

Mikron Group Sustainability Report 2023

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Letter to Stakeholders

Dear Stakeholders,

Mikron has been committed to sustainability issues for many years. At all our sites, we strive to fulfil our responsibility towards people and the environment in the best possible way. In 2022, we reached an important milestone: thanks to extensive investments at our Swiss sites, we achieved a CO₂ reduction of 28%. Achievements of this magnitude are not possible every year. However, thanks to numerous smaller measures, we also achieved a further reduction in emissions of 17% this year. We aim to reduce our CO₂ emissions by 70% by 2030 (base year: 2019).

Social responsibility has been an integral part of our corporate culture since the company was founded over 110 years ago. The exceptional commitment of our employees and their strong identification with the company contribute significantly to Mikron's success. We foster an inclusive working environment based on respect and equal opportunities for all. One of our goals is to combat the shortage of skilled labor by attracting and promoting young talent. We train apprentices at all our sites. Other targets for 2030 include reducing staff turnover and further improving safety. Promoting diversity and tolerance in terms of gender, nationality and age, and integrating people with disabilities into the workplace, are also among the goals we have set for 2030.

An important part of our responsibility to our stakeholders is to use our innovation capabilities. All our innovations ultimately contribute to improving people's health and quality of life. Whether through efficient solutions in the medical technology and pharmaceutical sectors, sustainable solutions in the transport sector, or contributions to the production of practical consumer goods, we help our customers to reduce their annual CO₂ emissions by means of systems with reduced energy consumption or alternative, efficient and durable production solutions.

All employees are encouraged to contribute to sustainability within their sphere of influence. For 2024, we defined the individual tasks along the way even more clearly. We integrated ESG into our performance indicators and variable remuneration and aim to further strengthen our ESG culture.

For the first time, our Sustainability Report 2023 is an integral part of the Annual Report, providing comprehensive information on the company's sustainability performance in our six target areas and beyond. The report also includes several case studies and examples of how we are making progress on our sustainability journey.

We are on the right track with our sustainability efforts. We have achieved a lot, but there is still a long way to go. We will continue to deepen our data collection and analysis and focus on critical issues such as environmental impact, resource management, and social initiatives. We would like to thank all our internal and external stakeholders who have supported us on this journey.



Paul Zumbühl,
Chairman of the Board of Directors



Marc Desrayaud,
Chief Executive Officer Mikron Group



“Social responsibility has been an integral part of our corporate culture since the company was founded over 110 years ago.”

Paul Zumbühl, Chairman of the Board



SUSTAINABILITY AT MIKRON

With a clear commitment to sustainable thinking and action, Mikron is improving people's quality of life and conserving our natural resources.

-40%

CO₂ eq emissions
compared to 2019

-66%

heating oil consumption
compared to 2019

-58%

used chemicals
compared to 2019

+32%

female employees
compared to 2019

Mikron has been committed to finding sustainable solutions for many years. As early as 2017, the Mikron Group began developing a tailored corporate social responsibility strategy. Since 2020, we have been reporting on the corresponding goals and successes in a separate “Sustainability Report”.

Mikron sees sustainability reporting as a step-by-step process. We believe that collecting data and information on the economic, environmental, and social impact of our business activities annually provides an additional basis for the Mikron Group’s strategic development and capacity for innovation, including aligning with the UN Sustainable Development Goals (SDG).

In 2023, Mikron aligned its sustainability efforts even more closely with the requirements of the Global Reporting Initiative (GRI) and international ESG (Environmental, Social, Governance) standards, and has improved them overall. Sustainability reporting is fully integrated in the Annual Report for the first time in the 2023 financial year.

Mikron has defined specific initiatives, topics, and actions for all of these areas, with details of those responsible and deadlines.

Workplace
Environment
Marketplace
Innovation

SUSTAINABILITY GOVERNANCE

Mikron implements its ambitious goals with a great deal of energy. The driving force behind this is an interdisciplinary team of professionals from different departments such as Human Resources, Quality, Supply management, Marketing and others, as well as representatives from the Management Board.

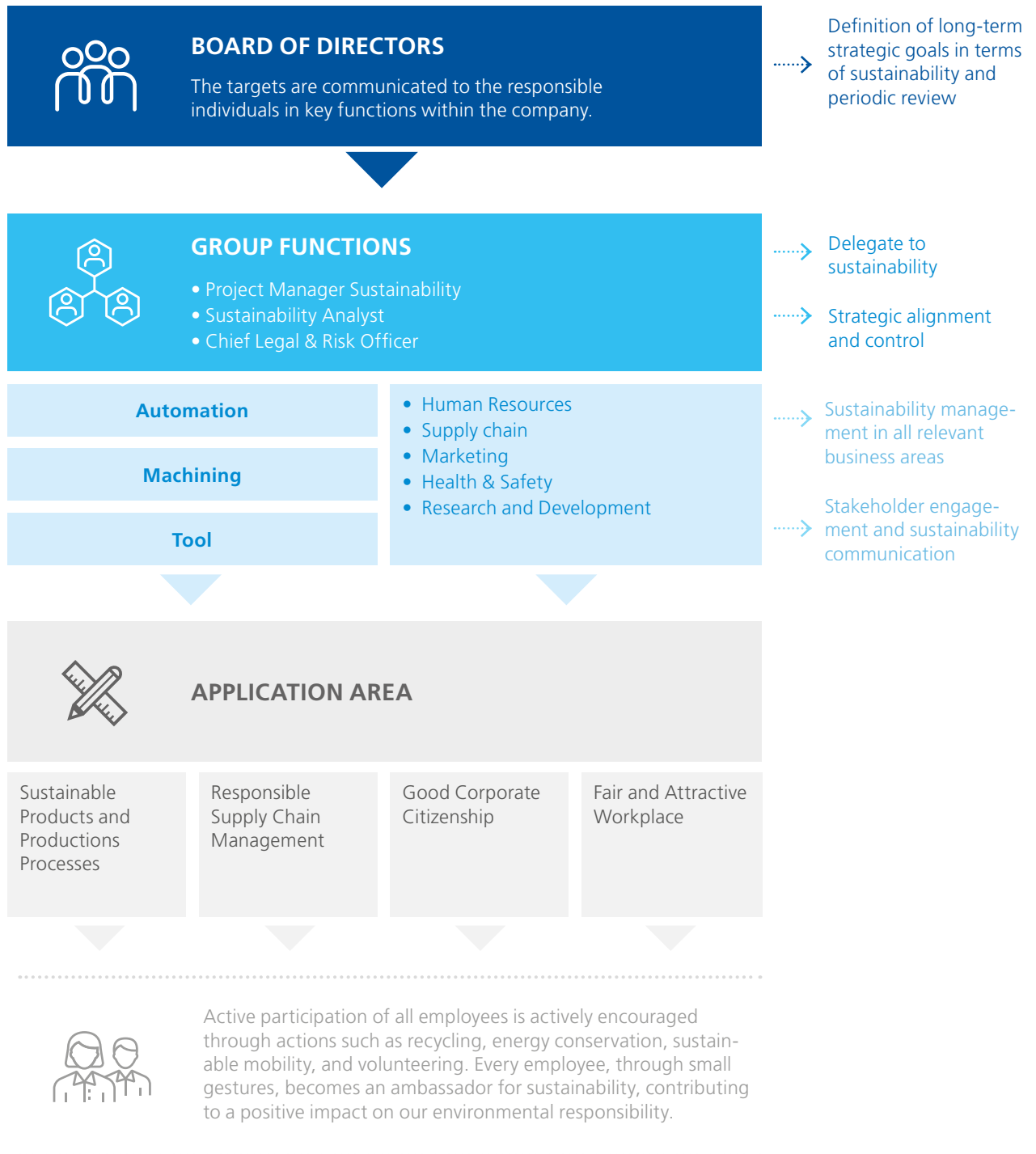
ETHICS AND GOVERNANCE

In all our thoughts and actions, we are guided by our corporate values. Our comprehensive compliance management system ensures that we always comply with rules and laws. It includes in particular risk management, compliance, data protection, IT security, as well as anti-corruption and anti-trust measures. All topics are regularly audited (see the “Business model and strategy” section).

