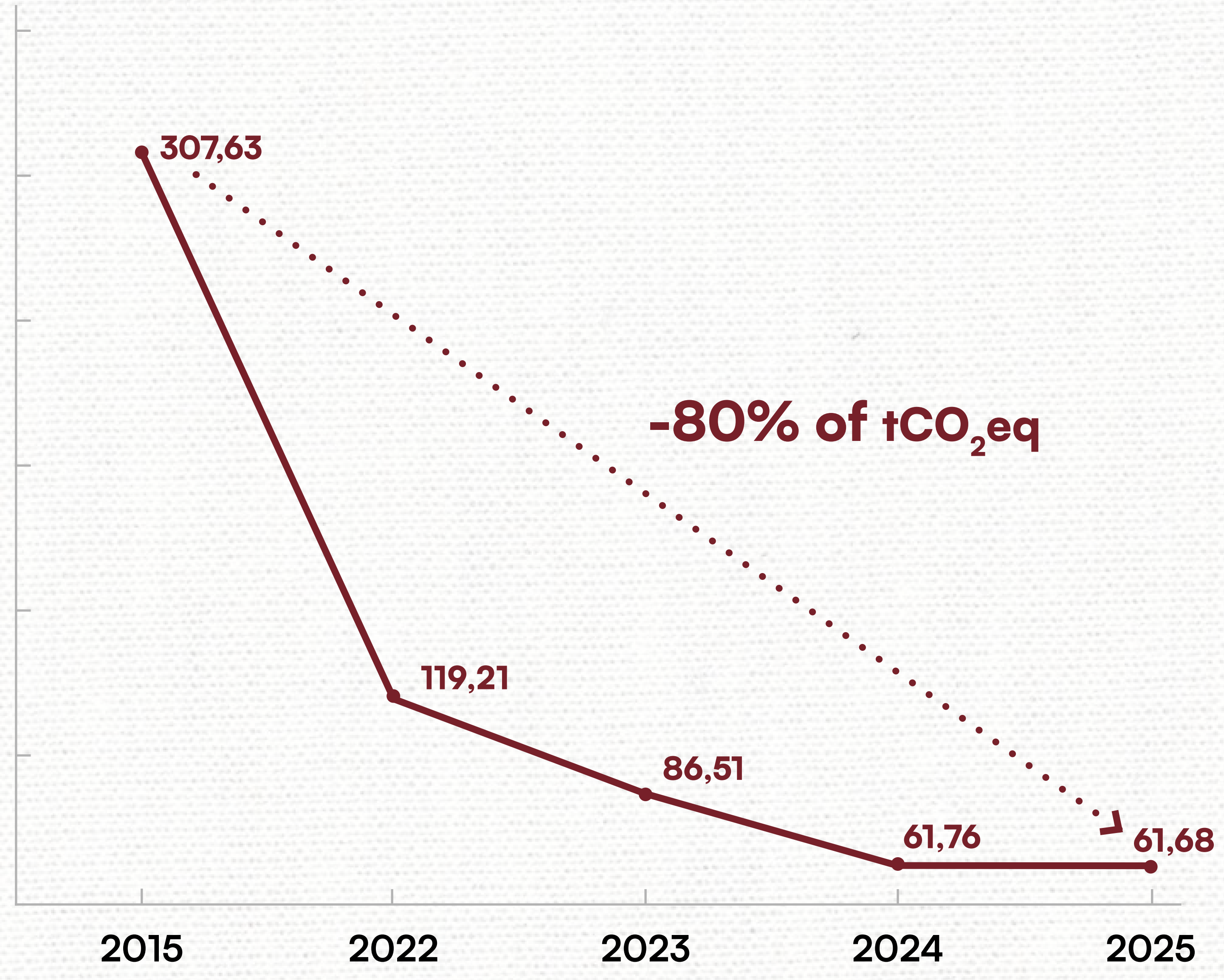
The assessment of environmental performance gains its true significance when analysed from a historical and long-term perspective. The evolution of combined Scope 1 and Scope 2 emissions (using the location-based method) between 2015 and 2025 reveals a profound and structural decarbonisation trajectory at Lusocal. Over the course of a decade, the company achieved a reduction of approximately 80% in its corporate carbon footprint. This result demonstrates that continuous investment in industrial modernisation, process efficiency and the transition to clean energy sources makes it possible to achieve a genuine decoupling between economic activity and environmental impact.

This voluntary and early reduction places Lusocal at the forefront of meeting the major macroeconomic targets for climate change mitigation. The performance of the company is fully aligned with the guidelines defined in the European Green Deal and the 'Fit for 55%' legislative package, which requires an EU-wide reduction of at least 55% in emissions by 2030. At national level, this approach anticipates the objectives set out in the National Energy and Climate Plan (NECP 2030) and establishes a solid foundation for achieving carbon neutrality well before the timeline set by the Roadmap for Carbon Neutrality (RCN 2050), thereby effectively fulfilling the global commitments of the Paris Agreement.

The consolidation of this strategic trajectory resulted, in 2025, in a milestone of considerable significance for the sector. Lusocal became one of the signatory companies to the Charter of Principles for the 'Roadmap for the Decarbonisation of the Footwear Sector' project. This public endorsement underlines the commitment and dedication of the company to the practical implementation of principles regarding the legal framework, operational actions and future commitments within the context of industrial decarbonisation.

As the Roadmap provides a structured framework for setting ambitious targets within the sector, the participation of Lusocal is particularly significant in the area of component production, whose specific characteristics require tailored indicators and adapted technological solutions. Through this involvement, the company assumes its responsibility to foster a more circular economy, actively collaborating in the development of the sector and engaging all stakeholders to respond in a united and well-founded manner to the cross-cutting challenge of climate change.

Evolution of GHG Emissions between 2015 and 2025 (tCO_2eq/year)



Circular Economy

VSME B7

Circular economy is a principle embedded in the way Lusocal develops and supplies its products, prioritising the efficient use of resources and the selection of materials with a lower environmental impact. The company maintains a well-established range of recycled, recyclable and Biodegradable solutions across the various product ranges it brings to market, with the BIOREL range standing out for its performance. This portfolio includes certified GRS (Global Recycled Standard) options which incorporate high percentages of recycled components, as well as in plant-based matrices and compostable polymers in line with the requirements of the sector.

Monitoring the production's circular profile demonstrates the stability and consistency of this commercial policy. Maintaining the shares of recyclable, recycled, and biodegradable finished products highlights the maturity of manufacturing processes in meeting continuous customer needs. This commitment extends to the supporting logistics chain, where all boxes used for industrial packaging are made from FSC-certified and 100% recycled cardboard, supporting the strategic objective of Lusocal to transition all its packaging to sustainable solutions.

ON THE PATH TO **MORE CONSCIOUS** FOOTWEAR PRODUCTION

BIODEGRADABLE PRODUCTS

BIOREL

95%	Biodegradable and compostable polymers
5%	Natural cotton

PLANT-BASED PRODUCTS

HELIOS

100%	Cotton and natural latex with adhesive from renewable sources

	2023	2024	2025
RECYCLABLE FINAL PRODUCT	+65%	+63%	+56%
RECYCLED FINAL PRODUCT	+20%	+19%	+18%
BIODEGRADABLE FINAL PRODUCT	+1%	+0,1%	+0,1%

RECYCLED AND GRS-CERTIFIED PRODUCTS

RECYCLABLE

RELION B, RELION S, RELION Z, RELION C
Up to **80%** of recycled material

TALYN
Up to **71%** of recycled material

AVANTGARDE, EXCEL, TADAS
Up to **27%** of recycled material

STRATOS
Up to **50%** of recycled material

TECNOPREN, LASER, ELASTENE, TECNOGIFLEX
Up to **24%** of recycled material

GUPER
Up to **83%** of recycled material

MICROFIBERS
Up to **50%** of recycled material

VELVET, FELTRINO
Up to **57%** of recycled material

Waste Management

VSME B7

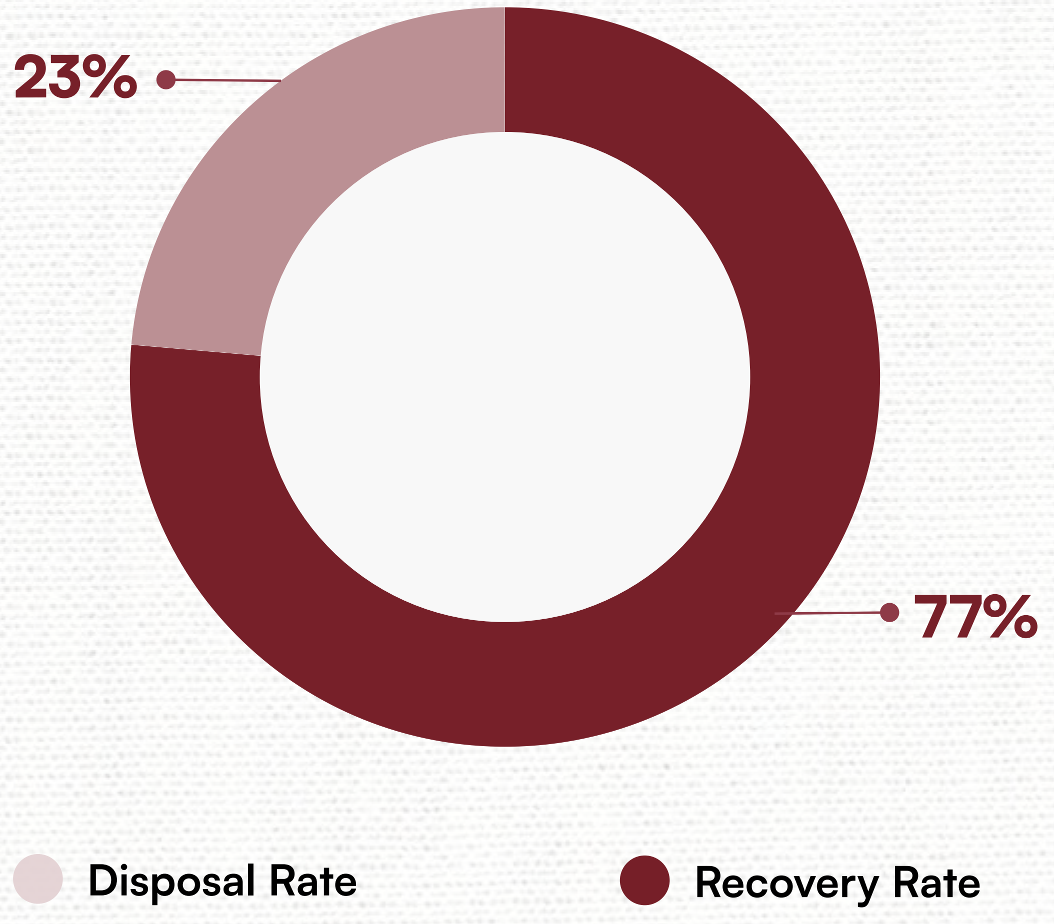
As we consolidate our activity as specialised manufacturers of technical components, monitoring the life cycle of materials becomes increasingly important. This process requires a constant balance between business growth and the minimisation of the environmental impact at our production units, reflecting our commitment to the transition towards more circular production models.

