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MONCLER

**CONSOLIDATED  
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STATEMENT  
2020**



**MONCLER**

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# LETTER TO STAKEHOLDERS

It is precisely during the difficult times in our personal and professional lives that we understand what is truly important.

While 2020 was a particularly challenging and unpredictable year, it gave us the opportunity to understand who we are and what we want to represent. It was a year that has driven our ambitions as a company and as people even more strongly than before. I believe that the choices we made during this time say a lot about us, and about how we see and want our tomorrow.

The crisis and the uncertainty related to the pandemic required us to postpone whatever we could, to be able to focus on essential projects. Sustainability is one of the fundamental pillars we considered for our and everyone's future, and to which we continued to give our top priority.

In 2020 we did not cut off or postpone any social or environmental projects and in the same year, we launched our Sustainability Plan, Moncler Born to Protect, which clearly outlines our strategic drivers: climate action, circular economy, fair sourcing, enhancing diversity, and giving back to local communities.

We enhanced the use of low environmental impact materials in our collections, made a further shift towards renewable energies, including at our production site in Romania, reduced the use of plastic in our packaging by more than 20%, formed a council to promote diversity and inclusion, and doubled our financial commitments toward the community by contributing to COVID-19 emergency management efforts and actively supporting the digitization of schools in the Milan area. Above all, we tried to do everything possible to support our employees, protecting their health and cultivating new ways of working together while remaining close. We also took the opportunity to devote more time and resources to professional training and development, and to understanding cultural diversity and richness.

We cannot allow any crisis to stop our creative energies and our desire for new projects. This is the time for courage, for determination, and for shaping the future we will leave to the next generations.

In this context, the Stone Island deal also gives a positive message to all the Italian companies whose vision, I am sure, will be stronger than this crisis.

Finally, 2020 was the year in which Moncler was reconfirmed as Industry Leader in the prestigious Dow Jones Sustainability World and Europe indices. I am grateful to all my people who put themselves out there every day to make the most of new challenges.

With maximum commitment, we continue to climb towering peaks. Ambition and humility are forever our guides.

REMO RUFFINI  
CHAIRMAN AND CHIEF EXECUTIVE OFFICER



# THE RESULTS OF OUR EFFORTS

“We judge the value of our results also by how we achieve them, because we believe that long-term success is built on shared value.”

## INDUSTRY LEADER

of the Textiles, Apparel & Luxury Goods sector in the Dow Jones Sustainability World and Europe indices for the second year in a row

**1<sup>ST</sup> BORN TO PROTECT RANGE**

of jackets made from 100% sustainable materials

**100 %**

of outerwear manufacturers audited on ethical and social aspects in the period 2018-2020

**50 %**

of electricity derived from renewable sources at own sites worldwide

**99 %**

of stores with LED lighting<sup>1</sup>

**-21 %**

plastic used in packaging compared with 2019

**56 %**

women in management

**122,000**

hours of training

**100 %**

of employees covered by the ISO 45001 health and safety certification

**5.5 MILLION**

euros invested in local communities<sup>2</sup>

## DIVERSITY AND INCLUSION COUNCIL

established worldwide

<sup>1</sup>. Excluding the 16 shop-in-shops in which lighting is provided by the host department stores, where Moncler cannot take action.  
<sup>2</sup>. Including cash contributions and donations of clothing and face masks. The figure does not include approximately 5.5 million euros out of the 10 million euros donation made in March 2020 for the construction of a hospital at the former Milan Trade Fair, which was returned by the Region of Lombardy when the hospital was funded by other means. Moncler will use that amount for other COVID-related initiatives that are currently being assessed.

# 1

# MONCLER

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# VALUES AND PURPOSE

Moncler is by its nature an ever-changing Company, pushing towards reinvention and continuous development. Over time, its values have taken on new meanings while always remaining true to themselves.

Moncler has a very strong corporate culture and uniqueness emerged, characterised by the ability to discover the extraordinary that is hidden in each one of us and expressed in each of our “ordinary” actions.

What's unique is the commitment to setting ourselves increasingly challenging goals. A uniqueness enriched by a natural sense of freedom and independence from stereotypes and conventions, by the awareness that every action has an impact on society and environment and that it is everyone's duty to minimize the negative and maximize the positive, by the energy that the warmth of the relationships we build injects in us, by the madness – always rigorous – of pursuing ideas and projects that are out of the ordinary.



# PUSH FOR HIGHER PEAKS

We constantly strive for better, as individuals and as a company.  
Inspired by a continuous pursuit for excellence, we are always learning and committed to setting new standards. We are never done.

# BRING OTHER VOICES IN

We are one house, different voices, and we let everyone's talent shine.  
We celebrate all perspectives, leverage our multiplicity and speak to every generation. By letting many voices sing, we play a beautiful harmony.

# EMBRACE CRAZY

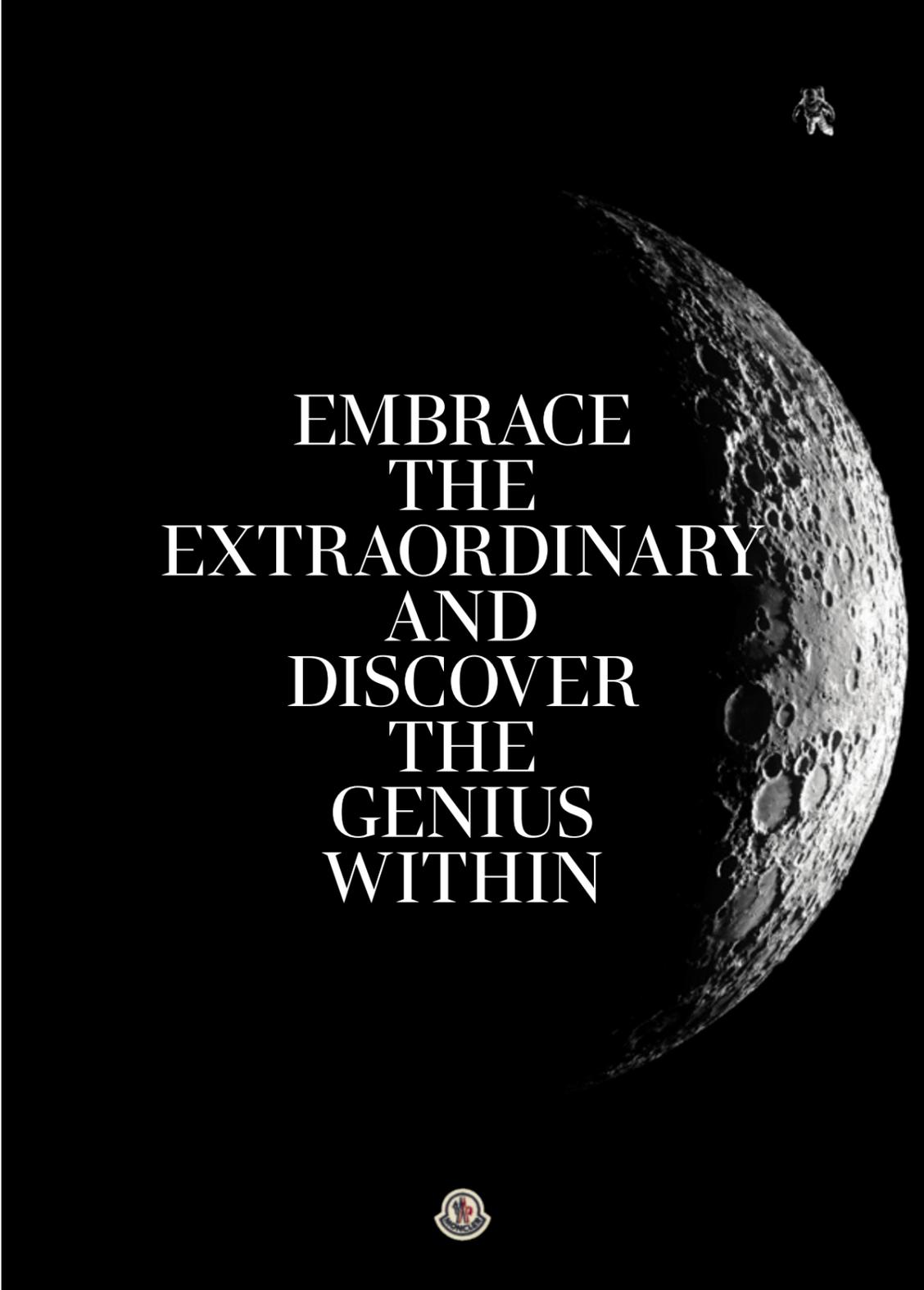
We are unique and unconventional.  
We foster our inner genius, our creative edge. We bring bold dreams, crazy and apparently unreachable ideas to life always with great rigour. We feed our energy, as we believe everything truly great was often born crazy.

# KEEP WARM

We were born to keep people warm.  
We bring the warmth of human connection into everything we do from the things we make, to the relationships we build. We celebrate people's achievements big and small with empathy and trust.

# PLAN BEYOND TOMORROW

We plan every day for a bolder and brighter tomorrow.  
We take a long term view designing a future that goes beyond convention. We rise to and act on the social and environmental challenges the world is facing.



EMBRACE  
THE  
EXTRAORDINARY  
AND  
DISCOVER  
THE  
GENIUS  
WITHIN



# STRATEGY

Genius, rigour, multiplicity, capability to innovate while remaining true to itself and urge to seek for the extraordinary in the “ordinary” have always been the creed of the Group. Moncler leverages change to grow stronger as it continues to explore both known and new avenues, seeking constant dialogue with an ever-broader client base, and has in its flexibility the capacity to pursue its goals in an ever-changing environment.

And that’s exactly its continuous desire to evolve, also seeking for new challenges, the desire to dialogue with new consumers, the desire to change even when everything goes well, which led to the acquisition of Stone Island, a casual menswear brand, established in 1982, which has become a symbol of extreme research on fibres and textiles, through the continuous experimentation of dyes and treatments on the finished garment. A new journey has begun for Stone Island, which will lead the Brand to reach its full potential, while maintaining its strong brand identity.

Moncler Group’s strategy is underpinned by five pillars.

## STRENGTHEN, TOGETHER WITH STONE ISLAND, THE NEW VISION OF LUXURY

United by “beyond fashion, beyond luxury” philosophy, Moncler, together with Stone Island, will strengthen its ability to interpret the evolving cultural codes of the new generations offering them a new concept of luxury, far from the traditional stereotypes. A concept that embraces the search for experientiality, inclusivity, a sense of belonging to a community and the cross-fertilisation of meanings and worlds including those of art, culture, music and sport. The union will strengthen the competitiveness of the two Brands while fully respecting their identity and autonomy and accelerating their development process.

## BUILD A GLOBAL GROUP ABLE TO CONTINUOUSLY EVOLVE WHILE KEEPING ITS UNIQUE POSITIONING

Under the guidance of Remo Ruffini, Moncler has followed a growth strategy inspired by two key principles: to become a global Brand with no filters with the market and to continuously evolve while remaining true to itself. With the acquisition of Stone Island, Moncler will share its knowledge and experience to fully capture the important growth potential in particular of the Americas and Asian markets, maintaining and strengthening the unique positioning of Stone Island, which has its identification matrix in the culture of research and experimentation.

## FOLLOW A SUSTAINABLE GROWTH PATH TO CREATE VALUE FOR ALL STAKEHOLDERS

Moncler has been progressively strengthening its commitment to long-term sustainable and responsible growth, fully integrated into the Group’s strategy to meet stakeholder expectations and create shared value. The new sustainability plan of the Group focuses on five strategic pillars: act on climate change, think circular, be fair, nurture genius and giving back.

## SUPPORT THE DEVELOPMENT OF DISTRIBUTION CHANNELS WITH AN OMNICHANNEL APPROACH

Engaging directly with clients through every channel and touch point, involving them, understanding their expectations – even when unspoken – and creating the human warmth that has always characterised the Brand in its physical and virtual stores, are the cornerstones of the relationship that Moncler strives to develop with its clients to never stop surprising them. Today Moncler is pursuing a strategy of integrated development of its distribution channels, both physical and digital. Stone Island is starting a journey that will lead the Brand to gain greater control over all markets, especially through the expansion of the DTC channel (direct to consumer).