Code of Conduct

In 2022, Mikron published the third edition of its Code of Conduct which was shared and accepted by 90% of employees. Available in five languages, our Code of Conduct is divided into four sections focusing on corporate governance, compliance, and Environmental, Social, and Governance (ESG) issues. Emphasizing ethical integrity, the Code of Conduct sets out expectations for employees to ensure a positive working environment. Mikron’s commitment to responsible business practices and its dedication to circular economies are key themes. Our Code of Conduct underlines the crucial role employees play in safeguarding Mikron’s reputation, emphasizing the company’s adherence to ethical principles. Mikron’s industry advocacy is in line with the principles of the Code of Conduct, reinforcing ethical business standards. The inclusion of a whistleblowing section demonstrates Mikron’s commitment to transparency and ethical conduct. Years ago, Mikron established a whistleblowing organization, ensuring a comprehensive approach to addressing reported concerns, with an emphasis on confidentiality and protection against retaliation.

Organizational structure with regard to sustainability at Mikron





“In 2023, we further refined our sustainability goals.”

*Francesca Malcotti, Project Manager Sustainability,
Head of Quality Management & Processes Improvement,
Mikron Machining, Agno*

Risk Management

Mikron monitors and carefully evaluates the handling of strategic, financial and operational risks. Likewise, the company accounts for risks related to compliance as well as political and regulatory changes. The functioning of the risk management process and the main risks are described in the Corporate Governance Report (pages 95 and 96), while financial risk management is outlined in the Financial Report (pages 126 to 128). Environmental risks are addressed within the framework of compliance with ISO standards.

Data protection and information security

Data protection and cyber security are top priorities at Mikron, and are based on the principles of “zero trust” and “least privilege”. With ongoing investments in hardware and software as well as targeted employee training, we ensure that data within our organization is managed with integrity and confidentiality. We create a secure environment by limiting access to data to a minimum (“least privilege”) and checking every activity with a “zero trust” mentality. In doing so, we focus on continuously reviewing security, regardless of location and context.

Mikron’s Adherence to Governance Standards on Minerals and Child Labor

In accordance with Article 964J, companies are obliged to adhere to specific standards of diligence and transparency regarding minerals and metals originating from conflict regions, as well as concerning child labor. Mikron commits to excluding the use of minerals such as tin, tantalum, tungsten, gold, and other metals from conflict zones or high-risk areas during production processes and in the creation of its products. Moreover, based on a comprehensive analysis across all Mikron sites, we pledge not to manufacture or market products that may raise reasonable suspicions regarding the exploitation of child labor during their manufacturing or distribution on the market. With regard to Mikron in Switzerland in particular, we actively abide by the regulations issued by the Federal Department of Economic Affairs, Education and Research (EAER). These regulations provide information on key special provisions related to the protection of young workers in compliance with labor laws and the ordinance on the protection of young workers. In its Code of Conduct, Mikron has also explicitly defined a strict ban on both child labor and forced labor for all business partners.

CERTIFICATIONS

Mikron holds the following certificates:

ISO 9001 (Quality Management)

ISO 14001 (Environmental Management)

ISO 45001 (Occupational health and safety management systems for the Swiss entity in Agno)

ISO 13485 (For medical pre-production at the USA entity at the Denver plant)

VALUES



Mikron's values are the six principles that shape our organization, and we are all committed to them. We truly believe they are the pillars of our long-term success and not just random corporate clichés. Of course, words and declarations are not magic. They need to be understood, lived by, and acted upon. Only then do values become actions. Reflect on what these values mean to you personally and how they can be converted into actions.

**EXCELLENCE
SKILLED &
MOTIVATED
EMPLOYEES**

WE ARE HIGH-PERFORMANCE TEAMS THAT WORK TOGETHER.

Every employee contributes to Mikron’s success. We share our experiences and shape our working environment in such a way that everyone can be successful. Through continuous training, our people develop the necessary competencies and skills for today and tomorrow. Transparent communication and a feedback culture foster teamwork and an environment built on trust. Empowerment and constant challenges move us to take action and motivate us to step out of our comfort zones.

**RESPONSIBILITY
HONOR
AGREEMENTS &
SHOW RESPECT**

WE HONOR OUR COMMITMENTS.

We take responsibility for our actions and behavior based on our values, policies, and corporate objectives. We are all ambassadors for our company and show respect for, and develop profound trust among our colleagues, customers, and partners. We take and execute decisions professionally and for the good of the company. We fully comply with the legal statues and behave in a socially and environmentally responsible manner, not because we must, but because we believe in it. Regardless of our titles, we are all leaders and have a responsibility to act as role models.

**ENGAGEMENT
MARKET &
CUSTOMER
FOCUSED**

WE PARTNER WITH OUR CUSTOMERS.

The needs and expectations of our customers guide the way we think and act. We help them to improve their productivity and become more competitive in their markets using innovative solutions. Building long-term business relationships is vital to us. We are confident and only make promises that we can keep. We continuously invest in new products and technologies to meet the needs of our customers and the evolving market. Through digitalization we transform our services, products, and internal processes in order to remain a reliable and competitive partner.

**QUALITY
THROUGH CONTINUOUS
IMPROVEMENT**

WE IMPROVE STEP BY STEP.

Based on our passion for precision, we deliver the quality our customers expect. All within the budget, on time, and in an environmentally safe way. Quality is all-encompassing, including rapid and agile adjustments to new requests, and the constant search for improvements to products, processes, and competences.

**RESPECT
CONFIDENTIALITY
& CARE FOR SECURITY**

WE KEEP YOUR KNOW-HOW SAFE.

We protect our customers’ intellectual property and data, and use it only as authorized. Employees have access to the materials required to perform their work, but Mikron is very careful and restrictive with information inside and beyond the walls of our company. We are aware of cyber risks and our vulnerability, and consequently use all communication tools with the utmost care.

**SUCCESS
STRIVE FOR TARGETS &
RESULTS**

WE STRIVE FOR TARGETS AND RESULTS.

We devote all our energy to achieving our company’s objectives. Our success depends on our customers’ success. By meeting their expectations, we deliver on our company’s objectives, targets, and long-term stability. We set demanding and clearly defined quantitative and qualitative targets. Every employee knows their own targets and those of the company, and what they are expected to contribute. We also monitor and communicate progress within the teams and work together to initiate the necessary measures in good time, should any deviations be identified.

PROGRESS TOWARDS 2030 TARGETS

Measurable indicators for monitoring progress and results are fundamental to a successful sustainability strategy. The key performance indicators (KPIs) relevant to sustainability can be divided into social, environmental, and governance indicators.

Mikron has set six targets for the most important sustainability KPIs. In doing so, we have considered both the company's strategic goals and the needs of society and the environment.

Governance

KPI targets (baseline 2019)

Time

Performance 2023

1. Building an ESG culture

- Consideration of ESG as part of the performance indicators
- Linking the long-term incentive for Mikron's top management to the achievement of our three KPI targets

2024

- Appointment of a person responsible for the sustainability report
- Definition of responsibilities along the line
- Redefined sustainability goals
- New long-term and short-term incentive program including ESG targets

2. Foster training and education

- Training of at least 95% of employees in the fields of IT and cyber security
- Training of at least 97% of employees on the Code of Conduct, ethics, corruption, trade control, and HSE

2030

- 90 percent of employees attended training in 2023

Environment

KPI targets (baseline 2019)

Time

Performance 2023

3. Reduction in energy consumption

- Reduction of CO₂ eq emissions (scope 1 and 2) by 70% to less than 1,600 tons CO₂ net and less than 3.5 in intensity

2030

- Total savings of CO₂ emissions compared to 2019: 40%
- Total savings of CO₂ emissions compared to 2022: 17%
- Savings in Boudry since 2022: Reduction of CO₂ emissions by 85%

4. Foster sustainable products

- Develop and implement LCA, review the inventory of scope 1 and 2, and implement targets for scope 3 by 2030
- Establish targets for 2030 with particular attention paid to the circular economy, analysis of material life cycles, and sustainable procurement
- All R&D projects will include targets on the ESG impact of our products

2025

- Project planned for 2024

2024

- Project planned for 2024

5. Reduction of waste

- Confirmation of the database obtained from the 2020, 2021 and 2022 triennium
- Establish waste reduction targets for 2026–2030

2023

- Control of all the data in 2023

- Reduction of municipal garbage (tons): 30%
- Reduction of used chemicals (tons): 58%
- Other waste (electrical, not recyclable)
- Mikron launched the "Plastic Free" project across the Group in 2023. Wherever possible, we are switching from plastic to paper for packaging. We also only use recycled plastic for packaging.