The evolution in performance between 2023 and 2025 reflects the challenges associated with this industrial transition, with a slight increase of 4.2% in the total waste generated per pair. This trend was even more pronounced in the indicator for hazardous waste generated per pair, which increased by 38.46%. As a direct consequence of the greater proportion of this hazardous waste — whose technical characteristics require safe disposal processes — the overall waste recovery rate at Lusocal fell, dropping from 83% in 2023 to 77% in 2025.

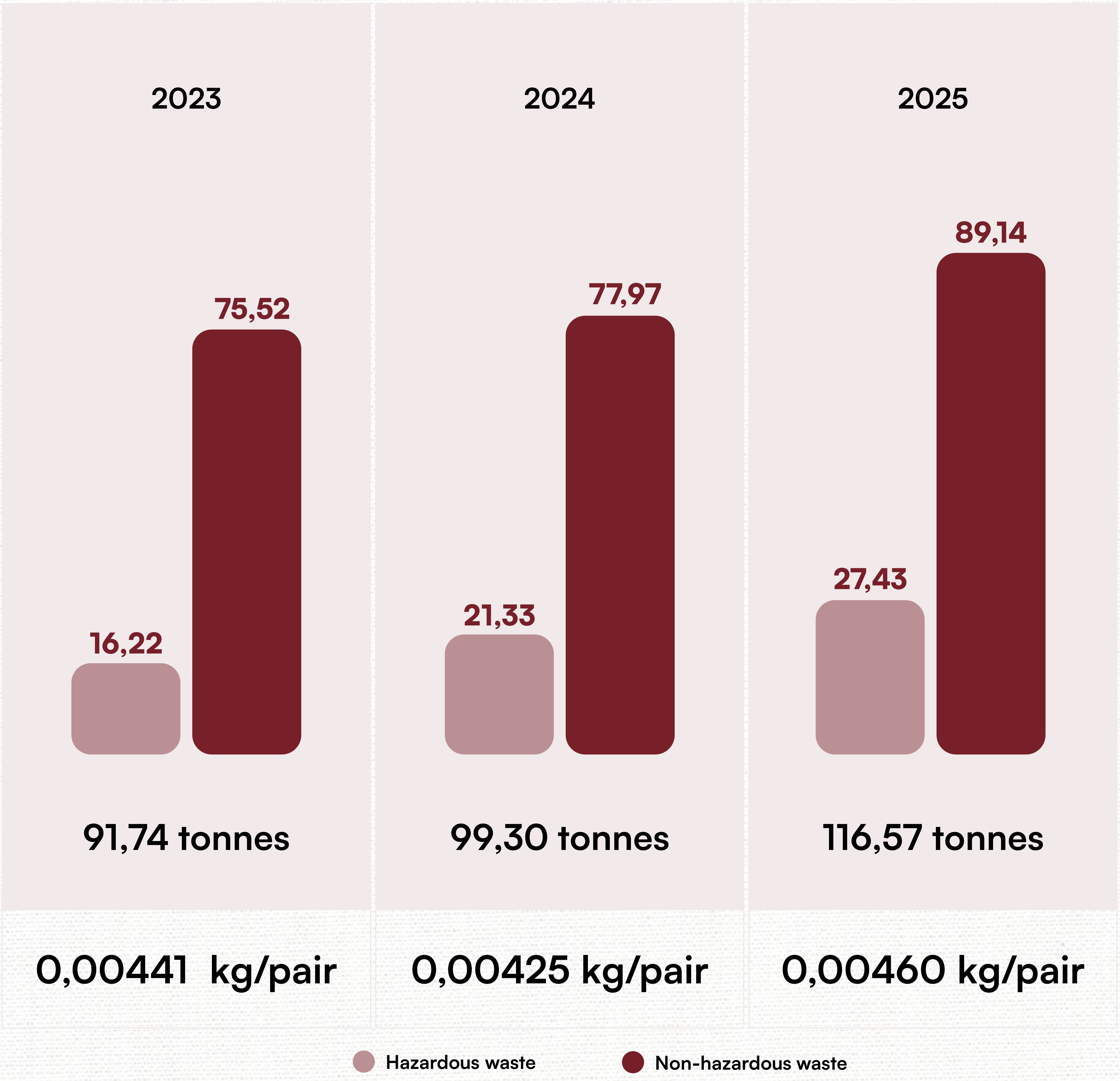
This situation reflects the natural evolution of the sales profile and the strong growth in the production volume of the company. Lusocal significantly reduced the direct sale of non-transformed goods in order to invest in its own production of toe puffs, heel counters and reinforcements. This transition towards a purely industrial activity with higher added value resulted in a greater level of in-house processing and the intensive use of skiving machines, generating a higher gross volume of waste which has ultimately impacted eco-efficiency metrics per unit.

The skiving process generates a specific emulsion consisting of a mixture of water and oil in a ratio of 90:10, which is legally classified as hazardous waste. This trend was also driven by the growth of the orthopaedic footwear segment, whose components require a high degree of technical complexity, longer processing times and more rigorous finishing operations due to the anatomical characteristics of the final product.

Aware of this challenge, Lusocal management is currently assessing the technical and economic feasibility of implementing eco-efficiency solutions focused on this process. The objective under consideration is to enable the separation of the water and oil present in this emulsion, making it possible to recycle and reintroduce recovered water into the support processes of the factory. This strategic investment will enable to reverse current trend , significantly increasing the waste recovery rate and substantially reducing the volume of hazardous waste sent off-site.



Waste generated (tonnes)



Symbiosis in the Value Chain

Waste management at Lusocal goes beyond proper disposal and focuses on creating closed-loop recycling systems in partnership with its supply chain. Currently, the company generates over 100 tonnes of industrial waste per year, all of which is fully recycled, mainly resulting from the cutting operations for the RELION and TALYN product ranges. This waste is collected, compacted and sent back to the main raw material supplier, TecnoGi, which reintroduces it directly into the manufacturing process of the company's own recycled product ranges.

Building on the operational success of this material recovery system, Lusocal has decided to take the project to the next level by initiating the formal process for the legal reclassification of this waste. The aim of this pioneering initiative, whose completion and full implementation are expected during 2027, is to obtain legal status as a by-product or secondary raw material for the cutting offcuts. This regulatory transition will allow these materials to no longer be administratively classified as waste, consolidating a genuine industrial symbiosis which eliminates waste at source and reinforces the circular nature of the components supplied to the market.

