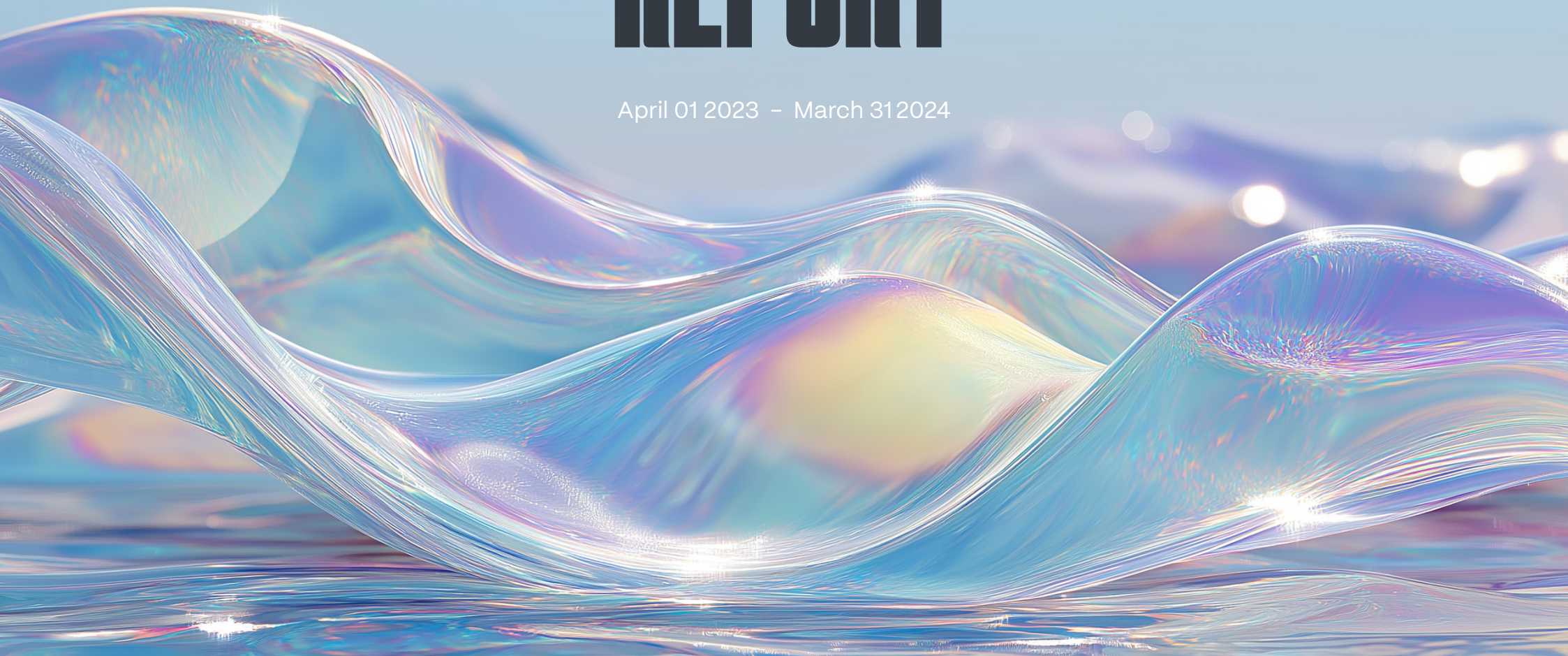
2023

MIKO

SUSTAINABILITY REPORT

April 01 2023 – March 31 2024



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MESSAGE TO STAKEHOLDERS



With the publication of the **2023 Sustainability Report**, Miko renews its commitment to transparency and accountability, sharing with stakeholders the results achieved in environmental, social and governance areas. For several years, this moment has also represented an opportunity to reflect on the value generated and on future objectives, underscoring the importance of accurate reporting and active stakeholder engagement on the path towards sustainable development.

Among the main initiatives undertaken, our collaboration with **Etifor S.r.l. Benefit Company** continues. Etifor supports Miko in conservation and reforestation projects, including the Huong Son forest in Vietnam. The "Miko Green 5.0" project continued during the year, advancing the Company's energy-efficiency pathway. The project includes, among other actions, the installation of two steam generators, two photovoltaic plants and a natural-gas-fuelled cogeneration plant, with the aim of further reducing the environmental impacts of the production cycle.

A further step forward was taken with the introduction of dedicated policies on occupational health and safety and on sustainable supply chain management. These initiatives are designed to protect workers' rights and ensure a responsible approach throughout the value chain, helping to strengthen a corporate culture centred on respect, social responsibility and environmental protection.
2023 was therefore a year of consolidation and conscious growth, confirming our determination to address challenges with vision and practical action. We continue to work with commitment to strengthen a development model that is attentive to environmental and social impacts and focused on long-term value creation.

Chief Executive Officer
Lorenzo Terraneo

GRI 2-1 // GRI 2-6

1. COMPANY PROFILE

1.1 Corporate Identity

Founded in Gorizia in 1997, Miko is a company specialising in the production of Dinamica®, a material manufactured through advanced technology aligned with the principles of the circular economy.

In 2015, the acquisition of the majority shareholding by Sage Global Automotive Interiors S.r.l., part of the American group Sage Automotive Interiors Inc. – a leader in the supply of fabrics for automotive interiors – marked a major milestone in the Company's development.

Subsequently, in 2018, the entry of the Japanese multinational Asahi Kasei Corporation into the share capital further strengthened the growth and consolidation of the Dinamica® brand.

As part of an international group, Miko has significantly expanded its presence in global markets, leveraging the sales network of Sage Automotive Interiors and the outstanding technical and aesthetic performance of its products.

Miko's international vocation is reflected in its broad geographical footprint. The Company maintains business relationships in Europe, North and South Africa, North and South America, Asia and Australia. Its products are present in numerous countries, including Italy, Austria, Switzerland, Germany, France, Belgium, Spain, Portugal, the United Kingdom, Sweden, the Czech Republic, Poland, Romania, Slovenia, Croatia, Serbia, Macedonia, Slovakia, Bulgaria, Moldova, Russia, Turkey, Morocco, South Africa, the United States, Mexico, Brazil, China, Japan, Australia and South Korea.



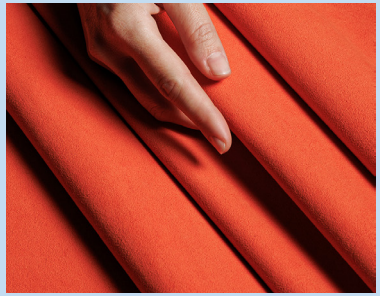
Our history

1997 2007

- Miko was established, owned 50% by **Arofin S.p.A.** and 50% by **Sitab S.p.A**.
- Dinamica® was conceived using **Asahi Kasei** technology, with dyeing and finishing carried out by Miko
- Miko expanded its automotive sales network in Detroit, USA.
- The first **Chevrolet Malibu GMX380** with Dinamica® interiors was presented in the United States.
- A new corporate structure was adopted: Arofin S.p.A. **86%** and Asahi Kasei Corporation **14%**.
- The first cars with Dinamica® interiors were presented in Europe: **Audi A4 RS6 and Passat R36**.



- The first **Mercedes-Benz** programmes began, followed by **PSA**, **Ford US**, **Jaguar Land Rover**, **Smart**, **General Motors**, **Volkswagen** and **Opel**.
- Miko opened a design area to propose new collections, technologies and products.
- Miko began collaborating with KIA, **Alfa Romeo**, **Chrysler**, **Mini** and **Volvo**.
- Miko adopted the Organisation and Management Model pursuant to Legislative Decree 231/2001, together with the Code of Ethics and Conduct.
- Miko worked to finalise future programmes with **Volkswagen Europe and China**, **Hyundai/KIA Korea and USA**, and **Nissan Europe**.



2008 2014

2015 2019

- **Sage Automotive Interiors**, a global leader in the supply of automotive fabrics, acquired the majority shareholding in Miko.
- The first new projects with Volkswagen began for the **Golf, Polo, Tiguan, Touran, UP and Caddy** platforms.
- Thanks to the Sage Automotive Interiors network, Miko added new customers to its portfolio and brought Dinamica® closer to the Ford brand.
- Sage Automotive Interiors was acquired by Asahi Kasei, enabling greater integration of the supply chain and further development of the Dinamica® brand.
- Programmes with Volkswagen, Porsche and Audi grew significantly in 2019. At the end of fiscal year 2019, the Covid-19 pandemic emergency began.



2020 2022

- 2020, the year of the Covid-19 pandemic, was characterised by **increasing demand for innovative products**, especially in the fashion sector.
- Miko expanded its production for the **luxury sector**.
- The new Pure Vision collection and the new Dinamica® Pure product line were launched.
- Production areas, warehouses and offices were expanded, with the objective of increasing production volumes by 80% through new dyeing machines, a new finishing line supported by the expansion of the laboratory and the wastewater treatment plant.

2023

New investments by Asahi Kasei in the production capacity of the raw nonwoven substrate were implemented.



1.2 Miko at a Glance

165



Employees

including 40 women and 125 men.

HQ

Registered and operational office

Miko's premises are located in Italy, in the industrial area of Gorizia, at Via Giuseppe Ressel 3, within an area of approximately 56,000 m² where the Company's management, administrative and production activities are carried out.

Miko performs the entire production process at this site: transformation, dyeing and finishing of the raw substrate supplied by its Japanese partner Asahi Kasei Corporation.



27

Years in business

31

Countries served

Linear metres of Dinamica®

4.721.678,48

sold overall

Net equity

€112

Milion

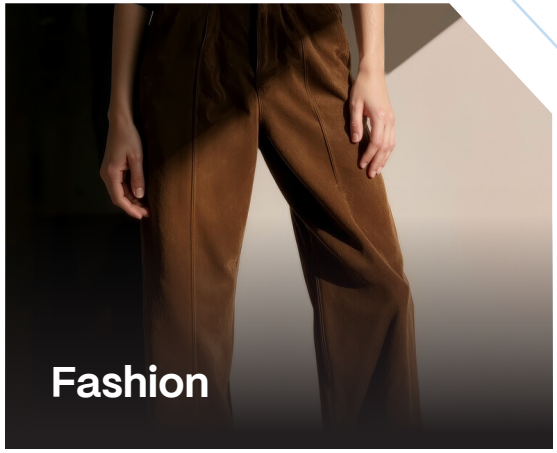
Net revenue

€168,5

Milion

5

MARKET SEGMENTS



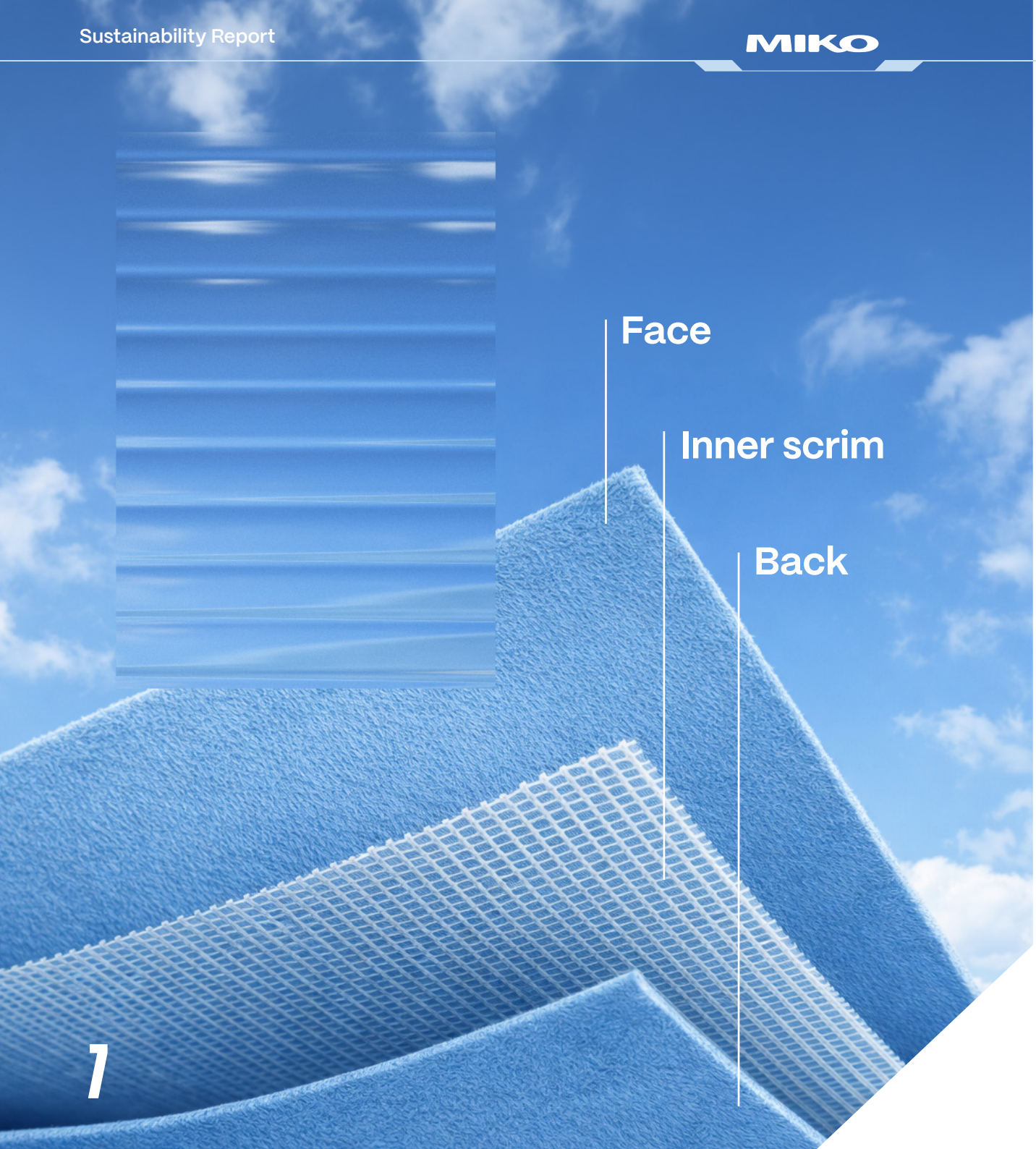
In the fashion sector, Dinamica partners with European luxury brands that place particular emphasis on the use of innovative materials and the search for solutions combining performance, aesthetics and sustainability.



In the automotive sector, customers are OEMs (Original Equipment Manufacturers – companies that produce the finished vehicle for the consumer market) and TIER 1 suppliers, the direct suppliers to OEMs within the automotive supply chain.



In the interior sector, Dinamica is marketed through a network of distributors operating across several European countries, promoting its use in applications related to furnishing and interior design.



1.3 Dinamica® Suede

Dinamica® is a Made in Italy suede whose production process reduces the extraction of virgin raw materials because it contains a percentage of recycled polyester[1] that would otherwise be sent to landfill or incineration. Although its main application is in the automotive sector, its high versatility also enables it to be used in the furniture and fashion industries.

The production of Dinamica® is based on technology developed by the Japanese industrial group Asahi Kasei Corporation, active in the materials, homes and healthcare sectors. Asahi Kasei supplies Miko with the raw nonwoven substrate, the essential raw material for manufacturing Dinamica®. This material is then dyed, processed and finished by Miko at its Gorizia plant through an innovative water-based process that eliminates the use of organic solvents.

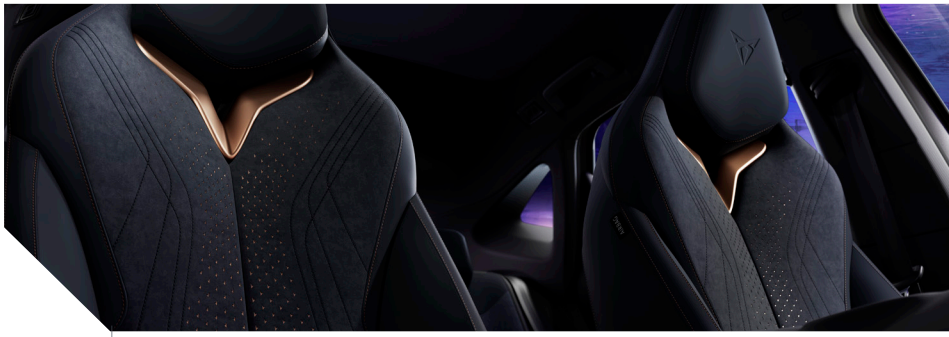
The result is a nonwoven suede composed of three layers:

- face (the outer layer)
- inner scrim (the internal fabric)
- backing (the support layer)

[1] Recycled polyester comes from pre- and post-consumer fibres in a percentage that varies according to the product line.



PRODUCT LINES



FASHION AND INTERIOR SECTOR

Classica Line

AUTOMOTIVE SECTOR

Auto Line

Auto, Auto Stretch, Auto Wide, Auto Super Wide

Nabuk Line

Nabuk Plus

Pure Line

Pure, Pure Stretch, Pure Wide, Pure Super Wide, Pure LT, Pure LT Stretch

LATEST NEWS

Infinity line

A new single-component line, Dinamica® INFINITY, is currently under study. It is composed of 100% polyester and is therefore potentially fully recyclable at the end of the product's life.



Automotive Applications

The three automotive lines can be used to cover a wide range of applications inside vehicles: seats, backrests, bolsters, headrests, steering wheels, dashboards, rear parcel shelves, door panels, armrests, headliners, pillars, sun visors and various other panels.



The collaboration between Dinamica® and RE49 continues

The collaboration continues between Dinamica® by Miko and RE49, the historic brand from Gonars (Udine) founded in 1949 by Valentino Masolini and now relaunched by his great-nephew Nicola Masolini with a contemporary identity rooted in the creative reuse of waste materials such as suedes, fabrics and stock remnants to produce original footwear.

Among the outcomes of this synergy is RE49 Urban FW24, a unisex autumn/winter capsule collection, handcrafted in Italy in a limited edition using innovative Dinamica® suede. The material, partly composed of recycled fibres, comes from production surplus originally intended for premium automotive interiors, in line with circular-economy principles.

The collection stands out for its focus on Made in Italy, local development and product quality, without neglecting traceability. Each shoe integrates a unique NFT in the right-hand logo: by bringing a smartphone close to it, users can access the certified story of the shoe via a pop-up, recorded on blockchain.

GRI 2-25

2. COMMITMENT TO SUSTAINABILITY

2.1 Sustainability: approach and operating choices

Miko, as a company participated by Asahi Kasei Corporation, adopts and promotes sustainability policies that are consistent with the Group's strategic objectives. The multinational's vision is expressed as follows:



This direction is consistent with the expression "Care for People, Care for Earth," reiterated in the Management Message of the 2024 Sustainability Report[3], which summarises the Company's commitment to a sustainable development model capable of combining people's wellbeing with harmony with the natural environment. In addition, Asahi Kasei Corporation, in its Group Sustainability Policy[4], refers to two aspects that it considers mutually reinforcing: "contributing to sustainable society" and "sustainable growth of corporate value."
To pursue these objectives, the Group promotes corporate governance oriented towards the following actions:

- creating value by contributing to a sustainable society;
- responsible business activities;
- employee empowerment.

In the section dedicated to environmental management in the Japanese Group's 2024 Sustainability Report, quantitative indicators and targets are also presented to track progress in limiting climate-change impacts, including GHG emission reductions, renewable energy generation, containment of energy consumption and water-resource use. The governance structure responsible for managing these aspects is also described in the Sustainability Report and includes a Sustainability Committee.

On Asahi Kasei's website:
www.asahi-kasei.com/sustainability/environment/climate_change, the Group states that, in accordance with its Group Mission, it is committed to contributing to life and living for people around the world. The Group has long recognised climate change as a global issue with a significant impact on both the natural environment and society, and sees it as its mission to use the chemistry expertise developed since its foundation to address this issue by leveraging its combined strengths.

[2] https://www.asahi-kasei.com/company/vision/
[3] https://www.asahi-kasei.com/sustainability/basic_information/library/report/pdf/sustainability_report2024e.pdf pag 3.
[4] https://www.asahi-kasei.com/sustainability/about_sustainability/pdf/bp_01.pdf

Accordingly, in May 2021 the Asahi Kasei Group adopted a **carbon-neutrality policy**, setting the objective of achieving **carbon-neutral status by 2050** and reducing Scope 1 and Scope 2 greenhouse gas emissions by 30% by 2030 compared with 2013 levels.

Sage Automotive Interiors Inc., also part of the Japanese Group and owner of the shareholding of the Italian subsidiary that is Miko's majority shareholder, has an environmental policy and several certifications confirming its commitment to environmental and social responsibility[5].

In this context, Miko renewed its commitment to reducing greenhouse gas emissions associated with its activities and to supporting FSC-certified forest projects for the absorption of residual emissions, while also contributing to biodiversity conservation, water-resource protection and the resilience of the territories involved in the projects.

During 2023, the Company continued to implement its supply chain policy and occupational health and safety policy; it also launched the Miko Green 5.0 energy-efficiency project. With regard to the supply chain in particular, work continued on implementing the IntegrityNext cloud platform, which will enable Miko to monitor environmental and social impacts and risks across its supply chain[6].

During the reporting year, Miko also continued to actively support the initiatives of PMG Benefit Company, which develops projects designed to promote social equity and awareness of sustainability issues. Miko is also a member of PLEF ETS, an association dedicated to disseminating business strategies that respect the sustainability constraint and the green economy.

A number of initiatives have been carried out in recent years to put the Company's sustainability policies into operation. The main ones include:

2013 in 2013, installation of a photovoltaic system on the roof of the production facility, capable of generating electricity for self-consumption of up to 26% of requirements, with an installed capacity of approximately 1 MW;

since 2016, efficiency improvements to the production process, reducing energy and water consumption; **2016**

2018 since 2018, development of WOWnature® projects managed by Etifor S.r.l. Benefit Company, with a commitment to absorb residual GHG emissions through investments in the Bosco Sacile forest management plan, completed in 2022, and in the restoration project for the Huong Son forest in Vietnam;

[5] See https://www.sageautomotiveinteriors.com/sustainability
[6] See the sections "The Miko Green 5.0 project," "3.5 Corporate Supply Chain and Occupational Health and Safety Policies" and "6.3 Responsible Supply Chain Management" for details.

2020–21 in 2020–2021, replacement of lighting systems through the installation of LED lamps;

since 2021, purchase by the Company exclusively of electricity from renewable sources with guarantees of origin. **2021**



2.2 Main ongoing initiatives

Impact-reduction objective and WOWnature® projects

Since 2018, Miko has voluntarily undertaken a pathway to minimise its impacts by 2030 while bringing value to nature in all its forms. To move closer to this objective, the Company participates as a financial sponsor in WOWnature®[7], an initiative of Etifor S.r.l. Benefit Company, a spin-off of the University of Padua. WOWnature® supports citizens, organisations and companies in creating new forests and protecting existing ones, promoting responsible forest-management practices according to the highest international standards, such as Forest Stewardship Council® certification (FSC-N001935)[8].

Etifor provides support in the development of environmental projects, including those in which Miko participates, through a science-based approach structured around four main intervention areas: measuring and reducing impacts; reducing risks; absorbing residual emissions through ecosystem-regeneration projects that are translated each year into specific actions to be implemented, such as increasing biodiversity and combating deforestation.

The projects supported by Miko in previous years, currently supported and scheduled to start in 2024 are summarised on the next page.

[7] https://www.wownature.eu – WOWnature® is the first initiative that enables individuals, organizations and businesses to grow new forests and protect existing ones, in full compliance with the most rigorous standards of responsible forest management. At the page https://www.wownature.eu/en/business/our-partners/dinamica-miko/ you can view the projects supported by MIKO over the years.

[8] The Forest Stewardship Council (FSC®) is an international non-profit NGO. FSC created an internationally recognised forest-certification system designed to ensure proper forest management and the traceability of forest-derived products.

Supported areas

Closed projects	Ongoing projects	Projects starting in 2024
Sacile forest in Carlino	**Forests of Health in Huong Son (Vietnam)**	**Val di Fiemme**
Through this project, Miko contributed to the restoration of the Sacile forest in Carlino, one of the last centuries-old forests in the Friuli plain, classified as a Special Protection Area and Natura 2000[9] site. As a guarantee of the quality of management, in June 2020 the forest obtained FSC® certification, which demonstrates its positive impact on ecosystem services, particularly CO_2 storage. The project ended in 2022 and the area is maintained and monitored to ensure its long-term conservation.	Miko supports Huong Son, one of Vietnam's largest forest-ecosystem restoration projects, which aims to address the climate crisis and biodiversity loss while also supporting local communities living in balance with the forest. The project includes the planting of new trees and shrubs for the production and market development of wild forest products, including bamboo, rattan and numerous medicinal plants.	Miko will help support reforestation activities by the Magnifica Comunità di Fiemme, internationally renowned for its extraordinary and valuable forests, particularly the resonance spruce used in musical instruments. The valleys that host these forests, which are fundamental to the local mountain economy, were severely damaged by Storm Vaia in October 2018. The intervention will be part of the WOWalps initiative, "The Rebirth of Alpine Forests," promoted by WOWnature in partnership with the municipalities and private entities that care for the affected areas.
In FSC's international database[10] you can verify Miko's support for Bosco Sacile, which has enabled the absorption of a total of 17,620 tCO_2.	With reference to FSC's international database, Miko's contribution has enabled the capture and storage of 27,665 tCO_2 up to 2023.	