Workplace

KPI targets (baseline 2019)

Time

Performance 2023

6. Becoming more attractive as an employer

- Diversity: Over 30% increase in female workforce
- Equal pay: Regular reviews and continuous monitoring. Aim to keep the gap below 5%
- Employee enablement and engagement survey: 5% improvement in empowerment score
- Employee turnover: Reduce turnover by more than 30%
- HSE management: Reduce health, safety, and environmental incidents (TAFR, number of incidents per 200,000 hours worked) by more than 30%

2030

- Increased share of women since 2019: 32%
- Regular monitoring of wages
- Regular implementation of employee surveys at all locations: Last survey conducted 2023 with action plan defined
- Employee turnover reduced

ECOVADIS

Mikron submits its data for assessment by EcoVadis, one of the world's leading providers of sustainability ratings. The assessment process involves a detailed expert analysis of environmental performance, ethics and labor issues, and human rights. Mikron is committed to following the advice provided by the platform to implement actions aimed at improving its sustainability performance and achieving set objectives. We are continuously extending the collaboration with EcoVadis to more sites.



STAKEHOLDER ENGAGEMENT

OUR STAKEHOLDERS

We defined our most important target groups and dialog partners in a comprehensive stakeholder analysis. We conducted interviews to find out about their interests and needs.

Customers

Our customers are at the center of everything we do. We consider ourselves a reliable partner in long-term relationships.

Our commitment

- Outstanding, tailored, and excellent products and services
- Innovation and development of products and services
- Code of Conduct, ethical principles, and corporate values
- Personal contacts at trade fairs
- Contacts and insights through social media
- Long-term relationships

Employees

Our people make Mikron successful. With a culture based on engagement and enablement, we ensure that we are an attractive employer.

Our commitment

- Open dialog between employees and management
- Regular satisfaction surveys
- Annual appraisal interviews
- Fostering of a corporate culture based on respect and diversity.
- Protection of personal data and privacy
- Ideas and whistleblowing management
- Learning and development opportunities (digital and analog)
- Company intranet

Investors

Investors and the broader financial community form the basis of our business. We use numerous communication channels to keep the investment community informed about our financial performance and outlook, and to explain our strategy.

Our commitment

- Dialog with financial institutions and analysts
- Regular, transparent reporting.

Suppliers

Our business activities are based on trusting and long-term relationships with our suppliers. Together with our partners, we strive towards customer-friendly, sustainable solutions along the entire value chain.

Our commitment

- Long-term partnerships based on mutual respect along a sustainable, high-quality and ethically orientated supply chain
- Shared use of the Code of Conduct

Agents and distributors

To consolidate and develop our global presence, we rely on open cooperation with local partners: agents and distributors are important ambassadors for our company in their country.

Our commitment

- Realizing shared synergies
- Building long-term relationships
- Sharing the Code of Conduct, ethical principles, and corporate values

R&D partners

Research and development are part of Mikron's DNA. We maintain contact with universities and scientists as part of a broad-based network.

Our commitment

- Cooperation with universities
- Support for scientific projects and participation in conferences
- Hosting students in R&D projects

Local community

The communities in which we operate are close to our hearts. In the locations where we work and operate, we take responsibility and strive to make a positive impact.

Our commitment

- Community involvement projects
- Plant visits
- Neighborhood dialog
- Open-door events
- Face-to-face dialog with local authority representatives

Media and the public

Accurate and fair reporting facilitates our dialog with our target groups.

Our commitment

- Holding media-relevant events
- Media releases and publications
- Advertising
- Contributions to social media
- Mikron Group website

Industry associations

Industry associations are an important part of our international network.

Our commitment

- Membership of various organizations at local, national and international level
- Participation in working groups

Strategic partners

Our experience and expertise flows into our collaborations with many companies, organizations, and NGOs. As part of these partnerships, we look for solutions for a sustainable future.

Our commitment

- Cooperation within the scope of specific innovation projects
- Strategic market projects



MATERIALITY MAP

Mikron is committed to continuously analyzing its sustainability impact. In 2023, we decided to expand our assessment in order to deepen our understanding. We identified potentially relevant ESG (Environmental, Social, and Governance) topics and evaluated them from various perspectives:

- Stakeholder perspective: Assessing the likelihood of influencing the judgment and decisions of key stakeholder groups.
- External impact: Examining the impact on society.
- Internal impact: Analyzing the effect on Mikron’s performance and business.

1. Identification: Identifying ESG topics (Environmental, Social, and Governance)

We identified 15 relevant ESG topics along the entire value chain, emphasizing their impact.

2. Stakeholder engagement: Gathering stakeholder perspectives.

Mikron engaged its stakeholders in order to understand their sustainability priorities, and incorporated their feedback into the strategy. We consulted a variety of stakeholders during our business relationship or another kind of relationship by means of interviews, asking them to select the most important ESG topics.

Stakeholder engagement helps us to develop a strategy based on stakeholder expectations.

3. External impact: Assessing external impacts.

The areas in which Mikron has the greatest external impact were analyzed. The topic with the most external impact is environmental protection and responsible emissions in production. Considerable attention has also been given to reusable and recyclable production alternatives.

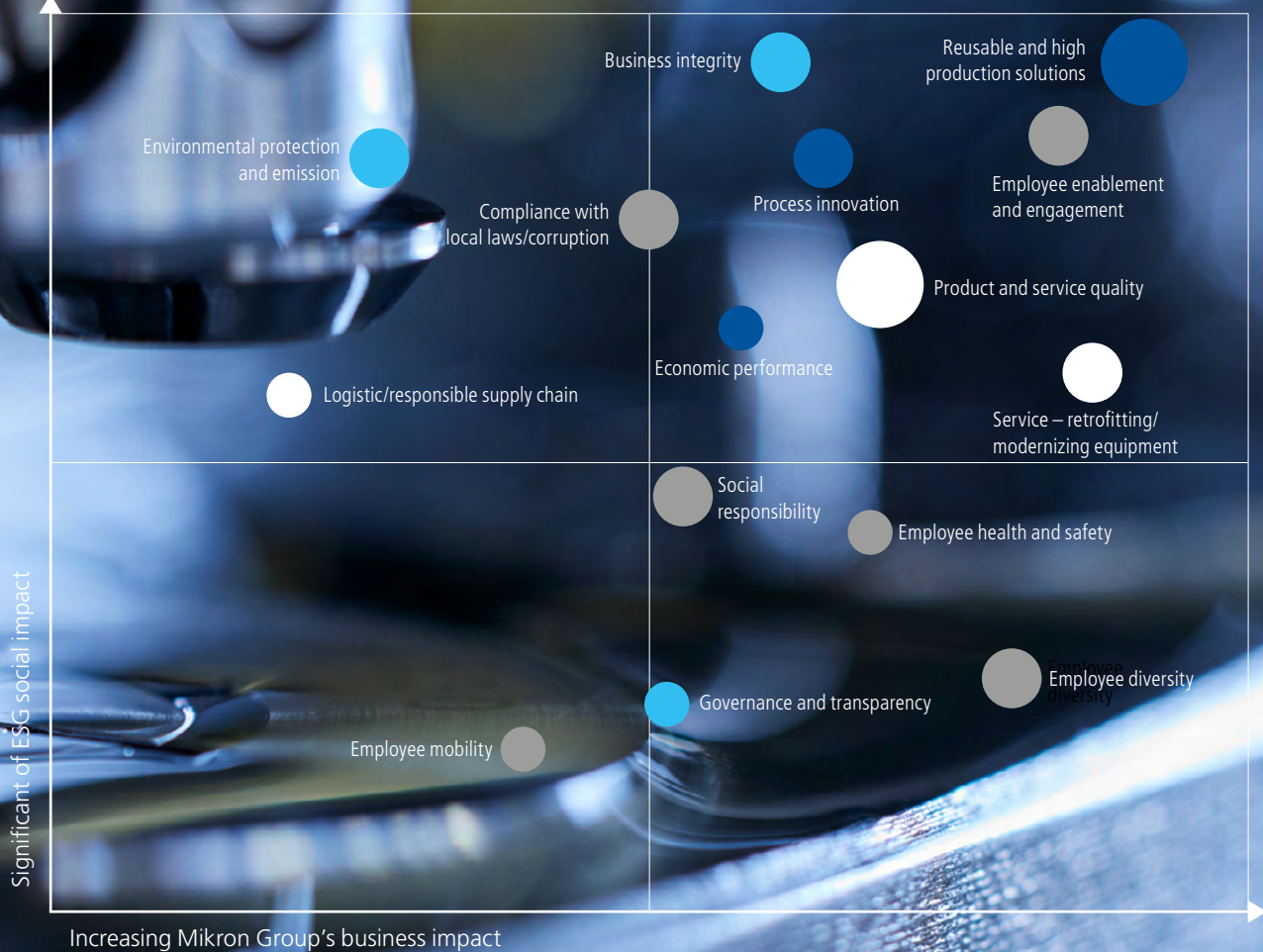
4. Internal impact: Assessing internal impacts.