## STRENGTHEN THE DIGITAL CULTURE

Think digital while defining and implementing the Group’s strategy is an increasingly fundamental goal for Moncler who believes in the importance of the cross-fertilisation across divisions and in particular, we believe that digital is not only an important tool to generate revenues but, above all, is the way we are going to implement our present and future strategy.

# A HISTORY OF INNOVATION DEEPLY ROOTED IN TRADITION

The Moncler brand was created in 1952 in Monestier-de-Clermont, a small village in the mountains near Grenoble, with a focus on sports clothing for the mountain.

In 1954, Moncler made the first ever nylon down jacket. In the same year, Moncler products were chosen by the Italian expedition to K2 and in 1955 by the French expedition to Makalu.

In 1968, the Brand gained additional visibility as Moncler became the official supplier of the French Alpine skiing team at the Winter Olympics in Grenoble.

In the 80s, Moncler products started to be used on a daily basis also in the cities and became a true fashion phenomenon among younger clients.

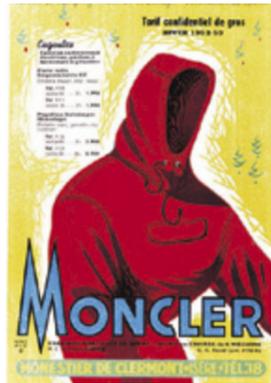
Beginning in 2003, when Remo Ruffini invested in the Group, a process of repositioning of the Brand was initiated through which Moncler products take on an ever more distinctive and exclusive style. Under the leadership of Remo Ruffini, Moncler has pursued a clear, but simple philosophy: to create unique products of the highest quality, versatile and constantly evolving while always remaining true to the Brand's DNA.

The motto "*born in the mountains, lives in the city*" shows how the Moncler brand has evolved from a line of products used purely for sport purposes to versatile lines that clients of all gender, age, identity, and culture can wear on any occasion and where outerwear, while being the Brand's identifying category, is gradually and naturally integrated with complementary products that are always consistent with the DNA and the uniqueness of the Brand.

Tradition, uniqueness, quality, consistency, and energy have always been the distinctive features of the Moncler brand that over the years has been able to evolve, while re-

maintaining consistent with its heritage, in a continuous search for a constant dialogue with its many consumers in the world. It is from this constant research that in 2018 a new project was born, *Moncler Genius – One House, Different Voices*: a hub for creative minds able to reinterpret the Moncler brand, always consistent with its history and its DNA, adopting a new way of doing business.





On the mountains near Grenoble, in Monestier-de-Clermont, René Ramillon and André Vincent **establish the Moncler brand**, dedicated to mountain sports clothing



Moncler manufactures its first nylon **down jacket**

Moncler products are chosen by the Italian expedition to K2 and, in 1955, by the French expedition to Makalu



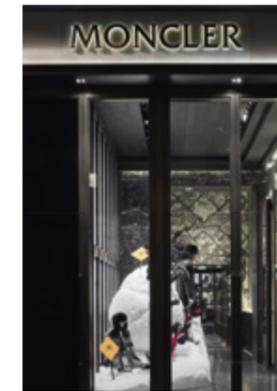
Moncler becomes the official supplier of the French Alpine ski team at the **Winter Olympics in Grenoble**



Moncler products become popular in day-to-day urban contexts, sparking a true **fashion phenomenon** among younger consumers, especially in Italy, France, and Japan



**Remo Ruffini** acquires Group shares, marking the beginning of a brand repositioning process focusing on the creation of unique, premium-quality, timeless products that are versatile, innovative, and designed to be worn on any occasion

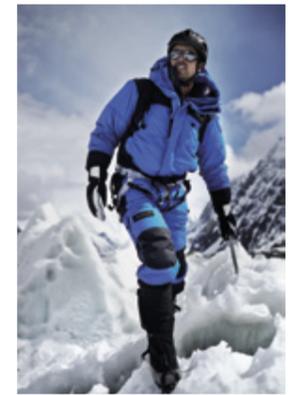


Moncler opens its very **first urban store**, on the central Rue du Faubourg Saint-Honoré in Paris

In the following years, other Moncler stores open on luxury shopping and high fashion streets around the world, starting in Milan (2008), New York (2010), and Hong Kong (2012)



In December 2013, Moncler is **listed on the Italian Stock Exchange** operated by Borsa Italiana S.p.A., with a listing price of 10.20 euros per share



Moncler supplies the technical gear for the **K2 — 60 Years Later** expedition, celebrating the 60th anniversary of the Italian conquest of K2





Moncler prepares its first **Sustainability Report and Sustainability Plan**

A **joint venture** is established in **South Korea**, giving Moncler direct control of all markets in which it operates

Moncler finalizes the acquisition of a **first production site in Romania**, where it intends to create an industrial and technological R&D hub for down jackets and vertically integrate part of its production



Moncler **completes the set-up process at the production site in Romania**, to create an industrial and technological R&D hub for down jackets and vertically integrate part of its production

The Group's turnover **exceeds 1 billion euros**

Moncler's offices and stores in Italy are certified as per the international standard **OHSAS 18001**



Moncler's production site in Romania is certified as per the international standards **OHSAS 18001** and **ISO 14001**

Moncler updates the Group **Code of Ethics** in line with best practices



Moncler launches the new creative project **Moncler Genius — One House Different Voices**, a hub of eight exceptional minds operating in unison while cultivating their singularity to reinterpret the essence of the Moncler brand

Moncler extends **OHSAS 18001** certification to all offices and stores in Europe and the United States and **ISO 14001** certification to the Italian corporate offices and logistics hub in Castel San Giovanni (Piacenza, Italy)

Moncler receives the RobecoSAM **Industry Mover Sustainability Award** in the Textiles, Apparel & Luxury Goods sector and is included in some **ECPI** indices focused on both financial and ESG aspects



For the first time, Moncler is included in the **Dow Jones Sustainability World and Europe** indices, as the **Industry Leader** of the Textiles, Apparel & Luxury Goods, and receives the S&P Global Gold Award and Industry Mover Award

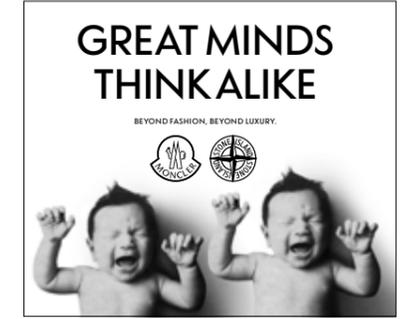
Moncler joins **The Fashion Pact**

Moncler implements the **"Path" Project** to define the corporate purpose and values

Moncler launches a **BIO-based and carbon neutral down jacket** on the market designed with plant-based and natural materials and a range of products made with recycled materials for the Grenoble line

Moncler organizes its first **Hackathon**, a real 24-hour digital marathon with 450 employees from all over the world coming together in an event dedicated to accelerating and generating innovation

Moncler extends **OHSAS 18001** certification globally



**Stone Island** joins Moncler

Moncler helps tackle the COVID-19 emergency by donating money, producing surgical masks, and applying a strict health and safety protocol to the benefit of employees, clients, and suppliers

Moncler is confirmed for the second year in a row as **Industry Leader** for Textiles, Apparel & Luxury Goods in the **Dow Jones Sustainability World** and **Europe** indices

Moncler renews its commitment to sustainable growth and presents its **Strategic Sustainability Plan Moncler Born to Protect**

Moncler develops a "Born to Protect" line of **jackets** made entirely of **sustainable materials**

Moncler forms the **Diversity and Inclusion Council**

Moncler announces it is **insourcing e-commerce** by developing a new platform concept

Moncler is certified worldwide to **ISO 45001** and **ISO 14001**

2015

2016

2017

2018

2019

2020

# MARKET PRESENCE

Moncler is present in all major markets both through the retail channel, consisting of directly operated stores (DOSs)<sup>1</sup> and the online store, and through the wholesale channel, represented by multi-brand stores, shop-in-shops in luxury department stores, airport locations and online luxury multi-brand retailers (e-tailers).

Moncler's strategy is aimed at the control of the distribution channel, not only retail but also wholesale and digital, where it operates through a direct organisation.

As of 31 December 2020, Moncler's mono-brand distribution network consisted of 219 retail directly operated stores (DOSs), an increase of ten units compared to 31 December 2019 of which two opened in Q4; and of 63 wholesale stores (shop-in-shops, SiS), a decrease of one unit compared to 31 December 2019, considering five conversions from wholesale to retail.

During 2020 the Company opened 10 directly operated stores (DOS), in the most renowned luxury streets and malls, including:

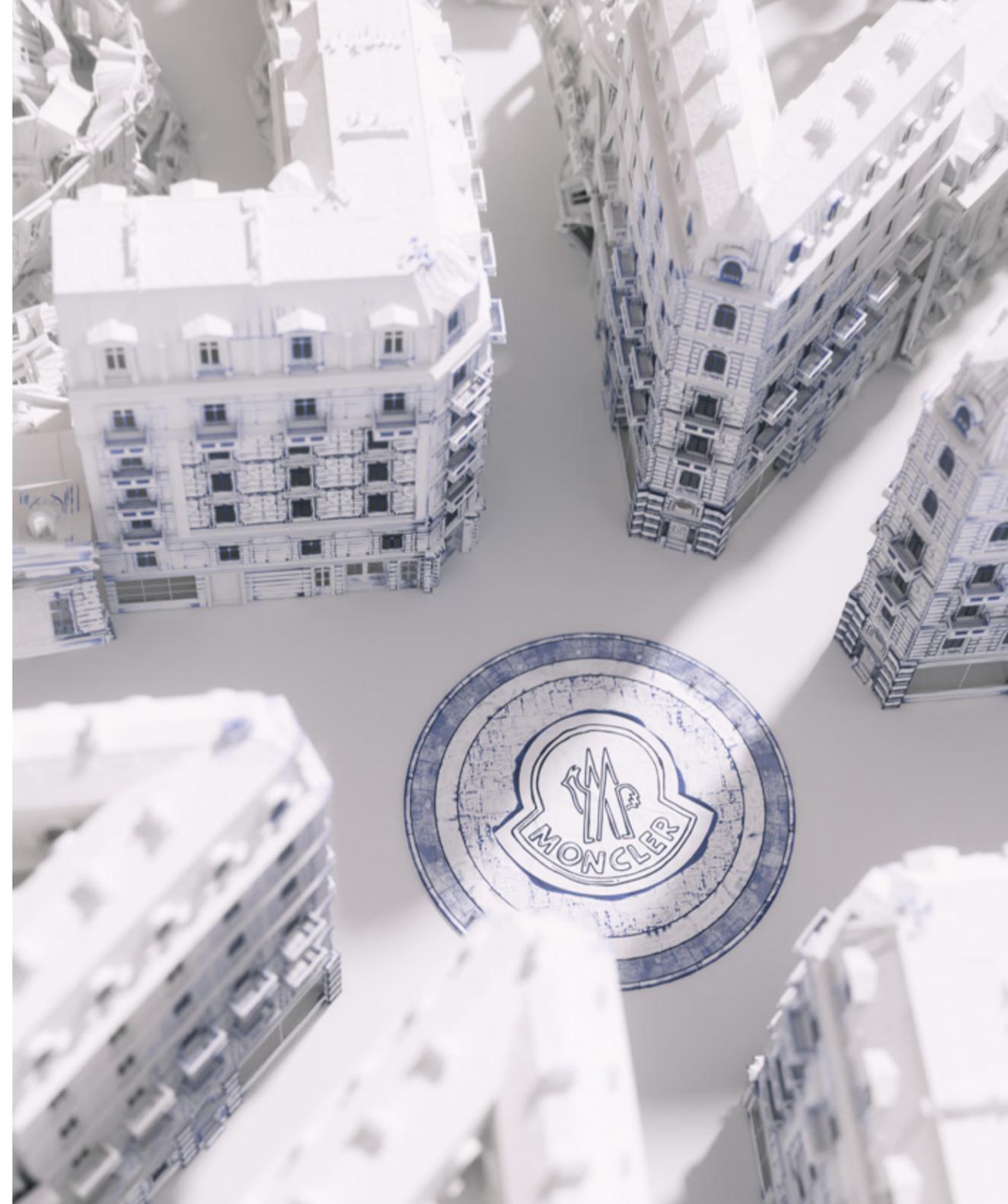
- the biggest flagship of the Group in Paris (France) on the Champs-Élysées, famous luxury street in the heart of the city;
- the first directly operated store (DOS) in Spain (Barcelona) and Ukraine (Kiev);
- some selected openings in the United States and in Europe, including the Canadian and German conversions from wholesale to retail in the stores in Holt Renfrew Calgary, Vancouver and Kadewe Berlin and a new resort in Capri island (Italy).