[9] www.mite.gov.it/pagina/rete-natura-2000
[10] https://search.fsc.org/it/

The MARC method to minimise corporate impacts

In its pathway to minimise impacts, the Company adopted the MARC approach developed by Etifor S.r.l. Benefit Company. The steps are described below.

MEASURE

Since 2011, the Company has adopted a Life Cycle Thinking approach, developing the LCA methodology and Environmental Product Declarations (EPDs). This enables the Company to calculate the tonnes of CO_2 equivalent emitted throughout the product life cycle, from cradle to gate, as well as other potential environmental-impact indicators. The EPD Process certification described in the section "Certifications and Reference Standards" also allows the Company to work with an eco-design approach, identifying potential solutions for improving the product's environmental performance from the design stage.

AVOID

Impact reduction

The composition of Dinamica®, which also includes recycled fibres in different percentages depending on the application, reduces the use of virgin raw materials and limits potential environmental impact. In the dyeing and finishing stages, production cycles are optimised and monitored to manage energy consumption as effectively as possible and minimise the waste of chemicals and water, which is then treated in the Company's wastewater treatment plant and partly reused, as described in the dedicated paragraphs in the "Planet" section.

RISKS

Climate-risk analysis and mitigation

The Company adopts a preventive approach to eliminate and reduce risks arising from climate change and its consequences, such as drought, river flooding, stricter regulations and reputational risks, which may affect its production activities.

CAPTURE

& Communicate

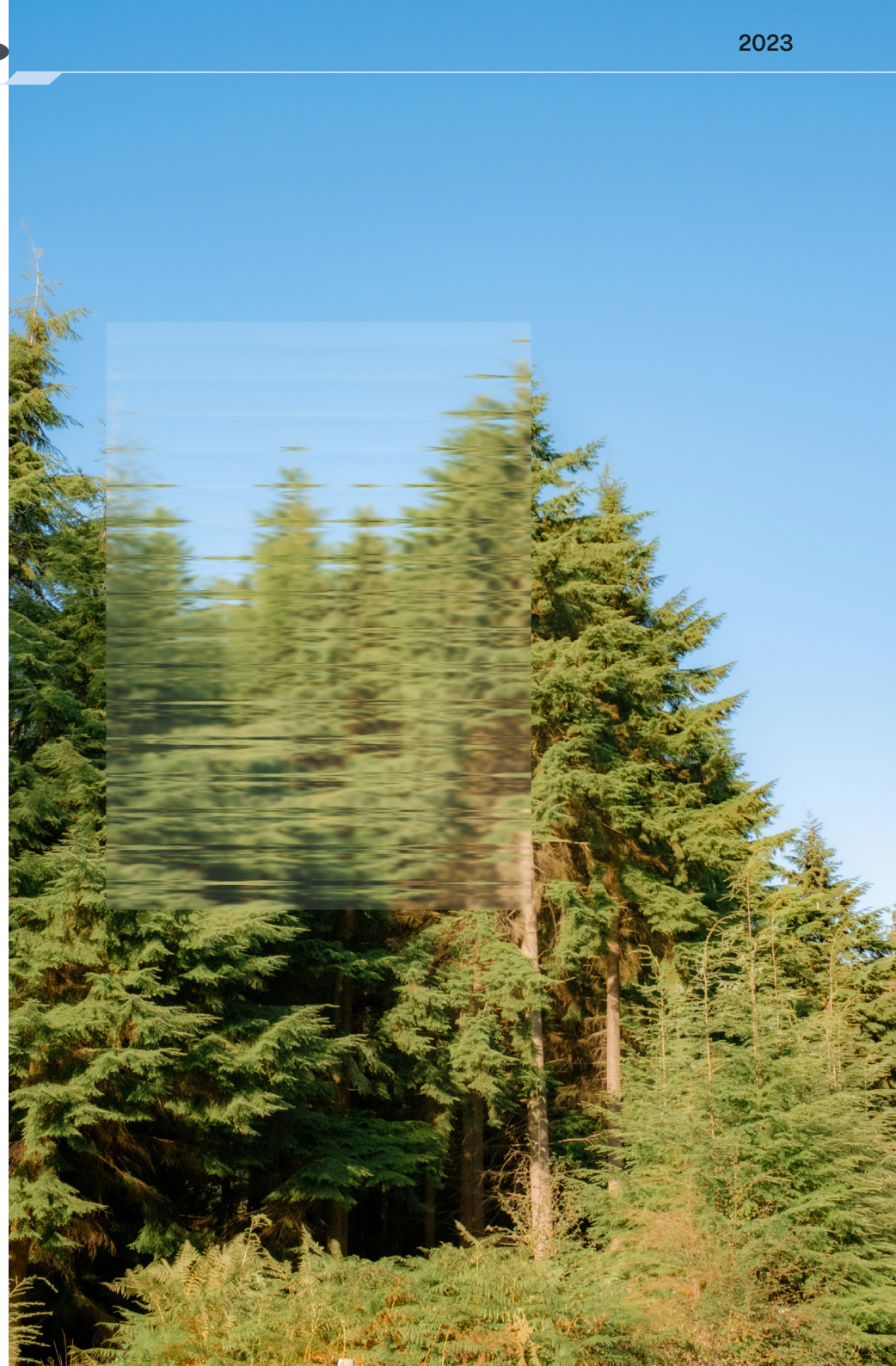
By supporting reforestation and existing-forest protection projects, the Company supported the Sacile forest in Carlino in 2018 and the Forest of Health in 2020, improving forest management and increasing CO_2 capture. It also plans to join a new forest-improvement project in Val di Fiemme, in the province of Trento.

Through the collaboration between Etifor and the Company, an action and investment plan was defined to further reduce CO_2 emissions. During 2023, the analysis phase was developed, with the objective of identifying efficiency opportunities within the Gorizia production plant. The project involves employees actively in the study and selection of initiatives to be implemented, with the aim of increasing the participation and contribution of all staff to achieving the Company's sustainability objectives.

The Forest of Health

Huong Son hosts a forest of more than 20,000 hectares in central-northern Vietnam, in the remote province of Ha Tinh, managed by the Huong Son State Forest Company. The forest is certified by the Forest Stewardship Council® (FSC-N001935).
Responsible management of the Huong Son forest generates numerous ecosystem benefits: increased biodiversity, improved water quality, support for local communities, job creation and active action against illegal deforestation. Over the last 15 years, Vietnam has lost more than 1.5 million hectares of forest, caused by human activity including the expansion of agricultural land, unsustainable logging, settlement development and infrastructure construction.

To date, Miko has supported activities such as preventing illegal logging, reforesting areas previously subject to deforestation and enriching the forest with plant species used in traditional Vietnamese medicine. The Company also supports forest patrol and monitoring activities, vegetation enrichment and reforestation with native species to ensure the long-term wellbeing of the forest.



Initiatives with PMG Benefit Company

PMG Italia S.p.A. – Benefit Company for Positive Impact promotes initiatives that encourage social equity, enhancement of the common good and collective responsibility on sustainability issues. Among its projects, "Cities with Positive Impact" stands out as an initiative designed to engage the Third Sector, companies, institutions and citizens in promoting an increasingly inclusive culture.

The city of Gorizia also joined the initiative, with the patronage of the Municipality and the active participation of AISM – the Italian Multiple Sclerosis Association, Gorizia Provincial Section – and I.S.I.S. Galilei-Fermi-Pacassi.
For more information: www.cittaadimpattopositivo.it/progetti/gorizia/
The launch of the project was made possible thanks to the essential contribution of Supporting Ambassadors, including Miko and Witor's, an Italian chocolate producer.

The initiative involved fourth- and fifth-year students from the Institute in an awareness-raising programme on environmental and social issues, culminating in a contest to present urban-regeneration proposals. Drawing on skills acquired during their school programme, the students developed five projects rich in concrete ideas to help make Gorizia a true positive-impact city.

At the end of the programme, two projects were awarded: inclusive redevelopment of the Parco della Rimembranza, with a special focus on accessibility for non-self-sufficient and visually impaired people, and an energy-saving plan for the Galilei-Fermi-Pacassi Institute. The winning classes received two scholarships worth EUR 500 each, provided in the form of vouchers for the purchase of cultural and educational materials and offered by Miko and Witor's.

Collaboration with PLEF ETS

The mission of PLEF (Planet Life Economy Foundation) ETS is to study, develop and promote business strategies that respect environmental, social and economic sustainability principles. The association aims to create connections between universities, companies and civil society through networking, projects, training and research.

Since its foundation in 2003, PLEF has been committed to promoting a new economic and social paradigm defined as the Renaissance Economy: a model capable of generating authentic value, going beyond the opposition between growth and degrowth.

As a member of PLEF, Miko actively participates in the association's conferences and follows insights related to the circular economy and the green economy, with the aim of continuously strengthening its expertise in sustainability.

The Miko Green 5.0 project

In 2023 the "Miko Green 5.0" project continued. Launched in 2022, it is consistent with the Company's objectives for environmental sustainability and optimisation of energy consumption. The main elements of the interventions under implementation are described below; in March 2022, an environmental study and energy audit[11] were carried out by external professionals with the necessary qualifications and expertise.

[11] The energy audit is a systematic procedure that provides adequate knowledge of the energy-consumption profile of a building, activity or plant, aimed at identifying and quantifying cost-effective energy-saving opportunities.



Cogeneration plant with electrical capacity of 260 kWe – 373 kWt

To improve the sustainability of its production process, the Company planned the installation of a high-efficiency cogeneration plant fuelled by methane gas, capable of producing electricity and thermal energy simultaneously. Sized according to the plant's specific energy requirements, the system enables consumption to be optimised and significantly reduces both operating costs and environmental impact. The selected technology enables energy processes to be rationalised through:

- the use of high-efficiency machinery;
- the selection of reliable components;
- an advanced automatic combustion-control system that minimises NOx and CO emissions at source.

This intervention represents a concrete response to the challenges posed by instability in energy markets and the growing need to transition towards lower-impact production models.



Two high-efficiency steam generators, each with thermal capacity of 6,000 kWt

As part of the energy-efficiency improvement programme, Miko began replacing the diathermic-oil generator at the Gorizia plant with two high-efficiency steam generators, each with a thermal capacity of 6,000 kWt. This solution enables optimal balancing of steam production and delivers significant economic and environmental benefits by eliminating the inefficiencies typical of oil-based systems, such as sludge, leaks and dispersion.

By moving to a direct steam-production system, Miko intends to increase production efficiency, with an indicative saving of 10%, and avoid the oil/steam exchange, with an indicative saving of 6-8%. One oil generator will nevertheless be retained to feed specific production lines and ensure system redundancy, guaranteeing operational continuity.

During 2023, a significant fault occurred in the diathermic-oil circuit of the thermal plant, causing a temporary production shutdown. To manage the emergency, the Company rented external boilers, thereby ensuring the continuation of production activities, although with operational and logistical impacts. The issue will be overcome by the installation of the new generators, which will introduce a double supply line and ensure greater reliability and operational continuity.



New photovoltaic plants

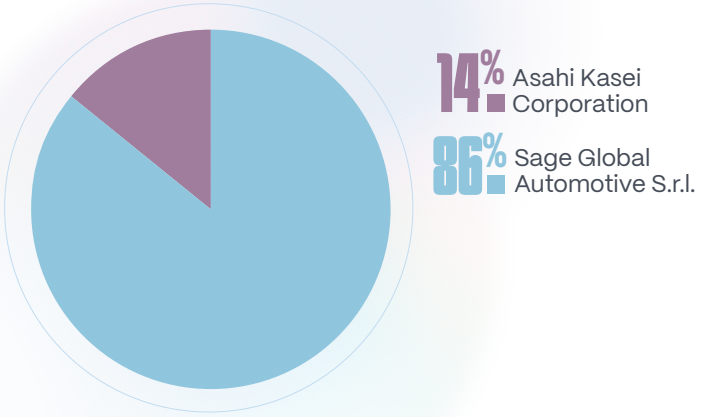
The Company plans to install a photovoltaic plant with a nominal power of 252.52 kWp on the roof of the production structure, as well as an additional 50 kWp plant on the roof of the office building. These interventions will increase the current capacity for self-produced photovoltaic electricity, as described in section 4.1, "Energy Management."

GRI 2-1 // GRI 2-6 // GRI 2-9 // GRI 2-10 // GRI 2-11 // GRI 2-12 // GRI 2-13 // GRI 2-14 // GRI 2-15 // GRI 2-16 // GRI 2-17 // GRI 2-18 // GRI 2-28 // GRI 405-1

3. GOVERNANCE

3.1 Organisational Structure

Miko S.r.l. is a limited liability company registered with the Companies Register on 17/09/1996 (tax code 00976320309 – VAT no. 00520580317 – REA no. GO 58078). The Company operates under ATECO code 13.95 and carries out activities relating to the production of base substrate, coagulation, dyeing and fixing of fabrics and nonwoven fabrics in suede and similar materials. Its fully paid-in share capital amounts to EUR 2,040,000. As at 31/03/2024, the shareholdings were distributed as follows.



From a legal perspective, the Company is controlled by Sage Global Automotive S.r.l., an Italian company belonging to the American Sage Automotive Interiors Group, which operates in automotive interior trims and options. Miko is subject to the management and coordination of Asahi Kasei Corporation, based in Japan, which in turn holds 100% of the share capital of the Sage Group.

Miko S.r.l. is therefore part of an international value chain in which the strategic and investment policies of Sage Automotive Interiors and Asahi Kasei Corporation represent a key reference point for the evolution of the Company and its products. Coordination between the Company and its shareholders is ensured through continuous and structured dialogue, including periodic meetings held both at the Gorizia office and online, aimed at monthly analysis of activities carried out, sharing of corporate documentation and joint definition of the investment budget for subsequent financial years.

As at the publication date of this document, the Company is managed by a Board of Directors composed of five male members and one female member[12]. The Board includes Chairman Daniel Frank Russian, who holds legal representation of the Company; Chief Executive Officers Lorenzo Terraneo, Leopoldo Terraneo and Patrick Carter Thomasson; and Directors Jumpei Seki and Susan Walden Mizelle, who have no executive roles in the Company as they have not been delegated powers. Chairman Russian also currently serves as Chairman of Sage Automotive Interiors Inc.
The Chairman and the Board of Directors are appointed by resolution of the Shareholders' Meeting. Their appointment reflects the strategic vision of the Company, of the entire group controlled by Asahi Kasei Corporation, of the policies established by that group[13], and of the business policies and objectives of Sage Automotive Interiors Inc. The Company operates under the supervision of the Sole Auditor, the control of an auditing firm and a Supervisory Body pursuant to Legislative Decree 231/2001.

[12] Please refer to the Company's Chamber of Commerce registration report for details regarding the powers attributed to the chief executive officers.
[13] https://www.asahi-kasei.com/sustainability/governance/cg/#anc-03

Composition of the Board of Directors

Role	Term of office	Name	Gender	Age band
Chairman of the Board of Directors	In office from 29/07/2024 until approval of the financial statements as at 31/03/2027	Russian Daniel Frank	M	Over 50
Chief Executive Officer	In office from 29/07/2024 until approval of the financial statements as at 31/03/2027	Terraneo Lorenzo	M	Over 50
Chief Executive Officer	In office from 29/07/2024 until approval of the financial statements as at 31/03/2027	Terraneo Leopoldo	M	Over 50
Chief Executive Officer	In office from 29/07/2024 until approval of the financial statements as at 31/03/2027	Thomasson Patrick Carter	M	30 – 50
Director	In office from 29/07/2024 until approval of the financial statements as at 31/03/2027	Seki Jumpei	M	Over 50
Director	In office from 29/07/2024 until approval of the financial statements as at 31/03/2027	Mizelle Susan Walden	F	Over 50

Other bodies and offices

Sole Auditor	In office until approval of the financial statements as at 31/03/2027	Sole Auditor	Palumbo Ugo
Supervisory Body pursuant to Legislative Decree 231/2001	In office until 31/03/2027	Chair	Caputo Gianni
		Member	Mosetti Giulio
Other offices or qualifications	Until revoked	Safety Management Delegate	Braglia Alessandro
		Technical Management Supervisor	Pelicon Erik
Auditing firm	In office until approval of the financial statements as at 31/03/2028	Pricewaterhousecoopers S.p.A.	

The Chief Executive Officers work directly and continuously with the heads of the different corporate functions. Through the powers and responsibilities assigned to them, these managers actively contribute to the management of economic, environmental and social impacts, aligning their activities with the Company's strategic objectives and supporting implementation.

The Chief Executive Officers also define the guidelines on sustainability, which are then translated by management into operational initiatives, with specific objectives and concrete actions. Each year, the Chief Executive Officers and management share the definition of economic, environmental and social objectives for future periods, based on the results reported in the Sustainability Report, evidence from Management Systems and the results of audits conducted by third-party bodies as part of existing certifications and attestations. These audit results, together with the economic and financial results in the audited annual financial statements and the other indicators monitored by the Company, provide the basis for assessing corporate performance, redefining the overall strategies and identifying subsequent actions.

This Sustainability Report serves as a reporting tool for the actions undertaken during the reference period, in accordance with the selected 2021 GRI Standards. Its purpose is to provide a transparent and structured view of the management of economic, environmental and social impacts, as well as any developments in the Company's governance structure.

No substantial changes were recorded during the year with regard to the value chain and business relationships within the operating context. Supply-chain dynamics and relationships with stakeholders, customers, suppliers and partners remained stable, in continuity with the previous year.

The Chairman, the Chief Executive Officers and the other members of the Board of Directors have the skills and experience required to define and implement strategies oriented towards sustainable development.

The ability to adapt to the changes that characterise the sector in which the Company operates requires continuous updating of the knowledge and skills of top management. This ongoing strengthening process takes place through structured dialogue with Miko's managers and with companies belonging to the reference Group, dialogue with internal management and the support of external consultants and experts. These interactions are essential to ensure that strategic decisions remain consistent with economic, regulatory and technological developments, thereby consolidating the Company's long-term vision and its capacity to generate value responsibly.

With regard to conflicts of interest, the Company complies with the provisions of Italian law[14]. Any circumstances of conflict, including those specified in GRI 2-15b, are communicated to stakeholders through the management report attached to the annual financial statements and through the Sustainability Report.

Through its Management Systems and operating procedures, the Company is able to identify and manage critical issues related to its production, commercial and administrative activities. Its organisational structure, made up of managerial and operational roles, relies on internal and external communication channels that facilitate the reporting of critical issues, including those relating to economic, social and environmental sustainability. Dedicated channels are also active to collect comments from external stakeholders, ensuring inclusive and broad-based monitoring of issues.

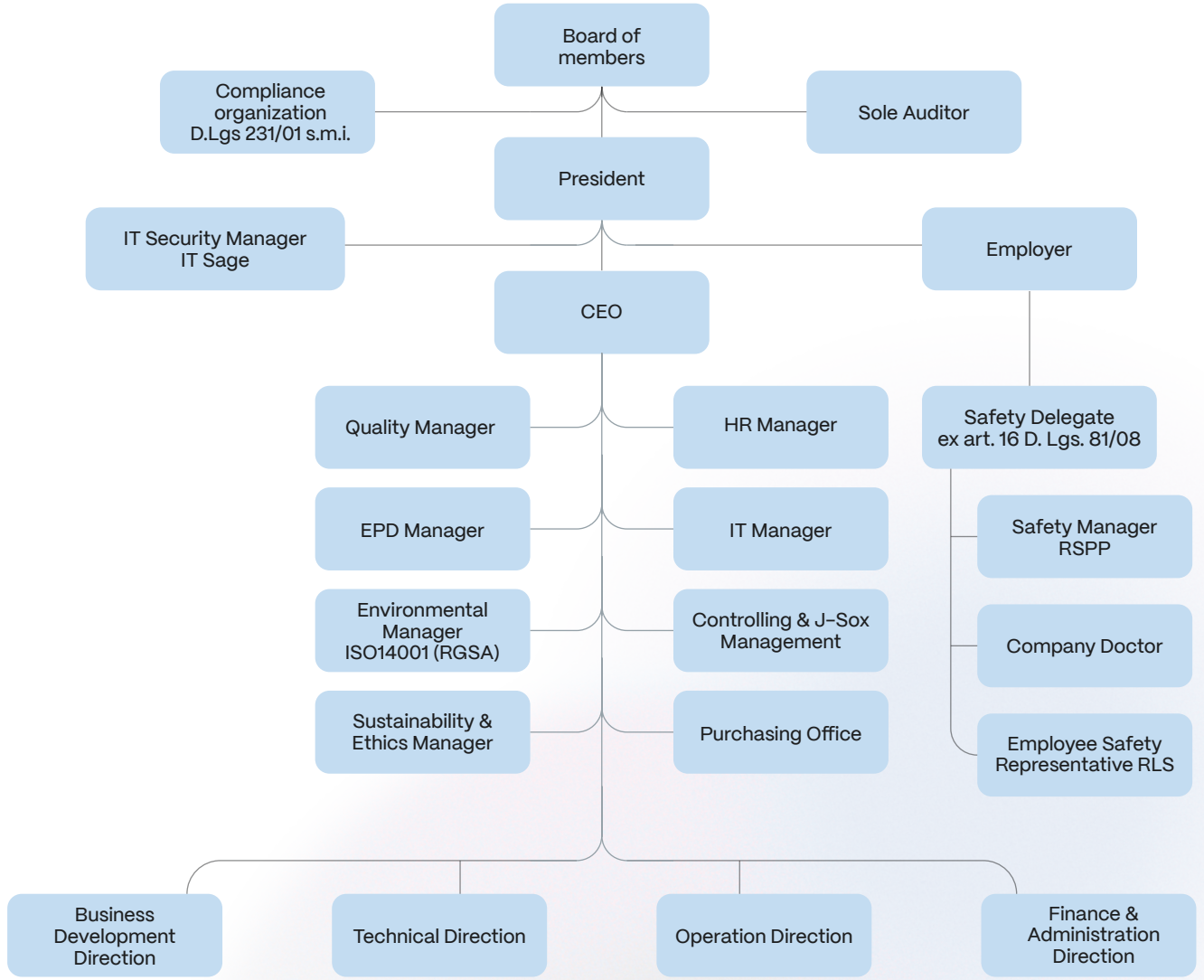
[14] It should also be noted that the company Code of Ethics expressly regulates conflicts of interest ("6.8 Conflicts of interest and duty to abstain"). The parent company Asahi Kasei Corporation has a public Code of Ethics with specific rules governing conduct in the management of the Company. Please refer to the Asahi Kasei Group Code of Conduct, in the section titled "Utilizing management assets appropriately and effectively", for specific details: www.asahi-kasei.com/sustainability/governance/compliance/pdf/code_of_conduct.pdf
The Asahi Kasei Group Code of Conduct sets out the standard of conduct for the executive and individual employees of each group company in the practice of compliance.

Dedicated channels are also in place to collect observations from external stakeholders, ensuring inclusive and widespread monitoring of issues. Each report is handled according to its specific nature and directed to the most appropriate organizational level.

In 2023, some significant events emerged, including the production shutdown due to the boiler failure and the damage caused by the exceptional hailstorm in July, which affected approximately 27% of the photovoltaic panels and part of the structure; these critical issues were adequately managed and reported to the Board of Directors.

At the end of this paragraph, the updated company organizational chart is presented, in which, among the staff functions, the role of the Sustainability & Ethics Manager is identified. This role coordinates sustainability strategies and promotes corporate social responsibility, acting as a bridge between the Company, stakeholders, and the community.

It should be noted that Miko S.r.l. is a member of Confindustria Venezia Giulia and actively participates in its activities and initiatives.



ORGANIZATIONAL CHART

Commitment to the

United Nations
Global Compact

As of 2024, Miko formally joins the United Nations Global Compact, the UN initiative that calls on businesses to align their operations with ten fundamental principles concerning human rights, labour, the environment and anti-corruption, fostering a corporate culture geared towards sustainability and social responsibility.

To date, the company has begun familiarizing itself with the content and objectives of the Global Compact by taking part in awareness-raising initiatives promoted by the Italian network, and has signed the Pledge on the Sustainable Development Goals (SDGs) as a first step towards a more structured commitment. By joining, Miko undertakes to uphold the Ten Principles of the Global Compact, grouped into four thematic areas:

01

Human Rights

respect for and protection of human rights, avoiding any form of complicity

02

Labour

freedom of association and elimination of forced labour, child labour and discrimination

03

Environment

preventive approach, environmental responsibility and sustainable technologies

04

Anti-corruption

combating corruption in all its forms

3.2 Governance policies and tools

Miko operates with the aim of maintaining its position among the market-leading companies in the supply of a microfibre-based product in the automotive and furnishing sectors, upholding values such as loyalty, consistency, determination and passion. The Company is oriented towards a corporate mission focused on the following areas:

- a constant pursuit of innovation and technological improvement of processes;
- the enhancement of corporate know-how, with a particular focus on continuous training and the development of staff skills;
- an ethical commitment, reflected in the adoption of principled and respectful conduct, both within and outside the organization.