In this phase, we evaluated the impact of sustainability topics on our performance and business, considering both the risks and opportunities that affect our corporate value.

The Mikron Double Materiality Map is the result of a participatory process involving a wide range of stakeholders, including customers, suppliers, employees, and other business partners along the value chain. The company also facilitates internal discussion groups to identify and prioritize other indicators relevant to the sustainability report, and to address environmental, social, and governance issues.

These interactions guided the creation of the map, which positions ESG topics along two key dimensions: business impact (x-axis) and societal and environmental impact (y-axis). This dynamic tool will assist us in focusing our efforts on the relevant issues both internally and externally, contributing to the sustainability of our business and the well-being of the communities in which we operate. The Double Materiality Map reflects the active involvement of our stakeholders and is of paramount importance to Mikron’s business strategies.

The size of the bubbles on the map indicates the significance of these topics to the company’s stakeholders. We have also specifically emphasized the aspects that are particularly relevant to Mikron. These aspects align with the company’s goals, which can be further explored in the “ESG 2030 targets” chapter.



Environment

- Environmental protection and emission
- Governance and transparency
- Business integrity

Marketplace

- Logistic/responsible supply chain
- Product and service quality
- Service – retrofitting/modernizing equipment
- Product LCA

Workplace

- Employee mobility
- Social responsibility
- Employee enablement and engagement
- Employee health and safety
- Employee diversity and inclusion
- Compliance with local laws/corruption

Innovation

- Process innovation
- Economic performance
- Reusable and high-production solutions

According to the map, Mikron has the greatest external impact in the areas of “Reusable and high-production solutions” and “Product and service quality”. The environment fields “Environmental protection and emission” and “Business integrity” also proved to be particularly relevant. We have taken these findings into account when formulating our sustainability goals.

Mikron is committed to fostering an inclusive and sustainable work environment that reflects the diversity and needs of its employees. We strive to create a stimulating and rewarding work environment to enhance the well-being and effectiveness of our employees.

WORKPLACE



Our employees shape the future of our company with their in-depth expertise and great commitment. They are the key to our success and form the core of our strategy.

At the end of the 2023 financial year, the Mikron Group had a total of 1,548 employees (previous year: 1,414 employees). The number of apprentices amounted to 95 employees.

Nationalities	2019	2022	2023
Swiss	n/a	37%	35%
French	n/a	4%	5%
Italian	n/a	20%	19%
German	n/a	7%	6%
American	n/a	17%	17%
Asian	n/a	8%	9%
Other nationalities	n/a	7%	9%
Apprentices	110	96	95
Total (FTE)	1,486	1,414	1,548

EMPLOYEE HEALTH AND SAFETY

Mikron puts safety first, and attaches great importance to the health of its employees. As in previous years, there were no significant accidents at work in the year under review. The figures in the table include illness/disease, work-

place accidents, and accidents that occurred outside of work. The rate of absenteeism decreased to 2.3% compared with the prior-year figure of 3.4%, thus remaining at an encouragingly low level.

Absenteeism	2019	2022	2023
Hours of absence	50,470	91,218	69,134
Planned working hours	2,828,300	2,662,628	3,046,900
Rate of absenteeism	1.8%	3.4%	2.3%

EMPLOYEE SATISFACTION AND TRAINING

Mikron operates in a demanding, highly cyclical, and global market, and is exposed to globally active and locally specialized competitors. The key to success is highly skilled and motivated employees who are willing to assume responsibility and work together constructively. This allows the Group to respond to the rapid changes, diverse customer requests, and complexity inherent in the business.

Recruiting, retaining, and developing employees and inspiring them to embrace shared goals and practices remain priorities at all our locations. Mikron regularly assesses employee satisfaction levels through a dedicated survey. In the year under review, more than half of the employees (FTE) received feedback from their supervisor in appraisal and development form.

Mikron aims to attract and retain employees with the right level of technical qualifications who are able to work in dynamic interdisciplinary teams, have a broad set of language skills, and are willing to travel and work abroad.

Mikron continues to invest in training and education and has conducted numerous on-site and virtual seminars. This came to a total of 47,904 hours of training, which corresponds to 31 hours per employee.

New apprentices and trainees were taken on in 2023, and further steps were taken to foster the apprentices' culture, including during the pandemic, at our sites in Switzerland and the US. The management and leadership training program continued, as did the specific project managers' training.

All employees are regularly invited to participate in online training sessions on Code of Conduct, ethics and compliance, and managers are asked to monitor their participation. The rate of participation reached 90%.

Phishing emails and related awareness online training sessions were conducted regularly during the year under review to increase our resiliency to cyber risks and threats.

Training sessions (hours)	2019	2022	2023
Internal trainings	35,540	11,267	32,662
External trainings	2,590	2,951	13,568
Training sessions in security and health	465	1,611	1,674
Total hours of training	38,595	15,829	47,904
Total hours of training per employee (FTE)	26	11	31

Employee turnover	2019	2022	2023
Employees (FTE) leaving (excl. retirees, interns and temporaries)	140	161	138
Apprentices (FTE) leaving	15	14	29
Total leaving	155	175	167
Turnover rate (excl. apprentices)	10.2%	12.2%	9.5%

DIVERSITY AND INCLUSION

The Mikron Group's management team is keen on promoting diversity within the workforce. The management looks for balanced diversity, with a specific focus on competencies and experience at the same time. In local management, diversity is a fundamental element that enriches the social fabric and promotes innovation, valuing and encouraging the participation and inclusion of diverse perspectives, cultures, and backgrounds within the local community.

However, those responsible for recruiting staff are still dependent on the labor and training market. In Switzerland, for example, the number of men with appropriate technical qualifications is considerably higher than the number of women with such skills. The proportion of women pursuing initial training in engineering and technology amounts to 6.9%, with 12.7% studying technical subjects at universities of applied sciences and 31% at regular universities (source: Swiss Federal Statistical Office).

Employee remuneration is based on the role in question, performance, knowledge or skills specific to Mikron (languages, special technological expertise), and experience.