Water Management

VSME B6

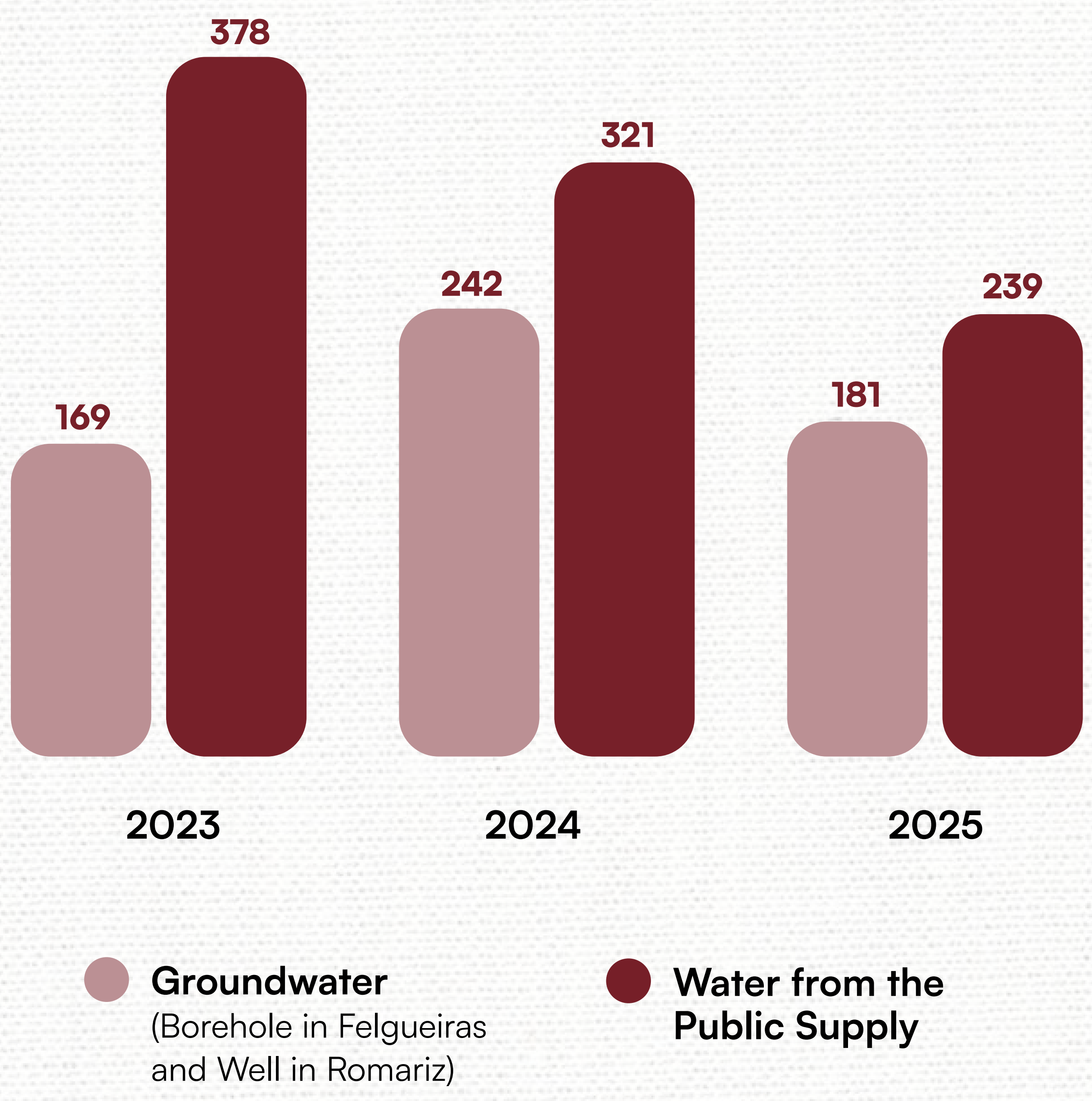
At Lusocal, water is not a raw material used in the manufacturing processes for toe puffs, heel counters and reinforcements. Its consumption is almost entirely for sanitary purposes, the hygiene of our teams and the maintenance of the infrastructure supporting the production units.

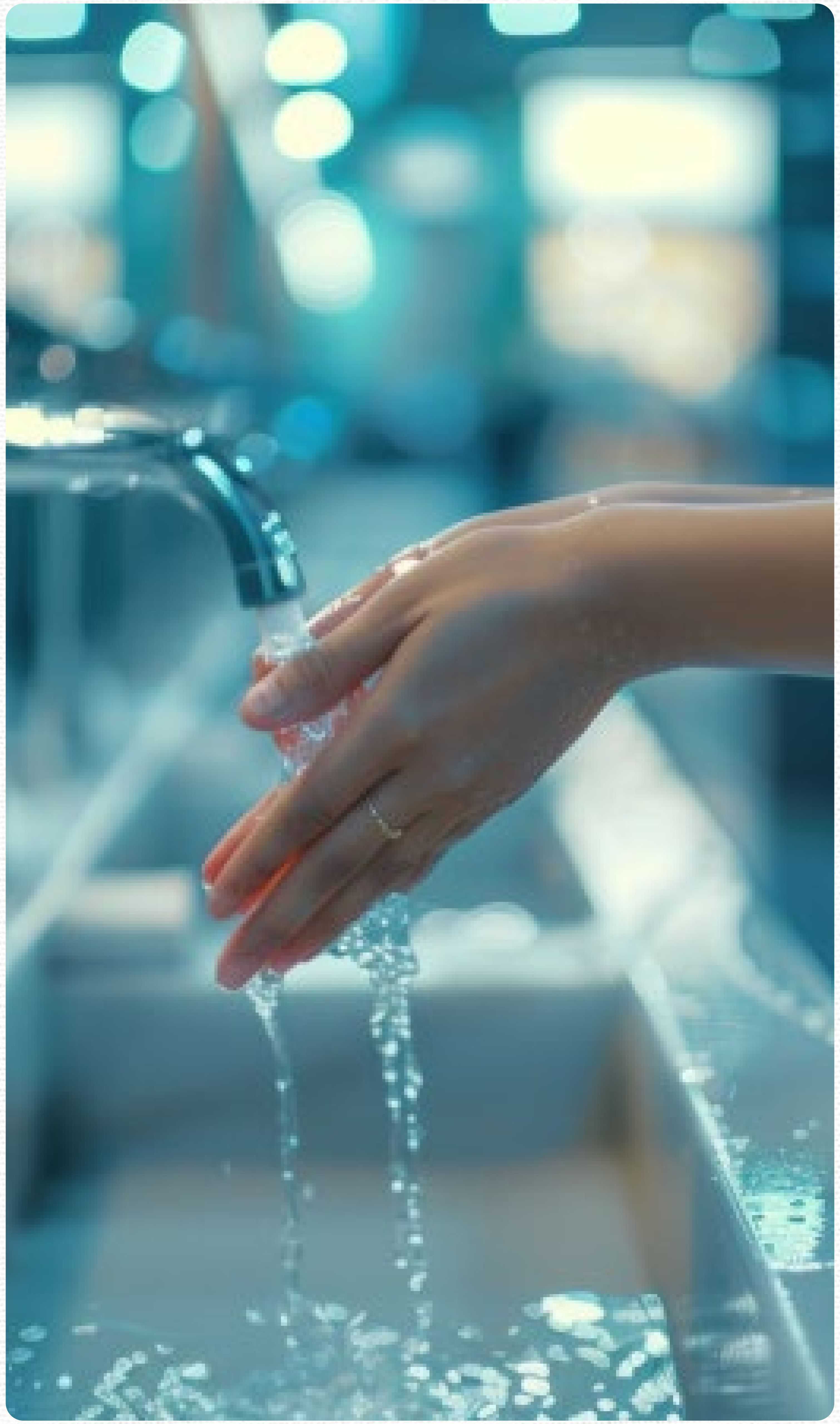
Water is supplied from both the municipal water network and our own water extraction facilities — via a borehole at the Felgueiras unit and a well at the Romariz unit. Wastewater is safely managed through the connection to the local sewerage systems of each municipality.

Although the components sector is not water-intensive, we have assessed the location of our production units using the WRI's Aqueduct Water Risk Atlas, an interactive platform which maps and assesses water-related risks worldwide, in order to understand the context of the regions where we operate. This assessment shows that the Felgueiras unit is located in an area of low to medium water risk, while the Romariz unit is situated in an area classified as having a medium to high water risk.

As water is not used as an industrial process fluid, this regional risk does not translate into an operational impact on the business, nor does it mean we exert critical pressure on local water reserves, since consumption remains strictly associated to human use. Nevertheless, this geographical distinction reinforces our commitment to continuous monitoring and preventive maintenance, particularly in Romariz, in order to proactively mitigate any loss or waste within our internal networks.

Evolution in water consumption (m^3)





Biodiversity

VSME B5

The preservation of biodiversity and respect for the balance of natural ecosystems are fundamental to responsible industrial operations which are mindful of their impact on the surrounding environment. At Lusocal, we have rigorously assessed the potential impact of our activities in this area and concluded that, due to the nature of our manufacturing processes and the location of our facilities, we do not exert any significant direct pressure on sensitive habitats or protected species.

According to official information from the Institute for Nature Conservation and Forests, through the Geocatalogue of Classified Areas[1] , our production units in Romariz and Felgueiras are not located within areas covered by the National Network of Protected Areas (RNAP)[2] , nor within sites included in the Natura 2000 Network[3] .

Nevertheless, we recognise our environmental responsibility extends beyond the physical boundaries of our facilities. Our commitment to the conservation of natural heritage is reflected in the rigorous management of resources and in the prevention of any form of contamination. We closely monitor waste management and emissions, ensuring the manufacturing processes for our products comply with all safety requirements to prevent accidental discharges which could disrupt local ecosystems.

Although we do not currently have any specific or large-scale projects dedicated exclusively to biological regeneration, we maintain a proactive approach and strategic openness. We remain attentive to future opportunities and partnerships with sector associations or local organisations which enable us to support initiatives aimed at enhancing the environment and protecting ecosystem services, while keeping pace with the evolution of global requirements in this area.

LOCATION	AREA	AREA CLOSE TO A BIODIVERRSITY-SENSITIVE AREA
ROMARIZ, SANTA MARIA DA FEIRA	4710 M²	0 M²
MARGARIDE, FELGUEIRAS	7940 M²	

1 https://geocatalogo.icnf.pt/geovisualizador/areas_classificadas
2 https://www.icnf.pt/conservacao/rnapareasprotegidas
3 https://www.icnf.pt/conservacao/redenatura2000

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SOCIAL

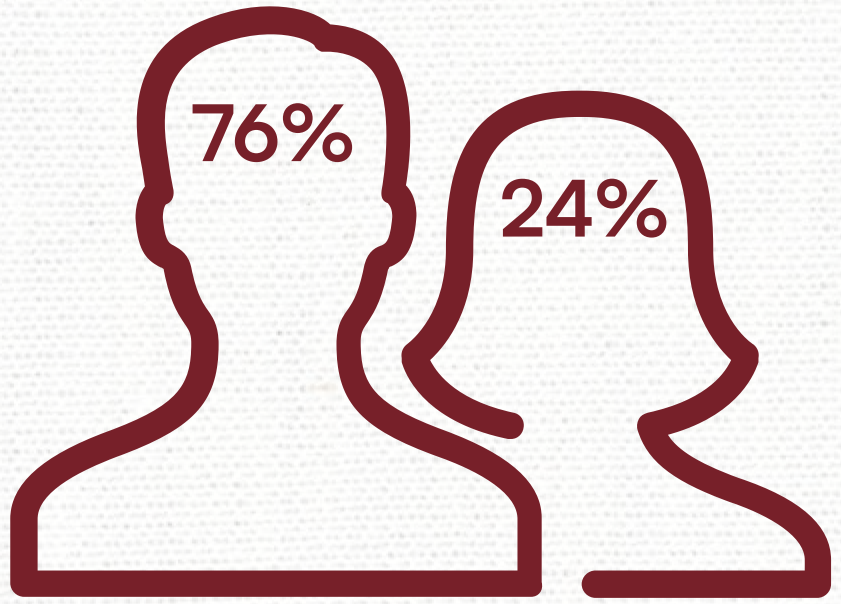
- The Lusocal team
- Well-being of Employees
- Talent Retention
- Community and Local Action

The Lusocal team

VSME B8, B10, C5

The sustainable growth of Lusocal is directly built on the talent, stability and well-being of our workforce. We promote a safe and inclusive working environment, characterised by equal opportunities, mutual respect and the continuous development of our teams across both production units. In the technical components sector, valuing human capital is what enables us to ensure the quality and continuous innovation of our products.

