2025

MISTO | *Sustainability Report*

Volume 7

Index

03 About This Report
04 Message from our Leadership

About Misto

06 We are Misto
07 Misto Around the World
08 Misto Brands
09 Misto History
10 Misto Value Chain

Performance Highlights

12 2025 Financial Highlights
13 2025 Sustainability Highlights

Our Approach to Sustainability

15 Sustainability Strategy
16 Sustainability Targets
17 Double Materiality Assessment



FILA

Focus Issues

21 Climate Action
29 Circularity and Sustainable Products
38 Hazardous Chemicals Management
43 Sustainable Sourcing and Supply Chain Management
55 Responsible Marketing
59 Cybersecurity

ESG Performance

66 Natural Capital Management
73 Human Capital Management
82 Customer Management
84 Community Contribution
89 Ethics and Compliance Management
93 Corporate Governance Transparency and Accountability
99 Company-wide Integrated Risk Management Framework

Sustainability Data

104 Sustainability Data



Titleist

Appendix

117 Board Agenda and Key Resolutions
118 Stakeholder Engagement
119 GRI Content Index
121 KSSB No. 2 Climate-related Disclosure Index
122 TNFD Index
123 SASB Index
125 UN Global Compact
130 Independent Auditor's Report
133 Greenhouse Gas Verification Statement
135 Independent Assurance Opinion Statement

About This Report

Scope of the Report

This Sustainability Report covers the non-financial performance of Misto Holdings Corp. and its 11 subsidiaries within the Misto Group. The entities included in the reporting scope are Misto Holdings Corp. ("Misto Holdings"), Misto Korea Ltd. (“Misto Korea”), Misto U.S.A. Inc. (“Misto USA”), Misto Footwear Ltd. (“Misto Footwear”), Misto Apparel Ltd. (“Misto Apparel”), Misto Hong Kong Limited (“Misto Hong Kong”), Misto Luxembourg SARL (“Misto Luxembourg”), Misto Italy S.r.l. Unipersonale (“Misto Italy”), Misto Shanghai Co., Ltd. (“Misto Shanghai”), Mantova (Shanghai) Brand Management (“Mantova”), Lombardia (Shanghai) Brand Management Co., Ltd. (“Lombardia”), Misto Malaysia Sdn. Bhd. (“Misto Malaysia”). Financial performance data are presented on a K-IFRS consolidated basis. Non-financial performance data exclude Acushnet Holdings Corp. and its subsidiaries. For information regarding Acushnet’s sustainability initiatives, please refer to its official website (Acushnet Company Corporate Responsibility).

Reporting Period and Publication Month

Reporting Period: January to December 2025
(including selected activities from the first half of 2026)
Publication Month: June 2026

The reporting period for this Sustainability Report aligns with the company's fiscal year and is published annually. It covers economic, social, and environmental performance and activities from January 1 to December 31, 2025. However, for qualitative performance, selected activities up to the first half of 2026 are included to provide readers with timely information.

Assurance

The content included in this report has been verified by BSI (British Standards Institution), a third-party verification body, to ensure the objectivity and accuracy of the data and reporting criteria.
The verification is based on the international standard ISAE 3000, and detailed information and the verification opinion can be found on page 135 of this report.

Reporting Principles

This report has been prepared in alignment with internationally accepted sustainability reporting standards and frameworks as below:

- GRI (Global Reporting Initiative) Standards 2021
- SASB (Sustainability Accounting Standards Board), Consumer Goods Sector, Apparel, Accessories & Footwear Industry Standard
- TCFD (Task Force on Climate-Related Financial Disclosures)
- UN Global Compact Principles
- TNFD (Taskforce on Nature-related Financial Disclosures)
- ISSB (International Sustainability Standards Board) IFRS S1 and IFRS S2
- KSSB (Korea Sustainability Standards Board) KSDS 1 and KSDS 2

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Message from our Leadership



Honorary Chairman of Misto Holdings Corp.
Yoon-Soo (Gene) Yoon



President and CEO of Misto Holdings Corp.
Keun-Chang (Kevin) Yoon

Dear Stakeholders,

It is our pleasure to share with you Misto Holdings' seventh sustainability report, which reflects our progress in 2025 and the priorities that will guide us forward. Over the past year, Misto Holdings continued to sharpen its identity as a global brand portfolio company and strengthen its foundation for sustainable, long-term growth. Our approach is grounded in a clear belief that each brand must preserve its distinct heritage, value, and market relevance, while the Group brings together shared capabilities, experience, and discipline to unlock greater opportunities across the portfolio.

The business environment in which we operate is becoming increasingly complex. Markets are moving faster, stakeholder expectations are rising, and companies are being judged not only by what they achieve, but also by how they achieve it. In this context, sustainability is not a separate agenda. It is a core management principle that shapes how we make decisions, build resilience, and create enduring value.

At Misto Holdings, we do not view growth and responsibility as competing priorities. Responsible management, transparent governance, and balanced decision-making are essential to building a company that can earn trust and remain competitive over time. We will continue to enhance our management systems and strengthen the capabilities that enable our brands and the Group to grow together with discipline and purpose.

Looking ahead, Misto Holdings will continue to enhance the fundamental value of our brands, pursue new opportunities for growth, and work with our stakeholders to build a more sustainable future.
With a long-term perspective and a strong sense of responsibility, we will move forward as a trusted global brand portfolio company.

On behalf of Misto Holdings, I would like to express my sincere gratitude to all our stakeholders for your continued interest and trust.
Thank you.

About Misto



FootJoy

06 We are Misto
07 Misto Around the World
08 Misto Brands
09 Misto History
10 Misto Value Chain

We are Misto

Inspired by the Italian word “misto,” meaning “mixed” or “a combination of various elements,” Misto embodies its multi-brand DNA, unifying all business operations under a cohesive brand identity. Under our brand identity, “Redefining Boundaries,” we strive to maximize synergy across our brands and embrace the full spectrum of future potential.

Brand Identity

Redefining Boundaries

Vision

We empower brands to bring their energy and potential to life, enriching lives and communities.

Mission

We empower a collective of dynamic brands, enabling them to connect, inspire, and make a meaningful experience in our lives and communities.

Core Values

Resilient

Adapting to change and pursuing sustainable growth

Synergetic

Creating greater value through connection and collaboration

Empowering

Supporting continuous growth and innovation

Responsible

Acting with integrity and social responsibility

Misto Around the World

Global Network

With Misto Holdings headquartered in Korea, Misto Group has established a global network across key regions in Asia, Europe, and North America. Each entity is responsible for functions such as regional business operations, sourcing, quality control, and distribution, enabling Misto Group to enhance connectivity and operational efficiency across its global supply chain.



No. of Consolidated Subsidiaries
(as of December 31, 2025)

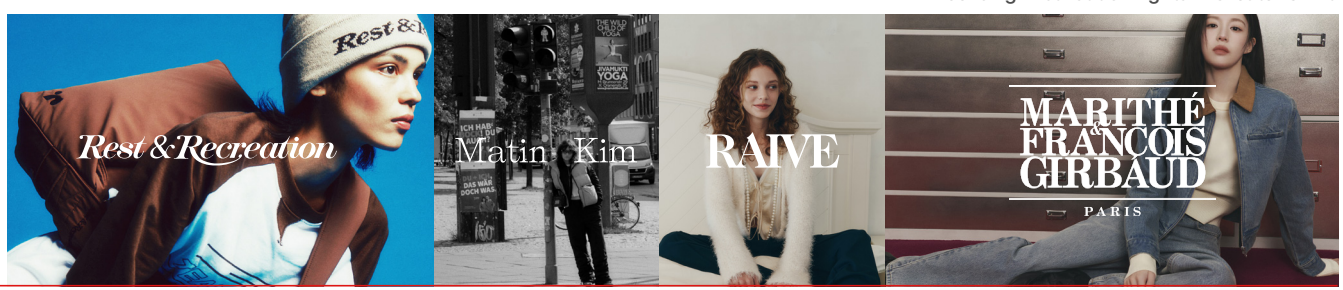
63

Misto Brands



Owned Brands (Global Markets)

Licensing/Distribution rights in Greater China



Misto's Global Brand Portfolio

Misto History

1911

1911 In Biella, Italy, the three FILA brothers launched a knitwear and underwear business, producing textiles from natural materials.

1972 FILA began its transformation into a sports and leisure brand with acquisition by Italian automobile company FIAT

1973 Launched FILA's first line of sportswear
Introduced the iconic "F-BOX" logo

1990

1991 Established FILA Korea Ltd. (currently Misto Holdings Corp.)

2000

2000 Titleist launched its very first Pro V1 golf ball

2005 Became independent through a management buyout (MBO) from FILA Global

2007 Established GLBH Holdings S.a.r.l.
Acquired FILA global trademark rights.

2010

2010 Listed on the Korea Exchange (KOSPI: 081660)
Established the Fondazione FILA Museum in Biella, Italy

2011 Acquired Acushnet Holdings Corp., a US-based golf equipment company

2016 Acushnet Holdings Corp. listed on the New York Stock Exchange (Ticker: GOLF)

2018 FILA's signature sneaker model, "Disruptor 2" won "Shoe of the Year" by FNAA
Acquired global trademark rights to Links & Kings

2019 Acquired global trademark rights to KJUS

2020

2020 Renamed to FILA Holdings Corp. and shifted to a holding company structure
Published inaugural Sustainability Report

2021 Acquired global trademark rights to Club Glove
Became a signatory of UN Global Compact

2022 Acquired global trademark rights to Alife

2023 Acquired Greater China trademark rights to H5LY NO7
Selected as a "Top-Rated Company" in ESG by Sustainalytics

2024 Included for the first time in the "FTSE4Good" Index Series

2025

2025 Changed the company name to Misto Holdings Corp.
Acquired global trademark rights to Pairs

Misto Value Chain

Misto Group is a global brand portfolio group engaged in brand operations, licensing, and distribution. Misto Holdings operates a range of global brands across two business divisions: Misto and Acushnet. As a holding company, its major revenue sources include dividends, rental income from assets, and management advisory fees.

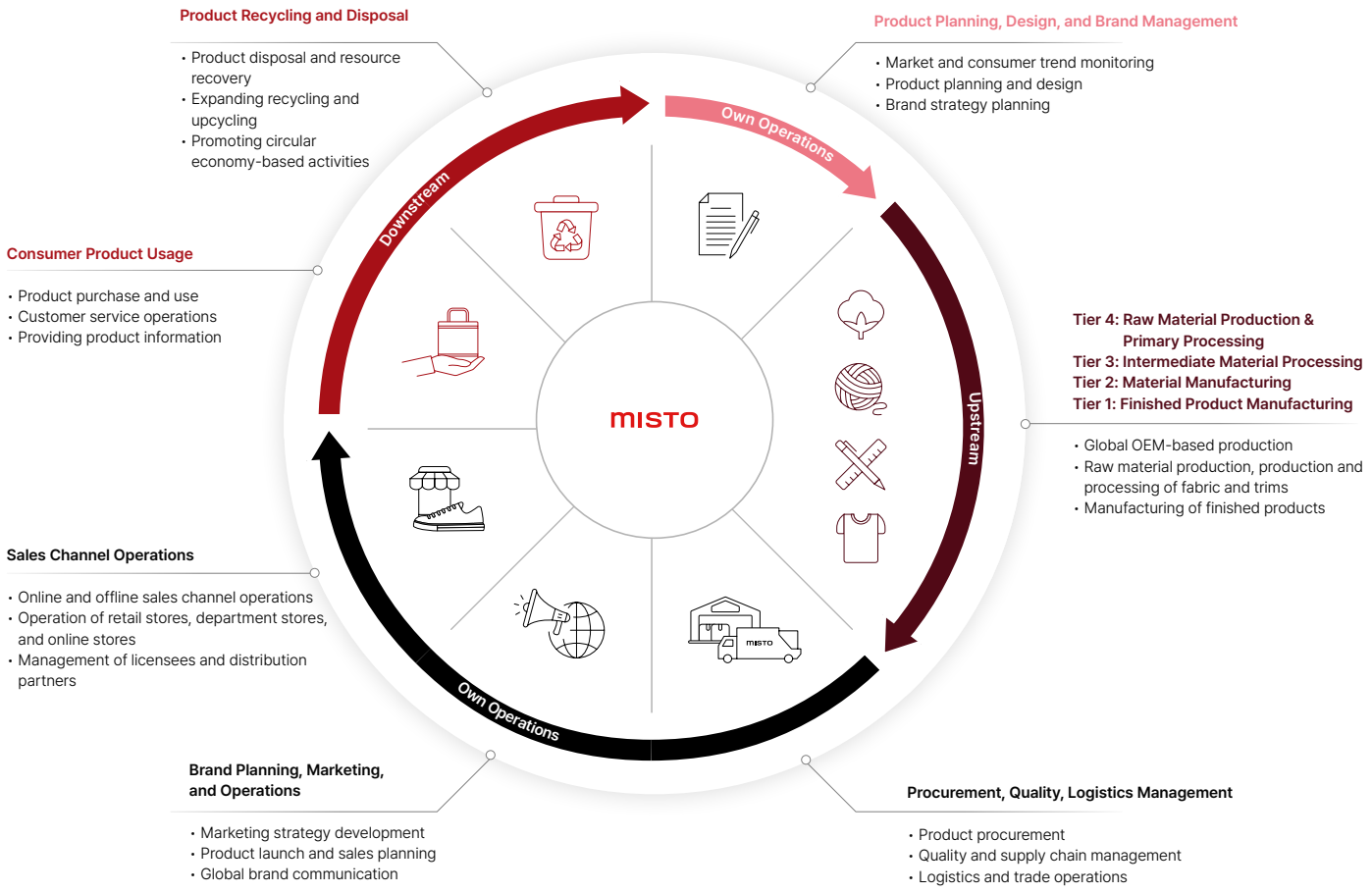
- **The Acushnet division** owns golf-related brands, including Titleist, FootJoy, Pinnacle, Vokey Design, Scotty Cameron, KJUS, Links & Kings, and Club Glove. Through Acushnet Holdings Corp. and its subsidiaries, the division conducts business across product development, manufacturing, and distribution in global markets.

- **The Misto business division** operates a multi-brand portfolio group comprising its own brands, including FILA, Alife, and Pairs, as well as licensing and distribution businesses for K-fashion brands. The division operates across the value chain, from product planning and design to production, distribution, sales, and end-of-life stages, and develops its brands through a global OEM-based supply chain and licensing partnerships.

Key Business Partners and Licensing Relationships

License-in Partners | Securing trademark rights (licensees) for external brands to carry out product planning, production, distribution, and sales. Exclusive trademark licensing agreements covering Korea and the Greater China region, including China, Hong Kong, Macau, and Taiwan

License-out Partners | Granting FILA brand trademark rights as a licensor to overseas partners to enable local product planning, production, distribution, and sales. FILA trademark rights are held and managed by Misto Luxembourg



Performance Highlights



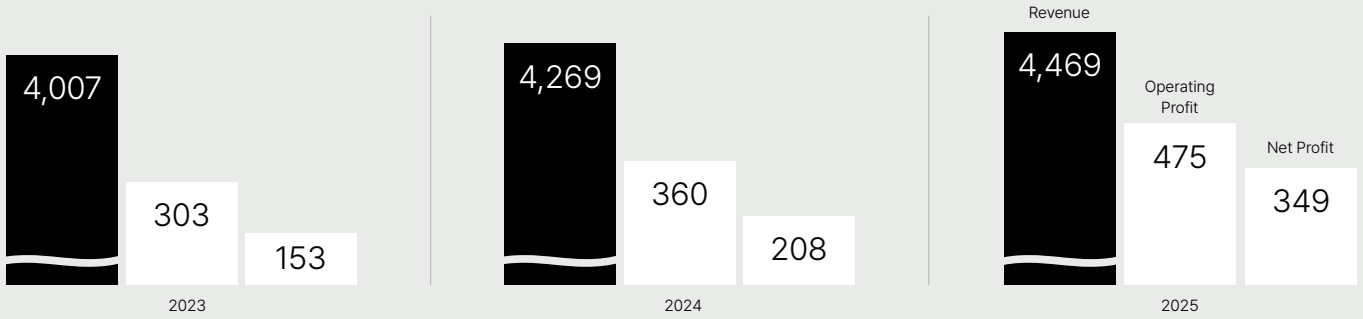


Titleist

12 2025 Financial Highlights
13 2025 Sustainability Highlights

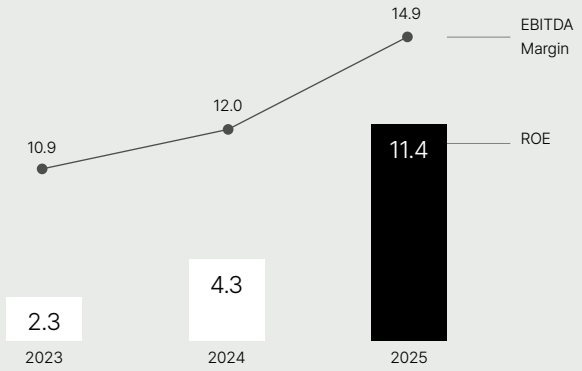
2025 Financial Highlights

Three-Year Business Performance (Unit: KRW billion)



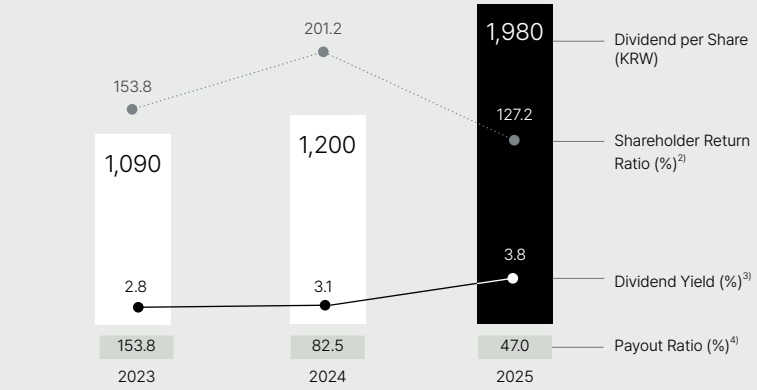
ROE[1], EBITDA Margin[2] (Unit: %)

1) Return on Equity = Consolidated profit attributable to owners of the company ÷ Average equity attributable to owners of the company
2) Earnings Before Interest, Taxes, Depreciation and Amortization margin = (Operating Profit +Depreciation and amortization)/Revenue



Three-Year Shareholder Return[1]

1) Misto Holdings currently has no preferred shares issued
2) Shareholder return ratio (%) = Total shareholder return/(Consolidated) Net income attributable to owners of the company, (Total shareholder return = Total dividend payout + Total stock buyback)
3) Dividend yield (%) = Dividend per share/Average stock price over the past week x 100
4) Payout ratio (%) = Total dividend payout/(Consolidated) Net income attributable to owners of the company x 100



Revenue
KRW 4.5 trillion

Operating Profit
KRW 474.8 billion

Net Profit
KRW 348.6 billion

Total Dividend Payout
KRW 105.4 billion

Total Treasury Share Acquisition
KRW 180.0 billion

Total Cancellation of Treasury Shares[1]
KRW 268.2 billion
1) Cancellation of 11.7% of total issued shares

2025 Sustainability Highlights

Environmental

- **Established a 2030 Scope 1 and Scope 2 GHG emissions reduction target**
- **Expanded Scope 3 GHG emissions disclosure and management coverage** (from 5 to 9 of the 15 categories)
- **Advanced climate and environmental response capabilities**
  - Enhanced climate-related risk and opportunity assessment and analyzed financial impacts
  - Analyzed natural capital-related impacts and dependencies across key sites and the supply chain
  - Established a biodiversity policy
- **Achieved an 18% share of FILA Re:Deuce products (based on SKU count)**

Social

- **Completed the establishment of a strategic framework for supply chain compliance management**
- **Achieved a 100% submission rate for Global Code of Conduct compliance commitment and third-party reports from Tier 1 suppliers of directly operated entities**
- **Achieved approximately KRW 12.8 billion in cumulative donations and 1.05 million beneficiaries by Misto Korea over the past five years**
- **Expanded local community value creation through the opening of the FILA Brand Experience Center**

Governance

- **Approximately KRW 285.4 billion in shareholder returns** (57.1% of the 2025–2027 shareholder return target achieved)
- **Reported seven sustainability-related agenda items to the Board**
- **Recorded zero cybersecurity incidents and personal data breaches**

Key ESG Ratings

B+	15.1	3.5	55	BB	A
Korea Institute of Corporate Governance and Sustainability Overall Rating: B+	Sustainalytics Score: 15.1 (Low Risk)	FTSE Russell Inclusion in the FTSE4Good Index Score: 3.5/5	S&P Global CSA Score: 55/100	Sustinvest Overall Rating: BB	MSCI Overall Rating: A



Our Approach to Sustainability



15 Sustainability Strategy
16 Sustainability Targets
17 Double Materiality Assessment

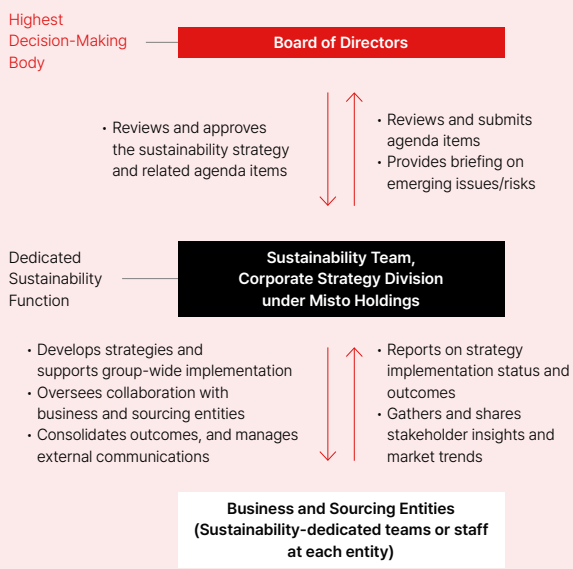


Sustainability Strategy

Misto Group has established a sustainability management framework based on its core values: “Resilient, Synergetic, Empowering, and Responsible.” We have defined strategic directions across environmental, social, and governance areas, and are advancing sustainable growth while expanding our role as a responsible corporate citizen. Each core value is aligned with the Group’s key sustainability areas and reflected in its strategies and action plans. We are embedding a group-wide sustainability management framework through cross-functional collaboration across business units and the value chain.

Misto Group Core Values	3 Strategic Pillars	Core Activities	2030 Sustainability Targets
Resilient Adapting to change and pursuing sustainable growth	1 **Building a Foundation for Sustainable Growth through Climate and Environmental Action**	• Enhancing Climate Action and Environmental Management Systems • Expanding Circularity Based on a Product Circulation System • Expanding Sustainable Materials and Products • Strengthening the Management System for Hazardous Chemicals	• Reduce Scope 1 and 2 GHG emissions 21% by 2030 from a 2024 base year • Expand the use of sustainable materials of key brands - Increase the share of FILA Re:Deuce products to 30% by 2030 • Enhance supply chain sustainability management and Scope 3 data management system - Achieve 100% Higg FEM participation rate among main Tier 1 suppliers - Complete supply chain mapping for 100% of main Tier 2 suppliers - Mandate sustainability capacity-building training for main suppliers • Establish product transparency and responsible communication framework • Expand employee engagement and organizational culture programs • Establish an international standards-based compliance framework to promote a responsible corporate culture • Integrate global cybersecurity governance
Synergetic Creating greater value through connection and collaboration	2 **Creating Positive Social Impact through Communication, Engagement, and Collaboration**	• Building Customer Trust and Expanding Responsible Customer Management • Enhancing Supply Chain Transparency and Risk Management • Expanding Sustainable Stakeholder Communication • Fostering an Organizational Culture Based on Respect for Human Rights	
Empowering Supporting continuous growth and innovation			
Responsible Acting with integrity and social responsibility	3 **Promoting Responsible Management and Stakeholder Trust through Ethics and Compliance**	• Enhancing Responsible Management through Ethics and Compliance • Advancing the Compliance Management System • Strengthening Cybersecurity and Information Protection Management	

Sustainability Governance Structure



Sustainability Targets

In line with its sustainability management strategy, Misto Group has established key targets for 2030 and is committed to implementing them systematically. We will continue our efforts to ensure that progress toward each target contributes to fulfilling our environmental and social responsibilities and enhancing stakeholder value.

ESG Strategy		Strategic Direction	2030 Sustainability Targets	Short-term Initiatives
Resilient Planet Protecting Tomorrow	**Climate Action**	Climate action and energy transition	• Reduce Scope 1 and 2 GHG emissions 21% by 2030 from a 2024 base year	• Enhance Scope 1 and 2 data management and inventory operation systems (platform-based) • Establish energy use management systems for key sites • Review the transition to renewable energy
		Strengthening of supply chain climate action capabilities	• Enhance the Scope 3 emissions calculation and data management system	• Strengthen supply chain energy management and achieve 100% Higg FEM participation rate among main Tier 1 suppliers • Strengthen renewable energy transition and management across the supply chain
	Sustainable Products	Expansion of sustainable products	• Expand the use of sustainable materials of key brands	• Increase the share of FILA Re:Deuce products to 30% by 2030 • Set usage targets by sustainable material type • Employee training for responding to global regulations
Synergetic & Empowering People Growing Together	**Responsible Supply Chain**	Establishment of a responsible supply chain	• Enhance the supply chain sustainability management system	• Restructure the supply chains of key brands in Greater China • Expand supply chain mapping of main Tier 2 suppliers • Make sustainability capacity-building training mandatory for main suppliers • Assess suppliers' ESG performance and share best practices
	Responsible Product Communication	Strengthening of product responsibility and customer communication	• Establish product transparency and responsible communication framework	• Enhance SPMG[1] to Version 3.0 • Establish a response framework for global circular product regulations • Enhance the disclosure and communication of product sustainability information
	Employee Engagement	Strengthening of employee engagement and organizational culture	• Expand employee engagement and organizational culture programs	• Hold annual employee engagement workshops • Expand engagement programs for employees in Korea and overseas
	Social Impact	Expansion of social and environmental value creation	• Expand social value creation	• Expand social contribution programs linked to biodiversity • Promote social value creation initiatives linked to the circular economy
Responsible Business Building Trust	**Ethics & Compliance**	Advancement of ethics and compliance management	• Establish an international standards-based compliance framework to promote a responsible corporate culture	• Introduce the Fair Trade Compliance Program (CP) and establish an operating framework • Enhance the compliance risk identification and management system • Establish the foundation for compliance operations
	Cybersecurity	Strengthening of cybersecurity and personal information protection	• Integrate global cybersecurity governance	• Conduct regular inspections at least once a year by applying common cybersecurity inspection criteria across key entities • Operate a global cybersecurity management system • Establish personal information protection systems for key entities • Conduct cybersecurity training on a regular basis

1) FILA Sustainable Product & Marketing Guidebook

Double Materiality Assessment

Double Materiality Assessment Process

Misto Group annually conducts a materiality assessment to identify key sustainability issues and establish priorities, reflecting stakeholder expectations and changes in the ESG landscape. Based on the results, we refine our strategies and continuously update key management priorities.

1 Identification of ESG Issues and Development of the Issue Pool

Analyze international disclosure and evaluation standards, industry trends, laws and regulations, and media reports to identify key ESG issues and

develop a pool of 12 issues

- Analysis of international disclosure standards and ESG rating systems
- Analysis of industry and ESG trends
- Analysis of domestic and international laws and regulations related to sustainability within the fashion industry
- Media analysis
- Review of internal management data

2 Identification of Impacts, Risks, and Opportunities

Assess the actual and potential financial, environmental, and social effects of each issue to

define positive and negative impacts, risks, and opportunities

- Identification of environmental, social, and financial impacts on various stakeholders across the value chain

3 Double Materiality Assessment

Apply stakeholder opinions and multi-faceted evaluation criteria to

assess impact and financial materiality

Impact Materiality

- Stakeholder survey (including employees, suppliers, and external experts)
- Disclosure standards and evaluation framework requirements
- Peer industry review and strategic alignment

Financial Materiality

- Key requirements from investor perspectives
- Legal and regulatory alignment
- Feedback from financial stakeholders

4 Selection of Material Issues

Integrate the results of the impact materiality and financial materiality assessments to

derive material topics

- Consolidation of impact materiality and financial materiality scores
- Development of the double materiality matrix
- Selection of Key Issues

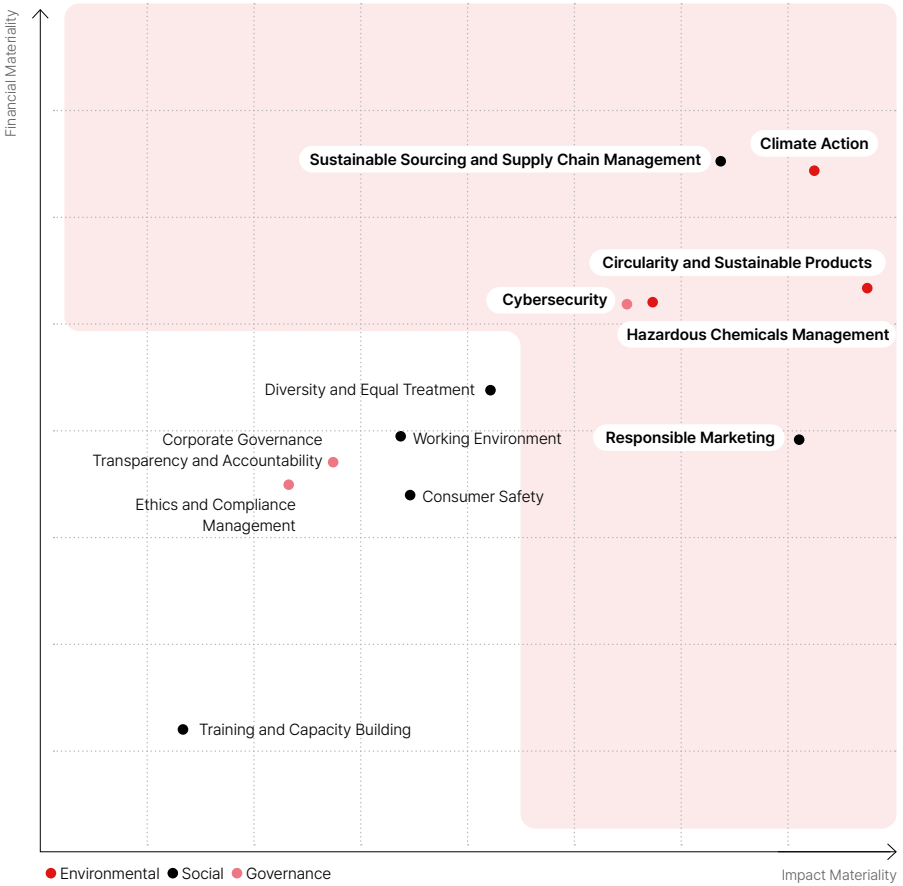
5 Review and Approval

Report the assessment results to management and the Board of Directors to

finalize the material topics

- Reporting of double materiality assessment results to the executive management and review of feedback
- Reporting of double materiality assessment results to the Board of Directors and review of feedback
- Incorporation of material topics in the sustainability strategy

Results of the Double Materiality Assessment



Severity: Critical ●●● Significant/Important ●●○ Informative ○○○

	Material Topic	Impact: Environmental/Social	Impact: Financial	GRI	Change in Rank from Previous Year	Reporting Page
1	Climate Action	●●○	●●○	305	↑2	21
2	Circularity and Sustainable Products	●●●	●●○	301 306	-	29
3	Sustainable Sourcing and Supply Chain Management	●●○	●●●	308 414	↓2	43
4	Responsible Marketing	●●○	○○○	417	↑1	55
5	Hazardous Chemicals Management	○○○	●●○	416	↓1	38
6	Cybersecurity	○○○	●●○	418	New	59

Impacts, Risks, and Opportunities by Material Topic

Material topics and their related impacts, risks, and opportunities are reported to the Board of Directors along with corresponding response measures for review. They are then linked to the sustainability strategy and reflected in company-wide business activities.

R Risk / O Opportunity / P Positive Impact / N Negative Impact

Material Topic	Impact		Impact on Business	Value Chain			Expected Timeframe			Key Stakeholder
	Environmental/ Social	Financial		Upstream	Own Operations	Downstream	Short-term	Medium-term	Long-term	
Climate Action		R	Failure to comply with climate-related regulations may result in costs associated with litigation, fines, and legal actions, which could negatively impact financial performance. In the event of regulatory violations, indirect response costs—such as strengthened management and oversight of suppliers within the supply chain, expanded external audits, and the transition to sustainable materials—may arise, leading to increased operating costs and reduced profitability.	✓	✓	✓	✓	✓	✓	Shareholders, investors, suppliers, licensees
	N		Energy consumption and GHG emissions occur throughout the business operations across the entire value chain—from raw material production, manufacturing, and logistics to product use and disposal—which may have a negative impact on climate change.							
Hazardous Chemicals Management		R	Accidents involving hazardous chemicals can result in exposure to workers and consumers as well as environmental pollution, and may lead to financial losses, such as a decline in sales, due to regulatory violations and reputational damage.	✓			✓	✓	✓	Suppliers, licensees, local communities
Circularity and Sustainable Products		O	Increasing the proportion of sustainable products enhances brand trust and image, while providing opportunities to respond to changing consumer preferences and create new demand.	✓	✓	✓	✓	✓	✓	Suppliers, licensees, customers
	P		Products made with recycled and reused materials can contribute to a more active circularity system by reducing resource consumption and waste.							
Responsible Marketing	N		Exaggerated communications regarding sustainability or the provision of inaccurate product information may lead to investigations by regulatory authorities or legal disputes. The resulting increase in response costs and reputational risks may negatively impact the company's medium- to long-term growth.		✓	✓	✓	✓	✓	Customers, shareholders, investors, local communities
Sustainable Sourcing and Supply Chain Management		O	By enhancing the multi-tiered supply chain management system, Misto Group can proactively address the expectations of investors and stakeholders, thereby contributing to increased corporate credibility and expanded opportunities for attracting investment.	✓	✓	✓	✓	✓	✓	Shareholders, investors, suppliers, licensees
	P		By ensuring traceability to enhance the transparency of supply chain management, Misto Group can improve visibility across the entire multi-tiered supply chain, thereby contributing to regulatory compliance and building consumer trust.							
			Additionally, by maintaining constant communication with suppliers to continuously monitor key supply chain issues and proactively identify and manage potential risks, Misto Group can create a positive impact by increasing the effectiveness of supply chain management.							
Cybersecurity		O	By preventing data breaches and strengthening cybersecurity systems, Misto Group can enhance the trust of customers and stakeholders, which can lead to improved brand credibility and a stable foundation for business operations.		✓	✓	✓	✓	✓	Employees, customers

Focus Issues





Scotty Cameron

21 Climate Action
29 Circularity and Sustainable Products
38 Hazardous Chemicals Management
43 Sustainable Sourcing and Supply Chain Management
55 Responsible Marketing
59 Cybersecurity

Climate Action

Governance

Climate Action Management Framework

Misto Group has established a climate action governance framework to systematically assess and address the impact of climate change on its strategy and business operations. We regularly gather climate change-related information from each entity. Based on this information, the Corporate Strategy Division at Misto Holdings identifies climate change-related risks and opportunities and formulates response strategies. Additionally, we continuously monitor domestic and international climate and ESG trends, review the potential impact of key issues on our business, and respond proactively.

Key issues are reported to the Board of Directors and incorporated into the company-wide decision-making process. Through collaboration with each business site, we identify and implement action items for climate action strategy.

Organizational Structure for Climate Action



Strategy & Risk Management

Climate Change Risk Management Process

To systematically manage the impacts of climate change on its business operations and the entire value chain, Misto Group identifies climate-related risks and opportunities based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We identify physical risks, transition risks, and opportunities associated with climate change based on various external sources, including industry trends, media analysis, peer analysis, value chain analysis, and legal and regulatory reviews, and examine the potential impacts of climate change on our core business activities. For the identified risks and opportunities, we assess their materiality by analyzing financial impact pathways, and for major risks, apply scenario analysis to assess the impact on business operations from short-, medium-, and long-term perspectives. The results of the analysis will be used as a basis for developing future climate risk response strategies and enhancing operational management. Based on this analysis, we plan to continuously enhance our understanding of climate change-related risks and opportunities, expand the scope of future analyses, and establish a more systematic management framework.

Identification of Climate Change Risks and Opportunities	Analysis of Financial Impact Pathways	Scenario Analysis and Impact Assessment	Development of Climate Risk Response Strategies	Performance Monitoring	Review of Key Climate Issues	Setting Management Direction
• Derive risks and opportunities based on industry trends, media analysis, peer analysis, and value chain analysis • Identify transition risks and opportunities arising from legal and regulatory changes	• Assess the impact of identified risks and opportunities on business operations • Analyze financial impact pathways • Select key risks and opportunities based on impact level	• Apply scenario analysis to key risks • Review business impacts from short-, medium-, and long-term perspectives	• Develop strategies to mitigate climate change risks and capitalize on opportunities • Establish KPIs and strengthen the roles of executive management and operational teams	• Compile company-wide quantitative performance data • Evaluate performance against targets and analyze results	• Report climate issues to the Board of Directors • Deliberate on and make decisions regarding key climate issues	• Develop and implement company-wide climate management strategies

Strategy & Risk Management

Main Category	Sub-category	Risk/Opportunity	Value Chain[1]	Business Model and Business Impact	Potential Financial Impacts	Timeframe[2]	Impact	Response Strategy
Physical Risks	Acute	Increased frequency and intensity of extreme weather events such as floods, typhoons, and wildfires	U O D	Product supply delays may occur due to production stoppages and logistics disruptions at major production hubs, and operational risks—such as damage to Distribution Center facilities and inventory—may escalate	1) Increased operating costs: Additional costs to secure replacement inventory and increased cost of goods sold due to the use of alternative logistics methods 2) Costs associated with asset damage and inventory loss: Costs incurred from inventory write-offs and recognition of asset impairment due to damage to Distribution Center facilities and inventory assets	Medium and long term	Medium	**Diversify supply chain and establish a disaster response system** ・Address supply disruption risks through supply chain diversification and strategic inventory management, while strengthening facility inspections and disaster response systems
	Chronic	Changing weather patterns and intensifying extreme weather (precipitation variability, heat waves, droughts, etc.)	U O	If increased weather volatility and intensified heatwaves and droughts lead to disruptions in raw material production and a deterioration of the logistics environment, this could result in supply delays, reduced supply stability, and delays in logistics processing	1) Increased product costs: Product costs rise due to reduced raw material production and rising raw material prices resulting from the deployment of additional personnel 2) Increased labor costs: Labor costs will rise as additional personnel are required to handle the volume of work due to the introduction of mandatory rest periods during heatwaves	Medium and long term	Medium	**Diversify supply chain and enhance logistics operational resilience** ・Minimize operational disruptions by diversifying the supply chain to address fluctuations in raw material supply, streamlining logistics, and improving the work environment ・Support initiatives to strengthen supply chain resilience
		Rising average temperatures	U O D	If average temperatures continue to rise, supply instability and increased inventory burdens may occur due to reduced raw material productivity and decreased demand for seasonal products	1) Increased product costs: Product costs rise due to price increases resulting from reduced raw material supply 2) Decrease in sales and increased inventory management costs: Sales decline and increased inventory management costs due to errors in demand forecasting caused by rising average temperatures	Short, medium, and long term	Medium	**Enhance demand response and inventory management systems** ・To address demand volatility caused by climate change, mitigate demand volatility and inventory burdens through data-driven demand forecasting and inventory optimization
Transition Risks	Legal· Regulation	Strengthening of policies·regulations, and disclosure·reporting obligations related to GHG emissions	U O D	As regulations and disclosure/reporting obligations related to GHG emissions tighten, requirements for carbon reductions across the supply chain are increasing. This may increase suppliers' cost burden as well as the burden of internal data management and compliance with disclosure requirements	1) Increased product costs: Product costs rise due to higher supply prices resulting from increased costs for suppliers (e.g., costs associated with regulatory violations) 2) Increased operating costs: Higher costs for system implementation and operation associated with establishing an emissions data management system, as well as additional costs incurred for verification and disclosure compliance	Medium and long term	Medium	**Establish a group-wide carbon and disclosure management system** ・Strengthen global regulatory monitoring and advance the emissions data management system ・Enhance data management standards and strengthen climate response capabilities and resilience across the supply chain through the integrated management of supply chain and environmental risks
	Technology	Growing demand for low-carbon processes and energy transition	U O D	Growing demand for low-carbon processes and energy transition may require facility investment and energy conversion across the value chain, potentially increasing the operating cost burden on directly operated sites and suppliers	1) Increase in operating costs: Higher energy costs and operating expenses related to the low-carbon transition at directly operated sites. 2) Increase in product costs: Product costs may increase due to higher unit prices resulting from increased costs incurred by suppliers	Medium and long term	High	**Manage energy use at business sites and strengthen suppliers' environmental management capabilities** ・Strengthen energy transition readiness at directly operated sites by monitoring energy consumption and costs and reviewing opportunities to improve energy efficiency ・Systematically manage and improve suppliers' environmental management performance by providing environmental training, sharing best practices, and monitoring the submission and results of assessment indicators such as Higg FEM[3] ・Promote the transition to renewable energy and establish a supply chain environmental data management system by advancing the supplier ESG management framework and enhancing supply chain traceability
	Market	Increasing consumer demand for low-carbon, sustainable products and sustainable materials	U O D	As demand for sustainable products and materials increases, a transition in products and materials is required; however, this transition may increase operational burdens and lead to a decline in demand for existing products	1) Decline in sales: Decline in sales due to reduced demand for existing products 2) Inventory valuation losses and discount costs: Discount sales and inventory valuation losses resulting from increased inventory	Medium and long term	High	**Enhance sustainable product and material strategies** ・Manage transition risks and strengthen competitiveness by expanding the use of sustainable materials and reorganizing the product portfolio
	Reputation	Increasing stakeholder expectations regarding climate action and ESG performance	U O D	As expectations regarding climate action and ESG performance rise, inadequate responses may lead to diminished brand trust and reputational risks	1) Decline in sales: Sales decline due to customer churn resulting from inadequate ESG response 2) Increased marketing and management costs: Higher costs for marketing and brand management to restore brand trust	Short, medium, and long term	High	**Advance sustainable product and material strategies** ・Strengthen group-wide climate response governance and disclosure systems, and enhance capabilities for managing disclosure data and engaging with stakeholders by upgrading the ESG data platform and disclosure management system
Opportunities	Market and Products	Growing consumer demand and market expansion for sustainable products	U O D	As demand for sustainable products grows, the revenue base can be broadened by strengthening product competitiveness and expanding opportunities to enter new markets	1) Revenue growth: Revenue growth driven by increased sales of sustainable products, expanded market share, entry into new markets, and customer base expansion	Medium and long term	Medium	**Pursue a growth strategy centered on sustainable products** ・Secure a foundation for revenue growth by expanding the sustainable product lineup and entering new markets, while systematically managing the sustainable product portfolio to reinforce mid- to long-term growth drivers

1) U O D U: Upstream, O: Own Operations, D: Downstream 2) Timeframe – Short-term: within 1 year, Medium-term: within 1-5 years, Long-term: 5 years or more
3) Higg Facility Environmental Module: A global assessment tool developed to evaluate sustainability in the fashion and textile industry supply chain

Strategy & Risk Management

Physical Risk Scenario Analysis Results

In 2026, a physical risk analysis was conducted using the IPCC[1] AR6-based SSP[2]1-2.6, SSP2-4.5, and SSP5-8.5 scenarios to assess the potential impacts of key physical risks arising from climate change on directly operated sites. The analysis focused on the Icheon Distribution Center, which is leased and operated by Misto Korea. As of the end of 2025, the distribution center held assets equivalent to 99% of the book value of Misto Korea's machinery and equipment, as well as 72% of its total inventory. Accordingly, it was identified as a key site requiring an assessment of the potential impacts of physical risks.