This approach takes concrete form in the continuous evolution of the products and services offered, in compliance with current legislation on hygiene, safety and environmental protection, as well as in adherence to company policies, internal requirements and procedures. It is also realized by keeping its certifications active, following the Organizational Model under Legislative Decree 231/2001, the Code of Ethics and the policies on the supply chain and Occupational Health and Safety approved during 2023 and described in section "3.5 Company policies on supply chain and occupational health and safety", and the model for managing privacy and cybersecurity.

Miko is also committed to promoting and pursuing the Sustainable Development Goals (SDGs) set out in section "3.8 Impacts and materiality".



The chief executive officers approve and keep updated the statements of purpose, the organization's mission, the strategies, policies and objectives relating to sustainable development. With this in mind, the Company, through its organizational structure, is committed to meeting customer expectations, combating pollution, preventing occupational injuries and illnesses, protecting human and labour rights, improving energy performance and reducing the environmental impacts of its activities. Implementing these commitments ultimately translates into the strategic approaches highlighted in the infographic below.

Miko's strategic management approaches

Process- and results-oriented management

Basing the organizational and decision-making process on the involvement of staff, on strategic directions translated into periodically reviewed objectives and on an approach aimed at seizing opportunities and identifying risks related to the relevant context.

Customer satisfaction

Making full use of available technology and the experience gained to anticipate customer needs and provide products capable of meeting them; managing customer complaints appropriately and periodically monitoring their level of satisfaction in order to identify opportunities for improvement and undertake suitable corrective actions.

Product competitiveness

Increasing the Company's competitiveness in terms of quality, cost and value through the development of new products and new applications, through the continuous improvement of the effectiveness and efficiency of processes, carried out with the aim of reducing their consequent environmental impacts, and in compliance with the applicable mandatory requirements.

Corporate climate

Creating an optimal corporate climate for the full motivation of employees and enabling the organization to operate effectively, sharing the satisfaction of achieving important results while at the same time ensuring full health and safety in the workplace.

Sustainability and Industry 5.0

Pursuing greater sustainability through the implementation of circular economy projects, the introduction of IoT tools, the enhancement of workers' well-being and the review of value chains according to the Resilience – Sustainability – Human-Centricity approach.



GRI 2-23 // GRI 2-24 // GRI 2-27

3.3 Certifications and reference standards

The Company operates in full compliance with Italian legislation, including provisions on labour, occupational health and safety, environmental protection and the requirements set out in Legislative Decree 231/2001. Furthermore, it is committed to observing the relevant sector regulations, which include laws, decrees, regulations and directives concerning the construction specifications of road vehicles. The Company adopts and keeps updated several Certified Management Systems (listed in the table below), which include operating procedures aimed at regulatory updating, the verification of applicable requirements and the analysis of company compliance. Compliance with the various provisions is also demonstrated by the evidence gathered during 2023:

- the absence of disputes of any nature with employees or former employees;
- the absence of civil or criminal litigation with third parties relating to environmental damage or environmental offences;
- no environmental damage for which the Company was found definitively liable during the year;
- the absence of definitive sanctions or convictions for environmental offences or damage imposed on the Company during the year.

Certifications and attestations

ISO 9001:2015

Internationally recognised standard for quality management systems. It confirms Miko's commitment to consistently providing products and services that meet customer and regulatory requirements.

IAFT 16949:2016

Automotive quality-management standard based on ISO 9001, defining additional requirements for the automotive supply chain.

ISO 14001:2015

International standard for environmental management systems, supporting the Company in identifying, managing and improving environmental aspects and impacts.

EPD – Environmental Product Declaration

A verified environmental declaration based on life-cycle assessment, providing transparent and comparable information on product environmental performance.

EPD Process

In 2013 Miko obtained EPD Process certification to make the method used for EPD certification systematic, allowing the Company to independently manage data collection and validation and issue new EPDs for certification.

RCS (Recycled Claim Standard)

Voluntary international standard developed and managed by Textile Exchange, an international non-profit organization active in promoting sustainability in the textile sector. The Standard certifies products containing at least 20% recycled material, sourced from pre- and post-consumer waste.

During 2023, the Company obtained Global Recycle Standard (GRS) certification for the use of recycled polyester from pre- and post-consumer recovered materials. The certification confirms not only the presence of recycled material, but also compliance with environmental criteria throughout the supply chain and the application of restrictions on the use of hazardous chemicals. It is a recognition that consolidates Miko's commitment to more rigorous and traceable sustainability practices.



GRI 2-26 // 205-1/3

3.4 D.Lgs 231/01 organisational model and code of ethics

The Organisation, Management and Control Model (MOG) adopted pursuant to Legislative Decree 231/2001 is the set of organisational principles, rules and procedures that an entity defines to prevent the commission of offences envisaged by the decree when such offences are committed, in the interest or to the advantage of the entity, by top managers or by persons subject to their direction and control, such as employees, collaborators or suppliers.
Although adoption is not mandatory, an adequate and effective Organisation, Management and Control Model may exclude or mitigate the entity's liability under Legislative Decree 231/2001. The model is designed to ensure conditions of integrity and transparency in the conduct of business and corporate activities, safeguarding the position and image of the Company and the expectations of its stakeholders. The MOG also contributes to the prevention of offences covered by the decree, including corruption.

On 26 July 2013, Miko's Board of Directors formally adopted its MOG, together with the related Code of Ethics and Conduct. To ensure effectiveness, before adoption the Company carried out an in-depth analysis of its organisational structure and corporate responsibilities in order to identify all activities in which there is a risk of committing the offences covered by Legislative Decree 231/2001. To prevent or reduce the risk of committing the identified offences, the Company defined general principles of conduct, general prevention protocols applicable to all sensitive activities, and specific protocols for the individual risk activities identified. Miko's MOG consists of two sections:

- the first illustrates the principles, methodology and structure of the model adopted by the Company and consists of the General Part, the Code of Ethics, the Disciplinary Code, Risk Assessment and Whistleblowing;

– the second, the "Special Part," describes in detail the measures applied to prevent offences relevant to corporate activities and consists of 15 annexes, corresponding to the offence categories whose commission, on the basis of the risk assessment, represents a risk for the Company.

The MOG is complemented by supporting annexes to the Special Part, including one containing the updated list of predicate offences that may give rise to the entity's liability pursuant to Legislative Decree 231/2001.
Policies and procedures relating to the MOG are communicated to all members of the Board of Directors, which approves the model and its updates and is therefore fully aware of their content. These documents are also presented to employees when the employment contract is formalised and are made accessible to all staff. The General Part is published on the Company's website.

The current version of the MOG and Code of Ethics was updated in 2023. Specifically, by resolution of the Board of Directors dated 14/12/2023, the Company updated its Organisation Model in light of the most recent legislative changes that expanded the list of predicate offences.

In particular, the risk of committing the following offences was assessed:

1. offences against cultural heritage and laundering of cultural goods pursuant to Law no. 22/2022;
2. the offence of false or omitted declarations for the issuance of the preliminary certificate, pursuant to Article 54 of Legislative Decree no. 19 of 2 March 2023;
3. offences relating to the unlawful dissemination of copyright-protected content through electronic communications networks (Law 93/2023);
4. offences introduced by Law Decree no. 105 of 10 August 2023, converted into Law no. 137/2023, which expanded the scope of application of Article 24 of Legislative Decree 231/2001 on the undue receipt of public funds, fraud against the State, a public body or the European Union, fraud to obtain public funds, computer fraud against the State or a public body, and fraud in public supplies.

Following these updates, the mapping and assessment of the risks associated with the new predicate offences, the General Section of the Model and the specific protocols, as concrete prevention measures, were revised.

The Code of Ethics is given to all employees and external collaborators, and signed by them, thereby making them more accountable for ethical conduct and the provisions of the code itself. During the reporting period there were no reports of non-compliance with the provisions of the OMM (Organizational and Management Model), and the Company did not incur any sanctions for the offences envisaged by Decree 231.

The required training activity for employees and members of the Board of Directors was carried out regularly. The Supervisory Body (SB) is the internal body of the entity provided for by Article 6 of Legislative Decree 231/2001, tasked with overseeing the functioning and observance of the provisions of the OMM, as well as with ensuring its updating. It receives any reports from employees regarding alleged failures to comply with the Code of Ethics and the OMM, guaranteeing the confidentiality of the whistleblower[15]. During 2023 the Supervisory Body fulfilled its task by carrying out the audit activities provided for by the model.
In its corporate Code of Ethics, Miko "recognizes the importance of ethical and social responsibility in the conduct of its business and corporate activities and undertakes to respect the legitimate interests of its stakeholders (shareholders, directors, employees, collaborators, customers, suppliers and business partners)".

[15] Please refer to section "4.3 Reporting obligations towards the Supervisory Body – Information flows and whistleblowing" of the General Section of the Company's OMM, available via the following link: https://miko.srl/static/download/modello_organizzativo.pdf.

The document, which identifies as its recipients all those who act on behalf of the Company – Directors, Managers, Workers, the Board of Statutory Auditors and the Supervisory Body, as well as the external collaborators who contribute to achieving the Company's objectives – sets out the values and the reference principles for the conduct of business activities and the rules of conduct, and provides for implementing rules concerning control systems, the dissemination of the Code of Ethics, the reporting and verification of violations and the application of the disciplinary system.



3.5 Corporate supply chain and occupational health and safety policies

As part of its corporate responsibility and sustainability journey, Miko launched a series of significant initiatives in 2022, subsequently strengthened in 2023, to consolidate its supply chain and occupational health and safety policies.

The growing awareness of the strategic role of the supply chain, considering the Company's international presence and the direct impact that supplier relationships have on revenue and production capacity, led to the definition of a specific policy. Adopted in 2023, the policy is inspired by the ethical, social and environmental principles promoted by the United Nations Global Compact and establishes the foundations and reference framework for managing stakeholder relationships, with a particular focus on integrating sustainability and responsibility principles into supply-chain management.

The policy[16] expresses the Company's commitment across several areas, including:

- the promotion and continuous improvement of labour rights and human rights, fairness, inclusion and the protection of personal data, through the periodic review of company policies and practices in order to align them with international standards and industry best practices;
- the promotion of fair competition and the protection of those who report irregular conduct, ensuring safeguarding mechanisms against any retaliation;
- environmental protection, encouraging the use of renewable sources, the reduction of waste, the responsible management of resources and information security.

In parallel, Miko has strengthened its commitment to occupational health and safety, adopting a policy dedicated to creating healthy and safe working environments, in line with the provisions of the Organizational, Management and Control Model (OMM) and industry best practices. The priority objectives include the prevention of injuries and accidents, the protection of workers' physical and mental well-being, compliance with current legislation and the continuous improvement of performance in the HSE (Health, Safety & Environment) area.



[16] For a careful examination of the policies and of the principles and commitments set out therein, please refer to the documents available on the company website at the following links:
MIKO_Sustainability Policy for Suppliers_2023_EN.pdf
MIKO_Policy for Safety and Health_2023_EN.pdf

GRI 2-29 // GRI 3-1

3.6 Company stakeholders

The Company recognizes the fundamental role played by stakeholders, that is, those people, groups or organizations that can significantly influence, or be significantly influenced by, the activities, products, services and overall results of the organization. It is aware that the perceptions and actions of these parties directly affect the company's ability to identify and adopt effective measures to prevent or mitigate any negative impacts, while at the same time promoting lasting positive effects.

In light of this awareness, Miko is constantly committed to maintaining an open and constructive dialogue with its stakeholders, paying particular attention to their observations and concerns regarding the impacts generated by company activities, both in the operational context and in external relations. This dialogue translates into the building of solid relationships and the choice of diversified and inclusive communication methods, capable of welcoming and giving value to different points of view.

The Quality Management System, certified at company level, takes into account the expectations of interested parties as a key element for meeting quality requirements and for pursuing continuous improvement. In relation to the sustainability context examined in this Sustainability Report, and starting from the analysis of interested parties contained in the document accompanying the Quality Management System, a selection of certain stakeholder categories was carried out, assessing both their level of interest and their ability to influence the Company's activities. With reference to the impact assessment process presented in section "3.8 Impacts and materiality", the following activities were carried out in relation to stakeholders:

IDENTIFICATION OF IMPACTS

For the identification of impacts, consideration was given to the evidence from the results of the questionnaires collected among stakeholders during previous sustainability reports, which, in those reports, made it possible to complete the materiality analysis with the identification of relevant topics.

The analysis of the results also took place through discussions with the company managers who oversee aspects related to social and environmental sustainability and who supplemented the process with their opinions regarding information deriving from ordinary work and partnership relationships;

ASSESSMENT OF IMPACTS

For the process of assessing impacts and identifying material topics, for this report questionnaires were administered to a sample of critical stakeholders, asking them to provide a quantitative assessment of the proposed impacts. In detail, the questionnaire — already administered to 3 customers, 4 representatives of the member companies, 2 suppliers and 11 employees during the preparation of the previous Sustainability Report — was submitted again for this new edition of the document to a further 3 employees, 1 new supplier, 2 associations that are partners of Miko and 3 other representatives of the companies in the shareholding structure.

Company stakeholders

Category	Specific stakeholders	Engagement tools and activities
MEMBERS	Sage Global Automotive S.r.l. Asahi Kasei Corporation	Shareholders' Meeting Periodic and operational coordination meetings Financial statements Sustainability Report
CUSTOMERS	Companies in the automotive, furnishing and fashion sectors	Website Social networks Relationships with Key Account Managers Processes related to certified management systems
COLLABORATORS	Company employees, (RSU)	Code of Ethics OMM 231/01 Meetings with RLS
SUPPLIERS	Suppliers of materials, processing and services	Certified management systems Company policies ESG platform for the supply chain
LOCAL INSTITUTIONS	Local and regional public bodies	Dialogue and consultation
UNIVERSITIES & SCHOOLS	University of Udine, University of Trieste	Partnerships with Universities and Schools
ASSOCIATIONS & PARTNERS	Etifor, PLEF, D-house laboratorio urbano, PMG Italia S.p.A. SB, Confindustria Venezia Giulia, local associations	Support for initiatives Participation in events Co-design of initiatives
CREDIT INSTITUTIONS	Reference banking institutions	Periodic meetings Financial statements Sustainability Report

3.7 Risk control

At Miko, the risk management system adopts a holistic and integrated approach, through which risks are systematically identified, assessed and managed in accordance with the principles of the ISO 9001:2015, IATF 16949:2016 and ISO 14001:2015 standards, as well as with the guidelines of the Organizational, Management and Control Model 231/01. The system is further strengthened by the EPD Process certification, which enables the organization to internally manage the development and validation of Environmental Product Declarations, in accordance with internationally recognized standards.

The main areas on which risk management focuses include:

1

Management approach
management adopts a proactive perspective, aimed at seizing opportunities and anticipating risks, while maintaining alignment with the needs of stakeholders and the competitive context;

2

Customer satisfaction
Miko carefully monitors emerging customer needs, ensuring the timely and effective handling of complaints in order to strengthen trust and loyalty;

3

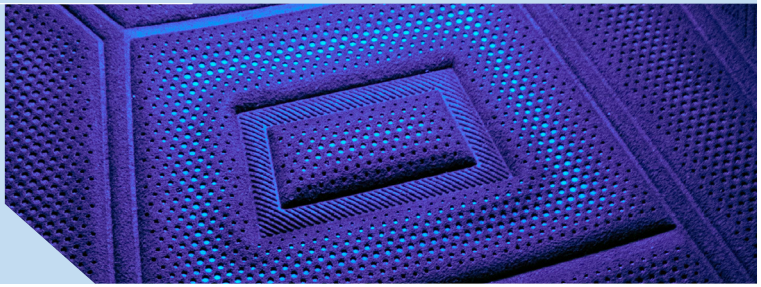
Assessment of market risks
the Company constantly monitors the main economic-financial, exchange rate, legislative and technological risks, in order to adapt its strategies and action plans;

4

Sustainable development of new products
during the innovation process, particular attention is paid to environmental impacts, fostering the development of responsible and sustainable solutions;

5

Training, ethics and corporate culture
Miko promotes the continuous growth of staff skills, not only at a technical level, but also in the areas of the environment, occupational safety and ethical responsibility.



Based on the analysis carried out, the risks identified can be traced back to two areas:

- External factors: events arising from social and economic changes, legislative and regulatory developments, and environmental risks connected to climate change;
- Internal factors: financial, strategic, operational, legal and compliance risks arising from internal choices and decision-making processes.

An area of growing attention is represented by information security and the protection of sensitive data. In this regard, Miko has set the objective of obtaining, during the 2024 financial year, TISAX (Trusted Information Security Assessment Exchange) certification, a standard developed specifically for the automotive industry, which assesses the maturity of information security management systems. The following table presents some examples of risk situations relating to these categories.

External risks	
Social and economic context risks	Loss of market share due to the entry of new competitors and/or greater competitiveness of existing ones.
	Possible interruptions in the value chain due to natural events, strikes, conflicts and embargoes.
	Changes in customer preferences, in the demand for products focused on environmental sustainability performance, and in economic conditions.
	Difficulty in sourcing labour and skills and in retaining talented workers, also due to demographic decline.
Regulatory risks	Possible new laws and regulations that could affect company management.
Risks from external events	Possible damage due to natural events, such as earthquakes, floods or fires, or due to accidental events, such as the outbreak of new pandemics.
	Possible damage due to climate change, such as floods, droughts or extreme weather events.

Internal risks	
Financial risks	The risk that the company may incur losses due to the insolvency of its debtors.
	The risk that the company may incur losses due to variations in the prices of raw materials and services.
Strategic risks	Possible allocation of capital to investments that do not generate an adequate return, or insufficient investment in new technologies.
	Damage to reputation due to incidents and conduct considered unethical or lacking transparency.
	Inadequate reporting of critical issues regarding ESG impacts.
	Damage attributable to cyberattacks.
Operational risks	Industrial processes and infrastructure not adequate to ensure the effectiveness and efficiency of activities.
	Breach of environmental regulations and generation of environmental impacts (fossil energy consumption, emissions, water consumption and wastewater production, waste
	Increase in employee expectations in terms of working conditions and, in particular, in terms of occupational health and safety conditions. Difficulty in sourcing people due to inadequate engagement.
	Loss of orders due to shortcomings in customer service management processes and in the processes aimed at ensuring product quality.
	Errors in purchasing planning.
Legal and compliance risks	Regulatory breaches or errors in the communication of financial and non-financial information.
	Civil and criminal litigation.
	Breach of internal procedures or regulations and of external standards.

The role of the management figures in the Company ensures that risk management is effective. In particular, they act through:

- the definition of guidelines: establishing the directives of the internal control and risk management system, ensuring that the main risks are identified, measured, managed and monitored effectively;
- the assessment of the system's adequacy: carried out through an annual evaluation, or on the occasion of events of particular significance, of the adequacy and effectiveness of the internal control and risk management system, taking into account the specific characteristics of the company and its risk profile;
- the assignment of supervisory functions: allocating supervisory responsibilities in line with Legislative Decree 231/2001, to ensure compliance with the regulations and standards set out in the Code of Ethics and the Internal Regulations;
- the assessment of the results of the statutory audit: consulting the Board of Statutory Auditors and evaluating the results presented by the statutory auditor in the report on the financial statements, for a thorough financial and legal review;
- the definition of sustainability policies: establishing sustainability policies and principles of conduct aimed at creating long-term value both for shareholders and for all other stakeholders, and formulating the strategic priorities, commitments and objectives for the Company's sustainable development.

Environmental risks

This segment of the report analyses the environmental risks associated with the production of Dinamica® microfibre, with particular attention to issues such as water consumption, energy consumption, the generation of emissions, waste management and the use of raw materials. A summary of the main categories of environmental risk identified is presented. A concise review of the main categories of environmental risk is set out below:

1 Risks connected to the use of water resources in production processes and to the discharge of wastewater

Production is based on a water-based process. The use of dyes and chemical reagents for dyeing and finishing entails risks of water pollution. The quantity of water used is nonetheless significant, and therefore the company has an internal purification system with wastewater treatment to remove these pollutants, ensuring compliance with environmental standards.

2 Risks from the consumption of fossil-based energy and the production of emissions harmful to the environment

The company's production processes involve significant use of energy sources, including fossil fuels, which must be monitored with appropriate indicators. The company, however, uses only renewable electricity certified by a guarantee of origin (including that produced by its own plant) and, in addition to seeking to improve the efficiency of its business processes, participates in reforestation projects.

Risks related to waste management

The company produces waste, including sludge, textile fibres and also hazardous waste, such as chemical substances; a portion of this waste is destined for recovery processes. With regard to the management of the product's life cycle, strategies are being explored to encourage the recovery of products at the end of their use.

Pressures on resources related to the use of materials to make the product

The use of raw materials for the production of the materials contributes to generating pressure on natural resources, as highlighted by the life cycle assessment (LCA) and by the data reported in the Environmental Product Declaration (EPD). In particular, the procurement of virgin polyester entails the consumption of fossil resources and an associated environmental footprint.

To mitigate this risk, the company has developed Dinamica®, an innovative material that incorporates a variable proportion of recycled polyester from post-consumer and post-industrial sources, thereby reducing the use of virgin resources and improving the overall environmental performance of the product.

The "Planet" section will explore in greater detail the ways in which the negative impacts, both potential and actual, associated with the identified environmental risks are managed.

The Company is exposed to risks arising from external events linked to climate change, such as extreme weather events. To address environmental risks, the Company has adequate insurance coverage and is equipped with resilience and emergency plans, aimed at protecting and, where possible, promptly restoring its production infrastructure.

In July 2023, Friuli Venezia Giulia was struck by a violent downburst, characterized by particularly intense and localized wind gusts, which caused extensive damage across the entire territory. In this context, the Company suffered significant damage to its photovoltaic system, industrial buildings, company structures and purification plant. In particular, it became necessary to replace approximately 27% of the damaged photovoltaic panels.

The event led to the suspension of electricity production for self-consumption and of the sale of energy externally, with the complete shutdown of the photovoltaic system until its reactivation on 31 March 2024. During the period of inactivity, the Company nonetheless ensured its own energy supply through the purchase of electricity sourced entirely from renewable sources.


BUICK

GRI 3-1/2/3

3.8 Impacts and materiality

Miko adopts a process for analysing and identifying material topics based on the process outlined by the 2021 Global Reporting Initiative (GRI) guidelines and described in the standard "GRI 3: Material Topics 2021." The analysis followed four steps:

01 **Understanding the organisation's context**

02 **Identifying actual and potential impacts**

03 **Assessing the significance of impacts**

04 **Prioritising the most significant impacts to be reported and defining material topics**

The materiality analysis adopted an inside-out approach aimed at identifying the significant impacts generated by the Company on its reference context.

This approach enables the identification and assessment of the effects of Miko's activities on the economy, the environment and people, including human rights, highlighting both the positive and negative contribution of the organisation to sustainable development.

Context analysis

In analysing Miko's specific context, particular attention was given to the business environment in which it operates. Several documents were examined, including those relating to Management Systems, product and process certifications (EPD), the 2023 annual financial statements and related management report, the Code of Ethics and the 231/01 Organisational Model. Additional sources included sections of corporate websites, the previous 2022 Sustainability Report, supply chain and occupational health and safety policies, an environmental study and part of the documentation relating to the projects described in the section "Impact-reduction objective and WOWnature® projects."

This process enabled a thorough understanding of the Company's operations, business relationships, sustainability context and stakeholders.

Identification of actual and potential impacts

Starting from the context analysis, Miko defined the basis for identifying its impacts, both positive and negative.

This activity, carried out during preparation of the 2022 Sustainability Report, identified 24 main types of relevant impacts across environmental, social and governance dimensions, directly generated, influenced or otherwise connected to the Company's operations and business relationships.

Negative impacts were examined with reference to various operational areas, including corporate governance, compliance with sector regulations and internal policies, human-resource management, worker health and safety, financial and investment management, production, waste management, use of natural resources, use of materials and energy, and generation of emissions. Impacts arising from business relationships were also analysed, particularly in supply-chain management, customer relations and interaction with local communities.

Impact assessment

The identified impacts were subject to an assessment process that considered the severity of the consequences associated with direct and indirect impacts, as well as the likelihood of potential impacts occurring in relation to the Company's activities and business relationships. This process included:

- analysis of information gathered during interviews with management and corporate managers;
- dialogue with qualified external figures, including occupational health and safety consultants, engineers specialised in LCA assessments and EPD certifications, and professionals involved in environmental-offsetting projects;
- administration of an impact-assessment questionnaire to a selected sample of stakeholders.