We maintain a firm commitment to the dignity of work and employment stability, reflected in a recruitment policy which prioritises long-term employment relationships and the social protection of our employees. Although our gender distribution reflects the historical context of the footwear components sector, where production roles have traditionally been predominantly male, we remain committed to gradually shifting this paradigm by the progressive integration of female employees into the manufacturing sector, while ensuring equal access to all roles within the company.

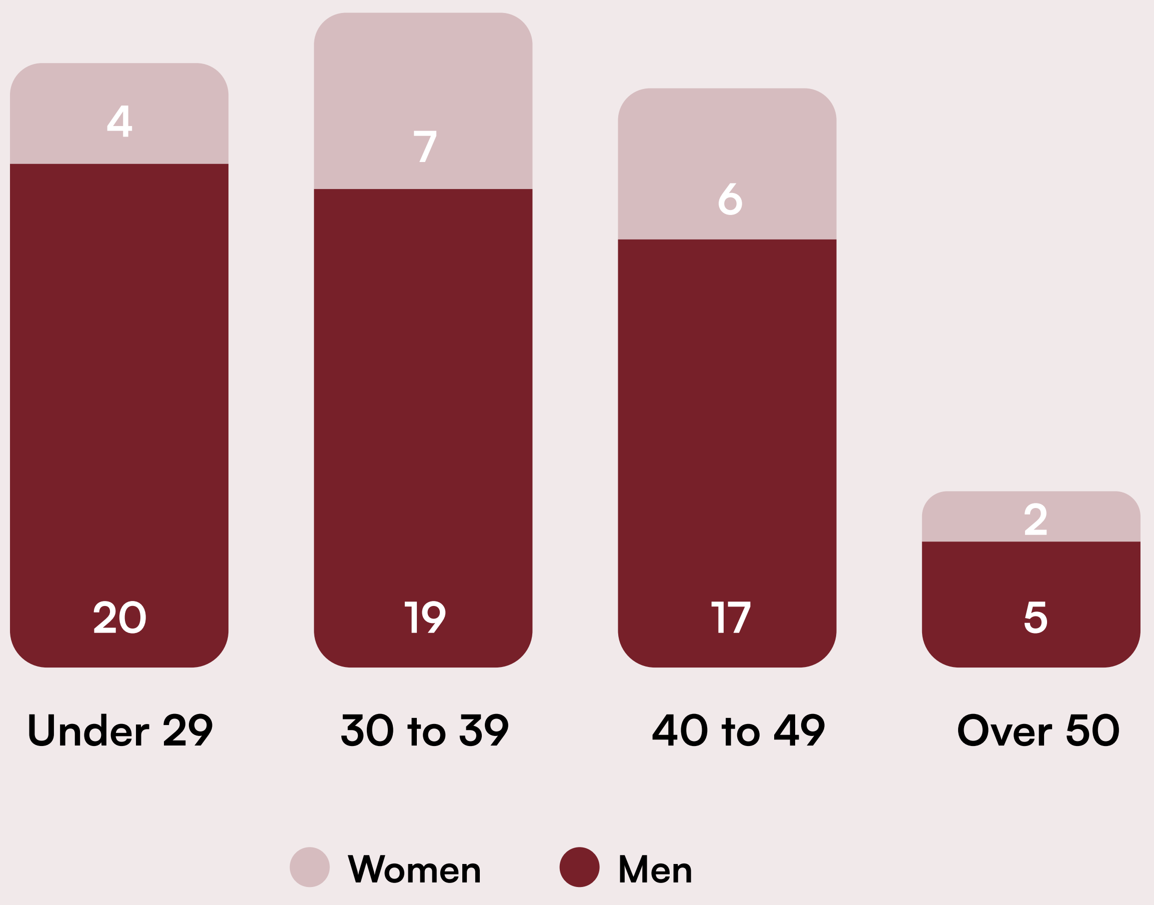


80
Permanent contracts

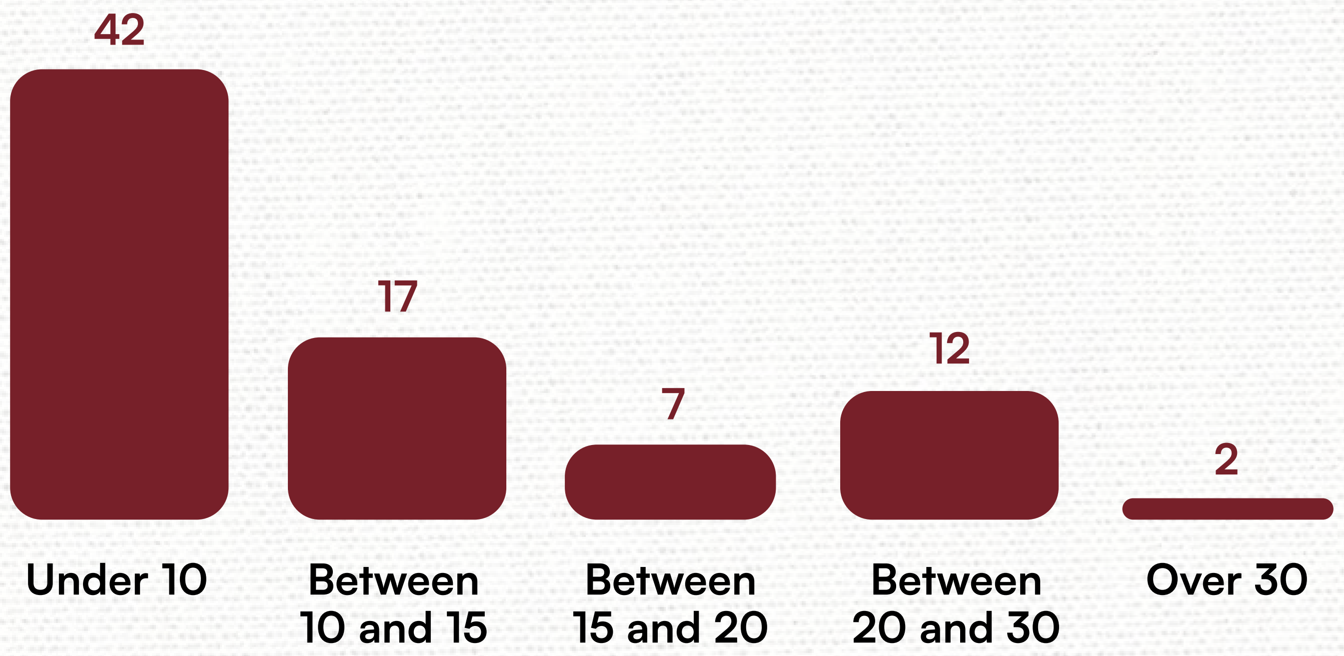
+26
New hires in 2025

Job category	No. of men	No. of women
Administrative assistant	1	7
Line manager	1	0
Head of Services	1	0
Head of Sales	4	2
Warehouse supervisor	2	0
Warehouse operator	2	0
Cleaning staff	0	2
Machine operator	43	1
Trainee	7	7