## MONO-BRAND RETAIL NETWORK (No.)

	31/12/2020	31/12/2019	Net Openings 2020
Asia	104	104	-
EMEA (excl. Italy)	61	56	5
Italy	19	19	-
Americas	35	30	5
<b>Retail mono-brand stores</b>	<b>219</b>	<b>209</b>	<b>10</b>
<b>Wholesale mono-brand stores</b>	<b>63</b>	<b>64</b>	<b>-1</b>

## CONSOLIDATED REVENUES BY GEOGRAPHIC AREA (Million euros)

	Revenues <sup>2</sup>	%	Change vs. 2019 (at current exchange rates)	Change vs. 2019 (at constant exchange rates)
Asia	717.9	49.8	0%	+2%
EMEA (excl. Italy)	379.5	26.3	-18%	-18%
Italy	122.3	8.6	-34%	-34%
Americas	220.7	15.3	-16%	-15%
<b>Total</b>	<b>1,440.4</b>	<b>100.0</b>	<b>-12%</b>	<b>-11%</b>



1. Including free standing stores, concessions, travel retail stores and factory outlets.  
2. Data rounded to the last digit shown.



Moreover, during the year, some of the existing retail stores were relocated in new spaces with a larger surface, including the enlargement of the flagship store in London (United Kingdom).

During the course of 2020, Moncler accelerated on digital transformation and, in line with an increasingly integrated digital vision, internalized the online site (.com) in North America, the second e-commerce site directly managed by Moncler after the Korean one. See also pages 140-141.

Moncler's ability to distribute its products to such a large number of destinations is based on the careful attention it pays to the way in which logistics activities are managed. In this sphere too Moncler is attentive to optimising processes and containing both environmental effects and costs. Since years, Moncler has adjusted the packaging it uses for shipping finished goods, thereby reducing the total volume consumed and optimising the space taken up on the means of transport employed. The Group is introducing a policy to incentivise shipping by sea, which offers a further way to reduce its environmental footprint.

# FINANCIAL PERFORMANCE

2020 results improved significantly in the second part of the year driven by China and online. Continued strong cash generation.

## RESULTS

In 2020, Moncler achieved revenues of **1,440.4 million euros**, compared to 1,627.7 million euros in 2019, a decrease of 11% at constant exchange rates and 12% at current exchange rates. In the fourth quarter, despite the ongoing restrictions from efforts to contain the pandemic, the Group's turnover reached 675.3 million euros with an increase of 8% at constant exchange rates and 7% at current exchange rates, thanks mainly to the strong performance of the Chinese market, growth in Korea and Japan, and excellent online business performances.

In 2020 the **retail channel** reported revenues of 1,089.5 million euros compared with 1,256.9 million euros in 2019, a decrease of 12% at constant exchange rates due to the restrictions imposed throughout the year by various governments around the world in an attempt to limit the spread of the virus, which caused stores to be closed several times. Fourth quarter results showed a strong improvement (+5% at constant exchange rates), driven by the Asian markets, especially China, which reported double-digit growth in the final quarter, and by the e-commerce.

The **wholesale channel** recorded revenues of 350.9 million euros compared to 370.8 million euros in 2019, a decrease of 5% at constant and current exchange rates, but enjoyed double-digit growth in the fourth quarter (+31% at constant exchange rates). The gradual improvement during the second half of the year – especially the fourth quarter – was driven by sizeable reorders, timing differences in shipping the Fall/Winter collections, and the outstanding performance of e-tailers.

**EBIT** amounted to **368.8 million euros**, down 25% from 491.8 million euros in 2019, with a 25.6% margin on sales

compared to 30.2% in 2019. In the second half of the year, EBIT amounted to 404.3 million euros or 39.0% of sales, up from 36.8% in the second half of 2019. This confirms the effectiveness of the actions quickly implemented by the Group to cope with the effects of the pandemic and the ability to concentrate on activities that strengthen the Brand and lead to long-term growth.

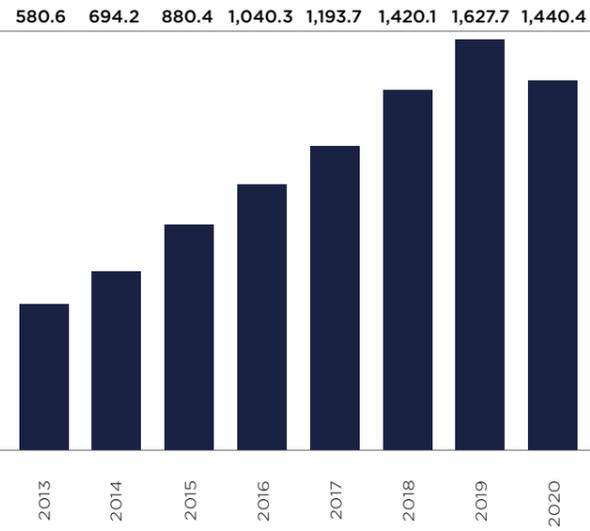
In 2020 net financial expenses were equal to 23.3 million euros compared to 21.1 million euros in 2019, including lease liabilities arising from the application of IFRS 16 that amounted to 22.0 million euros in 2020 (20.2 million euros in 2019).

**Net income** of **300.4 million euros** amounts to 20.9% of revenues and compares with 358.7 million euros in 2019 (-16%).

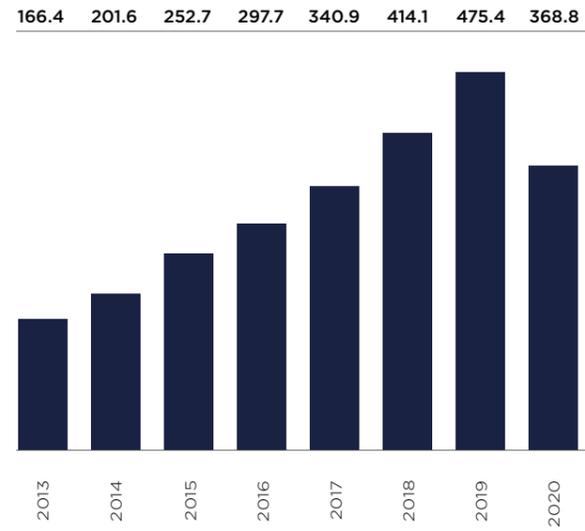


## FINANCIAL HIGHLIGHTS<sup>3</sup>

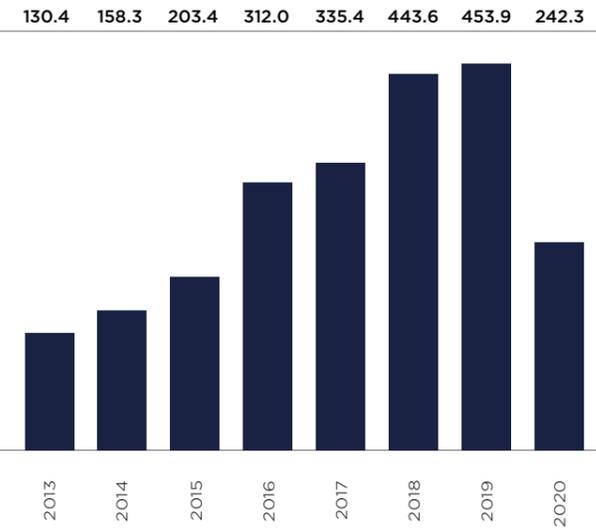
### REVENUES (Million euros)



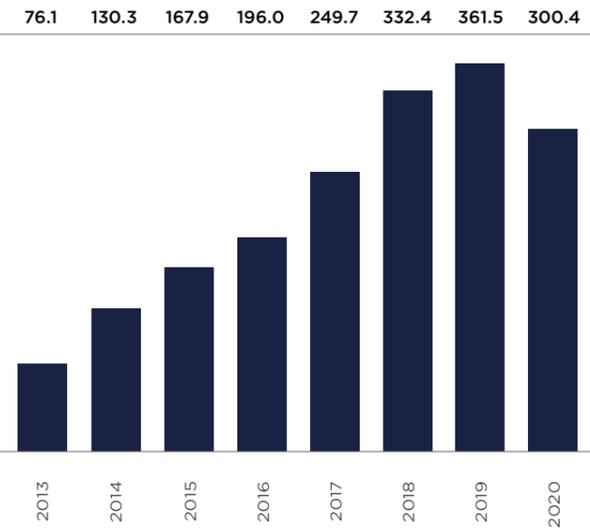
### EBIT (Million euros)



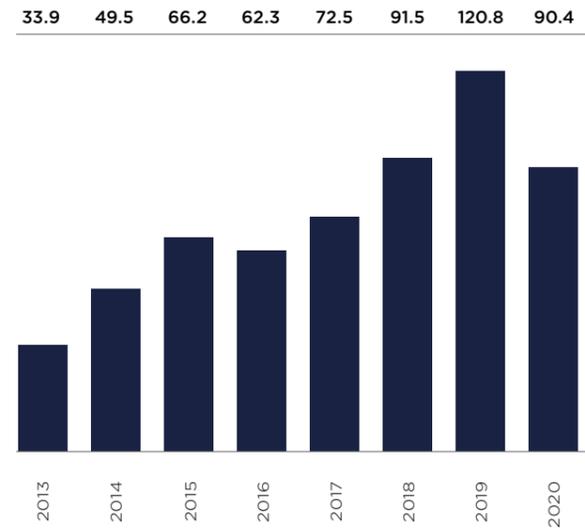
### FREE CASH FLOW (Million euros)



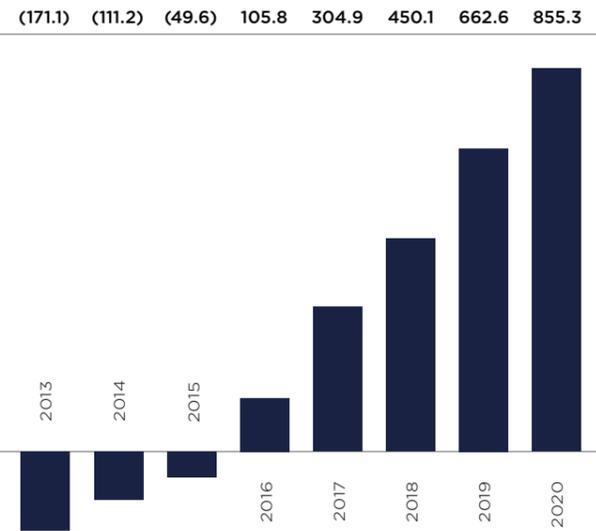
### NET INCOME (Million euros)