The same tool was also used internally, involving top management, which provided its assessment including the likelihood level associated with potential impacts.

Prioritisation and determination of material topics

Impacts were assessed by comparing the scores assigned by stakeholders and Company management to the 24 impacts selected in the questionnaire, using a scale from 1 to 5, where 5 represents the highest impact relevance.

The impacts were grouped into topics and a significance threshold was set to identify those on which reporting should focus. This threshold was set at the average score of 3, taking into account the relevance value calculated for each topic from the scores assigned by the Company and by stakeholders to the specific impacts, as well as the objective picture emerging from other information gathered. As a result, all topics examined were considered material.

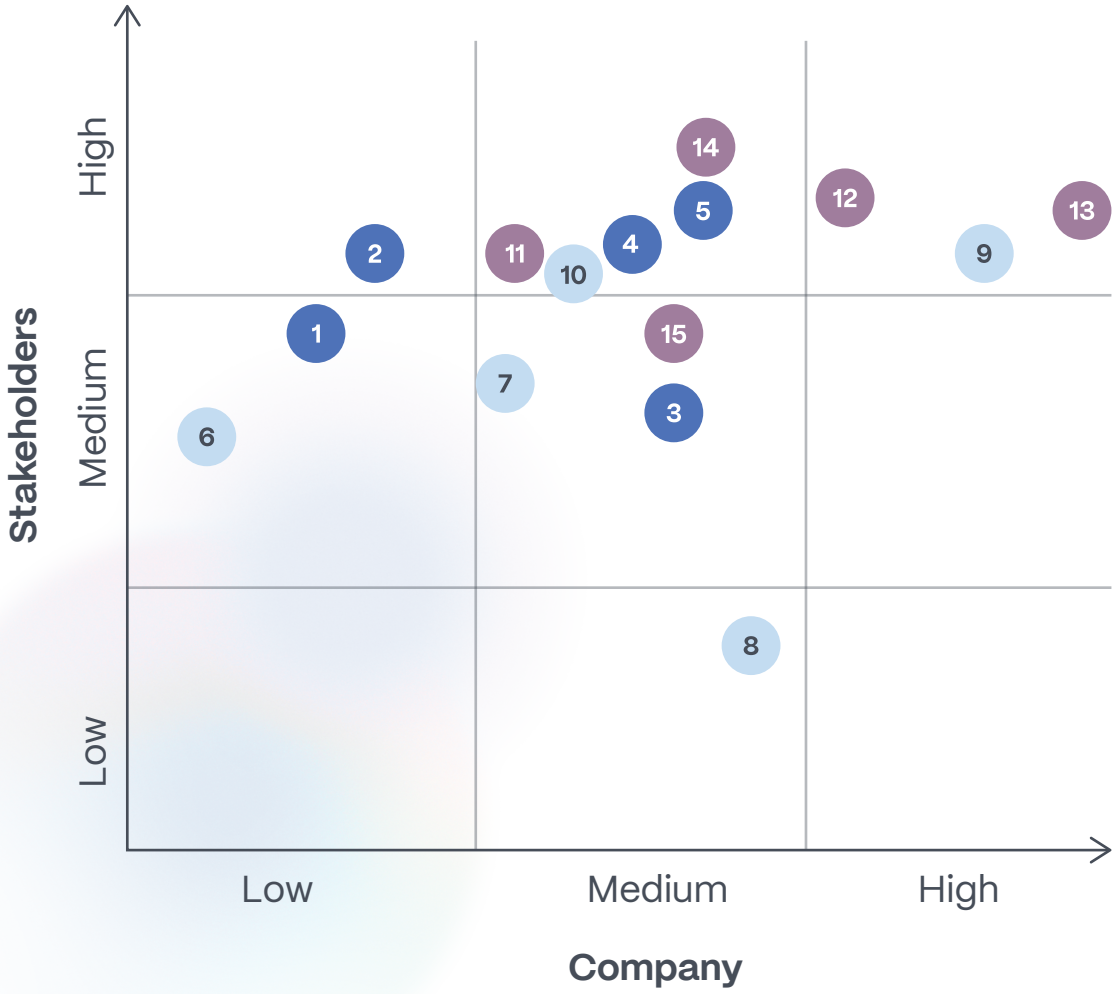
The 15 material topics identified are represented in the table below, which also reports the characteristics of each impact – positive or negative, actual or potential – and the scores assigned.

Materiality level of the topic	Low ■□□	Medium ■■□	High ■■■			
Topic	Impact	Potential / Actual	Positive/Negative	Company impact materiality (1 to 5)	Stakeholder impact materiality (1 to 5)	Materiality of the topic
Governance and economic sustainability						
Governance, ethics and values	Conduct that fails to respect ethics, rules and regulations	P	–	3,3	4,59	■■□
	Our company's commitment to environmental and social sustainability, in respect of human rights, demonstrated through the code of ethics, the organizational model under Legislative Decree 231/01, and the adoption of certified best practices for management systems and for the environmental characteristics of products and processes	E	+	5,00	4,28	
Privacy and data security management	Impacts arising from any privacy breaches and cyberattacks on data management and security	P	–	3,83	4,52	■■□
Corporate reputation	Non-transparent communication	P	–	2,83	4,24	■■□
	Corporate reputation in communication management processes and in customer relations, based on company certifications and the sustainability report (verified by a third party)	E	+	4,00	4,34	
Sustainable supply chains	System for assessing the performance of the company's suppliers based on Key Performance Indicators (KPIs) and the use of a digital platform to monitor ESG impacts (social, environmental and governance)	E	+	3,67	4,14	■■□
Economic-financial management and investments	Production and distribution of the "economic value generated" thanks to the demonstrated ability to operate in economic and financial balance and to set aside resources for investments	E	+	5,00	4,28	■■■
	The company's long-term investments to generate innovation, increase the environmental sustainability of processes and products, and ensure the expansion of spaces for production activities	E	+	5,00	4,55	

Topic	Impact	Potential / Actual	Positive/Negative	Company impact materiality (1 to 5)	Stakeholder impact materiality (1 to 5)	Materiality of the topic
Environmental sustainability						
Responsible product and production process	Environmental impacts of products	E	–	3,33	4,48	
	Quality characteristics of the products, and the presence of EPD product and process certifications, which document the environmental performance of the products thus certified	E	+	4,33	4,31	
Energy consumption	Environmental impact deriving from the fact that production activities consume fossil energy sources (natural gas, automotive diesel) for their operation	E	–	3,67	3,96	
Water resource management	Use of significant quantities of water in powering the production processes	E	–	4,00	4,21	
	Risk of impacts generated by accidental pollution or by exceedances of the regulatory limits for treated water, which could damage the water quality in the surrounding area	P	–	1,87	4,07	
Combating climate change	Environmental impact deriving from the production of CO_2 through the production processes managed by the company	P	–	2,47	4,28	
	Impact generated by the company through the running of projects for the capture of CO_2	E	+	4,67	4,3	
Waste and circular economy	Initiatives to increase the degree of circular economy	E	+	3,00	4,62	
	Environmental impacts related to the production of waste, including a small proportion of hazardous type	E	–	3,33	3,93	

Topic	Impact	Potential / Actual	Positive/Negative	Company impact materiality (1 to 5)	Stakeholder impact materiality (1 to 5)	Materiality of the topic
Local sustainability						
Support for local and cultural initiatives	Impact that the company generates through the support of initiatives in the local community and of cultural outreach initiatives	E	+	4,00	3,48	
Enhancement of human capital	Enhancement of human capital through adequate remuneration policies, the development of training courses, the monitoring of skills and the development of a positive working environment	E	+	4,67	4,34	
	Difficulty in sourcing skills and workforce due to possible low attractiveness towards potential candidates	P	–	2,43	4,06	
Gender equality and social inclusion	Board of Directors without female members	P	–	1,63	3,65	
	Gender equality and respect for the principle of inclusion with a view to enhancing human capital	E	+	5,00	4,37	
Occupational health and safety	Impacts related to possible injuries and occupational illnesses	P/E	–	2,50	4,00	
Consumer health and safety	Promotion of the protection of consumer health and guarantee of product compliance with regulations	E	+	4,67	4,28	

Materiality matrix



Environmental sustainability

1. Water resource management
2. Waste and circular economy
3. Energy consumption
4. Combating climate change
5. Responsible product and production process

Social sustainability

6. Occupational health and safety
7. Gender equality and social inclusion
8. Support for local and cultural initiatives
9. Consumer health and safety
10. Enhancement of human capital

Governance and economic sustainability

11. Corporate reputation
12. Governance, ethics and values
13. Economic-financial management and investment
14. Privacy and data security management
15. Sustainable supply chains



Our commitment to sustainability is framed, within a broader scenario, in relation to the objectives of the 2030 Agenda (17 Sustainable Development Goals) for sustainable development, signed on 25 September 2015 by the governments of the 193 member countries of the United Nations. Of the 17 objectives of the 2030 Agenda, Miko contributes to the achievement of 14 of them, represented in the following infographic, which also highlights the connection with the material topics reported and the disclosures of the selected GRI Topic Standards.

Occupational health and safety Enhancement of human capital	GRI 305: Emissions 2016 GRI 306: Waste 2020 GRI 401: Employment 2016 GRI 403: Occupational Health and Safety 2018
Enhancement of human capital	GRI 404: Training and Education 2016
Enhancement of human capital Gender equality and social inclusion	GRI 2: General Disclosures 2021 GRI 401: Employment 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non discrimination 2016
Water resource management Waste and circular economy	GRI 303: Water and Effluents 2018 GRI 306: Waste 2020
Energy consumption	GRI 302: Energy 2016
Responsible product and production process Waste and circular economy Sustainable supply chains Economic-financial management and investment Support for local and cultural initiatives Enhancement of human capital	GRI 2: General Disclosures 2021 GRI 201: Economic Performance 2016 GRI 204: Procurement Practices 2016 GRI 301: Materials 2016 GRI 302: Energy 2016 GRI 306: Waste 2020 GRI 401: Employment 2016 GRI 403: Occupational Health and Safety 2018 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non discrimination 2016
Balanced economic and financial management Support for local initiatives	GRI 201: Economic Performance 2016
Enhancement of human capital	GRI 2: General Disclosures 2021 GRI 401: Employment 2016 GRI 404: Training and Education 2016 GRI 405: Diversity and equal Opportunity 2016
Waste and circular economy	GRI 306: Waste 2020
Responsible product and production process Water resource management Waste and circular economy	GRI 301: Materials 2016 GRI 302: Energy 2016 GRI 303: Water and Effluents 2018 GRI 305: Emissions 2016 GRI 306: Waste 2020 GRI 417: Marketing and Labeling 2016
Combating climate change	GRI 201: Economic Performance 2016 GRI 302: Energy 2016 GRI 305: Emissions 2016
Combating climate change	GRI 305: Emissions 2016
Waste and circular economy	GRI 305: Emissions 2016 GRI 306: Waste 2016
Consumer health and safety Privacy and data security management Economic-financial management and investments	GRI 2: General Disclosures 2021 GRI 205: Anticorruption 2016 GRI 206: Anti-competitive Behavior 2016 GRI 403: Occupational Health and Safety 2018 GRI 414: Supplier Social Assessment 2016 GRI 416: Customer Health and Safety 2016 GRI 417: Marketing and Labeling 2016 GRI 418: Customer Privacy 2016

GRI 3-3

4. PLANET

The commitment to environmental responsibility is an integral part of the Company's principles and practices. The environmental strategy adopted by the Company is based on the following principles:



The UNI EN ISO 14001:2015 certification held by the Company attests to the effectiveness of its Environmental Management System. This system makes it possible to monitor and control environmental impacts during all phases of production, ensuring compliance with the regulations in force.

The organization must fulfil numerous obligations in order to maintain this certification, including: the planning and monitoring of environmental aspects related to atmospheric emissions, wastewater discharge, noise pollution, waste management, energy consumption, the use of water resources, and the protection of soil and subsoil, as well as the periodic communication of results to the competent authorities.

During the reporting period, the Company is in full compliance with all the regulations and constraints envisaged by legislation Legislative Decree 152/2006 and subsequent amendments. The Company currently has no civil or criminal litigation in place with third parties for damage caused to the environment or environmental offences, and there has been no damage caused to the environment for which the Company has been found definitively liable. Furthermore, again in 2023, no definitive sanctions or penalties for environmental offences or damage were imposed on the Company.

In 2023, the environmental indicators relating to the use of materials, water consumption and waste production showed an increase compared to 2022, consistent with the rise in production volumes. Greenhouse gas emissions calculated according to the location-based methodology also recorded an increase, mainly reflecting the greater consumption of grid electricity.

However, thanks to the choice to source exclusively from renewable sources with a guarantee of origin, the emissions calculated according to the market-based approach remained substantially stable. Energy intensity per unit of product decreased, a sign of an improvement in operational efficiency.

GRI 302-1/3

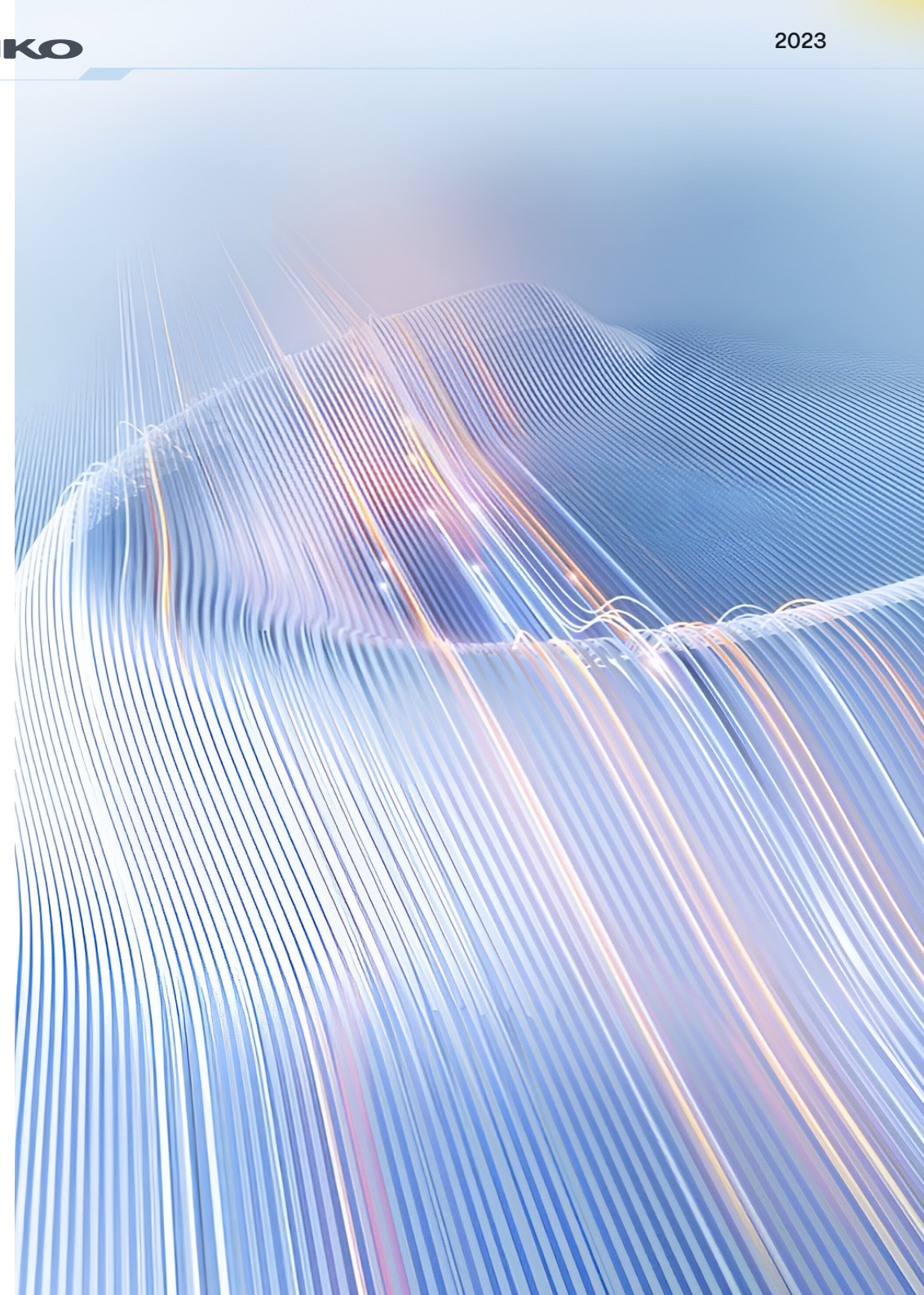
4.1 Energy management

The energy consumption required to sustain the company's production is significant. The Company adopts appropriate energy policies and uses performance indicators to monitor and, where possible, reduce energy consumption and the associated emissions. Among the initiatives implemented to mitigate the environmental impacts related to energy use is the photovoltaic system of approximately 1 MW, which in 2023 covered around 7% of electricity consumption. This figure shows a marked decrease compared to the self-consumption of the previous year (16%): this is due to the damage sustained during the weather event of July 2023 previously described in section "3.7 Risk control". The impacts of the event compromised energy production, which resumed at full capacity only in March 2024.

As illustrated in the section "The Miko Green 5.0 project", the investments allocated to the installation of new photovoltaic systems, of 252.52 kWp and 50 kWp respectively, are aimed at enhancing the electricity self-production capacity over the coming financial years. The purchase of 100% of electricity from renewable sources with a guarantee of origin also continued in 2023. Following the works completed in 2022, the company is today entirely equipped with LED lighting systems. The energy sources used at the Gorizia plant include:

- natural gas, used for the production of steam, direct heating and domestic hot water;
- electricity, used mainly to power production and the auxiliary services connected to it (air compressors, pumps, fans, purification plant, etc.), as well as for residual use in general services, including offices, lighting and air handling units (AHUs).

In the reference period (2023), the overall energy consumption, considering both fuels and electricity, amounted to 124,417 GJ.



Energy balance of gas and electricity (GJ)*

Type of consumption	Source	2021	2022	2023
Fuel consumption	Natural gas (used for heating and steam production for manufacturing)	76.040	100.436	100.223
	Automotive fuels	556	600	615
Electricity consumption	Self-produced electricity (PV system)	3.539	3.555	1.619
	Purchased electricity (since 2021, 100% renewable with guarantees of origin)	13.449	18.717	21.961
Total energy consumed		**93.583**	**123.309**	**124.417**
Electricity sold	Electricity sold (PV system)	320	100	79

* The data relating to purchased natural gas refer to the quantities reported on the invoices; at the beginning and end of the reporting period, they present slight deviations compared to the period considered (fiscal year). The data relating to grid and photovoltaic electricity derive from self-readings as per the communication to the Customs Agency. Sources of the conversion factors: for natural gas and diesel, the NCVs (Net Calorific Values) taken from the National Standard Parameters Table UNFCCC – ISPRA 2022, 2023, 2024 were used.

Energy intensity, calculated as the ratio between total energy consumption and the linear metres of Dinamica® produced, takes into account all forms of energy used by the Organization. In 2023, the value remains in line with previous years, reflecting the efficiency achieved thanks to the adoption of the continuous cycle since 2021.

Energy intensity	2021	2022	2023
MJ per linear metre of Dinamica® produced	26,916	27,372	26,192

GRI 305-1/2/4

4.2 Emissions control

Miko's production activities generate greenhouse gas emissions, mainly carbon dioxide, and are broken down as follows:

Scope 1
Direct emissions deriving from sources owned by the Company and attributable to the combustion of the natural gas used in production and for the production of domestic hot water, and of automotive diesel;

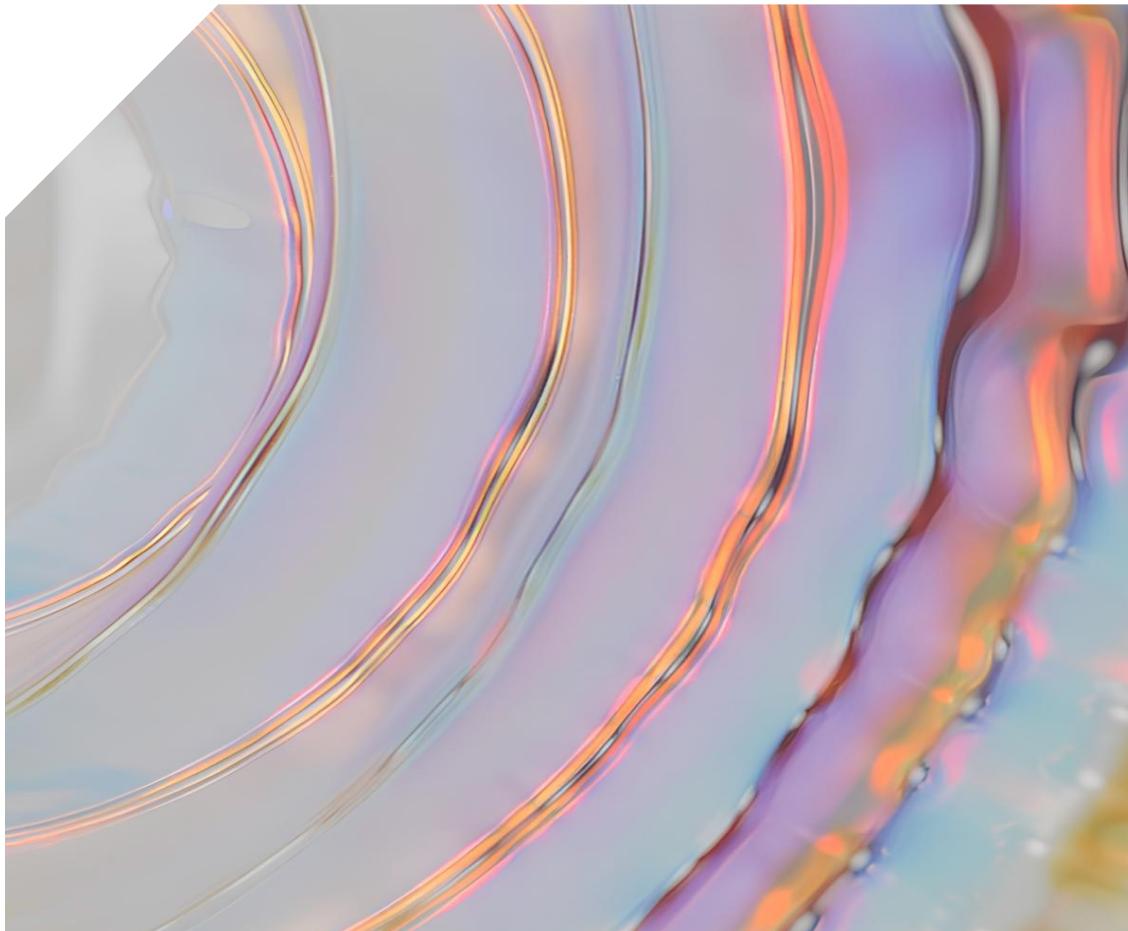
Scope 2
Indirect emissions related to the generation of purchased and consumed electricity.

Greenhouse gas emissions (ton CO_2 eq.)*	2021	2022	2023
Greenhouse gas emissions – Direct (Scope 1)	4.315	5.703	5.710
Greenhouse gas emissions – Indirect from electricity (Scope 2) location based	918	1.329	1.788
Greenhouse gas emissions – Indirect from electricity (Scope 2) market based	0	0	0
Total emissions (location based)	**5.233**	**7.032**	**7.498**
Total emissions (market based)	**4.315**	**5.703**	**5.710**

* The GHG included in the calculation for Scope 1 and Scope 2 emissions is CO_2. Sources of the emission factors: for emissions from natural gas, the factor taken from the National Standard Parameters Table UNFCCC – ISPRA 2021, 2022, 2024 was used. For emissions from purchased electricity (location based), the factor taken from the ISPRA technical reports 363/2022, 386/2023, 404/2024 was used. As highlighted in the Guidance for Disclosure 305-2: *"The GHG Protocol Scope 2 Guidance requires organizations to provide two different values for Scope 2: according to the location-based and market-based methodologies. The location-based methodology considers the average GHG emission intensity of the grids on which energy consumption occurs, mainly using data relating to the average emission factor of the grid. The market-based methodology considers emissions from electricity that an organization has intentionally chosen through a contractual instrument (or the lack of such choice). The emission factors derive from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy in which the method of energy generation is certified, or which state that the management method is not specified."*

The greenhouse gas (GHG) emissions intensity is calculated as the ratio between total Scope 1 and Scope 2 emissions and the linear metres of Dinamica® produced. The resulting value is shown below.