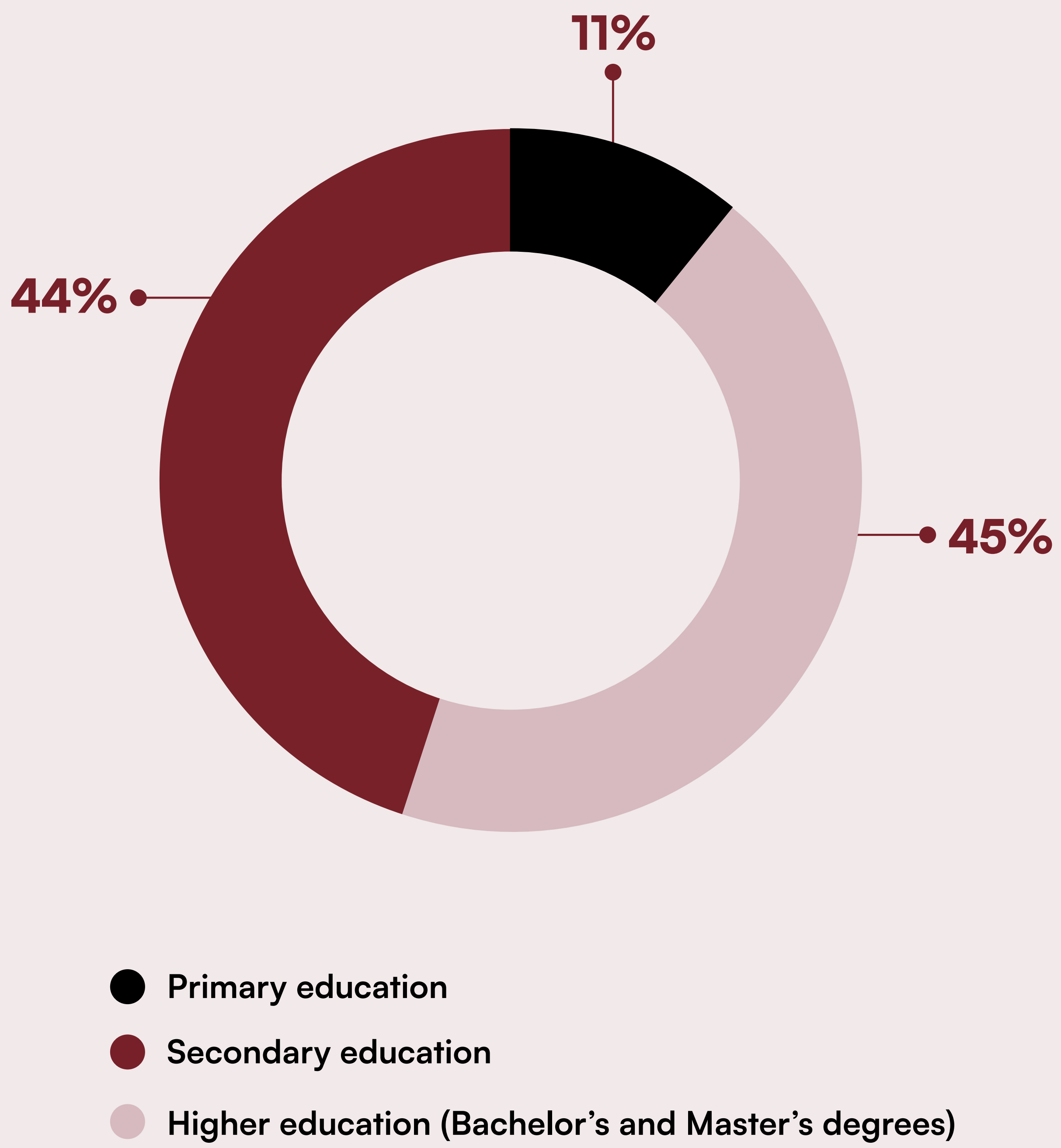
Breakdown of employees by age group



Distribution of employees by length of service



Distribution of employees by educational qualification



Well-being of Employees

VSME B10

Equal pay as a daily commitment

At Lusocal, the remuneration structure is managed as a strategic asset for cohesion, based on the principles of complete transparency, fairness across roles and recognition of individual merit. We ensure that remuneration directly reflects the complexity and responsibility of each position, rewarding the performance of every professional fairly. A practical example of this policy is that the base salary of the company is consistently set above the National Minimum Wage, acting as an active social protection mechanism which safeguards almost all our employees from the moment they are hired.

This culture of fairness is very clearly reflected in our gender equality indicators. The consistency observed in the distribution of average salaries demonstrates that gender is a completely neutral factor in our remuneration policy, ensuring that men and women enjoy the same conditions of recognition within the company.

To extend the impact of the base salary, we have developed a complementary benefits package focused on the stability and well-being of families. This package includes the payment of an annual performance bonus based on impartial individual performance assessments, greater purchasing power through the payment of the meal allowance at the maximum legal tax-exempt amount via a prepaid card, and comprehensive healthcare protection through an extended health insurance plan. It is through this tangible investment that we strengthen a model of responsible and sustained growth based on continuous dialogue.

91% OF EMPLOYEES EARN A BASE **SALARY HIGHER THAN THE NATIONAL MINIMUM WAGE**

1 134,90€
Average salary per male employee

1 339,74€
Average salary per female employee

Mental health care in an industrial context

Recognising psychological well-being is inseparable from physical health, Lusocal is committed to integrating mental health as a priority in its people management. In the context of an industrial activity, where factory routines demand high levels of concentration and technical skill, we understand the emotional stability of our teams is the true driving force behind a harmonious and productive working environment. Rather than pursuing unrealistic targets, we focus our efforts on practical pillars which have a direct, everyday impact on the lives of our employees.

The main support mechanism in this area is reflected in our benefits policy, through the provision of health insurance with extended cover, which may also be extended to employee family members. This mechanism guarantees our employees and their families easy, prompt and financially protected access to specialist medical consultations and psychological support through the private healthcare network, removing barriers to mental healthcare. Furthermore, we mitigate organisational stress factors through a close-knit culture typical of an SME, characterised by open dialogue with managers, stable working hours and strict respect for employees' rest and their right to disconnect outside working hours.

Looking ahead, the commitment of Lusocal is to progressively consolidate this preventive approach in a manner tailored to the scale of the company. It intends to promote internal awareness initiatives focused on stress management and demystifying mental health issues in a factory setting. At the same time, we are evaluating the introduction of anonymous feedback mechanisms which will enable us to assess the organisational climate and identify opportunities to improve the psychosocial ergonomics of workstations.

Small steps, big impact

At Lusocal, sustainability is not an abstract concept; it begins with a single seed. The community vegetable garden at our headquarters in Romariz is a shared space, cared for every day, designed to support biodiversity and bring our people closer to nature. In a predominantly industrial sector focused on factory operations, this initiative stands out as a factor of social innovation and a strong expression of human-centred values.

Rather than simply creating a green space within the company, we have created a place where people can come together and unwind. Throughout the year, employees have the opportunity to take active breaks in the vegetable garden, exchange gardening knowledge and closely follow the growth of organic produce, which they can later take home to their own tables. This direct connection with the earth acts as a natural tool to reduce stress, improves mental well-being at work and strengthens bonds of mutual support beyond the production lines. This project reflects the pride of a team which, by sowing the seeds of well-being today, is building a greener future, one step at a time.

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Culture of prevention and zero harm

VSME B9

The proactive management of occupational health and safety is fully integrated into the daily operations of the production units of Lusocal. We ensure our teams are equipped with the tools, Personal Protective Equipment (PPE) and knowledge to mitigate workplace risks. This strategy is based on regular site visits, routine machinery inspections and maintenance, as well as strict compliance with the legal requirements for occupational health, ensuring the continuous monitoring of the health and well-being of all employees.

During 2025, three workplace accidents were recorded, representing a gradual increase compared with the previous two years. This indicator reinforces the determination of Lusocal to strengthen its prevention mechanisms, by intensifying the monitoring of the correct use of protective equipment in daily production operations and renewing its focus on the primary objective of reversing this trend to bringing accident rates back down to zero.

As key pillars of resilience and self-protection, the company maintains internal structures prepared for emergency scenarios, with teams specifically trained in first aid and firefighting. This commitment to safety is reflected in the regular updating of self-protection measures applicable to its facilities and in the annual conduct of fire drills. These exercises validate the effectiveness of the Fire Safety in Buildings (SCIE) procedures and reinforce evacuation routines.

3
Workplace Accidents

2,63%
Workplace Accident Rate

Talent Retention

VSME B10

Team stability at Lusocal is built on a combination of experience accumulated on the factory floor and the continuous development of each employee's technical skills. In an industrial sector characterised by constantly evolving quality specifications and the introduction of new raw materials, ensuring employees remain and develop within the company requires a practical approach. It is within this framework that annual training plans become particularly relevant, serving as a development tool which promotes professional versatility and encourages long-term retention.

These initiatives are designed directly in response to the needs identified for each role and the daily challenges of production. Throughout 2025, the training programme covered the different roles across the company, focusing on the technical operation of equipment, the communication of new internal procedures and the strengthening of operational skills. This continuous investment in learning helps to consolidate an autonomous and motivated production structure, thus contributing to the retention of qualified teams who are prepared to meet market demands.

47.5% OF EMPLOYEES HAVE BEEN WITH THE COMPANY FOR **MORE THAN 10 YEARS**

2 187 h

Number of internal training hours

28 h

Average male training hours

24 h

Average female training hours

Community and Local Action

The operations at Lusocal are deeply embedded in the socio-economic fabric of the regions where it operates, playing an active role in the development and stability of the Romariz and Felgueiras areas. This close connection is directly reflected in the recruitment policy of the company, which prioritises local job creation and thus results in the vast majority of employees living in the areas surrounding the production units. By retaining talent and generating income in these communities, the company acts as a driving force for regional development, building relationships of mutual trust with local communities and, whenever possible, giving preference to partnerships with local suppliers.

In addition to this economic impact, the company maintains a responsive approach to the needs of the surrounding community, addressing specific requests through financial donations or material contributions. This local social support is reflected in its engagement with charitable organisations, educational institutions, cultural associations and sports clubs in the region, hence collaborating in initiatives designed to provide a direct response to the requests of families and local support networks.

4 000€

Donations to local institutions and projects

GOVERNANCE

Economic-Financial Performance
Reputation
Organisational Resilience and Flexibility
Quality Management and Responsible Procurement
Cybersecurity

Economic-Financial Performance

VSME B1

Economic stability and the creation of shared value constitute the fundamental foundation which supports the sustainability strategy of Lusocal. In a global macroeconomic environment characterised by volatility and significant pressures on the supply chain, the financial management of the company is guided by rigour, prudence and continuous investment in the efficiency of its production processes.

The analysis of performance over the three-year period from 2023 to 2025 reflects the resilience of the business model of the company in the face of market fluctuations. Following a period of significant contraction and structural adjustment in 2024, 2025 marked a strong recovery and growth trajectory. This recovery resulted in a 2.28% increase in turnover and a 0.54% increase in EBITDA at the end of the three-year period, demonstrating the ability of Lusocal to restore its levels of profitability and financial strength.