### CAPITAL EXPENDITURE<sup>4</sup> (Million euros)



### NET FINANCIAL POSITION (Million euros)

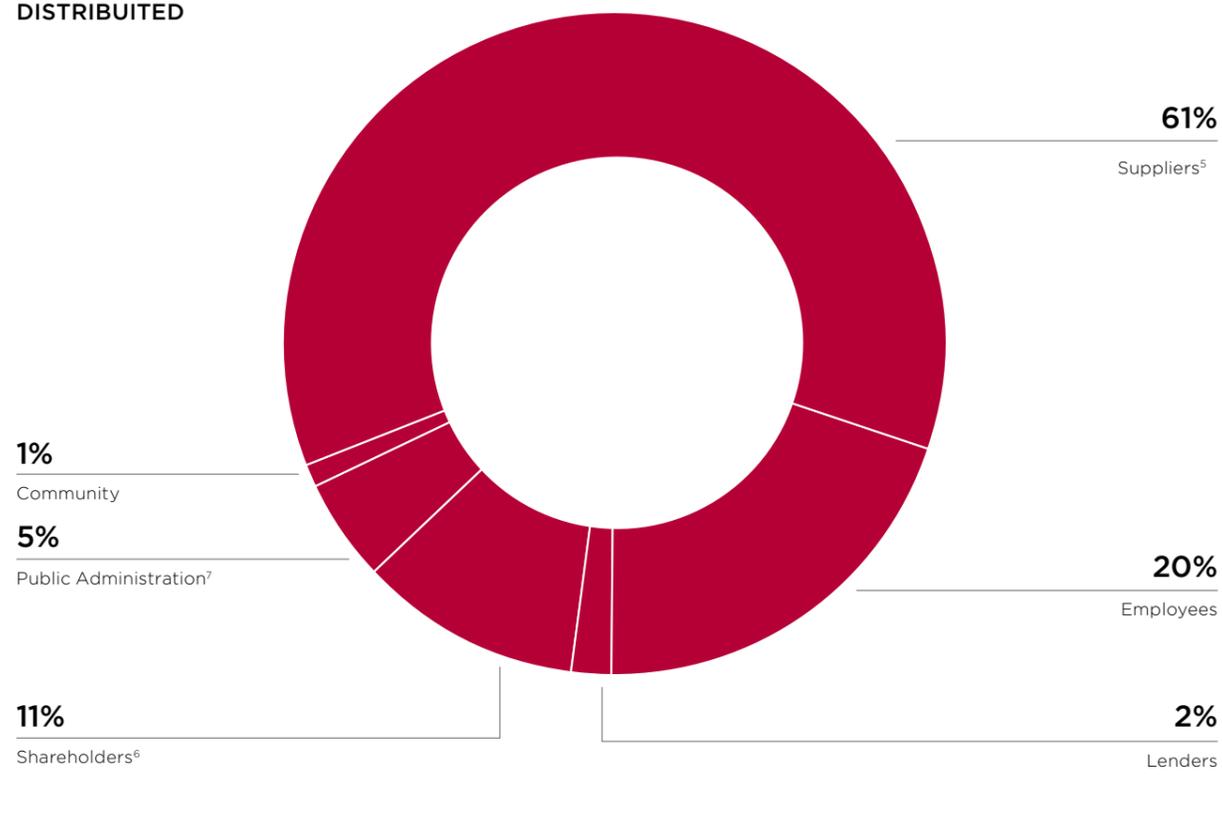


<sup>3</sup>. Figures include the impact of IFRS 16, unless otherwise specified. The net financial position excludes lease liabilities. Numbers are rounded to the first decimal place.  
<sup>4</sup>. Net of assets disposal.

## CREATING VALUE FOR STAKEHOLDERS

The economic value generated and distributed by a company represents its ability to create wealth and to share it among its stakeholders. In 2020, Moncler generated an economic value of 1,449 million euros, a decrease of about 12% compared to 2019. The results were influenced by the stringent measures imposed by governments around the world to limit the spread of the COVID-19 pandemic. The economic value distributed by the Company went from 1,110.6 million euros in 2019 to 1,058.9 million euros in 2020, down by 5%. About 73% of the value generated by Moncler was distributed to internal and external stakeholders, while the remaining 27% was retained by the Company.

## ECONOMIC VALUE DISTRIBUTED



5. The figure refers to suppliers of goods and services.

6. In 2020 the amount was estimated based on the suggested dividend. The 2019 amount was adjusted to account for the non-payment of dividends as resolved by Moncler S.p.A.'s Board of Directors on 22 April 2020, due to the COVID-19 emergency.

7. The economic value distributed to the public administration also includes deferred taxes.

## ECONOMIC VALUE GENERATED AND DISTRIBUTED (Thousand euros)

	2020	2019
<b>Economic value generated by the Group</b>	<b>1,449,314</b>	<b>1,640,014</b>
Revenues	1,440,409	1,627,704
Other earnings	9,216	12,497
Financial income	759	1,239
Value adjustments of financial assets	-	-
Write-down of receivables	-1,436	-1,499
Exchange rate gains (losses)	-1,038	-564
Gains (losses) from disposal of tangible and intangible assets	1,404	637
Value adjustments of tangible and intangible assets	-	-
<b>Economic value distributed by the Group</b>	<b>1,058,983</b>	<b>1,110,639</b>
Economic value distributed to suppliers <sup>5</sup>	651,782	750,056
Economic value distributed to employees	209,963	221,125
Economic value distributed to lenders	23,022	21,746
Economic value distributed to shareholders <sup>6</sup>	113,745	-
Economic value distributed to the public administration <sup>7</sup>	49,647	115,690
Economic value distributed to communities	10,824	2,022
<b>Economic value retained by the Group</b>	<b>390,331</b>	<b>529,375</b>
Amortisation and depreciation	200,976	171,123
Provisions	2,734	-443
Reserves	186,621	358,695

# 2

# RESPONSIBLE BUSINESS MANAGEMENT

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VALUE





**SOUND CORPORATE GOVERNANCE, INTEGRATED RISK MANAGEMENT, DIALOGUE WITH STAKEHOLDERS, AND CLEAR AND TRANSPARENT OBJECTIVES MUST BE THE CORNERSTONES OF ANY REPUTABLE COMPANY IN ITS DAILY ACTIVITIES.**

**THE TRUE, LASTING VALUE OF A COMPANY LIES IN THE WAY IT CONDUCTS BUSINESS, ITS CONTRIBUTION TO SOCIETY AS A WHOLE, AND ITS ABILITY TO FULFIL ITS COMMITMENTS. VALUE THAT LASTS OVER TIME.**

# GOVERNANCE MODEL

## CORPORATE GOVERNANCE

Moncler's corporate governance system plays a key role in the transparent and responsible running of business operations. It contributes significantly to the creation of sustainable medium/long-term value for shareholders and other stakeholders, in keeping with the best practices of corporate social responsibility applicable in all countries in which Moncler operates.

The corporate governance system complies with the principles set forth in Borsa Italiana S.p.A.'s Corporate Governance Code and with the legislation and regulations governing Italian listed companies. It is based on four pillars:

- the pivotal role of administrative and control bodies
- the effectiveness and transparency of management decisions
- the careful and diligent monitoring of related-party transactions and handling of privileged information
- the set of values defined, recognized, shared, and established in the Code of Ethics and company policies.

Based on the values set out in Moncler's **Code of Ethics**, all employees are committed to ensuring that the Company's activities are carried out in compliance with laws, regulations, and the Group's internal procedures and with principles of fair competition, honesty, integrity, and fairness, while respecting the legitimate interests of shareholders, employees, clients, suppliers, commercial and financial partners, and the communities of the countries where the Moncler Group is present. See also pages 47-50; 116.

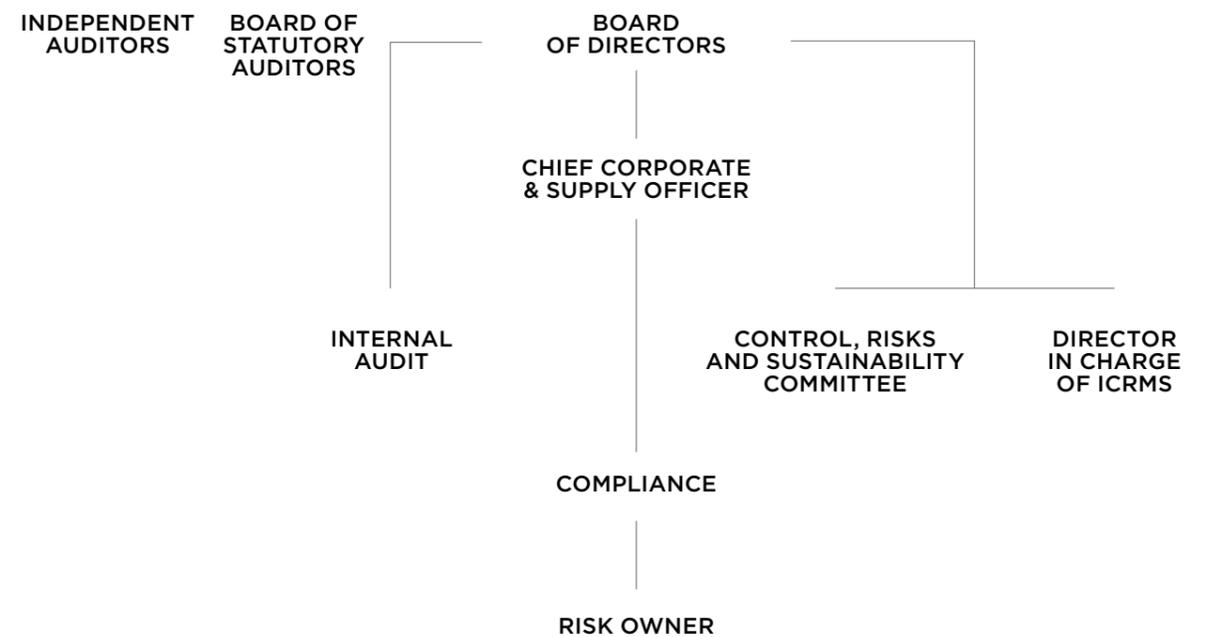
Secondly, Moncler has developed and adopted an anti-corruption model and anti-corruption policy, which applies to all Group companies.

Moncler has implemented a traditional administration and control system as per articles 2380-bis and following of the Italian Civil Code, under which the Board of Directors is entrusted with corporate management and the Board of Statutory Auditors with control and supervisory functions.

The Moncler governance system ensures continuous dialogue between management and shareholders as follows:

- the **Shareholders' Meeting** is a body with exclusively resolving functions, whose remit is limited by law to the most important decisions affecting the Company;
- the **Board of Directors (BoD)** plays a central role in guiding and managing the Company and the Group. In addition to its powers assigned as per the law and Bylaws, the Board of Directors has exclusive competence over the most important economic and strategic decisions, and over resolutions that are instrumental in monitoring and steering the Group's business. Three Board Committees have been established: the **Nomination and Remuneration Committee** and the **Control, Risks, and Sustainability Committee**, both vested with consulting and advisory functions as recommended by the Corporate Governance Code, and the **Related Parties Committee**, consistently with laws and regulations and Moncler's internal procedure;
- the **Board of Statutory Auditors** oversees, inter alia, (i) compliance with the law and Bylaws, as well as observance of the principles of proper management; (ii) to the extent of its responsibilities, the adequacy of the Company's organizational structure, internal control system, and administrative accounting system, as well as the reliability and accuracy of the latter in representing management operations; (iii) the practical application of the

## INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM



corporate governance rules provided by the codes of conduct endorsed by the company; and (iv) the effectiveness of the internal audit and risk management system, the auditing of the accounts, and the autonomy of the external auditor;

- the **audit firm** is responsible for the statutory auditing of the accounts. It is appointed by the Shareholders' Meeting and in accordance with the Bylaws, upon proposal of the Board of Statutory Auditors. The external auditor operates independently and autonomously and therefore does not represent either the minority or majority of shareholders. For the period 2013-2021, the audit firm is KPMG S.p.A.

Moreover, the Internal Control and Risk Management System (ICRMS) adopted by Moncler is supported by a **Supervisory Body**, a collegial body of three members reporting directly to the Board of Directors, tasked with ensuring the effectiveness and adequacy of the Company's mechanisms and internal controls and of its corporate liability model pursuant to Legislative Decree 231/2001 ("Model 231").