GHG emissions intensity	2021	2022	2023
kg CO_2 eq. per linear metre of Dinamica® produced (with Scope 2 location-based)	1,505	1,561	1,578
kg CO_2 eq. per linear metre of Dinamica® produced (with Scope 2 market-based)	1,241	1,266	1,202



GRI 303-1/2/3/4/5

4.3 Water management

The use of water at Miko is mainly intended for the water supply required for the washing and dyeing phases in the production cycle, as well as for meeting hygiene and sanitary needs. The latter are related to administrative, commercial and logistics activities and, more generally, to the Company's office spaces. The supply for civil uses takes place through a supply contract with the operator managing the Integrated Water Service of the territory, Iris Acqua S.r.l. The Company has a company well for the extraction of water used in production processes, with withdrawal carried out in compliance with an authorization issued by the Friuli Venezia Giulia Region. The monitoring of the water drawn requires the monthly communication of the volumes withdrawn and discharged both to the managing operator, Iris Acqua S.r.l., and to the authority responsible for water services and waste management, namely the Consulta d'Ambito (AUSIR).

The Company does not operate in areas subject to water stress[17]; however, the withdrawal from the well is regulated by legislative constraints. Any increases in the volumes withdrawn require a specific authorization from the FVG Region and the competent Water Magistrate, subject to the submission of an analysis of the water impact. During 2023, a water requirement higher than the authorized volumes was recorded.

With a view to transparency and regulatory compliance, discussions were initiated with the competent authorities for the adjustment of the authorization permit. In this context, the Company expressed a preference for solutions that ensure operational continuity and a more balanced management of the water resource, in compliance with current legislation. Pending the conclusion of the authorization process, an exceedance of the withdrawn volumes was recorded, which was duly communicated to the competent authorities.

The water drawn from the well undergoes treatment by means of cationic resins, a process that converts calcium and magnesium salts into sodium salts, improving its organoleptic characteristics and making it more suitable for production processes. In order to identify any leaks due to pipe breakages, water consumption is monitored in relation to the linear metres of product.
The wastewater deriving from the production processes is treated in a biological purification plant owned by the Company, located near the production facility and subject to regular controls by the relevant authorities. The wastewater treated there flows into the consortium purification plant of the competent Integrated Water Service operator, from which, once treated, it is discharged into the sea.

[17] According to the "Water Stress" indicator estimated by the World Resources Institute, the city of Gorizia is located in an area of low water stress ("low <10%"). The data can be consulted by accessing the specific "Aqueduct Water Risk Atlas" tool at the following web address: https://www.wri.org/aqueduct/tools. With reference to this sustainability report, the last consultation took place during April 2025.

The water used in production processes and the wastewater discharges are monitored through specific analyses required by current legislation, carried out both in the internal laboratory and at accredited external laboratories. In compliance with Legislative Decree no. 152/2006, the analyses on discharges required by the authorizations in force were carried out, and the declarations relating to waste management (MUD – Single Environmental Declaration Form) were prepared and submitted.
The water comparable to domestic water, coming from the office building, is discharged directly into the public sewer network.

The data relating to the withdrawal, consumption and discharge of the water resource are reported below. Consumption is limited compared to the volumes withdrawn, since almost all the water used in production processes is returned at the end of the cycle. Actual consumption is mainly attributable to uses comparable to civil ones (sanitary facilities, etc.). The total water discharge managed by the Company amounted to 466.741 megalitres of fresh water in 2023, an increase compared to the 449.024 megalitres of 2022 and the 339.806 megalitres of 2021.

Water withdrawal (megalitres)*

Water supply sources	2021	2022	2023
Groundwater	352,084	464,638	481,607
Water from the aqueduct	1,578	3,423	5,736
Total volume of water withdrawn	**353,662**	**468,061**	**487,343**

*The water withdrawn is exclusively fresh water. The data relating to well water derive from the readings of the internal meter. The data relating to water from the public network refer to the quantities reported on the invoices; at the beginning and end of the reporting period, they present slight deviations compared to the periods considered.

Water discharge and consumption (megalitres)	2021	2022	2023
Total water discharge	339,806	449,024	466,741
Total water consumption*	13,856	19,037	20,602

* Total water consumption is calculated as the difference between the total water withdrawn and the total water discharged.

The upstream impacts of Miko's supply chain (described in section "4.5 Dinamica® and its production process") are connected to the production of the non-woven semi-finished product, supplied by Asahi Kasei Corporation. The production processes of the semi-finished product, refined and perfected over the years, have made it possible to avoid the use of organic solvents in the fibre needling operations through a technology based on the use of water. Since this technology is covered by an industrial patent owned by the Japanese multinational, Miko currently has a very limited ability to influence the supplier with regard to the management of the impacts related to the use of the water resource. Indicators, targets and initiatives relating to the management of these impacts are set out in the Asahi Kasei Group Sustainability Report 2024[18].

[18] https://www.asahi-kasei.com/sustainability/basic_information/library/report/pdf/sustainability_report2024e.pdf pag. 74 and onwards.

GRI 306-1/2/3/4/5

4.4 Waste management

Miko carries out regular inspections of its production plants and promptly records the data relating to the production and management of waste, in compliance with the directives established by the Environmental Management System, certified according to the ISO 14001:2015 standard.

The procedures adopted for waste management provide for a rigorous classification of materials into homogeneous categories, thereby facilitating their dispatch to plants dedicated to recovery or disposal. The external operators appointed to transport and act as intermediaries for the waste hold all the authorizations required by current legislation, which are verified annually by the company managers. On the basis of their physico-chemical characteristics and the relevant EWC codes, the Company's waste is delivered to third parties authorized to carry out disposal and/or recovery operations.

In order to reduce the quantity of waste and limit the need for new packaging, Miko adopts a reuse approach, using the returnable packaging received with the raw materials to ship the finished products to customers.

The main waste generated by Miko's production activities includes sludge from the purification plant, wood, plastic, paper and cardboard packaging, metals and production offcuts. In 2023, the Company produced a total of 1,267,844 kg of waste, almost entirely classified as non-hazardous[19]. The majority of this waste (76.87%) is destined for disposal operations.

Below, the statistics relating to the waste produced by the Company are presented, divided into a first table by composition and a second by type (non-hazardous and hazardous) on the basis of their final destination. To complete the picture, some graphic illustrations provide a visual representation of the waste data.

Composition of waste produced (kg)*	2021		2022		2023	
Type	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Textile fibres	42.580	0	90.580	0	65.780	0
Metals	44.550	0	63.410	17	33.410	0
Sludge	551.080	0	718.740	0	972.100	0
Electronic waste	99	125	308	407	20	130
Mixed packaging	44.560	2.990	65.540	3.000	70.180	16.840
Paper and cardboard	63.940	0	91.120	0	93.760	0
Plastics	0	0	0	0	1.150	0
Rags and filters	0	136	0	110	0	180
Chemical substances	0	37	0	2.500	9.600	94
Construction materials	7	14	2.340	0	2.100	2.500
Medical waste (Covid-19 masks)	0	41	0	55	0	0
Total non-hazardous and hazardous	**746.816**	**3.343**	**1.032.038**	**5.979**	**1.248.100**	**19.744**
Total waste	**750.159**		**1.038.127**		**1.267.844**	

* The data on the waste produced are taken from the summary of the forms completed by the Organization during the reporting period, assuming that the quantity of waste disposed of corresponds to that produced.

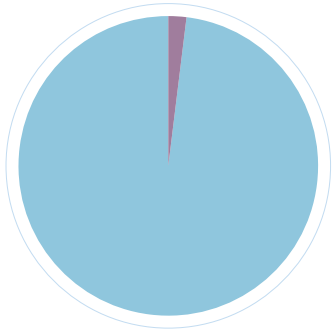
[19] The terminology used to define the category of waste refers to Legislative Decree 152/2006 and subsequent amendments.

Waste destination (kg*)

Type	Destination	2021	2022	2023
Non-hazardous waste	Recovery	195.736	313.298	276.000
	Disposal	551.080	718.740	972.100
	Total non-hazardous	**746.816**	**1.032.038**	**1.248.100**
Hazardous waste	Recovery	3.303	3.759	17.230
	Disposal	40	2.330	2.514
	Total hazardous	**3.343**	**6.089**	**19.744**
Total recovery		199.039	317.057	293.230
Total disposal		551.120	721.070	974.614
Total waste		750.159	1.038.127	1.267.844

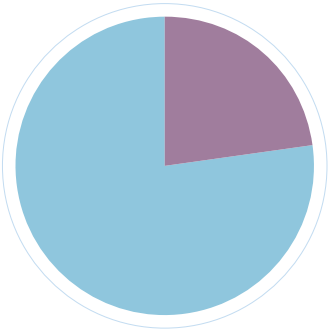
* The data are taken from the summary of the forms completed by the Organization during the years considered. The recovery or disposal operations are all managed at sites external to the Organization.

Percentages of non-hazardous and hazardous in 2023



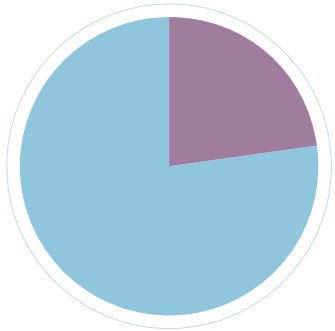
2% Hazardous waste
98% Non-hazardous waste

Percentages of waste destined for recovery and disposal in 2023



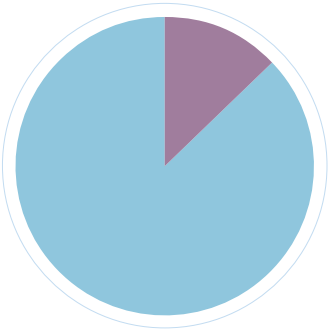
23% Recovery
77% Disposal

Percentages of non-hazardous waste destined for recovery and disposal in 2023



22% Waste disposed of
78% Waste recovered

Percentages of hazardous waste destined for recovery and disposal in 2023



13% Waste disposed of
87% Waste recovered

PRODUCTIVE PROCESS

4.5 Dinamica® and its production process

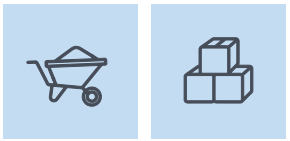
Dinamica® is a Made in Italy suede produced with a recycled polyester component, in a variable percentage depending on the product line. Its production process makes it possible to reduce the extraction of virgin raw materials, favouring the use of recycled fibres deriving from waste otherwise destined for landfill or incineration, and thereby making it possible to reduce CO_2 emissions and other environmental impacts associated with these phases. Furthermore, production takes place without the use of organic solvents, thanks to a water-based technology. This production model reflects Miko's commitment to responsible resource management, inspired by the principles of efficiency and the circular economy. Dinamica® suede is composed of three layers: FACE, INNER SCRIM, BACKING, and is made through the following two macro-categories of processes:

- **UPSTREAM**: these include the phases of extraction and processing of raw materials, of production of the inputs required for the non-woven fabric, and of packaging;
- **CORE**: these include the production of the non-woven fabric by Asahi Kasei, the transport of the various materials required, dyeing, the final production phases and the treatment of waste and water. Miko operates in the dyeing and finishing phases, as can be deduced from the infographic shown below.



Upstream and Core processes

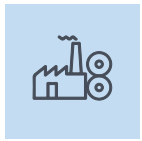
Upstream Processes



PRODUCTION OF RAW MATERIALS AND PACKAGING

The extraction and processing of materials, the production of all input materials for the non-woven fabric, dyeing and fixing, as well as the production of the packaging.

Core Processes



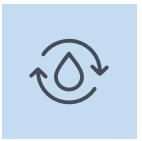
PRODUCTION OF THE NON-WOVEN FABRIC

The Core processes carried out by Asahi Kasei (Japan) include all the operations for the production of the non-woven fabric.



TRANSPORT OF THE NON-WOVEN FABRIC

Transport of the non-woven fabric.



DYEING AND FINISHING

The Core processes carried out by Miko include all the dyeing and fixing operations of the non-woven fabric that lead to obtaining the final product Dinamica®.

Environmental Product Declarations (EPD – Environmental Product Declaration) and EPD Process certification

Dinamica® has been analysed through the LCA methodology, which involves the analysis and assessment of the environmental impacts associated with the product's life cycle along the phases of the supply chain, from the extraction of raw materials through to the packaging for final shipment.

This study was carried out in compliance with the ISO 14040 standard and in accordance with the PCR 2011:06 Nonwovens for clothing, protective clothing and upholstery (Product Category Rules), approved by a technical committee of the International EPD® System. The assessment adopted a **cradle-to-gate** approach, including the Upstream phases, which comprise the production of raw materials (recycled polyester, water, energy, chemical agents and packaging materials), and the Core phases, relating to the transformation of the material, dyeing, finishing and water treatment, carried out by Asahi Kasei and Miko.

The main impact categories considered in the LCA analysis and reported in the EPDs include:

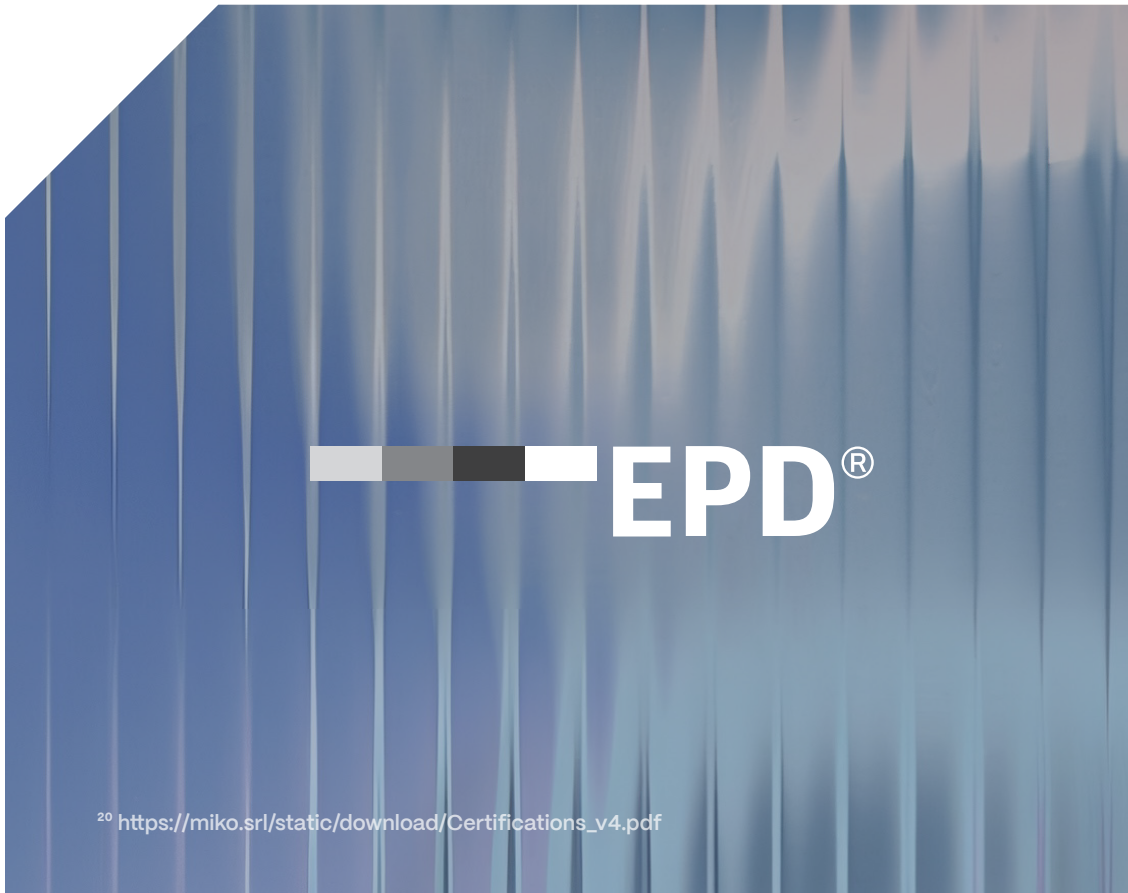
- **GWP (Global Warming Potential)**;
- **AP (Acidification Potential)**;
- **EP (Eutrophication Potential)**;
- **POCP (Photochemical Ozone Creation Potential),** linked to the formation of tropospheric ozone;
- **ADP (Abiotic Depletion Potential)**, relating to the consumption of non-renewable natural resources, both mineral and fossil;
- **Primary energy consumption**, divided between renewable and non-renewable sources.

These indicators offer a comprehensive and comparable view of the product's environmental impact along the most significant phases of its life cycle.

During the two-year period 2024-2025, Miko intends to focus its LCA and EPD efforts on the product variants of the Pure line, suede dedicated mainly to the automotive sector, characterized by a higher percentage of recycled fibres compared to previous articles. The EPDs (Environmental Product Declarations) highlight the Company's attention to the assessment and control of the environmental impacts originating from its products and from the production process. The aim is to maintain transparent and responsible communication with stakeholders regarding environmental sustainability, making it possible to:

- communicate objective and accurate environmental data on products;
- monitor the environmental impacts related to the entire life cycle of products, through the LCA method;
- improve the environmental performance of products, drawing inspiration from the principles of ecodesign and the circular economy;
- activate partnerships with the entire supply chain to obtain information on the environmental performance of materials during the various phases and assess the possibilities for improvement;
- guide stakeholders towards responsible conduct of their activities from an environmental point of view.

Miko also holds the **EPD Process certification**[20], which puts it in a position to internally coordinate the process of verification and publication of the EPD environmental declarations for all its products. This allows a more effective, transparent and autonomous management of environmental data, further contributing to the company's environmental responsibility.



[20] https://miko.srl/static/download/Certifications_v4.pdf

GRI 301-1

4.6 Materials management

In its production processes, the Company uses various types of materials. These can be classified into:

- **non-renewable materials**: synthetic fabrics, dyes, chemical products auxiliary to the dyeing process, reagents for the purification process (caustic soda, sulphuric acid, etc.). These materials constitute the majority of the resources used;
- **renewable materials**: mainly cardboard packaging.

Materials used*	Type	u.m.	2021	2022	2023
Non-renewable materials used	Raw non-woven fabric	ton	1.610	2.155	2.242
	Dyes	ton	161	178	210
	Chemical products for dyeing and finishing	ton	931	1.177	1.323
	Chemical products for water softening and purification	ton	850**	930**	1.033
	Polymer packaging	ton	3	4	13
	Total non-renewable	**ton**	**3.555****	**4.444****	**4.821**
Renewable materials used	Cellulose packaging	ton	93	132	163
	Total renewable	**ton**	**93**	**132**	**163**
	Total	**ton**	**3.648****	**4.576****	**4.984**

* The values reported refer to the quantities of materials purchased from external suppliers and actually delivered in the reference fiscal year.
** the values have been adjusted compared to the previous report because the quantity by mass of one of the chemical products for purification had been determined through an incorrect conversion. The products for water softening (sodium chloride) have also been added.

To ensure an efficient use of resources, the Company's Environmental Management System provides for specific indicators that monitor the consumption of dyes and chemical agents, relating them to the linear metres of product made.

GRI 3-3

5. PEOPLE

The enhancement of employee collaborators, respect for inclusion and gender equality are supported at Miko through an approach that provides for fair remuneration policies, professional development programmes, the monitoring of skills and the promotion of a working environment based on transparency and correctness of conduct.

This takes the form of a strategic investment in the most precious capital of any business: people. This strategy, on the one hand, facilitates the attraction and retention of talent in a context, both national and local, that is experiencing difficulty in sourcing personnel with adequate skills and, on the other, makes it possible to promote and concretely achieve innovation and creativity while maintaining the Company's competitiveness.

The management of collaborators and the set of relationships that define their rights and duties, as well as the processes of selection, recruitment, management and training and the staff growth plans, are implemented in compliance with the principles set out in the corporate Code of Ethics and in national labour legislation. The Company condemns any form of child or forced labour and any discrimination, whether cultural, religious or gender-based, and any physical, psychological or verbal mistreatment, and acts in full respect of human rights.

The OMM, whose recipients include employees, also refers to personnel management, with an implementation of procedures to manage risks and to prevent, through appropriate controls, the conflicts arising from actions that could harm a range of widespread and legally relevant interests (e.g. the health of workers, the privacy of employees or third parties, the environment, human rights, etc.).

The activities related to human resources management, which fall under the responsibility of the personnel office, take place in full fulfilment of and compliance with the requirements set out in the UNI EN ISO 9001:2015 standard for Quality Management. Among the corporate initiatives adopted by the Company towards its collaborators, the following stand out:

1. selection strategies, new recruitment and staff training are managed through a specific plan for the development of skills;
2. the Company implements a process for identifying the skills relating to the various work areas, through the development of a skills matrix with role descriptions and professional profiles, in order to correctly determine work needs and facilitate the targeted recruitment of new resources. This process also helps to identify any training gaps of the existing staff, allowing the activation of specific training paths;
3. staff are made aware of the importance of quality, of performance related to respect for the environment, of occupational health and safety, of technological innovation, and of the individual contribution to achieving the objectives and results set by the Company;
4. in order to gather feedback on staff needs and identify possible improvements, the Company periodically carries out an internal satisfaction survey among employees. This makes it possible to assess work needs, increasing staff engagement and motivation;
5. training paths are prepared for collaborators aimed at overcoming the skills gaps identified, through operational assistance until independence is achieved or through internal/external training courses. The effectiveness of the training activities is verified through daily practice and with random checks, using, for example, tests.

GRI 3-3 // GRI 403-1/2/3/4/5/7/8/9/10

5.1 Occupational health and safety

The Company is constantly committed to preventing accidents at work and reducing the risks that may compromise the health of employees. To this end, it operates in compliance with the principles of the corporate Code of Ethics, the integrated policy and the Occupational Health and Safety (OHS) Policy. The materiality analysis presented in this report highlights the strategic importance of this topic and its impacts for the Company and its stakeholders.

To ensure the psychophysical well-being of all workers across all company premises, including employees, agency workers and occasional external operators, Miko adopts an OHS Management System, constantly investing in its improvement. The System complies with the current national legislation on OHS (Legislative Decree 81/08), which represents the company's main reference for defining commitments, objectives, operating methods and responsibilities. Furthermore, the Company adheres to the Organizational and Management Model provided for by Legislative Decree 231/2001, thereby ensuring an OHS management system that actively involves all organizational levels through solid governance, including the supervision of the Supervisory Body.

The Company implements rigorous procedural standards to ensure a safe working environment, promoting transparent communication and encouraging the active involvement of employees in identifying opportunities for improvement. In particular, it encourages proactive behaviour, such as the reporting of "near-misses" (events that could have caused an injury or an accident), in order to adopt effective preventive measures. Although not ISO 45001:2018 certified, the Company draws inspiration from the standards of this norm to ensure the excellence of its OHS Management System.

Belonging to a multinational group and collaborating with the reference shareholder, Sage Global Automotive S.r.l., foster the continuous improvement of safety procedures. Among the group's companies, the sharing of information on the solutions adopted is well established, with particular attention to the management of non-conformities, incidents and injuries. These events are recorded daily and reported in real time to the Board of Directors and to Sage Automotive Interiors. For each incident, an internal report is drawn up and circulated among the group's companies, with the aim of identifying and implementing corrective solutions in the various production departments.

The effectiveness of the OHS Management System is monitored through periodic audits conducted by the company managers, by Sage Automotive Interiors personnel and by bodies appointed by certain customers who carry out regular inspections.

At an operational level, the Supervisors oversee the workers' activities on a daily basis to ensure compliance with company directives and the correct execution of procedures in the various company areas, from production to warehouses, from laboratories to offices, through to cross-functional services such as maintenance. The company OHS Delegate ensures a constant presence in the field, while the Head of the Prevention and Protection Service (RSPP), an external professional, is tasked with identifying and proposing investments in new technologies and safety equipment, including Personal Protective Equipment (PPE). Furthermore, the RSPP supports the company in developing the specific training and instruction plan for all workers.

The Company actively collaborates with the Workers' Safety Representatives (RLS), who gather reports and suggestions from employees and consult with the RSPP to address critical issues and continuously improve occupational safety conditions.



Risk and injury management in the workplace

The Risk Assessment Document (DVR), by analysing the specific characteristics of each task, classifies risks as physical, chemical and ergonomic, defining the objectives and actions necessary to ensure continuous improvement. The Company constantly monitors the presence of risks potentially causing accidents, injuries or occupational illnesses, through the relevant bodies, including the company Safety Delegate, the Workers' Safety Representatives (RLS) and the Head of the Prevention and Protection Service (RSPP). In particular, chemical risk, the risk of exposure to noise, the manual handling of loads and certain mechanical risks, such as collisions or impacts between moving vehicles, are periodically assessed by the RSPP with the support of external consultants, in compliance with the assessment criteria adopted.

The solutions identified are integrated into the company improvement plans. During 2023, no significant new impacts on occupational health and safety (OHS) were detected.

For chemical risk, the Company carefully selects raw materials and has procedures in place for their safe and correct use. The protection measures exceed the standards indicated in the product safety data sheets. For operators, stations with emergency showers and a specific product ("Diphoterine®") are available to minimize any damage from accidental contact with chemical substances.

Noise risk, typical of the industrial sector, does not represent a significant critical issue for Miko, since there are no work activities that expose employees to levels above 85 dB(A). Nonetheless, hearing protection devices suited to the specific needs of each worker are provided.