This path towards stabilisation becomes even more significant when viewed in the context of production costs. The global market has experienced a sustained trend of rising costs and volatility in the prices of raw materials and technical components, one of the factors with the greatest impact on the cost structure of a purely industrial operation. Faced with this structural and strategic challenge, the cumulative 1.49% decrease in GVA between 2023 and 2025 reflects the efforts of the company to absorb these inflationary pressures. Rather than passing on these costs fully along the value chain, Lusocal chose to optimise its internal operational efficiency, while remaining committed to ensuring the stability and competitiveness of the business in the years ahead.

	2023	2024	2025
TURNOVER	9 109 225 €	8 926 134 €	9 317 138 €
GVA	3 077 777 €	2 482 612 €	3 031 768 €
EBITDA	955 413 €	505 415 €	979 400 €

0

Corruption or bribery incidents recorded in 2025

0

Reports received through the official Whistleblowing Channel in 2025

100%

Employees covered by and with access to the Code of Ethics and Conduct

Reputation

VSME C6

The credibility of Lusocal in the market is built on the reliability and integrity with which it conducts its commercial and contractual relationships. Strict adherence to payment deadlines and scrupulous respect for commitments made to clients and suppliers act as an active risk mitigation mechanism within the value chain. This approach of financial and operational soundness fosters a stable partnership environment, reinforcing the reputation of the company as a reliable and transparent operator in the footwear industry.

The foundation of this commercial integrity is an internal compliance framework, guided by the Code of Ethics and Conduct of the company. This document establishes the guidelines of behaviour and respect which govern daily interactions between employees, partners and managers, under the direct supervision of the Management and the Human Resources Department. At the same time, the Plan for the Prevention of Risks of Corruption and Related Offences defines the control procedures required to safeguard the integrity of business operations. As an operational tool within this framework, Lusocal provides a secure Whistleblowing Channel, designed to ensure the protection of whistleblowers and the confidential handling of any report, thereby maintaining continuous alignment with best practices in business ethics.

Organisational Resilience and Flexibility

Business continuity at Lusocal is built on an operational structure designed to absorb external impacts and respond swiftly to unforeseen events in the production chain. The geographical spread of the company across two independent industrial units, located in Romariz and Felgueiras, provides the company with crucial technical redundancy. This decentralised structure ensures that, in the event of an interruption or technical failure at one unit, production capacity can be redistributed, guaranteeing full compliance with the deadlines agreed with clients.

Internally, the robustness of operations is ensured by the versatility of the production teams, which is continuously fostered through knowledge-sharing and cross-functional training. Enabling employees to perform multiple roles across the production lines minimises reliance on key positions and protects the factory against the risks associated with absenteeism or fluctuations in the workforce.

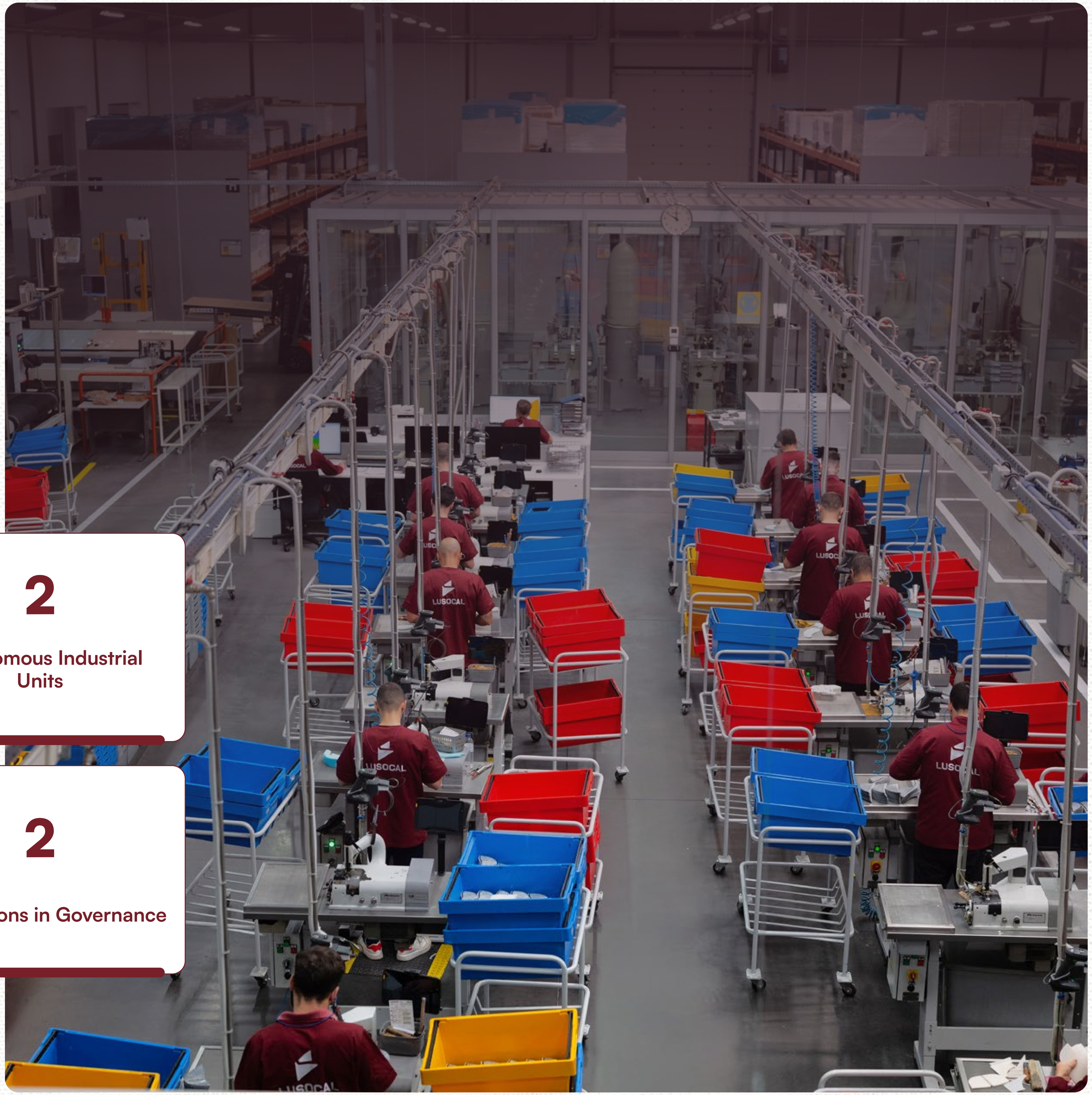
The long-term stability of the company is also reflected in the planned management of its leadership and succession. Founded in 1987 by Arlindo Henriques, Lusocal has been consolidating an organic and structured generational transition within its Management. The integration of the new generation ensures the transfer of the historical knowledge and founding values of the company, guaranteeing governance which combines accumulated experience with the modernisation requirements of the global market.