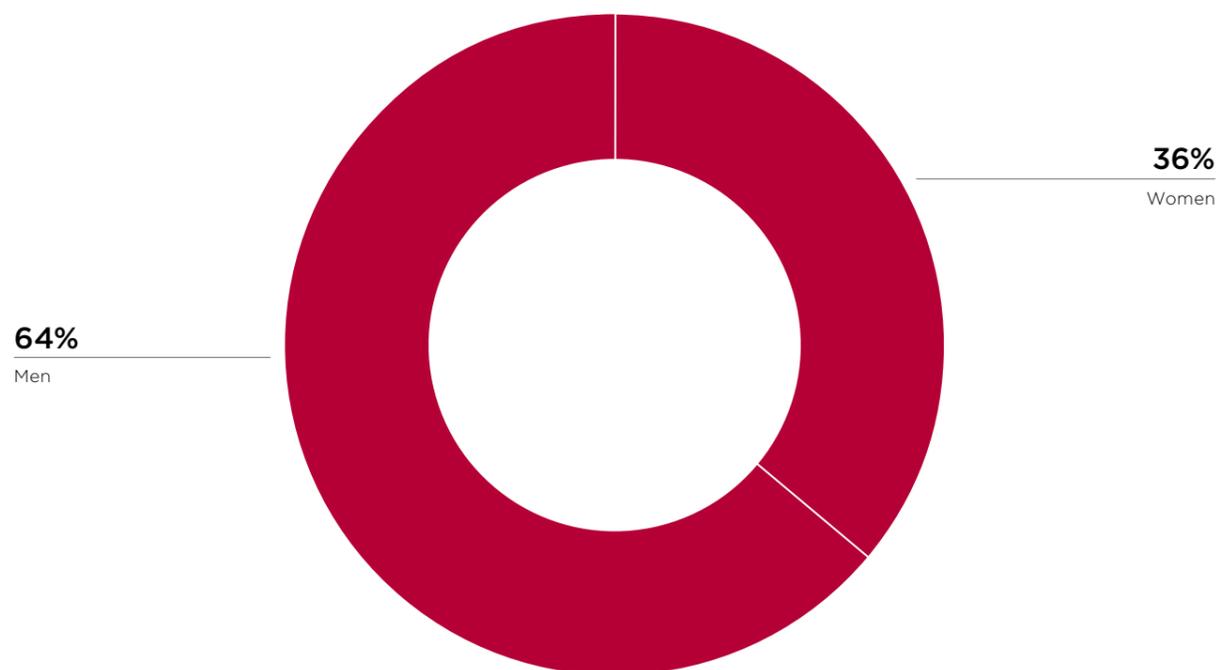
In addition to the Supervisory Body, key ICRMS figures include the Head of the Group Compliance division (second-level control), the Head of the Internal Audit division (third-level control), the Director in charge of the ICRMS itself, the Control, Risks, and Sustainability Committee, and the Board of Statutory Auditors.

The Chairman and Chief Executive Officer, Remo Ruffini, is also assisted in the definition and implementation of Group strategy by a **Strategic Committee**, which has advisory functions and bridges the main strategic areas of the Company and the Group, ensuring consistency and the sharing of Moncler's guiding values.

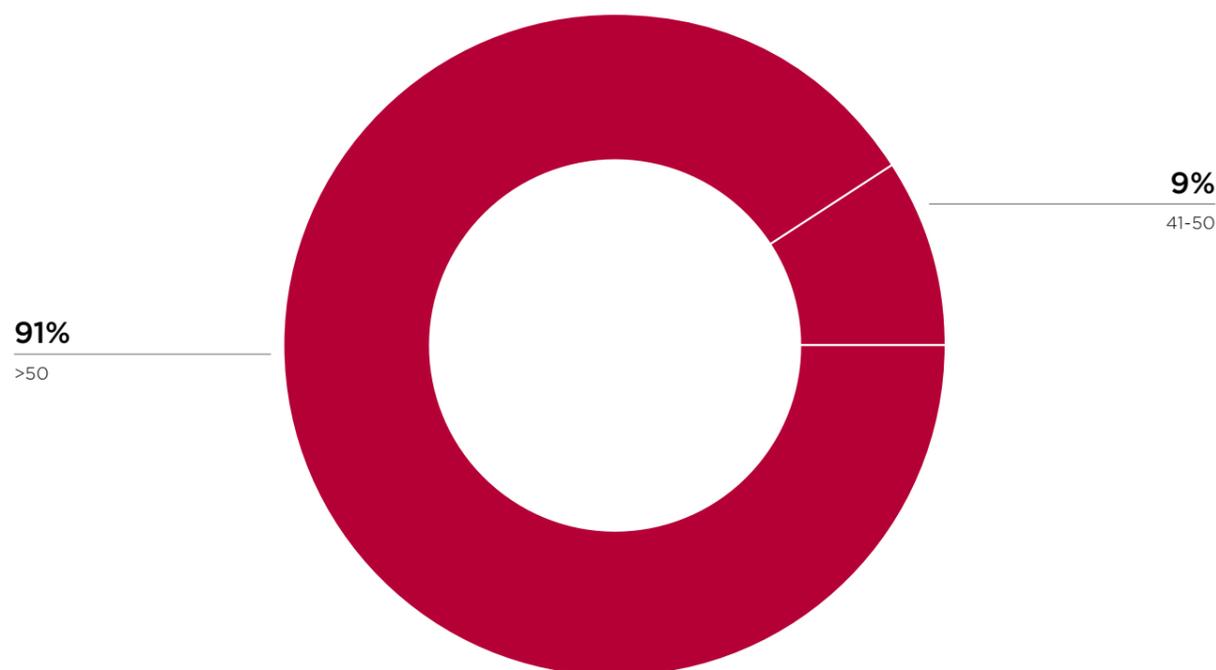
At 31 December 2020, Moncler's Board of Directors consisted of eleven members, including the chairman, of whom seven were independent. The directors had served for an average of nine years. With regard to the powers assigned within the Board, there were three executive and eight non-executive directors (seven of whom were independent). Moncler believes that a Board of Directors made up of members of different ethnicity, gender and age, and with diverse skills, professional experience, and cultural backgrounds, can enable an international company such as itself to make the best decisions possible as defined in the Group's Diversity Policy. See also Moncler's Report on Corporate Governance and Ownership Structure for 2020.

In 2020, average attendance at Board meetings was 95.5%.

**COMPOSITION OF THE BOARD OF DIRECTORS BY GENDER**



**COMPOSITION OF THE BOARD OF DIRECTORS BY AGE GROUP**



**SUSTAINABILITY GOVERNANCE**

In order to increasingly integrate sustainability into its business, Moncler has implemented a governance system based on the interaction of various dedicated bodies that supervise and manage sustainability issues.

The **Sustainability Unit** is responsible for identifying sustainability risks, reporting them promptly to senior management, and handling them together with relevant divisions. It also identifies areas and projects for improvement, thus helping to create long-term value. The unit is tasked with proposing the sustainability strategy and annual targets (Sustainability Plan), preparing the Consolidated Non-Financial Statement, and fostering a culture of sustainability within the Group. Lastly, it promotes dialogue with stakeholders and, together with the Investor Relations division, handles the requests of sustainability rating agencies and the needs of Socially Responsible Investors (SRIs).

Each Company department has a number of **Ambassadors** responsible for raising awareness of social and environmental issues within their respective areas, and for promoting sustainability initiatives in line with the Group's objectives. Since 2017 the Company has also designated **Sustainability Data Owners**, responsible for the data and information relating to their respective areas published in the Consolidated Non-Financial Statement, and for achieving the relevant targets in the Sustainability Plan.

As further evidence of the degree to which the Company's senior management supports and promotes sustainability, the **Control, Risks and Sustainability Committee** was established within the Board of Directors. This committee comprises three non-executive, independent directors. It is tasked by the Board of Directors with supervising sustainability issues associated with the Company's business operations and interactions with stakeholders, defining strategic sustainability guidelines and the relevant action plan (Sustainability Plan), and reviewing the Consolidated Non-Financial Statement.

In 2020 Moncler, for the second year in a row, was named the top Industry Leader for Textiles, Apparel & Luxury Goods in the Dow Jones Sustainability (DJSI) World and Europe indices. Being reconfirmed as Industry Leader proves that sustainability is an increasingly strategic asset for the Group's development. Moncler also received the Gold Award from S&P Global, an asset manager specialising in sustainable investments, and was included in the ECPI EMU Ethical Equity, ECPI Euro ESG Equity, and ECPI World ESG Equity indices, focused on ESG (Environmental Social Governance) criteria.

In the realm of financial products as well, Moncler is experimenting with and adopting new mechanisms tied to sustainability performance. In July 2020 the Group signed an agreement for a sustainability-linked revolving credit facility with a reward mechanism linked to the achievement of specific environmental impact reduction targets. Moreover, in November 2020 Moncler signed an exchange risk hedge agreement that offers a reward by improving the hedge strike on currencies based on the recognition of high sustainability standards by an external, independent rating body.

**CODE OF ETHICS**

Moncler's Code of Ethics and corporate policies are one of the four pillars of its corporate governance system. They govern the decisions and conduct of both the Group and its employees towards stakeholders.

The Code of Ethics consists of a set of values that the Group identifies with, shares, and promotes, in the belief that conduct inspired by principles of diligence, honesty, and loyalty can significantly drive economic and social growth. Moncler calls on all its employees and collaborators to act with honesty, passion, and integrity, and build relationships with stakeholders based on mutual trust, so that growth may be steered by shared value.

The Code of Ethics applies to all of the Group's employees, suppliers, contractors, consultants, partners, and external collaborators and is available in three languages (Italian, English and Romanian).

In 2017, a comprehensive update was made to the code to align it with best international practices and to better integrate sustainability issues and anti-corruption guidelines. In 2021 it will again be revised. The Code of Ethics reflects the main regulations and standards in force at national and international level on corporate social responsibility, corporate governance, human rights, and the environment, such as the United Nations' Universal Declaration of Human Rights, the Charter of Fundamental Rights of the European Union, the decent work standards set out in ILO (International Labour Organization) conventions, and the OECD (Organization for Economic Cooperation and Development) Guidelines for Multinational Enterprises. The Code of Ethics also includes the key principles set out in the Group's Supplier Code of Conduct and in Company policies, including the **Anti-Corruption Policy**, the **Environmental Policy**, the **Health and Safety Management Policy**, and the Group's policies on taxation, the management of human and financial resources, and asset protection.

The Code of Ethics is applied uniformly across all countries in which the Group is present. It consists of a set of principles and guidelines that inspire and guide the way the Company operates each day, as well as the conduct of its employees and of those who collaborate with Moncler, in any capacity, in carrying out their tasks and responsibilities. It is duly shared with employees using the most appropriate means and in accordance with local standards and customs. It is available in both Italian and English, and can be downloaded from the Group's intranet portal and corporate website. An online training programme is routinely provided to all employees to ensure the correct understanding and development of good conduct consistent with the Code of Ethics.

The code is also a fundamental and integral part of the **Organization, Management and Control Model** adopted by Moncler in accordance with Italian Legislative Decree 231/2001 on corporate liability. That model sets forth the principles, rules of conduct, operating procedures, and disciplinary code devised to prevent corporate crime and ensure the ethical conduct of all those who act on behalf of the Company, upholding the principles of legitimacy, fairness, and transparency.

Compliance with the Code of Ethics and with the Organization, Management and Control Model is monitored



by designated **supervisory bodies** through audits and specific checks, which may also take place based on reported behaviour that does not comply with Moncler's standards of conduct. Audit findings may lead to disciplinary actions; depending on the severity of the case, these also lead to termination of employment. The Supervisory Body in Italy oversees the adequacy of and compliance with the Organization, Management and Control Model and its underlying principles. It is a collegial body consisting of three members: two external professionals with accounting and legal expertise and the head of the Group's Internal Audit division. The Supervisory Body holds a high position in the Company's organizational structure and reports directly to the Board of Directors to ensure its independence from any form of potential interference or conditioning.

In 2018, Moncler's Organization, Management and Control Model was updated to include the offences of illicit brokering, exploitation of labour, racism and xenophobia, as well as new regulations on whistleblowing and some changes concerning private-to-private corruption. In 2020 it was further updated to include tax crimes, smuggling, influence trafficking, and sports fraud.

Employees in Italy attended an online course on the contents of the model and the new regulations that have been added.

The audits performed in 2020 by the Internal Audit division on the Group's Italian companies focused on key corporate processes (payments, purchases, services and consulting, product shortages, quality control, chargebacks to suppliers, sales, receipts, credit management, recruiting, etc.) and on the main "sensitive" areas identified by the model. With regard to international subsidiaries, in 2020 the Internal Audit division audited Group companies in the United States, Canada, Korea, Japan, China and Hong Kong SAR, Turkey, France, the United Kingdom, Germany, and Romania, focusing on the adequacy of internal control and financial reporting procedures, in order to identify and/or prevent any potential cases of fraud. Regarding the management of store operations (receipts and sales management, stock management, protection of corporate assets, and theft prevention), in 2020 the Internal Audit division was unable to audit any stores due to the restrictions on movement in light of the COVID-19 pandemic, though this normally takes place each year on stores selected for their revenues, risk indices, and geographical diversification in order to verify and make improvements to operational and control procedures.