Applied Scenarios	
SSP1-2.6	A low-carbon scenario based on sustainable development pathways, with a radiative forcing level of 2.6 W/m² by 2100
SSP2-4.5	A scenario reflecting moderate greenhouse gas reduction policies, with a radiative forcing of 4.5 W/m² by 2100
SSP5-8.5	A high-emission scenario centered on fossil fuels, with a radiative forcing of 8.5 W/m² by 2100
Analysis Method	
Physical risk analysis based on Jupiter Intelligence	

The analysis assessed potential losses of machinery and equipment and inventory assets under each scenario for acute physical risk factors, including floods, typhoons, and wildfires. The analysis found that the potential financial impacts of physical risks on the Icheon Distribution Center were generally low under the applied scenarios. No significant financial impacts were identified for flood risks, and the potential impacts of typhoons and wildfires were also assessed as low. Going forward, the Group plans to gradually expand the scope of sites and physical risk factors covered by the analysis, assess the potential impacts of climate change more comprehensively, and continuously enhance response measures to ensure the operational stability of key sites based on the analysis results.

1) Intergovernmental Panel on Climate Change
2) Shared Socioeconomic Pathways
3) Network for Greening the Financial System
4) Nationally Determined Contribution

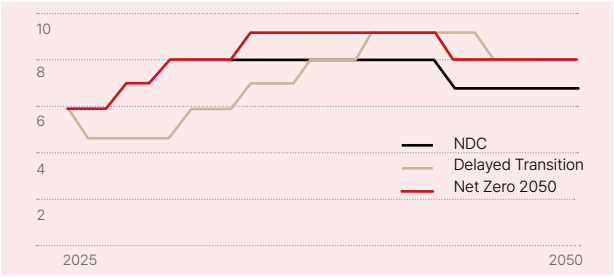
● Low ● Very Low

Physical Risk Factor	Criteria	Impact Levels by Applied Scenario								
		SSP1-2.6			SSP2-4.5			SSP5-8.5		
		Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Floods	Annual average expected loss amount relative to asset value	●	●	●	●	●	●	●	●	●
Typhoons		●	●	●	●	●	●	●	●	●
Wildfires		●	●	●	●	●	●	●	●	●

Transition Risk Scenario Analysis Results

Misto Group conducted an NGFS[3] scenario-based transition risk analysis to assess the impact of rising electricity prices on the operating costs of domestic sites. The analysis covered domestic directly operated sites used by Misto Holdings and Misto Korea, and estimated potential financial impacts over the short, medium, and long term based on the assumption that base-year electricity consumption would remain unchanged through 2050. We will continue to monitor electricity prices and consumption, and respond to related risks through energy efficiency improvements.

Estimated Annual Electricity Costs (Unit: KRW 100 million)



Applied Scenarios	
NDC[4]	A scenario in which emissions are gradually reduced based on current country-level reduction targets and policy implementation
Delayed Transition	A scenario in which climate policy action is delayed and followed by rapid emissions reductions
Net Zero 2050	A scenario in which strong emissions reduction policies and technological transitions are implemented to achieve carbon neutrality by 2050

Strategy

Climate Action Activities

External Collaboration for Climate Action

As a member of the United Nations Global Compact, Misto Group adheres to the 10 principles across the four key areas of human rights, labor, environment, and anti-corruption, and incorporates these into all aspects of its management to promote sustainable business practices. In particular, we have integrated the environmental principles into our environmental management system to continuously improve environmental performance, including climate action.

Since 2024, Misto Holdings has participated annually in the Climate Ambition Accelerator (CAA) program, an initiative based on the Science Based Targets initiative (SBTi).

Through this program, the company has participated in online learning, expert training, and workshops to enhance its understanding of GHG emissions reduction target-setting and implementation strategies, and reviewed climate action measures applicable to its operations and supply chain. The program also provided opportunities to assess the company's practical applicability by examining various domestic and international corporate cases and to strengthen its capabilities.

Misto Holdings plans to continue enhancing its climate action framework by participating in relevant programs and strengthening internal capabilities.

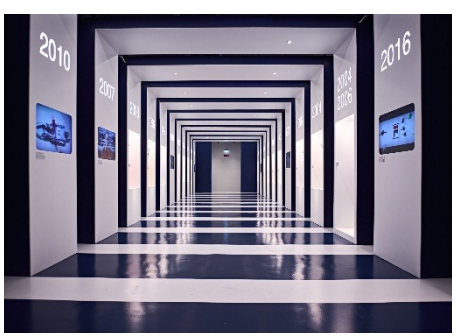
Low-Carbon Transition of FILA Brand Experience Center

In 2025, Misto Italy acquired and renovated the historic Biella building where FILA was founded and operated from 1923 to 2004, transforming it into a museum, archive, and brand experience space. The facility was designed to preserve the building's historical value while improving energy efficiency and reducing GHG emissions. Direct emissions during operation were minimized by enhancing the insulation performance of the roof, exterior walls, and windows, and by implementing electric lighting and HVAC systems. Additionally, a solar power generation system is expected to produce approximately 289MWh of electricity annually. The system began operating in March 2026, and its performance will be continuously monitored based on actual operational data.

2025 CAA Graduation Ceremony



The Reopened FILA Brand Experience Center



Installation of Solar Panels



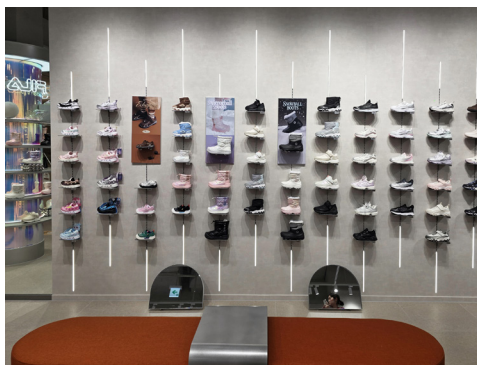
Strategy

Climate Action Activities

Conversion to LED Lighting in Stores

To improve energy efficiency in store operations, Misto Korea has converted the lighting across all FILA, FILA Kids, and FILA Underwear stores to high-efficiency LED lighting. By replacing existing lighting with low-power, high-efficiency LED lighting, Misto Korea reduces electricity consumption while maintaining the same level of illumination. LED lighting has been installed throughout the stores, including main ceiling lights, indirect lighting, accent lighting, and display lighting. This has improved energy efficiency across the stores while also enhancing the overall store environment for customers.

FILA Starfield Paju Unjeong Store



FILA Starfield Paju Unjeong Store



FILA Underwear Starfield Goyang Store



FILA Gyeongsan Store



Misto Korea ISO 14001 Certificate



Establishment of an Environmental Management System

In 2025, Misto Korea established an environmental management system and obtained ISO 14001 certification for its Icheon Distribution Center, which accounts for a high proportion of GHG emissions from its own operations.

Through the establishment of the environmental management system, the company identified environmental risk factors and assessed their significance. Based on this, it established management procedures for key environmental factors such as GHG emissions, hazardous chemicals, waste, and environmental impacts. Additionally, Misto Korea established a foundation for environmental management by implementing systems for regulatory compliance assessment, internal audits, setting environmental objectives, and monitoring and performance evaluation.

Strategy

Climate Action Activities

Employee Participation-Based Climate Action Campaign

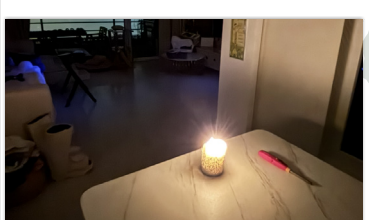
Misto Group runs various participatory climate action campaigns to raise employee awareness of climate change and foster a culture of sustainable practices. All entities of Misto Group participated in Earth Hour, a global environmental campaign organized by the World Wide Fund for Nature (WWF), in March 2026. This was the first global joint campaign in which all Misto Group entities, both domestic and international, participated, and it was carried out based on the participation of each business site and its employees. In particular, we received a participation certificate from WWF, thereby gaining external recognition of our official participation in the global environmental campaign. Through this initiative, we shared the importance of addressing climate change and raised employee awareness regarding energy conservation and environmental protection in daily life.

To mark the 55th anniversary of Earth Day in 2025, Misto Holdings and Misto Korea conducted a nighttime lights-out campaign across all floors of the headquarters in Bomun-dong, Seoul. The campaign took place for approximately 10 minutes on April 22, 2025, and was carried out based on the voluntary participation of employees. Lighting that is normally kept on at night for security and product display purposes were turned off during the campaign. Analysis of the campaign's results showed that electricity consumption during the lights-out period was reduced by more than 30% compared to the same time on weekdays during the week prior to the event. This confirmed that even a short employee engagement activity can generate tangible energy savings while raising employees' awareness of environmental protection. We plan to continue expanding various participatory activities aimed at addressing climate change and protecting the environment.

Misto Group Participation in Earth Hour

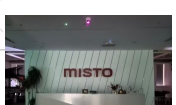


2026 Earth Hour Participation Certificate



Employee Participation in Earth Hour









Luxembourg
Italy
Korea
Shanghai
Quanzhou
Malaysia

Earth Day Lights-out Campaign



Target/Metrics

Climate Action Targets & Metrics

GHG Inventory Management

Since 2020, Misto Group has systematically managed emissions data by establishing and operating its own GHG inventory. In 2025, we expanded the scope of its Scope 3 GHG emissions calculation. To enhance the consistency of GHG emissions data and improve management efficiency, we have introduced an ESG data collection platform and are advancing our data management systems across global sites and the supply chain. Through these efforts, we plan to standardize our data collection and verification processes while continuously strengthening its mid- to long-term reduction strategies and implementation framework based on more reliable emissions data.

2020
- Establishment and operation of an internal GHG inventory

2022
- Voluntary verification by a third-party verification body
- First-time disclosure of Scope 3 emissions

2024
- Calculation of Scope 1 and Scope 2 GHG emissions for all business sites[1] included in the reporting scope

2025-
- Expansion of Scope 3 GHG emissions calculation coverage
- Introduction of an ESG data collection platform

	Category	Description
1	Purchased Goods and Services	Includes GHG emissions generated during the product manufacturing processes of Tier 1 suppliers
2	Capital Goods	Includes GHG emissions associated with capital goods, such as tangible assets and equipment acquired for business operations
3	Fuel- and Energy-Related Activities	Includes GHG emissions generated from the production and supply of fuels and energy not already included in Scope 1 and Scope 2
4	Upstream Transportation and Distribution	Includes GHG emissions generated from the transportation of raw materials and products
5	Waste Generated in Operations	Includes GHG emissions generated during the treatment and disposal of waste arising from business operations
6	Business Travel	Includes GHG emissions generated from employees' business travel
7	Employee Commuting	Includes GHG emissions generated from employees' commuting activities

	Category	Description
8	Upstream Leased Assets	Includes GHG emissions generated from the leased operation of stores in department stores and shopping malls
9	Downstream Transportation and Distribution	Includes GHG emissions generated from distribution center operations and the distribution and delivery of products after sale
10	Processing of Sold Products	Excluded from calculation as it is not applicable to Misto Group's business activities
11	Use of Sold Products	Excluded from calculation as it is not applicable to Misto Group's business activities
12	End-of-Life Treatment of Sold Products	Excluded from calculation because securing reliable data is difficult due to country-specific waste and recycling systems and consumer disposal and treatment practices
13	Downstream Leased Assets	Excluded from calculation as it is not applicable to Misto Group's business activities
14	Franchises	Excluded from calculation due to limited reliability and consistency of activity data from individually operated franchise stores
15	Investments	Excluded from calculation as it is not applicable to Misto Group's business activities

1) Misto Shanghai's energy consumption is included in the energy use of Lombardia and Mantova, which share the same office space

Target/Metrics

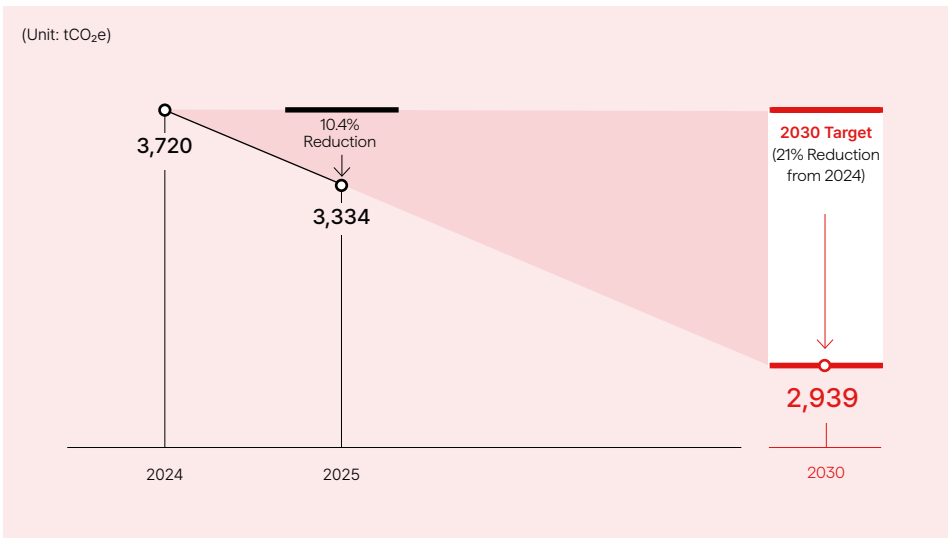
GHG Emissions Reduction Targets

To address climate change and reduce GHG emissions, Misto Group has set reduction targets for Scope 1 and Scope 2 emissions and monitors progress toward achieving these targets. Using 2024 as the base year, Misto Group aims to reduce its Scope 1 and Scope 2 GHG emissions by 21% by 2030.

As Misto Group operates a business model centered on global offices and brand operations rather than manufacturing, its Scope 1 and Scope 2 GHG emissions remain limited. Accordingly, the Group is pursuing practical and actionable reduction strategies focused on improving operational efficiency, transitioning to renewable energy, and strengthening energy management across global sites. Misto Group's Scope 1 and Scope 2 GHG emissions reduction target is broken down into entity-level targets, and is implemented and managed accordingly.

In 2025, Scope 1 and Scope 2 GHG emissions decreased from the base year, supported by improvements in electricity-use efficiency, demonstrating initial progress toward the 2030 reduction target. Misto Group will continue to monitor emissions trends and manage progress against its target.

Scope 1 and Scope 2 GHG Emissions and Reduction Target





Titleist

Circularity and Sustainable Products

Governance

Circularity and Sustainable Products Management System

The circularity and sustainable product management system of Misto Group is operated primarily by the Sustainability Team under the Corporate Strategy Division of Misto Holdings. The Misto Holdings Sustainability Team establishes mid- to long-term strategies and strategic directions related to circularity, regularly monitors Misto Korea's implementation progress, and manages performance.

Misto Korea carries out circularity activities by organizing implementation teams for each major business area, including sales and marketing, planning and production, and support functions. By driving initiatives based on their respective functional roles, these teams strengthen the company-wide execution of circularity initiatives.

Organizational Structure for Circularity and Sustainable Products Management



Strategy

Sustainable Product and Marketing Guidebook

Misto Holdings has developed and implemented the 「FILA Sustainable Product and Marketing Guidebook」 to establish clear internal standards for sustainable products and to communicate accurate, transparent information to external stakeholders. This guidebook aims to provide clear standards regarding sustainable products and marketing to employees and FILA brand licensees, while ensuring consistency in the global brand identity.

Since 2024, Misto Korea has been launching products that meet the FILA Re:Deuce[1] standards, which align with the "Sustainable Product Standards" outlined in the guidebook. Reflecting improvements identified during operations, the second guidebook was published in April 2025, and in September 2025, internal discussions were held to identify further improvements and strengthen the FILA Re:Deuce standards. Through communication with relevant departments for each product category—including apparel, footwear, accessories, and underwear—the company identified operational challenges. It jointly discussed improvements such as refining standards to better account for category-specific characteristics, expanding the application of sustainability certifications, and strengthening the verification system. Furthermore, taking global regulations and market trends into account, the company is reviewing factors such as product durability and recyclability/reusability as part of the ongoing process to refine the standards. Based on this, Misto Holdings plans to enhance the clarity and operational framework of the FILA Re:Deuce standards and publish the third guidebook in the second half of 2026.

1) The FILA Sustainability Initiative, designed to reduce negative impacts on the environment and society through the use of sustainable materials and the provision of accurate information

Four Key Standards of the FILA SPMG

Sustainable Product Standard	Sustainability Communications Standard	Product Safety Standard	Social Ethics Standard
Aimed at responsibly introducing sustainable products to consumers and promoting conscious, value-driven consumption	Designed to prevent greenwashing and ensure accurate, transparent communication with consumers	Ensuring the delivery of safe, trustworthy products that consumers can rely on	Seeking to avoid practices that violate ethical or social standards and fostering sustainable growth

Strategy

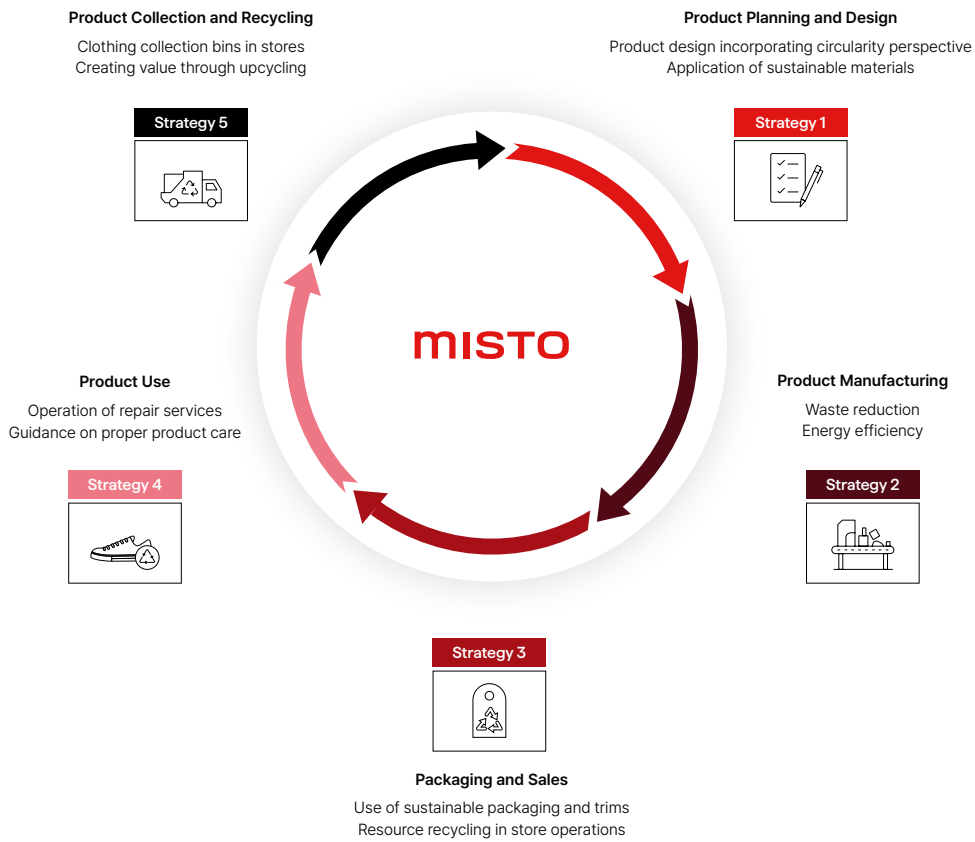
Sustainable Procurement Principles

Misto Group applies environmentally responsible procurement principles across the entire life cycle of products and services to reduce the environmental impacts arising from procurement activities and promote circularity. From raw material sourcing to manufacturing, distribution, use, and disposal, we comprehensively consider factors such as resource and energy conservation, GHG emissions reduction, and recyclability. We also incorporate internationally recognized third-party certifications, including GRS[1)], RCS[2)], GOTS[3)], FSC[4)], and ISCC PLUS[5)], as well as country-specific environmental certifications, into our procurement review criteria. In addition, we share these principles with our suppliers to promote the adoption of sustainable production and procurement practices throughout the supply chain.

Product Circular Economy Strategy

Misto Group is transitioning the entire process—from product planning to production, packaging, sales, consumption, recovery, and recycling—to a circular model in order to minimize negative environmental impacts across the entire value chain. In particular, considering increasingly stringent global regulations and market requirements—such as the EU's Ecodesign for Sustainable Products Regulation (ESPR) and Packaging and Packaging Waste Regulation (PPWR)—we are pursuing activities to reduce environmental impacts at every stage of the product lifecycle and establish a circularity system.

Misto Group Product Circular Economy System



1) Global Recycled Standard
2) Recycled Claim Standard
3) Global Organic Textile Standard
4) Forest Stewardship Council
5) International Sustainability and Carbon Certification PLUS

Strategy

Strategy 1 Product Planning and Design

Sustainable Product Design

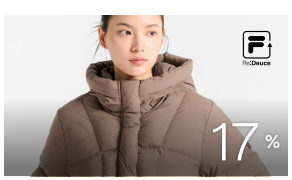
FILA Re:Deuce

Misto Korea is committed to designing products that minimize resource use and reduce environmental impact from the planning and design stages, and as part of this strategy, the company operates the “FILA Re:Deuce” initiative. FILA Re:Deuce is a portmanteau of the English word “Reduce” and the sports term “Deuce”, symbolizing its efforts to minimize the negative environmental and social impacts of its products and marketing. A product is recognized as a FILA Re:Deuce product only if it contains a certain minimum percentage of sustainable materials, such as recycled materials, organic materials, and responsibly sourced materials.

FILA Re:Deuce Products by Category

Apparel

In 2025, approximately 17% of Misto Korea’s apparel consists of FILA Re:Deuce products, representing an increase of about 3%p compared to the previous year. During the Spring/Summer (SS) season, the company expanded the use of recycled materials alongside plant-based materials derived from corn. For the Fall/Winter (FW) season, the lineup was dominated by down products certified under the Responsible Down Standard (RDS), which complies with animal welfare standards, and padded products using fillings made from recycled PET bottles.



Footwear

Misto Korea continues to pursue research and development to simultaneously meet the sustainability, quality, and performance requirements of footwear. Since introducing the “MONDO FORZA” performance tennis shoe—the first to meet the FILA Re:Deuce requirements in 2023—the company has been expanding the use of sustainable materials. As of 2025, approximately 7% of Misto Korea's footwear products consist of FILA Re:Deuce items, maintaining a level similar to the previous year.



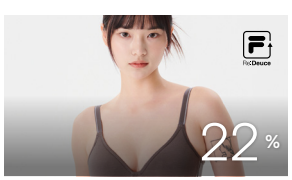
Accessories

Accessories encompass a wide range of product types, which Misto Korea classifies into bags, hats, and others (such as socks). In 2025, approximately 22% of all accessories were FILA Re:Deuce products, representing an increase of approximately 9%p compared to the previous year. Among FILA Re:Deuce accessories, bags accounted for the largest share. Recycled polyester made from yarn derived from post-consumer PET bottles was used as the lining material for bags. Misto Korea plans to expand the use of sustainable materials across accessories such as hats and socks.



Underwear

In 2025, approximately 22% of all underwear products were FILA Re:Deuce products, representing an increase of about 6%p compared to the previous year. Notably, plant-based regenerated fibers and materials made from recycled PET bottles were used.



Expansion of FILA Re:Deuce Products

In 2025, Misto Korea incorporated the FILA Re:Deuce standards into its product planning and development processes to expand the use of sustainable materials. The proportion of FILA Re:Deuce products reached 18% in 2025, a 5%p increase from the previous year. The expansion of FILA Re:Deuce products has been established as a key KPI, and through this initiative, the company is actively promoting resource reduction and the transition to sustainable materials at the product design stage.

Strategy

Strategy 1 Product Planning and Design

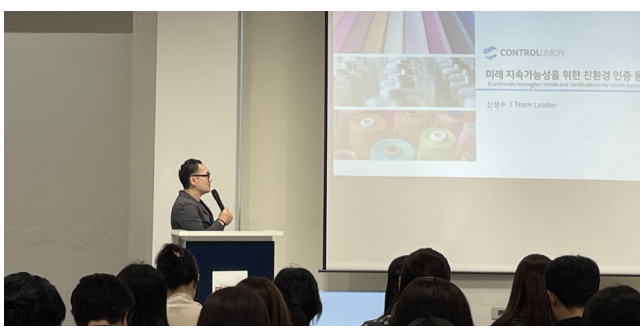
Sustainable Material Management

Training on Sustainable Fiber Certification Management

In November 2025, Misto Holdings invited a third-party certification body to conduct internal training to enhance understanding of sustainable materials and certification systems and to improve its raw material management system. The training was a proactive initiative among domestic fashion brands. It was conducted for employees in the planning, merchandising, and sourcing departments of Misto Holdings and Misto Korea who are responsible for sustainable products. The training covered key practical management items, such as evaluation criteria for suppliers to obtain sustainable textiles certification, certification management, and the role of recycled materials and recyclability in promoting resource circularity and reducing waste. Through the training, the Group reviewed the management system for the sustainable material sourcing process and strengthened practical capabilities.

Training to Strengthen Sustainable Textile Certification Management Capabilities





Responsible Cotton Use

Misto Group recognizes the potential environmental impacts and labor & human rights risks associated with the production of cotton products, and has established and operates management standards for the responsible use of cotton. We prohibit the use of cotton produced in regions with a high risk of human rights violations, such as forced labor and child labor, and require suppliers to submit traceability verification documents confirming the origin of the cotton. Moving forward, we plan to strictly manage our standards for responsible cotton use to reduce negative environmental and social impacts and continue to strengthen our sustainable cotton procurement system.

Strategy 2 Product Manufacturing

Management of Environmental Impacts in the Supply Chain

To minimize the environmental impact arising at the product manufacturing stage, Misto Group monitors the environmental management status of its suppliers and provides support in areas requiring improvement. We conduct surveys of our suppliers to assess their environmental management status, identify risks related to key environmental factors such as GHG emissions, energy consumption, and waste generation. Based on these results, we establish and implement improvement measures, including environmental training and the distribution of Supplier Sustainability Best Practice Guidelines. Starting in 2026, we plan to recommend the use of Higg FEM (Facility Environmental Module), an environmental performance assessment tool used in the global fashion industry, to evaluate environmental management performance across our supply chain on a more standardized and consistent basis and improve the environmental management standards of our suppliers.

Detailed activities regarding the management of environmental impacts in the supply chain at the product manufacturing stage can be found in the *Sustainable Sourcing and Supply Chain Management section*.



FILA

Strategy

Strategy 3 **Packaging and Sales**

Use of Sustainable Packaging Materials and Trims

Misto Korea prioritizes the use of recycled materials and recyclability when purchasing packaging materials and trims. For paper-based materials, Misto Korea evaluates whether its suppliers hold FSC (Forest Stewardship Council) certification and uses only FSC-certified materials, thereby procuring raw materials derived from sustainably managed forest resources. FSC certification is an international certification system that certifies the use of raw materials produced from forests managed in an environmentally and socially responsible manner.

Packaging Materials

Misto Korea is expanding the use of sustainable materials, such as recycled materials, across all packaging materials used for its products. In 2025, Misto Korea applied 100% FSC-certified paper to all newly ordered paper packaging materials, including B2B and B2C shipping boxes and shopping bags. Additionally, to minimize the use of unnecessary materials and unused space during the packaging process, Misto Korea introduced new box sizes for shipments of innerwear items, such as socks and underwear, and single-item orders, thereby improving packaging efficiency. Furthermore, since 2023, all polybags used for clothing packaging have been made with 50% recycled material.

Sustainable Material Usage[1] in Packaging Materials[2] for 2025

Category	Unit	Paper Packaging (Boxes, Shopping Bags)	Plastic Packaging (Polybags)
Total Weight of Sustainable Materials	Ton	2,100.7	24.1
Percentage of Sustainable Materials Used[3]	%	68	50

1) Calculated based on order volume
2) Scope of packaging materials: Misto Korea's shipping boxes, shopping bags, polybags
3) For paper packaging materials, calculation is based on the FSC-certified percentage; for plastic packaging materials, it is based on the recycled material content

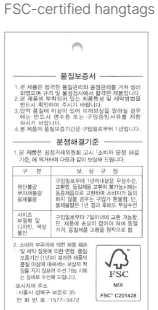
FSC-Certified Shipping Boxes



Polybags Made from Recycled Materials



FSC-certified hangtags



Trims

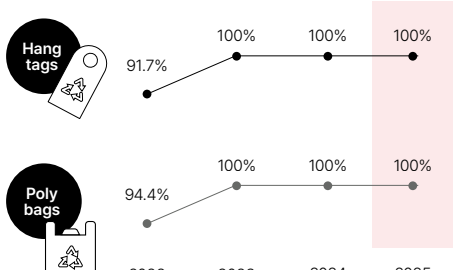
Misto Korea is committed to using sustainable materials for trims. To this end, Misto Korea uses 100% FSC-certified paper for apparel hangtags provided to consumers. Moving forward, the company plans to expand the use of sustainable materials to various other trims, including tissue paper and swift tags.

Sustainable Material Usage in Trims[1] for 2025

Category	Unit	Paper Trims (Hangtag)
Total Weight of Sustainable Materials	Ton	18.0
Percentage of Sustainable Materials Used[2]	%	100

1) Scope of trims: Misto Korea's apparel hangtags
2) Calculated based on FSC certification rate

Annual Conversion Rate to Sustainable Materials



Strategy

Strategy 3 **Packaging and Sales**

Circularity in Store Operations

Resource Recycling During New Store Construction

Misto Korea is implementing various initiatives to minimize waste generated during store operations. When establishing new stores, the company reuses existing structures at the site to reduce demolition waste and the use of new materials. Additionally, Misto Korea collects and reuses fixtures, such as display shelves and hangers, from closed stores.

Recycling of Existing Structures in New Stores



*FILA Bucheon Store

Reuse of Discarded Fixtures



Application of Sustainable Materials to In-store Displays

Misto Korea is incorporating sustainable materials into various in-store displays and display elements. The company has created a footwear display fixture called the “Shoe Display Riser” using recycled materials, and uses display trays and hanger signs made from recycled fiber. Additionally, some of the hangers at stores are made from materials that have obtained Green Certification and Environmental Product Declaration (EPD) certification. For in-store displays, the company uses FSC-certified paper panels and unbleached cotton banners that have not undergone fluorescent treatment or bleaching processes, striving to minimize environmental impact even in the visual merchandising process.

Hangers with Green Certification and Environmental Product Declaration (EPD)



* Display elements and fixtures may vary by store.

Banners Made from Unbleached Cotton Fabric



Hanger Sign Made from Recycled Panels



“Shoe Display Riser” Made from Recycled Materials



Strategy

Strategy 4 Product Use

Efforts to Extend Product Lifespan

Repair Service Operations

Misto Korea operates a systematic after-sales service program to minimize environmental impacts that may arise during the product use stage and to extend the product lifespan. The company provides repair guidebooks to store staff to help them provide consumers with guidance on appropriate repair services. Additionally, it provides information on repair and after-sales service for products purchased through the official FILA online store. Through these efforts, Misto Korea prevents the disposal of products and promotes the extension of their lifespan through repairs.

Guidance on Proper Product Care

To support the long-term use of products, Misto Korea provides a “Usage and Care Guide” link on each product page of its website. This link offers detailed information necessary for product care, including washing instructions, storage precautions, material characteristics, and after-sales service standards for each product. In addition, Misto Korea creates informational materials summarizing care methods and washing tips for specific products and materials, shares them with store staff, and uses them to support customer interactions. This ensures that proper product care methods are consistently communicated at stores. Through these activities, Misto Korea supports the maintenance of product quality and the extension of product lifespan.

Strategy 5 Product Collection and Recycling

“Return to Care” Campaign

The “Return to Care” campaign is Misto Korea’s flagship circularity initiative, launched in 2023 to reduce textile waste and extend product lifecycles. Through clothing collection and donation of unsold products, Misto Korea is expanding the circular use of products and contributing to the establishment of a circularity system.

Clothing Collection via “Return to Care” Collection Bins

Misto Korea is establishing a circular resource system by collecting clothing destined for disposal from consumers through FILA brand stores, upcycling it, and donating it to local communities. In 2025, collection bins were installed at 10 FILA stores nationwide to collect clothing on an ongoing basis. Moving forward, Misto Korea plans to further strengthen this circular resource system by developing upcycled products and conducting donation activities using the collected clothing.

“Return to Care” Collection Bins Installed at FILA Stores



Impact Initiative through the “Return to Care” Bazaar

Misto Korea is pursuing impact initiatives based on circularity through the donation of surplus inventory, going beyond clothing collection activities. In April 2026, Misto Korea participated in the “Charity Bazaar” in partnership with the Giving Plus Foundation, donating approximately 5,500 kg of products. The donated products will extend their useful life and increase resource utilization through sales, while the proceeds will be used to support vulnerable women. Misto Korea plans to continue expanding its circularity activities that extend the useful life of products and create social value.



Misto Korea’s Participation in “Charity Bazaar”



Strategy

Strategy 5

Product Collection and Recycling

Support for Footwear Upcycling Education

In April 2025, Misto Korea donated around 300 pairs of sneakers that were deemed unsuitable for sale under quality control standards to the School of Fashion & Beauty Style at ChungKang College of Cultural Industries, enabling them to be used as practical upcycling teaching materials. This initiative was launched to support the creative research and development activities of university students aspiring to become fashion designers and to provide them with practical upcycling experience.

These sneakers were utilized in the students' upcycling practical projects and were transformed into new products through various reinterpretation processes. This initiative expanded the value of resources that might otherwise have been discarded and helped spread the practice of upcycling.

Discarded Sneaker Upcycling Workshop



Misto Group Waste Management

Misto Group Waste Management System

Textile waste is typically landfilled or incinerated, which can cause various environmental problems such as soil and groundwater contamination and the release of hazardous substances. To minimize these environmental impacts, Misto Group strictly complies with waste-related regulations in each country where its entities and business sites are located, including Korea, and entrusts the disposal of generated waste to licensed external waste treatment companies in accordance with relevant laws and regulations. In particular, Misto Korea manages the entire waste management process transparently and thoroughly by integrating with Korea's official "Allbaro" waste tracking system.

Waste Reduction Activities at Misto Korea Distribution Center

Waste-to-Energy Recovery

Misto Korea has improved its disposal method for inventory products stored at the Icheon Distribution Center for a certain period, which were previously incinerated. Starting in 2023, instead of simply incinerating waste, Misto Korea uses the waste to generate electricity at a combined heat and power plant. In doing so, the company is contributing to circularity by recovering energy.

Cardboard Box Recycling

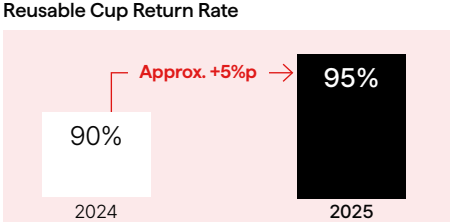
Since 2018, the Icheon Distribution Center has established a virtuous cycle that generates revenue by fully recycling all waste cardboard boxes from its transportation operations. In 2025, the recycling of waste cardboard boxes reduced waste generation by approximately 167 tons and avoided approximately 88 tons of GHG emissions that would otherwise have been generated through incineration.

Misto Holdings Waste Reduction Campaign

Reusable Cup Circulation Program

Misto Holdings operates a reusable cup circulation program with employee participation to reduce waste generation and expand circularity. The company introduced reusable cups at its in-house cafe and installed dedicated return bins on every floor of the office building, creating a system to return and reuse the cups. As a result, it has achieved a return rate of approximately 95% for reusable cups in 2025. This represents an increase of about 5%p compared to 2024 and reflects the gradual integration of circularity practices into employees' daily routines. Misto Group is making continuous efforts to reduce not only textile waste but also waste generated across all aspects of corporate operations.

Reusable Cup Return Rate



Risk Management

Circularity and Sustainable Products Risk Management

Misto Group has established a risk management process and operates it on a company-wide basis to systematically manage risks that may arise in the areas of circularity and sustainable product management. Through risk management procedures—ranging from the identification and assessment of potential risk factors to the formulation of response strategies and follow-up monitoring—we aim to prevent and manage potential risks that could affect our overall business operations.

Risk Identification	Risk Assessment	Strategy Development and Implementation	Monitoring and Evaluation
By regularly monitoring global policy and regulatory trends related to circularity and sustainable products, such as ESPR[1], DPP[2], PPWR[3], we identify potential risks and opportunities throughout the entire product lifecycle—from raw material procurement to product design, production, distribution, use, and disposal.	Identified risks and opportunities are prioritized based on a comprehensive assessment of factors such as business impact, strategic importance, and technical and operational feasibility. The results are then reflected in the development of strategies related to circularity and sustainable products.	To address identified risks and opportunities, Misto Group establishes and implements strategies such as expanding sustainable products and services that consider recyclability, reusability, durability, and repairability; transitioning packaging materials and trims toward sustainability; promoting upcycling activities; and operating collection and reuse programs.	The implementation status and key outcomes of circularity and sustainable product management strategies are reviewed regularly. Performance is monitored based on key indicators such as reductions in waste generation, reuse and recycling results, and the scope of application of sustainable products. The findings are reflected in future strategy development to support continuous improvement.

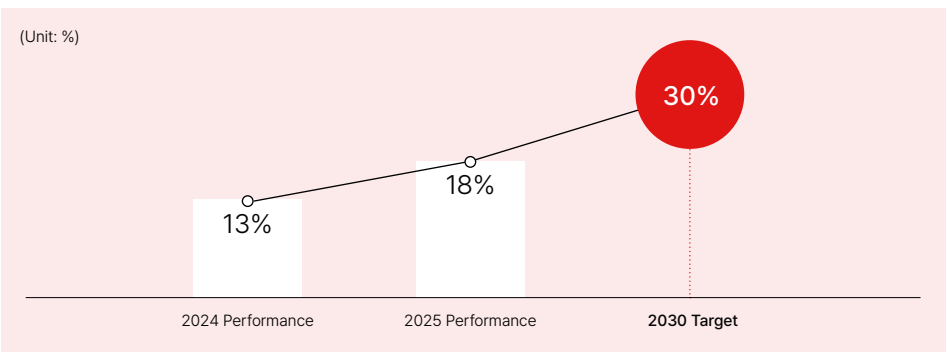
1) Ecodesign for Sustainable Products Regulation
2) Digital Product Passport
3) Packaging and Packaging Waste Regulation

Target/Metrics

Circularity and Sustainable Products Targets & Metrics

Misto Group is gradually expanding the application of FILA Re:Deuce products to promote circularity throughout the product lifecycle and strengthen its sustainable product portfolio. In 2025, we expanded the development of sustainable products across key product categories, including apparel, accessories, and underwear. As a result, FILA Re:Deuce products accounted for 18% of total products in 2025, up 5 percentage points from 13% in 2024. We will continue to expand our sustainable product development efforts, with the aim of increasing the share of FILA Re:Deuce products to 30% by 2030.

Share of FILA Re:Deuce Products (based on SKU count)



Hazardous Chemicals Management

Governance

Hazardous Chemicals Management System

Misto Group has established a management system centered on the Sustainability Team under Corporate Strategy Division of Misto Holdings to set and monitor the overall strategic direction for chemical management. The Sustainability Team establishes group-wide chemical risk response strategies and management indicators, and reports key issues to the Board based on their significance. During the implementation phase, the Misto Group Supply Chain Compliance Team (comprising the Product Compliance Team and the Global Compliance Team) establishes standards and policies that reflect global regulatory changes and customer requirements. To ensure these are applied across the supply chain, the team monitors compliance and provides training. At the same time, the organizations responsible for chemical management within key entities, such as Misto Apparel and Misto Footwear, manage supply chain in accordance with these standards and implement improvement initiatives to ensure a consistent level of chemical management across the Group.

Organizational Structure for Hazardous Chemicals Management



Compliance with Country-Specific Regulations

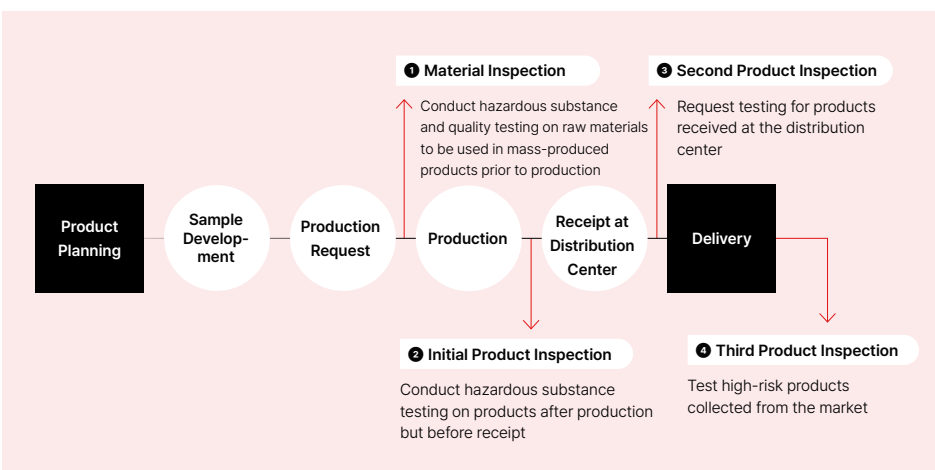
Regulatory-Based Product Safety Management

Suppliers and licensee partners manufacturing Misto Group products comply with major country-specific product safety standards and regulations regarding hazardous substances to provide safe products to consumers. In particular, the safety of all Misto Korea products is verified through KC hazardous substance testing.

KC Hazardous Substance Testing

Misto Korea conducts KC hazardous substance testing at every stage, from the raw material phase prior to production through to post-market distribution. If non-compliance is identified during testing, the company immediately halts shipment and initiates a product recall. Based on an analysis of the cause, the company works with suppliers to implement corrective actions and conducts re-testing, while taking recurrence-prevention measures in accordance with its internal response procedures.

KC Hazardous Substance Testing Procedure



Strategy

RSL-Based Chemical Management Program

Misto Group Global RSL Management Policy

Misto Group has established the 「Global RSL (Restricted Substances List) Management Policy」 to promote chemical management for products based on proactive and voluntary standards that go beyond legal compliance. This policy is designed to meet international standards by aligning with the AFIRM RSL (Apparel & Footwear International RSL Management Group), which has become the industry standard in the fashion sector. Through this, we aim to proactively respond to the chemical regulatory environment and manage risks related to hazardous substances by applying unified management standards across the entire Group. The policy applies to all suppliers involved in the production of FILA brand products, including the sourcing entities within the Group. To enhance the effectiveness of its RSL management policy, we plan to continuously improve our management standards by gradually expanding the scope of chemical testing within the supply chain. Through these efforts, we aim to minimize the unintended use and release of hazardous chemicals across our products and the entire supply chain, thereby protecting the health of producers and consumers as well as the environment.

RSL Management Procedures

Based on its RSL management policy, Misto Group operates a chemical management program designed to manage the risks of hazardous substances throughout the supply chain in accordance with enhanced internal management standards, while ensuring compliance with the legal requirements of each country. The RSL-based chemical management program is implemented through an interconnected, step-by-step management process, ranging from monitoring chemical regulations to applying RSL standards, managing suppliers, conducting chemical testing, and implementing corrective actions.