Men and women are paid equally for performing the same work. Women account for around 12.3% of Mikron's staff, and most of them perform tasks related to internal service functions. It is important to note that the conditions for women are in line with the industry average. The economic performance and regional differences of the individual companies are also taken into account. It is Mikron's aim to compensate employees fairly and in a way that is comparable to similar internationally active companies.

Mikron also takes the differences that may arise at the individual sites into account. For instance, an equal pay approach is applied when a site employs local residents and commuters coming from a neighboring country, as is the case in Agno. In addition, during 2023, a specific tool was implemented for the Swiss entities to evaluate the application of the equal pay approach in accordance with the statutory legal requirements in Switzerland. The results have been audited by an external supervisor and showed overall compliance and an equal approach to salaries for different genders.

Gender	2019	2022	2023
Male	1,341	1,251	1,357
Female	145	163	191

SMART WORKING INITIATIVES

In 2018, Mikron had already developed an open approach to smart working, giving employees the opportunity to work from home and achieve a better work-life balance. Naturally, the occurrence of the pandemic in 2020 and its continuation in 2021 further incentivized working from home. Many Mikron employees continue to take advantage of this opportunity, while ensuring they provide continuous and efficient services to their clients. This has been made possible thanks to Mikron's development of IT solutions that have enabled most employees to work remotely or from home. The lifting of emergency govern-

ment measures relating to the pandemic may have an indirect impact on the practice of working from home in the future, particularly for staff who commute. Indeed, according to some local tax laws, the number of hours worked from home is limited for employees to remain subject to the tax regime of the country that regulates the employment contract.

The use of other smart working initiatives such as flexible hours, part-time, and days of parental leave exceeding the statutory days has increased at Mikron over the years, as the table above shows.

Smart working initiatives	2019	2022	2023
Hours worked from home	3,078	277,903	344,348
Employees (headcount) with flexible hours	389	903	935
Employees (headcount) with part-time hours	24	80	98
Days of parental leave exceeding statutory days	92	187	180

FROM OUR DAY-TO-DAY LIVES: EMPLOYEE EVENTS AND TEAM-BUILDING

Empowering the Future: Mikron's New Year celebration and UNICEF donation

At the turn of the year 2022/2023, Mikron Switzerland AG, Agno, invited its employees' children to draw the "machine of their dreams". Some of the numerous entries were awarded prizes. The event was entitled "Empowering the Future". In this context, Mikron made a donation to the United Nations Children's Fund UNICEF.

The Mikron Automation Global Sales Meeting

Mikron organized the Mikron Automation Global Sales Meeting, which proved to be a success, at our headquarters in Switzerland. Sales and marketing teams from the US, Asia, India, and Europe met for workshops and team-building activities.

The Mikron Group's Global Management Meeting: A strong future through excellence in leadership

In October 2023, the management of the Mikron Group met in Zurich, Switzerland, for a global meeting. Over 40 representatives from both segments took the opportunity to meet in person once again. The agenda included questions about the medium and long-term strategy of the Mikron Group, as well as its corporate culture.



Mikron Switzerland AG, Agno, Open House

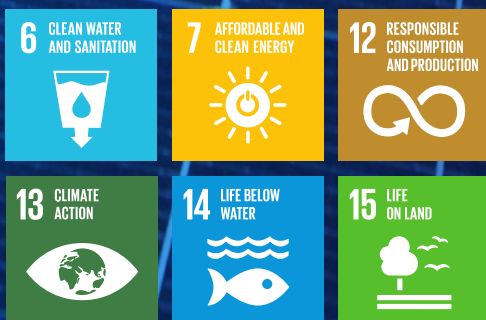
Mikron Switzerland AG, Agno, celebrated its 115th year of operation with a special "Open House" event at the company's headquarters in Agno (Switzerland). On this day, Mikron invited its employees and their families to visit the company and learn more about its operations. The highlight of the day was a tour of the company with eight stations including a quiz – and, of course, a relaxed get-together over lunch.

Team event on Lake Neuchâtel

Mikron specifically uses team-building events to strengthen cooperation and motivation among its employees. This included, for example, the wakeboarding and wake-surfing event organized in summer 2023 by the Mikron Automation Leisure Club in Boudry on Lake Neuchâtel (Switzerland). A total of thirty people took part.

ENVIRONMENT

Mikron is actively committed to the responsible use of resources through a series of initiatives aimed at reducing its impact on the environment. This reflects the company's vision of pursuing eco-friendly practices and contributing to the preservation of the environment.



ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Absolute figures

Consumption	2019	2022	2023	diff to 2019	diff to 2022
Energy					
Electricity (MWh)	11,813	11,535	12,100	2.4%	4.9%
Natural gas (MWh)	2,065	1,434	1,478	-28.4%	3.1%
Heating oil (fuel oil) (liter)	161,860	48,717	55,657	-65.6%	14.2%
Waste					
Municipal garbage (tons)	70	100	87	24.3%	-13.0%
Used chemicals (tons)	66	60	28	-57.6%	-53.3%
Other waste (electrical, not recyclable) (tons)	68	97	7	-89.7%	-92.8%
Water					
Yearly consumption (m ³)	11,521	8,066	12,299	6.8%	52.5%

Intensity figures

(consumption per CHF million net sales)

Consumption	2019	2022	2023	diff to 2019	diff to 2022
Energy					
Electricity (MWh)	36.06	37.28	32.68	-9.4%	-12.3%
Natural gas (MWh)	6.31	4.64	3.99	-36.8%	-14.0%
Heating oil (fuel oil) (liter)	494.08	157.46	150.33	-69.6%	-4.5%
Waste					
Municipal garbage (tons)	0.21	0.33	0.23	9.5%	-30.3%
Used chemicals (tons)	0.20	0.19	0.08	-60.0%	-57.9%
Other waste (electrical, not recyclable) (tons)	0.21	0.31	0.02	-90.5%	-93.5%
Water					
Yearly consumption (m ³)	35.17	26.07	33.22	-5.5%	27.4%

For the CO₂ footprint, we differentiate between "Energy consumption", "Direct emissions", and "Indirect emissions". We found the corresponding templates in the GRI Standards GRI 302, GRI 305 (Scope 1 + 2).

– Direct emissions: Emissions resulting from the combustion of fossil fuels within the Mikron Group (boilers, burners and means of transportation such as company cars)

– Indirect emissions: These emissions arise in energy-supplying companies and are purchased by Mikron.

We calculate Mikron's direct emissions on the basis of the GHG protocol (ghgprotocol.org). The data on indirect emissions is based on information provided by the energy-supplying companies.

As from 2023, all Mikron locations are included in the performance indicators.

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Absolute figures

Green gas emissions – Scope I and II tCO ₂ eq	2019	2022	2023	diff to 2019	diff to 2022
Energy					
Electricity (MWh)	1,689	1,157	1,159	-31.4%	0.1%
Natural gas (MWh)	382	265	273	-28.6%	2.8%
Heating oil (fuel oil) (liter)	427	129	147	-65.6%	14.3%
Waste					
Municipal garbage (tons)	86	118	106	23.3%	-10.2%
Used chemicals (tons)	245	222	104	-57.6%	-53.2%
Other waste (electrical, not recyclable) (tons)	205	290	21	-89.8%	-92.8%
Total tCO₂eq	3,034	2,181	1,810	-40.3%	-17.0%

Intensity figures

(consumption per CHF million net sales)

Green gas emissions – Scope I and II tCO ₂ eq	2019	2022	2023	diff to 2019	diff to 2022
Energy					
Electricity (MWh)	5.16	3.74	3.13	-39.3%	-16.3%
Natural gas (MWh)	1.17	0.86	0.74	-36.8%	-14.0%
Heating oil (fuel oil) (liter)	1.30	0.42	0.40	-69.2%	-4.8%
Waste					
Municipal garbage (tons)	0.26	0.38	0.29	11.5%	-23.7%
Used chemicals (tons)	0.75	0.72	0.28	-62.7%	-61.1%
Other waste (electrical, not recyclable) (tons)	0.63	0.94	0.06	-90.5%	-93.6%
Total tCO₂eq	9.27	7.06	4.90	-47.1%	-30.6%

For the CO₂ footprint, we differentiate between "Energy consumption", "Direct emissions", and "Indirect emissions". We found the corresponding templates in the GRI Standards GRI 302, GRI 305 (Scope 1 + 2).