The risk related to the manual handling of loads concerns the transport of the trolleys containing dry or wet fabrics. To reduce this risk, the Company has

adopted two key measures: the purchase of electric equipment for handling the trolleys, eliminating the risk of heavy lifting, and the implementation of a programme for the periodic replacement of the swivel wheels to facilitate the movement of the trolleys.

As regards the handling of the rolls on the finishing machines, this takes place mechanically. Mechanical risk, characteristic of all manufacturing companies, is managed through a constant verification of the mandatory guards and, where necessary, the installation of additional safety devices, such as photocell systems. The risk connected to the handling of goods by means of electric forklift trucks is mitigated with electronic speed limiters, supplementary lighting to indicate the direction of travel, and floor markings updated periodically to ensure greater safety for pedestrians.

The Company holds an active Fire Prevention Certificate (CPI) and has installed smoke detection systems in the production and warehouse areas, as well as a sprinkler extinguishing system in all the warehouses. Furthermore, it has an adequate number of trained personnel for emergency management, including evacuation in the event of fire.

Since 2021, the use of high-visibility devices in the production areas, both internal and external, has been mandatory for occasional external personnel, in addition to the protective toe caps already provided for the protection of the lower limbs. The Company identifies occasional external workers by means of yellow high-visibility clothing, as provided for by the DUVRI. To promote a collaborative working environment, the Company undertakes to prevent any form of retaliation and to foster open communication among operators.

The reporting of dangerous situations to the Supervisors is encouraged, with the possibility of sending communications to the Supervisory Body, in line with the Code of Ethics and the company regulations.

Employees are informed of the risks identified through circulars posted in the work areas. To prevent accidents and occupational illnesses, daily and weekly checks are carried out on equipment and plants, with the subsequent drafting of dedicated reports.

The periodic meetings provided for by Legislative Decree 81/08, in which the Supervisory Body also participates as provided for by the Organizational and Management Model under Legislative Decree 231/2001, are an opportunity to analyse any risk situations. Should non-conformities emerge with respect to the OHS Management System, immediate corrective measures are implemented. In 2023, as had already occurred in the previous year, the following initiatives were adopted:

- updating of the Risk Assessment Document;

reassessment of workers' exposure to the risks deriving from the manual handling of loads;

- evacuation drills and emergency simulations, including fires and medical emergencies;
- updating and dissemination of information notices on occupational health and safety;
- training courses for new recruits;
- implementation of the lockout/tagout system with specific documentation, to prevent injuries during cleaning and maintenance activities.

To encourage the participation of workers, the Occupational Health and Safety Committee operates within the Company, bringing together the key figures of the Prevention and Protection System.

The Committee meets periodically with the aim of identifying, analysing and eliminating the hazards present in the Company, applying the risk hierarchy and assessing all the incidents and "near-misses" that have occurred both at the Gorizia site and at the other plants of the Sage group.

Health surveillance

The Competent Doctor, appointed by the Company, works closely with the RSPP through periodic inspections and by contributing to the development of the Risk Assessment Document (DVR). Following a health protocol that takes into account the at-risk activities and the related hazards for workers' health and safety, the Competent Doctor defines the health surveillance measures to be adopted for the personnel.

Information, education and training in occupational health and safety

Miko ensures compliance with the training obligations provided for by Legislative Decree 81/08 and subsequent amendments, guaranteeing the general and specific training of employees and collaborators.

In 2023, all the scheduled training hours were completed. To verify their effectiveness, at the end of each course a written test or a practical assessment is administered and corrected in the presence of the participants.

During the year, several training and instruction sessions were organized during working hours on topics such as: general safety, specific training for low and high risk, five-yearly refresher for workers, RLS refresher, management of confined spaces, use of forklift trucks (new operators and refreshers), work at height, fire safety, first aid (new operators and refreshers), BLS-D, training for supervisors and managers, as well as supplementary training for supervisors and for the employer.

Trend of injuries and occupational illnesses

The statistics relating to the injuries and occupational illnesses that involved both employees and agency workers are reported below. In 2023:

- no deaths occurred in the workplace, either among employees or among agency workers;
- the total number of injuries was 3, none of which involved agency workers. The total number of injury days was 138, none of which concerned agency personnel. There were no serious injuries involving serious or very serious harm.

No occupational illnesses were found among employees or agency workers.

The increase in the injury severity index is attributable to the higher number of injury days recorded in 2023. The main causes of the episodes were behavioural in nature and concerned incidents such as bruised fingers, knee oedema, forearm lacerations and cuts to the fingers. In response to these episodes, the RSPP organized specific meetings with workers to reinforce awareness of the importance of adopting prudent and responsible behaviour.

Indicators relating to injuries and occupational illnesses	2021	2022	2023
Average number of employees	114,91	136	159,25
Average number of agency workers	5,5	7,6	4,66
Total number of employees covered by the OHS management system as at 31/03	118	152	165
Total number of agency workers covered by the OHS management system as at 31/03	7	5	5
Percentage of employees covered by the SSL	100%	100%	100%
Percentage of agency workers covered by the SSL	100%	100%	100%
Hours worked by employees	176.870	213.302,5	233.634,75
Hours worked by agency workers	8.817	10.958,5	7.093,50
Total recordable injuries*	0	5	3
Employee injuries	0	4	3
Employee injuries with serious consequences**	0	0	0
Agency worker injuries	0	1	0
Agency worker injuries with serious consequences**	0	0	0
Injury days	0	50	138
Employee injury days	0	35	138
Agency worker injury days	0	15	0
Injury days men	0	35	138
Injury days women	0	15	0

*** Recordable work-related injuries or occupational illnesses.** Work-related injuries or occupational illnesses that cause one of the following situations: death, days of absence from work, restriction of work duties or transfer to another duty, medical treatment beyond first aid or loss of consciousness, significant injuries or illness diagnosed by a doctor or other authorized healthcare professional, even where it does not cause death, days of absence from work, restriction of work duties or transfer to another duty, medical treatment beyond first aid or loss of consciousness.

**** Injury with serious consequences.** A work-related injury that leads to a death or to harm from which the worker cannot recover, does not recover, or is not realistically expected to recover fully, returning to the state of health prior to the accident within 6 months.

Frequency and severity indices	2021	2022	2023
Frequency index (number of injuries per 1 million/hours worked) for employees	0	18,75	12,84
Frequency index (number of injuries per 1 million/hours worked) for agency workers	0	91,25	0
Severity index (number of injury days per 1,000/hours worked) for employees	0	0,164	0,59
Severity index (number of injury days per 1,000/hours worked) for agency workers	0	1,3688	0

Recordable occupational illnesses	2021	2022	2023
Recordable occupational illness cases	0	0	0

Objectives and commitments for the coming years

Following the recent investments that have seen, among other things, the expansion of spaces with the construction of a new building adjacent to the current production department, the launch of a new finishing line and of other jet dyeing lines, with the consequent further increase in the number of workers, over the coming years a series of risk assessments will be updated. These include the assessment of noise risk, microclimate and fire, as well as further training and instruction activities.



GRI 2-7 // GRI 2-8 // GRI 2-20 // GRI 2-21 // GRI 2-30 // GRI 401-1/2/3 // GRI 403-6 // GRI 404/1/2

5.2 Growth and enhancement of human capital

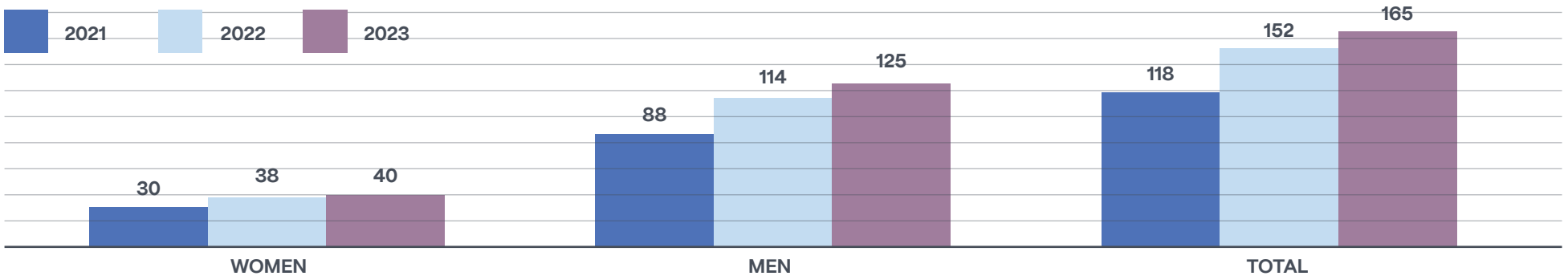
The number of employee collaborators as at 31/03/2024 is 165: 125 men and 40 women. To these are added 5 people with agency contracts – 3 women and 2 men. The overall number of agency workers is unchanged compared to the previous year, but the gender composition has changed (as at 31.03.2023 there were 5 men). The agency figures include production workers, 2 quality control operators, 1 receptionist and 2 dyeing operators.

In the composition of the employee collaborators, there is a prevalence of the male gender (equal to 75.76%); the presence of women reaches 24.24% and is employed mainly in office duties.

Miko, again in 2023, increased the size of its workforce in correlation with the increase in sales and production capacity linked to the development of the new production lines; during the year, there was an increase in the number of employee collaborators of 8.55% compared to the previous financial year.

The Company prefers permanent contracts; the employees with such a contract at the end of the 2023 financial year total 137 (83% of the total employee collaborators), of whom 38 women and 99 men. The fixed-term workers are 28 (17% of the total employee collaborators), of these 2 women and 26 men. The full-time employment contracts at the end of the 2023 financial year concern 159 people (96.36%) out of a total of 165 collaborators; 6 people, 5 female and 1 male, work with part-time employment contracts.

Number of employees

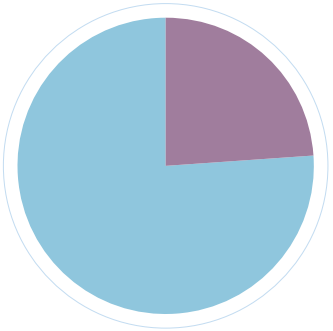


Number of employees by contract type*	2021	2022	2023
Permanent	**98**	**114**	**137**
Of which women	28	30	38
Of which men	70	84	99
Fixed-term	**20**	**38**	**28**
Of which women	2	8	2
Of which men	18	30	26
Total	**118**	**152**	**165**
Of which women	30	38	40
Of which men	88	114	125

Number of full-time and part-time employees by gender	2021	2022	2023
Full-time employees	**112**	**145**	**159**
Of which women	24	32	35
Of which men	88	113	124
Part-time employees	**6**	**7**	**6**
Of which women	6	6	5
Of which men	0	1	1

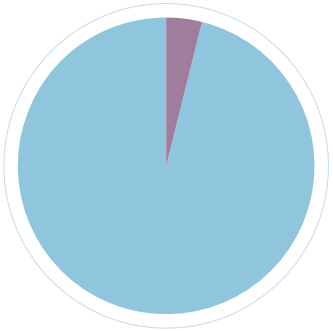
* By law, the apprenticeship contract is permanent. Consequently, apprentice workers have been counted in this contract category.

Percentages of employees by gender – 2023



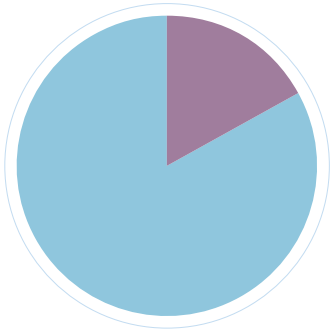
24% Women 76% Men

Percentages of full-time and part-time employees by gender – 2023



4% Part time 96% Full time

Percentages of fixed-term and permanent employees – 2023



17% Fixed-term 83% Permanent

100% of employees are covered by first- and second-level collective bargaining agreements; remuneration plans are established following the CCNL Tessile Sistema Moda Italiana (National Collective Labour Agreement for the Textile and Fashion System), with the exception of managers, who are governed by the Contratto Dirigenti Industria (Industrial Managers' Contract)[21].

The remuneration of the Chief Executive Officer is established and approved by the Board of Directors. The remuneration of managers is defined at the time of appointment, in compliance with the relevant CCNL, and supplemented by an additional amount agreed between the parties, as well as by a non-competition agreement. Managers are also entitled to a variable bonus (MIP – Management Incentive Plan), calculated as a predefined percentage of the gross annual salary (RAL) according to the role, and paid on the basis of annual company results; this bonus is also granted to certain company middle managers on the basis of agreements established at Sage Group level.

The remuneration of the members of the company's highest governing body is not linked to the achievement of objectives connected to the management of the organization's impacts on the economy, the environment and people.

The system of company compensation and benefits complies with current legislation without any discrimination linked to the type of contract applied (full-time or part-time), thereby ensuring equal treatment. A results bonus is granted (for the 2021, 2022 and 2023 financial years), approved by the Company in agreement with the trade union organizations representing the workers. For employees hired during the year, the amount is re-proportioned on the basis of the months of presence, net of a minimum continuous working period of three months in the year considered. For part-time personnel, the amount is appropriately re-proportioned on the basis of the working hours. Collaborators are granted the right to join trade unions and other collective workers' organizations.

[21] The CCNL in Italy involves the social partners, namely trade unions and employers' organizations, which represent the key stakeholders. The members of the Board of Directors do not participate directly in the negotiation, keeping company management distinct from collective bargaining.

The ratio between the total annual remuneration of the highest-paid person and the average total annual remuneration of all employees (excluding the aforementioned person) is 6.43, while the ratio between the percentage increase in the total annual remuneration of the highest-paid person and the average percentage increase in the total annual remuneration of all employees (excluding the aforementioned person) is 0%, because in 2023 the person with the highest annual remuneration did not receive any increases.

In 2023, the Company did not record any civil or criminal litigation of any kind with employees or former employees.

Recruitment and company turnover

With regard to the arrivals and departures of employees, observing the data in the tables below, it can be seen that during the year the number of arrivals increased compared to previous years, but the number of departures also recorded a significant increase. This trend suggests a reversal in the Company's retention of personnel, confirmed by the increase in the overall turnover rate. This is due to a phase of rapid production expansion that made it necessary to bring in 44 new resources in 2023 (38 in 2022), in a very competitive local labour market that at the same time facilitated voluntary resignations, causing overall turnover to rise to 41%.

Observing the graphs relating to overall turnover by gender, it is clear how this is higher in the male gender due to the greater number of arrivals compared to the female gender during 2023.

With regard to the overall recruitment rate, calculated as the ratio between arrivals and the workforce at the beginning of the year, which in 2023 records a value of 28.95%, its breakdown by gender and by age group presents these values:

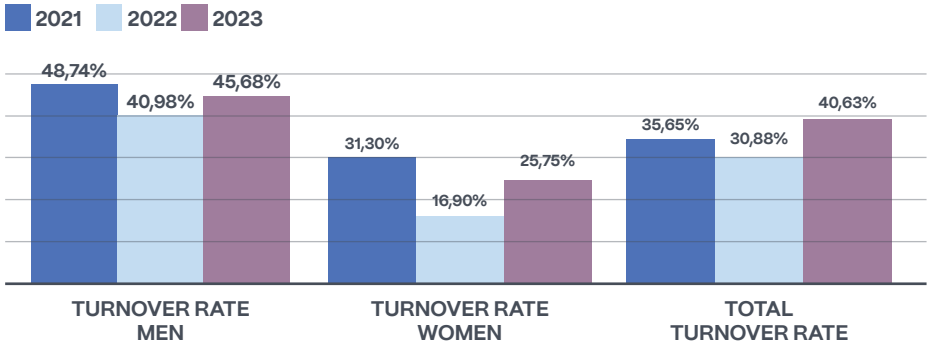
- Recruitment rate women 16%
- Recruitment rate men 33%
- Recruitment rate in personnel under 30 years of age 29%
- Recruitment rate in personnel between 30 and 50 years of age 34%
- Recruitment rate in personnel over 50 years of age 22%

Arrivals and departures by age	2021		2022		2023	
Age groups	Arrivals	Departures	Arrivals	Departures	Arrivals	Departures
< 30	**9**	**2**	**6**	**1**	**7**	**5**
Of which women	2	2	2	0	1	1
Of which men	7	0	4	1	6	4
30 – 50	**17**	**7**	**19**	**3**	**24**	**12**
Of which women	4	0	4	0	4	3
Of which men	13	7	15	3	20	9
> 50	**2**	**4**	**13**	**0**	**13**	**4**
Of which women	0	0	1	0	1	0
Of which men	2	4	12	0	12	4
Total	**28**	**13**	**38**	**4**	**44**	**21**
Total of women	**6**	**2**	**7**	**0**	**6**	**4**
Total of men	**22**	**11**	**31**	**4**	**38**	**17**

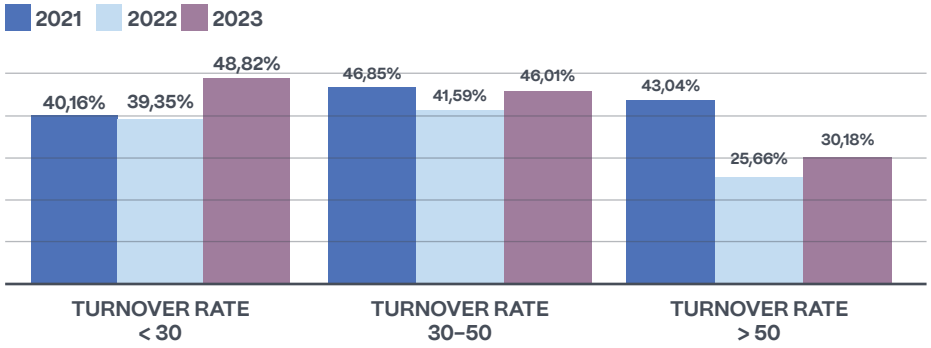
Overall company turnover rate	2021	2022	2023
Average overall workforce for the period	115	136	160
Overall turnover rate*	36%	31%	41%

* The rate calculated represents overall turnover: (arrivals + departures)/average workforce for the period x 100

Overall company turnover by gender



Overall company turnover by age group



Training and skills development

The collection of operators' training needs is managed annually by the Human Resources area, in collaboration with the department and function Managers. The information gathered constitutes the basis for the definition of the company training plan. The requests refer to specific content linked to the roles performed by collaborators and are geared towards the development of professional skills. An internal procedure is also in place, which regulates training within the Company and provides for a minimum number of side-by-side hours, both for new arrivals and in the case of an expansion of the duties assigned to personnel already in service.
Over the course of recent financial years, in addition to the mandatory courses on occupational safety, the specific courses attended by employees have mainly concerned the following company areas: Research and Development, Design, Quality, Maintenance, Waste Management, Purchasing, Human Resources, Supply Chain, Information Technologies, Commercial and Sales, Industry 4.0, Administration, Internal Machinery Equipment. With regard to 2023, the following are worth noting in particular:

- training on Cybersecurity, aimed at raising awareness of the risks related to cyberattacks, with the objective of strengthening the company's IT protection. The course involved 1 participant for a total of 14 hours of training;

- training on the Organizational Model under Legislative Decree 231/01 and on the Code of Ethics, aimed at new recruits to provide basic knowledge of the Model and its updates, as well as to promote its internal dissemination. The course involved 60 participants, with a duration of 1 hour for each participant.

In 2023, 3,867.5 hours of training were delivered, of which 2,881.5 hours (75%) for male personnel and 986.00 (25%) for female personnel. The recipients of the training activity were: managers (34.5 hours), middle managers (39.5 hours), office staff (1,501.00 hours) and workers (2,292.5 hours). On average, over the course of 2023, 22.62 average annual hours per person were delivered (22.41 for women and 22.70 for men).

Training hours delivered*	2021		2022		2023	
	Avg. hours	Total hours	Avg. hours	Total hours	Avg. hours	Total hours
Managers	**10,6**	**32**	**6,5**	**19,5**	**11,5**	**34,5**
Of which women	0	0	2	2	6	6
Of which men	10,6	32	8,75	17,5	14,25	28,5
Middle managers	**36,4**	**182**	**7,6**	**38**	**7,90**	**39,5**
Of which women	14,6	44	4	12	11,17	33,50
Of which men	69	138	13	26	3	6
Office staff	**32,36**	**841,5**	**19,13**	**688,5**	**36,61**	**1.501**
Of which women	32,73	556,5	10,04	218,5	28,08	674
Of which men	31,7	285	32,33	470	48,65	827
Workers	**18,33**	**1.448**	**44,84**	**4.843**	**18,95**	**2.292,5**
Of which women	0	0	50,77	660	17,03	272,5
Of which men	20,68	1.448	44,03	4.183	19,23	2.020
Total	**25,56**	**2.939,5**	**36,78**	**5.591**	**22,62**	**3.867,5**
Of which women	28,67	824,5	23,48	892,5	22,41	986
Of which men	24,54	2.115	41,21	4.698,5	22,7	2.881,5

* The training hours delivered considered in the table refer to the combination of voluntary hours and mandatory ones (carried out in the area of occupational health and safety).

Initiatives for employees

Aware that a good working climate is an essential condition for fostering productivity and the achievement of company objectives, Miko continues to promote a series of initiatives aimed at strengthening staff motivation, while at the same time supporting their professional growth and their ability to work in teams. The main initiatives activated are reported below:

– provision, in order to facilitate the reconciliation of work and family life, of the possibility of activating remote working even independently of the Covid protocols, using tools made available by the Company;

– the possibility for all personnel to benefit from an agreement with an occupational medicine practice offering reduced prices or the application of discounts for certain specialist healthcare services;

– the existence of a policy providing coverage for the risk of death, permanent disability and injuries for company managers and for the Chief Executive Officer, with costs borne by the Company;

– the existence of a civil liability policy with costs borne by the Company covering the actions of employees (third-party liability, RCT);

– the existence of the Sanimoda policy for healthcare coverage;

– the existence of an injury policy for employees while travelling, with costs borne by the Company;

– the activation of a welfare portal to which the entire results bonus or a part of it can be allocated, on a voluntary basis, benefiting from the related tax advantages.

All the activities listed above are provided to all employees (full-time, part-time, permanent and fixed-term contracts).

With regard to the right to parental leave, the data are set out in the following table:

Parental leave in 2023	
Number of employees entitled to mandatory leave	**8**
Of which women	5
Of which men	3
Number of employees entitled to optional leave*	n.a.
Of which women*	n.a.
Of which men*	n.a.
Number of employees who took up the right to leave	**9**
Of which women	5
Of which men	4
Number of employees who returned during the reporting period	**9**
Of which women	5
Of which men	4
Number of employees who returned after leave and are still employed by the organization one year after their return	**9**
Of which women	5
Of which men	4
Return-to-work rate**	**90%**
Of which women	83,33%
Of which men	100%
Retention rate***	**100%**
Of which women	100%
Of which men	100%

* It is not possible to indicate the number of those entitled, as it can be taken up by either the mother or the father. For example, one parent may be entitled to it, but if the other parent takes it up, this right is lost.

** Index calculated on the total employees who took up the right to mandatory leave and who returned from maternity leave within the 2023 fiscal year.

*** Index calculated on the total employees who took up the right to mandatory and optional leave.



GRI 405-1/2 // GRI 406-1

5.3 Gender equality

Gender equality and workplace inclusivity are, on the whole, balanced within Miko's organization. As shown in the table at the end of the section, there is a balanced presence of men and women both among managers and among company middle managers.

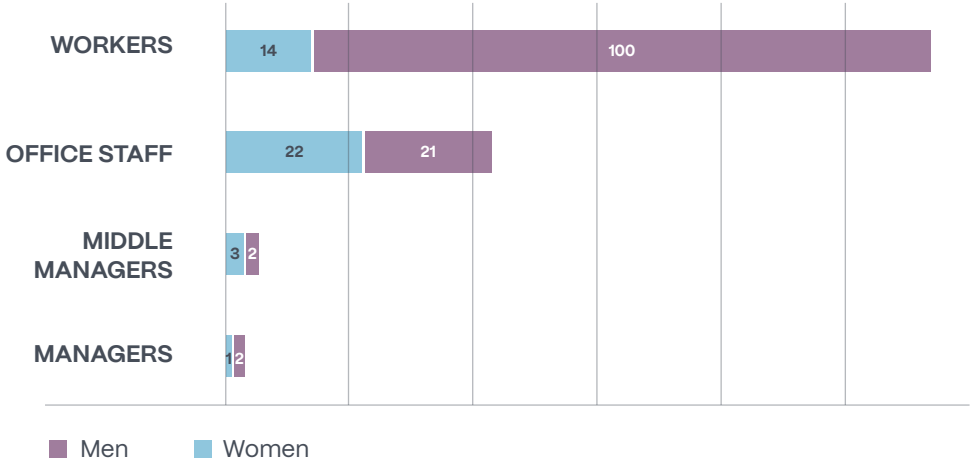
Among office staff there is a prevalence of women, while among workers the male component is predominant. Overall, the age distribution shows that 50.91% of workers are aged between 30 and 50, 34.55% are over 50 and 14.55% are under 30.