STEP 01 | Monitoring Regulatory Trends
- Continuously monitor global chemical regulations and AFIRM RSL updates

STEP 02 | Application of RSL Standards
- Apply AFIRM RSL standards to Misto products and raw materials

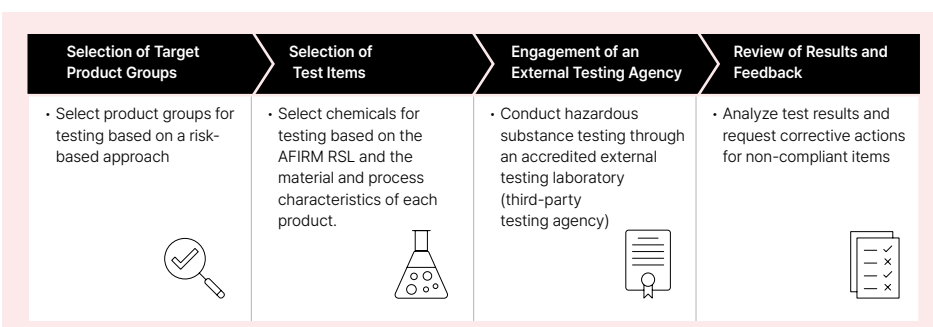
STEP 03 | Sharing Standards with Suppliers
- Share RSL standards and regulatory trends with suppliers and licensees, and provide training

STEP 04 | Product Sample Chemical Testing and Follow-Up Actions
- Conduct sample chemical testing for hazardous substances and require suppliers to take corrective actions in case of non-compliance

RSL-Based Hazardous Substance Testing

In 2025, Misto Group conducted a pilot program for sample chemical testing in accordance with its RSL management policy to identify and assess hazardous chemical risks in its products. RSL sample testing is conducted using a risk-based approach, prioritizing product groups that are likely to involve materials or manufacturing processes with a higher potential for chemical use, as well as substances classified as high-risk under the AFIRM RSL and relevant global regulations. In 2025, testing was conducted on product groups with high risk levels based on these criteria, and we plan to gradually expand the scope of testing in the future. If any non-compliance is identified in RSL test results, the risk level is assessed in accordance with relevant regulations and market requirements, and immediate action—such as halting production or suspending shipments—is taken as necessary. Subsequently, a root cause analysis is conducted to identify vulnerabilities in processes, raw materials, and chemical management, and corrective and preventive measures are established and implemented based on these findings to prevent recurrence. In the long term, we plan to expand the scope of chemical management beyond finished products to encompass the entire production process. Through these efforts, we aim to strengthen a preventive chemical management system and establish a framework for fundamental risk reduction at the production stage.

RSL Sample Testing Procedure



Strategy

Management of Priority Hazardous Chemicals

Misto Group identifies priority hazardous chemicals requiring focused management by considering global regulatory trends related to chemicals and the characteristics of the supply chain, and takes proactive measures.

riority substances are selected based on a comprehensive assessment of substances subject to increasingly stringent regulations under major standards such as EU REACH and AFIRM RSL, as well as substances likely to be used in apparel and footwear manufacturing processes, and their level of harm to the environment and human health.

We continuously monitor the use of selected substances throughout the supply chain and strengthen our management standards. Going forward, we plan to continue promoting the adoption of alternative substances and process improvements to gradually reduce and eventually phase out the use of hazardous substances.

Furthermore, we strive for transparent communication with stakeholders, including consumers, regarding the chemicals used in our products, and anyone can submit inquiries or report issues related to chemicals through our global reporting channel.

Per- and Polyfluoroalkyl Substances (PFAS)

Per- and polyfluoroalkyl substances (PFAS) are substances primarily used in coating processes to impart water-repellent, waterproof, and stain-resistant properties to apparel and footwear products. However, PFAS are persistent in the environment and accumulate in the body; some PFAS are suspected of being endocrine disruptors and potential carcinogens. Due to these characteristics, they may have potential impacts on human health and require proper management.

Management Status

Misto Group is implementing measures to phase out the use of PFAS in its products through ongoing communication with its suppliers. In April 2026, Misto Holdings introduced a PFAS Non-Use Commitment Letter and obtained signed letters from its Tier 1 suppliers to confirm that PFAS is not used in relevant products and production processes. We aims to progressively phase out the intentional use of PFAS in materials and related manufacturing processes for FILA products sourced through its direct operations. As a first step, by the end of 2027, we will phase out the intentional use of PFAS in newly developed or approved functional materials in related treatment processes. Based on the availability and feasibility of alternatives, we will progressively expand the scope to existing products and materials. Additionally, we are strengthening supply chain management standards, such as mandating hazardous substance testing for suppliers with a history of PFAS non-compliance.

Furthermore, we continuously monitor key regulations related to PFAS use, such as EU REACH and EU POPs regulations, and apply management standards across the Group that reflect these regulations and requirements. In addition, by conducting PFAS testing based on a risk-based approach in accordance with our internally established RSL management policy, we are strengthening our global regulatory compliance framework.

PFAS Non-Use Commitment Letter



PFAS Non-Use Confirmation

Supplier Name:

Supplier Address:

For the purpose of this Confirmation:

- "Misto Group" shall mean Misto Holdings Corp. and the entities that it directly or indirectly wholly owns or controls that operate Misto-related business.
- "Intentionally added" shall mean deliberately introduced into a product, material, chemical, or component during its manufacture, processing, or formulation, whether to achieve a specific functional or technical effect as the final product or as part of production processes (including processing agents, mold release agents, or fluorination).

By signing below, Supplier hereby confirms that **Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)**, defined as fluorinated organic chemicals containing at least one fully fluorinated carbon atom, **are not intentionally added** to any materials, chemicals, components, or products supplied to Misto Group, nor used in any manufacturing processes for Misto Group orders.

Supplier further confirms that this commitment applies to the Supplier's factories, subcontractors, and manufacturing partners engaged in the production of products supplied to Misto Group, and that the Supplier will take reasonable steps to communicate and ensure compliance with this requirement within its supply chain.

If Supplier becomes aware of any situation where PFAS may have been intentionally used in products supplied to Misto Group, Supplier shall promptly notify Misto Group in writing.

Misto Group reserves the right to verify compliance through documentation review or product testing if necessary.

Supplier agrees to cooperate with Misto Group in implementing any future regulatory or company requirement related to PFAS restrictions applicable to products supplied to Misto Group.

Supplier Name:

Signature and Company Stamp:

Signatory First & Last Name:

PFAS

Dimethylformamide (DMFa)

Dimethylformamide (DMFa) is a substance primarily used in the production of synthetic leather materials or in coating processes to impart water resistance and durability to product surfaces. DMFa is classified as a reprotoxic substance and may affect human health, including causing liver toxicity; therefore, it poses risks to worker health, particularly when exposed during the manufacturing process.

Management Status

Misto Group is continuously collaborating with its suppliers to reduce DMFa usage within the supply chain and expand the adoption of alternative processes. In particular, we are evaluating the feasibility of implementing DMFa-free or water-based processes to replace organic solvent-based processes that use DMFa, and recommend that suppliers gradually expand the application of feasible alternative processes.

In addition, we continuously monitor DMFa-related regulations in major countries, including those in Europe, and conduct voluntary DMFa testing by applying a risk-based approach in accordance with our RSL management policy. Through these efforts, we proactively assess the level of hazardous substance management across our products and continuously work to reduce the use of DMFa within the supply chain.

DMFa

Strategy

Volatile Organic Compounds (VOC)

Volatile Organic Compounds (VOC) are volatile chemicals that can be emitted during processes such as bonding, coating, and printing in the manufacturing of apparel and footwear. Due to their high volatility, VOCs easily disperse into the air within the work environment. Continuous exposure can cause respiratory irritation, headaches, dizziness, and neurological effects. As some VOCs are carcinogenic, appropriate ventilation and exposure controls are required to protect workers' health and ensure workplace safety.

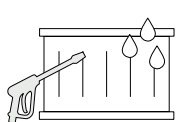
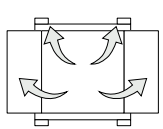
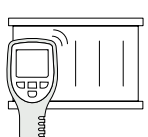
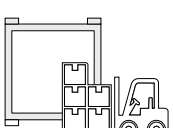
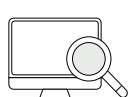
Management Status

Misto Group establishes a process-specific management system to reduce VOC emissions that may occur during the product manufacturing process. In the shoe adhesive application process, we recommend the use of water-based adhesives, which emit fewer VOCs than organic solvent-based adhesives. For processes with a high potential for VOC generation, we inspect the operation of ventilation equipment within the workplace and the use of personal protective equipment by workers. We also continuously monitor the level of VOC management compliance through on-site inspections of new suppliers and regular audits. Furthermore, based on our RSL management policy, we conduct VOC testing on products, packaging materials, and adhesives.

Furthermore, considering the potential for VOC emissions during logistics and transportation, we operate container inspection procedures at the product shipment stage. Suppliers inspect the cleanliness, odor, and condition of containers prior to product shipment, ensure adequate ventilation, and confirm that the interior paint is fully dry. Subsequently, dedicated personnel are assigned to manage product loading and conduct a final re-inspection after loading. All inspection results are recorded and managed in inspection logs, enabling us to manage VOC-related risks throughout the entire process, from production to transportation.

VOC

Container Inspection Procedures to Strengthen VOC Management During Logistics and Transportation

Container Cleaning and Inspection	Ventilation	Paint Dryness Check	Loading Management	Final Inspection and Seal Check	Inspection Log Recording and Management
Thoroughly clean the container before loading and inspect for any abnormalities, such as odors or damage	Remove residual odors through adequate ventilation	Ensure that paint inside the container is completely dry (Replace the container if the paint is not fully dry)	Assign dedicated personnel to manage the loading process and prevent damage	Conduct final inspection after loading is complete and confirm that the container is sealed	Record inspection logs and monitor implementation status
					

Risk Management

Hazardous Chemicals Risk Management

Misto Group has established a risk management process to identify, assess, and manage risks related to hazardous substances. on a company-wide basis. Through the risk management procedures ranging from the identification and assessment of potential risk factors to the formulation of response strategies and follow-up monitoring, we aim to prevent and manage potential risks that could affect our business operations.

Risk Identification	Risk Assessment	Strategy Development and Implementation	Monitoring and Evaluation
AFIRM RSL updates and global chemical regulatory trends are regularly monitored to identify potential risks associated with the use of hazardous chemicals in product materials and processes.	RSL-based sample testing is conducted for the identified risks to verify the presence of hazardous chemicals in products and assess compliance with regulatory standards. Testing is conducted using a risk-based approach to select target product groups and test items.	Based on the test results, chemical management strategies are developed and implemented to mitigate risks associated with hazardous chemicals. We enhance management standards across the entire supply chain by strengthening chemical management capabilities among suppliers and identifying areas for process improvement.	The implementation status and performance of chemical management activities are regularly reviewed, and the management system is continuously improved by reflecting regulatory changes and internal operational results.

Target/Metrics

Hazardous Chemicals Targets & Metrics

Misto Group is strengthening its hazardous chemicals management system across the supply chain to minimize negative impacts on stakeholders, including consumers, workers, and local communities, and to proactively respond to global chemical regulations.

In 2026, we are pursuing priority management tasks, including distributing and collecting PFAS non-use commitment letters from Tier 1 suppliers. We will strengthen our supply chain response system for relevant regulations by incorporating whether suppliers have submitted the commitment letters and complied with them into supplier operations management.

Building on these efforts, by the end of 2027, Misto Group aims to advance the phase-out of the intentional use of PFAS, initially focusing on newly developed or approved water-repellent, stain-resistant, and waterproof materials and related processes for FILA products sourced through its direct operations. The scope will be progressively expanded to existing products as viable alternatives become available.

In the long term, we plan to gradually expand the scope and level of management so that hazardous chemicals are managed under an integrated management framework across the entire supply chain, from raw material sourcing to product manufacturing and finished goods. Through this, we aim to enhance our ability to respond to changes in global regulations and continuously build a stronger foundation for chemical management across the supply chain.



MARITHÉ FRANÇOIS GIRBAUD

Sustainable Sourcing and Supply Chain Management

Governance

Misto Supply Chain Structure

Based on an asset-light business model in which it does not own manufacturing facilities, Misto Group manages its entire product manufacturing process through collaboration with external suppliers. Accordingly, the management and control of the entire supply chain are handled as a core operational function at the Group level, and we are implementing various management activities to strengthen our responsible supply chain management system. To manage compliance across the entire supply chain, we operate dedicated teams based on the specialized functions of each entity, collectively defined as the "Supply Chain Compliance Team". This organization consists of the Vendor and Environmental Compliance Team at Lombardia, the Product Compliance Teams at Misto Footwear and Misto Apparel, and the Global Compliance Team at Misto Luxembourg. Each team operates according to its specific functions, reflecting business characteristics such as production sites and regulatory environments. As the majority of production takes place in China and Southeast Asia, Lombardia is responsible for vendor and environmental compliance, which requires direct communication with suppliers. Meanwhile, considering the Europe-focused licensee business and increasingly stringent global ESG regulations, Misto Luxembourg is responsible for global compliance. The Supply Chain Compliance Team works closely with the group-wide sourcing function to manage and control key supply chain operations, ranging from supplier selection to order allocation, production, and quality control. This operational framework serves as the foundation for ensuring consistency in supplier management standards and managing supply chain risks more systematically. Sales entities, including Misto Korea, are responsible for brand and business operations and procure products in accordance with the Misto Sustainable Procurement Principles and the 「Global Code of Conduct for Business Partners」, working closely with sourcing entities as needed. For product-related complaints received through the Misto Korea Customer Support Team, we analyze the causes and implement corrective measures in collaboration with the entities responsible for sourcing. Additionally, we promote activities to improve quality management levels across the entire supply chain, such as sharing key quality claim cases with suppliers and conducting relevant training. In addition, the Misto Holdings Sustainability Team continuously conducts training for employees and each entity to raise awareness of the importance of sustainable sourcing and supply chain management, and is working to embed sustainability management practices throughout the supply chain.

Strategy	Operation	Sourcing	Production	Quality control	Distribution
Misto Holdings, Misto Luxembourg	Misto Korea, Misto Malaysia, Misto Shanghai, Mantova	Misto Apparel, Misto Footwear, Lombardia	Vendor/Factory	Misto Apparel, Misto Footwear	Misto Korea, Misto Malaysia, Misto Shanghai, Mantova
Establishment of Supply Chain Strategy and Management Framework • Establishment of supply chain operations strategy and direction • Key risk and performance management	**Brand/Business Operations** • Product planning and order creation	**Sourcing and Order Management** • Supplier selection and evaluation, production site allocation and order placement, overall supply chain management and control	**Production Process** • Tier 4 Raw material production & primary processing • Tier 3 Intermediate material processing • Tier 2 Material manufacturing • Tier 1 Finished product manufacturing	**Quality Control** • Establishment of product quality standards and inspection • Resolution of quality issues and prevention of recurrence	**Logistics/Distribution Management** • Product transportation and dispatch management • Customer management and improvement • When product-related customer complaints arise, causes are analyzed and shared with sourcing entities, and improvements are made through collaboration
Global Compliance Team • Monitoring of global sustainability regulatory trends • Management of compliance risks across Misto and licensee supply chains	**Vendor Compliance Team** • Supply chain compliance management • Management of social impact data in the supply chain	**Environmental Compliance Team** • Management of climate change and environmental issues in the supply chain • Management of environmental impact data in the supply chain		**Product Compliance Team** • Supply chain product compliance management • Supply chain RSL policy compliance management	**Supply Chain Compliance Team**

Strategy

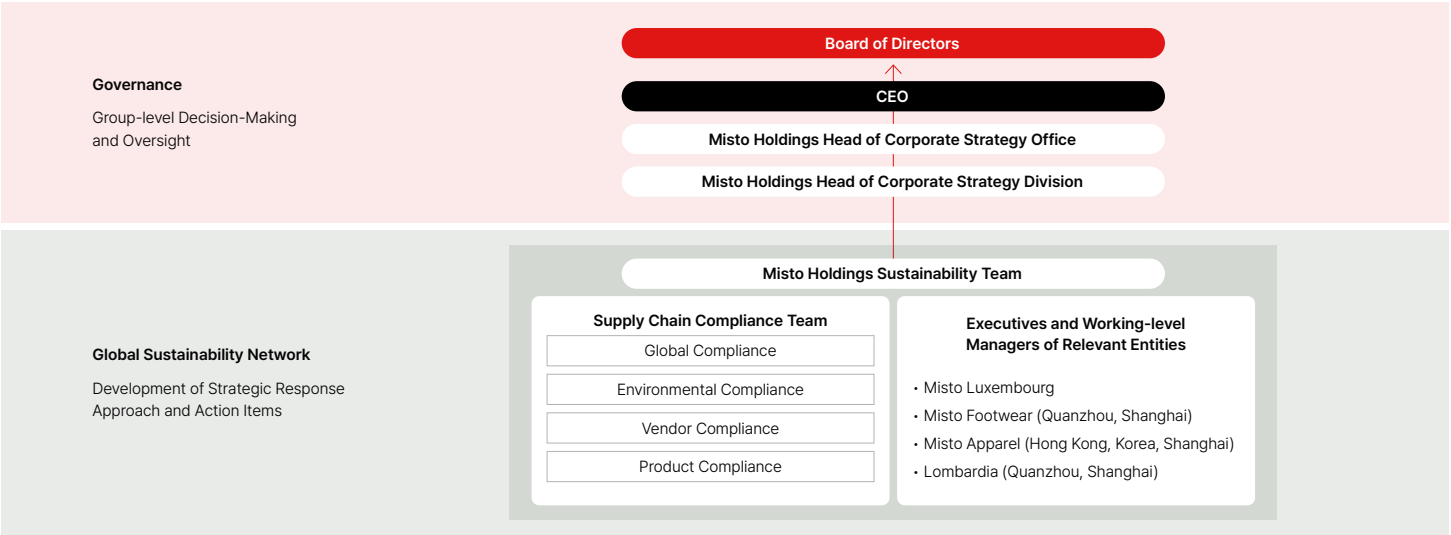
Organizational Structure for Supply Chain Sustainability Management

To consistently maintain the level of supply chain sustainability management across the Group and respond swiftly to major risks, Misto Group operates Global Sustainability Network comprising the Misto Holdings Sustainability Team, the Supply Chain Compliance Team, and executives and staff from key sourcing entities.

The Network holds regular monthly meetings to discuss key agenda items such as global regulatory trends, supplier management, and environmental and product compliance, and serves to identify key response strategies and action items.

Key issues identified through the network are reflected in and implemented by each entity and the supply chain compliance operations organization, thereby strengthening the link between strategy formulation and execution.

Key issues are reported to the Board of Directors through executive management, and the Board oversees the reported matters and reviews key risks and response strategies.



Key Agenda Items Discussed by the Global Sustainability Network

Global Compliance	Vendor Compliance	Environmental Compliance	Product Compliance	Common
• Results of monitoring global regulatory trends (disclosure regulations, product regulations, supply chain regulations, hazardous substance regulations, etc.) • Strategies and results for managing compliance among vendors in the indirect business supply chain (sharing and communicating licensee status)	• Strategies for expanding vendor compliance management and labor/human rights due diligence • Supplier mapping and traceability management strategies • Supply chain Code of Conduct and programs to strengthen labor and human rights management capabilities	• Strategies for managing the environmental impact of suppliers and conducting environmental audits • Supply chain environmental data and Scope 3 supply chain emissions management program • Development of guidelines for managing supplier sustainability • Program to strengthen supplier environmental impact management capabilities	• Introduction of the RSL management policy and pilot program • Global product and hazardous substance regulatory response strategy • Risk management strategy for key hazardous chemicals (PFAS, DMFa, VOC)	• Operational strategy of Global Sustainability Network • Strategy to strengthen cooperation in sustainability management across the Misto value chain

Strategy

Supply Chain Sustainability Risk Management

Misto Group manages supply chain risks by categorizing them into vendor, environmental, product, and global compliance areas, and responds based on three strategic pillars: “Ensuring Supply Chain Transparency", “Supply Chain ESG Risk Management", and “Strengthening Supplier Capabilities".

Supply Chain Management Framework

Ensuring Supply Chain Transparency
- Expansion of the scope of supplier mapping and management
- Establishment of a data collection and management system
- Expansion of information disclosure to stakeholders

Supply Chain ESG Risk Management
- Enhancement of ESG risk identification and assessment
- Analysis and management of environmental and social impacts
- Risk-based improvement measures and monitoring
- Supply chain climate change data management

Strengthening Supplier Capabilities
- Enhancement of training and communication with suppliers
- Enhancement of understanding of the Code of Conduct and ESG standards
- Support for supplier improvements and capacity building

Area	Key Risks	Risk Identification Process	Response Strategy
Vendor Compliance	• Social operational risks related to suppliers, including human rights (forced labor and child labor), working conditions, occupational health and safety, and ethical management	• Identification of risks based on the Misto Risk Matrix[1] through the receipt of third-party audit reports and direct Code of Conduct audits • Monitoring of regulatory compliance through a supply chain traceability program	• Requirement for the development and implementation of corrective action plans and monitoring of their completion • Immediate suspension of business transactions upon identification of zero-tolerance violations • Preparation for establishing a product traceability system
Environmental Compliance	• Environmental risks, including supply chain GHG emissions and resource usage	• Review of supplier environmental performance data based on Higg FEM and internal environmental surveys • Review of environmental data through the supply chain environmental management program • Risk assessment by supplier location using biodiversity/ water resource risk assessment tools	• Risk and impact assessment and management based on supplier environmental data • Distribution of practical guidelines on energy, water resources, and renewable energy, and support for training
Product Compliance	Product compliance risks, including hazardous substances, product safety, and non-compliance with national product regulations	• Product regulation monitoring by country • Review of RSL test results and verification of compliance	• Implementation of RSL compliance policies and phased expansion of testing programs
Global Compliance	• Global regulatory risks, including stricter ESG regulations, disclosure obligations, and trade sanctions	• Regular monitoring of global regulatory trends and updates to Group policies • Identification of risks for licensees’ Tier 1 suppliers based on the Misto Risk Matrix[1]	• Proactive revision of Group supply chain policies in response to regulatory changes • Integrated management of the brand portfolio through the phased expansion of the licensee supply chain management scope

1) Misto Risk Matrix assessment areas: Forced labor, child labor, fair wages, non-discrimination, prohibition of harassment, occupational health and safety, working hours, humane treatment, compliance with legal documentation, ethics and transparency, environment

Supplier Code of Conduct

Misto Group has established the 「Global Code of Conduct for Business Partners」 and built a supply chain sustainability management system. The Code of Conduct serves as a core standard for our sustainability strategy and is applied throughout supplier selection and management. It sets minimum standards for key risk areas such as the environment, human rights, labor, ethics, and occupational health and safety, and requires suppliers to engage in responsible business practices in each of the areas. All suppliers are required to comply with the Code of Conduct during contracting and business transactions and submit a signed commitment. These standards are reflected in pre-assessments when selecting new suppliers, while compliance by existing suppliers is continuously monitored through regular and ad hoc audits. Through these efforts, we aim to prevent ESG risks across the supply chain and encourage suppliers to fulfill their responsibilities.

Principles of the Supplier Code of Conduct

Human Rights	Ethical Business Operations	Responsible Business Operations and Sourcing
Asset & Data Protection	Procedures	

Global Code of Conduct for Business Partners

Strategy

Supply Chain Transparency

Classification of Supply Chain Suppliers by Tier

Considering the complex supply chain structure of the fashion industry, Misto Group systematically defines and categorizes suppliers by production stage. This classification system is designed to clearly identify the overall structure of the supply chain and develop a clearer understanding of stage-specific risks, as well as environmental and social impacts. It adopts the "Supply Chain Taxonomy for the Textile, Apparel, and Fashion Industry" developed by the Apparel Alliance. We classify our suppliers into general suppliers and key suppliers to identify and prioritize major risks and business importance within the supply chain. Key suppliers are selected based on a comprehensive assessment of factors such as business significance, including procurement volume and production dependency; risks associated with country, industry, and raw material characteristics; suppliers' level of compliance with environmental, human rights, labor, and ethics requirements; and strategic partnership considerations.

Category	Number of Suppliers[2)]
Finished Product Manufacturing Plant (Tier 1)	69
Material Manufacturing Plant (Tier 2)[1)]	19
Licensee Production Plant (Tier 1)	349

1) The total number of Tier 2 suppliers is calculated based on the number of nominated suppliers in the footwear sector contracted by Lombardia
2) Number of key Tier 1 suppliers in 2025: 30

Starting in 2025, we have expanded the scope of our supply chain management to include products manufactured through our licensing business and extended its vendor compliance management to include licensees' Tier 1 suppliers. Through this, we apply the same supply chain management standards to both direct production and production based on brand licensing.

Furthermore, licensees' suppliers are managed under the same supplier management system and registration procedures applied to Misto's production suppliers. Registration approval and ongoing monitoring are conducted based on third-party audit reports and signed commitments to comply with the 「Global Code of Conduct for Business Partners」.

Definition of Supplier Tiers within Supply Chain

Tier 4	Tier 3	Tier 2	Tier 1
Raw Material Production & Primary Processing	**Intermediate Material Processing**	**Material Manufacturing**	**Finished Product Manufacturing**
Suppliers engaged in the cultivation, extraction, and primary processing of raw materials such as cotton, natural rubber, and petrochemical feedstocks	Suppliers involved in the production of intermediate materials, including yarn, by processing raw materials into intermediate forms	Suppliers responsible for the production and processing of materials directly used in finished products, such as fabrics and accessories	Suppliers responsible for the assembly and production of final products such as apparel and footwear

Traceability Management for Sustainable Supply Chain

Misto Group is establishing a supply chain traceability management system to strengthen supply chain risk management.

We are systematically mapping and managing the supply chain structure, focusing on vendors and manufacturing plants directly contracted by the Group, including Tier 1 suppliers that produce finished goods and Tier 2 suppliers designated by the Group (nominated Tier 2 suppliers).

Starting in 2026, we are expanding our traceability scope to include non-nominated Tier 2 suppliers based on key product styles, thereby gradually strengthening traceability across the supply chain.

In addition, we are gradually expanding the scope of traceability for key raw materials, taking into account sustainability risks and impacts. Through this traceability management system, We are establishing a foundation to understand the interconnections among suppliers and proactively identify key ESG risks—such as risks related to human rights, labor, and the environment—that may arise throughout the supply chain. Going forward, we plan to continuously expand the scope of traceability to further enhance the level of management across the supply chain.

Strategy

Supply Chain ESG Risk Management

1 Evaluation Categories

❶ Registration of New Suppliers

- On-site inspection and submission of required documents
- Third-party on-site audit report
- Commitment of compliance with the supplier Code of Conduct
- Higg FEM registration status
- Screening for violations of major global sanctions
- Assessment method: On-site inspection + Document review

❷ Regular Audits of Suppliers

- Annual submission of third-party audit reports for Tier 1 and main Tier 2 suppliers
- Assessment method: Document review

❸ Code of Conduct Audit

- Selection of suppliers to be audited based on a comprehensive consideration of country- and industry-specific risks, order volume and transaction significance, characteristics of key raw materials, and past audit results
- Verification of submitted documents and conduct of interviews through on-site visits
- Assessment method: Document review + On-site inspection + Interviews

2 Supplier ESG Evaluation

Misto Risk Matrix

- Forced Labor
- Child Labor
- Non-Discrimination
- Prohibition of Harassment
- Working Hours
- Humane Treatment
- Environment
- Fair Wages
- Occupational Health and Safety
- Compliance with Legal Documentation
- Ethics and Transparency

3 Review of Evaluation Results

Matters subject to the zero-tolerance policy

Zero Tolerance

High | Medium

Approval and continuation of business transactions

Low

Further review and improvement measures required

4 Additional Review and Corrective Actions

Submission and Implementation of a Corrective Action Plan (CAP)

- Submission of supplier's corrective action plan and implementation status
- Review and follow-up of supplier CAP implementation status by the Vendor Compliance Team

If CAP implementation results are insufficient, reassessment or further action is required.

5 Application of Results

Exclusion from Business Transactions

Immediate exclusion of the supplier and system update

Approval / Retention

Approval of supplier registration or continuation of business transactions and system update

Approval upon Completion of Corrective Actions

Approval after confirmation of corrective action completion and system update

Strategy

Supply Chain ESG Risk Management

Supplier Selection and Risk Screening

When selecting new suppliers, Misto Group conducts on-site inspections to comprehensively evaluate production capacity, working conditions, compliance, and sustainability management levels, and requires suppliers to submit a signed commitment to comply with the Supplier Code of Conduct. Starting in 2025, to systematically assess the environmental management performance of suppliers in a more standardized and data-driven manner, we recommend that suppliers share their Higg FEM accounts. We also conduct Denied Party Screening to review eligibility and perform risk assessments on suppliers based on submitted information and audit reports. If serious risks that fall under the zero-tolerance policy, such as forced labor or child labor, are discovered, the supplier is immediately excluded from registration. If other deficiencies are identified, we require the submission of a corrective action plan, verify its implementation, and then grant final approval.

This process applies equally to the suppliers of Misto Group, as well as to the suppliers of licensees. Through this, Misto Group proactively prevents business risks that may arise during transactions with various stakeholders, including suppliers, and builds a sustainable supply chain. The status of related assessments, risk reviews, and corrective action implementation is systematically managed through the Misto Supplier Registration System.

Phase 1	Phase 2	Phase 3	Phase 4
New Supplier Registration	**Denied Party Screening**	**Review of Audit Report**	**New Supplier Approval**
On-site inspection and submission of required documents ① Third-Party Audit Report ② Commitment of compliance with the supplier Code of Conduct ③ Higg FEM account sharing (recommended)	**Screening for Violations of Major Global Sanctions**	**Supplier Risk Screening** ① Evaluation Criteria • Environmental Aspects: Compliance with national environmental laws and regulations • Social Aspects: Human rights, forced labor, child labor, discrimination and harassment, fair wages and working hours, the right to collective bargaining, occupational health and safety, etc. • Governance Aspects: Ethical management, anti-corruption, anti-bribery, fair competition, etc. • Business Relevance: Transaction volume and availability of alternatives, etc. ② Risk Factors • Country-specific risk: Political stability, legal and regulatory environment, and commercial risks in the country where the supplier is located * Based on the screening results, implementation of corrective actions for identified deficiencies and monitoring of their status	**Final registration approval within the supplier management system**

Regular Audit of Suppliers

To manage environmental, human rights, labor, occupational health and safety, and ethical risks within the supply chain through a structured audit process, a regular audit program is conducted on suppliers of Misto Group. Misto Group requires all Tier 1 suppliers and main Tier 2 suppliers to submit annual audit results based on internationally recognized third-party audit standards, such as BSCI (Business Social Compliance Initiative) and WRAP (Worldwide Responsible Accredited Production), and manages these audit reports through the supplier management system.

The Supply Chain Compliance Team reviews the submitted audit reports against the Misto Risk Matrix and evaluates and classifies key findings according to Misto Group's supply chain ESG risk evaluation criteria. For items identified as Medium risk or higher, the team requires the development and implementation of a Corrective Action Plan (CAP) and continuously monitors the status of implementation.

Strategy

Supply Chain ESG Risk Management

Supplier Code of Conduct Audit

Misto Group conducts additional Code of Conduct audits for suppliers selected based on a comprehensive consideration of country- and industry-specific risks, order volume and transaction significance, key raw material characteristics, and past audit results. For high-risk Tier 1 suppliers, in addition to regular evaluations based on third-party audit reports, Misto Group makes direct site visits to conduct audits under Misto Group's Code of Conduct. Furthermore, for certain Tier 2 suppliers, Code of Conduct audits are conducted as an alternative to the submission of third-party audit reports, taking into account transaction significance and risk levels. Code of Conduct audits are conducted by the Supply Chain Compliance Team through direct visits to supplier sites. We verify actual operating conditions and compliance with the Code of Conduct by reviewing relevant documents submitted by suppliers, conducting on-site inspections of production facilities, and interviewing employees.

Supplier ESG Risk Evaluation Results

Category	Tier 1 Suppliers	Key Tier 1 Suppliers	Tier 2 Suppliers	Licensee Tier 1 Suppliers
Number of Suppliers Evaluated in 2025[1)]	69	30	19	349
Supplier Audit Completion Rate	100%	100%	100%	100%
Suppliers That Submitted Third-Party Audit Reports	69	30	6	349
Suppliers audited under Misto Group's Code of Conduct	11	0	13	-
Suppliers with findings requiring corrective actions	10	0	0	9
Suppliers with contract termination or non-approval due to zero-tolerance policy	0	0	1	4

- The 2025 Supplier ESG Risk Evaluation was conducted on 69 Tier 1 suppliers, 19 Tier 2 suppliers, and 349 licensees' Tier 1 suppliers of Misto Group, and findings requiring corrective action were identified at a total of 19 suppliers. The Supply Chain Compliance Team has requested that the relevant suppliers submit and implement corrective action plans in accordance with Misto Group's corrective action procedures and is continuously monitoring the status of implementation. Additionally, regarding key findings, the team provides guidance on improvement directions through Misto Group Code of Conduct training and internal audits for suppliers, and continues to offer ongoing support and communication to ensure smooth implementation by monitoring progress. The results of regular audits of suppliers in the area of sustainability management are reflected as evaluation criteria in the annual selection of outstanding suppliers.

1) The 2025 evaluation covered all newly registered suppliers and existing suppliers subject to contract renewal.

Status of Key Findings

Category[1)]	No. of Findings Requiring Corrective Action	CAP Submission Rate	CAP Completion Rate	Key Findings
Environment	3	100%	100%	Inadequate environmental impact assessments and permits, lack of environmental management systems and training, insufficient wastewater·air emissions·waste treatment and compliance with legal standards
Fair Wages	3	100%	100%	Matters related to worker wage calculation structures
Occupational Health and Safety	17	100%	88%	Maintenance of fire safety equipment, adequacy of evacuation routes and emergency signage, installation of safety devices on sewing machines, etc.
Compliance with Legal Documentation	3	100%	100%	Permits, licenses, and related documentation required for business operations (Business Registration Certificate, fire safety and building structural safety certificates, etc.)

- Key findings in 2025 were identified in the areas of occupational health and safety, fair wages, compliance with legal documentation, and environment. It has been confirmed that corrective actions have been completed for all findings, except for two cases in the Health and Safety area. For the Health and Safety area, corrective action plans have been completed for 15 out of the 17 identified items, resulting in a corrective action plan completion rate of 88%. The remaining two items relate to the maintenance of fire protection equipment and the installation of safety devices on sewing machines. We are discussing long-term improvement plans with the licensee and its suppliers, while continuously monitoring the implementation status. Cases subject to the zero-tolerance policy constitute serious violations of the Misto Group Code of Conduct. These include, but are not limited to, serious violations related to labor, environment, and safety, such as child labor, forced labor, workplace harassment, structural safety issues, inadequate fire alarm systems, and improper wastewater or waste management. In 2025, a total of five such cases were identified, resulting in contract termination and the suspension of business transactions.

1) In 2025, aside from the four Risk Matrix assessment areas for which corrective actions were required, no high-risk findings related to forced labor, child labor, non-discrimination, prohibition of harassment, working hours, humane treatment, ethics and transparency were identified.

Strategy

Supply Chain ESG Risk Management

Supply Chain Environmental Management

Misto Group's GHG emissions are found to originate largely from the upstream supply chain—such as raw material procurement and production processes—rather than from its own operations. Consequently, effectively managing the environmental impacts across the entire supply chain is recognized as a critical task. To address this, Misto Group operates an environmental assessment program for its suppliers to evaluate resource use and environmental management performance within the supply chain in a standardized and data-driven manner. Through this program, the Group regularly collects and evaluates key energy use data and environmental management status, identifies data-driven improvement initiatives, and works to enhance its management systems.

In 2025, a total of 28 suppliers submitted information on their annual energy consumption and environmental management status. This covers approximately 96% of Misto Group's total footwear Tier 1 supply chain and approximately 51% of the apparel Tier 1 supply chain, based on the Group's total product manufacturing volume[1)]. Following the 2024 data collection, an evaluation of the overall process revealed limitations in ensuring data accuracy due to factors such as some suppliers' lack of understanding of survey questions, errors in unit conversion, and a lack of clarity regarding the relevant departments responsible for data management. Consequently, in 2025, improvement measures were established and implemented during the information collection planning phase. We introduced a specialized survey platform and provided detailed definitions for each indicator, guidance on the relevant departments responsible, and unit conversion guides to enhance data accuracy. Additionally, to strengthen suppliers' energy and data management capabilities, we provided various training programs and distributed Supplier Sustainability Best Practice Guidelines. Starting in 2026, we plan to expand the use of Higg FEM, an environmental impact assessment tool for facilities in the fashion industry, to evaluate environmental management levels across the entire Misto supply chain on a more standardized and comparable basis and support continuous improvement.

1) Scope 3 Category 1 emissions were calculated using the same boundary based on the data submitted by the relevant suppliers.

Collection of supply chain energy use and environmental management information	Environmental data assessment	Development of strategies and improvement plans	Implementation of strategies and improvement plans
• Identification of target suppliers and scope of data collection • Collection of environmental management status and annual energy use data • Key indicators: water use and wastewater management, energy consumption by source, GHG emissions, waste management, chemical management data, etc.	• Data completeness review • Assessment of the status and level of energy/environmental management in the supply chain	• Establishment and refinement of supply chain energy/environmental management strategies • Establishment and support of environmental management improvement plans for suppliers	• Expansion of collaboration on supply chain sustainability initiatives • Expansion of on-site improvement activities for suppliers • Expansion of supplier participation in sustainability management

Supply Chain Energy Use

As of 2025, 15 of Misto Group's Tier 1 suppliers were confirmed to be transitioning a portion of the electricity used in their processes to renewable energy through various methods, including the operation of solar power generation facilities, the signing of PPAs, and the purchase of RECs.

An analysis of the major constraints related to renewable energy adoption identified through supplier meetings in 2024 and 2025 revealed that a lack of information and guidelines regarding renewable energy, as well as insufficient national policies and infrastructure in the countries where suppliers operate, were the primary constraints. These factors act as structural limitations on the expansion of renewable energy adoption among suppliers.

Accordingly, to support suppliers' transition to renewable energy, Misto Group provided practical training and distributed the Misto Group's Supplier Sustainability Best Practice Guidelines to enhance understanding of various renewable energy procurement methods. By sharing information on renewable energy support programs and market conditions by country, the Group expanded the range of options available to suppliers.

Strategy

Supply Chain Capacity Building

Expanded Collaboration on Supply Chain Sustainability Initiatives

Misto Holdings participates in the Cascale Forum, hosted by Cascale, formerly the Sustainable Apparel Coalition, to support the development of a sustainable supply chain through collaboration and shared growth with suppliers. The forum helps the company understand sustainability trends and evolving supply chain management practices in the global fashion industry, and apply relevant insights to its supply chain operations.

In 2025, Misto Holdings attended the Cascale Forum in Ho Chi Minh City, Vietnam, in May and the Cascale Annual Meeting in Hong Kong in September. Together with global brands, manufacturers, NGOs, and other industry stakeholders, the company discussed key supply chain issues, including supply chain due diligence and disclosure requirements, environmental data standardization, and broader supplier engagement.

Through these discussions, Misto Holdings gained insights into global regulatory developments such as the EU CSRD and CSDDD, as well as industry efforts to advance environmental data management based on the Higg FEM. The company is using these insights to expand Higg FEM adoption among suppliers, enhance its supply chain management system, and support internal training and communication with suppliers. Through these efforts, Misto Group continues to build a stronger foundation for a sustainable supply chain aligned with global standards.

On-site Improvement Activities at Supplier Sites

To inform the development of its supply chain sustainability strategy, Misto Group regularly visits supplier factories to directly assess their operational status and on-site issues, and to build a framework for ongoing collaboration. Based on global supply chain regulatory trends and key industry issues identified through global industry forums such as the Cascale Forum and Annual Meeting, we are promoting on-site communication with suppliers and strengthening supply chain management capabilities. In 2025, we visited Tier 1 apparel and footwear supplier factories in Vietnam and China to conduct supply chain ESG training and discuss key management issues. In particular, we shared key global industry issues—such as the strengthening of EU supply chain due diligence regulations, environmental data management based on the Higg FEM, and directions for supply chain ESG risk management—and discussed response strategies with our suppliers. We also exchanged views with suppliers on operational directions related to the transition to renewable energy and greenhouse gas reduction, and jointly reviewed actionable tasks tailored to the operational environments of each country. Furthermore, through interviews and regular communication with local supply chain managers and worker representatives, we gathered feedback on operational constraints and areas for improvement on-site, and jointly discussed improvement tasks and implementation strategies to enhance the level of supply chain ESG management. We plan to continue strengthening execution capabilities across the entire supply chain and advancing our sustainable supply chain management system through ongoing site visits and communication with suppliers.

Cascale Forum





Site Visit to China



Site Visit to Vietnam



Strategy

Supply Chain Capacity Building

Expansion of Supplier Participation in Sustainability Management

To foster continuous communication and strengthen suppliers' capabilities, Misto Group held supplier roundtables and a supplier conference in January and April 2026 for apparel, accessories, and footwear suppliers. A total of 61 companies participated, including 35 apparel vendors based in Korea and 26 Tier 1 and Tier 2 footwear suppliers based in China.

Misto Group shared its sustainability management standards along with global ESG regulatory and disclosure trends, and provided an overview of key achievements in supply chain compliance activities for 2025 and plans for 2026. Additionally, the Group provided practical information to strengthen environmental data collection capabilities and supported a better understanding of the Higg FEM-based environmental performance evaluation system.

Furthermore, a survey was conducted among participating suppliers to assess their level of sustainability management, their goals, and alignment with the Group's ESG strategy, while also gathering feedback on the areas where they require support.

The survey results revealed a demand for expanded regular training and capacity-building programs, the provision of practical reference materials, guidance on ESG data reporting, and training in collaboration with external specialized institutions. Accordingly, Misto Group plans to operate regular training programs in 2026 while expanding training initiatives in collaboration with industry organizations and experts specializing in sustainability management.

Annual Supplier Conference





Reporting Channel for Suppliers

Misto Group operates a unified reporting channel for all stakeholders, including suppliers. To ensure the safety and independence of whistleblowers, this channel is operated by a third-party organization and allows for anonymous reporting. In particular, we provide support in Chinese and Vietnamese so that employees working at supplier factories can comfortably voice their concerns regarding unfair treatment or working conditions without language barriers.

To promote active use of the reporting channel, we provide information about it when entering into new contracts or renewing existing contracts with suppliers. Additionally, during the 2025 supplier Code of Conduct training, we included information about the reporting channel. We plan to continue promoting the reporting channel to suppliers through various channels in the future. No reports from suppliers were received through the reporting channel in 2025.



CLUB GLOVE

Strategy

Supply Chain Capacity Building

Sustainability Training for Suppliers

Fashion Industry Climate Action Training

Misto Group encourages its suppliers to participate in the Fashion Industry Climate Action Training, jointly developed by the Fashion Industry Charter for Climate Action under the United Nations Framework Convention on Climate Change (UNFCCC) and the German Agency for International Cooperation (GIZ, Deutsche Gesellschaft für Internationale Zusammenarbeit). The online training includes various learning materials and practical guidelines designed to strengthen climate action capabilities within the supply chain, covering topics such as understanding the impacts and risks of climate change on the fashion industry, methodologies for calculating Scope 1, 2, and 3 GHG emissions, setting reduction targets, and practical steps for transitioning to renewable energy. In 2025, 22 Misto Group suppliers completed the GIZ online training and received certificates of completion. Misto Group also provided an additional online training program on climate action capacity building, developed based on the GIZ training content, with a total of 32 suppliers participating. Through these initiatives, Misto Group is enhancing suppliers' understanding of climate action and progressively strengthening carbon management capabilities across the supply chain.