2

Autonomous Industrial Units

2

Generations in Governance

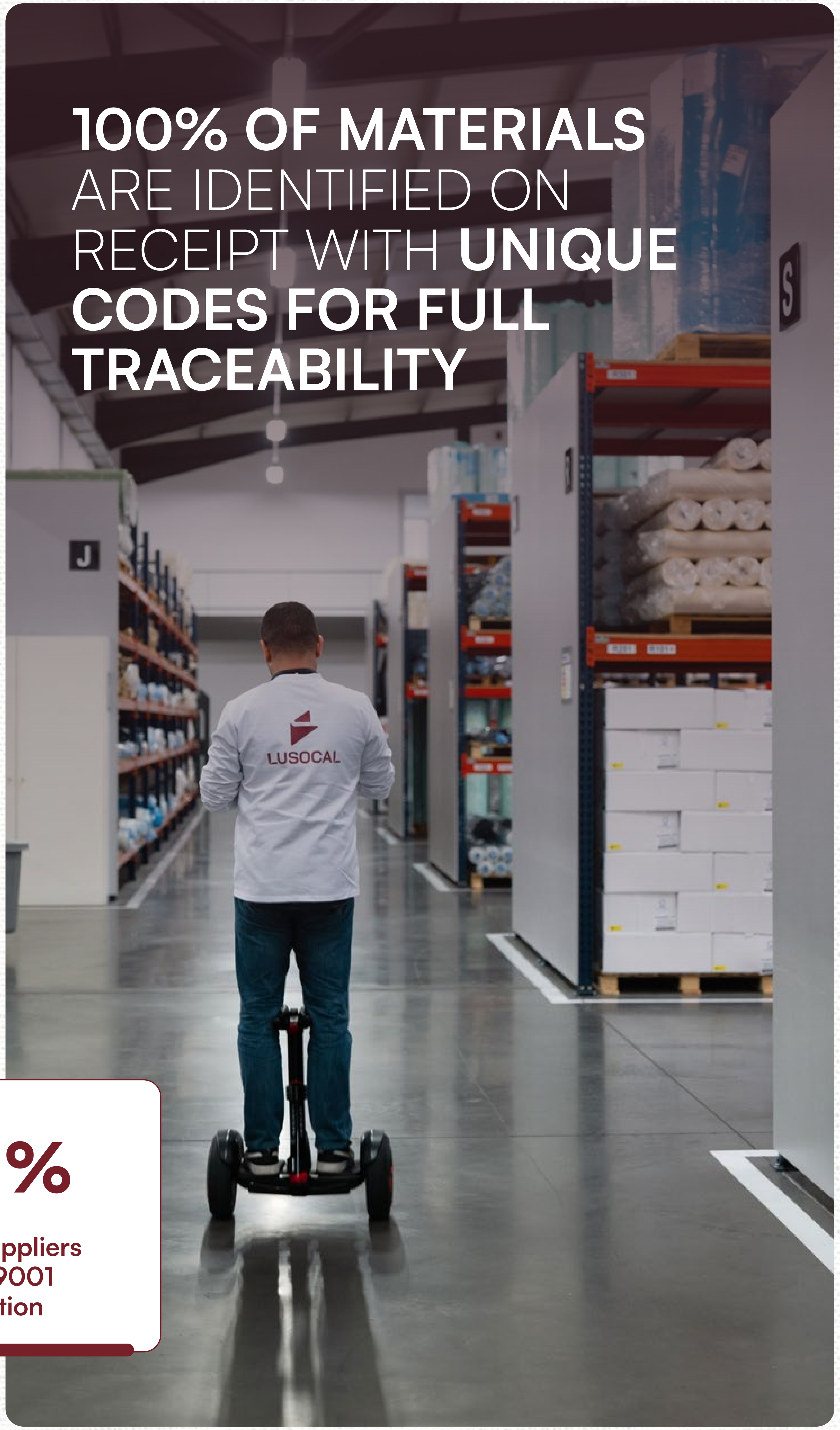


Quality Management and Responsible Procurement

Lusocal ensures the effectiveness of its quality management through a careful selection of suppliers, based on geographical proximity, mutual trust and operational performance. The preference for partners located close to its production units ensures greater stability of supply, shorter delivery times and a swift response to fluctuations in production. At the same time, the company gives priority to partners who demonstrate alignment with good environmental practices, with its main raw materials supplier, based in Italy, standing out for holding ISO 9001 and ISO 14001 certifications.

Each year, and in accordance with the requirements of its Quality Certification, Lusocal conducts satisfaction surveys among clients and partners to monitor compliance levels and identify opportunities for improvement. This procurement model combines international partners for strategic materials, supported by exclusivity contracts and long-term relationships, with national and local suppliers for supporting needs such as energy, packaging, waste management and maintenance, giving priority to certified organisations and with the capacity to introduce innovation into processes.

The major breakthrough in 2025 in this area was the consolidation of a fully traceable batch management system. Upon arrival at the factory, each material is labelled with a unique QR code, which accompanies it throughout the internal cutting and skiving process until its transformation into the final products. This innovation reflects the commitment of Lusocal to product responsibility, protecting clients and business partners through complete transparency across the value chain. In practical terms, this system ensures a high level of product risk mitigation, as it enables a defective batch to be isolated without affecting the entire production in the event of a complaint or technical non-conformity. In this way, the company can accurately identify the affected clients and immediately activate preventive product recall procedures in the market.



40%

Local Suppliers

100%

Strategic Suppliers with ISO 9001 Certification

Cybersecurity

As a specialised manufacturer of technical components, information security and data protection play a critical role in the governance and business continuity at Lusocal. Aware of the risks associated with increasing digitalisation and growing operational activity, the company continuously invests in strengthening its technological infrastructure to ensure the protection of data of employees, clients and business partners.

During 2025, Lusocal further strengthened its security architecture by renewing and maintaining the WatchGuard firewall systems at its Romariz and Felgueiras units. These solutions are configured in a cluster, ensuring continuous redundancy and minimising the risk of operational disruption in the face of potential external threats.

In addition, the data protection policy is based on a rigorous backup routine managed through Veeam Backup technology. This system performs automatic backup routines and cross-site, decentralised replication between the two production units. The infrastructure also includes immutable backup technology, one of the most advanced defences against ransomware attacks, as it prevents the modification or deletion of stored historical data.

Recognising that the human factor is the first line of defence in the digital environment, the company complemented these technical investments with training and awareness sessions for its teams. These initiatives focused on sharing best practices in digital security, particularly the secure management of passwords and the identification and prevention of phishing scams in day-to-day operations.

As a direct result of this proactive strategy and continuous investment, Lusocal has historically maintained a record of high operational stability, with no need to restore systems or recover files due to security incidents, demonstrating the effectiveness and resilience of the cybersecurity policies implemented.

COMMITMENTS

Environmental Pillar

Waste Management

Objective	KPI	Actions	Target
Complete the legal reclassification process for cutting offcuts	Obtaining legal by-product status	Submit the technical application to the relevant authorities Send waste for recycling at TecnoGi	2026
Study and implement eco-efficiency solutions for the reduction and recovery of hazardous waste (water-in-oil emulsions)	Percentage reduction of hazardous waste sent for disposal Water recovery rate	Carry out a technical and economic feasibility study for the segregation of the industrial emulsions circuit Implement the most efficient operational solution for the separation and routing of the components (water and oil) Assess the potential for reintroducing recovered water into the support processes of the factory	2027

Circular Economy

Objective	KPI	Actions	Target
Transition 100% of the packaging of the company to sustainable solutions	Percentage of sustainable packaging in use	Maintain the use of FSC-certified and 100% recycled cardboard boxes Identify and progressively replace plastics or other packaging materials with lower environmental impact alternative	2030

Decarbonisation

Objective	KPI	Actions	Target
Reduce direct Scope 1 emissions associated with mobile mobility by 10%	Tonnes of CO_2 equivalent generated by the vehicle fleet	Introduce two new electric vehicles into operations Prioritise the use of electric vehicles when allocating mileage	2026

Social Pillar

Employee Well-being

Objective	KPI	Actions	Target
Install a fully equipped canteen at the headquarters in Romariz for teams to use	Infrastructure completed and available for internal use	Carry out the adaptation works on the premises Provide suitable conditions for daily meals	2026

Health and Safety

Objective	KPI	Actions	Target
Reduce the number of workplace accidents in the production units to zero	Annual count of accidents recorded by the company	Carry out regular safety inspections Promote continuous training on workplace/industrial risks	Ongoing

Gender Equality

Objective	KPI	Actions	Target
Continuously monitor the remuneration policy to ensure gender equality based on the value of roles and employee performance, while maintaining the GPG close to zero	Adjusted GPG value within the organisation	Structure remuneration according to the value of the role and in line with the Collective Labour Agreement for the footwear sector Establish documented criteria for awarding performance bonuses	Ongoing

Governance Pillar

Integrity and Compliance

Objective	KPI	Actions	Target
Maintain zero ethical violations, cases of fraud, corruption, bribery or misuse of data within the company	Annual count of recorded compliance incidents or sanctions	Closely monitor access to data and financial transactions Ensure all employees comply with the code of conduct	Ongoing

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Annex 1 — Calculation assumptions for corporate GHG emissions (Scopes 1 and 2)

SCOPE 1

For fuel consumption, the calculation factors used to estimate GHG emissions for the different emission streams are those included in NIR and are based on the conversion factors provided by the Directorate-General for Energy and Geology (DGEG, 2022).

For the calculation of emissions associated with solvent consumption, the methodology used is the one included in NIR (defined in tonnes of CO_2eq. per kg of solvent consumed).

For the calculation of emissions associated with refrigerant fluid consumption (i.e. fluorinated gases emissions), the GWP values used are those published in AR5. If there is no refrigerant fluid consumption, and this is duly indicated as such, no associated emissions are considered.

SCOPE 2

For electricity consumption, the emission factors used are those published by the APA in the report 'Greenhouse Gas Emission Factors for Electricity Produced in Portugal' (APA, 2025); the calculated annually based on the GHG emissions (CO2 , CH4 and N2 O) estimated in NIR.

The quantification of Scope 2 emissions is presented using both the "location-based" and "market-based" methods, according to the recommendations of the GHG Protocol. The "market-based" calculation was carried out using Green Energy Contracts and monthly bills from the energy supplier.

Annex 2 — Breakdown of emissions by GHG type 2025

		CO_2 (tonnes)	CH_4 (tonnes)	N_2O (tonnes)	HFC (tonnes)	PFC (tonnes)	SF_6 (tonnes)	COVNM (tonnes)	TOTAL (tCO_2eq)
Stationary combustion	SCOPE 1	-	-	-	-	-	-	-	-
Mobile combustion		31,30	0,139	0,617					32,06
Fugitive emissions								0,0006	0,0006
Electricity *(location-based)*	SCOPE 2	28,72	0,37	0,36	0,01	-	0,16		0,00
Electricity *(market-based)*		0,00							
TOTAL LOCATION-BASED EMISSIONS (tCO_2eq)									61,68
TOTAL MARKET-BASED EMISSIONS (tCO_2eq)									32,06

Annex 3 — Certificate of 100% Renewable Energy Supply 2025

Declaração de Energia Verde

Iberdrola

A Iberdrola declara que realizou as operações necessárias, através do sistema de Garantias de Origem, para comprovar que a eletricidade fornecida aos nossos Clientes foi produzida a partir de uma determinada fonte e tecnologia.

Desta forma, asseguramos que a energia fornecida pela Iberdrola Clientes Portugal e consumida pela(o) LUSOCAL ARTIGOS PARA CALCADO SA | PT 0002 0000 8192 9838 FT, no periodo compreendido entre 01 / 01 / 2025 e 30 / 09 / 2025, com um volume de 175.873 kWh medido no local de consumo, provém exclusivamente de fontes renováveis que respeitam o meio ambiente, evitando emissões de CO2 e outros gases contaminantes.

Rui Afonso
Diretor-Geral

Declaração de Energia Verde

Iberdrola

A Iberdrola declara que realizou as operações necessárias, através do sistema de Garantias de Origem, para comprovar que a eletricidade fornecida aos nossos Clientes foi produzida a partir de uma determinada fonte e tecnologia.

Desta forma, asseguramos que a energia fornecida pela Iberdrola Clientes Portugal e consumida pela(o) LUSOCAL ARTIGOS PARA CALCADO SA | PT 0002 0001 1948 9312 GZ, no periodo compreendido entre 01 / 01 / 2025 e 30 / 09 / 2025, com um volume de 171.563 kWh medido no local de consumo, provém exclusivamente de fontes renováveis que respeitam o meio ambiente, evitando emissões de CO2 e outros gases contaminantes.