The Company operates in compliance with Law 68/1999, concerning the employment integration of people with disabilities or people belonging to protected categories, with the signing of a Programme Agreement agreed with the competent Targeted Placement office, which provides for the integration of such figures in quantities and time frames more favourable than those provided for by law, taking into account the complexity of reconciling production work activity with workers registered on the aforementioned lists. During the reporting period, there were no episodes of discrimination against personnel within the Company.

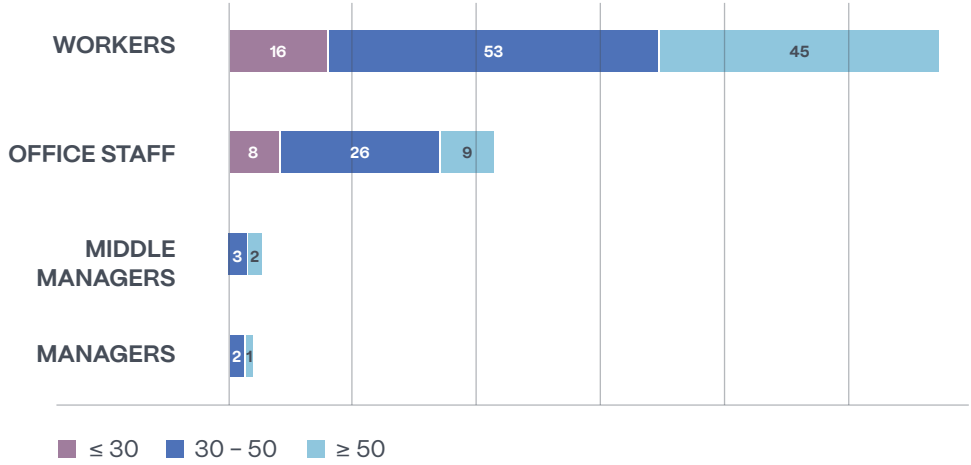
Age groups and job classifications by gender – 2023

Age groups	Managers				Middle Managers				Office Staff				Workers			
	Women	Men	Total	%	Women	Men	Total	%	Women	Men	Total	%	Women	Men	Total	%
< 30	0	0	0	**0%**	0	0	0	**0%**	4	4	8	**18,60%**	0	16	16	**14,04%**
30 – 50	1	1	2	**66,67%**	2	1	3	**60%**	14	12	26	**60,47%**	10	43	53	**46,49%**
≥50	0	1	1	**33,33%**	1	1	2	**40%**	4	5	9	**20,93%**	4	41	45	**39,47%**
Total	1	2	3		3	2	5		22	21	43		14	100	114	
%	33,33%	66,67%			60%	40%			51,16%	48,84%			12,28%	87,72%		

Job classifications by gender – 2023



Job classifications by age group – 2023



The data relating to the ratio between the basic salary and remuneration of women compared to men for each category of employee, and the ratio of the average salary applied by the Company compared to the applicable CCNLs, are presented in the following tables.

Ratio of women's average salary to men's average salary	2022	2023
Managers	1,53	1,42
Middle managers	0,78	0,78
Office staff	0,91	0,88
Workers	0,97	0,95

Percentage difference between company average salary and applicable CCNLs	2022	2023
Managers	n.d.	n.d.
Middle managers	104%	103%
Office staff	20%	24%
Workers	3%	0%

6. PROSPERITY

6.1 Collaborations with the local community and cultural promotion

Miko is actively committed to supporting the socio-cultural and educational development of the territory, through strategic collaborations with local organizations in Friuli Venezia Giulia – in particular in the Gorizia area – and in Northern Italy. The company promotes and supports initiatives involving the world of sport, academia and schools, as well as events dedicated to environmental responsibility.

Collaborations with local organizations

Miko collaborates with numerous local organizations and institutions, with the aim of creating shared value and strengthening the bond with the community. The main initiatives include:

- **Scuderia Villorba Corse:** sponsorship of track competitions within the Porsche Carrera Cup. The racing team, founded in 2001, is a point of reference in competitions dedicated to sports prototypes;
- **Associazione Regionale Tersicore (Gorizia)**: support for the historic school of contemporary dance and theatre, recognized as a centre of excellence for artistic training and production;
- **A.S.D. Dinamo Gorizia**: sponsorship of the basketball team that plays in the Serie C Silver championship, confirming the company's commitment to promoting sport;



Among the main activities of the partnership with Udinese Calcio:

- Distribution of complimentary match tickets to collaborators and their families;
- **Sponsor Day (May 2023)**: an event almost entirely dedicated to sustainability, with a contribution from Miko's Business Manager, Benedetta Terraneo, who illustrated the company's experience and projects. Udinese Calcio is in fact in first place in Italy for sustainability in terms of governance, social and environmental aspects, as emerges from its position in the ESG ranking of the Brand Finance Football Index;
- **Match Sponsor Udinese-Torino (March 2024)**: presentation of the first football covered with Dinamica® suede, created in collaboration with Udinese Calcio, the Macron design studio and WOWnature®, an initiative of the university spin-off Etifor, to bring the football sector closer to the themes of environmental responsibility. Twelve examples signed by the Udinese Calcio players were destined for a charity auction in favour of tree-planting projects in Friuli Venezia Giulia;
- Support for **Udinese's Primavera team** (young athletes aged 17-20), which competes at national level, strengthening Miko's commitment towards emerging talents.

Collaborations with the academic and educational world

Miko maintains structured relationships with universities and training institutes in North-East Italy, with the aim of promoting youth employability and skills development:

- **University of Trieste**: continuation in 2023 of an internship activated in 2022 in the engineering area, culminating in the permanent hiring of the intern;
- **ISIS Galileo Galilei di Gorizia**: in 2023 a recent graduate was hired who had already been involved in a school-to-work alternation experience at the company in 2021;
- Activation of new relationships with training bodies such as **IAL and ENFAP**, testifying to the ongoing commitment towards technical and vocational training.

Cultural awareness initiatives

Again for 2023, Miko continued to highlight its commitment in the field of experimentation and innovation, through the partnership with D-House, an urban Research & Development laboratory developed by Dyloan (www.dyloan.com) located in Milan. D-House represents a place of encounter, training, innovation and sustainability, with a strong technological component and an international scope, where the future of the Fashion, Design and Automotive sectors is discussed. The events organized with this organization, as well as the initiatives in which Miko took part, are numerous; the main ones include:

- **Participation in the "Fuori Salone" from 17 to 23 April 2023 of Milan Design Week** with the "Habitacolo" project (https://dinamicasuede.com/habitacolo/): an immersive and sensory experience dedicated to Dinamica® suede based on a car journey, designed by designers Luca De Bona and Dario De Meo (Debonademeo Studio) with the use of various experiential objects, symbolic objects that, through their craftsmanship and their material, create an empathetic relationship with the observer. The project, in collaboration with ET s.r.l, saw the involvement of Dyloan Bond Factory and ShapeMode, a competence centre specialized in Digital Fabrication, Additive Manufacturing and DfAM (design for additive); Vibram, with its know-how, contributed to the production of some artefacts, and VZNstudio participated in the graphic design.

- Participation in the "Lineapelle" trade fair (Milan), with an exhibition space dedicated to the concept of the D-House urban laboratory, showcasing the

shared relationships and projects through a selection of artefacts and samples created in synergy.

- Sponsorship of Milano Design Night 2023, contributing to spreading a culture of responsible innovation.



Mittelmoda and Miko's commitment to GO!2025

On the occasion of the Mittelmoda District project, aimed at high school students in Friuli Venezia Giulia, Miko presented an innovative initiative in the name of environmental responsibility. Benedetta Terraneo, the company's Business Manager, illustrated a project that involves the reuse of Dinamica® suede production waste to create a line of footwear in collaboration with the company Re-49. The initiative is part of the path towards Industry 5.0, with the aim of combining creativity, business and environmental responsibility, while at the same time offering training opportunities to the new generations. The event was also connected to the future European Capital of Culture GO!2025, strengthening the link between innovation and the enhancement of the territory.

Through these initiatives, Miko confirms its active role in the development of the territory, promoting inclusion, innovation and cultural growth. The company intends to continue to invest in projects that enhance local and other communities, strengthening the dialogue between business, society and the environment.

GRI 3-3 // GRI 416-1/2 // GRI 417-1/2

6.2 Trust and reliability towards customers

The Company is committed to producing high-quality products that combine innovation and responsibility towards the environment, with the aim of ensuring the maximum satisfaction of its customers. With this in mind, it promotes a constant and constructive dialogue with them, aimed at building solid and lasting relationships and at facilitating the integration of specific requirements within its solutions and commercial processes. Likewise, the commitment to protecting consumer health and safety is reflected in the careful observance of the applicable regulations and standards.

A quality product

The Company deals with complex requests from customers, who pay particular attention to aspects of design, performance, functionality and respect for the environment. These needs represent a decisive factor in strategic choices and drive the company to invest significantly in equipment, technologies, machinery and infrastructure. In this scenario, technological innovation constitutes a central element, supported by a constant commitment to research and development activities geared towards improving production efficiency, experimenting with new materials and designing solutions that meet the safety and health requirements for end users. At the same time, the Company promotes practices geared towards sustainability and the reduction of environmental impact, as described in section "4.5 Dinamica® and its production process".

Miko keeps active the IATF 16949 certification, an international standard specific to the automotive sector, required by the main manufacturers (OEMs) of their suppliers. This certification has the objective of harmonizing quality requirements along the entire automotive supply chain, promoting a common approach among the various production entities.

In this context, the Company also undertakes to comply with the Customer Specific Requirements (CSR), that is, the additional and detailed requests defined directly by the individual OEM customers. These requirements, which can be consulted on the website www.iatfglobaloversight.org/oem-requirements/customer-specific-requirements, sit alongside the general prescriptions of the IATF 16949 standard and represent a further level of complexity to manage.

Thanks to a structured organization and the technical skills of its team, Miko is able to effectively take on board, implement and monitor these requirements, thereby ensuring full compliance with customer expectations and industry standards.

Within the context of the **IATF 16949 certification, the Customer Specific Requirements** (CSR) represent the supplementary requests defined directly by the automotive manufacturers (OEMs) with respect to the general requirements of the standard. Through the CSR, each OEM can establish specific criteria relating to aspects such as:

- quality control methodologies;
- documentation requirements;
- non-conformity management;
- component traceability;
- internal audits and approval processes;
- expected performance and monitoring methods.

The CSR may also include aspects such as: sustainability and social responsibility requirements, risk management and business continuity, and logistics and packaging requirements.

The CSR have contractual value and become binding for the supplier, who must take them on board and integrate them into its own quality management systems. Their purpose is to **ensure that each supplier responds to the specific needs of the customer**, while operating within a common framework (that of IATF 16949), thereby improving the reliability of processes, the safety of products and consistency across the automotive supply chain.

To further explore the understanding and application of the Customer Specific Requirements (CSR), it is possible to consult the official sources provided by the individual OEMs and by the reference bodies of the sector, such as IATF.

The ISO 9001:2015 and IATF 16949 certifications constitute an important reference also for the management of communication and, more generally, for all relations with customers.

Customers interface with the company contacts – in particular, within the Organization, the central role in customer relations is played by the Key Account Managers – to propose new commercial initiatives and receive support on ongoing projects.

The Company is committed to listening to customers' opinions on its products, considering them fundamental for improving the service provided. The processes for measuring customer satisfaction are present in the form of assessments gathered from TIER 1 customers; qualitative performance indicators are also prepared to be monitored.

Miko, through the Quality Management System, keeps track of all the actions undertaken to prevent, monitor and manage customer complaints. The management of complaints is aimed at ensuring a service compliant with company standards and geared towards promoting improvement actions intended to increase customer satisfaction over time.

The main initiatives implemented include:

1. the administration of questionnaires to collaborators, useful not only for reporting any critical issues and complaints, but also for actively involving them in resolving the problems;
2. the prompt replacement of products, in the event that the complaints are attributable to operator errors during the quality control phases;
3. the activation of specific corrective actions for each complaint received, with the aim of avoiding the recurrence of the same
4. the provision of specific guidance to the customer for resolving the problem, should the complaint be attributable to incorrect use of the product or to a cause external to the company.

This structured and proactive approach to the management of complaints reflects Miko's commitment towards continuous improvement and the building of lasting and transparent relationships with its customers.

No complaints occurred such as to generate alert states or interruptions to production following customer reports. All the product validation activities, conducted by the internal laboratory, confirmed compliance with the requirements demanded by both customers and current regulations.

The main OEMs and Tiers of the automotive sector require their suppliers, including Miko, to complete the SAQ 5.0 sustainability assessment questionnaire, in order to verify that company practices are consistent with the high environmental and social standards required. This verification represents an important engagement tool, which stimulated the Company to make significant choices in the area of governance, leading to the introduction of the new policies relating to the supply chain and to occupational health and safety, thereby strengthening the relationship of trust and collaboration with its customers.

The Sustainability Assessment Questionnaire (SAQ) version 5.0, developed by Drive Sustainability, is a tool for assessing the sustainability performance of suppliers in the automotive sector. It covers various areas, including environmental and social sustainability, health and safety, business ethics, compliance, supplier management and the responsible sourcing of raw materials, and is applicable globally at different stages of the automotive supply chain. For further details, please refer to: www.drivesustainability.org/compliance/



Product health and safety

Given its high relevance from a contractual, regulatory and reputational point of view, the Company assesses the impacts of its products on consumer protection, in line with the contractual agreements signed with customers, ensuring their compliance with current health and safety regulations.

Through the ISO TS/IATF 16949 certification and the commitment to Product Safety Compliance, coordinated by the Product Safety and Conformity Representative (PSCR)[22] – a figure tasked with managing the declaration of the product's conformity to legal requirements and to the CSR – the Company ensures, right from the design stage, the full adherence of its products to the applicable laws. The Company's products, aimed at the Business-to-Business segment, are mainly supplied in assembled rolls, accompanied by the necessary documentation detailing their technical specifications for use.

During the reporting period, the checks and controls carried out did not reveal any episodes of non-conformity relating to the documentation attached to the final product. All products undergo careful testing, defined according to the specifications indicated in the customers' specification sheets. Furthermore, no non-conformities emerged in relation to product health and safety during the same period.

[22] PSB/PSCR stands for Produkt Sicherheit Beauftrager / Product Safety and Conformity Responsible. The European Directive on general product safety (Directive 2001/95/EC) requires companies to ensure that the items placed on the market are safe and to take corrective action when the contrary is found. The transposition of the Directive by the German Automotive sector (Product Safety Act), applied in the OEM market, led to the emergence of the role of Product Safety Officer (acronym in English: PSO. In German: PSB).

Communication and the relationship with customers

The Company makes use of multiple communication channels, both traditional and digital, to reach the widest possible number of interlocutors. In addition to direct communication with customers, the following are used:

- the company websites
- email
- social networks (Facebook, Instagram and LinkedIn)

The information disseminated is shared transparently, that is, made accessible, comprehensible and verifiable, thereby offering the customer a solid basis for making informed choices.

GRI 3-3 // GRI 2-6 // GRI 204-1

6.3 Supply chain management

For Miko, collaborating with companies that adopt policies and initiatives aimed at minimizing negative impacts and promoting positive ones related to environmental, social and governance (ESG) factors represents a strategic element of its activity. The absence of careful and responsible management of relationships with suppliers can translate into significant reputational risks, deriving from the association of the Company with unsustainable practices, thereby compromising the trust of stakeholders.

Within its supply chain, Miko interacts with suppliers from various sectors. The main source of its supplies is the Japanese parent company, Asahi Kasei Corporation, which supplies the raw non-woven fabric. Other supplies or post-production processing may come from companies within the same Group and from a small number of international companies specialized in the production of dyes.

Asahi Kasei Corporation, as Miko's main supplier, also carries out its activities in compliance with policies[23] that govern the aspects relating to environmental impacts, as well as the quality of products and services, procurement, human rights, human resources management, occupational health and safety, the safety of production processes and activities for local communities. The main dye suppliers also have important policies as well as certified management systems that attest to their commitment in the name of environmental sustainability.

The corporate Code of Ethics includes, in the section "6.12 Relationships with suppliers"[24], among the reference requirements for the selection of suppliers, the possible existence and effective implementation of quality, safety and environment systems.

With the adoption of the new Sustainability Policy for suppliers, described in section "3.5 Company policies on supply chain and occupational health and safety", and with the commitment to integrate the principles of environmental and social responsibility into the management of the supply chain — in particular towards first-level suppliers — the Company aims to strengthen its capacity to positively influence the spread of sustainable practices.

Compliance with the requirements for supplies is ensured through the observance of the policies and procedures relating to the Management Systems. The Company therefore adopts appropriate criteria for the selection and assessment of suppliers, operating with analysis processes that detect any non-conformities in the capacity to respond, in procurement, to precise regulatory standards, as well as technical and qualitative ones in line with the company management system for quality and the environment.

[23] https://www.asahi-kasei.com/sustainability/basic_information/policy_type/
[24] https://miko.srl/static/download/MIKO_CodeOfEthics_ENG%202021.pdf

The Company, in particular, uses:

- processes for controlling its supply chain against environmental and social criteria, identifying metrics that allow the monitoring of sustainability practices in the supply chain;
- a system for assessing supplier performance based on KPIs (Key Performance Indicators) that measure elements such as the presence of certifications of their management systems, price, complaints, rejects and punctuality in delivery;
- an advanced cloud platform, specifically designed to optimize the management of ESG (Environmental, Social, and Governance) risks within its supply chain.



The platform for monitoring the supply chain allows a detailed profiling of suppliers, thereby enabling effective monitoring and an in-depth analysis of sustainability data.
Thanks to the use of the platform, it is possible to aggregate, examine and manage the critical information relating to sustainability provided by commercial partners. By offering access to a wide range of selectable ESG criteria, covering environmental, social and governance aspects, the platform facilitates a customized analysis, suited to the specific needs of the sector, identifying the main areas of risk and aligning with the Company's strategic objectives. Furthermore, it is integrated with a critical news monitoring function, providing real-time risk alerts for potential threats, which enhances the Company's ability to react promptly to emergency or crisis situations.

It should be noted that purchases of packaging and fabrics are made entirely from Italian producers, while dyes, although produced entirely abroad, are purchased largely from Italian distributors. Considering therefore the overall amount of purchases made in Italy, the share of the budget dedicated to procurement from Italian suppliers reaches 17.6% in 2023.

GRI 3-3 // GRI 418-1

6.4 Privacy and cybersecurity

Miko acts in compliance with the European regulation on the protection of personal data, GDPR (General Data Protection Regulation, Reg. (EU) 2016/679 of 27 April 2016), and with current privacy legislation. For this purpose, a specific organizational structure has been carefully developed, which ensures the adequate implementation of the current laws on the matter.
To achieve this objective, GDPR compliance measures have been outlined, which are structured into the following main activities:

- **mapping and analysis of personal data and processing operations:** with the creation of a complete inventory of the personal data managed, analysing the processes of collection, processing and storage to ensure compliance with the GDPR;
- **assessment of the risks deriving from processing:** through the data protection impact assessment, which identifies and minimizes the risks to individual rights and freedoms;
- adoption of adequate physical, logical and organizational policies: implementing security measures through written policies and guidelines, which clearly outline the data protection procedures;
- **verification of the effectiveness of the measures:** measuring effectiveness through regular audits and specific training programmes for employees, assessing the impact through feedback and KPIs;
- **precise designation of areas of responsibility:** with the definition of the tasks and instructions for the collaborators and partners involved in data processing.

The Company, which has a data processing register updated annually, clearly assigns tasks and responsibilities, including those provided for by the GDPR for the role of the Data Controller, the Data Processor and the role of the DPO (Data Protection Officer), providing detailed instructions to all the parties involved;
- **provision of adequate procedures for managing data breaches:** the Company has measures and tools ready to be implemented in the event of incidents ranging from the physical loss of data through to cyberattacks that compromise data security, ensuring a timely and effective response to protect information security.

With an awareness that has strengthened over time, Miko places information security at the centre of its organizational actions, considering security systems essential not only for safeguarding company data, but also vital for protecting the data managed, tackling the evolution and sophistication of cyber threats. Within the Company, the following are implemented:

- **periodic organizational adjustments:** the Company is committed to defining and reviewing security policies, together with the verification of procedures, through the distribution of a company IT regulation; with the aim of obtaining TISAX AL2 certification during 2024, new policies and tools have been introduced dedicated to increasing the degree of security and resilience of the company information systems, in order to align with the recognized information security standards of the Automotive sector;
- **assessment according to the criteria of the COBIT2019 governance framework[25];**
- **adoption of innovative technologies for the security of the data processed**, with advanced tools for the prevention of and defence against cyberattacks that, in the event of a breach, allow the timely restoration of the data itself; the Company therefore has firewalls, network segmentation processes and robust back-up systems. The Company also collaborates with an external IT security consultancy firm which, through a SOC (Security Operations Center) service, monitors the company network and intervenes promptly in the event of attacks, limiting the damage;
- **continuous awareness-raising and training of personnel:** through the implementation of simulated phishing campaigns and the distribution of short training videos for those who act in a non-compliant manner in the simulations.

The Company did not detect any privacy breaches or episodes of data loss during the reporting period.

Customer privacy management

Miko does not collect or process personal data that would violate the right to confidentiality, limiting itself to processing the data and information that are essential for the delivery of services and products, only after identifying the correct legal basis for processing and, where applicable, having gathered the customer's explicit consent. All the information, data and knowledge acquired, processed and managed by personnel in the exercise of their work activity remain strictly confidential and appropriately protected, and cannot be used, communicated or disclosed, either within or outside the Company, except in compliance with current legislation and company procedures.

The data relating to its customers are managed by the Company in full compliance with the privacy provisions set out by the GDPR. Miko enters into confidentiality agreements with certain employees and managers in the form of multi-year contracts for the non-disclosure of information. In this sense, the Company adopts all the technical and organizational measures to ensure adequate data security, with data processed according to the principles of lawfulness and transparency.

[25] COBIT® is a framework developed to support the understanding, design and implementation of the management and governance of enterprise IT. COBIT was first released in 1996; the latest version, COBIT 2019, was released in 2018.

GRI 3-3 // GRI 201-1

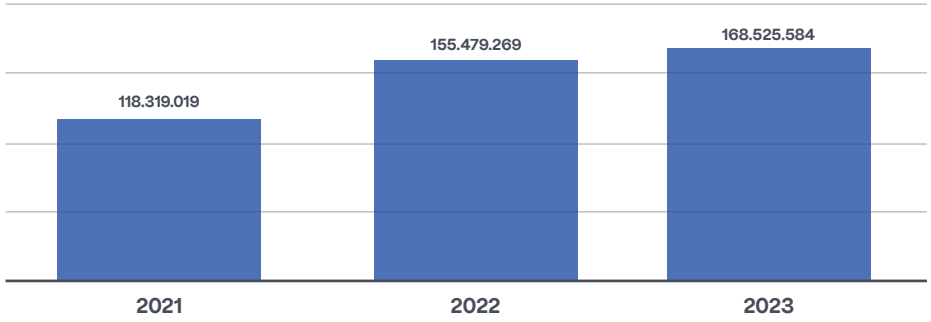
6.5 Distributed value and investments

In 2023, the global economy faced considerable macroeconomic and geopolitical challenges, including high inflation, rising rates in Europe and the consequences of international conflicts. At a macroeconomic level, Italian GDP grew by only 0.7% compared to 2022, in a European context characterized by the German contraction (-0.3%) and the modest growth of France (+0.9%). These dynamics were largely determined by geopolitical turbulence, with the continuation of the Russo-Ukrainian conflict and the emergence of the Israeli-Palestinian crisis, whose economic repercussions added to the inflationary pressures that led the central banks, including the ECB, to a restrictive policy, culminating in the highest reference rate since the introduction of the euro. The resulting credit crunch, combined with geopolitical instability, fuelled fears of recession.

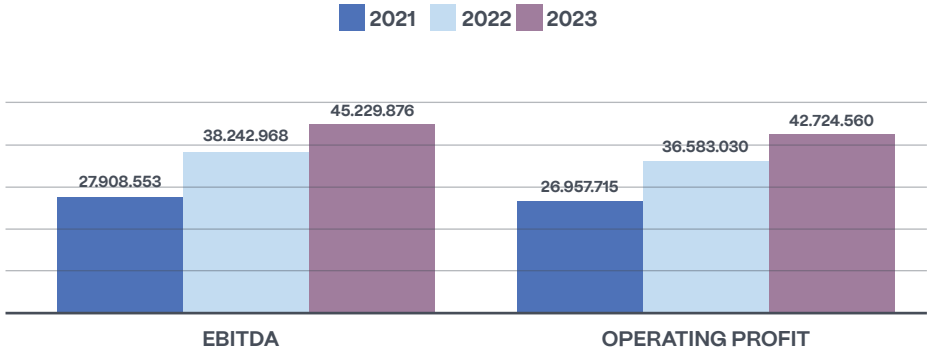
Despite this complex macroeconomic scenario, Miko S.r.l. demonstrated remarkable resilience, maintaining a more than positive performance. At a microeconomic level, the European automotive sector showed signs of recovery, with overall growth of 13.7% compared to 2022, totalling around 12.8 million new registrations, although still lagging behind by -19% compared to 2019 volumes. Among the main markets driving this growth, Italy (+18.9%), the United Kingdom (+17.9%), Spain (+16.7%) and France (+16.1%) stood out, while Germany recorded more modest growth.