Misto Code of Conduct Training

The Misto Supply Chain Compliance Team, in collaboration with WRAP, an international supply chain social responsibility certification program, conducted a virtual training session on the Misto Code of Conduct and international labor and human rights standards. A total of 65 employees from Misto's footwear and apparel suppliers participated in the training, which focused on the key inspection items for each of the 12 principles of the Misto Code of Conduct and WRAP certification standards, the status and proportion of identified issues, and examples of recurring common findings. In particular, through case-based explanations of key risk areas—such as working hours management, wages and benefits, occupational health and safety, and the prevention of forced and child labor—the training enabled suppliers to gain a concrete understanding of the major risks they may face. Along with improvement directions for each risk area, we presented operational requirements for establishing a management system to ensure Code of Conduct compliance (including policy development, internal training, monitoring, and record management). This supported suppliers in understanding practical response measures and strengthening their internal management capabilities. This initiative enhanced suppliers' understanding of the Code of Conduct requirements and international standards, strengthened their awareness and response capabilities regarding key compliance risk areas, and established a proactive management foundation for audit preparedness and risk prevention.

2025 Supplier Engagement Activities (Targeted at Misto Group Suppliers)

(Unit: Persons)

Topic	Activity Details	Number of Participants
Supplier Roundtable	Held a roundtable with apparel suppliers (vendors), the primary entities responsible for day-to-day factory management, to share Misto's supply chain sustainability strategy and achievements and gather relevant feedback	50
Supplier Conference	An annual supplier conference hosted by Misto Footwear and Misto Apparel's sourcing entities to share new products, KPI results, and plans for the following year; starting in 2026, sustainability strategies and implementation plans will be included as key agenda items	69
Code of Conduct Training for Suppliers	In collaboration with WRAP (Worldwide Responsible Accredited Production), training was conducted on the Misto Code of Conduct and the management of global human rights, social, and environmental impacts	65
Completion of GIZ Fashion Industry Climate Action Training	Completion of the "Fashion Industry Climate Action Training," which covered key climate-related topics including understanding the impacts and risks of climate change on the fashion industry and methodologies for calculating Scope 1, 2, and 3 GHG emissions	22
Misto Climate Change and Environmental Management Training	Climate change and environmental management training hosted by Misto Group, covering basic concepts of climate change and sustainability management, the Misto Group's climate change and environmental management strategy, and environmental data management	32

· In 2025, 19 unique key suppliers participated in at least one of the following supplier capacity-building programs: Misto Code of Conduct Training, GIZ Fashion Industry Climate Action Training, or Misto Climate Change and Environmental Management Training.

Risk Management

Supply Chain Sustainability Risk Management

Misto Group has established a risk management process to manage risks that may arise in the supply chain and operates it on a company-wide basis. Through risk management procedures—ranging from the identification and assessment of potential risk factors to the formulation of response strategies and follow-up monitoring—we aim to prevent and manage potential risks that could affect our overall business operations.

Risk Identification →	Risk Assessment →	Strategy Development and Implementation →	Monitoring and Evaluation
We continuously identify ESG risks across the entire supply chain through various channels, and we identify potential risks by collecting data from suppliers, conducting third-party audits, utilizing the supplier reporting channel, and monitoring market and regulatory trends.	Identified risks are classified according to the Misto Risk Matrix criteria and evaluated by comprehensively considering country- and location-specific risks, raw material characteristics, and production share. Based on the evaluation results, we develop corrective action plans for each supplier.	Based on the assessment results, we establish response strategies for key risks and implement them across the entire supply chain by incorporating the strategies into management plans for specific areas such as the environment, human rights, products, and ethics.	We regularly review the status of risk response strategies and the implementation plans for corrective actions by suppliers, and monitor their performance. Additionally, assessment results and key performance are reported to executive management and reflected in future strategy development and improvement activities.

Target/Metrics

Supply Chain Sustainability Targets & Metrics

Misto Group is working to improve ESG management across its supply chain by enhancing traceability and expanding its environmental data management framework, with a focus on main suppliers. By 2030, the Group aims to complete mapping of 100% of main Tier 2 supply chain to strengthen supply chain transparency and achieve a 100% Higg FEM participation rate among main Tier 1 suppliers to enhance the foundation for supplier environmental performance management. The Group also plans to gradually expand supplier training on key ESG topics, including the environment, human rights, ethics, and supply chain management, to strengthen suppliers' sustainability capabilities.

Supply Chain Management Strategy	Supply Chain Transparency	Supply Chain ESG Risk Management
Key Management Area	Establishment of a Supply Chain Traceability Management System	Expansion of Supply Chain Environmental Data Management
Target	Complete mapping of 100% of main Tier 2 supply chain by 2030	Achieve a 100% Higg FEM participation rate among main Tier 1 suppliers by 2030
Key Initiatives in 2025	Review sub-tier supply chain information for main suppliers and establish the foundation for Tier 2 mapping	Provide Higg FEM training for suppliers to strengthen environmental performance data management and the foundation for participation



Matin Kim

Responsible Marketing

Governance

Responsible Marketing Management System

Misto Group systematically manages marketing-related risks by evaluating the impact of marketing activities on corporate credibility and long-term brand value. We regularly review marketing and product information-related issues at each entity, and based on this, the Sustainability Team under the Corporate Strategy Division of Misto Holdings identifies key risks—such as false or exaggerated advertising and greenwashing—and establishes response measures. Furthermore, we continuously monitor relevant domestic and international laws, regulations, and market trends to assess potential impacts on our business and respond proactively. Key issues are reported to the Board of Directors and incorporated into the company-wide decision-making process. Through collaboration with relevant departments, we identify and implement action items related to responsible marketing. Through these efforts, we aim to promote sustainable brand management based on the provision of accurate and transparent information.

Organizational Structure for Responsible Marketing Management



Strategy

Principles for Ethical Advertising and Marketing

Misto Group has established and operates principles for ethical advertising and marketing to protect customers' right to know, support informed decision-making, and foster a fair market environment. Information that may affect purchasing decisions, such as the raw materials, performance, and certifications of products and services, is provided accurately and clearly based on facts. False or misleading claims that may cause consumer misunderstanding, as well as communications that distort facts by excessively emphasizing product benefits, are prohibited. When communicating environmental and social benefits, we avoid broad or ambiguous expressions and require the scope and basis of such benefits to be clearly specified. All marketing claims must be supported by objectively verifiable evidence, and unsubstantiated absolute claims or exaggerated communications are restricted. We protect the rights and interests of vulnerable groups with limited capacity for informed judgment, including children and older adults, in our advertising and marketing activities. Expressions that encourage excessive consumption among children, pressure them to make purchases, depict dangerous behavior, or may negatively affect their physical or emotional development are prohibited. We also restrict unfair practices that exploit the circumstances of vulnerable groups to induce purchases. In addition, we protect the human rights and safety of advertising models and avoid portrayals that reinforce stereotypes about specific groups or distort their identities.

We also respect the rights and intellectual property rights of other companies and prohibit disparaging competitors or making unfair comparisons without objective criteria. Across all advertising and marketing communications, we exclude prejudice based on race, gender, religion, disability, and other characteristics, respect diversity, and manage communications to prevent hate speech or content that encourages antisocial behavior. Separate standards are applied to marketing activities based on AI technology and customer data to protect consumer rights and interests. When images, videos, or text generated using AI technology may be mistaken for actual content, they are clearly labeled. Pre- and post-monitoring is conducted to ensure that AI-generated content does not include bias, discrimination, or hate speech targeting specific groups. When generative AI is used, the Group also manages potential infringements of third-party intellectual property rights, including copyrights.

Regarding the use of personal information and customer data, we comply with applicable laws and regulations and provide the information necessary for consumers to clearly understand and choose the scope of use of their information. We also take care to prevent excessive infringement of consumer privacy when conducting targeted marketing and operates procedures to promptly process requests to opt out of marketing communications or delete data.

Strategy

Accurate Communication Strategy

Sustainability Communications Guidelines

Misto Group provides employees and licensees with clear standards for sustainable products and marketing through the FILA SPMG, with the aim of ensuring consistency in external communications and maintaining a unified global brand identity.

The SPMG sets out specific development and communication standards for FILA Re:Deuce products and establishes six key principles for sustainability communications: Accuracy, Clarity, Integrity, Verifiability, Fairness, and Specificity.

Based on these principles, we conduct prior reviews and ongoing monitoring of expressions that may overstate social or environmental benefits and provide accurate and reliable product information through responsible marketing communications.

Guidelines for Labeling Material and Fiber Content in Product Information Disclosures

Misto Korea systematically manages product information labeling standards to provide customers with accurate and reliable product information. In January 2025, the company conducted a review of product information on its official online store regarding the labeling of fiber content and identified the need for greater consistency in labeling standards.

Accordingly, to standardize and align the product material labeling criteria for product information disclosures, Misto Korea established the 「Guidelines for Labeling Material and Fiber Content in Product Information Disclosures」 applicable to the FILA brand in July 2025. These guidelines incorporate product specifications and material information from Misto Apparel, which is responsible for product sourcing, standards established by the Fair Trade Commission and the Korean Agency for Technology and Standards, and legal review findings.

In addition, the company is gradually expanding the scope of application of the guidelines to ensure consistent application across all online and offline channels, and is continuously updating them to refine labeling standards that reflect the specific characteristics of each product category.

Misto Korea is committed to continuously refining its product information labeling standards to provide consumers with accurate information and strengthen responsible marketing and transparent information disclosure.

Training on Guidelines for Labeling Material and Fiber Content in Product Information Disclosures

In July 2025, Misto Korea conducted training for relevant departments to improve the practical application of the 「Guidelines for Labeling Material and Fiber Content in Product Information Disclosures」. The training was attended by employees from Misto Korea, the Misto Apparel planning team responsible for product sourcing, and teams responsible for online merchandising, wholesale channels, and licensees. Through the training, Misto Korea shared the key elements and application criteria of the guidelines and provided guidance on considerations for their application, based on actual product cases. This initiative improved interdepartmental understanding of labeling standards and minimized confusion during practical implementation. Misto Korea plans to continue providing training and communication to ensure the stable implementation of the guidelines.

Examples of Material and Fiber Content Labeling for Product Information Disclosures

Category	Key Points
Labeling Standards	Establishment of labeling standards to ensure the accuracy and consistency of product material information
Standardization of Labeling Methods	Standardization of labeling methods, including spacing, punctuation, and the order in which materials are listed
Terminology Usage Guidelines	Use of legally defined fiber names rather than brand-specific terms or conventional expressions (e.g., spandex → polyurethane)
Compliance with Official Standards	Incorporation of fiber content labeling standards that comply with the Korea Agency for Technology and Standards' Safety Standards for Consumer Products Subject to Safety Standards (Household Textile Products)

Strategy

Accurate Communication Strategy

Monitoring System for Product Information and Sustainability Claims

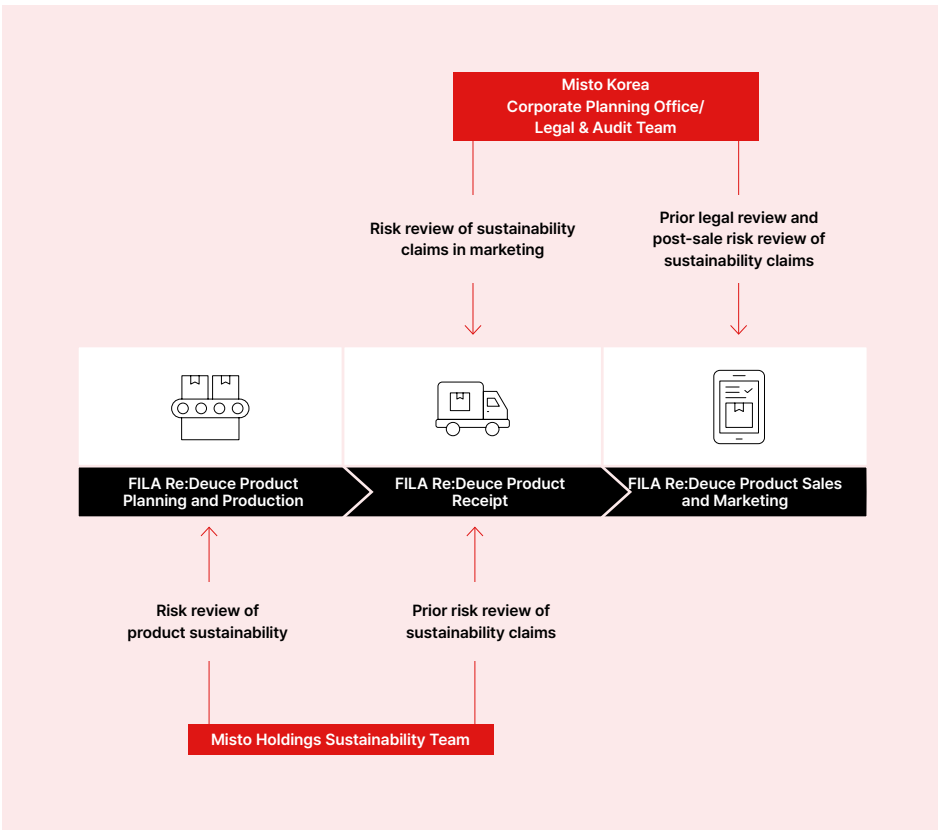
Misto Korea operates a systematic monitoring system to ensure the accuracy of product information and the reliability of sustainability-related claims. In 2023, the company established the ｢Greenwashing Monitoring Guidelines｣ to set internal management standards for environmental labeling and advertising, and it requires that product descriptions and marketing claims undergo legal review and internal verification procedures before use. Based on this system, the company conducts preemptive checks on product descriptions and marketing claims at the pre-sale stage to prevent potential consumer misperceptions.

In particular, for products in the FILA Re:Deuce sustainable product line, related claims may be used only after undergoing prior review and verification by the Misto Holdings Sustainability Team. Furthermore, following product sales, the company conducts ongoing monitoring of its official online store and major online channels, and any issues identified are addressed through consultation with relevant departments depending on their impact. In this way, Misto Korea operates a dual management system that combines pre-sale reviews with ongoing post-sale monitoring. The company manages this process to enhance the accuracy and reliability of sustainability-related claims and provide consumers with clear and objective information. Major findings are reported to the executive management and managed accordingly.



Pairs

Sustainability Communications Monitoring Process



Risk Management

Responsible Marketing Risk Management

Misto Group has established a risk management process to systematically manage brand and reputation risks that may arise in the course of responsible marketing activities, and operates it on a company-wide basis. Through risk management procedures ranging from the identification and assessment of potential risk factors to the formulation of response strategies and follow-up monitoring, we aim to prevent and manage risks that may arise across all marketing activities, such as false or exaggerated advertising, greenwashing, and inappropriate communication.

Risk Identification →	Risk Assessment →	Strategy Development and Implementation →	Monitoring and Evaluation
Customer feedback (VoC) is continuously monitored to identify the potential for consumer complaints and misunderstandings. Market trends and key regulatory and policy developments are also tracked to identify potential risks such as greenwashing and false or exaggerated advertising.	Risks identified through regular monitoring processes are assessed based on their significance and impact, and key issues are reported to executive management and managed accordingly.	Identified risks are shared with relevant departments and linked to improvement initiatives. We establish and implement response strategies by refining internal guidelines and strengthening training and communication standards.	Risk management status is reviewed through regular monitoring processes, and related matters are continuously managed and improved.

Target/Metrics

Responsible Marketing Targets & Metrics

Misto Group continues to strengthen its management system to ensure that responsible marketing principles are consistently applied across product information labeling, advertising, and external communications. Through these efforts, we aim to support informed consumer decision-making and prevent misleading claims and reputational risks that may arise from sustainability-related communications.

By 2030, we aim to consistently apply responsible communication standards to product information and sustainability-related claims and enhance the reliability of such information. we also plan to strengthen the responsible communication capabilities of relevant departments to ensure that consistent standards are applied across all marketing activities.

Key Management Area	Accuracy of Product Information	Reliability of Sustainability Communications
Target	Provide consumers with accurate and reliable information	Prevent potentially misleading claims and strengthen transparent communication
Approach	• Manage product information and labeling standards • Respond to regulations on product lifecycle management and information transparency	• Strengthen review and monitoring of sustainability-related claims • Enhance relevant departments' understanding of communication principles

Cybersecurity

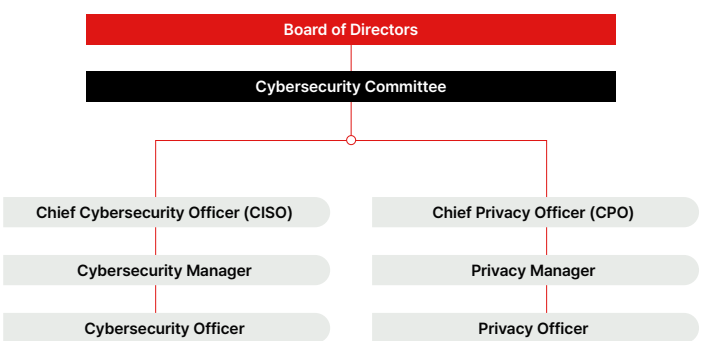
Governance

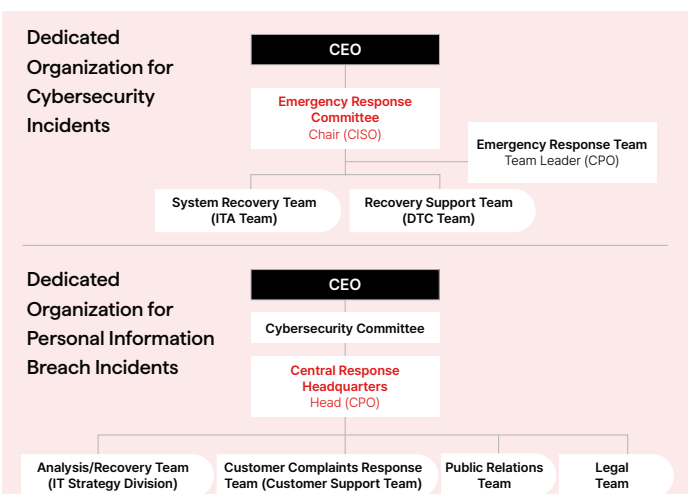
Cybersecurity Management System

Misto Group has established and operates a dedicated cybersecurity organization to protect customer information and internal confidential information. Through the Cybersecurity Committee, we continuously review and strengthen the ⌜Cybersecurity and Personal Information Protection Policy⌟ and conduct regular cybersecurity assessments to ensure that each organization fulfills its roles and responsibilities. Furthermore, we strengthen our management and oversight system by reporting annually to the Board of Directors on key issues, including the status of cybersecurity activities, future operational plans, current response status, and the management system.

In addition, we have established and operate dedicated response teams to ensure swift decision-making and systematic responses in the event of unexpected cybersecurity incidents. Considering that response methods vary by incident type, we have established separate dedicated teams for each incident type. Furthermore, we operate an Cybersecurity Management Management System (ISMS) and conduct periodic internal assessments of personal information protection to support the effective implementation of, and compliance with, internal security policies.

Organizational Structure for Cybersecurity Management





Strategy

Cybersecurity Management Policy

Cybersecurity Policy

Misto Group has established cybersecurity guidelines and related procedures based on relevant laws and regulations, including the ⌜Act on Promotion of Information and Communications Network Utilization and Information Protection⌟ and the ⌜Personal Information Protection Act⌟, and strictly adheres to them. The Cybersecurity policy sets out key security principles, including the protection of information assets, the processing and management of personal information, and access control. It is systematically implemented to ensure consistent application across all aspects of employees' work.

Cybersecurity Policy

Strategy

Cybersecurity Management Policy

Privacy Policy

Online shopping malls (Korea·Hong Kong·Taiwan) operated by Misto Group comply with the personal information protection laws of each country and have established and implemented their own 「Privacy Policy」 that reflects country-specific regulatory requirements. Furthermore, we continuously enhance our level of personal information protection by reviewing the entire process—from collection, use, and storage to disposal—to ensure compliance with the latest legal requirements. In accordance with the Human Resources Security Guidelines enacted in 2024, in the event of violations or incidents such as personal information breaches, disciplinary action is taken in accordance with the guidelines' criteria for handling cybersecurity violations, based on a zero-tolerance principle that applies the same standards without exception.

Privacy Policy

Contents of Personal Information Protection Notices

- Nature of Collected Information
- Purpose of Use of Collected Information
- Customer's Ability to Determine the Collection, Use, Retention, and Processing of Personal Data
  - Availability of the Opt-out[1] Option
  - Requirement for Opt-in[2] Consent
  - Requests for access to information held by Misto Korea
  - Request to correct data
  - Request to delete data
- Retention period for collected information
- Data Protection Methods
- Third-Party Disclosure Policy

1) A method in which data collection is discontinued only when the customer explicitly refuses it
2) A method where data collection is permitted only when the customer explicitly consents

Cybersecurity Assessment

Cybersecurity Testing

Vulnerability Assessment

Misto Group conducts annual security vulnerability assessments across its entire IT infrastructure, including servers and networks. We inspect intrusion prevention system monitoring, access logs for critical tables, direct data modification monitoring, IT staff account monitoring, as well as the maintenance and log checks of servers, networks, and security equipment; access control system maintenance and log checks; and the integrated security system. For vulnerabilities identified through these assessments, we continuously implement and manage corrective measures.

Penetration Testing

Misto Group conducts regular annual penetration tests on its operational systems from the perspective of a real attacker. By identifying potential security vulnerabilities in advance and implementing prompt corrective measures, we effectively protect our core assets and data from cyber threats.

ISMS Certification

Misto Korea has consistently maintained its Information Security Management System (ISMS) certification issued by the Korea Internet & Security Agency (KISA), an agency under the Ministry of Science and ICT. This certification signifies that Misto Korea's online shopping mall services are operated under a robust security framework, ensuring a stable and reliable online service environment. Furthermore, for vulnerabilities identified during the certification renewal process, the company establishes improvement plans led by the Cybersecurity Committee and systematically addresses them, thereby continuously enhancing its cybersecurity standards.

Incident Response Training

Incident Response Training

Misto Group conducts annual simulation exercises to strengthen its incident response capabilities and prevent malware infections. This enhances employees' understanding of incident response procedures and helps prevent malware and ransomware infections among personnel handling critical information and personal information.

Disaster Response Training

Misto Group conducts annual emergency response drills simulating various disaster scenarios, such as fires, earthquakes, and floods. This minimizes damage and service interruptions caused by incidents, and ensures the stable operation of our incident response and emergency recovery systems in accordance with our IT disaster recovery plan.

Strategy

Cybersecurity Incident Response

Security Incident Response

Misto Group has established and operates dedicated response organizations to ensure swift decision-making and systematic responses in the event of unexpected cybersecurity incidents. Considering that response methods vary by incident type, we have established a dedicated response organization for each type of incident.

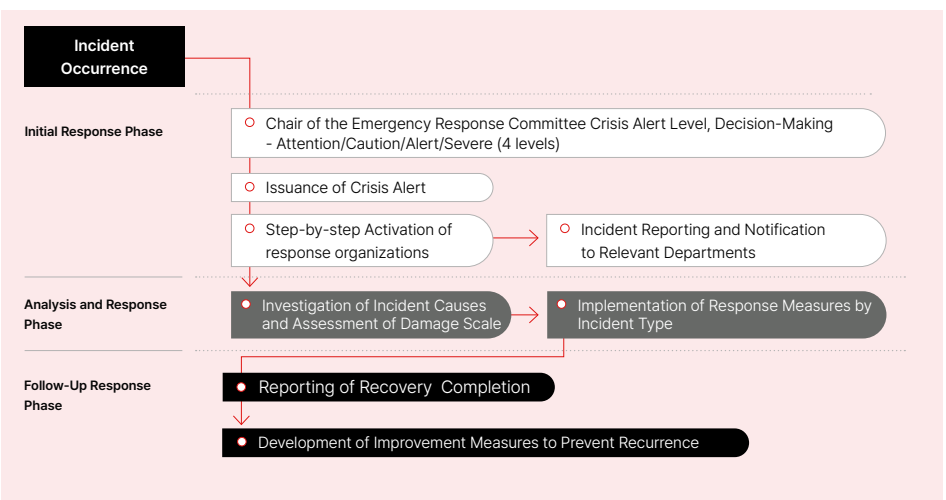
Incident Response

Upon becoming aware of a system breach, Misto Group immediately activates its response procedures to swiftly identify the scope and cause of the incident and prevent further damage. In the event of an incident, we will take emergency measures for the affected systems to prevent further damage, and continuously strengthen our response system to minimize damage by analyzing the cause and addressing vulnerabilities to prevent similar incidents from recurring.

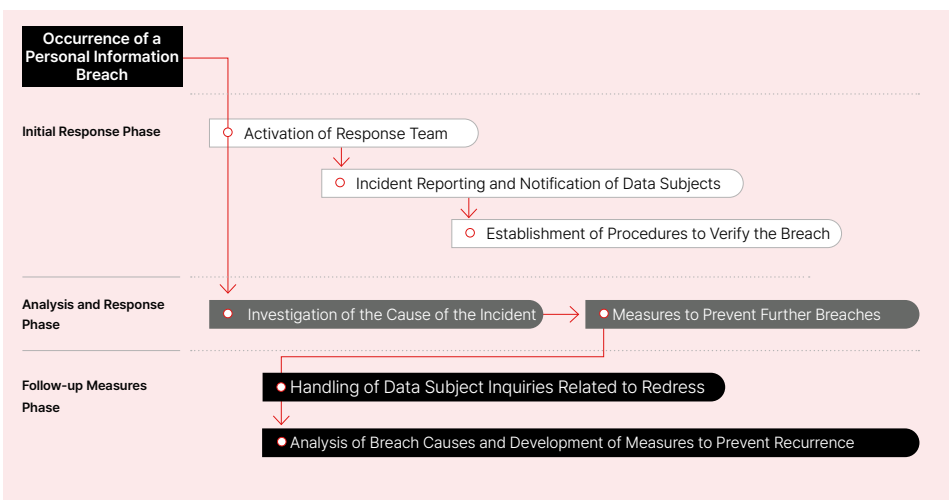
Response to Personal Information Breach Incidents

Upon becoming aware of a personal information breach, Misto Group immediately assesses the situation and implements response procedures to prevent further breaches. In accordance with the 「Personal Information Protection Act」, we report the breach to the relevant authorities and notify affected users without delay. We will continue to strengthen our response system to minimize user harm by providing information on the measures taken and the contact details of the department responsible for handling inquiries related to the breach and available remedies.

Incident Response Procedure



Personal Information Breach Response Procedure



Strategy

Personal Information Protection Audit

Personal Information Protection

Misto Group prioritizes customer privacy and strives to provide reliable services. We strictly control access rights through various security solutions, such as personal data encryption and system/database access controls. We have also established security infrastructure—including firewalls, intrusion detection systems (IDS), and intrusion prevention systems (IPS)—and operate an integrated security control center to monitor suspicious activities 24 hours a day. To strengthen accountability for cybersecurity, we require all employees and suppliers to sign a cybersecurity pledge, while service providers handling personal information sign a separate privacy protection pledge. In 2025, we distributed a personal information protection practice guide to all employees to support voluntary compliance with security guidelines.

Personal Information Protection Practice Guide

- Restrict downloading and storing customer information for non-business purposes
- Prohibit external transmission of customer information
- Strengthen account management and login security
- Prohibit use of public Wi-Fi and installation of unauthorized software
- Prohibit printing and screenshots of customer information

Personal Information Protection Audits

Misto Korea conducts annual internal audits to verify compliance with its personal information protection policy and performs ad hoc audits as needed. The audits cover the full lifecycle of personal information, including collection, use, storage, and disposal, as well as access rights management and system security settings. Annual external audits are also conducted on suppliers and service providers that process personal information. For service providers, contract termination requires confirmation of data destruction, along with security checks such as account deletion, access revocation, and data disposal to prevent potential data leaks. Audit findings are used to improve audit criteria and implement preventive measures, strengthening personal information protection practices. These efforts strengthen company-wide cybersecurity awareness and help prevent personal information leaks.

Enhanced Cybersecurity Standards

Enhancement of Cybersecurity

Integrated Security Monitoring System

In 2025, Misto Group introduced a company-wide integrated security monitoring system based on EDR[1], MDR[2], and NDR[3] to consolidate the security systems previously operated separately across its domestic and overseas entities. By establishing a 24/7 real-time threat detection and response system, we have improved security visibility and accelerated threat response times.

Document Security Enhancement

In 2025, Misto Group established a three-tier sensitivity labeling system for document security. By designing the system to ensure encryption policies are maintained even in the event of document leakage, we have substantially reduced the risk of internal information breaches.

1) Endpoint Detection and Response
2) Managed Detection and Response
3) Network Detection and Response

Enhanced Global ERP Cybersecurity

In 2025, Misto Group improved its authentication methods by requiring employees, stores, and suppliers to access the system through enhanced authentication procedures. During integration with external systems, the Group strictly restricted access rights and consolidated potential attack surfaces to minimize vulnerable points. We also designed a more granular and segregated data access control structure by differentiating permissions down to the sub-menu level. Through these measures, Misto Group strengthened the stability of its ERP operations.

Change in Personal Information Controller

In 2025, Misto Group substantially strengthened its personal information protection standards by transitioning to its own e-commerce platform. This shift moved the Group from a structure where personal information was linked and stored by an external service provider to a direct management system based on its internal IT infrastructure.

Strategy

Enhanced Cybersecurity Standards

Cybersecurity Training

Misto Group conducts annual data protection training to enhance employees' security awareness. The training covers protective measures for each stage of personal data processing and the latest examples of security threats, thereby strengthening employees' practical response capabilities and helping to prevent data breaches and security incidents in advance. In 2025, relevant employees attended a seminar on the next-generation IT security paradigm—combining AI with a cloud-based security framework that integrates network and security—to deepen their understanding of the latest technological trends in cybersecurity and enhance their expertise.

2025 Cybersecurity Training Status

Category	Attendance/Completion Rate
Personal Information Protection Training	100%
Target Audience	**Training Content**
All employees of Misto Holdings and Misto Korea who process personal information	• Job-Specific Cybersecurity Training • Measures to Ensure the Security of Personal Information • Level-Based Training for Personal Information Handlers • Simulation Exercises for Spear-Phishing Email Incidents

Risk Management

Cybersecurity Risk Management

Misto Group has established a risk management process to systematically manage risks that may arise in cybersecurity management and operates it on a company-wide basis. Through risk management procedures ranging from the identification and assessment of potential risk factors to the formulation of response strategies and follow-up monitoring, we aim to prevent and manage potential risks that could affect our overall business operations.

Risk Identification →

To accurately analyze assets related to information system services, we understand business processes and assess the status of related assets. We identify relevant IT assets with a focus on the information assets that form the foundation of the services to define the scope, and classify them by type. Additionally, we evaluate the potential impact on each asset—in terms of confidentiality, integrity, and availability—when exposed to security threats, categorizing them into three levels (high, medium, and low) to determine their importance.

IT Assets by Type

- Server System
- DBMS
- Applications
- Network Equipment
- Security Equipment
- PC

Risk Assessment →

Based on the assessed importance of IT assets identified by type, we calculate the risk level by reflecting the results of threat and vulnerability analyses, thereby determining the final risk level for each asset. Threat analysis involves identifying the characteristics of each threat that could harm information assets and comprehensively evaluating their likelihood of occurrence and impact, while vulnerability analysis evaluates administrative and technical areas separately.

Risk Level = Asset Importance Rating
+ Threat Rating
+ Vulnerability Rating

Strategy Development and Implementation →

To respond selectively and appropriately to risks that require protection, taking into account security objectives and other factors, we review the results of the risk assessment to determine the level of risk management (DoA, Degree of Assurance) required by the company and develop specific risk mitigation measures. Additionally, we classify implementation tasks into short-term, medium-term, and long-term categories based on urgency, implementation costs, and implementation difficulty, and establish a schedule for these measures.

Monitoring and Evaluation

For the identified implementation tasks, the responsible personnel in each area systematically manage and review the implementation status according to the action schedule.

Target/Metrics

Cybersecurity Targets and Metrics

Misto Group has developed and is implementing a phased roadmap to establish a sustainable cybersecurity framework.

Step	Short-term → 2026	Medium-term → 2028	Long-term → 2030
Category	**Establishment of a Compliance Framework**	**Enhancement of Security Operations**	**Strengthening of Security Governance**
Personal Information Protection	• Compliance with the General Data Protection Regulation (GDPR) and completion of the Data Processing Agreement (DPA) framework • Internal compliance measures for regulations on the cross-border transfer of data under China's Personal Information Protection Law (PIPL) • Implementation of a European Consent Management Platform (CMP) and separate operation of data protection policies by jurisdiction • Compliance with U.S. data protection laws	• Standardization of Group-wide processes for Records of Processing Activities (ROPA) and Data Protection Impact Assessments (DPIA) • Preparation for the assessment under China's Multi-Level Protection Scheme (MLPS) and response to amendments to China's Cybersecurity Law (CSL) • Establishment of an integrated management system for global Data Processing Agreements (DPAs) and Standard Contractual Clauses (SCCs) • Establishment of a framework for responding to AI-related regulations	• Integrated operation of global data protection governance • Internalization of the Privacy by Design (PbD) process
Cybersecurity	• Deployment of Network Detection and Response (NDR) sensors and establishment of a network threat monitoring system • Implementation of account security solutions • Automation of AI-based regular monitoring	• Establishment and operation of a Disaster Recovery Center (DR Center), and conduct of regular disaster recovery drills • Enhancement of the Incident Response (IR) process	• Implementation of Security Orchestration, Automation and Response (SOAR) and completion of an integrated security monitoring framework • Establishment of a security operations maturity assessment and KPI framework • Establishment of a regular independent security audit system

Misto Group has established mid- to long-term goals to proactively respond to cybersecurity threats arising from changes in the digital environment and to strengthen its capabilities in cybersecurity and personal data protection in line with global standards. In 2025, we enhanced our cybersecurity capabilities by focusing on key initiatives such as establishing an integrated company-wide security monitoring system and improving the cybersecurity management system for the global ERP system. By 2030, we aim to build a data-driven global cybersecurity risk management system and continue advancing our global cybersecurity and personal data protection framework.

To achieve this, we have set key priorities of enhancing the operation of the cybersecurity management system, strengthening employee security awareness, and reinforcing the global security risk response framework. We systematically manage company-wide security levels by continuously improving the cybersecurity management system and enhancing operational efficiency. Through regular training and campaigns, we also raise employees' awareness of cybersecurity and strengthen their ability to prevent security risks. In addition, we continue to enhance our company-wide security response capabilities by identifying and assessing global security risks, including those at overseas entities, and further advancing our response framework.

Status of Cybersecurity Violations and Incidents

Category	Unit	2023	2024	2025
Number of Cybersecurity Violations	Cases	0	0	0
Number of Customer Information Protection Violations	Cases	0	0	0
Amount of Fines for Cybersecurity Violations	KRW	0	0	0
Number of System Hacking Incidents	Cases	0	0	0

ESG Performance





KJUS

66 Natural Capital Management
73 Human Capital Management
82 Customer Management
84 Community Contribution
89 Ethics and Compliance Management
93 Corporate Governance Transparency and Accountability
99 Company-wide Integrated Risk Management Framework

Natural Capital Management

Biodiversity Management System

Biodiversity Management Organization

The biodiversity management system of Misto Group is centered on Misto Holdings. The Misto Holdings Board of Directors manages and oversees key matters by approving the establishment and revision of biodiversity policies, while the Sustainability Team under the Corporate Strategy Division of Misto Holdings identifies and assesses company-wide biodiversity risks and establishes management strategies. Each major entity, including Misto Korea, plans and implements action plans to mitigate biodiversity risks.

Biodiversity Policy

Recognizing the importance of biodiversity conservation, Misto Group has established the ⌜Biodiversity Policy⌟ to systematically manage biodiversity-related risks that may arise across its business activities and supply chain. Across the value chain, including suppliers, we encourage the identification of potential impacts from business activities in and around biodiversity-sensitive areas and recommends that such activities be managed to prevent negative impacts on these areas. In particular, we are progressively working toward achieving No Net Loss (NNL) of biodiversity and promoting Net Positive Impact (NPI) across all stages of our business operations.

Misto Group Biodiversity Policy

Biodiversity Risk Assessment

Misto Group has established a process for assessing risks and opportunities related to natural capital based on the LEAP (Locate, Evaluate, Assess, Prepare) approach outlined in the TNFD (Taskforce on Nature-related Financial Disclosures) recommendations. The LEAP approach consists of four stages: Locate, which identifies the interface with nature; Evaluate, which assesses dependencies and impacts on natural capital; Assess, which evaluates natural capital-related risks and opportunities based on the dependencies and impacts; and Prepare, which establishes a response strategy. Based on the LEAP approach outlined in the TNFD Guidelines, we have established the scope of analysis, criteria, and procedures by considering our business characteristics and value chain structure. We are striving to incorporate the resulting natural capital dependencies, impacts, risks, and opportunities into our business operations and management systems.

Misto Group's Biodiversity Risk Assessment Process Based on the LEAP Approach

❶ Locate	❷ Evaluate	❸ Assess	❹ Prepare
Defining the Scope of Analysis • Define the scope of analysis to identify dependencies and impacts on natural capital • Identify biodiversity-sensitive areas using the IBAT[1] Tool	**Assessment of Dependencies and Impacts** • Assess dependencies and impacts on natural capital using ENCORE[2] and the WWF-BRF[3]	**Identification of Risks and Opportunities** • Identify risks and opportunities related to natural capital based on the key dependencies and impacts identified in the Evaluation stage	**Response and Disclosure** • Disclose response strategies and related activities for the identified risks and opportunities

1) Integrated Biodiversity Assessment Tool: A tool for assessing biodiversity sensitivity near a site based on Protected Areas, Key Biodiversity Areas, and the distribution of threatened species

2) Exploring Natural Capital Opportunities, Risks and Exposure: A tool for assessing dependencies and impacts on natural capital by industry sector and economic activity

3) World Wide Fund for Nature-Biodiversity Risk Filter: A tool for assessing physical and transition risks related to biodiversity in the region where a facility is located

Biodiversity Risk Assessment

❶ Locate: Identifying Interface with Nature and Defining Sites for Analysis

Own Operations

To define the sites subject to analysis for biodiversity-related impacts and dependencies, Misto Group established the scope of analysis by distinguishing between its own operations and its upstream supply chain. The scope of own operations includes Misto Holdings headquarters, Misto Korea Icheon Distribution Center, and the Quanzhou Global Sourcing Center in China, taking into account our key business functions and operational importance.

Global Upstream

For the global upstream supply chain, given its broad scope and the widespread distribution of sites, we identified biodiversity sensitivity of key Tier 1 suppliers by performing IBAT-based location analysis.

Scope of Analysis	30 key Tier 1 suppliers
Methodology	Assessment of Protected Areas (PAs), Key Biodiversity Areas (KBAs), and IUCN Red List species within 50 km of each site using the IBAT Tool
Results	Four sites are identified as having relatively high biodiversity sensitivity

Sites Subject to Biodiversity Analysis

- Misto Holdings Headquarters
- Misto Korea Icheon Distribution Center
- Quanzhou Global Sourcing Center, China

Own Operations

+

Global Upstream

- Four sites identified as having relatively high biodiversity sensitivity based on IBAT analysis of key Tier 1 suppliers

Location Distribution of Sites Subject to Biodiversity Analysis



Key Biodiversity-Sensitive Sites in the Supply Chain Based on IBAT

No.	Site	Country	Number of nearby protected areas (PAs)	Number of Key Biodiversity Areas (KBAs) in the vicinity	IUCN[1] Red List Species			
					Critically Endangered	Endangered	Vulnerable	Near Threatened
1	Manufacturing Plant A	Indonesia	13	7	30	248	119	92
2	Manufacturing Plant B	Vietnam	12	8	34	126	111	73
3	Manufacturing Plant C	Vietnam	4	5	37	180	113	68
4	Manufacturing Plant D	Vietnam	15	7	33	122	112	68

1) International Union for Conservation of Nature

Biodiversity Risk Assessment

❷ Evaluate: Assessment of Dependencies and Impacts

Misto Group integrated the analysis results from the WWF-BRF and the ENCORE Tool to identify the dependencies and impacts that business activities at each site may have on nature.

Concepts of Dependencies and Impacts on Natural Capital

Dependency
The level of natural capital on which a company relies for production and operations



Impact
The magnitude of the positive or negative effects that a company's activities, products, and services have on nature

Results of the Dependency and Impact Assessment

The assessment results showed impacts and dependencies on natural capital were relatively higher at upstream (supply chain) sites compared to directly operated sites. The key areas of dependence on natural capital were identified as ecosystem services related to flood and storm mitigation, indicating that Misto Group's main sites have a relatively high dependence on ecosystem functions that provide a buffer against natural disasters. The key factors contributing to the impact of business activities on natural capital were identified as the emissions of toxic soil and water pollutants, generation and release of solid waste, and volume of water use. Based on the results, we aim to proactively identify risks related to natural capital and strengthen the foundation for sustainable business operations by establishing systematic response strategies.

Detailed Results of the Assessment of Dependencies and Impacts[1]

Evaluation Scale[2]

VH	H	M	L	VL
5.0-4.2	4.2-3.4	3.4-2.6	2.6-1.8	1.8-1.0

	Category	Upstream				Own Operations		
		Manufacturing Plant A	Manufacturing Plant B	Manufacturing Plant C	Manufacturing Plant D	Misto Holdings Headquarters	Icheon Distribution Center[3]	China Global Sourcing Center
Impact	Disturbances (e.g., noise, light)	●	●	●	●	●	●	●
	Emissions of GHG	●	●	●	●	●	●	●
	Emissions of non-GHG air pollutants	●	●	●	●	●	●	●
	Emissions of toxic soil and water pollutants	●	●	●	●	●	●	●
	Generation and release of solid waste	●	●	●	●	●	●	●
	Area of land use	●	●	●	●	●	●	●
	Volume of water use	●	●	●	●	●	●	●
Dependency	Water supply	●	●	●	●	●	●	●
	Solid waste remediation	●	●	●	●			
	Soil and sediment retention	●	●	●	●	●	●	●
	Water purification	●	●	●	●			
	Air filtration	●	●	●	●		●	
	Flood mitigation	●	●	●	●	●	●	●
	Storm mitigation	●	●	●	●	●	●	●
	Water flow regulation	●	●	●	●		●	●

1) Calculated by integrating region-based risk assessments with industry-based impact and dependency analyses based on the results of the WWF-BRF and ENCORE Tool

2) The assessment was conducted on a 5-point scale and categorized into five levels—VH (Very High), H (High), M (Medium), L (Low), and VL (Very Low)—based on the score range

3) The Icheon Distribution Center is a site that functions as a general warehouse, and its GHG emissions impact is considered to be lower than indicated by the analysis results (under the ISIC industry classification, Distribution Centers fall under the "Warehousing and Storage" sector, which includes general warehouses and refrigerated/frozen warehouses)

Biodiversity Risk Assessment

❸ Assess: Risk and Opportunity Assessment

Based on the ENCORE and WWF-BRF analyses conducted during the Evaluate stage, Misto Group identified key natural capital-related risks and opportunities affecting its business activities. We comprehensively considered the TNFD recommendations, the TNFD sector guidance for the apparel, accessories, and footwear sector, and industry best practices. We then analyzed the potential points of occurrence within the value chain and the potential financial impacts of the identified key risk and opportunity factors.