Rui Afonso
Diretor-Geral

MUON electric

CERTIFICADO DE CONSUMO DE ENERGIA 100% RENOVÁVEL EMITIDO A:

Lusocal Artigos para Calçado, S.A.

No período de 01/Outubro/2025 a 31/Dezembro/2025 foi consumido um total de 119.628,97 kWh de energia elétrica exclusivamente proveniente de fontes renováveis.

Neste período foram evitados cerca de 16.009* kilogramas de CO_2 na atmosfera, o equivalente à plantação de 1.642 árvores**.

*Tendo como referência o Mix Base de Sistema de 2025 (Factor de Emissão actualizado=133,82 kg/MWh).
**Capacidade de absorção de CO_2 ao longo de um Trimestre (9,75 kg CO_2/Trimestre)

Diretor Comercial

Muon Electric, Lda | Morada: Rua Duque de Loulé n.º 181 - 1.2 - 4000-324 Porto | CAE: 46180-R3 | Capital Social: 1.000.000 €
NIPC: 514.632.798 | Info.: 223 205 904 | e-mail: info@muon.pt

Annex 4 — Inventory of waste produced in 2025

TYPE OF WASTE *EWC Code*	QUANTITY PRODUCED (tonnes)	OPERATION *(Recovery (R) or Disposal (D))*
Hazardous waste		
12 01 09*	27,081	D15
12 01 20*	0,041	D15
15 02 02*	0,185	D15
15 01 10*	0,086	R13
20 01 23*	0,036	R13
Non-hazardous waste		
04 02 09	84,06	R12
15 01 01	2,56	R12
15 01 02	1,54	R12
20 01 01	0,405	R12
20 01 39	0,205	R12
16 02 14	0,3695	R12
Total waste produced (tonnes)	116,57	
Total hazardous waste produced (tonnes)	27,43	
Total non-hazardous waste produced (tonnes)	89,14	

Annex 5 — Actions for transitioning towards a more sustainable economy — VSME B2 and C2*

VSME TOPIC	ACTIONS	MATERIAL TOPIC OF LUSOCAL
CLIMATE CHANGE	**Climate change mitigation: energy efficiency** • Installation of LED lighting, including areas with motion sensors • Acquisition of new, more efficient equipment and machinery • Continuous awareness-raising among employees regarding the responsible use of this resource **Climate change mitigation: renewable energy** • Continue to invest in renewable energy sources through Self-Consumption Generation Units (UPAC) and the procurement of green energy • Storing surplus energy produced in batteries **Climate change mitigation: low-carbon products or processes** • Prioritise recycled, recyclable, biodegradable or low-carbon alternatives **Low-carbon transport** • Optimise delivery routes of the final products to clients and logistics operations to reduce fossil fuel consumption and prioritise deliveries using electric vehicles from of the fleet • Gradually replace the vehicle fleet of the company with 100% electric options	*Energy Efficiency and Decarbonisation*
POLLUTION	**Prevention and reduction of pollution at source** • Implement waste reclassification processes, transforming industrial waste into by-products or valuable raw materials • Monitor fluorinated gas refills in refrigeration equipment **Environmental monitoring and management** • Continuously monitor indicators defined within the Environmental Management System relating to energy and fuel consumption and waste generation, among others	*Waste Management*
CIRCULAR ECONOMY	**Circular economy** • Promote raw materials recycling strategies • Manufacture products using recycled, recyclable and biodegradable components • Gradually replace plastic packaging with alternatives which have a lower environmental impact **Resource efficiency** • Use FSC-certified made from 100% recycled cardboard **General measures** • Raise awareness and train employees in waste separation, circular practices and material efficiency	*Circular Economy*

* B2 — Practices, policies and future initiatives for transitioning towards a more sustainable economy
C2 — Description of practices, policies and future initiatives for transitioning towards a more sustainable economy
Identification based on the EFRAG Guide: C2 Supporting Guide — Excel — Examples and case studies

VSME TOPIC	ACTIONS	MATERIAL TOPIC OF LUSOCAL
OWN WORKFORCE	**Health and safety** • Provide Personal Protective Equipment to employees • Implement self-protection measures applicable to facilities, including safety records and preventive maintenance of machinery and equipment • Train employees for emergency situations: conduct annual fire drills **Collective bargaining** • Cover all employees under the collective labour agreement **Diversity, gender equality and non-discrimination** • Maintain gender impartiality in performance assessment **Gender equality and appropriate salaries** • Develop a remuneration structure with clear and transparent salary scales and promotion criteria • Communicate remuneration to employees **Training and development of skills** • Promote training for employees in all professional categories by developing an annual training programme	*Economic-Financial Performance* *Training of Employees, Community and Local Action*
WORKERS IN THE VALUE CHAIN	**Working conditions and labour rights:** • Ensure the development and dissemination of corruption prevention policies and procedures, as identified in the Code of Ethics, which defines clear principles on behaviour, transparency, respect and responsibility in relationships with employees, clients, suppliers and other stakeholders • Prioritise local suppliers with fair labour practices	*Well-being of Employees*
BUSINESS CONDUCT	**Corporate culture:** • Clearly state the mission and values of the company, as well as its principles regarding business conduct • Promote social and well-being among employees **Management of relationships with suppliers:** • Choose suppliers aligned with sustainability • Verify that suppliers have social and environmental certifications and/or labels, giving preference to local suppliers	*Reputation* *Quality Management and Responsible Procurement* *Cybersecurity* *Organisational Resilience and Flexibility* *Community and Local Action*

* B2 — Practices, policies and future initiatives for transitioning towards a more sustainable economy
C2 — Description of practices, policies and future initiatives for transitioning towards a more sustainable economy
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SUSTAINABILITY
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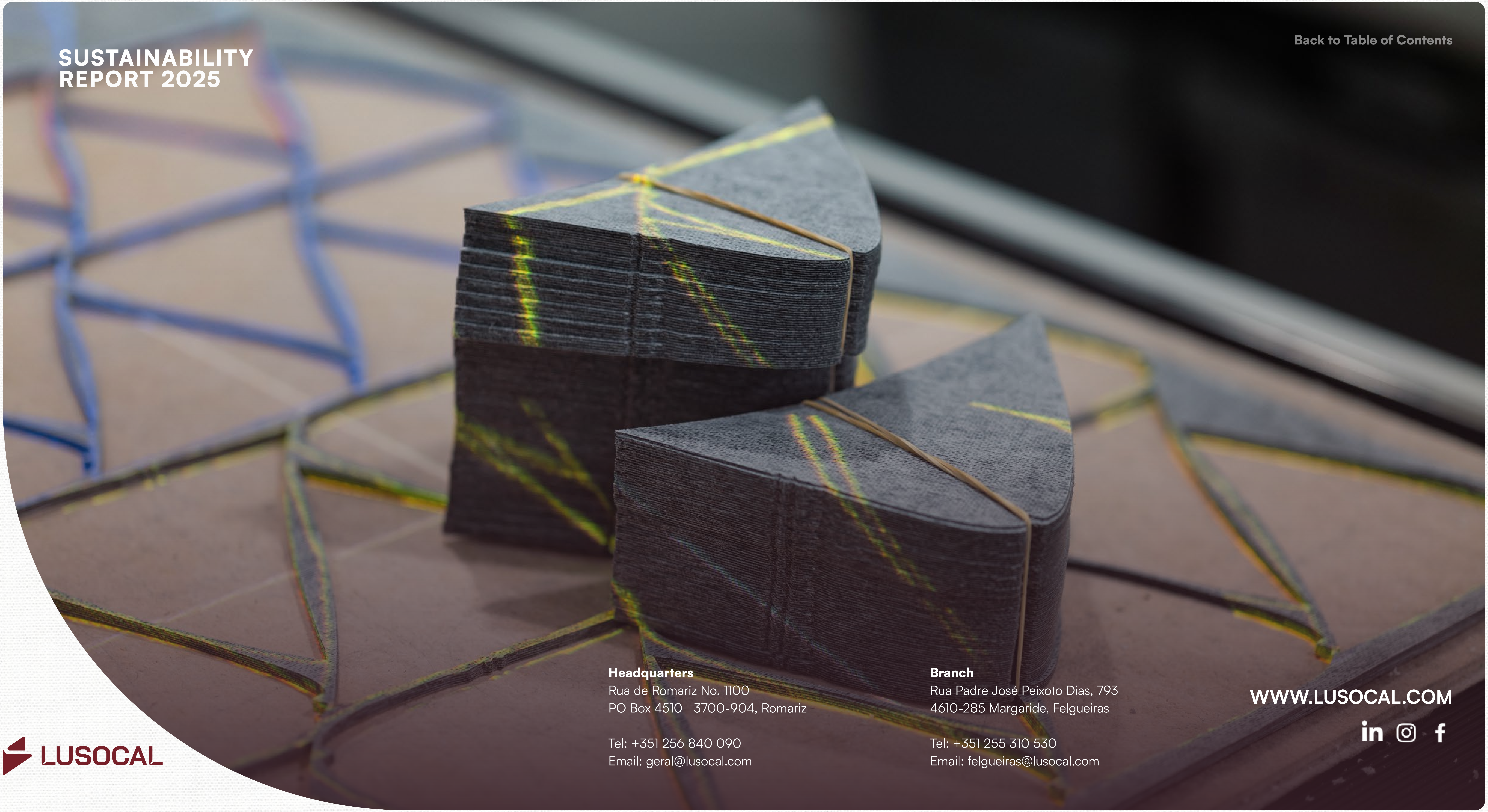

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