The economic value generated and distributed by Miko S.r.l. in 2023 amounts to 135,853,513 euros and testifies to the constant commitment towards a high level of operational excellence. The continuous investments in innovation, sustainability and the development of products capable of responding to the needs of global markets have contributed to strengthening the company's position as one of the leading international players, as demonstrated by total revenues, which in 2023 recorded a value of 168,525,584 euros with growth of 13.04 million euros. The financial statement data show that revenues, profitability margins and balance sheet components were further strengthened in 2023, confirming the excellent economic, financial and asset solidity of the Company. Particularly significant is the increase in fixed assets, the result of the investments made by the Company.
For further insight into the aspects of the Income Statement and the Balance Sheet, please refer to the Company's Financial Statements and the Management Report. Below, some summary data are presented to highlight the trends relating to revenues, profitability and balance sheet items.

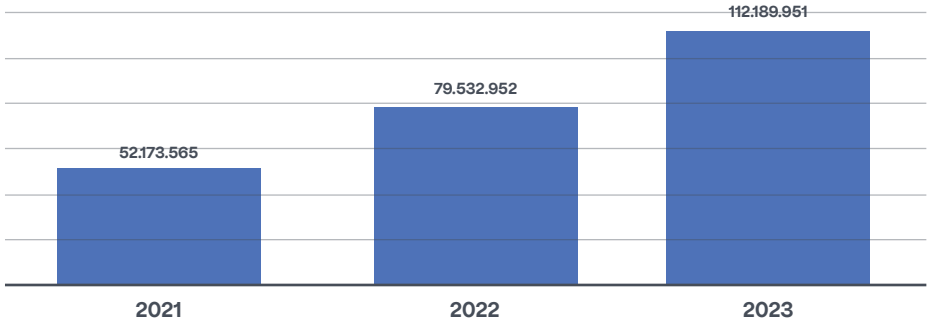
Revenues (data in euros)



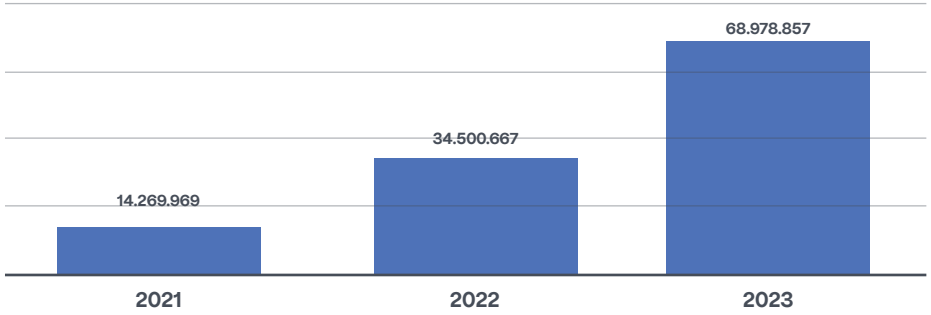
EBITDA and Operating profit (data in euros)



Shareholders' equity (data in euros)



Fixed assets (data in euros)



The value generated and the value distributed by the Company

This section analyses Miko's ability to focus on the importance of generating and distributing economic value among its stakeholders.

The distribution of economic value was determined through the scheme of the Direct economic value generated and distributed, which represents the economic impact of the activities to the benefit of the main categories of stakeholder according to the indications of the GRI 201-1 disclosure. With regard to the 2023 financial year, it can be seen that:

01

Economic value generated

The value produced by an economic activity or organization increased by 5.8% as a result of the increase in revenues, and stands at a value of 170,991,464 euros;

5,8% ↗

02

Economic value distributed

The part of the value generated that is distributed to the Company's stakeholders increased by 2.4%, rising from 132,655,887 euros to 135,853,513 euros;

2,4% ↗

03

Economic value retained

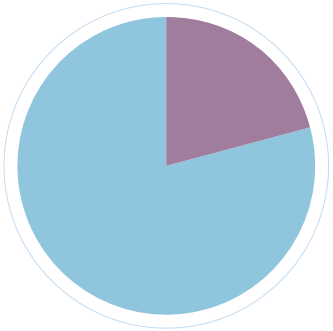
The portion of the value generated by the Company that is allocated to reserves and used to support company investments while keeping the balance sheet solid increased by 21%, as a consequence of a greater quantity of retained earnings and the higher depreciation and amortization shares.

21% ↗

Value generated and value distributed (data in euros)	2021	2022	2023
Net sales revenues	117.671.515	155.479.369	168.525.584
Other revenues	2.460.613	6.195.843	2.465.880
Economic Value Generated	**120.132.128**	**161.675.212**	**170.991.464**
Operating costs	85.793.271	116.330.039	116.433.222
Personnel costs	5.309.634	6.543.944	7.471.040
Payments to credit institutions	–168.244	312.100	12.944
Payments to Public Administration	7.670.736	9.153.280	11.620.227
Donations*	385.305	316.524	316.081
Dividends distributed to shareholders	–	–	–
Economic Value Distributed	**98.990.703**	**132.655.887**	**135.853.513**
Economic Value Retained	**21.141.425**	**29.019.325**	**35.137.951**
of which profit for the year	19.543.083	27.359.387	32.657.002
of which depreciation, amortization and write-down of receivables	1.598.342	1.659.938	2.480.949

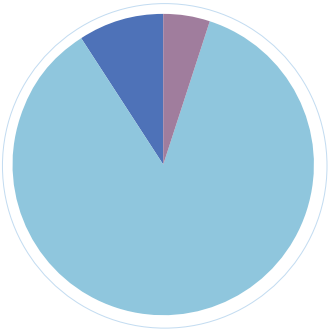
* The term "donations" refers to gifts that the Company provided to sports associations and other companies to support cultural initiatives or collaborations with local organizations.

Distribution of the economic value generated



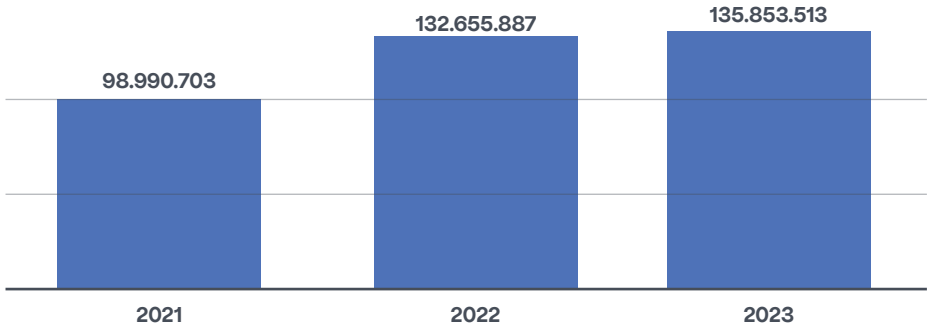
21% Economic value distributed
79% Economic value retained

Distribution of the economic value distributed



5% Personnel costs
86% Operating costs
9% Payments to Public Administration

Trend of the economic value distributed (data in euros)





GRI 2-2 // GRI 2-3 // GRI 2-4 // GRI 2-5 // GRI 2-14 // GRI 2-26

Methodological note

The Sustainability Report of Miko S.r.l. for the year 2023 was drawn up in compliance with the GRI Standards 2021, respecting the requirements and principles indicated therein. The use of the GRI Standards 2021 for drafting the Report made it possible to represent the sustainability performance broken down into the three dimensions – economic, social and environmental – making evident to stakeholders the initiatives carried out in the field of sustainable development and the indicators that measure its own impacts, identified with reference to the material topics reported. The report presents the qualitative and quantitative data and information that describe the impacts and performance of Miko S.r.l. relating to the financial year ended on 31.03.2024. The Company's fiscal period runs from 1 April to 31 March, as it is aligned with the closing date envisaged for the companies controlled by the Japanese group Asahi Kasei, a group listed on the Tokyo stock exchange, parent company of the Sage group, which controls the Company. The data of the last financial year have been compared with those of 2022 and 2021.

The impacts relating to the material topics are reported with reference to the territory where the Company has its registered office and operational headquarters, in which it carries out its activities. The reporting scope is the same as that of the Financial Statements, except for the supply chain, where the environmental impacts assessed through the LCA were considered, as described in section "4.5 Dinamica® and its production process". The report was approved by the Chief Executive Officer of Miko S.r.l. and was subjected to "assurance" by a third-party body, in continuity with the previous reporting year.

The Sustainability Report 2023 presents a complete and accurate description of the impacts reported and, as specified in the section dedicated to the materiality analysis, the entire process of identifying the material topics was based on the methodology highlighted within the GRI 3: Material Topics 2021 Standard, was supervised, by virtue of their specific role in the organization, by the Sustainability and Ethics Manager, and was subject to review.

The description has therefore been completed of the responsibilities that the Company assumes, of the activities and initiatives that the Organization puts in place to manage the impacts it has produced, as well as to prevent and mitigate the potential ones in the field of the economy, the environment, in relations with people and in the field of human rights, through the use of the disclosures presented in the index of GRI references.

It should be noted that in this edition the GRI 205 Anti-corruption 2016 standard was introduced with regard to disclosure 205-1 (partially) and 205-3.

Furthermore, with regard to the topic of sustainable supply chains, the company has begun a process to structure the information necessary to report in compliance with the GRI 308 (Supplier Environmental Assessment) and 414 (Supplier Social Assessment) Standards.

In some tables reported in this document, the totals shown may not coincide exactly with the sums of the values relating to the different components presented. This is attributable to rounding, of a non-significant nature, of the source data.

The document will be updated on an annual basis and can be consulted on the company website at the page https://miko.srl/it/#sectionSostenibilita/. For any information or requests regarding the Report, its contents and the Company's policies for environmental, social and economic sustainability, the contact references are present on the web page indicated in the Credits of this document.

GRI Content Index

Statement of use	Miko S.r.l. has reported in compliance with the GRI Standards
Standards for the period	01.03.2023 – 31.03.2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not present

GRI Standard / Other source	Disclosure	Sections	Reasons for omission		
General disclosures			**Requirements omitted**	**Reason**	**Explanation**
GRI 2: General Disclosures 2021	2-1 Organizational details	1. Company profile, 3.Governance			
	2-2 Entities included in the organization's sustainability reporting	Methodological note			
	2-3 Reporting period, frequency and contact point	Methodological note			
	2-4 Restatements of information	Methodological note			
	2-5 External assurance	Methodological note			

GRI Standard / Other source	Disclosure	Sections	Reasons for omission		
General disclosures			Requirements omitted	Reason	Explanation
	2-6 Activities, value chain and other business relationships	1. Company profile, 3.Governance, 6.3 Supply chain management			
	2-7 Employees	5.2 Growth and enhancement of human capital			
	2-8 Workers who are not employees	5.2 Growth and enhancement of human capital			
	2-9 Governance structure and composition	3. Governance			
	2-10 Nomination and selection of the highest governance body	3. Governance			
	2-11 Chair of the highest governance body	3. Governance			
	2-12 Role of the highest governance body in overseeing the management of impacts	3. Governance			
	2-13 Delegation of responsibility for managing impacts	3. Governance			
	2-14 Role of the highest governance body in sustainability reporting	3. Governance			
	2-15 Conflicts of interest	3. Governance			
	2-16 Communication of critical concerns	3. Governance			
	2-17 Collective knowledge of the highest governance body	3. Governance			
	2-18 Evaluation of the performance of the highest governance body	3. Governance			
	2-19 Remuneration policies	5.2 Growth and enhancement of human capital	All	Omitted	Confidentiality (relating to the internal dynamics of the group of which the company is part)
	2-20 Process to determine remuneration	5.2 Growth and enhancement of human capital			
	2-21 Annual total compensation ratio	5.2 Growth and enhancement of human capital			
	2-22 Statement on sustainable development strategy	Message to stakeholders			
	2-23 Policy commitments	5.2 Growth and enhancement of human capital			

GRI Standard / Other source	Disclosure	Sections	Reasons for omission		
General disclosures			**Requirements omitted**	**Reason**	**Explanation**
	2-24 Embedding policy commitments	3.3 Certifications and reference standards			
	2-25 Processes to remediate negative impacts	2. Commitment to sustainability			
	2-26 Mechanisms for seeking advice and raising concerns	3.4 The organizational model under Legislative Decree 231/01 and the Code of			
	2-27 Compliance with laws and regulations	3.3 Certifications and reference standards			
	2-28 Membership associations	3. Governance			
	2-29 Approach to stakeholder engagement	3.6 The company's stakeholders			
	2-30 Collective bargaining agreements	5.2 Growth and enhancement of human capital			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3.6 The company's stakeholders, 3.8 Impacts and materiality			
	3-2 List of material topics	3.8 Impacts and materiality			
	3-3 Management of material topics	3.8 Impacts and materiality			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	6.5 Distributed value and investments			
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	6.5 Distributed value and investments			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	6.3 Supply chain management			
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	6.3 Supply chain management			

GRI Standard / Other source	Disclosure	Sections	Reasons for omission		
Anti-corruption			**Requirements omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	3.4 The organizational model under Legislative Decree 231/01 and the Code of Ethics			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	3.4 The organizational model under Legislative Decree 231/01 and the Code of Ethics	All	Partial	Indicator under development
	205-2 Communication and training about anti-corruption policies and procedures	3.4 The organizational model under Legislative Decree 231/01 and the Code of Ethics	All	Omitted	Methodology from indicator under development
	205-3 Confirmed incidents of corruption and actions taken	3.4 The organizational model under Legislative Decree 231/01 and the Code of Ethics			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	4. Planet			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	4.6 Materials management			
	301-2 Recycled input materials used		All	Omitted	Confidentiality
	301-3 Reclaimed products and their packaging materials		All	Omitted	Confidentiality
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	4. Planet			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.1 Energy management			
	302-2 Energy consumption outside of the organization		All	Omitted -Indicator under development	Methodology to be verified with reference to company processes
	302-3 Energy intensity	4.1 Energy management			
	302-4 Reduction of energy consumption		All	Omitted -Indicator under development	Methodology to be verified with reference to company processes
	302-5 Reductions in energy requirements of products and services		All	Omitted -Indicator under development	Methodology to be verified with reference to company processes

GRI Standard / Other source	Disclosure	Sections	Reasons for omission		
Water and effluents 2018			**Requirements omitted**	**Reason**	**Explanation**
GRI 3: Material Topics 2021	3-3 Management of material topics	4. Planet			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	4.3 Water management			
	303-2 Management of water discharge-related impacts	4.3 Water management			
	303-3 Water withdrawal	4.3 Water management			
	303-4 Water discharge	4.3 Water management			
	303-5 Water consumption	4.3 Water management			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	4. Planet			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.2 Emissions control			
	305-2 Energy indirect (Scope 2) GHG emissions	4.2 Emissions control			
	305-3 Other indirect (Scope 3) GHG emissions		All	Omitted -Indicator under development	Methodology to be verified with reference to company processes
	305-4 GHG emissions intensity	4.2 Emissions control			
	305-5 Reduction of GHG emissions		All	Omitted -Indicator under development	Methodology to be verified with reference to company processes
	305-6 Emissions of ozone-depleting substances (ODS)		All	Omitted	Not applicable
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions		All	Omitted -Indicator under development	Methodology to be verified with reference to company processes

GRI Standard / Other source	Disclosure	Sections	Reasons for omission		
Waste			Requirements omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	4. Planet			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.4 Waste management			
	306-2 Management of significant waste-related impacts	4.4 Waste management			
	306-3 Waste generated	4.4 Waste management			
	306-4 Waste diverted from disposal	4.4 Waste management			
	306-5 Waste directed to disposal	4.4 Waste management			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	5. People			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.2 Growth and enhancement of human capital			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Growth and enhancement of human capital			
	401-3 Parental leave	5.2 Growth and enhancement of human capital			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Occupational health and safety			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	5.1 Occupational health and safety			
	403-2 Hazard identification, risk assessment, and incident investigation	5.1 Occupational health and safety			
	403-3 Occupational health services	5.1 Occupational health and safety			

GRI Standard / Other source	Disclosure	Sections	Reasons for omission		
Occupational health and safety			Requirements omitted	Reason	Explanation
	403–4 Worker participation, consultation, and communication on occupational health and safety	5.1 Occupational health and safety			
	403–5 Worker training on occupational health and safety	5.1 Occupational health and safety			
	403–6 Promotion of worker health	5.2 Growth and enhancement of human capital			
	403–7 Prevention and mitigation of occupatio-nal health and safety impacts directly linked by business relationships	5.1 Occupational health and safety			
	403–8 Workers covered by an occupational health and safety management system	5.1 Occupational health and safety			
	403–9 Work-related injuries	5.1 Occupational health and safety			
	403–10 Work-related ill health	5.1 Occupational health and safety			
Training and education					
GRI 3: Material Topics 2021	3–3 Management of material topics	5. People			
GRI 404: Training and education 2016	404–1 Average hours of training per year per employee	5.2 Growth and enhancement of human capital			
	404–2 Programs for upgrading employee skills and transition assistance programs	5.2 Growth and enhancement of human capital			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3–3 Management of material topics	5. People			
GRI 405: Diversity and equal opportunity 2016	405–1 Diversity of governance bodies and employees	3. Governance, 5.3 Gender equality			
	405–2 Ratio of basic salary and remuneration of women to men	5.3 Gender equality			

GRI Standard / Other source	Disclosure	Sections	Reasons for omission		
Non-discrimination			Requirements omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3 Management of material topics	5. People			
GRI 406: Non-discrimination 2020	406-1 Incidents of discrimination and corrective actions taken	5.3 Gender equality			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	6.2 Trust and reliability towards customers			
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	6.2 Trust and reliability towards customers			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	6.2 Trust and reliability towards customers			
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	6.2 Trust and reliability towards customers			
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	6.2 Trust and reliability towards customers			
	417-2 Incidents of non-compliance concerning product and service information and labeling	6.2 Trust and reliability towards customers			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	6.4 Privacy and cybersecurity			
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of	6.4 Privacy and cybersecurity			

Dichiarazione di Assurance Indipendente

SGS Italia S.p.A. ha ricevuto l'incarico dal Management di Miko S.r.l. (di seguito anche Miko o "Organizzazione") di condurre una verifica sul Bilancio di Sostenibilità 2023 (01.04.2023 - 31.03.2024) rispetto ai requisiti definiti dai GRI Standards 2021.

La nostra responsabilità nello svolgimento del lavoro commissionatoci, in accordo con le condizioni concordate con l'Organizzazione, è unicamente rivolta al management di Miko S.r.l..

Questa Dichiarazione di Assurance Indipendente è destinata esclusivamente agli stakeholder di Miko S.r.l. e non è destinata ad essere e non deve essere utilizzata da persone diverse da questi.

RESPONSABILITÀ DEGLI AMMINISTRATORI PER IL BILANCIO DI SOSTENIBILITÀ

La responsabilità della redazione del Bilancio di Sostenibilità compete agli amministratori di Miko S.r.l., così come la definizione degli obiettivi in relazione alla performance di sostenibilità e alla rendicontazione dei risultati conseguiti.

Compete altresì agli amministratori di Miko S.r.l. l'identificazione degli stakeholder e degli aspetti significativi da rendicontare, così come l'implementazione e il mantenimento di adeguati processi di gestione e di controllo interno relativi ai dati e alle informazioni presentati nel Bilancio di Sostenibilità.

INDIPENDENZA DEL VERIFICATORE E CONTROLLO DELLA QUALITÀ

SGS Italia S.p.A. dichiara la propria indipendenza da Miko S.r.l. e ritiene che non sussista alcun conflitto di interesse con l'Organizzazione, le sue controllate e le Parti Interessate.

SGS Italia S.p.A. mantiene un sistema di controllo della qualità che include direttive e procedure documentate sulla conformità ai principi etici ed ai principi professionali.

RESPONSABILITÀ DEL VERIFICATORE

La responsabilità di SGS Italia S.p.A. è di esprimere una conclusione sull'affidabilità e l'accuratezza delle informazioni, dati ed asserzioni contenute nel Bilancio di Sostenibilità 2023 (01.04.2023 - 31.03.2024) e valutarne la conformità ai requisiti di riferimento, nell'ambito dello scopo di verifica di seguito riportato, con l'intento di informare tutte le Parti Interessate.

La verifica ha incluso le seguenti attività, in coerenza con quanto concordato con Miko:

- Analisi, secondo *Limited Assurance Engagement*, delle attività e dei dati legati alla sostenibilità, riconducibili al periodo compreso tra il 01.04.2023 e il 31.03.2024, così come rendicontati nel Bilancio di Sostenibilità;
- La valutazione del contenuto del Bilancio rispetto ai GRI Standards 2021 modalità "in accordance with".

L'attività è stata svolta secondo i criteri indicati nello standard *"International Standard on Assurance Engagement 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000),* emanato dall'IAASB (International Auditing and Assurance Standards Board), per gli incarichi che consistono in un esame limitato. Tale standard richiede il rispetto dei principi etici applicabili, compresi quelli in materia di indipendenza, nonché la pianificazione e lo svolgimento del lavoro ai fini di acquisire una sicurezza limitata che il Bilancio non contenga errori significativi.

METODOLOGIA DI VERIFICA

La verifica ha riguardato la valutazione del rispetto dei principi per la definizione del contenuto e della qualità del Bilancio che sono riepilogate di seguito:

- analisi, tramite interviste, del sistema di governo e del processo di gestione dei temi connessi allo sviluppo sostenibile inerenti la strategia e l'operatività dell'azienda;
- analisi del processo di definizione dei temi rilevanti rendicontati nel Bilancio di Sostenibilità con riferimento alle modalità di analisi e comprensione del contesto di riferimento, identificazione, valutazione e prioritizzazione degli impatti effettivi e potenziali e alla validazione interna delle risultanze del processo;
- analisi della conformità e della coerenza interna delle informazioni qualitative riportate nel Bilancio e analisi delle modalità di funzionamento dei processi che sottendono alla generazione, rilevazione e gestione dei dati quantitativi inclusi nel Bilancio. In particolare, sono state svolte:
  - interviste con i referenti aziendali di Miko coinvolti nella gestione operativa degli aspetti riportati nel documento al fine di raccogliere informazioni riguardo il sistema informativo, contabile e di reporting in essere per la predisposizione del Bilancio, nonché dei processi e procedure di controllo interno che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni alla funzione responsabile della predisposizione del Bilancio;
  - analisi a campione della documentazione di supporto al fine di ottenere evidenza dei processi in atto, della loro adeguatezza e del funzionamento del sistema di controllo interno per il corretto trattamento dei dati e delle informazioni in relazione agli obiettivi descritti nel Bilancio.

Il team di verifica è stato scelto sulla base della competenza tecnica, dell'esperienza e della qualifica di ciascun membro, in relazione alle diverse dimensioni valutate.

Le attività di audit sono state effettuate a novembre 2025 da remoto, coinvolgendo le diverse funzioni corporate dell'Organizzazione per la verifica dell'affidabilità del processo di raccolta e consolidamento dei dati.

LIMITAZIONI

Non sono stati oggetto di verifica da parte di SGS le informazioni e i dati di carattere economico e finanziario relativi al Bilancio d'Esercizio al 31.12.2024, inclusi nel Report di Sostenibilità.

CONCLUSIONI

Sulla base del lavoro svolto, non sono pervenuti all'attenzione di SGS Italia S.p.A. elementi che facciano ritenere che il Bilancio di Sostenibilità 2023 di Miko non sia stato redatto, in tutti gli aspetti significativi in maniera veritiera e corretta.

Milano, 12/12/2025

SGS Italia S.p.A.

Marina Piloni
Business Assurance
ESG Manager

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Membri del Gruppo SGS (Société Générale de Surveillance) - Sede Legale Milano Via Caldera, 21 - Capitale sociale € 2.500.000 i.v. C.F./ N. Iscriz. Reg. Imprese di Milano 04112680378 - P. IVA n. 11370520154 - Cod. Mecc. n. MI223913 - Società unipersonale soggetta a direzione e coordinamento di SGS European Subholding BA

CREDITS

Editorial coordination: Miko S.r.l. – Dott.ssa Benedetta Terraneo
Reporting consultancy: Hospitality Team S.r.l. Società Benefit
Graphic design: Estro Studio
Photographs: Archivio Miko srl

This document can be consulted on the sustainability page of the company website, with publication date 17/06/2026

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