P Physical Risks / T Transition Risks / O Opportunities

Natural Capital Risks and Opportunities (R/O) of Misto Group				Impact on Misto Group		
Category			Description	Potential Locations of R/O Occurrence		Potential Financial Impact Pathways
				Upstream	Own Operations	
Physical Risks	Acute	P1	Extreme weather events and natural disasters (floods, typhoons, etc.)	✓		• Decline in sales due to facility damage and production delays/suspensions • Increased costs and logistics expenses due to securing alternative production sites and switching to emergency transportation
	Chronic	P2	Worsening soil and water pollution	✓		• Increased environmental remediation and pollution treatment costs • Production disruptions and revenue declines resulting from stricter environmental regulations and operational restrictions due to pollution
		P3	Changes in the availability of water resources required for production processes due to shifting climate patterns	✓		• If production disruptions occur within the supply chain due to reduced water availability, this may result in a decrease in production volume and a decline in revenue • Increased costs due to additional expenses incurred to secure water (e.g., securing alternative water sources, purchasing water from external sources)
Transition Risks	Policy and Regulations	T1	Tightening of policies and regulations related to natural capital	✓	✓	• Financial losses resulting from fines, penalties, and production restrictions due to non-compliance • Increased costs for facility investments and process improvements to meet regulatory requirements
	Reputation	T2	Decline in brand reputation and trust due to inadequate management of natural capital		✓	• Decline in consumer trust in the brand may negatively affect product preference and sales
Opportunities	Resource Efficiency	O1	Expansion of resource recycling and reuse	✓		• Cost savings through reduced use of raw materials • Reduced operating costs by minimizing waste generation
	Products/Services	O2	Adoption of circular business models (clothing rental/resale, clothing care services, etc.)	✓		• New revenue generation through the introduction of circular services such as resale and rental

Biodiversity Risk Assessment

❹ Prepare: Response Strategies

Misto Group is undertaking various initiatives to address the key risks and opportunities identified in relation to natural capital. These initiatives are managed according to the AR^{3}T (Avoid, Reduce, Restore & Regenerate, Transform) framework established by the Science Based Targets Network (SBTN), a global initiative focused on natural capital. The AR^{3}T framework comprises actions to prevent negative impacts (Avoid), reduce impacts that have occurred (Reduce), regenerate and restore damaged ecosystems (Restore & Regenerate), and drive fundamental change through structural transformation (Transform). B In line with this framework, we are implementing activities to address natural capital risks; in particular, Misto Korea plans to promote activities centered on restoration and regeneration in 2026.

SBTN AR^3 T Framework



Detailed Response Strategies under the AR^3 T Framework

P Physical Risks / T Transition Risks / O Opportunities

Related Risks and Opportunities	AR^{3}T Framework	Detailed Response Strategies		
		Implementation Status	Reporting Section	Reporting Page
P2	Avoid	• Minimization of hazardous substance use through supply chain management and regulatory compliance • Operation of an on-site wastewater treatment facility at the Icheon Distribution Center to reduce water pollution and minimize impacts on local water resources	Hazardous Chemicals Management, Natural Capital Management - Water Resource	39-41 71
P3	Reduce	• Assessment of water usage and management practices across the supply chain • Planning of training and support programs for suppliers located in regions with high water-related risks	Natural Capital Management - Water Resource	71-72
P1		• Establishment of a system for identifying and responding to climate risks at major business sites and suppliers	Climate Action	21-23
T1 T2	Transform	• Operation of a group-wide management system through the establishment of biodiversity management policies	Natural Capital Management - Biodiversity	66
O1		• Expansion of the use of sustainable materials through the FILA Re:Deuce initiative • Procurement and purchasing of packaging materials and trims made from FSC-certified materials to use resources derived from sustainably managed forests	Circularity and Sustainable Products	31, 33
O2		• Operation of apparel repair (care) services • Expansion of product collection and reuse through the Return to Care program	Circularity and Sustainable Products	35

Water Risk Assessment

Misto Group utilized the World Resources Institute (WRI)'s "Aqueduct Water Risk Atlas" tool to assess water risks across its directly operated sites and the entire supply chain, and identified high-risk sites and key regions based on the assessment results. The Aqueduct Water Risk Atlas comprehensively assesses water resource risks based on various factors, such as water stress and water scarcity, and classifies the results into five levels ranging from "Low" to "Extremely High". In 2025, applying the same scope as the biodiversity risk assessment, we conducted an analysis targeting directly operated sites (Misto Holdings, Misto Korea Icheon Distribution Center, Quanzhou Global Sourcing Center) as well as 30 key Tier 1 suppliers.

The assessment results showed that water stress levels across the value chain ranged from Medium to High (or above), while water depletion risks were generally assessed as Low to Medium, indicating a relatively low level of risk. Among the directly operated sites, the Misto Korea Icheon Distribution Center is classified as a "Medium-High" water stress area; accordingly, the Icheon Distribution Center operates its own wastewater treatment facility to minimize the impact on local water resources.

Meanwhile, within the supply chain, approximately 60% of the 30 key Tier 1 suppliers were found to be located in regions with water stress levels of High or above. Accordingly, we plan to strengthen our management of water-related risks across the supply chain by implementing training and support programs for suppliers with high water risks to strengthen their water usage and wastewater management systems.

Results of Water Risk Assessments by Site

Value Chain	Site	Country	Water Stress	Water Depletion
Direct Operation	Misto Holdings	Korea	Medium - High	Low - Medium
	Misto Korea Icheon Distribution Center	Korea	Medium - High	Low - Medium
	Quanzhou Global Sourcing Center	China	High	Low - Medium
Upstream	Key Tier 1 suppliers (30 sites)	China, Vietnam, Indonesia	High (or above) (Applies to approximately 60% of suppliers)	Low - Medium (Applies to approximately 53% of suppliers)

Water Management Strategy

In the fashion industry, water is used for a variety of purposes throughout the value chain, including cotton cultivation, fabric dyeing and processing, and washing during the product use phase. Furthermore, chemical substances used in cotton cultivation and fabric dyeing can enter the natural environment through wastewater. Indiscriminate water use or the discharge of pollutants during these processes can have negative impacts on local communities and ecosystems. This not only poses a significant risk to Misto Group's water-dependent supply chain operations but can also affect the Group's reputation. To address this, we plan to systematically identify water-related impacts and risks that may arise throughout the entire product lifecycle—from raw material procurement through manufacturing, sales, and customer use—and will continuously implement improvement activities focused on priority areas for managing water use and water quality impacts.

Water Management Strategy

Supply Chain Wastewater Management

Misto Group's Tier 1 suppliers undergo annual third-party audits to verify compliance with environmental regulations. Regarding wastewater treatment—a key focus area in environmental management within the fashion industry—no violations of wastewater treatment regulations or functional defects in treatment facilities were reported among suppliers for our directly operated businesses that submitted third-party audit reports in 2025. Furthermore, our survey found that some factories that generate industrial wastewater discharge it only after proper treatment through internal or external wastewater treatment facilities in accordance with regional environmental standards.

Water Resource Management Measures and Performance

Value Chain	Process	Water Use		Water Pollution		2025 Performance
		Impact	Mitigation Activities	Impact	Mitigation Activities	
Upstream	Raw Material Cultivation and Extraction	Uncontrolled water withdrawal and irrigation practices during cotton cultivation may reduce local communities' access to water and have negative impacts on ecosystems	• Expand the use of materials produced through sustainable methods with relatively low water consumption (e.g., recycled materials)	• The use of chemical fertilizers in the cotton cultivation process may have negative impacts on local water quality and ecosystems	• Expand the use of materials produced through sustainable methods with relatively low water usage (e.g., recycled materials)	• Expand the use of sustainable products • Assess water usage and management status at Tier 1 suppliers • Assess the wastewater discharge volume and management status of Tier 1 suppliers • Monitoring of Tier 1 suppliers' compliance with environmental regulations through third-party audits • Implementation of the Product Chemical Management Policy • Inclusion of case studies on water conservation, wastewater management, and hazardous substance management improvements in Misto Group's Supplier Sustainability Best Practice Guidelines
	Product Manufacturing	Excessive water use due to water-intensive processes within the supply chain may reduce local communities' access to water and have a negative impact on the ecosystem	• Assessing Water Usage and Management in the Supply Chain • Support for Supply Chain Water Efficiency Improvement Programs • Support for the Expansion of Supply Chain Wastewater Recycling Systems • Support for training and activities to strengthen water management capabilities in the supply chain	• The use of chemicals in raw material dyeing and processing may have a negative impact on local water quality and ecosystems	• Assessing wastewater discharge volumes and management status in the supply chain • Expand supply chain wastewater audits • Expand chemical management in supply chain manufacturing processes • Implementation of product chemical management policies • Support training and activities to strengthen chemical management capabilities within the supply chain	
Own Operations	Offices, Distribution Center Operations	Low impact, as water use is limited to office water consumption	• Employee water conservation campaigns and awareness-raising activities	• Office wastewater is treated through the public sewer system, resulting in a low impact	• Employee water conservation campaigns and awareness-raising activities	
Downstream	Product Use Stage	Water is used by consumers for laundry during the product use stage; direct impacts from corporate activities are limited	• Providing consumers with proper laundry guidelines	• Although microplastics and chemical substances may be released during consumer laundry, direct impacts from corporate activities are limited	• Implementation of product chemical management policies • Providing consumers with proper laundry guidelines	

Human Capital Management

Human Rights Policy

Misto Group has established the 「Global Human Rights Policy」 based on the United Nations Universal Declaration of Human Rights and the core labor standards of the International Labour Organization (ILO). The policy applies not only to our employees but also throughout the entire value chain, including suppliers and business partners, and sets out 10 core human rights principles for the protection and respect of human rights.

Global Human Rights Policy

10 Principles of the Global Human Rights Policy

- 01 Respect
- 02 No Discrimination
- 03 No Forced Labor
- 04 No Child Labor
- 05 Fair Wages
- 06 Safe and Healthy Workplaces
- 07 No Harassment
- 08 Privacy
- 09 Community Responsibility
- 10 Environmental Responsibility

Human Rights Grievance Handling and Remedial Processes

Misto Group operates various reporting channels through which employees and stakeholders can report human rights violations and potential human rights risks. The scope of reports includes workplace harassment and sexual harassment, improper solicitations and demands, and other work-related grievances, and we prioritize the anonymity and confidentiality of whistleblowers. Upon receiving a report, we comprehensively review relevant laws and internal handling standards to devise an appropriate response plan. Depending on the severity of the matter, we take strict measures through the HR Committee or the Disciplinary Committee. The handling outcomes are transparently shared with the whistleblower to ensure the reliability of communication. Misto Group plans to continue proactively addressing human rights issues to strengthen a fair and healthy organizational culture.

Human Rights Grievance Reporting and Handling Process

Step.1	Step.2	Step.3	Step.4	Step.5
Online and Offline Reporting	**Protection of Whistleblower or Victim**	**Fact-Finding and Further Investigation**	**Corrective and Disciplinary Measures**	**Follow-up Management**
Website, Mail, Hotline, Email	Implement protective measures, such as separating the alleged perpetrator and the victim	Verify factual grounds by commissioning a specialized investigation firm or conducting an internal investigation, depending on the case	Disciplinary review through the HR Committee based on the investigation results	Establish measures to prevent recurrence and monitor the implementation results

Human Rights Training

Misto Group operates an annual human rights training program to raise employees' awareness of human rights and establish a culture of respect for human rights within the organization. In 2025, the annual human rights training was conducted for all employees of Misto Holdings and Misto Korea. The training focused on core human rights topics, including legally mandated training on sexual harassment prevention, workplace harassment prevention, and disability awareness. The training program achieved a 100% completion rate.

2025 Human Rights Training Status

Program	Target Audience	Completion Rate
Sexual Harassment Prevention	All employees of Misto Holdings/ Misto Korea	100%
Workplace Harassment Prevention		100%
Disability Awareness in the Workplace		100%

Labor-Management Communication Channel

Misto Group fosters an organizational culture of mutual respect based on trust with its employees and operates various communication channels and consultative bodies to ensure that employees' opinions are reflected in overall management. Through these efforts, we continuously drive changes that employees can tangibly experience, such as improvements in the work environment and innovation in organizational culture.

Misto Holdings Labor-Management Council

Misto Holdings holds a labor-management council meeting once per quarter, composed of executive management and employee representatives, to foster smooth communication with employees and build labor-management relations based on mutual trust. At each meeting, key agenda items related to all aspects of employees' work are discussed, and the details are recorded in meeting minutes to ensure fair and transparent management of the council. Through these efforts, the company aims to improve organizational operations and create a sustainable work environment.

Misto Korea "Change Partners"

Misto Korea is building a smooth communication system between executive management and employees and strengthening cooperative relationships centered on the labor-management council, "Change Partners." In 2025, the council held three ad hoc meetings and one regular meeting to discuss key issues related to improving the work environment and organizational operations. At each meeting, various opinions were gathered regarding improvements to the work environment and organizational operations, and the matters discussed are incorporated into future improvement initiatives.

Misto Korea Change Partners Q4 2025 Regular Meeting



Key Agenda Items for 2025 Misto Group Labor-Management Council

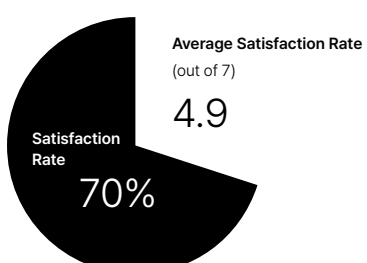
Key Areas	Key Issues	
	Misto Holdings	Misto Korea
Talent Management and Fair Evaluation	• Job-level competency training • Establishment of 2025 performance evaluation goals, mid-year review, and year-end evaluation	• Clarification of roles and responsibilities
Work Environment and Flexible Work Arrangements	• Sharing of annual leave usage status and flexible work arrangements	• Implementation of staggered working hours • Provision of paid leave for health checkups
Employee Benefits and Satisfaction	• Review of improvements to the employee benefits system • Renewal of group accident insurance • Review of revisions to the employee discount program • Sharing of information on long-service award events	• Enhancement of long-service award • Increased provision of ready-to-eat meals at the company cafeteria
Occupational Health and Safety Management	• Revision of business travel regulations and sharing of safety management guidelines	• Improvements to the ventilation system • Establishment of a men's break room

Employee Satisfaction Survey

Misto Korea conducts an annual company-wide satisfaction survey for employees, covering job satisfaction and the work environment, and uses the results to improve working conditions and policies. The 2025 employee satisfaction survey recorded an average score of 4.9 out of 7, indicating an overall satisfaction rate of approximately 70%.

Going forward, in addition to regular satisfaction surveys, the company plans to gather employee feedback more directly and strengthen two-way communication through the labor-management council "Change Partners" and company-wide town hall meetings.

Misto Korea Employee Satisfaction Survey Results in 2025



Talent Acquisition

Ideal Talent Profile

Based on the Group's core values, Misto Holdings has established four attributes of its ideal talent profile (Respect, Determination, Integrity, and Resilience) and is identifying and recruiting talent capable of driving sustainable growth. This reflects the company's talent philosophy of enabling its diverse brands to collaborate organically and create meaningful experiences and value in the global market, in line with its vision of becoming a global brand portfolio company that realizes the potential of brands and connects people and society.

Fair and Inclusive Recruitment Culture

Misto Group selects outstanding talent through fair and transparent procedures and prohibits discrimination based on factors unrelated to job requirements, such as gender, religion, or regional background. During the interview process, interviewers from various departments and job levels participate to ensure a balanced evaluation of both job suitability and organizational fit, thereby gaining a multifaceted understanding of candidates.

Furthermore, Misto Korea secures top talent through various channels, including an employee referral program through which employees recommend qualified candidates they would like to work with, and a Career-up program that supports employees' career development.

Misto Holdings' Ideal Talent Profile



Performance Management and Fair Compensation

Misto Group complies with statutory wage standards in each country and operates a fair compensation system designed to provide employees with a reasonable standard of living. Compensation is determined fairly based on roles and performance, without discrimination based on personal characteristics such as gender.

We use a performance management system based on Management by Objectives (MBO) to evaluate employees' roles and contributions annually. This system applies to all employees of Misto Holdings and Misto Korea. Mid-year reviews and meetings are conducted to support employees in achieving their performance goals, followed by a final annual evaluation. Evaluation results are linked to individual performance-based incentives, ensuring a fair and transparent compensation system.

To enhance objectivity and balance, performance evaluations combine team-level performance assessments with individual competency assessments. Additionally, we support the development and growth of our employees through continuous coaching and agile conversations. Misto Korea has also introduced a 360-degree feedback system to improve the fairness of evaluations and increase employee acceptance.

Employee Benefits

Support for Maternity, Childcare, and Family Care

Misto Group provides maternity and parental leave in compliance with the laws of each country it operates. In Korea, we provide reduced working hours during pregnancy and leave before and after childbirth. Employees with children in the second grade of elementary school or below may take up to one year of parental leave per child. We also encourage the use of spousal leave and family-related leave (including dependent care). Family-related leave can be taken for up to 10 days when an employee's parents, children, spouse, or spouse's parents require care. Additionally, we provide nursing rooms and rest areas for female employees to provide a comfortable working environment and rest areas.

Flexible Work Environment

Misto Group complies with the statutory working hours of each country and manages compliance with relevant laws and regulations by monitoring working hours and overtime hours. Entities located in Korea and China apply prescribed working hours of eight hours per day and 40 hours per week, and provide appropriate compensation for overtime work in accordance with applicable laws and regulations. In addition, to support employees' work-life balance, we encourage the use of statutory annual leave and operates flexible work arrangements and an autonomous work environment.

Programs Supporting a Flexible Work Environment

Staggered Working Hours	Hybrid Working Environment	Flexible Leave Options	Bridge Leave System	Flexible Working Hours [1]
Employees may choose their start time between 8:00 AM and 10:00 AM at 30-minute intervals.	A hybrid work environment is supported through remote working arrangements, including work-from-home options.	Annual leave may be taken in units of one day (8 hours), a half day (4 hours), or a quarter day (2 hours).	Additional company-designated holidays are provided during extended holiday periods.	Employees may work an average of 40 hours per week on a monthly basis, rather than fixed 8 hours per day, provided that Core Time (10:00 a.m.–4:00 p.m.) is included.

1) Flexible working hours apply to all employees of Misto Holdings. The other programs apply to all employees of Misto Holdings and Misto Korea.

Welfare Programs[1]

Category	Program	Description
Employee Health Management	Group Accident Insurance and Medical Expense Support	Group accident insurance and dental insurance coverage provided for employees, spouses, and children
	Health Insurance Premium and Influenza Vaccination	Partial coverage of health insurance premiums upon signing a smoking cessation pledge and support for flu vaccinations
	Health Checkups and Leave for Checkups	Annual health checkups for employees, their spouses, and children, with 4 hours of leave provided for health checkups
	Health Counseling Program	Health consultations provided through invited medical professionals
Professional Competence and Growth	Self-development Support	Support for self-development expenses twice a year
	Work-Related Books and Professional Certifications Support	Support for purchasing work-related books and obtaining work-related certifications
Financial Stability and Employee Benefits	In-house Loan Support	Interest-free housing loans within a designated limit for home purchase or lease purposes
	Employee Discounts on Company Products	Discounts on affiliated brand products
	Meal Support	Diverse breakfast and lunch menus available at the company cafeteria
	Welfare Points and Hotel Discounts	Welfare points and hotel discounts available through affiliated welfare platforms
	Golf Membership Support	Golf club membership support to facilitate leisure activities
Family-Friendly and Congratulatory Support	Long-Service Awards	Long-service awards and special leave based on years of service
	Childbirth Congratulatory Benefits	Childbirth congratulatory payments and gifts
	Congratulatory Gifts for Children Entering Elementary, Middle, or High School	Gifts for employees' children entering elementary, middle, or high school, and gifts for children taking the College Scholastic Ability Test (CSAT)

1) Specific support details may vary by entity

Employee Communication and Networking

Employee Club Activities

Misto Korea operates a variety of in-house clubs to foster a vibrant organizational culture and promote interaction among employees. Currently, clubs are active in a wide range of fields, including tennis, soccer, running, basketball, AI, and dance. By providing support for activity and regular meeting expenses and organizing exchange programs such as joint sports tournaments between clubs, the company encourages active communication within the organization.

Team-Building Event

The Quanzhou Global Sourcing Center[1)] in China organized an outdoor program for employees as part of its team-building activities. The event was designed to allow employees to take a break from their busy work schedules and promote physical and mental well-being. The program included guided hiking, interactive games, and awards, which helped strengthen networking among employees.

1) Lombardia, Misto Apparel, Misto Footwear

Team-Building Event at Quanzhou Global Sourcing Center



"Team Together" Activity

Misto Korea organizes a "Team Together" activity once per quarter, in which all employees participate, to strengthen internal communication and teamwork. The program is organized in various formats each quarter, including team- or department-based groups, mixed teams, and company-wide participation. It serves as an in-house team-building and wellness activity designed to strengthen interaction and foster a collaborative culture among employees. Teams that demonstrate outstanding participation and positive feedback are selected and awarded based on employee votes, fostering voluntary participation and a positive organizational culture.

"Team Together" Activity



Sports Club Operations

Misto Group's entities in China[1)] established a new sports club to further foster an inclusive organizational culture. The program was designed to promote employee well-being and strengthen teamwork and organizational bonds. The sports club offered a variety of activities, including tennis, Pilates, yoga, and golf, reflecting employees' interests and fitness goals. With a budget of approximately KRW 87 million, the company provided professional coaching, training, and injury prevention guidance to ensure a safe and sustainable environment for participation. Approximately 35% of employees at the Shanghai site and 55% at the Quanzhou site participated in this program. Through this initiative, we are reinforcing an organizational culture that prioritizes employee health and well-being and continue to foster a healthy work environment based on communication and collaboration among team members.

1) Lombardia, Misto Apparel, Misto Footwear (Sites at Shanghai and Quanzhou)

Tennis Courts at Misto Group's Entity in China



Employee Competency Development Training

AI Utilization Training

Misto Korea has conducted training to enhance employees' AI utilization skills in order to respond to the rapidly changing digital environment and strengthen employees' future job competencies. The training was designed with a focus on practical application and also covered the responsible and ethical use of AI, including data privacy, information verification, and copyright and source attribution. Through the training, employees strengthened their AI competencies while improving work efficiency through the practical use of AI.

New Hire Onboarding Program

Misto Korea operates "M Power," an onboarding program designed to help new employees settle smoothly into the organization. The program enhances new hires' understanding of the overall organization and helps them internalize the corporate culture and core values. In particular, by providing essential information and guidance on organizational life during the early stages of employment, it helps new hires settle into the organization smoothly.

Group Training Programs by Job Grade and Role

Misto Holdings provides tailored training programs designed to meet the needs of employees at different job grades and roles. In 2025, the company held grade-specific workshops for all employees. A satisfaction survey revealed high satisfaction with participatory and hands-on training, as well as a demand for expanded interaction across job levels and departments. Reflecting these findings, the company plans to improve its training system by regularizing workshops and expanding team-building sessions. Moving forward, Misto Holdings plans to support employee competency development by introducing specialized competency-building courses and career-stage training programs based on company-wide training needs assessments.

Support for Leadership and Professional Competency Development

Misto Group's Chinese entities, including Misto Apparel and Misto Footwear, have implemented programs to support employees in pursuing degrees and advanced training courses to strengthen their leadership and professional capabilities. Through the Doctor of Business Administration (DBA) program and specialized training courses for Chief Financial Officers (CFOs), they have enhanced senior leadership capabilities and financial strategy expertise. This ongoing investment in employee development strengthens organizational governance and contributes to laying the foundation for sustainable growth.

Global Collaboration Meeting (GCM)

Misto Group regularly holds Global Collaboration Meetings to share the medium- and long-term strategic direction of the FILA brand and strengthen collaboration with global entities and partners. In 2025, the meeting was held in conjunction with the opening ceremony for FILA Brand Experience Center in Biella, Italy, the birthplace of the brand. At the subsequent meeting, participants discussed and shared the global strategic direction, 2026 business plans, brand campaigns, and key product directions. These efforts helped establish a foundation for maintaining a consistent global brand identity while strengthening regional execution capabilities.

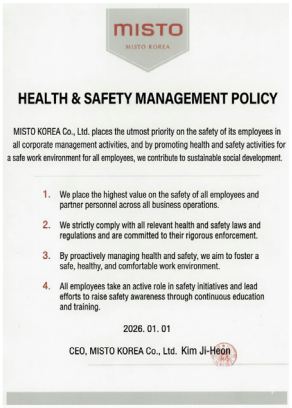
2025 Misto Holdings Training Program

	Growth Support			Leadership and Organization	Role-Based Capacity Development		
Program	Support for Language and Job-related Learning	External Job-related Training Courses (Outsourced)	Support for Professional Certification Acquisition	Company-wide Workshop	Strengthening of Organizational Management Competencies	Strengthening of Bridge Leadership	Strengthening of Goal Management and Communication Competencies
Target Participants	All employees			All employees	Managers	Mid-level Managers	Working-level Employees and New Hires

Health and Safety Policy and Organization

Misto Group prioritizes the health and safety of its employees and various stakeholders above all else and has established and operates an 「Occupational Health and Safety Policy」 that complies with relevant laws and regulations. Misto Korea has established a 「Health and Safety Management Commitment」 to create a safe working environment at the Icheon Distribution Center. Under the supervision of Occupational Health and Safety Manager, the company plans and implements accident prevention activities and risk assessments to comply with the Serious Accidents Punishment Act and the Occupational Safety and Health Act.

Misto Korea Health and Safety Management Commitment


MISTO
MISTO KOREA

HEALTH & SAFETY MANAGEMENT POLICY

MISTO KOREA Co., Ltd. places the utmost priority on the safety of its employees in all corporate management activities, and by promoting health and safety activities for a safe work environment for all employees, we contribute to sustainable social development.

1. We place the highest value on the safety of all employees and partner personnel across all business operations.
2. We strictly comply with all relevant health and safety laws and regulations and are committed to their rigorous enforcement.
3. By proactively managing health and safety, we aim to foster a safe, healthy, and comfortable work environment.
4. All employees take an active role in safety initiatives and lead efforts to raise safety awareness through continuous education and training.

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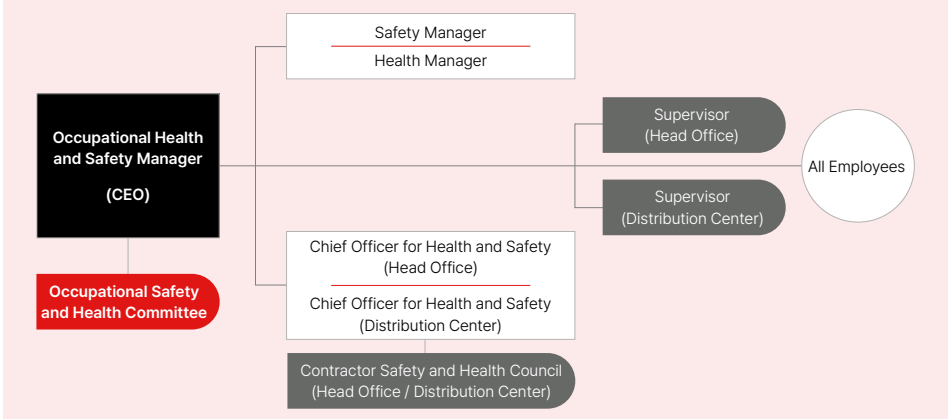
CEO, MISTO KOREA Co., Ltd. Kim Ji-Heon

Serious Industrial Accident Response Manual

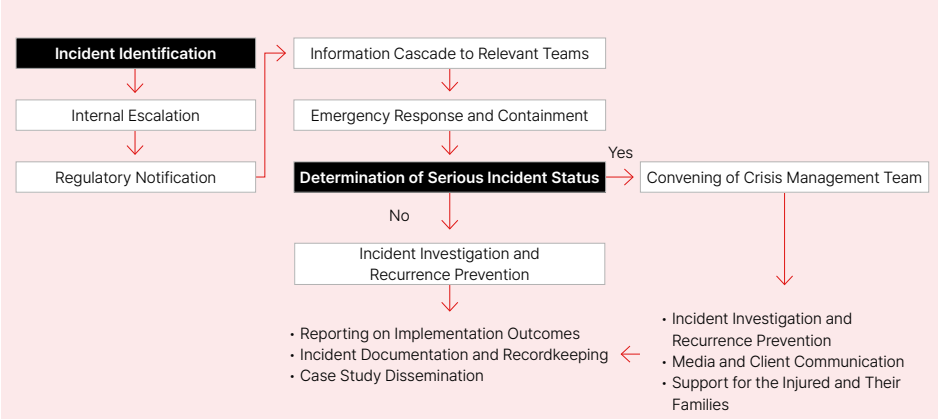
Misto Group has established and implemented response manuals and procedures to ensure a swift and systematic response in the event of a serious industrial accident. Employees are required to report any incident to the relevant department and their supervisor as soon as they become aware of it, enabling an immediate response.

If a reported incident is classified as a serious industrial accident, a crisis management team meeting is convened to investigate the cause of the accident and to establish and implement corrective measures to prevent recurrence. Furthermore, the accident handling process and results are shared with relevant departments and executive management to ensure systematic follow-up actions.

Organizational Structure for Occupational Health and Safety Management at Misto Korea



Serious Industrial Accident Response Process



Workplace Risk Assessment

Misto Korea systematically manages potential hazards within its workplaces using a risk matrix. Through regular and ad hoc risk assessments, the company identifies hazards, prioritizes them based on severity, and establishes and implements corrective measures. In 2025, risk assessments were conducted at the Seoul office and the Icheon Distribution Center, identifying a total of 43 potential hazards, and corrective measures were implemented accordingly.

Occupational Health and Safety Risk Assessment Process

- Preliminary Preparation
- Identification of Hazards and Risk Factors
- Risk Estimation
- Risk Evaluation
- Development and Implementation of Mitigation Measures
- Documentation of Risk Assessment

Misto Korea Workplace Risk Assessment Results

Category	Key Risk Factors	Corrective Actions
Distribution Center	Risk of vehicles and pedestrians slipping due to icy slopes during winter	Provision of snow removal equipment during winter Maintenance of a constant supply of calcium chloride on ramps to prevent slips
	Risk of cargo collapse due to unstable pallet loading	Establishment of pallet-loading standards (e.g., maximum loading heights) and maintenance of load balance to strengthen loading safety management
	Risk of falls from platforms during order picker operations	Safety gate inspections, checks on safety-lanyard fastening, and prohibition of unauthorized use during order picker operations
	Risk of musculoskeletal disorders due to repetitive tasks and improper work postures	Installation of anti-fatigue mats, training on proper work postures, and regular breaks to prevent musculoskeletal disorders
	Risk of electric shock, short circuits, and pedestrian tripping due to insulation damage caused by forklift charging cables left on the floor	Installation of dedicated storage boxes for charging cables, establishment of housekeeping standards, provision of automatic fire extinguishers, and relevant safety training
	Risk of bruising or other injuries from collisions with structural elements (corners) in the workplace	Installation of protective guards on structural elements (corners) and attachment of collision warning signs

Operation of the Contractor Council

Misto Korea operates a “Contractor Health and Safety Council” with its contractors to manage health, safety, and operational issues. The council is held monthly, bringing together contractors and onsite workers at the distribution center to discuss key issues such as accident prevention, work environment improvements, and health management.

The meetings cover worker protection measures for seasonal risks such as extreme heat, fire and electrical safety management, facility inspections, and improvement items. Based on the discussions, improvement measures and action plans are developed. In particular, Misto Korea implements worker protection measures such as providing rest breaks to prevent heat-related illnesses, managing workplace temperature and humidity, ensuring the use of personal protective equipment, and strengthening safety training.

Matters identified through the council are also reflected in onsite operations, leading to facility repairs, reinforcement of safety equipment, and expanded training. Through these efforts, Misto Korea strengthens communication with contractors and contributes to preventing occupational accidents and creating a safe working environment.

Operation of the Contractor Council

Distribution Center Cooling Area

Misto Korea operates a cooling center at its distribution center to prevent heat-related illnesses during extreme heat. This measure was established through discussions with the contractor council and aims to minimize health risks in high-temperature work environments by providing a rest area where workers can cool down and take sufficient breaks at any time during their shifts.

Additionally, the company has strengthened preventive measures to protect workers, such as granting a 20-minute break after every two hours of work when the apparent temperature reaches 33°C or higher, and providing immediate additional rest in cases of suspected heat-related illness.

Cooling Area at Misto Korea Distribution Center



Employee Health and Safety

Employee Health Support

Misto Group operates various health management systems to promote the physical and mental well-being of its employees. Misto Korea monitors the health of its employees through regular visits by medical staff and focuses on maintaining a comfortable work environment by implementing workplace improvements based on inspections by industrial hygienists. For departments involving emotional labor, the company conducts stress assessments and operates mental health care programs based on professional counseling to support employees' psychological well-being and stress management.

In addition, Misto Korea provides coverage for accidents, illnesses, and death through group insurance for employees, and the company subsidizes the costs of comprehensive health screenings and flu vaccinations for employees and their families every year. The company runs anti-smoking campaigns and subsidizes health insurance premiums, and starting in 2026, it will provide four hours of paid leave for employees undergoing health screenings to actively encourage participation.

Employee Safety Training

Misto Korea provided cardiopulmonary resuscitation (CPR) and first-aid training for all employees in collaboration with Seongbuk Fire Station, a relevant local agency, to ensure that employees can respond promptly and accurately in workplace emergencies. Approximately 246 employees participated in the training. The program went beyond theoretical instruction and focused on hands-on practice, including the use of automated external defibrillators (AEDs) and training mannequins, thereby enhancing its practical effectiveness.

An evaluation process was implemented following the practical sessions to ensure training quality, and the program was delivered in multiple sessions to allow all employees to participate. Misto Korea plans to continue strengthening its health and safety culture to protect the lives and safety of its employees through ongoing collaboration with professional organizations.

CPR and First Aid Training



Customer Management

Customer Communication

Voice of the Customer (VoC)

Misto Group strives to enhance customer satisfaction through customer-centric service operations. Misto Korea actively communicates with customers by operating various customer service channels—such as an integrated call center, online bulletin boards, and KakaoTalk—to ensure customer convenience. In 2025, the customer response rate stood at approximately 97.9%. Unresolved inquiries primarily occurred when multiple lines at the integrated call center were occupied simultaneously, resulting in delayed connections or dropped calls. To mitigate these issues, we take proactive measures by adding additional lines during peak periods to reduce customer inconvenience and improve service quality. Additionally, Misto Korea collects customer feedback (VoC) to inform quality and service improvements, and shares this feedback with relevant departments to identify key areas for enhancement.

Cases of VoC Implementation in 2025

Customer Feedback	Areas for Improvement
Difficulty paying repair fees	Improved payment convenience by introducing a card payment system through the online store
Packaging box damaged during online delivery	Changed the box material to a more durable paper to prevent damage
Product damage during delivery	Enhanced loading stability by introducing dedicated boxes to protect small items
Stains found on shoe uppers	Improved quality control standards by strengthening pre-shipment inspection procedures
Delays in processing exchanges and returns	Shortened processing time by increasing the frequency of return pickups from once to twice a day and introducing a same-day inspection system

Total Inquiries

69,926

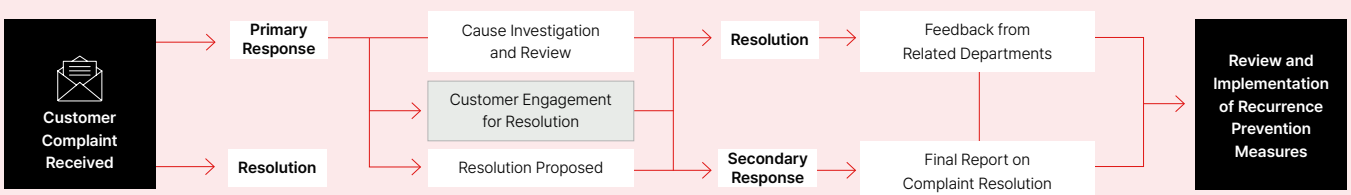
Number of Responses

68,449

Response Rate

97.9%

Customer Complaint Handling Process



Customer Satisfaction Management

Customer Satisfaction Survey

In 2025, Misto Korea conducted a satisfaction survey among customers who used repair services through its official online mall to assess their satisfaction with FILA products and services. The survey found high levels of satisfaction with customer center and delivery services, particularly in terms of the professionalism and friendliness of customer service, as well as delivery accuracy and speed. The survey also showed that 95.8% of respondents were willing to recommend the brand, indicating strong positive brand perception. Misto Korea will continue to reflect customer feedback to improve overall product quality and services.

Satisfaction Survey Results

Customer Service (Out of 10)	Delivery Service (Out of 10)	Intent to Recommend the Brand
9.3	9.1	95.8%

Product Quality Control and Recall Response

Product Quality Management System

Misto Korea operates a systematic process for handling customer complaints and product defects, and based on this, continuously promotes quality improvement activities. The company shares monthly product defect rates and VoC analysis results with relevant departments and incorporates them into product planning, production, and logistics. As a result, the company achieved a year-over-year improvement in defect rates of 0.05 percentage points for apparel and 0.16 percentage points for accessories. Furthermore, Misto Korea strengthens company-wide quality management capabilities by sharing key cases and progress on improvements through monthly quality feedback meetings for each division (apparel, accessories, and footwear) and by publishing a “Quality Newsletter” at least twice a year. The company also regularly updates quality materials—such as defect case studies, repair guides, and customer service case studies—and utilizes them for training store staff and management.

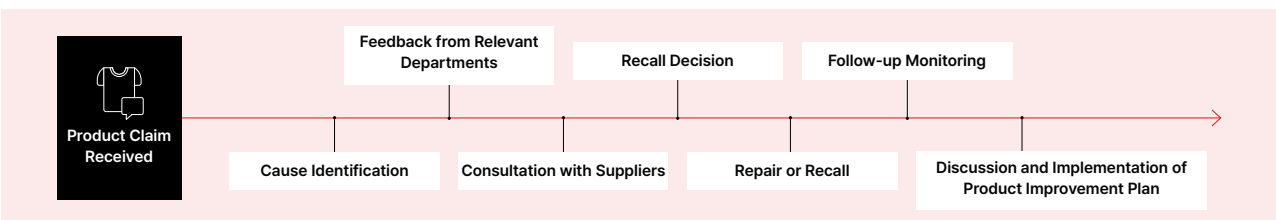
Quality Newsletter



Recall Response Process

Misto Korea reviews product defects and potential safety risks when product safety issues arise and, where necessary, conducts voluntary recalls or recalls mandated through administrative procedures in accordance with official guidelines and procedures established by relevant authorities, including the Korea Agency for Technology and Standards (KATS). When a recall is initiated, Misto Korea provides notifications at stores and communicates with customers, while taking appropriate measures such as product repair, replacement, refund, or disposal to minimize customer inconvenience and potential harm. Following the recall, the company conducts follow-up monitoring and corrective actions to prevent recurrence and incorporates improvements into product development and quality management processes.

Product Defect Handling Process



Community Contribution

Community Engagement and Support

Misto Group recognizes the environmental and social impacts that may arise from its business operations and carries out various community contribution activities to fulfill its corporate social responsibility. In particular, based on a sense of responsibility toward major environmental and social challenges linked to the fashion industry—such as resource consumption, waste generation, labor issues, and local community issues—we strive to plan and consistently implement activities that contribute to solving industry-related problems. We are engaged in activities across a wide range of fields, including support for sports and cultural activities, employee-participatory social contribution initiatives, disaster relief, and support for socially vulnerable groups. Moving forward, we plan to expand our social role based on communication with local communities and stakeholders.

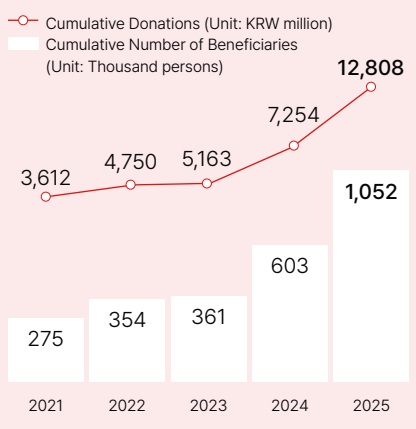
Status of Social Contribution Initiatives

Misto Group systematically manages donation data to monitor the status and performance of its social contribution activities. Through various programs, we contribute to mutual growth with local communities and the creation of social value. Recent increases in beneficiaries and donation amounts reflect the expanding scope and impact of these activities. We will continue to improve our operational framework to provide meaningful support to local communities and stakeholders.

Misto Korea's Cumulative Donations Over the Past 5 Years

KRW 12,808 million

Community Contributions[1)] (Cumulative Beneficiaries, Cumulative Donations)



1) Misto Korea's donation performance

Support for Sports Activities



Jeju SK FC "3rd Uniform Featuring Jeju Indo-Pacific Bottlenose Dolphin"

Our Sport is Beautiful

Misto Korea partnered with Jeju SK FC to run a sustainable sports campaign centered on the message "Our Sport is Beautiful (Why FILA's Sports Are Beautiful)", engaging with the Jeju community. This campaign was designed to highlight the significance of the environmental protection and youth support activities that FILA and Jeju SK FC have carried out over the past four years, and to convey sustainable values that connect the local community, the environment, and future generations through sports. In particular, under the theme of protecting Jeju's marine ecosystem, Misto Korea produced a 25-season 3rd uniform inspired by the Jeju Indo-Pacific bottlenose dolphin, an internationally endangered species. The uniform incorporates a pattern that evokes the curves of the dolphin and the waves of the Jeju Sea, and it embodies sustainable values by using a fabric containing 45% recycled polyester yarn derived from PET bottles. Additionally, starting in 2023, the company ran a bottle cap collection campaign during Jeju home games, collecting approximately 6,500 bottle caps. The bottle caps were recycled to produce a total of approximately 1,500 keychains, which the company distributed to fans to encourage participation in circularity initiatives.

Support for Youth Sports

Misto Korea supports young athletes to promote the healthy development of future generations and foster a stronger sports culture. During its sponsorship with Jeju SK FC, Misto Korea has operated youth programs each season. In 2025, the company held "Youth Mini Game Day," an exchange program that brought together Jeju SK FC youth players and professional players. A total of 28 youth players and four professional players participated, with the youth players gaining motivation and growth experiences while the professionals shared their skills, know-how, and sportsmanship. Misto Korea will continue its social contribution activities to support the healthy growth of children and adolescents in local communities and help build a sustainable sports culture.



Jeju SK FC Youth Soccer Clinic

Community Donation Activities

Support for the Seongbuk Sports Association for the Disabled

As a company based in Seongbuk-gu, Seoul, Misto Korea collaborated with the Seongbuk Sports Association for the Disabled to provide commemorative gifts for a sports competition, in an effort to promote mutual growth and sharing within the local community. This support encouraged participation in sports activities for people with disabilities and contributed to revitalizing sports in the local community.

In addition, the company continues to carry out social contribution activities to expand access to everyday sports for people with disabilities and promote the health of local residents. The company plans to continue supporting activities aimed at revitalizing sports for people with disabilities and enhancing community welfare.

Support for the National Sports Festival for the Disabled



Sponsorship of Good Neighbors Race

Misto Korea participated as a sponsor of the Good Neighbors Race, held under the theme of responding to the climate crisis. The company donated 3,000 pairs of socks included in participant kits and supported event operations. All participation fees from the event were used to support vulnerable groups affected by the climate crisis, contributing to donation through sports and raising environmental awareness. In addition, Misto Korea continues to carry out various social contribution activities through Good Neighbors, including providing clothing to children from vulnerable groups in Korea and organizing year-end sharing activities.