– Direct emissions: Emissions resulting from the combustion of fossil fuels within the Mikron Group (boilers, burners and means of transportation such as company cars)

– Indirect emissions: These emissions arise in energy-supplying companies and are purchased by Mikron.

We calculate Mikron's direct emissions on the basis of the GHG protocol (ghgprotocol.org). The data on indirect emissions is based on information provided by the energy-supplying companies.

As from 2023, all Mikron locations are included in the performance indicators.

ENERGY AND GREENHOUSE GAS EMISSIONS

As a technology Group, we need energy for the machines in our testing and production facilities. We are therefore pursuing an ambitious goal in our efforts to reduce our emissions to 1,600 ton CO₂ net in 2030. We took a major step in reducing our CO₂ output in Switzerland in 2022: Mikron Boudry has implemented an eco-friendly building, installed solar panels, and adopted new heating and cooling systems. Thanks to these initiatives, the company has significantly reduced its CO₂ emissions and is now able to self-generate a substantial portion of its required energy. Mikron Tool replaced its old oil heating system with a modern mixing system that recovers heat from production to eliminate fossil fuel consumption. The refrigeration system was also upgraded, resulting in significant annual electricity savings. Solar collectors and a heat pump were also installed at the Mikron Tool site. Fossil fuel is now only used for interim purposes or at low temperatures. The overall increase in consumption in 2023 is due to a significant increase in sales, which consequently led to an increase in production. In addition, more Mikron sites were included in the environmental data collection than in previous years.

The electricity and gas consumption in 2023 amounted to 13,578 (2022: 12,969 MWh) in absolute figures, representing a 4.7% increase. Intensity data, which takes into account electricity and gas consumption per million Swiss francs of net sales, show a 12.5% reduction in consumption in 2023 compared to the previous year.

Renewable resources represent approximately 53% of the purchased mix, which is an increase compared to the ratio of the previous year (2022: 44%). In addition to purchased electricity, energy sources necessary for business activities also include methane gas and automotive fuels (diesel and gasoline) for company vehicles.

The consumption of heating oil amounted to 55,657 liters in absolute figures (2022: 48,717 liters) and increased by 14.3%, while the intensity figure decreased by 4.8%.

WASTE

Mikron makes every effort to ensure that waste is dealt with in an environmentally compatible way. In 2023, the Group produced 122 tons of waste (2022: 257 tons), corresponding to a decrease of 53% in absolute figures and to a decrease of 60% in intensity figures.

Based on a waste analysis, Mikron introduced recycling processes in 2023 that allow 89% of waste to be recycled.

WATER

We only need water in connection with the kitchen and hygiene facilities, and to a lesser extent for the operation of our air conditioning systems. In 2023, we saw an increase of 52% in water consumption compared to 2022. This was largely due to a 9.5% rise in employees and a proper reporting of the consumption. Additionally, the implementation of limitations on remote working, due to external regulations impacting Mikron, inevitably necessitated onsite presence of personnel, leading to the rise in water consumption.

SOME PROJECTS TO REDUCE ENERGY CONSUMPTION

Environmentally friendly packaging

In 2023, we launched a project for the environmentally friendly packaging of our products. This not only helps us to protect the environment, but also meets a growing need among our customers.

The Mikron Group aims to massively reduce its packaging waste and, wherever possible, replace plastic with paper. Where this is not possible, we will use 100% recycled plastic.

The following packaging material will be replaced throughout the Group:

- Bubble wrap: replaced with fully compostable paper made entirely from recycled materials.
- Packaging chips: replaced with 100% plant-based starch chips as well as biodegradable and sustainable recycled paper.
- Tape: replaced with natural rubber paper adhesive tape.
- Moisture-absorbing bags: replaced with moisture-absorbing bags made from woven clay, fully biodegradable with no climate impact.
- Component protective netting: replaced with Elastowell cardboard, made entirely from recycled materials and fully recyclable. Other options include recycled paper, corrugated cardboard, and recycled honeycomb paper.
- Bags: replaced with cellulose glassine bags, hydrophobic glassine bags with adhesive strips, and bioplastic derived from sugarcane.
- Package fillers: Replaced with 100% recyclable and compostable earth-friendly paper.

Mikron is now exploring alternatives to traditional packaging and shifting towards eco-friendly solutions. This goal has been deemed achievable immediately and can be progressively realized in relatively short timelines. Through effective research and negotiations with suppliers, Mikron aims to achieve an overall reduction in packaging material costs while maintaining a focus on environmental sustainability.

Reusable and high-production solutions

Mikron Machining systems demonstrate good longevity, with 80% still operational after ten years and 65% after 20 years. To counter efficiency decreases due to technological evolution, Mikron provides renewal services, including tool regrinding and spindle retrofitting, within a five to fifteen-year timeframe.

Mikron Tool offers regrinding services that ensure the same quality as new tools. This allows users to reduce costs while maintaining high performance and contributing to resource conservation. Regrinding should be considered at the time of purchase, offering a sustainable and cost-effective option for users.

Waste at the Mikron Denver site

The Denver site allows customers to securely destroy confidential parts by sending them to Colorado Medical Waste, which reduces them by 90% without emissions.

Mikron's commitment to sustainable employee commuting

In an effort to provide our Denver-based employees with a convenient and eco-friendly commuting option, Mikron Automation Denver (USA) has provided all our employees with an EcoPass from the Regional Transportation District (RTD) of Denver. The EcoPass offers unlimited journeys on RTD buses and trains, providing safe and reliable transport options throughout the greater Denver metropolitan area while reducing our carbon footprint. This is a win-win-win for Mikron, our employees, and our community.

Emissions report for Mikron Machining

In 2023, the Mikron Machining division prepared an emissions report for the Agno site. With the "Corporate Rainbow" program, Mikron Machining encourages employees to use public transport and, together with the Ticino Arcobaleno Tariff Community (CTA), covers part of the cost of the annual season ticket (2nd class) for "home-to-work" routes in Ticino and the Moesano region. The CTA covers 15 percent of the cost of the annual season ticket, and Mikron 35 percent.

Promoting environmentally friendly commuting

At our Denver site (USA), Mikron Automation installed bike racks and charging stations for electric vehicles in August. Numerous employees take advantage of this offer and commute to work by bike or electric vehicle.

Mikron Agno cafeteria

The Mikron Agno cafeteria is certified for the recovery of organic waste, which is transformed into biogas and fertilizer. It is committed to reducing plastic usage, supporting local products, and achieving CO₂ neutrality, with initiatives such as the use of local water and eco-friendly containers.

MARKETPLACE

The Mikron Group again improved its earnings situation in the past financial year. Both business segments increased annual net sales and achieved good results. Strong demand in all of Mikron's key markets, above-average growth in the Automation division in Boudry and Denver, sales growth in the Machining division, and the Tool division's good positioning in the pharmaceutical and medical technology markets were the key factors behind this pleasing performance.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



ECONOMIC PERFORMANCE

The Group's net sales rose from CHF 309.4 million in 2022 to CHF 370.2 million in 2023 (+19.7%). At CHF 412.1 million, order intake even surpassed the previous year's record figure of CHF 408.0 million (+1.0%). The Group's EBIT for 2023 amounts to CHF 35.3 million (2022: CHF 26.4 million, +33.7%), and the profit for the year is CHF 28.8 million (2022: CHF 24.2 million, +19.0%). The non-operating property in Nidau (Switzerland) contributed CHF 1.8 million to the Group's EBIT, including a one-off positive effect of CHF 2.2 million resulting from the sale of the property.