A Group-wide **whistleblowing system** has been in place since 2016, devised to ensure the proper management and timely verification of any reported breaches of rules, regulations, and/or internal procedures, the adoption of appropriate measures, and the anonymity of whistleblowers. Moncler considers the reporting of particular instances of non-compliance with the Code of Ethics – whether by employees or external entities – to be a serious matter. Any employee reporting a concern in good faith regarding suspicious, alleged or actual breaches of the Code of Ethics is protected by Moncler against any form of retaliation, discrimination or penalization, without prejudice to statutory obligations in force or to the rights of the Company or people falsely or mistakenly accused of misconduct. Since 2018, to further consolidate the internal whistleblowing procedure and in compliance with applicable laws, Mon-

cler has adopted a dedicated web platform and telephone lines – managed by a specialized, independent third party – to handle and record any reports from employees, suppliers, clients, and counterparties of all Group companies. Since 2019, the web platform has been available in French, German, Turkish, and Arabic as well as Italian, English, Chinese, Japanese, and Korean, and telephone operators speak the language of each country where Moncler has stores. The platform ensures full compliance with international privacy regulations (processing of sensitive and personal data) and in October 2020 some changes were made to the disclosure and consent procedure regarding the data of the individuals named in reports. Whistleblowers can choose to remain anonymous; in this case, all communication between the whistleblower and Moncler takes place using the report's unique identification code.

The introduction of the platform went hand in hand with a review of the whistleblowing procedure, which was sent to all Group employees and is available on the company intranet. The Group's whistleblowing channels are managed by the Head of Internal Audit, who is responsible for reporting what has been charted and monitored through those channels directly to the Board of Directors.

In 2020, three reports were received through the whistleblowing system that were deemed relevant and worthy of investigation. In the first case, further to investigations, an American Store Manager was dismissed for mismanagement of personnel. In the second case as well, the issue was potential mismanagement of staff, but since investigations and further review did not show inappropriate conduct, the manager was not disciplined. The third case concerned alleged violations of the receipts management procedure by the staff of a store in Asia. This matter is still being investigated.

In 2017 Moncler began to develop a Group **Anti-Corruption Model**, later approved by the Board of Directors, which is based on a targeted risk assessment and regulatory review of corruption offences in countries selected on the basis of sales revenues and the Corruption Perceptions Index. This allowed Moncler to identify the areas at theoretical risk of corruption, the internal controls in place, and those requiring improvement, and to define a Group Anti-Corruption Policy.

Specifically, the policy defines: (i) regulatory monitoring responsibilities; (ii) the methods for non-compliance management and reporting; and (iii) specific measures to control corruption risk.

The Company annually updates this risk assessment to review the corruption risk profiles. Based on this assessment, the following areas have been identified as theoretically exposed to a risk of corruption:

- interactions with government agencies;
- interactions with suppliers and external consultants;
- interactions with agents and intermediaries;
- interactions with joint venture partners and directors;
- donations, sponsorships and gifts;
- human resources management.

For each of these areas, principles of conduct and guidelines are set out both in the Anti-Corruption Policy and in the Group's Code of Ethics. Policies and procedures concerning the Anti-Corruption Policy have been disseminated worldwide throughout the Group, and ad hoc training is routinely provided to all employees through the e-learning platform.

The Internal Audit department carries out periodic on-site audits at Group companies to verify the adoption of controls to mitigate the risk of corruption in the areas most at risk. In particular, annual audits focus on sponsorships, donations and gifts, the management of consulting and professional assignments, the acquisition and management of public grants and financing, the recruitment of employees, supplier management, payments, expenses, and entertainment costs. The various departments subject to these audits are made aware of the importance of complying with all protocols. The results of the audits are shared with the Control, Risks and Sustainability Committee and with the Supervisory Body. In 2020, no cases of corruption were reported.

Lastly, in 2020 Moncler revised its **Supplier Code of Conduct** in order to supplement and strengthen its responsible sourcing principles and add rules in case of pandemics. The Supplier Code of Conduct consists of six sections with binding provisions regarding Labour and Human Rights, Occupational Health and Safety, Environment, Animal Health and Welfare, Safety and Quality of Products and Services, and Corporate Ethics and Intellectual Property Protection. Moncler requires its suppliers and subcontractors to comply with the principles set forth in the Supplier Code of Conduct, and is committed to carrying out relevant training and awareness activities among internal departments and suppliers alike, through meetings at corporate offices or supplier premises. The Group also conducts regular audits across the supply chain to verify compliance with the principles in the Code of Conduct. See also pages 116-121. In particular since 2017, Moncler has published an annual **Modern Slavery Act** to make its approach to human rights entirely transparent and public. The document describes the measures taken to ensure the absence of any form of “modern slavery, forced labour and human trafficking” internally and along its supply chain, as required by Section 54 of the UK Modern Slavery Act 2015.



# RISK MANAGEMENT

## ENTERPRISE RISK MANAGEMENT MODEL

The Group has adopted an integrated Enterprise Risk Management (ERM) system based on international best practices. The system involves Moncler's entire organization and governance bodies, each acting within the scope of their respective spheres of competence. In line with the field's guidelines and best practices of reference, the main objective of ERM is to ensure the effective identification, measurement, management, and monitoring of risks.

The ERM model covers all types of risk that can potentially affect the achievement of strategic objectives, impair company assets, and/or undermine the value of the Brand. ERM is incorporated into strategic decisions and key decision-making processes.

Risks may be internal or external depending on whether they are identified within or outside the Company. In particular, external risks are linked to industry and market situations, as well as to the stakeholders' perception of how Moncler operates. Moncler's ERM model divides risks into four categories:

- Strategic Risk;
- Business Risk;
- Compliance Risk;
- Financial Risk.

**Strategic risks** relate to changes in business or to inadequate responses to changes in the competitive environment and the Company's business development activities. Sustainability risks may fall within this category.

**Business risks** are those related to the sector in which the Group operates, its operations, organizational structure, information systems, and control and reporting processes.

**Compliance risks** are generally associated with business conduct, and relate to breaches of laws and regulations applicable to Company operations at the national and international level, as well as to the Code of Ethics and violations of internal procedures.

**Financial risks** are those related to the Group's financial management and specifically to liquidity, foreign exchange, interest rates, and financial counterparties in financial and commercial transactions.

With regard to internal risks, the objective of the ERM model is to manage them through specific prevention and control measures incorporated into Company processes, designed to eliminate the risk, minimize its likelihood of occurring, or contain its impact in the event of occurrence. As for external risks, the ERM model aims to monitor them and

mitigate their impact in the event of occurrence, for instance through insurance policies.

The risk assessment identifies all the risks and their risk owners, responsible for managing the risk itself and the corresponding control system, and for implementing or improving mitigation measures. All risks, their assessment by the internal risk control system, and the efforts taken to mitigate them are recorded in a **Risks Register**, which is updated regularly with the risk owners, on the basis of an annual plan approved by the Board of Directors with the support of the Control, Risks and Sustainability Committee. The plan is periodically updated to include any new elements of risk and/or to reflect any increases in the likelihood of occurrences or in the extent of impacts.

In 2020, within the field of ERM, two activities of note were completed with the collaboration of the risk owners: the **COVID-19-driven Risk Assessment**, which identified and assessed 33 risks on which the pandemic has had a significant impact, with input from the regional liaison officers; and finalizing a follow-up to the mitigation efforts implemented or planned for risks which as of December 2019 exceeded the Company's risk appetite (*Risk Assessment Business as usual*). A specific assessment was also carried out with the Digital, Engagement & Transformation unit in order to look into the risks of Digital processes.

Further to these activities, the ERM portfolio was updated to include 151 risks (140 in 2019).

In addition, the Risks Register of every Region where Moncler operates is in the process of being updated with the support of local management, to make sure risks are evenly assessed and managed in light of the changed socio-economic context.

The results of ERM activities are presented half-yearly to the Control, Risks and Sustainability Committee and the Board of Directors, as part of the report by the Head of Internal Audit on the adequacy and effectiveness of the Internal Control and Risk Management System.

Moncler's ERM system involves the following governance bodies:

- the Board of Directors, which defines guidelines and assesses the adequacy of the internal control and risk management system (ICRMS) at least once a year;
- the Control, Risks, and Sustainability Committee, which supports the Board of Directors in its assessment and decisions concerning the risk management system;
- the Director in charge of the ICRMS, who is responsible for establishing and maintaining the effectiveness of the



system itself as per the indications and guidelines defined by the Board of Directors in collaboration with the Control, Risks, and Sustainability Committee;

- the Head of the Group Internal Audit division, tasked with verifying the performance and suitability of the ICRMS and coordinating the ERM process;
- the Board of Statutory Auditors, which oversees the effectiveness of the ICRMS.

## ENVIRONMENTAL, SOCIAL AND COMPLIANCE RISKS

With operations in countries around the world, Moncler firmly believes that respect for **people**, **human rights** and the **environment**, and **compliance** with applicable laws, are prerequisites for responsible business management. To this end, it is committed to implementing the necessary **policies**, carrying out due diligence activities and appropriate checks, and providing **training** and information to minimize any risks related to these issues. These risks are described in Moncler's Enterprise Risk Management model, along with their respective probability of occurrence and level of impact.

As regards our **people**, the main risks associated with human resources management include, in particular, the reliance on key figures and the difficulty to retain and develop talent. In this regard, the Company follows a performance appraisal system that covers the entire workforce and considers both soft and hard (technical) skills. The system is designed to leverage and develop individual skills in the medium and long term, define succession plans, and nurture the best talent. The Group has also developed an incentive plan to facilitate the retention of managers and key personnel. See also pages 87-89. With the aim of creating a more attractive work environment, Moncler has implemented a welfare plan in Italy, the United Kingdom, and South Korea, as well as specific employee wellbeing initiatives at the production site in Romania and in other Regions. See also pages 87-90.

The risk of **human rights** violations against the employees of Group companies is considered solely at a theoretical risk level, owing to the level of protection ensured by various laws and/or collective labour agreements, the working standards set out in Moncler's Code of Ethics, and the oversight activities in place at the corporate offices. Furthermore, Moncler has adopted a Group-wide Personnel Recruitment Policy to ensure a robust personnel selection and recruitment process while guaranteeing equal opportunities. In 2020, a Diversity and Inclusion Committee was formed in order to reinforce the values of inclusivity and diversity, inside and outside Moncler. The Company provides a whistleblowing system so anyone can report alleged misconduct. See also page 49.

Moncler's business model entails the manufacture of its products through its own production site in Romania and through *façon* manufacturers and finished product suppliers in Italy and abroad. In addition, the Company purchases raw materials and services from a large number of suppliers worldwide. Moncler's variety of partners and geographical scope have led it to invest heavily in preventing and monitoring risks associated with possible human rights violations along the supply chain, with a particular focus on sub-contractors, specialized workshops, and the main logistics op-

erators. Moncler conducts regular audits, also through certified specialized firms, on the supply chain's compliance with applicable laws and the principles set out in the Code of Ethics and the Supplier Code of Conduct. The two Codes set binding standards of conduct for suppliers, failing which collaboration may be terminated. Moreover, the Group is committed to raising awareness of responsible sourcing principles among its partners through specific training activities. See also pages 116-121; 124-127.

Moncler pays particular attention to the **environmental aspects** of its business, although its most significant environmental impacts are indirect. One of the strategic drivers of the Sustainability Plan Moncler Born to Protect is the fight against climate change, demonstrating the priority Moncler places on preventing and mitigating such risks. In this regard, the Group has joined the Science Based Targets initiative defining greenhouse gas emissions reduction targets that are consistent with the United Nations' commitment to limit the maximum global temperature rise compared to pre-industrial levels. In general, Moncler sets out rules, processes and control procedures to manage any environmental risks associated with its suppliers through the Code of Ethics and Supplier Code of Conduct. Compliance with the binding provisions contained in these documents is monitored through environmental audits carried out by specialized third parties. As regards its direct environmental impacts, Moncler implements numerous initiatives to minimize them by following an Environmental Policy and an Environmental Management System, defining public commitments and targets to reduce energy consumption, and engaging its employees in reducing paper, toner and energy consumption and promoting waste sorting. Moncler's corporate offices, logistics hub in Castel San Giovanni (Piacenza, Italy), and production site in Romania are certified to ISO 14001. See also page 164.

Moncler has also adopted a Group-wide **Compliance** procedure to: (i) disseminate the meaning of compliance at Moncler; (ii) define the areas of application; (iii) establish the general compliance principles adopted by Moncler; (iv) define employee roles and responsibilities; and (v) provide guidelines based on the pillars of the Group Compliance Programme, which is regularly updated.