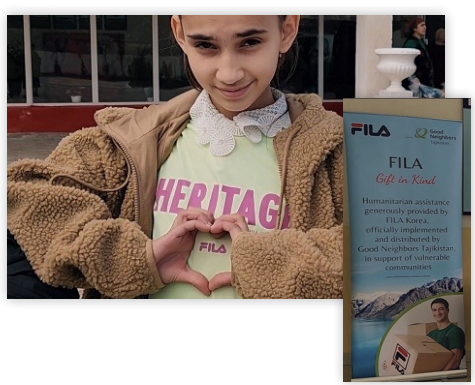
Sponsored Items for the Good Neighbors Race



Support for Disaster- and Climate-Vulnerable Regions

Misto Korea continues to carry out projects to provide clothing and daily necessities in collaboration with Good Neighbors, targeting disaster- and climate-vulnerable regions. This initiative aims to support daily life recovery and meet basic needs in areas with fragile infrastructure. Since 2023, the company has continued its global social contribution activities through donations totaling approximately KRW 6.4 billion. In Türkiye, a three-year project was launched following the 2023 earthquake to support the recovery of affected areas and livelihood stability, with the scope of support gradually expanding. In Tajikistan, clothing and daily necessities were provided to vulnerable groups in mountainous and climate-vulnerable regions in collaboration with local partner organizations. Based on its partnership with Good Neighbors, Misto Korea continues to expand social contribution activities, focusing on disaster- and climate-vulnerable regions.

Clothing and Daily Necessities Support in Tajikistan



Community Donation Activities

Support for Gyeongbuk Wildfire Recovery

Misto Korea donated clothing and underwear for emergency relief to support residents whose homes were destroyed or who were evacuated due to the wildfires in Gyeongbuk in March 2025. The donated items were delivered to evacuation shelters in early 2025 through ChildFund Korea and the Gyeongbuk Volunteer Center, with 35,919 items worth approximately KRW 260 million distributed across four regions in Gyeongbuk, including Yeongdeok, Yeongyang, and Andong. This support initiative was launched to help residents in disaster-affected areas stabilize their lives and return to normalcy as quickly as possible. Based on the emergency relief response process established since 2023, Misto Korea continues to provide on-site support through swift decision-making. The company will continue to strive to respond quickly to sudden disaster situations and provide support to areas in need.

Support Activities for Wildfire Damage Relief in Gyeongbuk



Employee Goods Donation Campaign

As part of Misto Group's social responsibility, we operate employee-participation donation campaigns and sharing activities that connect people and society. In celebration of Circularity Day in September 2025, employees and the entities jointly donated a total of 1,294 items over a two-week period. The donated items included clothing, miscellaneous goods, books, household items, and small appliances, and we delivered these usable items to the non-profit social enterprise Goodwill Store. These items contribute to circularity through resale, while also creating jobs and supporting the self-reliance of people with disabilities and vulnerable groups. We plan to continue expanding participatory social contribution activities with our employees to contribute to the creation of sustainable social value.

Seoul Sharing-Bonding Network

In December 2025, Misto Korea was appointed as a participating organization in the Seoul Metropolitan Government's "Seoul Sharing-Bonding Network". The Network is a public-private partnership network joined by institutions, organizations, and companies that have contributed to promoting a culture of giving. As a participating company, Misto Korea is supporting the spread of a giving culture in local communities and contributing to support for vulnerable groups.

Support Activities for Wildfire Damage Relief in Gyeongbuk





Employee Goods Donation Campaign



Seoul Sharing-Bonding Network



BRAND EXPERIENCE CENTER





FILA Brand Experience Center

The FILA Brand Experience Center is a multi-purpose cultural space newly opened in November 2025 by the FILA Museum Foundation, established in 2010, on the site of FILA's original premises. The center showcases FILA's historical archives, key products, and brand-related materials, enabling visitors to explore the brand's evolution and philosophy. Beyond its exhibition function, the center serves as a cultural space that expands engagement with the local community through FILA's brand heritage. It incorporates elements designed with environmental impact in mind, such as solar panels, and offers free docent-led tours to help visitors more easily experience FILA's history and brand values.

The FILA Brand Experience Center operates as a cultural and educational space that expands engagement with the local community based on the brand's heritage. Through sports-based programs, the center helps children and youth experience the values of cooperation and challenge. It also expands opportunities for physical activity and contributes to community revitalization through local outreach initiatives. Additionally, the center runs various charitable programs, including medical support for patients in need and the provision of daily necessities and essential supplies to vulnerable groups. By connecting brand experiences with social value through these activities, the center contributes to sustainable shared growth with the local community.





Youth Sports Education Program



"Biella Cresce" Educational Program for Child Development





Supporting Patients with Hematologic Cancers through AIL Biella

Campaign to Support Daily Necessities for Vulnerable Groups

Educational Program to Support Child Development	To support future generations, the FILA Brand Experience Center operates the educational program "Biella Cresce". Based on collaboration with schools, teachers, and public institutions, the program supports the cognitive and emotional development of children from early childhood through elementary school, and is expanding beyond Biella to other regions. To date, approximately 1,500 children and over 140 teachers have participated.
Youth Sports Education Program	The center operates "Ciccio Graziani Summer Camp," a summer soccer camp for youth that combines sports, education, and inclusion. In 2025, it held the camp in collaboration with local soccer clubs, with Ciccio Graziani, a World Cup winner and FILA brand ambassador, participating as a coach. The program is designed to help children learn the values of discipline, respect, and teamwork through soccer training and team activities.
Support for Community-Based Sports Activities for Children and Youth	In collaboration with a public foundation in the Biella region, the center promotes education, cultural, and sports programs. Through the "Sport Education" program, it expanded youth participation in sports and provided approximately EUR 20,000 in support in 2025. The program integrates sports into kindergarten and elementary school curricula to help children develop physical, cognitive, social, emotional, and interpersonal skills, supporting their holistic growth. A total of 42 schools and 882 children participated.
Support for Blood Cancer Patients	The center partners with AIL Biella, an organization supporting patients with blood cancer, to carry out various support activities for patients and their families. In 2025, it contributed to raising funds for treatment support and research through fundraising events and charity sports events, and continues to provide ongoing support for patients and their families.
Support for Daily Necessities for Vulnerable Groups	In 2025, in collaboration with local charity organizations in Biella, the center carried out activities to support vulnerable groups. Through food donation campaigns and the strengthening of support systems with local food banks, it provided assistance to approximately 4,000 local residents in need.

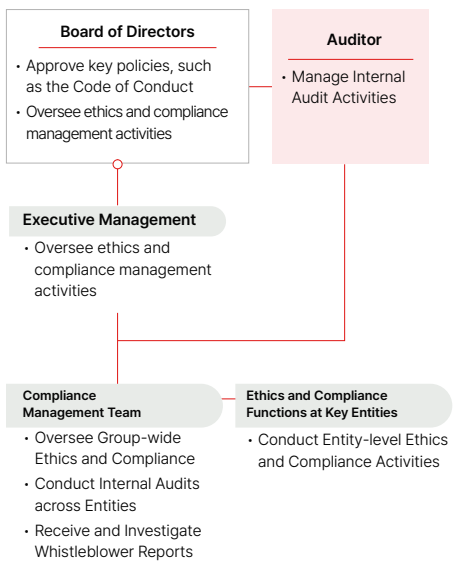
Ethics and Compliance Management

Ethics and Compliance Management System

Ethics and Compliance Organizational Structure

As part of the efforts to embed ethics and compliance into organizational culture, Misto Group operates a dedicated company-wide ethics and compliance function. The Compliance Management Team at Misto Holdings oversees a broad range of ethics and compliance activities, including the enactment and revision of internal regulations, monitoring compliance with the Code of Conduct, and investigating and following up on violations. The Team also reports key work plans and operational performance to the Board on a regular basis. We also provide training, internal campaigns, and other programs to raise employees' ethical awareness. In addition, the "Global Compliance Network", an internal council of compliance officers from Misto Holdings and key entities, systematically manages group-wide ethics and compliance matters and related risks. Through monthly written reports and quarterly meetings, the council shares key issues, discusses response measures, and supports compliance capabilities across the Group.

Ethics and Compliance Governance



Ethics and Compliance Management Framework

Prevention
- Clean Campaign
- Ethics Training
- Code of Conduct Commitment
- Compliance Assessment

Monitoring & Audits
- Reporting Center
- Whistleblower System
- Ad-hoc Interviews
- Periodic Management Evaluations
- Routine Internal Audits
- On-site Audits

Improvement
- Reporting to Management
- Improvement Recommendations
- Follow-up Assessments

Ethics and Compliance Management Policy

Global Group Code of Conduct

Misto Group has adopted the 「Global Group Code of Conduct」 as part of its commitment to sustainable growth and ethical responsibility. The Code provides a common standard for employees' ethical decision-making and responsible behavior, and applies equally to all members of the Group. All employees are required to comply with the Code and put the principles into practice across their work. Any violation may be subject to appropriate action in accordance with internal regulations.

Global Group Code of Conduct
Global Code of Conduct for Business Partner

Contents of the Code of Conduct

Human Rights
- Discrimination/Harassment
- Forced Labor
- Child Labor
- Working Hours
- Fair Wages and Employment Contracts
- Freedom of association and the right to collective bargaining
- Health and safety

Ethical Management
- Compliance with Laws and Regulations
- Anti-bribery and anti-corruption
- Fair Competition and Antitrust
- Trade Controls
- Conflicts of Interest
- Accuracy in Communication and Reporting
- Political, social, charitable, or other external activities

Responsible Sourcing and Management
- Product and service safety
- Environment and Sustainability
- Animal welfare
- Community Contribution

Asset and Data Protection
- Intellectual property
- Facilities and equipment
- Confidentiality
- Consumer Data Management and Protection

Ethics and Compliance Culture

Ethics Pledge

Misto Holdings and Misto Korea conduct an annual Ethics Management Pledge to raise employees' awareness of ethics and compliance and embed these principles across business activities. All employees, including permanent and temporary employees, sign the pledge to reinforce their understanding of compliance principles and apply ethical standards in their daily work. When entering into contracts with suppliers of directly operated entities and licensees, Misto Group requires a signed agreement to comply with the Global Code of Conduct. Through this approach, we work to promote and embed a culture of ethical management not only within the Group, but also across our suppliers. In 2026, we plan to fully revise the Ethics and Compliance Pledge and expand our application to all group entities. The revised pledge will reflect the latest global compliance standards and provide practical guidance under the Code of Conduct, supporting employees in applying consistent ethical standards. Building on this group-wide pledge, we will gradually develop integrated compliance governance beyond individual entities and further advance a proactive risk prevention system aligned with the global business environment.

Ethics Campaigns and Communications

Misto Group is committed to prohibiting employees from accepting any improper benefit from suppliers, including gifts, entertainment, or favors. Building on this commitment, Misto Holdings and Misto Korea carry out the annual "No-Gift Clean Campaign" to promote a culture that prevents improper conduct. Misto Korea also publishes an ethics newsletter three times a year, sharing key issues, cases, and insights on ethics management and anti-corruption with employees.

Legal Newsletter

VOL.1
- Hacking Cases and Precautions
- Enactment of the AI Framework Act and Implications

VOL.2
- Key Considerations When Renewing Business Partner Guarantee Insurance
- Guidance on Product Liability Law, KC Certification, and Personal Information Protection

VOL.3
- Taxation of Welfare Points
- Key Items to Check in the Certified Copies of Real Estate Registers for Real Estate Transactions

Ethics and Compliance Training

Structured training remains a core element of the ethics and compliance efforts at Misto Holdings and Misto Korea. Each year, we provide ethics training for all employees, including temporary and part-time employees, to promote ethical awareness across the organization. We also provide compliance training tailored to different departments and job functions, covering fair trade-related laws and regulations such as the Korean Commercial Act and the Fair Agency Transactions Act. These programs help employees better understand and comply with key legal requirements and support proactive management of related risks.

Ethics and Compliance Training



2025 Ethics and Compliance Training Overview

Program	Training Content	Participants	Participants Completion Rate
Ethics Training	• Understanding the connection between ethical management and ESG, and related trends	All employees of Misto Holdings/ Misto Korea	100%
	• Building an ethical organizational culture	All employees of Misto Holdings	100%
	• Definition and real-life cases of corruption, and response measures	All employees of Misto Korea	100%
Compliance Training	• Key amendments to the Korean Commercial Act in 2025 and practical implications	All employees of Misto Holdings	100%
	• Key Provisions and Understanding of Fair Agency Transactions Act (types of unfair trade practices and real-life violation cases)	Relevant departments at Misto Korea (Sales and Marketing departments)	100%

Ethical Business Risk Management

Ethics Audit

Misto Group conducts four types of ethics audits—regular audits, thematic audits, whistleblowing audits, and special audits—to improve the effectiveness of ethics management and prevent related risks in advance. Each audit type has a defined scope and objective, supporting a more structured approach to managing ethics and compliance risks. Based on the audit findings, we identify improvement actions to prevent recurrence and ensure their continued implementation.

Compliance Self-Assessment and Review

To promote compliance awareness across the organization, Misto Korea conducts an annual self-assessment based on a compliance management checklist that reflects key laws and regulations, including the Monopoly Regulation and Fair Trade Act, the Serious Accidents Punishment Act, the Fair Transactions in Subcontracting Act, the Fair Agency Transactions Act, and the Personal Information Protection Act. Through this process, Misto Korea regularly identifies key risk factors. Based on the assessment results, departments requiring improvement receive specific action plans, with ongoing monitoring to track implementation. In 2025, Misto Korea enhanced the checklist items to reflect amendments to the Labor Standards Act. The self-assessment survey was conducted for heads of offices and division heads or above across 15 departments, reviewing compliance with 14 laws and regulations relevant to each department's duties. The assessment achieved a 100% compliance rate. Through this process, Misto Korea evaluates the level of compliance across the organization and proactively identifies and manages risks.

Corruption Risk Assessment and Response

Misto Holdings and Misto Korea identify corruption risks and maintain effective response strategies to support a transparent and fair business environment.

Types of Ethics Audits

Regular Audit

- Reviews the overall business processes of a specific organization
- Conducted for organizations due for periodic review or identified as high-risk

Thematic Audit

- Investigates matters based on whistleblowing reports
- Conducted for matters directly related to the Code of Conduct

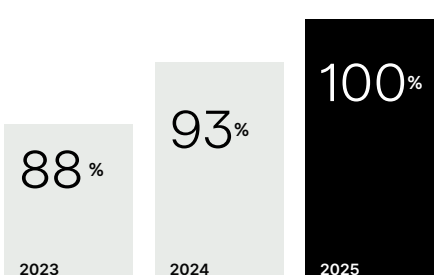
Whistleblower Audit

- Focuses on selected topics for in-depth review
- Conducted when improvements are needed for specific risks or when a single process needs to be established at the Group level

Special Audit

- Conducted when a matter arises that meets separately established criteria for special audits (e.g. accounting fraud)

Compliance Checklist Compliance Rate (FY23-FY25)



2025 Corruption Risk Identification and Response

Risk	Response Measures	Activities
Risk of unethical conduct in supplier selection	Whistleblowing channel operation and anti-corruption training	• Follow-up actions on reported cases • Ethics management letters during holiday periods • Anti-corruption training • Group Anti-Corruption Policy established
Risk of fund embezzlement	Enhanced monitoring	• Ongoing monitoring of funds and corporate credit cards, etc.

Ethics Reporting Center

Whistleblowing System

Misto Group receives reports through various channels, including the website, email, phone, and postal mail, to prevent and promptly respond to misconduct and unethical practices that may undermine trust and ethical standards. In particular, we have adopted an anonymous reporting platform operated by a third-party agency to enhance fairness and transparency in the reporting process. Dedicated hotlines are also available in key countries, including Korea, the U.S., China, and Vietnam, enabling all stakeholders, including employees, business partners, suppliers, store staff, and customers, to easily report concerns. All reports are investigated fairly and thoroughly through an independent process, with prompt follow-up and post-investigation management based on the findings. We strictly protect the identity of whistleblowers and the information they provide, and apply a zero-tolerance principle against retaliation to prevent any disadvantage or retaliatory action. If a report is determined to constitute a violation, appropriate disciplinary action is taken against the individuals involved and those responsible, depending on the severity of the matter. In 2025, we provided training on the handling and operation of the ethics reporting channel for key position holders at each entity to help them understand the program and encourage active use.

Whistleblowing Handling Process

Report Submission
- Whistleblowing platform (website)
- Email, postal mail, phone

Receipt and Initial Review
- Report review and response planning

Fact-finding and Investigation
- Fact-finding and in-depth investigation

Action on Results and Sharing
- Corrective measures and disciplinary action

Follow-up Management
- Monitoring of action implementation and subsequent damage

Reporting Channels

PC	mistobrand.ethicspoint.com	
Mobile	mistobrand.navexone.eu	
Phone	• Korea: 080-880-0361 • U.S.: 844-415-1376	• Vietnam: 1800-400-188 • China: 400-120-0254

Online Reporting
All reports are handled confidentially

Overview of Compliance Violations

Description	Unit	2023	2024	2025
Number of non-monetary sanctions related to anti-corruption	Cases	0	0	0
Fines and settlement amounts for antitrust and anti-competitive conduct	KRW	0	0	0

Report Issues and Responses in 2025[1)]

Category	Number of Reports			Action Taken				Litigation Cases
				No Violations Found	Corrective Action Completed and Follow-up Provided			
	Misto Holdings	Domestic Entity (Misto Korea)	Overseas Entities	Group-wide	Misto Holdings	Domestic Entity (Misto Korea)	Overseas Entities	Group-wide
Corruption and Bribery	-	1	-	-	-	1	-	-
Discrimination and Harassment	-	-	-	-	-	-	-	-
Customer Data Breach	-	-	-	-	-	-	-	-
Conflict of Interest	-	-	-	-	-	-	-	-
Money Laundering and Insider Trading	-	-	-	-	-	-	-	-
Safety, Environment, and Chemical Substances	-	-	-	-	-	-	-	-
Other	-	1	-	-	-	1	-	-

1) The Misto Holdings Compliance Team is responsible for confirming the receipt of reports and conducting investigations.

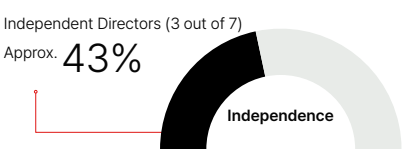
Corporate Governance Transparency and Accountability

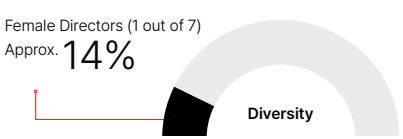
Board Composition and Operation

Board Composition

Misto Holdings operates a Board of Directors, which serves as the highest decision-making body, consisting of a total of seven directors (three executive directors, one non-executive director, and three independent directors). To respond swiftly and efficiently to changes in the business environment based on a deep understanding of all operations and to realize responsible management, the CEO serves concurrently as the Chairman of the Board. The Board holds the authority to appoint and dismiss the CEO, and strives to uphold shareholder value and safeguard stakeholder interests through a transparent and robust governance structure.

Board Composition Ratios





Governance Charter and Board Regulations

To ensure transparent corporate governance, Misto Holdings has established the Corporate Governance Charter and Board Regulations and makes them publicly available on its official website to prevent potential conflicts between the interests of individual directors and the interests of the company. Through these documents, Misto Holdings clearly communicates its principles of transparent management and social responsibility to employees, suppliers, and various stakeholders. In addition, the company maintains directors and officers (D&O) liability insurance to provide a stable foundation for responsible decision-making by the Board and executive management.

In 2025, Misto Holdings updated the Corporate Governance Charter to formalize the Board's management and oversight responsibilities for company-wide risks and opportunities, including ESG risks, and to establish a foundation for integrated risk management at the group level. The company also added new provisions designed to enhance board diversity and independence, further advancing its governance framework.

Misto Corporate Governance Charter

Board Independence

When appointing independent directors, Misto Holdings thoroughly reviews each candidate's independence in accordance with the Korean Commercial Act and its internal criteria. Through a questionnaire and verification process based on the Board Regulations, the company conducts a comprehensive review of factors including concurrent positions, legal disqualifications, and the ability to fulfill responsibilities and obligations. The company also conducts a multi-faceted evaluation to determine whether candidates can contribute to the company's long-term growth based on their expertise and experience. Candidates selected through this process are appointed following Board approval and a shareholder resolution. After appointment, their independence and expertise are maintained and strengthened through regular evaluations and training. To reinforce Board independence and transparency and prevent conflicts of interest, the company aims to maintain independent directors at no less than one-third of the Board, as required by the Korean Commercial Act. Independent directors currently represent 43% of the Board, exceeding the statutory minimum and supporting the Board's independence.

Board Diversity and Expertise

Misto Holdings does not place restrictions on director candidates based on gender, region, educational background, disability, nationality, or other factors, and clearly sets out this diversity principle in the Corporate Governance Charter. We have also adopted the Board Skills Matrix (BSM) to strengthen the Board's expertise and support balanced decision-making by ensuring that the Board is composed of directors with diverse experience and professional backgrounds. As part of the appointment process, director candidates submit a performance plan to the general shareholders' meeting, covering their expertise, independence, approach to duties and decision-making, and awareness of and commitment to their responsibilities and obligations. Candidates also pledge to uphold ethical principles and make decisions with fairness and transparency, supporting the operation of a responsible Board.

Board Nominee Criteria for Performance and Decision-Making

- Enhancing corporate value to ensure business continuity
- Advancing stakeholder value through mutual growth
- Increasing shareholder value through business growth
- Enhancing social value by expanding corporate responsibility

Board Composition and Operation

Board Composition and Competence

Category	Name	Gender	Age	Tenure	Title/Role	Career Profile	Board Skills Matrix [1]							
							Business Operations	Sustainability	Global Business	Brand/ Marketing	Finance/ Accounting	Risk Management	Consumer Products/ Footwear/ Apparel	Strategic Planning
Executive Director	Keun-Chang (Kevin) Yoon[2]	Male	50	2015.03~ 2028.03	CEO/ Chairman of the Board/ Operations Management	Current CEO of Misto Holdings Co., Ltd. Former CEO of Misto Korea Co., Ltd. Former CFO of Misto U.S.A. Inc.	✓	✓	✓	✓	✓	✓	✓	✓
	Myoung-Jin Yun	Male	55	2021.03~ 2027.03	Executive Director/ Global Planning	Current Head of Planning Division, Misto Holdings Co., Ltd. Former Management Planning Team, CEWIT Korea Former Strategic Planning Team, Woongjin Poly Silicon	✓		✓	✓			✓	✓
	Ho-Yeon Lee[2]	Male	43	2026.03~ 2029.03	Executive Director/ Chief Financial Officer	Current CFO & Head of Corporate Strategy Office, Misto Holdings Corp. Current Director of Acushnet Holdings Corp. Former Head of Financial Strategy Team, Misto Korea Ltd. Former Management Support Division, Samsung Bioepis Co., Ltd Certified Public Accountant (USA)	✓	✓	✓		✓	✓	✓	✓
Non-Executive Director	Hak-Woo Lee	Male	51	2022.03~ 2028.03	Other Non-Executive Director/ Digital Business Planning	Current General Manager of Digital Business, Misto Korea Ltd. Former Business Manager of E-BIZ, Misto Korea Ltd.	✓			✓		✓	✓	
Independent Director	Sang-Ki Park	Male	73	2025.03~ 2027.03	Independent Director	Former Legal advisor, YOON & YANG LLC. Former Director-General, United Nations Office at Geneva Former Consul General, Consulate General of the Republic of Korea in Shanghai Former Director-General for Bilateral Trade, Ministry of Foreign Affairs and Trade Minister-Counselor, Permanent delegation of the Republic of Korea to the OECD	✓		✓			✓		
	Soo-Young Kwon	Male	67	2025.03~ 2028.03	Independent Director	Current Leading Professor, School of Business, SUNY Korea (State University of New York) Former Dean & Vice-President of Administration and Finance, Korea University Business School Former Independent Director of POSCO International Corporation, GS Home Shopping Inc., Hyundai Capital Services, Inc. Former Dean of the College of Business and Graduate School of Management, Korea University Business School	✓		✓		✓	✓		
	Young-Mi Yun	Female	62	2021.03~ 2027.03	Independent Director	Current Representative, With Consumer (Incorporated association) Current Member of Personal Information Protection Commission Current Member of Personal Information Dispute Mediation Committee, Korea Consumer Agency		✓				✓		
Diversity	Men 86% Women 14%	Average Age 57	Board Average Tenure 3.6 years	**Expertise**			86%	43%	71%	43%	43%	86%	57%	43%

1) As of March 31, 2026

2) On February 11, 2026, Executive Director Keun-Chang Yoon was appointed Chair of the Board pursuant to a board resolution. Executive Director Yoon-Soo Yoon resigned for personal reasons on February 28, and Ho-Yeon Lee was newly appointed as an executive director following approval at the General Meeting of Shareholders on March 26.

Board Composition and Operation

Definition of Competency Indicators

Corporate Management	Ability to draw on C-level executive experience at major companies and apply integrated knowledge of overall business operations, including human resources, organization, financial management, and risk management, to set and execute organizational direction, drive sustainable performance, and lead change.
Sustainability Management	Ability to understand how key ESG issues, such as climate change, human rights, and health and safety, affect corporate value over the mid- to long-term, review business strategies from a sustainability perspective, and enhance stakeholder value.
Global Business	Ability to identify and capture global market opportunities based on experience in delivering business performance and driving growth in global markets, as well as an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks.
Brand/Marketing	Ability to analyze rapidly changing market trends, build brand identity, and strengthen market competitiveness and brand equity through differentiated marketing strategies and customer experience design.
Financial Expertise	Ability to apply accounting and financial expertise, supported by relevant degrees or qualifications and executive experience in financial institutions or general companies, to understand and oversee accounting audits, capital allocation, and financial reporting processes.
Risk Management	Ability to proactively identify and assess the materiality of key risks that may affect the achievement of organizational objectives, including financial, legal, operational, and strategic risks, as well as non-financial risks related to ESG, compliance, corporate governance, human capital, and cybersecurity, and to establish and implement appropriate responses to minimize risks and protect corporate value.
Consumer Products/ Footwear/Apparel	Ability to improve efficiency across the product lifecycle, maintain brand identity, and proactively respond to industry-specific volatility based on insights into global fashion market trends and supply chain management.
Strategic Planning	Ability to define the company's vision and mid- to long-term goals and make optimal decisions in response to changes in the business environment, including business portfolio restructuring, M&A, and the identification of new growth drivers.

Development of the Board Skills Matrix and Director Appointment Plan

Misto Group identifies the core competencies required of the Board by reflecting its mid- to long-term strategy and key business characteristics. Based on these competencies, we review the skills and experience currently held by each director from multiple perspectives. The results are reflected in the Board Skills Matrix, which maps Board members against key competency indicators and helps manage the expertise and diversity of the Board. In 2026, we comprehensively updated the Board Skills Matrix (BSM) to reflect global governance trends and changes in the business environment. Based on the updated BSM, we continue to strengthen the Board's expertise, diversity, and independence, while working to ensure that the composition of the Board remains aligned with the company's mid- to long-term growth strategy and sustainability management direction. We do not plan to appoint any additional new directors in 2026. In 2027, we plan to review appointing new directors to replace directors whose terms are set to expire, with a view to complementing and strengthening the competencies based on the Board Skills Matrix.


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Board Composition and Operation

Board Operations

Misto Holdings' Board of Directors holds regular quarterly meetings and convenes special meetings as needed. On average, directors receive notice of agenda items approximately seven days before each meeting, along with relevant materials and briefings to support informed decision-making. The Board discusses a broad range of agenda items, including financial matters such as budgets, investments, approval of financial statements, and dividend decisions, as well as non-financial matters such as the operation and evaluation of the compliance control system, shareholder return policy, enactment and revision of internal regulations, cybersecurity, and Board operations and evaluation. With respect to ESG matters, which are a key component of non-financial factors, the Board regularly reviews the results of the materiality assessment, as well as the impacts, risks, and opportunities associated with material issues. The Board also reviews global sustainability disclosure trends and the Group's climate action performance. In addition, key cybersecurity risks, response measures, and the related management framework are regularly reported to the Board. This strengthens the Board's oversight of cybersecurity risks and enables Misto Holdings to respond proactively to risks arising from changes in the digital environment. Through these reviews, the Board oversees company-wide financial and non-financial risks and opportunities, including ESG matters, and continues to address key risks at the Board level. In 2025, the Board reviewed seven sustainability-related agenda items submitted for reporting or approval.

Board Activity Overview (FY23-FY25)

Category	2023	2024	2025
Number of Board meetings	11	11	12
Agenda items reviewed	40	46	42
Average Board Attendance Rate (%)	97.4	100	100

Board Training

To strengthen the Board's capabilities and expertise, Misto Holdings provides all directors with sufficient information on key management issues and offers ongoing internal and external training to enhance their understanding of industry trends and related regulations. In 2025, independent directors received training on industry trends, management updates, investment plans, ESG, anti-corruption, and integrity. The training enhanced their understanding of global sustainability regulations and strengthened their expertise in sustainability management and non-financial risk oversight.

Independent Director and Auditor Training in 2025

Training Date	Organizer	Participants	Key Topics Covered
March 31	Misto Holdings	All Independent Directors and Auditor	Industry outlook amid shifting market trends
May 13	Misto Holdings		Industry outlook amid shifting market trends
June 9	External (Ministry of Employment and Labor-certified institution)		ESG management trends, anti-corruption, and integrity
Aug 12	Misto Holdings		Industry outlook amid shifting market trends
Nov 11	Misto Holdings		Misto Holdings' history, business performance, business structure, and investment plans
Nov 12	Misto Holdings		Industry outlook amid shifting market trends

Audit Transparency

Misto Holdings has established an independent internal audit system to promote management transparency. The statutory auditor regularly attends Board meetings and key management meetings to oversee the fairness of the decision-making process. To further support independence, the statutory auditor also holds in-person meetings with the external auditor at least once every quarter without management present. The internal audit support team assists with audit planning and supports the overall process for selecting the external auditor. To reinforce risk oversight, Misto Holdings appoints the external auditor through an Auditor Selection Committee composed of the full-time statutory auditor, independent directors, and external committee members, thereby enhancing the reliability of financial information and transparency in the auditor selection process.

Statutory Auditor Profile

Name	Gender	Role	Tenure
Jeong Jae-jun	Male	Statutory Auditor	2024.03~2027.03

Career Highlights

- Former CFO, Hansae Co., Ltd.
- Former CFO/COO, Cheil Industries Inc. Shanghai, China
- Former CFO/Global CEO, Fashion Division, Cheil Industries Inc.
- Future Strategy Office, Samsung Group
- B.A. in Business Administration, Seoul National University

Board Evaluation and Compensation

Board Evaluation

Misto Holdings conducts an annual Board self-assessment to enhance the effectiveness and accountability of Board operations. Directors complete a questionnaire covering areas such as disclosure obligations, independence, and the fulfillment of their roles and responsibilities. The Board self-assessment survey is designed based on Board evaluation guidelines developed by the Korea Institute of Corporate Governance and Sustainability (KCGS) and PwC. It covers four key areas: the Board's roles and responsibilities, structure, operations, and the incorporation of evaluation outcomes.

Board Evaluation Criteria and Results

Evaluation Criteria		Evaluation Metrics (No.)	2025 Average Score (5 Points Scale)
Board Role and Responsibilities	Role	3	4.7
	Responsibilities and Duties	7	4.8
Board Structure	Composition	8	3.9
	Independence	5	3.8
	Leadership	2	3.4
Board Operations	Operating Processes	6	4.8
	Agenda	3	4.7
	Information Collection	2	4.0
Board Evaluation	Evaluation	3	4.3
	Plans to Improve Board Operations	2	3.7
Total		41	4.2

Independent Directors Evaluation

In 2025, Misto Holdings newly introduced regular individual self-assessments for independent directors to enhance the effectiveness and accountability of Board operations. The assessment helps independent directors review their own performance against the roles and responsibilities expected by the Board. It consists of seven questions developed based on Board evaluation guidelines from the Korea Institute of Corporate Governance and Sustainability (KCGS) and PwC.The results of the assessment will be considered in future reappointment reviews. Through this process, Misto Holdings aims to further strengthen the Board's expertise and accountability while supporting effective oversight and transparent governance.

Independent Directors Evaluation Criteria

No	Item	2025 Average Score (5 Points Scale)
1	Does the independent director maintain a collaborative relationship with executive management while preserving independence?	5.0
2	Does the independent director provide constructive advice to the Board?	4.7
3	Does the independent director adequately perform an oversight role over executive management's performance of duties?	5.0
4	Does the independent director demonstrate appropriate ethical awareness and avoid pursuing personal interests?	5.0
5	Does the independent director consider the interests of all shareholders, including minority shareholders, in performing their duties?	5.0
6	Does the independent director spend sufficient time reviewing Board agenda items in advance?	5.0
7	Does the independent director communicate effectively with executive management?	5.0

Board Member Evaluation Results

Following a comprehensive analysis, the results of the Board Self-Assessment and Independent Director Evaluation are reported to the Board together with proposed improvements and follow-up actions. Based on the results, Misto Holdings reviews the efficiency of Board operations, the effectiveness of agenda deliberations, opportunities to enhance director training, and the appropriateness of Board composition, and implements improvement measures accordingly. In 2025, the company introduced the Board Sync Program as a key improvement measure. The program is designed to deepen directors' understanding of the company and the industry, and includes onboarding sessions for newly appointed directors and insight sessions on new businesses, industry trends, and sustainability issues. Through the program, the company supports Board expertise, risk response capabilities, and more informed decision-making. The company also plans to introduce independent director-only discussion sessions in 2026 to provide a dedicated forum for independent and practical exchanges of views among independent directors. The implementation plan was reported to and reviewed by the Board.

Sustainability-Linked Compensation

Misto Holdings operates ESG KPIs for each team and links the results to its incentive compensation system. Misto Korea also sets KPIs for managers and above, as well as sustainability representatives from each team, to strengthen accountability and drive sustainability performance. Sustainability indicators are also reflected in annual performance-based compensation for executive directors. By setting tailored mid- to long-term goals for each entity and business unit and regularly monitoring progress, the company aims to embed sustainability capabilities across the organization and promote responsible, performance-driven management.

Board Evaluation and Compensation

Executive Compensation System

Misto Holdings pays compensation to executive and independent directors within the remuneration limit approved at the annual General Shareholders' Meeting. Independent director compensation is determined based on the contribution, including roles, attendance, and participation, and is not linked to company performance to ensure independence. Executive compensation consists of base salary, annual performance-based bonuses, and incentives under the Long Term Incentive Plan (LTIP). Retirement benefits are provided in accordance with the company's executive retirement policy.

Total Compensation for Directors and Auditors

(Unit: KRW million)

2023	2024	2025
5,092	6,404	7,006

Misto Group Long-Term Incentive Plan (LTIP)

Long-Term Incentive Plan (LTIP)

- Misto Group operates a compensation plan designed to support the Group's sustained growth and development by linking incentives to mid- to long-term performance over a three-year period. Under the plan, performance-based incentives are provided to key executives and employees, including the CEO, based on their level of contribution.

Enhancing Shareholder Value

General Shareholders' Meeting Operations

Misto Holdings operates shareholder-friendly practices to protect shareholder rights and facilitate the exercise of voting rights. The company issues notices four weeks before the General Shareholders' Meeting and provides an electronic voting system to reduce the burden of physical attendance. The company also encourages proxy voting to help secure quorum and provides English notices to address information asymmetry for foreign shareholders. General Shareholders' Meeting dates are scheduled outside peak meeting periods to support shareholder attendance and participation. In 2025, the company adopted the 「Guidelines for Shareholder Proposals」 to encourage greater shareholder participation. Under the Guidelines, eligible proposals are submitted as agenda items for the General Shareholders' Meeting, allowing shareholder views to be reflected in management. The company also gathers shareholder feedback through IR activities, including conference calls and investor meetings, and transparently discloses these communication activities in the Corporate Governance Report.

Agenda and Results of General Shareholders' Meeting

No.	Agenda Item	Approval Rate[1]
1	Approval of the 36th (FY2025) financial statement	96.8%
2	Amendment of Articles of Incorporation	-
2-1	Amendment of Articles of Incorporation (Adoption of an enhanced quarterly dividend policy)	100.0%
2-2	Amendment of Articles of Incorporation (Incorporation of amendments to the Commercial Act)	100.0%
2-3	Amendment of Articles of Incorporation (Incorporation of a job level structure)	100.0%
3	Appointment of executive director (candidate: Ho-Yeon Lee)	95.0%
4	Approval of annual cap on directors' remuneration	100.0%
5	Approval of annual cap on statutory auditor's remuneration	100.0%

1) All agenda items were approved as proposed.

Shareholder Value Enhancement Activities for 2025

- 「Shareholder Return Policy」 implementation rate quarterly disclosed through the Factsheet
- Regular IR events (Quarterly earnings releases and Annual Outlook Briefings)
- IR Activities 84 one-on-one meetings
- 11 conferences, non-deal roadshows (NDRs), and group calls conducted

Shareholder Return Policy

To strengthen shareholder rights and support long-term value creation, Misto Holdings has established and systematically implemented a 「Shareholder Return Policy」 and mid-to-long-term plan covering dividends and share buybacks. The policy sets out clear return principles and execution plans, providing shareholders with more predictable returns and aligning management and shareholder interests. Following the initial policy in February 2022, Misto Holdings announced a new three-year policy in March 2025, aiming to return up to KRW 500 billion by 2027. In addition to stable annual dividends, the company plans to actively consider special dividends and share buybacks based on performance. Policy details are disclosed on the company's website and the electronic disclosure system. In April 2026, Misto Holdings added targets to maintain an average shareholder return ratio of at least 40% from 2026 to 2027 and cancel treasury shares at least once a year. In 2025, the company purchased KRW 180 billion in treasury shares and canceled KRW 268.2 billion, equivalent to 11.7% of total shares issued. The company plans to consider treasury share cancellations on a regular basis, subject to Board approval.

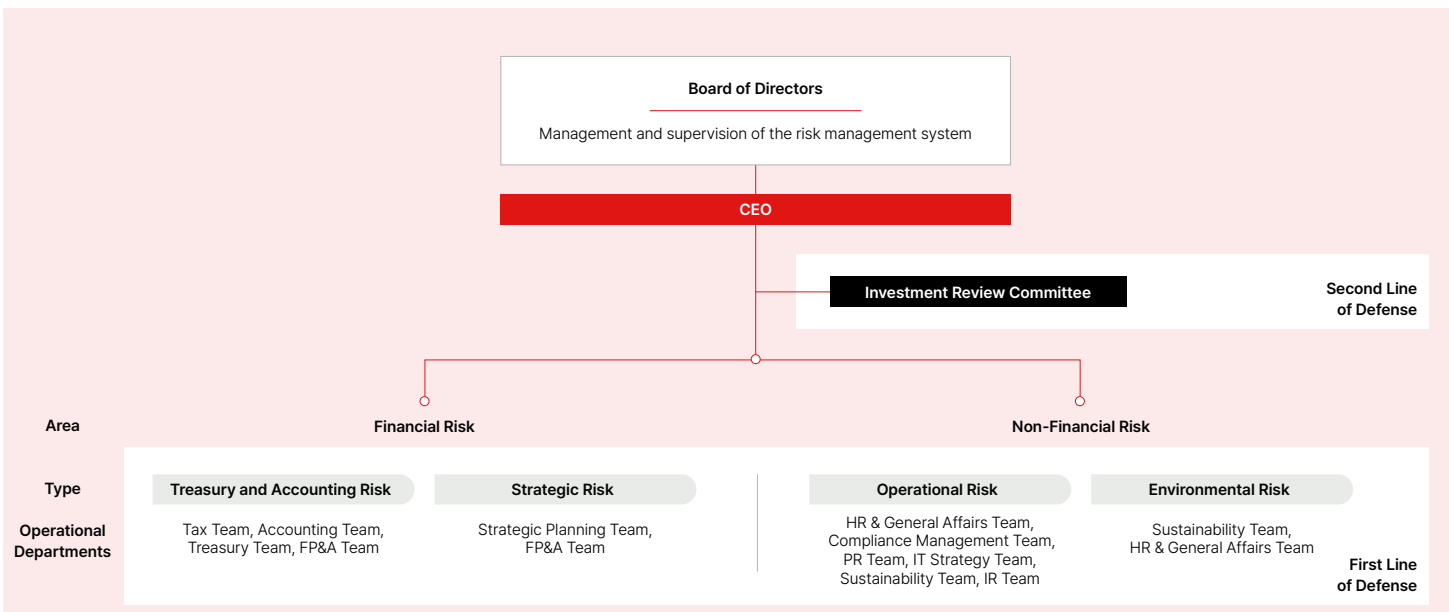
Company-wide Integrated Risk Management Framework

Integrated Risk Management Framework

Risk Management Organizational Structure

Misto Holdings operates an integrated risk management framework to proactively respond to financial and non-financial risks that may arise across the Group's overall business operations, including those of its major entities. Each operational department identifies and assesses risks and reports the results to management. Depending on the significance of the matter, additional reports are made to the CEO and the Board to support in-depth review and discussion. The Board holds the final decision-making authority over key matters. Misto Holdings maintains an effective risk management framework by clearly defining the Board's supervisory responsibilities for group-wide risk management through the Board Regulations.

Risk Management Governance



Integrated Risk Management Policy

Investment Deliberation Guidelines

In 2024, Misto Holdings adopted the Investment Deliberation Guidelines to consolidate investment review procedures that had previously been operated separately by each department and to build a systematic decision-making framework that comprehensively considers not only financial factors but also non-financial factors, including ESG-related risks.

The Guidelines outline a structured, step-by-step review process for investment proposals and require a preliminary review that incorporates input from relevant teams to determine whether each proposal proceeds to formal deliberation.

Proposals deemed eligible through this process are submitted to the Investment Deliberation Committee, led by Misto Holdings' Head of Corporate Strategy Office, for deliberation. Decisions are made based on predefined resolution criteria[1], helping ensure a fair and consistent review process. Through the implementation of these Guidelines, Misto Holdings seeks to enhance transparency, strengthen investment risk management, and support more informed and balanced investment decisions.

1) Attendance by a majority of members and approval by a majority of members present.

Integrated Risk Management Policy

Risk Management Policy

In 2022, Misto Group adopted the Risk Management Guidelines, establishing a company-wide risk management process designed to minimize the potential negative impacts of risks and enable swift, systematic responses. Under the Guidelines, risks are classified into four categories: finance and accounting and strategic risks, which fall under financial risks; and operational and environmental risks, which fall under non-financial risks. Through our annual company-wide risk management process, we comprehensively review and manage financial and non-financial risks. For each risk category, we identify and assess key high-priority risks, establish and implement mitigation measures, and regularly monitor implementation progress to enhance the effectiveness of the risk management framework.