Economic performance in %	2022	2023
By segment		
Machining Solutions	41%	38%
Automation	59%	62%
By region		
Europe	42%	47%
Switzerland	7%	12%
Asia/Pacific	20%	14%
North America	30%	25%
Others	1%	2%
By industry		
Automotive	12%	7%
Pharma/Medtech	55%	57%
Writing	4%	5%
Consumer Goods	9%	8%
Others	20%	23%

WORLDWIDE PRESENCE

With 10 locations, Mikron is a globally networked Swiss-based company with a worldwide presence. Its most important foreign markets are Europe, North America, and Asia Pacific. At the end of the 2023 financial year, the Mikron Group had 1,548 employees (FTE), which represents a 9.5% increase compared to the prior year (1,414 employees).

CORPORATE STRUCTURE

Based in Biel, Mikron Holding AG is organized as a holding company under Swiss law and directly or indirectly holds all Mikron companies worldwide. Mikron Holding AG is listed on SIX Swiss Exchange in Zurich and on 31 December 2023 had a market capitalization of CHF 255.7 million. The Mikron Group is organized by segments. For the purposes of reporting, two business segments and the Corporate Service organization have been identified.

DISTRIBUTION TO SHAREHOLDERS

At the Annual General Meeting of Mikron Holding AG on April 26, 2023, the shareholders approved all of the Board of Directors' proposals and a distribution of CHF 0.40 per share.

INNOVATION

Our goal is to continuously optimize our products. This includes reducing energy consumption, using resources efficiently, reducing our carbon footprint, and integrating eco-design and circular economy principles.

We aim to develop ever-higher levels of productivity through diversification, technological upgrading and innovation, with a focus on high value-added sectors such as MedTech. We stimulate scientific research, encouraging creativity and innovation, and reinvesting 2.0% of our net sales in research and development.

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS



EXAMPLES OF OUR INNOVATION WORK

Mikron Tool: Collaboration with DMG MORI

Mikron Tool's technology center in Agno has become one of the most modern research centers for machining worldwide. Mikron Tool has been working closely with the machine tool manufacturer DMG MORI for many years. In close collaboration with DMG MORI's specialists, our professionals produce demo and sample components for medical instruments, implants, prosthetics, and bone plates in an industrial and practical manner. To achieve this, we define the appropriate machine, cutting parameters, CAD-CAM programming, tool holding equipment, workpiece clamping, cooling lubricant, and, of course, the optimal tools. Thanks to this collaboration, the customer receives a production solution that includes a prototype for process validation (the "green button" process) and consistently delivers better results than market standards. The customer has a decisive advantage: with the complete production concept, all they have to do is start up the machine – and production practically runs itself. Together with DMG MORI, Mikron Tool has developed a solution that significantly saves industry resources and minimizes investment risks. Mikron Tool is moving with the times. Close cooperation and technical know-how are the prerequisites for a new, customer-oriented, and efficient solution.

Mikron Tool: New drill for titanium machining

Mikron Tool is committed to constant innovation and to bringing new products to the market. Thanks to its extensive experience and long-standing customer relationships, Mikron Tool is able to continually expand its range of boring and milling machines in line with market requirements.

One example of the division's innovative strength is the new range of CrazyDrill Cool Titanium drills for various titanium alloys. The drills offer superior cutting performance, longer tool life, and maximum process reliability. The material-specific cutting geometry ensures outstanding drilling quality. The CrazyDrill Cool Titanium series is available with ATC geometry for titanium alloys and PTC geometry for pure titanium.

Titanium is a high-performance material that is in great demand. It is used in aerospace, automotive, medical, surgical orthopedics, jewelry and watchmaking. One particular challenge when machining titanium is chip removal. In particular, the different qualities of titanium must be taken into account. A distinction is made between pure and alloyed titanium.

Mikron Automation: Value-adding renewals along the entire value chain

Mikron defines innovation not only as the development of new products, but also as value-adding renewals along the entire value chain. Last year, for example, Mikron Automation Denver searched intensively for sustainable ways to optimize its processes. These efforts were based on the DFMA method, which has proven itself in the industry. DFMA stands for Design for Manufacturability and Assembly. The method can be used to optimize the production of a component – for example by using suitable materials, wider tolerances, and simplified processes. The aim is to increase efficiency without compromising quality, reliability, and ease of maintenance.

Mikron Machining: LCA (Life Cycle Assessment)

Mikron Machining initiated a new project in 2023 to achieve further objectives and pursue KPIs. This initiative aims to enhance awareness of the energy efficiency of products through the implementation of a standardized approach for collecting, summarizing, and analyzing energy consumption data. Another goal is the introduction of a standardized approach to assess potential improvements. By adopting the methodology proposed by ISO 14955-1 standard, Mikron Machining aims to integrate energy efficiency into the design process of its products, considering electrical, pneumatic, and thermal exchange consumptions. Through this approach, Mikron Machining also has the opportunity to support its customers in optimizing energy consumption resulting from the use of the production system, through monitoring, data analysis, and the proposal of customized solutions accompanied by an estimate of potential energy savings and related return on investment.

COMMUNITY

All Mikron companies contribute to their local communities. They participate in industry associations (e.g. Swissmem and Prodnat in Switzerland or Cecimo in Europe), collaborate with local universities in the areas of technology and innovation, support local authorities in the development of new talent and apprenticeship programs, and make donations to social and health organizations.

We consider our impact on local stakeholders and take account of local sensitivities and vulnerable groups. We inform local communities about our activities in an appropriate manner.



EXAMPLES OF OUR COMMITMENT TO THE LOCAL COMMUNITY

Meet technology

The popular “MountainsTour” series of events organized by the TechnologyMountains technology network made a stop in Rottweil (Germany). Mikron’s high-precision tools and machine services left a lasting impression on the guests.

Inspiring future technicians and engineers

Mikron’s support for young talent includes guided tours of the company. In June, 120 pupils and their teachers visited the Mikron Switzerland AG, Boudry plant to find out about the company’s dual polymechanic apprenticeship program. Forty polymechanic apprentices learned about the four-year polymechanic apprenticeship and the future opportunities that Mikron can offer them, including the possibility of becoming a technician or engineer.

Inspiring future innovators: Mikron’s commitment to STEM (Science, Technology, Engineering, and Math) education

Mikron is regularly involved in promoting STEM professions. As part of our partnership with the Cherry Creek Innovation Campus in Colorado (USA), a Mikron Corporation Denver representative gave a guest lecture in a robotics course in May 2023. He spoke about the exciting world of automation, the different types and applications of robots, and how Mikron Automation uses them. Mikron Corporation Denver also took part in an event to promote future STEM leaders at the STEM School Highlands Ranch in Colorado (USA) in November.

Empowering women in industry

Mikron places great importance on equal opportunities at work. This includes specifically addressing female students. At our Denver site, female students from the Cherry Creek Innovation Campus visited Mikron Corporation Denver on the occasion of “Women In Industry Day”. Together with female Mikron employees, the students visited our facilities and project areas and gained insights into our career opportunities, our culture, and the various facets of engineering.



“We consider our impact on local stakeholders and take account of local sensitivities and vulnerable groups.”

Community Support: Mikron's Commitment to Making a Difference

In June, Mikron Corporation Denver took part in the Tour de Cure – the American Diabetes Association's most important cycling fundraiser. Sixteen of our team members cycled between 16 and 96 kilometers. Employees of Mikron Automation Denver volunteered at the event and contributed to the cause, enabling us to surpass our fundraising goal. The field of diabetes holds a special place in Mikron's heart. Many employees know someone with diabetes, and some of our customers are key solution providers in this area.

Supporting the community

In October 2023, several members of our team at Mikron Corporation Denver took part in the Susan G. Komen Foundation's "More Than Pink Walk" to support the search for a cure for breast cancer.

Capa'Cité 2023, September 4-9

The Capa'Cité association helps young people choose a career and enter the labor market. In the year under review, the Capa'Cité event took place in the city center of Neuchâtel, where 80 dual apprenticeship programs were presented. Three apprentices and two trainees from Mikron were present throughout the week to promote our Polytechnician apprenticeship center. The umbrella association COMEC helped to organize the event.