From the outset, the Group's Compliance unit has been engaged in activities aimed at strengthening the monitoring and management of compliance risk, starting from the areas considered to be most sensitive, such as those related to antitrust, health and safety, privacy, and anti-corruption issues.

Moncler also considers the promotion and protection of employee health, safety, and wellbeing to be a key value and a top priority. For this reason, an effective management system compliant with the international OHSAS 18001 standard was first implemented globally at all offices and stores (excluding shop-in-shops) and at logistics and production sites. It was then updated to the more recent and complete ISO 45001 standard. The system provides not only for the application of uniform management rules, detailed in the Health and Safety Management Policy, reinforced in 2020 by the adoption of an anti-COVID protocol, but also for periodic checks at all of the Group's workplaces. Bolstered by training and awareness activities targeting Moncler personnel and suppliers, the management system plays a crucial role in the Group's strategy to mitigate the risk of accidents on the job. See also pages 98-101.





The Group has always been highly attentive to privacy issues. In addition to improving the privacy section of its Code of Ethics, it has completed preliminary work to adapt its compliance model to the new European regulation which came into force in May 2018, including by adopting a specific policy and carrying out awareness-raising activities among all employees. In 2020 it conducted a follow-up check on the measures taken to improve the internal control system following a compliance audit on the issue of client data privacy. See also page 196.

As regards corruption prevention measures, Moncler has developed and adopted an Anti-Corruption Model whose provisions include the regulatory review of corruption offences in countries where the Company operates, identifying the areas and business processes most at risk of corruption. An Anti-Corruption Policy was therefore implemented by each company of the Moncler Group, governing the responsibilities for monitoring regulatory changes, risk controls, training, audit activities, management, and the reporting of any cases of non-compliance. See also pages 49-50.

Moncler's main **social risks** are those that affect consumers, namely, product safety and counterfeiting. To protect the health and safety of its clients, Moncler requires all its suppliers to operate in full compliance with the most stringent international regulations on hazardous and potentially hazardous chemical substances, and regularly conducts strict tests on the chemical composition and physical and mechanical properties of its products. Suppliers are also required by contract to comply with the guidelines of the Product Restricted Substances List (PRSL), updated in 2020, which outlines the most stringent standards for the use of certain substances. The proper implementation of these guidelines is verified through tests on the chemical composition of raw materials at independent specialized laboratories, at the request of the supplier and/or Moncler itself. Furthermore, the Group ensures comprehensive monitoring of this risk through an ad hoc corporate function, the Operations Compliance Department. See also pages 154-157. Protecting clients and the Brand also means a long-term commitment to fight counterfeiting. In this area Moncler has implemented a number of management and prevention tools including: creating an Intellectual Property and Brand Protection department; developing detailed procedures; working with law enforcement, customs, and other luxury brands; providing supplier training and auditing; and using anti-counterfeit labels on all its products. See also pages 134-137.

Finally, Moncler is strongly committed to animal welfare, and requires strict compliance in this regard with its Supplier Code of Conduct. For this reason, Moncler demands and verifies that all down suppliers comply with the strict requirements of its proprietary DIST (Down Integrity System & Traceability) Protocol. With the support of specialized independent bodies, the Group conducts regular audits to ensure that animals are treated humanely. See also pages 121-122.

For an overview of the different types of risks to which Moncler is exposed, and for further information on this subject, see the Board of Directors' Report in the 2020 Annual Report.

# CREATING SUSTAINABLE VALUE

The increasing integration between business decisions and the assessment of their environmental and social impacts is at the core of the Group's ability to create long-term value for all its stakeholders.

## MATERIALITY MATRIX

Moncler considers the materiality analysis as an important tool to identify the most relevant environmental and social priorities that are consistent with its business strategy, and to define the contents of the Consolidated Non-Financial Statement according to the Global Reporting Initiative (GRI) international reporting standards.

In terms of sustainability reporting, the topics deemed as material (or relevant) are those that have a significant impact on the economic, social, and environmental performance of the Company or that may substantially influence stakeholders' perceptions and decisions.

Accordingly, the materiality analysis is two-fold, as it takes account of the standpoint not only of the Company, but also of its stakeholders.

The analysis is conducted routinely by the Sustainability Unit with the support of a specialist consultancy firm, through a structured process involving the Group's management. The materiality analysis is a three-step process:

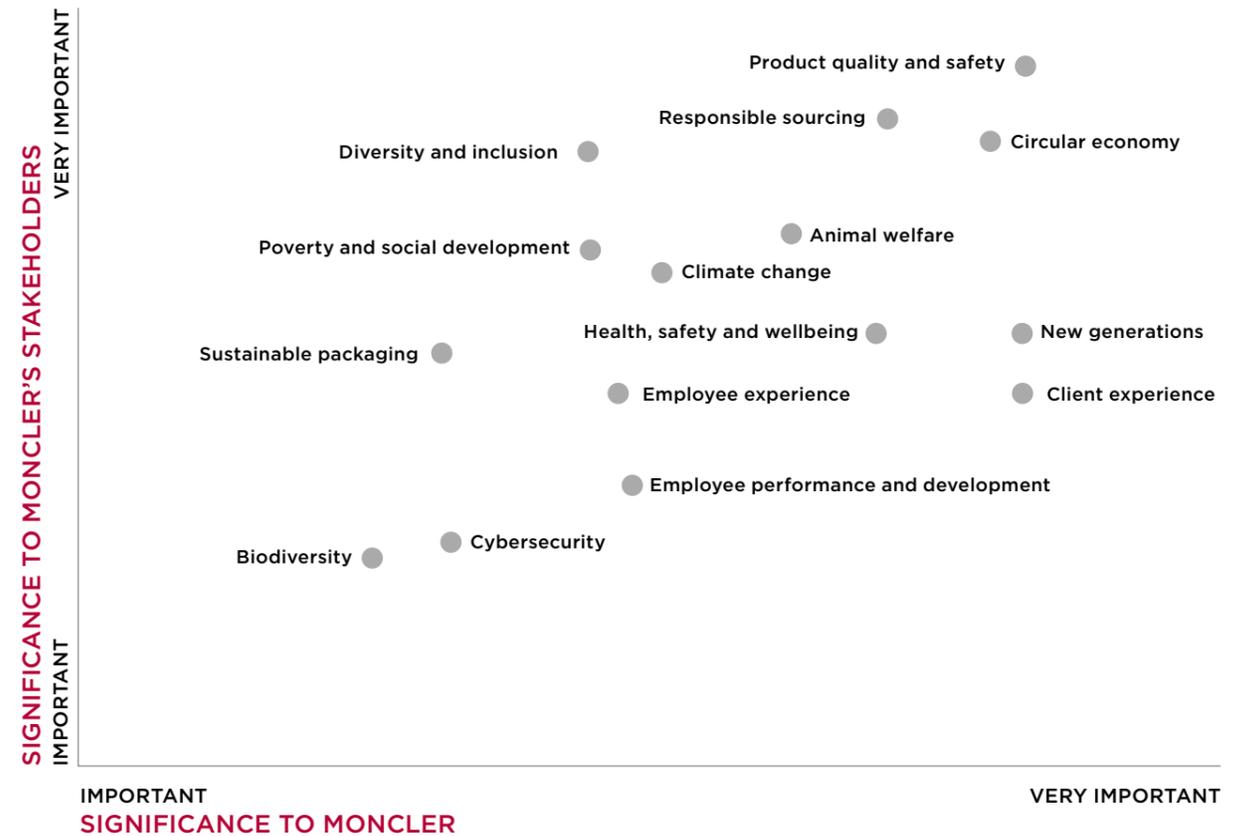
- identification of all potential material topics of significance to Moncler. This involves the analysis of corporate documents (Code of Ethics, Annual Report, Strategic Plan, etc.), external literature on changes in market scenarios<sup>1</sup>, sustainability assessment questionnaires by rating agencies, sector studies, media and internet research, multi-stakeholder standards/initiatives<sup>2</sup>, and dialogue with investors and other stakeholders;
- prioritization of the material topics. The topics are prioritized by Moncler's liaison officers, tasked with

assessing each topic from the Company's standpoint as well as that of stakeholders, rating each on a scale from 1 to 5;

- presentation to the Board of Directors.
- In 2020, the Materiality Matrix was further updated to reflect the evolution of the business scenario, new emerging topics, and the strategic priorities formalized in the *Moncler Born to Protect* Sustainability Plan and through discussions with Socially Responsible Investors (SRIs), other investors, and various wholesale clients. 15 topics were identified as material<sup>3</sup>.

The latest Materiality Matrix includes two new topics: **cybersecurity** and **new generations**. Cybersecurity plays an important role by making sure Moncler's IT infrastructures hold up and improving its ability to prevent and manage cyber attacks, particularly in online sales (especially now that e-commerce is being insourced) and given the greater use of remote working as a result of the COVID-19 emergency. A focus on **new generations** is one of the five pillars of Moncler's strategy: by strengthening its ability to interpret the evolution of cultural codes, the Company will offer a new concept of luxury far removed from traditional standards.

For the correlation between material topics and GRI indicators, please see the table in the Appendix.



## DIALOGUE WITH STAKEHOLDERS

Moncler believes in the importance of maintaining strong relationships with all of its stakeholders. Relationships that thrive on constant dialogue and active engagement reflect the Group's sense of responsibility towards the social context with which it interacts.

Stakeholders have a wide range of differing interests, therefore establishing and maintaining stable and lasting relationships is crucial for creating shared, long-term value.

Understanding specific requirements and priorities enables Moncler to tackle issues before they become critical, and to fine-tune its actions in response to stakeholders' interests. The first step toward building an effective engagement process involves the clear and timely identification of stakeholders, so as to establish the most effective communication channels, while continually monitoring expectations, needs and opinions.

The Group pursues a proactive approach to all stakeholders worldwide. It does so through dedicated functions that interact with them continually, promoting ongoing dialogue and remaining responsive to their needs. Indeed, Moncler believes that such interactions are opportunities for mutual

growth and improvement. Over the next few years it will be especially important for the Group to design new forms of dialogue, so it can take an increasingly digital native approach to interacting with the community.

The following table, which maps stakeholders and their expectations, is periodically revised through internal surveys with the company units in charge of everyday relations with each category.

1. World Economic Forum report, the Sustainability Manifesto for Italian Fashion, The State of Fashion 2021, reports and studies of the Nordic Initiative Clean and Ethical (NICE), and the Sustainable Apparel Coalition (Higgs Index).  
 2. Global Compact, GRI Standards, OECD Guidelines for Multinational Enterprises, The Fashion Pact.  
 3. Within the scope of the analysis, aspects related to corporate governance, regulatory compliance, economic performance, and brand reputation were considered prerequisites; as such, they were not individually included in the process but are nevertheless accounted for in this Statement.