Key Risks and Management Approaches

Category	Description	Key Risks	Mitigation Measures
Treasury and Accounting Risk	Risks arising from fluctuations in interest rates, FX rates, credit ratings, and other factors affecting the value of assets and liabilities, as well as from fund management and financing, cash inflows and outflows, insolvency, high-interest financing to address funding shortages, and deficiencies in internal accounting management	Risk of Increased Global FX Rate Volatility	• Continuous monitoring of FX rate trends for major transaction currencies • Regular analysis of the financial impact of exchange rate fluctuations
		Liquidity Risk	• Establishing mid- to long-term funding plans • Securing an appropriate level of cash and liquidity assets
Strategic Risk	Risks arising from misjudgments in business decision-making and execution challenges due to insufficient responses to global economic fluctuations, changes in consumer behavior, market competition, and market shifts	Risk of Misjudgment in Investment Decision-making	• Establishing the Investment Deliberation Guidelines and ensuring compliance with related procedures • Conducting preliminary reviews of potential risk factors that may arise after investment
		Risk of Changes in Market Conditions and Consumer Trends	• Regular analysis of market trends • Marketing activities to enhance customer loyalty
Operational Risk[1]	Risks arising from business operations across areas such as human resources, ethics, and customer reputation.	Supply Chain Sustainability Risks	• Establishing and implementing the Global Code of Conduct for Business Partners and the Group Global Human Rights Policy • Requiring Tier 1 suppliers and main Tier 2 suppliers to submit third-party audit reports and conducting screening for global sanctions violations
		Risks of Unfair Trade Practices and internal misconduct	• Conducting regular ethics training • Strengthening internal audits
Environmental Risk	Risks arising from resource usage (energy, water, etc.), emissions of environmental pollutants (GHG, wastewater, waste, etc.), compliance with environmental regulations and policies, and various environmental hazards that may occur during the business operation.	Circular Economy Transition Risk	• Developing the FILA Sustainable Product & Marketing Guidebook (SPMG) • Designing products using sustainable materials (FILA Re:Deuce) and using packaging materials and trims made with sustainable materials • Carrying out the resource circularity campaign (Return to Care)
		Chemical Regulation risk	• Operating a chemical management program based on the AFIRM RSL • Conducting KC hazardous substance detection tests

1) **Human Resources**
Risks related to workplace human rights violations, discrimination and sexual harassment, forced and child labor, workplace safety management, unjust enrichment and embezzlement of company funds, and violations of the prohibition on concurrent employment or side businesses

Ethics
Risks related to laws and regulations, including unfair trade practices involving financial transactions with employees and stakeholders, bribery, monopoly, violations of laws and regulations, and conflicts arising from differences in the interpretation of laws and regulations.

Customer Reputation
Risks related to reputational damage to the Misto brand and Misto Group arising from collective customer actions, media reports, social media, and other channels.

Disclosure
Risks that may compromise the accuracy, timeliness, or legality of disclosures submitted to the Financial Supervisory Service, the Korea Exchange, and other relevant authorities, or may mislead stakeholders.

Other Areas
Risks related to other matters, including intentional or negligent customer data breaches, product quality management, and the Misto supplier selection and management process

Risk Management

Risk Management Process

Risk Identification

- Identify all material risks that may arise from the Group's business activities.

Risk Assessment

- Evaluate risks quantitatively by selecting appropriate indicators based on risk type, considering the scale and complexity of related businesses or assets, and applying valid measurement methodologies.

Risk Monitoring

- Continuously monitor risk exposure in response to market changes and report to the Board of Directors on a regular or ad hoc basis.
- In cases of sudden or anticipated increases in risk, analyze root causes and request mitigation actions from the relevant departments.

Risk Response

- Conduct a comprehensive review of reported risks and submit response measures to the Board of Directors.
- Cascade Board decisions to relevant departments and oversee execution.
- Pre-establish mitigation or recovery plans for potential losses.

Emerging Risks

Misto Group reviews key financial and non-financial risk factors that may arise across its overall business operations to identify emerging risks and carry out response activities designed to prevent and address them in advance.

Category	Type	Risk Definition and Description	Potential Business Impact	Risk Mitigation Activities
Geopolitical Risk	Geopolitical Conflict Risk	This refers to risks that may affect the global economic order and corporate activities due to various measures, such as trade restrictions, economic sanctions, and investment restrictions, arising from conflicts of political and economic interests between countries. Geopolitical risks have recently been expanding amid the spread of protectionism and intensifying conflicts between countries. These changes may affect raw material procurement, logistics, overseas investment, and overall business operations, and may act as significant risk factors, particularly in relation to changes in the market environment and the operational stability of entities.	The intensification of geopolitical conflicts may lead to global supply chain disruptions, logistics delays, rising costs, and increased tariff burdens, which could affect production and sales and result in reduced profitability. In addition, increased uncertainty in overseas business and investment environments may act as a constraint on the implementation of mid- to long-term business strategies.	• Analyzing and monitoring trends in the global political and economic environment and major geopolitical issues • Analyzing geopolitical risks when making new overseas investments
Technological Risk	Risk of Negative Outcomes from AI Technology	As AI use expands, errors, bias, and reduced predictive accuracy in data-driven decision-making, automated analysis, and forecasting may affect business operations. In particular, as reliance on AI-based decision-making increases, results may deviate from expectations depending on data quality, algorithm design, and interpretation methods, potentially heightening operational and strategic risks.	As AI adoption expands across business operations and reliance on AI deepens, inaccurate decisions based on algorithmic errors or biased data may occur, potentially leading to errors in demand forecasting and reduced efficiency in inventory management. This could affect production and sales and result in reduced profitability. In addition, delayed or poorly timed investment could cause the company to fall behind changes in the industry structure and weaken its competitiveness.	• Establishing guidelines for the use of AI-generated outputs (including pre- and post-use monitoring and legal review) • Strengthening data security to prevent unauthorized use of data for AI training.

Tax Risk Management

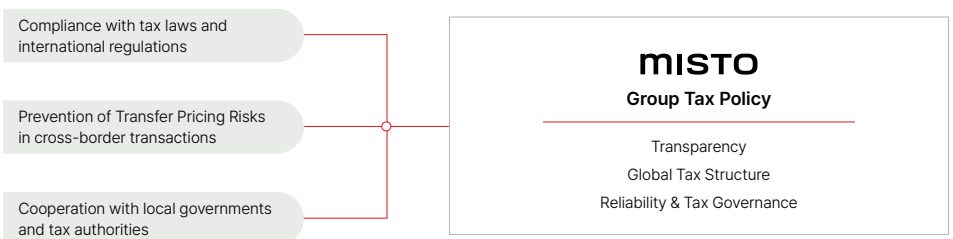
Tax Policy

Based on the ⌜Group Tax Policy⌟ approved by the Board of Directors and adopted in 2023, Misto Group fulfills its tax obligations in a fair and transparent manner across its global business operations. We ensure strict compliance with relevant laws and regulations in every jurisdiction where international transactions take place, and are committed to maintaining transparent relationships with local tax authorities based on mutual trust.

By upholding these principles, we support sustainable growth in the global market and build trust with stakeholders.

Group Tax Policy

Group Tax Policy



Tax Risk Management Activities

To support rational and transparent decision-making, Misto Group operates internal processes for the structured identification, analysis, and assessment of tax-related risks.

At the group level, the Tax Team at Misto Holdings plays a central role in managing global tax risks. The team routinely collects and analyzes tax issues and risk items across entities, supporting entities in each country in strictly complying with relevant tax laws and fulfilling their tax obligations in good faith. Key tax decisions are reported to the Head of the Corporate Strategy Office, with critical policy matters subject to final approval by the Board, strengthening transparency and accountability in the decision-making process. The team also continuously monitors tax law changes and key rulings across jurisdictions to proactively prevent tax risks that may arise in the course of business operations.

In line with the ⌜OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations⌟, we collaborate with external experts to objectively assess the arm's length nature of transactions with overseas related parties. Based on the results of these assessments, we submit BEPS (Base Erosion and Profit Shifting) reports to tax authorities in each jurisdiction. All intercompany transactions are priced based on the arm's length principle applied to transactions between independent third parties, thereby proactively preventing transfer pricing-related risks.

Sustainability Data



Vokey Design



Sustainability Data

Common

Scope of FY2025 Sustainability Data Disclosure (Entity basis)

Scope	Country		Entity
Group-Wide	Domestic	Korea	Misto Holdings
			Misto Korea
	Overseas	The U.S.	Misto USA
		China	Misto Footwear
			Misto Apparel
			Misto Hong Kong
			Lombardia
			Misto Shanghai
			Mantova Brand Management
		Luxembourg	Misto Luxembourg
		Italy	Misto Italy
		Malaysia	Misto Malaysia

Reasons for Exclusion from Disclosure Scope

Category	Entity	Reason
Exclusion	Misto Retail	Excluded from the disclosure scope due to immaterial operations in the U.S.
	Misto Canada	Excluded from the disclosure scope due to immaterial operations in the U.S.

※ Misto Footwear has offices in Korea and Vietnam; Misto Apparel has an office in Vietnam; Misto Hong Kong has an office in Taiwan

※ The sustainability data presented in this report has been prepared based on information collected from the Group's major entities, categorized into domestic and overseas operations

※ Previously, disclosures were made on a consolidated domestic basis; however, starting from the current reporting year, certain indicators are disclosed separately for Misto Holdings and Misto Korea.

※ Total figures may not match due to rounding

※ Definitions for data notation:
- -: Data not collected for the relevant year
- 0: Value is zero

※ Data for Misto Apparel Seoul's office were reclassified from Domestic to Overseas based on the legal entity classification.

Environmental

Greenhouse Gas

※ GHG emissions are calculated based on:

- 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines
- Global Warming Potential (GWP) from the IPCC Sixth Assessment Report (AR6)
- Greenhouse Gas Protocol (GHG Protocol) by the World Resources Institute (WRI)
- Country-specific calorific values for Korea and the U.S.; IPCC standards for other countries
- Country-specific electricity emission factors
- GHG emissions intensity is calculated based on consolidated revenue of Misto Holdings, excluding Acushnet Holdings.
- Data is disclosed based on the country in which each entity is located, while GHG emissions for offices located in Korea, Vietnam, and Taiwan are calculated in accordance with applicable country-specific standards.

Scope 3 GHG Emissions

- GHG emissions for Scope 3 were calculated for nine out of fifteen categories based on internal screening and data reliability.
- (1. Purchased goods and services): Emissions were calculated for 28 Tier 1 suppliers responsible for approximately 96% and 51% of Misto Group's footwear and apparel production respectively.
- (2. Capital goods): Based on property, plant and equipment acquisition records for all Misto Group entities, actual purchase amounts were selected as activity data after excluding items that overlap with Scope 1 and 2 emissions or do not qualify as capital goods. Applied U.S. Environmental Protection Agency's Supply Chain Greenhouse Gas Emission Factors (v1.3 by NAICS-6).
- (3. Fuel- and energy-related activities): In Korea, Environmental Product Declaration data and GLAD (UNEP Global LCA Data Access Network) were used, while DEFRA Emission Conversion Factors were applied overseas.
- (4. Upstream transportation and distribution): Calculations were limited to the transportation of the Misto Group's FILA-brand footwear products to the Icheon Distribution Center in Korea; logistics transportation by the Malaysia entity is excluded due to immateriality. Environmental Product Declaration data were applied.
- (5. Waste generated in operations): Municipal solid waste generation at Misto Korea's Icheon Distribution Center, as recorded in the Korean Ministry of Environment's Allbaro system, is assumed to be incinerated, and Korea Environmental Product Declaration data were applied.
- (6. Business travel, 7. Employee commuting): Based on transport tools from WRI GHG Protocol.
- (6. Business travel): Misto Holdings & Misto Korea – based on internal groupware travel data; Others – manually calculated using each entity's records, including transport mode and distance
- (7. Employee commuting): Emissions were estimated for entities with over 20% survey response rate among all 11 entities.
- (8. Upstream leased assets): Includes 11 FILA brand stores operated by Misto Korea located in Korea.
- (9. Downstream transportation and distribution): Covers products transported from Misto Korea's Icheon Distribution Center to overseas entities and stores, using Korea Environmental Product Declaration data.

Energy

- For all entities and sites in Korea, gross calorific values by energy source were applied in accordance with the amended 2022 Energy Act Enforcement Rule [Appendix].
- For all entities and sites in the U.S., the latest conversion factors provided by the U.S. Energy Information Administration (EIA) were applied.

※ For all entities and sites outside Korea and the U.S., gross calorific values by energy source were applied based on IPCC guidelines.

※ Energy intensity was calculated based on consolidated revenue from Misto Holdings, excluding Acushnet Holdings.

Water

- Misto Group sources all general-use water from municipal and groundwater supplies, and discharges it entirely without reuse.
- The Icheon Distribution Center sources all general-use water from groundwater, which is included in the total domestic groundwater withdrawal.

Waste Generation

- General municipal waste generated at Misto Korea's Icheon Distribution Center

Environmental

Greenhouse Gas Emissions

Category		Unit	2022	2023	2024	2025
Total GHG emissions (Scope 1+2+3)	Group Total[1]	tCO_2e	4,740	9,578	21,138	18,227
	Misto Holdings	tCO_2e	147	323	378	133
	Misto Korea	tCO_2e	1,601	1,926	2,046	956
	Group Total Intensity[2]	tCO_2e/KRW billion	3.68	10.68	23.04	4.18
	Misto Holdings Intensity	tCO_2e/KRW billion	0.98	2.26	2.32	0.39
	Misto Korea Intensity	tCO_2e/KRW billion	3.23	5.23	5.58	2.48
Direct GHG emissions (Scope 1)	Group Total[3]	tCO_2e	1,505	1,303	1,449	1,313
	Misto Holdings	tCO_2e	12	21	38	30
	Misto Korea	tCO_2e	33	52	15	13
Indirect GHG emissions (Scope 2)	Group Total[1]	tCO_2e	2,170	1,839	2,271	2,021
	Misto Holdings	tCO_2e	46	36	97	104
	Misto Korea	tCO_2e	787	640	894	943
Other indirect GHG emissions (Scope 3)	Group Total	tCO_2e	1,065	6,436	17,418	14,893

1) 2022, 2023, 2024 data revised due to prior misstatement
2) 2022, 2023, 2024 data revised due to a prior calculation error
3) 2024 data revised due to a prior aggregation error

FY2025 Other Indirect Greenhouse Gas Emissions (Scope 3) Breakdown

Category	Unit	Scope 3 Category								
		1[1]	2[2]	3[3]	4[4]	5[5]	6[6]	7[7]	8[8]	9[9]
Group Total	tCO_2e	9,231	2,798	885	748	71	660	325	158	16

1) Category 1. Purchased goods and services
2) Category 2. Capital goods
3) Category 3. Fuel- and energy-related activities
4) Category 4. Upstream transportation and distribution
5) Category 5. Waste generated in operations
6) Category 6. Business travel
7) Category 7. Employee commuting
8) Category 8. Upstream leased assets
9) Category 9. Downstream transportation and distribution

Energy Consumption

Category		Unit	2022	2023	2024	2025
Total energy consumption	Group Total[1]	GJ	58,735	50,734	62,055	57,334
	Misto Holdings	GJ	1,117	1,186	2,908	2,912
	Misto Korea	GJ	16,423	15,695	20,836	21,912
	Group Total Intensity[2]	GJ/KRW billion	45.61	56.55	67.64	71.96
	Misto Holdings Intensity	GJ/KRW billion	7.43	8.31	17.85	8.48
	Misto Korea Intensity	GJ/KRW billion	33.11	42.65	56.77	56.77
Direct energy consumption	Group Total[1]	GJ	26,346	22,522	24,953	22,605
	Domestic	GJ	809	1,336	946	741
Indirect energy consumption	Group Total[1]	GJ	32,389	28,212	37,102	34,729
	Domestic	GJ	16,731	15,545	22,798	24,083

1) 2022, 2023, 2024 data revised due to prior misstatement
2) 2022, 2023, 2024 data revised due to a prior calculation error

Water Consumption

Category		Unit	2022	2023	2024	2025
Total water with drawal	Group Total[1]	m^3	8,423	8,561	24,110	14,736
	Domestic	m^3	3,831	3,453	16,882	10,860
Municipal water	Group Total[1]	m^3	4,629	5,145	15,025	12,639
	Domestic	m^3	37	37	7,797	8,763
Ground water usage	Group Total	m^3	3,794	3,416	9,085	2,097
	Domestic	m^3	3,794	3,416	9,085	2,097
Total water discharge	Group Total[1]	m^3	8,423	8,561	24,110	14,736
	Domestic	m^3	3,831	3,453	16,882	10,860

1) 2022, 2023, 2024 data revised due to prior misstatement

Waste Generation

Category		Unit	2022	2023	2024	2025
Total waste generated	Group Total	kg	724,337	533,257	270,423	227,619
	Misto Holdings	kg	0	0	0	0
	Misto Korea	kg	420,430	347,720	209,950	227,195
Recycled	Group Total	kg	431,299	304,903	175,140	166,895
	Domestic	kg	191,820	171,520	175,140	166,895
Incinerated	Group Total	kg	228,610	176,200	34,810	60,724
	Domestic	kg	228,610	176,200	34,810	60,300
Landfilled	Group Total	kg	64,428	52,154	60,155	0
	Domestic	kg	0	0	0	0
Other	Group Total	kg	0	0	318	0
	Domestic	kg	0	0	0	0
Rate of reduction (increase) in waste generation	Group Total	%	-	-	-	(15.8)
	Misto Holdings	%	-	-	-	0.0
	Misto Korea	%	-	-	-	8.2
Waste recycling rate	Group Total	%	-	-	-	73.3
	Misto Holdings	%	-	-	-	0.0
	Misto Korea	%	-	-	-	73.5

Environmental Capital Expenditure (CapEx)

Category		Unit	2022	2023	2024	2025
Environmental capital expenditure[1), 2)]	Group Total	KRW million	0	0	0	248
	Domestic	KRW million	0	0	0	0

1) 2023, 2024 data revised due to the recalculation of the indicator boundary
2) Solar panel installation at FILA Brand Experience Center

Environmental Compliance Status[1)]

Category			Unit	2022	2023	2024	2025
Environmental law and regulation violation	Number of violations	Group Total	Cases	0	0	0	0
		Domestic	Cases	0	0	0	0
	Fines and penalties	Group Total	KRW million	0	0	0	0
		Domestic	KRW million	0	0	0	0
Labeling-related violation	Number of violations	Group Total	Cases	0	0	0	0
		Domestic	Cases	0	0	0	0
	Fines and penalties	Group Total	KRW million	0	0	0	0
		Domestic	KRW million	0	0	0	0
Marketing communication violation	Number of violations	Group Total	Cases	0	0	0	0
		Domestic	Cases	0	0	0	0
	Fines and penalties	Group Total	KRW million	0	0	0	0
		Domestic	KRW million	0	0	0	0

1) The above figures also reflect violations of voluntary standards, beyond those related to environmental and greenwashing regulations

Environmental Management System Certification

Category		Unit	2022	2023	2024	2025
Percentage of facilities with ISO 14001 (EMS) certification	Group Total	%	-	-	-	8.6
	Domestic	%	-	-	-	52.9
Number of sites that have obtained ISO 14001 (EMS) certification	Group Total	Number	-	-	-	1
	Domestic	Number	-	-	-	1
Number of facilities covered by ISO 14001 (EMS)	Group Total	Number	-	-	-	1
	Domestic	Number	-	-	-	1

Sustainable Products

Category		Unit	2022	2023	2024	2025
Purchase amount for environmentally-friendly products and services	Group Total	KRW million	-	-	-	18,907
	Misto Holdings	KRW million	-	-	-	0
	Misto Korea	KRW million	-	-	-	18,907
	FILA Re:Deuce Products	KRW million	-	-	-	18,424
	Sustainable Packaging[1)]	KRW million	-	-	-	317
	Sustainable Trims[1)]	KRW million	-	-	-	166
Percentage of Eco-friendly revenues	Group Total	%	-	-	-	7.1
	Misto Holdings	%	-	-	-	0.0
	Misto Korea	%	-	-	-	7.1
Revenue from environmentally-friendly products and services	Group Total	KRW million	-	-	-	27,590
	Misto Holdings	KRW million	-	-	-	0
	Misto Korea	KRW million	-	-	-	27,590

1) Packaging and trims are limited to FSC-certified boxes, shopping bags, and paper tags.

Product Safety[1)]

Category		Unit	2022	2023	2024	2025
Number of incidents involving violations of laws, regulations, and voluntary codes regarding the safety and health impacts of products and services	Group Total	Cases	0	0	0	0
	Domestic	Cases	0	0	0	0

1) Calculated based on cases where the company is found to be at fault or subject to administrative sanctions, warnings, fines, or penalties

Raw Materials

Category		Unit	2022	2023	2024	2025
Percentage of certified down	Group Total	%	-	-	-	100.0
	Domestic	%	-	-	-	100.0
Amount of certified down	Group Total	ton	-	-	-	24
	Domestic	ton	-	-	-	24
Percentage of certified Man-made cellulosic fibers (MMCF)	Group Total	%	-	-	-	91.0
	Domestic	%	-	-	-	91.0
Amount of certified Man-made cellulosic fibers (MMCF)	Group Total	ton	-	-	-	9
	Domestic	ton	-	-	-	9
Percentage of recycled polyester	Group Total	%	-	-	-	10.6
	Domestic	%	-	-	-	10.6
Amount of recycled polyester	Group Total	ton	-	-	-	30
	Domestic	ton	-	-	-	30

Social

Employees

Category			Unit	2022	2023	2024	2025
Total number of employees		Group Total	Persons	899	1,123	1,155	1,155
		Domestic	Persons	318	329	336	326
Number of employees by gender	Male	Group Total	Persons	411	484	454	387
		Domestic	Persons	165	156	146	142
	Female	Group Total	Persons	488	639	701	768
		Domestic	Persons	153	173	190	184
Under 30		Group Total	Persons	145	196	244	411
		Domestic	Persons	55	45	54	61
30 to under 50		Group Total[1]	Persons	600	734	736	686
		Domestic	Persons	246	264	263	252
50 and above		Group Total	Persons	154	193	175	58
		Domestic	Persons	17	20	19	13
Number of employees by country		Korea	Persons	318	354	361	351
		China	Persons	236	368	429	602
		Vietnam	Persons	17	19	23	23
		Luxembourg	Persons	11	17	12	11
		The U.S.	Persons	292	328	283	15
		Italy	Persons	11	12	13	13
		Malaysia	Persons	13	21	30	31
		Canada	Persons	1	4	4	0
		Taiwan	Persons	0	0	0	109

Category			Unit	2022	2023	2024	2025
Number of employees by race/ ethnicity	Asian	Group Total[2]	Persons	620	803	879	1,123
		Domestic	Persons	318	329	336	326
	African American	Group Total	Persons	101	91	78	3
		Domestic	Persons	0	0	0	0
	Hispanic	Group Total[3]	Persons	12	19	6	1
		Domestic	Persons	0	0	0	0
	American Indian	Group Total	Persons	2	8	2	0
		Domestic	Persons	0	0	0	0
	Caucasian	Group Total[4]	Persons	160	182	184	25
		Domestic	Persons	0	0	0	0
	Two or more races	Group Total	Persons	2	3	2	0
		Domestic	Persons	0	0	0	0
	Other races	Group Total	Persons	2	17	4	3
		Domestic	Persons	0	0	0	0

1) 2022, 2023, 2024 data revised due to prior misstatement
2) 2022, 2023 data revised due to prior misstatement
3) 2022 data revised due to prior misstatement
4) 2023, 2024 data revised due to prior misstatement

Employment Type

Category		Unit	2022	2023	2024	2025
Permanent employees	Group Total[1]	Persons	885	1,109	1,107	974
	Domestic	Persons	306	320	320	312
Temporary employees	Group Total	Persons	14	14	19	144
	Domestic	Persons	12	9	16	14
Non-guaranteed hours employee	Group Total	Persons	0	0	29	37
	Domestic	Persons	0	0	0	0

1) 2022 data revised due to prior misstatement

New Employee Hires

Category		Unit	2022	2023	2024	2025
New hires	Group Total[1]	Persons	290	337	323	410
		%	32.3	30.0	28.0	35.5
	Domestic	Persons	70	95	71	69
		%	22.0	28.9	21.1	21.2
Male	Group Total[2]	Persons	138	110	92	127
		%	47.6	32.6	28.5	31.0
	Domestic	Persons	26	35	20	29
		%	37.1	36.8	28.2	42.0
Female	Group Total	Persons	152	227	231	283
		%	52.4	67.4	71.5	69.0
	Domestic	Persons	44	60	51	40
		%	62.9	63.2	71.8	58.0
Under 30	Group Total[2]	Persons	109	125	135	235
		%	37.6	37.1	41.8	57.3
	Domestic	Persons	27	26	21	26
		%	38.6	27.4	29.6	37.7
30 to under 50	Group Total[3]	Persons	154	200	172	170
		%	53.1	59.3	53.3	41.5
	Domestic	Persons	41	68	49	42
		%	58.6	71.6	69.0	60.9
50 and above	Group Total	Persons	27	12	16	5
		%	9.3	3.6	5.0	1.2
	Domestic	Persons	2	1	1	1
		%	2.9	1.1	1.4	1.4
Internal hires	Group Total	Persons	13	33	59	18
		%	4.5	9.8	18.3	4.4
	Domestic	Persons	1	4	11	10
		%	1.4	4.2	15.5	14.5
Average hiring cost	Group Total[4]	KRW	11,286,036	7,564,744	2,729,202	1,306,806
	Domestic	KRW	28,763,220	5,679,956	3,608,402	6,985,403

1) 2023 data revised due to a prior aggregation error
2) 2023 data revised due to prior misstatement
3) 2023, 2024 data revised due to prior misstatement
4) 2022, 2023, 2024 data revised due to a prior calculation error

Employee Turnover Rate

Category		Unit	2022	2023	2024	2025
Turnover	Group Total[1]	Persons	293	253	293	499
		%	31.7	25.0	25.7	43.2
	Domestic	Persons	33	78	70	75
		%	10.2	24.1	21.1	22.7
Voluntary turnover	Group Total[2]	Persons	147	178	174	215
		%	15.9	17.6	15.3	18.6
	Misto Holdings	Persons	5	10	4	5
		%	8.5	18.5	6.9	8.1
	Misto Korea	Persons	0	60	41	50
		%	0.0	22.3	14.9	18.6
Involuntary turnover[3]	Group Total	Persons	146	75	119	284
		%	15.8	7.4	10.4	24.6
	Domestic	Persons	28	8	25	20
		%	8.7	2.5	7.5	6.0
Male	Group Total	%	-	-	-	16.7
	Domestic	%	-	-	-	8.2
Female	Group Total	%	-	-	-	26.5
	Domestic	%	-	-	-	14.5
Under 30	Group Total	%	-	-	-	12.2
	Domestic	%	-	-	-	2.7
30 to under 50	Group Total	%	-	-	-	21.1
	Domestic	%	-	-	-	17.5
50 and above	Group Total	%	-	-	-	9.9
	Domestic	%	-	-	-	2.4

Category		Unit	2022	2023	2024	2025
Asian	Group Total	%	-	-	-	26.4
	Domestic	%	-	-	-	22.7
African American	Group Total	%	-	-	-	5.5
	Domestic	%	-	-	-	0.0
Hispanic	Group Total	%	-	-	-	0.5
	Domestic	%	-	-	-	0.0
Native American	Group Total	%	-	-	-	0.2
	Domestic	%	-	-	-	0.0
Caucasian	Group Total	%	-	-	-	10.3
	Domestic	%	-	-	-	0.0
Turnover rate for employees identifying with two or more races	Group Total	%	-	-	-	0.2
	Domestic	%	-	-	-	0.0
Turnover rate for employees of other races	Group Total	%	-	-	-	0.2
	Domestic	%	-	-	-	0.0
Turnover rate for executive positions	Group Total	%	-	-	-	1.5
	Domestic	%	-	-	-	0.6
Turnover rate for management	Group Total	%	-	-	-	10.0
	Domestic	%	-	-	-	1.2
Turnover rate for non-management employees	Group Total	%	-	-	-	31.7
	Domestic	%	-	-	-	20.8

1) 2024 data revised due to a prior aggregation error
2) 2024 data revised due to prior misstatement
3) Temporary increase in involuntary turnover due to Misto USA's restructuring decision in November 2024

Employee Diversity (Management Positions)[1]

Category			Unit	2022	2023	2024	2025
Female employees in management positions		Group Total	Persons	118	123	156	77
			%	53.4	49.2	45.6	51.7
		Misto Holdings	Persons	2	5	7	6
			%	25.0	35.7	58.3	54.5
		Misto Korea	Persons	15	22	23	17
			%	27.8	39.3	41.8	41.5
Total employees in management positions		Group Total	Persons	221	250	342	149
			%	24.6	22.3	29.6	12.9
		Domestic	Persons	62	70	67	52
			%	19.5	21.3	19.9	16.0
Percentage of women in top management positions within two levels of the CEO		Group Total	%	-	-	-	40.8
		Domestic	%	-	-	-	26.7
Percentage of women in management positions in revenue-generating departments (e.g., sales)		Group Total	%	-	-	-	50.0
		Domestic	%	-	-	-	36.4
Percentage of women in STEM-related roles		Group Total	%	-	-	-	100.0
		Domestic	%	-	-	-	0.0
Percentage of race and ethnicity	Asian	Group Total	%	-	-	-	94.6
		Domestic	%	-	-	-	100.0
	African American	Group Total	%	-	-	-	0.7
		Domestic	%	-	-	-	0.0
	Hispanic	Group Total	%	-	-	-	0.0
		Domestic	%	-	-	-	0.0
	American Indian	Group Total	%	-	-	-	0.0
		Domestic	%	-	-	-	0.0
	Caucasian	Group Total	%	-	-	-	3.4
		Domestic	%	-	-	-	0.0
	Two or more races	Group Total	%	-	-	-	0.0
		Domestic	%	-	-	-	0.0
	Other races	Group Total	%	-	-	-	1.3
		Domestic	%	-	-	-	0.0

1) From 2025, the scope of management positions was revised to include team leaders and above, excluding executive positions

Employee Diversity (Disability)

Category		Unit	2022	2023	2024	2025
Employees with disabilities	Group Total	Persons	2	2	2	2
		%	0.2	0.2	0.2	0.2
	Misto Holdings	Persons	0	0	0	0
		%	0.0	0.0	0.0	0.0
	Misto Korea	Persons	2	2	2	2
		%	0.7	0.7	0.7	0.8
Male	Group Total	Persons	1	1	1	1
		%	0.1	0.1	0.1	0.1
	Misto Holdings	Persons	0	0	0	0
		%	0.0	0.0	0.0	0.0
	Misto Korea	Persons	1	1	1	1
		%	0.4	0.4	0.4	0.4
Female	Group Total	Persons	1	1	1	1
		%	0.1	0.1	0.1	0.1
	Misto Holdings	Persons	0	0	0	0
		%	0.0	0.0	0.0	0.0
	Misto Korea	Persons	1	1	1	1
		%	0.4	0.4	0.4	0.4

Family-Related Leave

Category		Unit	2022	2023	2024	2025
Number of employees on parental leave	Group Total	Persons	45	46	53	45
	Domestic	Persons	17	13	18	23
Male	Group Total	Persons	12	20	20	13
	Domestic	Persons	1	2	5	8
Female	Group Total	Persons	33	26	33	32
	Domestic	Persons	16	11	13	15
Number of employees returned after leave	Group Total	Persons	33	42	51	26
	Domestic	Persons	13	9	16	9

Employee Training

Category			Unit	2022	2023	2024	2025
Total training hours		Group Total	Hours	4,577	3,503	3,610	6,081
		Domestic	Hours	3,393	1,572	1,278	3,380
Average training hours per employee	Total	Group Total	Hours	5.1	3.1	3.1	5.3
		Domestic	Hours	10.7	4.8	3.8	10.4
	Male[1]	Group Total	Hours	5.6	3.6	4.0	6.0
		Domestic	Hours	10.3	5.0	4.4	10.4
	Female[1]	Group Total	Hours	4.7	2.7	2.6	5.3
		Domestic	Hours	11.1	4.5	3.4	10.3
	Executives	Group Total	Hours	-	-	-	6.2
		Domestic	Hours	-	-	-	7.0
	Managers	Group Total	Hours	-	-	-	7.0
		Domestic	Hours	-	-	-	10.5
	Non-managers	Group Total	Hours	-	-	-	5.3
		Domestic	Hours	-	-	-	10.5
	Under 30	Group Total	Hours	-	-	-	4.5
		Domestic	Hours	-	-	-	10.8
	30 to under 50	Group Total	Hours	-	-	-	6.3
		Domestic	Hours	-	-	-	10.3
	50 and above	Group Total	Hours	-	-	-	4.3
		Domestic	Hours	-	-	-	9.4
	Asian	Group Total	Hours	-	-	-	5.5
		Domestic	Hours	-	-	-	10.4
	African American	Group Total	Hours	-	-	-	2.7
		Domestic	Hours	-	-	-	0.0
	Hispanic	Group Total	Hours	-	-	-	2.0
		Domestic	Hours	-	-	-	0.0
	American Indian	Group Total	Hours	-	-	-	0.0
		Domestic	Hours	-	-	-	0.0
	Caucasian	Group Total	Hours	-	-	-	9.2
		Domestic	Hours	-	-	-	0.0
	Two or more races	Group Total	Hours	-	-	-	0.0
		Domestic	Hours	-	-	-	0.0
	Other races	Group Total	Hours	-	-	-	0.0
		Domestic	Hours	-	-	-	0.0

Category		Unit	2022	2023	2024	2025
Total training costs for employees	Group Total	KRW	91,711,629	71,028,754	83,605,517	137,418,223
	Domestic	KRW	80,111,210	56,931,710	71,597,695	123,153,736
Average training cost per employee	Group Total[1]	KRW	102,015	63,249	72,386	118,977
	Domestic	KRW	251,922	173,045	213,088	377,772
Employee training participation rate	Group Total	%	73.6	85.4	95.7	91.3
	Domestic	%	100.0	100.0	100.0	100.0

1) 2022, 2023, 2024 data revised due to a prior calculation error

Human Rights Training[1]

Category			Unit	2022	2023	2024	2025
Sexual harassment prevention training	Domestic	Number of participants	Persons	308	316	319	329
		Participation rate	%	100.0	100.0	100.0	100.0
Workplace harassment prevention training	Domestic	Number of participants	Persons	308	316	319	329
		Participation rate	%	100.0	100.0	100.0	100.0
Disability awareness training	Domestic	Number of participants	Persons	308	316	319	329
		Participation rate	%	100.0	100.0	100.0	100.0

1) Based on total domestic training hours and percentage for the reporting year

Occupational Health and Safety

Category			Unit	2022	2023	2024	2025
Number of work-related fatalities (employee)	Total headcount	Group Total	Persons	0	0	0	0
		Domestic	Persons	0	0	0	0
	Work-related employee fatalities	Group Total	Persons	0	0	0	0
		Domestic	Persons	0	0	0	0
	Employee fatalities due to work-related injuries	Group Total	Persons	0	0	0	0
		Domestic	Persons	0	0	0	0
	Employee fatalities due to work-related illnesses	Group Total	Persons	0	0	0	0
		Domestic	Persons	0	0	0	0
Number of work-related fatalities (contractor)	Total headcount	Group Total	Persons	0	0	0	0
		Domestic	Persons	0	0	0	0
	Contractor fatalities due to work-related injuries	Group Total	Persons	0	0	0	0
		Domestic	Persons	0	0	0	0
	Contractor fatalities due to work-related illnesses	Group Total	Persons	0	0	0	0
		Domestic	Persons	0	0	0	0
Employee Lost Time Injuries (LTI)	Group Total		Cases	0	0	1	0
	Domestic		Cases	0	0	0	0
Employee Lost Time Injuries Frequency Rate (LTIFR)	Group Total	Per one million working hours	Cases	0.00	0.00	0.42	0.00
	Misto Holdings	Per one million working hours	Cases	0.00	0.00	0.00	0.00
	Misto Korea	Per one million working hours	Cases	0.00	0.00	0.00	0.00
Supplier Lost Time Injuries (LTI)	Group Total		Cases	0	0	0	0
	Domestic		Cases	0	0	0	0
Supplier Lost Time Injuries Frequency Rate (LTIFR)	Group Total	Per one million working hours	Cases	0.00	0.00	0.00	0.00
	Misto Holdings	Per one million working hours	Cases	0.00	0.00	0.00	0.00
	Misto Korea	Per one million working hours	Cases	0.00	0.00	0.00	0.00

Collective Bargaining Agreements[1)]

Category		Unit	2022	2023	2024	2025
Percentage of employees covered by collective bargaining agreements	Group Total[2)]	%	-	-	-	0
	Domestic[3),4)]	%	-	-	-	0

1) No labor union exists at entities other than Misto Korea
2) 100% of employees at Misto Luxembourg are represented by an employee representative
3) The labor union at Misto Korea was newly established in 2025, and no collective bargaining agreement had been concluded as of the report publication date
4) 100% of employees at Misto Korea and Misto Holdings are covered by labor-management councils

Social Contribution Activities

Category		Unit	2022	2023	2024	2025
Total donations to charities and other organizations	Group Total	KRW million	1,377	527	2,171	5,592
	Domestic	KRW million	1,168	513	2,156	5,574

Online Sales and Services

Category		Unit	2022	2023	2024	2025
Percentage of customers using online services	Group Total	%	-	-	-	65.9
	Domestic	%	-	-	-	33.0
Proportion of online sales	Group Total	%	-	-	-	48.7
	Domestic	%	-	-	-	29.0

Governance

Ethics and Compliance Management[1)]

Category			Unit	2022	2023	2024	2025
Ethics and compliance training		Group Total	Persons	301	261	346	334
		Domestic	Persons	301	261	322	319
Whistleblowing report and actions taken	Number of reports	Group Total	Cases	3	14	13	2
		Domestic	Cases	3	14	13	0
	Number of actions taken	Group Total	Cases	3	14	13	2
		Domestic	Cases	3	14	13	0
	Resolution rate	Group Total	%	100.0	100.0	100.0	100.0
		Domestic[2)]	%	100.0	100.0	100.0	N/A
Incidents of discrimination and harassment among own employees	Global reporting channel	Group Total	Cases	0	2	2	0
		Domestic	Cases	0	2	2	0
	Internal channel[2)]	Group Total	Cases	2	0	2	0
		Domestic	Cases	2	0	2	0
Complaints and grievances received		Group Total	Cases	9	5	2	0
		Domestic	Cases	9	5	2	0
Financial losses resulting from discrimination, harassment, and human rights cases	Total	Group Total	KRW	0	0	0	0
		Domestic	KRW	0	0	0	0
	Fines	Group Total	KRW	0	0	0	0
		Domestic	KRW	0	0	0	0
	Penalties	Group Total	KRW	0	0	0	0
		Domestic	KRW	0	0	0	0
	Compensation amount	Group Total	KRW	0	0	0	0
		Domestic	KRW	0	0	0	0

1) Internal Channel Compliance monitoring and audit system
2) Excluded from action rate calculation due to zero reports received through the reporting channel in 2025

Ethics and Anti-Corruption Violations

Category			Unit	2022	2023	2024	2025
Number of ethics and anti-corruption violations	Total number of cases	Group Total	Cases	0	0	1	0
		Domestic	Cases	0	0	1	0
	Number of convictions	Group Total	Cases	0	0	0	0
		Domestic	Cases	0	0	0	0
	Number of cases identified through internal investigations	Group Total	Cases	0	0	1	0
		Domestic	Cases	0	0	1	0
Convictions for violations of anti-corruption and anti-bribery laws Fines and settlement payments		Group Total	KRW	0	0	0	0
		Domestic	KRW	0	0	0	0

Political Participation and Lobbying Expenditures[1)]

Category		Unit	2022	2023	2024	2025
Total lobbying expenses	Group Total	KRW	0	0	0	0
	Domestic	KRW	0	0	0	0
Membership fees for lobbying associations	Group Total	KRW	0	0	0	0
	Domestic	KRW	0	0	0	0
Contributions for lobbying and stakeholder advocacy	Group Total	KRW	0	0	0	0
	Domestic	KRW	0	0	0	0
Expenditures related to voting on bills	Group Total	KRW	0	0	0	0
	Domestic	KRW	0	0	0	0
Other	Group Total	KRW	0	0	0	0
	Domestic	KRW	0	0	0	0
Total political contributions	Group Total	KRW	0	0	0	0
	Domestic	KRW	0	0	0	0
Total financial political contributions	Group Total	KRW	0	0	0	0
	Domestic	KRW	0	0	0	0
In-kind political contributions	Group Total	KRW	0	0	0	0
	Domestic	KRW	0	0	0	0

1) Misto Group's Global Code of Conduct includes compliance with anti-bribery and anti-corruption laws

Cybersecurity

Category		Unit	2022	2023	2024	2025
Number of annual cybersecurity training sessions	Group Total	Sessions	4	2	3	2
	Domestic	Sessions	2	2	3	2
Number of cybersecurity breaches	Group Total	Cases	0	0	0	0
	Domestic	Cases	0	0	0	0

Board of Directors[1)]

Category	Unit	2022	2023	2024	2025
Total number of directors	Persons	7	7	7	7
Executive directors	Persons	3	3	3	3
	%	42.9	42.9	42.9	42.9
Independent directors	Persons	3	3	3	3
	%	42.9	42.9	42.9	42.9
Other non-executive directors	Persons	1	1	1	1
Female	Persons	1	1	1	1
	%	14.3	14.3	14.3	14.3
Male	Persons	6	6	6	6
	%	85.7	85.7	85.7	85.7
Under 30	Persons	0	0	0	0
	%	0.0	0.0	0.0	0.0
30 to under 50	Persons	2	2	1	2
	%	28.6	28.6	14.3	28.6
50 and above	Persons	5	5	6	5
	%	71.4	71.4	85.7	71.4
Average tenure of directors	Years	-	-	-	8.0
Target ratio of independent directors	%	-	-	-	33.3
CEO short-term performance-based compensation	KRW million	-	-	-	1,186

1) Applied to the BoD of Misto Holdings

Appendix



117 Board Agenda and Key Resolutions
118 Stakeholder Engagement
119 GRI Content Index
121 KSSB No. 2 Climate-related Disclosure Index
122 TNFD Index
123 SASB Index
125 UN Global Compact
130 Independent Auditor's Report
133 Greenhouse Gas Verification Statement
135 Independent Assurance Opinion Statement



Pairs

Board Agenda and Key Resolutions

Meeting No.	Date	Agenda Item	Yoon-soo Yoon (Attendance: 100%)	Keun-chang Yoon (Attendance: 100%)	Myoung-jin Yun (Attendance: 100%)	Hak-woo Lee (Attendance: 100%)	Suk Kim (Attendance: 100%)[2]	Hae-sung Kim (Attendance: 100%)[2]	Young-mi Yun (Attendance: 100%)	Sang-ki Park (Attendance: 100%)[2]	Soo-young Kwon (Attendance: 100%)[2]
1	January 23, 2025	• Approval of FY2025 financial budget and 1 other item	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	-	-
2	February 12, 2025	• Report on internal accounting management system activities and 9 other items • Report on operational results of compliance policy[1] • Report on the results of self-evaluation by board members[1] • Approval of the introduction of the electronic voting system for the 35th general shareholders' meeting[1]	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	-	-
3	March 14, 2025	• Approval on acquisition of treasury shares	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	-	-
4	March 19, 2025	• Report on the operational assessment of the internal accounting management system for the 35th fiscal year and 3 other items • Approval of the establishment of a new shareholder return policy[1]	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed	-	-
5	March 31, 2025	• Approval of the appointment of the CEO (Candidate: Keun-Chang Yoon) and 1 other item	Agreed	Agreed	Agreed	Agreed	-	-	Agreed	Agreed	Agreed
6	May 13, 2025	• Report on business performance for Q1 2025 and 3 other items	Agreed	Agreed	Agreed	Agreed	-	-	Agreed	Agreed	Agreed
7	June 25, 2025	• Report on the FY2024 materiality assessment results and publication of sustainability report[1] and 2 other items • Report on the FY2025 cybersecurity plan[1]	Agreed	Agreed	Agreed	Agreed	-	-	Agreed	Agreed	Agreed
8	August 12, 2025	• Report on business performance for Q2 2025 and 2 other items	Agreed	Agreed	Agreed	Agreed	-	-	Agreed	Agreed	Agreed
9	September 15, 2025	• Approval of setting the record date for the Q3 2025 quarterly dividend and 3 other items	Agreed	Agreed	Agreed	Agreed	-	-	Agreed	Agreed	Agreed
10	September 30, 2025	• Approval of amendments to the lease agreement	Agreed	Agreed	Agreed	Agreed	-	-	Agreed	Agreed	Agreed
11	November 12, 2025	• Report on business performance for Q3 2025 and 1 other item	Agreed	Agreed	Agreed	Agreed	-	-	Agreed	Agreed	Agreed
12	December 16, 2025	• Report on the analysis of global sustainability disclosure trends and group climate change response performance[1] and 5 other items	Agreed	Agreed	Agreed	Agreed	-	-	Agreed	Agreed	Agreed

1) Sustainability-related agenda items among all agenda items of each meeting
2) Meetings not held during a director's term of office are marked with "-"

Stakeholder Engagement

Misto Group identifies five key stakeholder groups and actively engages with them through diverse communication channels to better understand their perspectives. Insights gathered through these interactions are integrated into both our business practices and the contents of this report. Going forward, we remain committed to maintaining stakeholder engagement and driving positive and lasting environmental and social impact.