CSR Territory Report in Ticino

Mikron Switzerland AG, Agno once again produced the "CSR Territory Report in Ticino" in 2023. This official document was developed together with SUPSI University (Scuola Universitaria Professionale della Svizzera Italiana) and the AITI (Association of Ticino Industries). The sustainability report helps companies to make a contribution to the sustainable development of the region. It is based on 45 economic, social, and environmental indicators that are relevant to the canton of Ticino. The data is compiled annually and presented at a public event in collaboration with other industry associations.

ABOUT THIS REPORT

Back in 2017, the Mikron Group started to develop a tailored Corporate Social Responsibility strategy. Since 2020, it has been systematically pursuing the corresponding goals and consistently recording the results. We are pleased to share our first Integrated Report 2023, in which Mikron has integrated the Sustainability Report into the Annual Report 2023 for the first time.



Mikron Holding AG's Integrated Sustainability Report 2023 goes far beyond a mere financial statement. It reflects Mikron's deep commitment to transparency, information sharing, and corporate responsibility. It explores our strategic vision, highlights the key moments of the year, offers a global perspective on our presence in the world, and shares details about our corporate social responsibility initiatives and governance practices. Together, these elements form a complete picture of who we are and how we operate.

Mikron has aligned its sustainability efforts even more closely with the requirements of the Global Reporting Initiative (GRI) and international ESG (Environmental, Social, Governance) standards, and improved them overall.

To access the digital versions of both reports (Integrated and Sustainability), please visit our website at www.report.mikron.com.

UN SDGs: United Nations Sustainable Development Goals

The global reference framework for Mikron's environmental management is the UN resolution "Transforming our world: the 2030 Agenda for Sustainable Development" adopted by heads of state and government in 2015. The Sustainable Development Goals were defined by all member states of the United Nations in 2015 and apply to all countries in the world.

Mikron identified, prioritized, and evaluated its activities to demonstrate how it translates global sustainability commitments into action. The analysis enabled Mikron to assess which United Nations Sustainable Development Goals (UN SDGs), targets and indicators its activities contributed to in the year under review. Overall, the company contributes to all 17 SDGs.

ESG: Environmental, Social, Governance

We apply a holistic approach to ESG factors (Environmental, Social, Governance).

GRI: Guidelines of the Global Reporting Initiative (GRI)

For the 2023 reporting year, the guidelines of the Global Reporting Initiative (GRI) were again used as a basis, currently the new GRI Standards published in 2021.

Audit

The Mikron Sustainability Report has not been subjected to an external audit.

GRI CONTENT INDEX

GRI Content Index

The GRI Content Index provides a clear overview of where to find information on a particular ESG topic. In addition to the references to the relevant places in this ESG Report 2023, there are also page references to the Mikron Annual Report 2023.

GRI Indicators	Disclosure	Document / Section(s)	Page(s)	
GRI 2: General disclosures 2021				
Organization profile	2-1	Organization details	Annual Report 2023 / Mikron in the World / Mikron in the Pharma/Medtech Industry	14–15
	2-2	Entities included in the organization's sustainability reporting	Annual Report 2023 / Mikron in the World / Mikron in the Pharma/Medtech Industry	14–15
	2-3	Reporting period, frequency, and contact point	Annual Report 2023 / Contact details	2, 50
Activities and workers	2-6	Activities, value chain, and other business relationship	Sustainability Report 2023 / Marketplace	74–75
	2-7	Employees	Sustainability Report 2023 / Workplace	64–68
Governance	2-9	Governance structure and composition	Annual Report 2023 / Corporate Governance	87–102
	2-19	Remuneration Policies	Annual Report 2023 / Compensation Report	103–114
Strategy, policies, and practices	2-22	Statement from a senior decision maker	Sustainability Report 2023 / Letter to Stakeholders / Progress towards 2030 targets	46–47, 56–58
	2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report 2023 / Code of Conduct	50
Stakeholder engagement	2-29	Approach to stakeholder engagement	Sustainability Report 2023 / Materiality map	62–63
GRI 3: Material topics 2021				
Disclosures on material topics	3-1	Process to determine material topics	Sustainability Report 2023 / Materiality map	62–63
	3-2	List of material topics	Sustainability Report 2023 / Materiality map	62–63
GRI 200: Economic performance indicators				
Market presence	202-2	Ratios of standard entry level wage by gender compared to local minimum wage	Sustainability Report 2023 / Workplace	64–68
Indirect economic impacts	203-1	Infrastructure investments and services supported	Sustainability Report 2023 / Innovation	76–77
Anti-corruption	205-1	Operations assessed for risks related to corruption	Sustainability Report 2023 / Values / Progress towards 2030 targets	54–55, 56–58
	205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report 2023 / Values / Progress towards 2030 targets	54–55, 56–58
GRI 300: Environmental performance indicators				
Materials	301-1	Materials used by weight or volume	Sustainability Report 2023 / Environment	69–73
	301-2	Recycled input materials used	Sustainability Report 2023 / Environment	69–73
	301-3	Reclaimed products and their packaging materials	Sustainability Report 2023 / Environment	69–73
Energy	302-1	Energy consumption within the organization	Sustainability Report 2023 / Environment	69–73
	302-4	Reduction of energy consumption	Sustainability Report 2023 / Environment	69–73
	302-5	Reductions in energy requirements of products and services	Sustainability Report 2023 / Environment	69–73
Water and effluents	303-1	Interactions with water as a shared resource	Sustainability Report 2023 / Environment	69–73
	302-3	Water withdrawal	Sustainability Report 2023 / Environment	69–73
	303-4	Water discharge	Sustainability Report 2023 / Environment	69–73
	303-5	Water consumption	Sustainability Report 2023 / Environment	69–73

Emissions	305-1	Direct (Scope 1) GHG emissions	Sustainability Report 2023 / Environment	69–73
	305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report 2023 / Environment	69–73
	303-4	GHG emissions intensity	Sustainability Report 2023 / Environment	69–73
	303-5	Reduction of GHG emission	Sustainability Report 2023 / Environment	69–73
Waste	306-1	Waste generation and significant waste-related impacts	Sustainability Report 2023 / Environment	69–73
	306-3	Waste generated	Sustainability Report 2023 / Environment	69–73
	306-4	Waste diverted from disposal	Sustainability Report 2023 / Environment	69–73
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	Sustainability Report 2023 / Marketplace	74–75

GRI 400: Social performance indicators

Employment	401-1	New employee hires and employee turnover	Sustainability Report 2023 / Workplace	64–68
Occupational health and safety	403-1	Occupational health and safety management system	Sustainability Report 2023 / Certifications / Workplace	53, 64–68
	403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report 2023 / Certifications / Workplace	53, 64–68
	403-3	Occupational health services	Sustainability Report 2023 / Certifications / Workplace	53, 64–68
	403-5	Worker training on occupational health and safety	Sustainability Report 2023 / Certifications / Workplace	53, 64–68
	403-6	Promotion of worker health	Sustainability Report 2023 / Certifications / Workplace	53, 64–68
	403-8	Workers covered by an occupational health and safety management system	Sustainability Report 2023 / Certifications / Workplace	53, 64–68
	403-9	Work-related injuries	Sustainability Report 2023 / Certifications / Workplace	53, 64–68
	403-10	Work-related ill health	Sustainability Report 2023 / Certifications / Workplace	53, 64–68
Training and education	404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report 2023 / Progress towards 2030 targets / Workplace	56–58, 64–68
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Sustainability Report 2023 / Progress towards 2030 targets / Workplace	56–58, 64–68
	405-2	Ratio of basic salary and remuneration of women to men	Sustainability Report 2023 / Progress towards 2030 targets / Workplace	56–58, 64–68
Local communities	413-1	Operations with local community engagement, impact	Sustainability Report 2023 / Progress towards 2030 targets / Workplace	56–58, 64–68
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Report 2023 / Certifications	53