● Environmental ● Social ● Governance

Stakeholders	Key Issues	Communication Channels										
		Global Reporting Channels	Sustainability Management Interview	Annual General Meeting	IR Disclosures and Earnings Briefings	Global Sales Meeting	CSR Campaign	Consumer Surveys	Store Owner Meetings and Seasonal Product Exhibitions	Customer Service Center	Employee Ethics/Quality Newsletter	Global Sustainability Initiatives
Customers	● Circularity and Sustainable Products ● Responsible Marketing ● Consumer Safety ● Cybersecurity	✓					✓	✓	✓	✓		✓
Employees	● Diversity and Equal Treatment ● Training and Capacity Building ● Working Environment ● Cybersecurity	✓	✓		✓	✓	✓				✓	✓
Partners and Licensees	● Climate Action ● Hazardous Chemicals Management ● Circularity and Sustainable Products ● Sustainable Sourcing and Supply Chain Management ● Consumer Safety ● Working Environment	✓	✓		✓	✓						✓
Shareholders and Investors	● Climate Action ● Responsible Marketing ● Sustainable Sourcing and Supply Chain Management	✓	✓	✓	✓							✓
Community and NGOs	● Hazardous Chemicals Management ● Responsible Marketing	✓	✓				✓					✓

*The table above lists the stakeholders most directly associated with each channel; however, depending on the timing and specific issue, a broader range of stakeholders may be involved.

GRI Content Index

Statement of Use	Misto Holdings has published its sustainability performance for the period from January 1 to December 31, 2025, in accordance with the reporting principles of the GRI Standards
GRI Standards Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Currently not available (As of the report publication date in June 2026, no sector-specific GRI Standards have been issued for the textile and apparel industry relevant to Misto Holdings.)

[General Disclosures (GRI 2)]

Index		Reporting Page	Note
2-1	Organizational details	p.3, 7	FY2025 Annual Report, p.3-7
2-2	Entities included in the sustainability reporting	p.3	
2-3	Reporting period, frequency and contact point	p.3	
2-4	Restatements of information	p.104	Restated data are separately noted
2-5	External assurance	p.134	
2-6	Activities, value chain and other business relationships	p.6-10	FY2025 Annual Report, p.12-18
2-7	Employees	p.108-109	
2-8	Workers who are not employees	Information insufficient for disclosure	Not managed due to nature of global operations and local legal restrictions
2-9	Governance structure and composition	p.93-95	
2-10	Nomination and selection of the highest governance body	p.93-94	FY2025 Annual Report, p.239-240
2-11	Chair of the highest governance body	p.94	Articles of Incorporation, Chapter 5 (Board of Directors) Reference: https://mistoholdings.com/investors/kor/corpGovernance.do
2-12	Role of the highest governance body in overseeing the management of impacts	p.93-97, 99-101	
2-13	Delegation of responsibility for managing impacts	p.96, 99	
2-14	Role of the highest governance body in sustainability reporting	p.15	
2-15	Conflicts of interest	p.93	Articles of Incorporation, Chapter 5 (Board of Directors) Reference: https://mistoholdings.com/investors/kor/corpGovernance.do
2-16	Communication of critical concerns	p.96, 99, 117	
2-17	Collective knowledge of the highest governance body	p.96	FY2025 Annual Report, p.240-242
2-18	Evaluation of the performance of the highest governance body	p.97	
2-19	Remuneration policies	p.97-98	FY2025 Annual Report, p.255-259
2-20	Process to determine remuneration	p.97-98	
2-21	Annual total compensation ratio	-	FY2025 Annual Report, p.255-259
2-22	Statement on sustainable development strategy	p.4	
2-23	Policy commitments	p.73, 89	
2-24	Embedding policy commitments	p.73, 90	
2-25	Processes to remediate negative impacts	p.92, 99-100	
2-26	Mechanisms for seeking advice and raising concerns	p.92	
2-27	Compliance with laws and regulations	p.106, 107, 114	
2-28	Membership associations	-	THE KOREA SOCIETY, Korea–US Association, AFA Korea Chapter, Korea Federation of Textile Industries (Misto Korea)
2-29	Approach to stakeholder engagement	p.118	
2-30	Collective bargaining agreements	p.113	

[Material Topics]

Topic		Disclosures	Reporting Page	Note
GRI 3: Material Topics	3-1	Process to determine material topics	p.17	
	3-2	List of material topics	p.18-19	
Material Topic 1: Climate Action				
GRI 3: Material Topics	3-3	Management of material topics	p.17-19, 21-28	
GRI 201: Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	p.22	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	p.105	
	305-2	Energy indirect (Scope 2) GHG emissions	p.105	
	305-3	Other indirect (Scope 3) GHG emissions	p.105	
	305-4	GHG emissions intensity	p.105	
	305-5	Reduction of GHG emissions	p.24~26	
Material Topic 2: Circularity and Sustainable Products				
GRI 3: Material Topics	3-3	Management of material topics	p.17-19, 29-37	
SASB	CG-AA-40a.3	Risk management related to the use of key raw materials	p.37	
Organization-specific Indicator		Proportion of sustainable products	p.31	Proportion of Sustainable Products by Category (as of end of 2025): - Adult Apparel: 17% - Footwear: 7% - Underwear: 22% - Accessories: 22%
GRI 301: Materials	301-1	Materials used by weight or volume	p.33, 107	
	301-2	Recycled input materials used	p.33, 107	
	301-3	Reclaimed products and their packaging materials	p.33	
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	p.36	
	306-2	Management of significant waste-related impacts	p.35-37	
	306-3	Waste generated	p.106	
	306-4	Waste diverted from disposal	p.106	
	306-5	Waste directed to disposal	p.106	

Topic		Disclosures	Reporting Page	Note
Material Topic 3: Responsible Marketing				
GRI 3: Material Topics	3-3	Management of material topics	p.17-19, 55-58	
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling	p.106	
	417-2	Incidents of non-compliance concerning product and service information and labeling	p.106	
	417-3	Incidents of non-compliance concerning marketing communications	p.106	
Material Topic 4: Hazardous Chemicals Management				
GRI 3: Material Topics	3-3	Management of material topics	p.17-19, 38-42	
SASB	CG-AA-250a.1	Process to maintain compliance with restricted substances regulations	p.39	
SASB	CG-AA-250a.2	Risk management related to chemicals in products	p.42	
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p.107	
Material Topic 5: Sustainable Sourcing and Supply Chain Management				
GRI 3: Material Topics	3-3	Management of material topics	p.17-19, 43-54	
GRI 308: Supplier Environmental Assessment	308-1	New suppliers screened using environmental criteria	p.48	
	308-2	Negative environmental impacts in the supply chain and actions taken	p.49-50	
GRI 414: Supplier Social Assessment	414-1	New suppliers screened using social criteria	p.48	
	414-2	Negative social impacts in the supply chain and actions taken	p.49-50	
Material Topic 6: Cybersecurity				
GRI 3: Material Topics	3-3	Management of material topics	p.17-19, 59-64	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.64	

KSSB No. 2 Climate-related Disclosure Index

To provide reliable sustainability information to global investors and stakeholders, Misto Group has incorporated non-financial information in accordance with KSSB Disclosure Standard No. 2, Climate-related Disclosures, under the Korean Sustainability Disclosure Standards (KSDS). KSSB Disclosure Standard No. 2 was developed based on IFRS S2 and incorporates the key structure of the TCFD Framework.

Category		Disclosures	Reporting Page
Governance	**The governance processes, controls, and procedures used by the entity to identify, manage, and respond to climate-related risks and opportunities**		
	1	The governance body or individual responsible for oversight of climate-related risks and opportunities	p.21
	2	Management's role in the governance processes, controls, and procedures used to manage and oversee climate-related risks and opportunities	p.21
Strategy	**The strategy for managing climate-related risks and opportunities, and the effects of identified risks and opportunities on the entity's business model and value chain, strategy and decision-making, financial position, financial performance, and cash flows over the short, medium, and long term**		
	1	Climate-related risks and opportunities that are expected to affect the entity's prospects	p.22
	2	Current and anticipated effects on the business model and value chain	p.22
	3	Effects on strategy and decision-making, including transition plans	p.22
	4	Effects of climate-related risks and opportunities on the entity's financial position, financial performance, and cash flows for the reporting period, and anticipated financial effects over the short, medium, and long term	p.22
	5	Climate resilience of the entity's strategy and business model to climate-related changes, developments, and uncertainties	p.22
Risk Management	**The processes used by the entity to identify, assess, prioritize, and monitor climate-related risks and opportunities, and the process for assessing the entity's overall risk management**		
	1	Processes and related policies used to identify, assess, prioritize, and monitor climate-related risks	p.21-23
	2	Processes used to identify, assess, prioritize, and monitor climate-related opportunities	p.21-23
	3	The extent to which, and how, the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	p.21-23
Metrics and Targets	**Performance in relation to climate-related risks and opportunities, including progress toward targets set by the entity and targets required to be met by law or regulation**		
	Cross-industry Metrics		
	1	Scope 1, 2, and 3 greenhouse gas emissions and the measurement approach	p.104-105
	2	Amount and percentage of assets or business activities vulnerable to climate-related transition risks	-
	3	Amount and percentage of assets or business activities vulnerable to climate-related physical risks	-
	4	Amount and percentage of assets or business activities aligned with climate-related opportunities	-
	5	Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	-
	6	Whether and how the entity applies a carbon price in decision-making, and the price per metric ton of greenhouse gas emissions used to assess the cost of greenhouse gas emissions	-
	7	Whether and how climate-related considerations are factored into executive remuneration, and the percentage of remuneration linked to climate-related considerations	p.98
	Industry-based Metrics		
	1	Reference to industry-based metrics associated with disclosure topics in accordance with the industry-based guidance on implementing IFRS S2	SASB Index p.123-124
	Climate-related Targets		
	1	Quantitative and qualitative targets set by the entity, targets required to be met by law or regulation, and the applicable period and scope	p.27-28
	2	Approach to setting and reviewing targets, whether the targets have been validated by a third party, and the methods and metrics used to monitor progress	p.27-28
	3	Type of greenhouse gas emissions target and gross emissions target; for net emissions targets, planned use of carbon credits	p.27-28

TNFD Index

In line with the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), Misto Group has assessed the potential financial impacts of natural capital on its business activities and established a strategic direction and risk management framework accordingly.

Category	Disclosures	Reporting Page
Governance	a) Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	p.66
	b) Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	p.66
	c) Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	-
Strategy	a) Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	p.67-70
	b) Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	p.67-70
	c) Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	-
	d) Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain (s) that meet the criteria for priority locations.	p.67
Risk and Impact Management	a-1) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	p.66
	a-2) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain (s).	p.66
	b) Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	p.66
	c) Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	-
Metrics and Targets	a) Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	-
	b) Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	-
	c) Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	-

SASB Index

Misto Group aims to provide investors and other stakeholders with decision-useful information by disclosing relevant data in accordance with the SASB Standards. This SASB Index has been prepared based on the standards for the Apparel, Accessories & Footwear industry, as defined under the Consumer Goods sector of the Sustainable Industry Classification System (SICS).

SASB Metric	Measurement Unit	Code	Key Activities	Reporting Page
Management of Chemicals in Products				
Discussion of processes to maintain compliance with restricted substances regulations	-	CG-AA-250a.1	• Managing product chemicals in accordance with Misto Group's Global RSL Policy • Testing and management in accordance with the hazardous substances and product safety standards applicable in each country where Misto products are sold	p.39
Discussion of processes to assess and manage risks or hazards associated with chemicals in products	-	CG-AA-250a.2	• Requesting suppliers to eliminate and monitor any chemicals listed in Misto Group's RSL during production, with inspections and documentation verified by third-party testing laboratory • Sharing chemical information and related standards with suppliers before placing orders, and collecting signed RSL compliance agreements prior to production. • Conducting random sampling tests after production during the sales process and taking corrective actions based on internal response processes in case of violations. • Identifying priority hazardous chemicals requiring focused management and implementing appropriate response measures.	p.40-42
Environmental Impacts in the Supply Chain				
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	-	CG-AA-430a.1	(1) Receiving third-party audit reports from all Tier 1 suppliers in 2025, with no reported violations of wastewater regulations or functional issues in treatment facilities (2) Receiving third-party audit reports from all Tier 2 suppliers or conducting audits based on the Misto Group's Code of Conduct in 2025, with no violations of wastewater treatment regulations or functional deficiencies in treatment facilities identified * Tier 2 suppliers are limited to those nominated by Misto's sourcing entities as medium- to long-term partners among all Tier 2 suppliers. The supplier composition varies depending on our business operations.	p.49
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	-	CG-AA-430a.2	(1) Completing Higg FEM assessments for 21 (31%) out of 69 Tier 1 suppliers in 2025 (2) Completing Higg FEM assessments for 5 (28%) out of 19 Tier 2 suppliers in 2025 * Tier 2 suppliers are limited to those nominated by Misto's sourcing entities as medium- to long-term partners among all Tier 2 suppliers. The supplier composition varies depending on our business operations.	-
Labor Conditions in the Supply Chain				
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct,(3) percentage of total audits conducted by a third-party auditor	%	CG-AA-430b.1	(1) Conducting third-party labor code of conduct audits for 100% of Tier 1 suppliers (69 total) in 2025 * This figure excludes few suppliers engaged in non-regular product production, which are internally managed. Disclosures for these suppliers are planned (2) Ensuring 100% audit coverage of designated Tier 2 partner factories (19 total) through either third-party or Misto-led assessments in 2025. * These Tier 2 factories represent medium- to long-term partners designated by sourcing entities. Supplier composition is subject to change depending on business needs (3) 85.2% * All audits for Tier 1 suppliers were conducted exclusively by third-party firms. * Six Tier 2 suppliers submitted third-party audit reports, while other 13 Tier 2 suppliers—deemed to have limited business impact—underwent on-site audits by Misto's Vendor Compliance Team in lieu of third-party assessments.	p.49
Priority non-conformance rate and associated corrective action rate for suppliers' labour code of conduct audits	%	CG-AA-430b.2	**Category** / **No. of Findings Requiring Corrective Action** / **Corrective Action Plan Submission Rate** Environment: 3 / 100% Fair Wages: 3 / 100% Health and Safety: 17 / 100% Compliance with Legal Documentation Requirements: 3 / 100% • To minimize social and environmental impacts across the product manufacturing supply chain, the Group incorporates sustainability considerations into its supply chain management. For each issue area, it identifies key risks, formulates response strategies, and continuously monitors progress.	p.49

<table>
<tr><th>SASB Metric</th><th>Measurement Unit</th><th>Code</th><th>Key Activities</th><th>Reporting Page</th></tr>
<tr><td>Description of the greatest (1) labor and (2) environmental, health and safety risks in the supply chain</td><td>-</td><td>CG-AA-430b.3</td><td>• To minimize social and environmental impacts across the product manufacturing supply chain, the Group incorporates sustainability considerations into its supply chain management. For each issue area, it identifies key risks, formulates response strategies, and continuously monitors progress.</td><td>p.45</td></tr>
<tr><td colspan="5">Raw Materials Sourcing</td></tr>
<tr><td>(1) List of priority raw materials; for each priority raw material:
(2) environmental or social factor (s) most likely to threaten sourcing,
(3) discussion on business risks or opportunities associated with environmental or social factors and
(4) management strategy for addressing business risks and opportunities</td><td>-</td><td>CG-AA-440a.3</td><td>
<table>
<tr><th>Key Raw Materials</th><th>Environmental and Social Factors</th><th>Business Risks and Opportunities</th><th>Response Strategies</th></tr>
<tr><td>Cotton</td><td>• Growing human rights concerns in certain cotton-producing regions
• Increased frequency of extreme weather events due to climate change
• Reduced water accessibility for local communities and negative impact on ecosystems caused by indiscriminate water withdrawal and irrigation during cotton cultivation
• Pollution and ecological damage caused by chemical fertilizer use in cotton farming processes</td><td>• Export/import restrictions and brand value impact due to regulations on cotton produced in regions with high risk of labor rights violations
• Profitability and brand value affected by price volatility and supply instability of cotton due to extreme weather and declining quality
• Growing consumer interest in environmental and social issues driving preference toward sustainable products</td><td>• Development of Misto Sustainable Product Guidelines
• Expansion of sourcing for certified materials produced through socially and environmentally sustainable methods
• Expansion of traceable and sustainable material sourcing
• Establishment of internal systems to enhance supply chain transparency
• Diversification of raw material sourcing and procurement channels</td></tr>
<tr><td>Polyester, Nylon</td><td>• Increased marine pollution due to microfiber/microplastic discharge
• Increase in GHG emissions due to the nature of raw materials and manufacturing processes
• Greater waste burden due to non-biodegradable materials</td><td>• Increased fines and brand value impact due to tightening regulations on microfiber and microplastic emissions
• Increased fines and brand value impact due to tightening regulations on apparel waste
• Growing consumer interest in environmental and social issues driving preference toward sustainable products</td><td>• Development of Misto Sustainable Product Guidelines
• Expansion of sourcing for certified, environmentally sustainable and recycled materials
• Promotion of awareness through consumer laundry guides for proper washing practices
• Adoption of microfiber-reducing design approaches from the product planning stage</td></tr>
</table>
</td><td>-</td></tr>
<tr><td>(1) Amount of priority raw materials purchased, by material, and
(2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard</td><td>Ton</td><td>CG-AA-440a.4</td><td>(1) N/A
* Misto's IT systems are undergoing major group-wide overhauls to enable us to manage and disclose raw material procurement data.
(2) Sustainability Data - Raw Materials</td><td>p.107</td></tr>
<tr><td colspan="5">Activity Metrics</td></tr>
<tr><td>Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier</td><td>Number</td><td>CG-AA-000.A</td><td>(1) No. of Tier 1 suppliers: 69
(2) No. of Tier 2 suppliers: 19
* Tier 2 suppliers are limited to those nominated by Misto's sourcing entities as medium- to long-term partners among all Tier 2 suppliers. The supplier composition varies depending on our business operations.</td><td>p.46</td></tr>
</table>

UN Global Compact

Misto Group is committed to responsible business practices as a member of the United Nations Global Compact (UNGC), supporting its 10 Principles across human rights, labor, environment, and anti-corruption. We remain actively engaged in the initiative and strive to uphold transparency by regularly disclosing our implementation efforts and progress, reinforcing our dedication to corporate responsibility.

Category	Principles	Key Activities
Human Rights	01. Businesses should support and respect the protection of internationally proclaimed human rights; and	• Established the Group Global Human Rights Policy • Committed to upholding major international human rights and labor standards, including the Universal Declaration of Human Rights and the International Labour Organization (ILO) conventions
	02. make sure that they are not complicit in human rights abuses.	
Labor	03. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	• Enhanced communication with employees during key decision-making processes through the labor-management council • Codified the prohibition of child labor, forced labor, and discrimination across all business sites and the value chain through Global Code of Conduct • Conducted regular third-party audits and corrective action management for Tier 1 suppliers
	04. the elimination of all forms of forced and compulsory labor;	
	05. the effective abolition of child labor; and	
	06. the elimination of discrimination in respect of employment and occupation.	
Environment	07. Businesses should support a precautionary approach to environmental challenges;	• Carried out activities to minimize environmental impact across operations and pursued continuous improvements • Improved product performance and reduced environmental impact through research on sustainable materials and manufacturing processes
	08. undertake initiatives to promote greater environmental responsibility; and	
	09. encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	• Established the Group Global Code of Conduct • Operated a dedicated team for ethics and compliance management, along with whistleblowing and counseling channels • Delivered training programs on ethics and compliance

Consolidated Financial Statements

Consolidated Statements of Financial Position (Unit: KRW)

As of December 31, 2025 and 2024

	Description	December 31, 2025	December 31, 2024
Assets	**I. Current Assets**	2,334,419,879,333	2,462,449,282,236
	Cash and Cash Equivalents	625,567,094,487	683,177,037,487
	Trade and Other Receivables	505,450,648,992	532,430,760,222
	Inventories	1,015,604,473,446	1,018,623,317,373
	Other Financial Assets	36,978,396,641	87,677,878,539
	Financial Assets at Fair Value Through Profit or Loss	5,474,971,186	5,429,078,954
	Derivative Financial Assets	4,233,483,388	11,965,106,234
	Current Tax Assets	1,716,512,026	1,206,250,861
	Other Current Assets	139,394,299,167	121,939,852,566
	II. Non-Current Assets	3,184,773,498,717	3,073,940,842,389
	Trade and Other Receivables	37,072,372,798	26,123,052,485
	Other Financial Assets	-	170,666,328
	Property, Plant and Equipment	998,432,367,942	799,189,326,973
	Intangible Assets	1,924,685,396,086	1,973,127,728,610
	Investments in Associates	170,444,126,392	195,997,523,718
	Financial Assets at Fair Value Through Profit or Loss	1,999,964,200	-
	Financial Assets at Fair Value Through Other Comprehensive Income	5,727,560,000	5,907,360,000
	Deferred Tax Assets	33,938,317,160	41,937,665,515
	Other Non-Current Assets	7,890,532,371	29,873,339,579
	Net Defined Benefit Assets	4,582,861,768	1,614,179,181
Total Assets		**5,519,193,378,050**	**5,536,390,124,625**

	Description	December 31, 2025	December 31, 2024
Liabilities	**I. Current Liabilities**	1,098,261,768,129	1,233,701,673,828
	Trade and Other Payables	542,151,665,525	594,990,337,660
	Borrowings and Bonds	334,577,026,194	420,945,981,003
	Other Financial Liabilities	72,571,203,184	53,993,038,812
	Derivative Financial Liabilities	2,505,160,801	369,509,461
	Financial Liabilities at Fair Value through Profit or Loss	4,081,703,058	6,215,408,731
	Other Current Liabilities	47,218,806,053	58,491,854,811
	Contract Liabilities	49,321,522,282	44,144,524,029
	Provisions for Current Liabilities	5,580,266,092	4,678,920,404
	Current Tax Liabilities	40,254,414,940	49,872,098,917
	II. Non-Current Liabilities	1,826,514,545,923	1,566,389,545,659
	Trade and Other Payables	12,471,328,840	19,669,579,886
	Borrowings and Bonds	1,327,742,941,158	1,105,173,283,759
	Other Financial Liabilities	203,308,421,412	139,439,982,158
	Financial Liabilities at Fair Value through Profit or Loss	4,945,297,646	6,249,672,748
	Net Defined Benefit Liabilities	116,942,793,120	124,860,773,896
	Deferred Tax Liabilities	126,993,569,340	141,105,932,741
	Other Non-Current Liabilities	9,684,844,521	7,138,514,114
	Contract Liabilities	6,711,344,556	7,237,384,094
	Provisions for liabilities	17,714,005,330	13,673,082,575
	Non-Current Tax Liabilities	-	1,841,339,688
Total Liabilities		**2,924,776,314,052**	**2,800,091,219,487**

Description		December 31, 2025	December 31, 2024
Equity	**I. Equity Attributable to Owners of the Company**	1,932,141,962,003	2,005,208,821,773
	Ordinary Shares	61,115,070,000	61,115,070,000
	Capital Surplus	81,774,416,110	70,734,228,915
	Capital Adjustments	(9,471,542,536)	(86,369,180,786)
	Accumulated Other Comprehensive Income	319,610,293,820	338,300,492,918
	Retained Earnings	1,479,113,724,609	1,621,428,210,726
	II. Non-Controlling Interests	662,275,101,995	731,090,083,365
Total Equity		**2,594,417,063,998**	**2,736,298,905,138**
Total Liabilities and Equity		**5,519,193,378,050**	**5,536,390,124,625**

Consolidated Statements of Comprehensive Income (Unit: KRW)

For the years ended December 31, 2025 and 2024

Description	2025	2024
I. Revenue	4,468,646,269,416	4,268,743,012,835
II. Cost of Sales	2,086,940,448,457	2,030,912,571,263
III. Gross Profit	2,381,705,820,959	2,237,830,441,572
IV. Selling and Administrative Expenses	1,906,924,845,962	1,877,026,906,406
V. Operating Profit	474,780,974,997	360,803,535,166
VI. Other Income	30,036,201,522	4,669,077,282
VII. Other Expenses	8,775,319,879	13,159,519,483
VIII. Finance Income	56,035,671,369	66,544,076,500
IX. Finance Costs	170,098,783,995	141,154,832,561
X. Share of Net Profit of Associates Accounted for Using the Equity Method	75,737,030,759	61,616,376,597
XI. Profit Before Income Tax	457,715,774,773	339,318,713,501
XII. Income Tax Expense	109,097,982,192	131,596,704,079
XIII. Profit for the Year	348,617,792,581	207,722,009,422
XIV. Other Comprehensive Income:		
Items That Will Not Be Reclassified to Profit or Loss		
Remeasurements of Net Defined Benefit Liability or Assets	2,683,503,313	(13,646,924,723)
Loss on Valuation of Fair Value–Other Comprehensive Income Financial Instruments	(167,169,360)	(92,018,540)
Items That Are or May Be Reclassified Subsequently to Profit or Loss		
Change in Equity Method Investees with Accumulated Comprehensive Expense	6,224,964,969	(5,258,917,650)
Currency Translations Differences	(22,374,233,361)	236,449,119,878
Loss on Valuation of Derivative Financial Assets	(5,409,557,080)	(569,083,737)
XV. Other Comprehensive Income, Net of Tax	(19,042,491,519)	216,882,175,228
XVI. Total Comprehensive Income	329,575,301,062	424,604,184,650
XVII. Profit (Loss) Attributable to:		
Owners of the Company	224,306,276,502	84,220,106,878
Non-Controlling Interests	124,311,516,079	123,501,902,544
XVIII. Total Comprehensive Income (Loss) Attributable to:		
Owners of the Company	206,827,689,065	225,584,591,439
Non-Controlling Interests	122,747,611,997	199,019,593,211
XIX. Basic Earnings per Share	4,061	1,417

Consolidated Statements of Changes in Equity (Unit: KRW)

For the years ended December 31, 2025 and 2024

Description	Ordinary Shares	Capital Surplus	Capital Adjustments	Other Comprehensive Income	Retained Earnings	Sub-total	Non-Controlling Interests	Total
Balance at January 1, 2024	61,115,070,000	57,061,351,494	(29,410,811,836)	190,470,487,023	1,628,922,220,412	1,908,158,312,113	645,760,588,177	2,553,918,905,270
Comprehensive Income for the Year								
Profit for the Year	-	-	-	-	84,220,106,878	84,220,106,878	123,501,902,544	207,722,009,422
Loss on Valuation of Fair Value–Other Comprehensive Income Financial Instruments	-	-	-	(92,018,540)	-	(92,018,540)	-	(92,018,540)
Remeasurement of Net Defined Benefit Liabilities	-	-	-	-	(6,465,521,334)	(6,465,521,334)	(7,181,403,389)	(13,646,924,723)
Change in Equity Method Investees with Accumulated Comprehensive Expense	-	-	-	(5,258,917,650)	-	(5,258,917,650)	-	(5,258,917,650)
Gain (Loss) on Valuation of Derivative Financial Assets	-	-	-	(1,058,118,420)	-	(1,058,118,420)	489,034,683	(569,083,737)
Currency Translation Differences	-	-	-	154,239,060,505	-	154,239,060,505	82,210,059,373	236,449,119,878
Transactions with Owners								
Share-Based Payment	-	-	-	-	-	-	34,930,381,759	34,930,381,759
Treasury Stock Repurchases	-	-	(76,897,638,250)	-	-	(76,897,638,250)	-	(76,897,638,250)
Treasury Stock Retirement	-	-	19,939,269,300	-	(19,939,269,300)	-	-	-
Changes in Non-Controlling Interests	-	13,672,877,421	-	-	-	13,672,877,421	(111,768,304,807)	(98,095,527,386)
Annual Dividend Paid	-	-	-	-	(65,309,325,930)	(65,309,325,930)	(36,852,174,975)	(102,161,500,905)
Balance at December 31, 2024	61,115,070,000	70,734,228,915	(86,369,180,836)	338,300,492,918	1,621,428,210,726	2,005,208,821,773	73,109,008,365	2,736,290,580,138
Balance at January 1, 2025	61,115,070,000	70,734,228,915	(86,369,180,836)	338,300,492,918	1,621,428,210,726	2,005,208,821,773	73,109,008,365	2,736,290,580,138
Comprehensive Income for the Year								
Profit for the Year	-	-	-	-	224,306,276,502	224,306,276,502	124,311,516,079	348,617,792,581
Loss on Valuation of Fair Value–Other Comprehensive Income Financial Instruments	-	-	-	(167,169,360)	-	(167,169,360)	-	(167,169,360)
Remeasurement of Net Defined Benefit Liabilities	-	-	-	-	1,211,611,661	1,211,611,661	1,471,891,652	2,683,503,313
Change in Equity Method Investees with Accumulated Comprehensive Expense	-	-	-	6,224,964,969	-	6,224,964,969	-	6,224,964,969
Gain (Loss) on Valuation of Derivative Financial Assets	-	-	-	(2,413,631,174)	-	(2,413,631,174)	(2,995,925,906)	(5,409,557,080)
Currency Translation Differences	-	-	-	(22,334,363,533)	-	(22,334,363,533)	(39,869,828)	(22,374,233,361)
Transactions with Owners								
Share-Based Payment	-	-	-	-	-	-	37,748,376,561	37,748,376,561
Treasury Stock Repurchases	-	-	(191,352,103,750)	-	-	(191,352,103,750)	-	(191,352,103,750)
Treasury Stock Retirement	-	-	268,249,742,000	-	(268,249,742,000)	-	-	-
Changes in Non-Controlling Interests	-	11,040,187,195	-	-	-	11,040,187,195	(143,026,682,505)	(131,986,495,310)
Change in Scope of Consolidation	-	-	-	-	-	-	(46,427,158,479)	(46,427,158,479)
Annual Dividend Paid	-	-	-	-	(99,582,632,280)	(99,582,632,280)	(39,857,128,944)	(139,439,761,224)
Balance at December 31, 2025	61,115,070,000	81,774,416,110	(9,471,542,536)	319,610,293,820	1,479,113,724,609	1,932,141,962,003	662,275,101,995	2,594,417,063,998

Consolidated Statements of Cash Flows (Unit: KRW)

For the years ended December 31, 2025 and 2024

Description	2025	2024
I. Cash Flows from Operating Activities	567,404,562,642	494,044,505,382
1. Cash Generated from Operations	663,783,740,147	588,370,718,635
2. Income Taxes Paid	(117,788,231,758)	(127,274,141,150)
3. Interest Paid	(117,240,704,970)	(97,064,844,643)
4. Interest Received	14,650,961,335	18,537,510,456
5. Dividends Received	123,998,797,888	111,475,262,084
II. Cash Flows from Investing Activities	(233,238,227,606)	(194,238,801,734)
Purchases of Property, Plant and Equipment	(239,385,773,322)	(146,295,258,314)
Proceeds from Sales of Property, Plant and Equipment	364,060,893	659,978,677
Purchases of Intangible Assets	(15,109,708,523)	(6,245,212,415)
Purchases of Financial Assets	(219,557,969,360)	(215,132,636,244)
Proceeds from Sales of Financial Assets	269,009,558,805	178,564,654,627
Increase in Guarantee Deposits	(15,422,024,142)	(9,327,328,706)
Decrease in Guarantee Deposits	2,248,794,611	3,738,341,003
Increase in Loans	-	(114,999,944)
Decrease in Loans	124,351,677	46,310,198
Decrease in Lease Net Investment	-	55,442,972
Increase in Right-of-Use Assets	(1,165,326,747)	(188,093,588)
Proceeds from Sales of Right-of-Use Assets	134,400,994	-
Change in Scope of Consolidation (Loss of Control)	(14,478,592,492)	-
III. Cash Flows from Financing Activities	(382,316,732,964)	(253,501,990,866)
Dividends Paid to Shareholders	(99,582,632,280)	(65,309,325,930)
Dividends for Non-Controlling Interests	(39,857,128,944)	(36,852,174,975)
Repayment of Borrowings	(2,675,250,259,787)	(1,735,210,607,354)
Proceeds from Borrowings	2,635,270,040,436	1,878,342,311,711
Issuance of Bonds	711,110,000,000	-
Bond Issuance Costs	(10,543,646,075)	-
Repayment of Bonds	(521,689,389,304)	(70,000,000,000)
Decrease in Other Finance Liabilities	(65,968,685,369)	(52,962,817,520)
Purchases of Treasury Stocks	(191,352,103,750)	(76,897,638,250)
Changes in Non-Controlling Interests	(124,452,927,891)	(94,611,738,548)
IV. Net Increase in Cash and Cash Equivalents	(48,150,397,928)	46,303,712,782
V. Cash and Cash Equivalents at the Beginning of the Year	683,177,037,487	585,613,513,344
VI. Effects of Exchange Rate Changes on Cash and Cash Equivalents	(9,459,545,072)	51,259,811,361
VII. Cash and Cash Equivalents at the End of the Year	625,567,094,487	683,177,037,487

Independent Auditor's Report

Based on a report originally issued in Korean

To the Board of Directors and Shareholders of
MISTO HOLDINGS CORP.:

Opinion

We have audited the accompanying consolidated financial statements of MISTO HOLDINGS CORP. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, including material accounting policies.
In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

Basis for Opinion

We conducted our audits in accordance with Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

The key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

<Acushnet Holdings Corp. Goodwill Impairment Testing>

Management performs impairment testing of goodwill, which has an indefinite useful life, by estimating the recoverable amounts at the end of each reporting period. As disclosed in Note 3 (10) to the consolidated financial statements, impairment loss is recognized when the carrying amount of the asset exceeds its recoverable amount.

Reasons why the matter is determined to be a key audit matter

The Group performs annual impairment testing of goodwill, which was recognized in the past as a result of business combination, by estimating the recoverable amounts of cash-generating units of Acushnet Holdings Corp., a subsidiary.

Acushnet Holdings Corp.'s total goodwill amounts to KRW 513,601 million, as disclosed in Note 15 to the consolidated financial statements and is determined to be significant as it accounts for about 9.3% of total consolidated assets. We identified the assessment of goodwill impairment related to Acushnet Holding Corp.as a key audit matter as estimation of the recoverable amount involves assumptions and judgements of the Group's management, and as there is a possibility of management bias.

How the matter was addressed in our audit

The primary procedures we performed to address this key audit matter included the following:

- Assessing the competence and independence of the external expert engaged by the Group for impairment assessment;
- Understanding of the accounting policy and process related to impairment testing and testing certain internal controls;
- Comparing the estimates prepared in prior year with the current year's performance to assess the Company's ability to reasonably forecast;
- Evaluating the reasonableness of allocation of goodwill to each cash generating unit ("CGU")
- Comparing the financial data used in impairment testing with management's business plan;
- Engaging our internal valuation specialists to assist us in evaluating the appropriateness of the valuation method and key assumptions applied for the Foot Joy CGU such as discount rates;
- Comparing whether the results of the impairment review have been appropriately applied to the consolidated financial statements.

Other matter

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or on the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. The engagement partner on the audit resulting in this independent auditors' report is Sang-Hoon Park.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 18, 2026

This report is effective as of March 18, 2026, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Greenhouse Gas Verification Statement

Organization (Responsible party): Misto Group

Organization (Responsible party) address: 35, Bomun-ro, Seongbuk-gu, Seoul, Republic of Korea

Verification Objective: The objective of this verification is to fairly present greenhouse gas data and information to ensure accuracy and without material discrepancies to provide a third-party verification opinion on Misto Group's 2025 greenhouse gas emissions statement.

Verification Scope: 2025 Scope 1, 2, 3 Direct and Indirect Greenhouse Gas Emissions from Domestic and Overseas Sites

- Reporting and Verification Period: Greenhouse gas emissions for the one-year period from January 1 to December 31, 2025
- Organizational Boundary: 8 countries, 11 corporations, and 23 business sites
- Reporting Boundary: Direct Greenhouse Gas Emissions (Scope 1), Indirect Greenhouse Gas Emissions (Scope 2), Other Indirect Greenhouse Gas Emissions (Scope 3) Category 1~9
- Excluded Sources: Scope 3 Category 10~15

Reporting and Verification Criteria: ISO 14064-1:2018 / ISO 14064-3:2019 / GHG Protocol

Materiality Level: A level of 5% of total emissions is applied for material discrepancies (errors, omissions, or miss statements)

Level of Assurance: Limited Level of Assurance

Verification Process and Limitations: Verification activities were conducted on the greenhouse gas emission information and data provided by the organization, including document review, risk analysis and interviews with responsible personnel, evaluation of monitoring and control systems through observation and investigation, and data verification through sampling recalculation, tracking, cross-checking, and adjustment. This verification process may be affected by limiting factors such as the limitations of the provided data and sampling and carries an inevitable risk that material discrepancies may go undetected due to these limitations.

- Misto Group is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI Group Korea is responsible for expressing an opinion on the GHG statement based on the verification.

Verification Data: The results of verifying the data in the organization's GHG Report, which includes the greenhouse gas statement, are as follows. Details, including the boundary, method, limitations, and assumptions for estimating emissions by scope and category, are described in the verification report

Sites (Unit: tCO_2eq)	Direct Emission (Scope 1)	Indirect Emission (Scope 2)	Total Emission in 2025
Misto Group in Total	1,313	2,021	3,334
Misto Holdings Corp.	30	104	133
Misto Korea Ltd.	13	943	956
Misto USA, Inc.	1,085	524	1,609
Misto Hong Kong Limited	-	8	8
Mantova (Shanghai) Brand Management Co., Ltd.	8	49	57
Misto Footwear Ltd	85	151	236
Misto Apparel Ltd.	26	73	99
Lombardia (Shanghai) Brand Management Co., Ltd.	54	138	192
Misto Luxembourg SARL	-	3	3
Misto Malaysia SDN.BHD.	1	21	21
Misto Italy S.r.l. Unipersonale	11	7	18

* Note: Scope and category were classified according to the GHG Protocol. Scope 2 indirect greenhouse gas emissions are region-based; market-based and offset emissions are not reflected.

Category (Unit: tCO_2eq)	**Other Indirect Emission (Scope 3)**
Misto Group in Total	14,893
1. Purchased Goods and Services	9,231
2. Capital Goods	2,798
3. Fuel- and Energy-Related Activities	885
4. Upstream Transportation and Distribution	748
5. Waste Generated in Operations	71
6. Business Travel	660
7. Employee Commuting	325
8. Upstream leased assets	158
9. Downstream transportation and distribution	16

Verification Result: Verified as Satisfactory

As a result of conducting verification at a limited assurance level in accordance with verification processes and procedures, no material discrepancies were found that could be included in the greenhouse gas reports and statements prepared by Misto Group, and no evidence could be found that the greenhouse gas data and information were unfair.

- BSI Group Korea is independent and has no financial interest in Misto Group. This 3rd party Verification Opinion has been prepared for Misto Group solely for the purposes of verifying its statement relating to its GHG emissions, more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Group Korea has assumed that all information provided to it by Misto Group is true, accurate and complete. BSI Group Korea accepts no liability to any third party who place reliance on this statement.

Issuing body of verification opinion:

BSI Group Korea (Address: 8th Floor, Taehwa Building, Insadong 5-gil, Jongno-gu, Seoul)

Verification Team Leader: Eunsoon Jung (Lead verifier)

Independent reviewer: Seungjoon Yang (Lead verifier)

Number of Verification Opinion: GHGEV 841630

For and on behalf of BSI:

Issue Date: 28/04/2026

국립환경과학원

SeongHwan Lim

Head of Operation, NEA

Independent Assurance Opinion Statement

To. The Board of MISTO Holdings Corporation
35, Bomun-ro, Seongbuk-gu, Seoul, Republic of Korea
Holds Statement No.: SRA 786301

The British Standards Institution (BSI) has conducted a limited assurance engagement on the MISTO Sustainability Report 2025.

Scope

Misto Holdings prepared the report using the GRI (Global Reporting Initiative) Standards 2021. The sustainability information subject to assurance included in the report are as follows.

- Related Information in the GRI Content Index presented on the 119p–120p
- FY2025 Sustainability Data presented on the 104p–115p

Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above Sustainability Information. The limited assurance is compared to the reasonable assurance and provides a lower level of assurance than the reasonable assurance. As a result, the procedure for collecting evidence, such as the nature, scope and sampling of the procedure carried out by the assurer, is planned at a lower level than that of the reasonable assurance and may not be aware of the important points that may be identified through the reasonable assurance. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects and assurer has found no findings that would determine that the information and data contained were improperly described in accordance with the criteria used by MISTO Holdings Corporation in view of the importance of the information to be verified.

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised). Our work was designed to gather evidence on which to base our conclusion. As part of its independent assurance, the assurer has used the methodology developed to collect relevant evidence to comply with the verification criteria and to reduce errors in the reporting and has performed the following activities.

- a top-level review of issues raised by external parties that could be relevant to organizations policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staff on organization's approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- visit of the Korea headquarter of MISTO Holdings Corporation to confirm the data collection processes, record management practices.

Responsibility

MISTO Holdings Corporation is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria and is responsible for designing and implementing an internal control system related to the content of the report and maintaining it to ensure that there are no significant errors due to forgery or alteration or distortion.

British Standards Institution (BSI) is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described. We have conducted review on the information presented by MISTO Holdings Corporation according to expert judgment, and prepared assurance opinion based on the assurance procedure and conclusion performed. We assume that all information provided by MISTO Holdings Corporation is true, accurate, and complete. We shall not bear any responsibility to a third party other than MISTO Holdings Corporation regarding the work performed by the assurer and the conclusions presented in this opinion.

Independence, Quality Control and Competence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901 and an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services and complied with the other ethical requirements of BSI. BSI Group Korea implements a comprehensive system that meets the accreditation requirements of ISO 14065 (General principles and requirements for bodies validating and verifying environmental information) and ISO/IEC 17021 (Requirements for bodies providing audit and certification of management systems), which complies with the Code of Ethics requirements of ISQM1 (International Standard on Quality Management 1) and IESBA (Certified Public Accountant of International Ethics Standards Board for Accountants). No member of the assurance team has a business relationship with MISTO Holdings Corporation Group. The Assurer has conducted this verification independently, and there has been no conflict of interest. The Assurer applies Quality Control of BSI scheme and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. All assurers who participated in the assurance have qualifications as an ISAE3000 assurer, have wide assurance experience and in-depth understanding of the BSI Group's assurance standard methodology.

Issue Date: 22/06/2026

For and on behalf of British Standards Institution (BSI):

bsi.

BSI Group Korea, Republic of Korea, 29, Insa-dong 5-gil, Jongno-gu, Seoul



Jungwoo Lee,
Lead Assurrer of BSI Korea



SeongHwan Lim,
Managing Director of BSI Korea

MISTO

MISTO SUSTAINABILITY REPORT 2025 | VOLUME 7

Company Name	Misto Holdings Corp.
Address	35, Bomun-ro, Seongbuk-gu, Seoul, Korea
President/CEO	Keun-Chang (Kevin) Yoon
Incorporation Date	July 23, 1991
Stock Market Registration Date	September 28, 2010
Website	www.mistoholdings.com

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