STAKEHOLDER	TOOLS AND CHANNELS OF INTERACTION	STAKEHOLDER EXPECTATIONS
Employees	<p>People satisfaction survey, <i>MONVoice</i></p> <p>Continuous dialogue with the Human Resources Department</p> <p>Annual meetings to discuss career plans, set individual targets, and review performance appraisals</p> <p>Meetings with staff to share the Company's results and goals for the future</p> <p>Meetings to raise awareness and share information on health and wellbeing</p> <p>Training sessions and MAKE digital courses</p> <p>Corporate intranet, <i>MONCamp</i></p> <p>Corporate social media, <i>#monclertogether</i></p> <p>Induction programmes for new hires</p>	<p>Information on Group strategies and results</p> <p>Responsible business management</p> <p>Clear objectives and rewards system</p> <p>Training and career development</p> <p>Stimulating and safe work environment</p> <p>Equal opportunities; Diversity and inclusion</p> <p>Involvement in Company life</p> <p>Wellbeing and health and safety initiatives</p>
Trade unions and workers' representatives	<p>Meetings with trade union representatives</p>	<p>Responsible business management</p> <p>Engagement and prompt information on issues affecting the Company workforce</p> <p>Updates on the progress of training programmes</p>
End clients	<p>Direct, ongoing relationships with sales personnel</p> <p>Client service</p> <p>Engagement via phone, mail, email and social media</p> <p>Design and delivery of personalized initiatives and experiences</p> <p>Market research and focus groups</p> <p>Systematic collection of consumer feedback (VIBE)</p>	<p>Product quality, safety and durability</p> <p>Products manufactured respecting the environment, people and animals</p> <p>Style, uniqueness, innovation and a complete product range</p> <p>High level of service during and after the sale</p> <p>Competent, professional and empathetic sales staff</p> <p>Personalized shopping experience and engagement</p>
Wholesale clients	<p>Training sessions</p> <p>Ongoing engagement via phone or email</p>	<p>Product quality and innovation</p> <p>Safety and transparency with regard to environmental, social, and animal welfare issues throughout the supply chain</p> <p>Brand reputation</p>
Suppliers, business partners	<p>Daily interactions</p> <p>Institutional meetings</p> <p>Definition of shared standards</p> <p>Seasonal and annual training</p> <p>Dedicated portal</p>	<p>Continuity of supply</p> <p>Respect for contractual terms and conditions</p> <p>Participation in the definition of supply standards, including social and environmental criteria and prompt notification of new requirements</p> <p>Collaboration and support in managing production issues</p>
Local communities	<p>Meetings with representatives of local associations and organizations</p> <p>Development of initiatives and projects managed directly or in partnership</p>	<p>Support or funding of initiatives</p> <p>Support for awareness-raising campaigns</p>

STAKEHOLDER	TOOLS AND CHANNELS OF INTERACTION	STAKEHOLDER EXPECTATIONS
Investors and analysts (traditional and sustainability)	<p>Shareholders' Meeting</p> <p>Regular conference calls or meetings following key announcements</p> <p>Price-sensitive announcements and information</p> <p>Seminars, industry conferences, road shows and meetings</p> <p>Daily engagement (meetings, phone calls, emails)</p> <p>Corporate website</p> <p>Dedicated investor app</p> <p>Questionnaires on sustainability performance</p>	<p>Useful, in-depth knowledge of the Group and its business model</p> <p>Value creation (return on investment, business sustainability)</p> <p>Transparent and responsible management</p> <p>Timely and open dialogue</p> <p>Adequate risk management, including social and environmental risks</p>
Media	<p>Press days</p> <p>Interviews with senior management</p> <p>Press conferences</p> <p>Media plan</p> <p>Continuous dialogue</p> <p>Fashion shows/events</p> <p>Ad hoc meetings and events</p> <p>Corporate website</p>	<p>Access to timely and accurate information</p> <p>Information on upcoming season trends</p>
Local bodies, public administrations, regulatory bodies, industry associations and non-governmental organizations	<p>Ad hoc meetings</p> <p>Participation in work groups</p> <p>Definition and development of joint projects</p>	<p>Participation in projects of public utility</p> <p>Integration of environmental, social and animal welfare considerations in Company strategies and supply system</p> <p>Disclosure of Company targets with regard to environmental, social and animal welfare issues</p> <p>Active participation in roundtable discussions</p> <p>Efficient use of raw materials</p> <p>Implementation of sustainability requirements at new stores</p>



## RELATIONS WITH ORGANIZATIONS, INSTITUTIONS AND ASSOCIATIONS

Moncler firmly believes in dialogue and participation, and works with several organizations and roundtables at the national and international levels with a contribution of over 390 thousand euros. It is active in a number of areas, from the promotion of the Italian fashion industry and its sustainability performance to the fight against counterfeiting, trademark protection, the promotion of women's leadership and talent, innovation, and the development of amendments to national and international standards.

The Group is a member of the following main associations and initiatives:

- **AIR (Associazione Italiana Investor Relations):** a non-profit association that aims to promote the role of the Investor Relations Officer as well as the quality of financial communications between companies and the financial community.
- **Anti-Counterfeiting Group (ACG):** a non-profit association that aims to protect consumers against counterfeiting by promoting training programmes and fostering a collaborative environment between companies and local authorities.
- **Assonime:** an association of Italian joint-stock companies that works to improve industrial, commercial, administrative and tax legislation for the business community in Italy, carries out studies and publications, and represents the corporate perspective in dealings with Italian, European and international institutions.
- **Brand Owners Protection Group (BPG):** an association of brands and legal advisers, global leaders committed to guaranteeing intellectual property rights, copyright, patents, trademarks and licensing laws to protect the consumer from counterfeiting and other forms of illegal trade.
- **Camera Nazionale della Moda Italiana:** the Italian Chamber of Fashion, whose mission is to promote and coordinate the Italian fashion industry and provide training for young Italian fashion designers.
- **Club 231:** an initiative established to spark the debate on the statutory and regulatory changes introduced under Italian Legislative Decree 231/2001, encouraging the exchange of knowledge and expertise from a company, policy-making, and academic perspective.
- **Altgamma Foundation:** the foundation bringing together the top companies of the Italian cultural and creative industry that are recognized as authentic ambassadors of Italian style the world over. Its mission is to contribute to their growth and competitiveness.
- **INDICAM:** the institute for the fight against counterfeiting that works on several fronts, including campaigning to raise counterfeiting awareness among industry operators, public authorities and the general public; improving statutory provisions against counterfeiting; and leading collective investigation efforts involving its members, in cooperation with Italian diplomatic authorities, to protect trademarks outside of Italy.
- **PREVILINE ASSISTANCE (Intercompany Welfare Fund for client companies of the ASS. GENERALI S.p.A. Group):** a national association whose exclusive purpose is to provide member companies with welfare services, in the

form of assistance and insurance services, through master agreements made with insurance companies.

- **Quality Brands Protection Committee (QBPC):** an international association whose mission is to support China in improving its legal framework for intellectual property rights and promote an environment conducive to innovation.
- **SNB-REACT (Coöperatieve Vereniging SNB-REACT):** a non-profit association that promotes actions against counterfeiting.
- **UNI – Italian Organization for Standardization:** a private non-profit organization that develops and publishes voluntary technical standards for all sectors of industry, from manufacturing to sales and services. UNI members include companies, professionals, associations, public bodies, research centres, educational and academic institutes, consumer associations, trade unions, third sector organizations and non-governmental organizations, which together form a single multi-stakeholder forum for technical debate at the national level. The association represents Italy in the European Committee for Standardization (CEN) and in the International Organization for Standardization (ISO), supporting the harmonization of standards and promoting and enhancing the Made in Italy label.
- **Union des Fabricants (Unifab):** a French association involved in the protection of intellectual property rights. Present also in Tokyo and Beijing, the association assists its members in the fight against counterfeiting in Asia and in managing relationships with local authorities.
- **Industrialists' Union of the Province of Padua:** a national association whose mission is to enhance the competitiveness of the local manufacturing industry, through the creation of infrastructure and by promoting knowledge transfer, a modern work culture, a strong spirit of individual and collective initiative, innovation and applied research.
- **Valore D:** an Italian association that brings together major industry names, united in their commitment to supporting and promoting women's leadership and talent as a valuable contribution to business growth.

In addition, since 2019 Moncler has been a member of **The Fashion Pact**, a coalition of leading global companies in the fashion and textile industry, which together with suppliers and distributors is committed to achieving shared goals in three main areas: fighting global warming, restoring biodiversity, and protecting our oceans.

In 2020 The Fashion Pact published its first Progress Report, describing how it has pursued the three objectives and what the industry needs to do to make a meaningful impact.

The highest principles of transparency and ethics, as set out in the Group's Code of Ethics, govern Moncler's dealings with political parties and their representatives.

In 2020, Moncler did not make donations to any political parties. Any political activities or donations by Group employees are considered as personal and purely voluntary.

## SUSTAINABILITY PLAN

Moncler was founded in 1952 in Grenoble and has over 60 years of history during which it has written and rewritten its own path, evolving its identity and the way it does business, while always remaining true to its origins. Moncler was born to protect from the cold. Inspired by these roots, it has named its Strategic Sustainability Plan Moncler Born to Protect, a title that embraces today's great global challenges by extending its natural inclination for protection to the planet and all of its people. With this Plan it renews its commitment to sustainable growth and emphasizes how environmental and social responsibility are increasingly vital to its business model, focusing on five strategic priorities: climate change, circular economy, responsible sourcing, valuing diversity, and support for local communities.

Moncler's Sustainability Plan includes environmental impact reduction targets such as achieving carbon neutrality, recycling fabric scraps, making widespread use of sustainable nylon, and eliminating single-use plastics. As a further step towards an increasingly circular approach, Moncler will begin to recycle certified down following its DIST Protocol, using an innovative mechanical process that uses about 70% less water than traditional down recycling. See also page 148. The Sustainability Plan also focuses on the traceability of raw materials and the continuous improvement of social and environmental standards along the supply chain by working closely with its manufacturing partners. It includes internal and external awareness-raising initiatives to foster and value diversity and promote an increasingly inclusive culture. Moncler is also committed to supporting local communities with projects of high social value, and to protecting 100,000 vulnerable children and families from the cold. See the following pages for details of all of the Plan's targets.

In defining the strategic drivers and commitments of Moncler Born to Protect, the Group also considered the priorities defined in the UN's 2030 Agenda for Sustainable Development (Sustainable Development Goals - SDGs), thus contributing to their achievement.

Of the UN's 17 SDGs (such as ending poverty, fighting inequality and tackling climate change), the Group is contributing to 10 of them either directly or through organizations with which it collaborates.

## SUSTAINABILITY PLAN PROCESS

The Sustainability Unit works with the heads of relevant departments to identify areas for improvement and related projects, on the basis of which it formulates a draft proposal for the Sustainability Plan (planning stage).

The Plan is then submitted to the Strategic Committee, which analyses its contents and feasibility. The final stage involves the Plan's assessment by the Control, Risks and Sustainability Committee, which verifies its consistency with Group strategy and gives its opinion to the Board of Directors, which is responsible for final approval.

Responsibility for achieving the targets of the Sustainability Plan lies with the liaison officers, who have the necessary resources, tools and know-how to implement the Plan (operational stage). Within the MBO (Management By Objectives) system, social and environmental targets related to the fulfilment of the Sustainability Plan are set for everyone involved

in the implementation of the Plan itself. The performance indicators of the medium/long-term "2020 Performance Shares Plan" include an ESG performance indicator linked to the achievement of specific Sustainability Plan targets.

To ensure the observance of commitments made, the Sustainability Unit asks for regular progress reports on projects, and updates the Control, Risks and Sustainability Committee accordingly (monitoring stage).

The plan is updated each year to report on the status of projects underway, and to set new targets for continuous improvement, in the awareness that sustainability is not a point of arrival but an ongoing process of improvement.



# ACT ON CLIMATE CHANGE

Reducing emissions. Embracing clean energy



# THINK CIRCULAR

Designing to last. Using low-impact materials. Cutting waste



# BE FAIR

Ensuring trust. Tracing and sourcing responsibly



# NURTURE GENIUS

Welcoming everyone. Celebrating diversity everywhere. Expressing ourselves always



# GIVE BACK

Supporting local communities. Donating time and value. Sharing warmth

TARGETS	2020 RESULTS
<b>ACT ON CLIMATE CHANGE</b>	
<b>MINIMIZE CO<sub>2</sub> EMISSIONS [SDG 7; 13]</b>	
<b>2021</b> 100% carbon neutral at own sites worldwide	
<b>2020</b> At least 50% of electricity consumption from renewable sources at own sites worldwide	<ul style="list-style-type: none"> <li>✓ 50% of electricity consumption from renewable sources worldwide (the countries in which Moncler uses renewable energy are: Italy, Romania, Brazil, China*, Russia and Turkey)</li> </ul>
<b>2023</b> 100% renewable energy at own sites worldwide	<ul style="list-style-type: none"> <li>* Moncler's energy consumption from renewable energy includes the Chinese mainland, Hong Kong SAR and Macao SAR. While the corporate energy consumption in Taiwan is currently derived from non-renewable sources.</li> </ul>
<b>2021</b> 65% low environmental impact vehicles in company car fleet worldwide	<ul style="list-style-type: none"> <li>▶ 35% hybrid and electrical vehicles in company car fleet worldwide</li> </ul>
<b>2030</b> Reduction of absolute scope 1 and 2 GHG emissions of 70% and of absolute scope 3 GHG emissions of 14% (2019 base year)	<ul style="list-style-type: none"> <li>▶ Greenhouse Gases (GHG) emissions reduction targets approved by the Science Based Targets initiative</li> </ul>
<b>2020</b> Study of lower environmental impact logistics solutions	<ul style="list-style-type: none"> <li>✓ Identified lower impact logistics solutions</li> </ul>
<b>2021</b> Definition of logistics emissions reduction targets	<ul style="list-style-type: none"> <li>✓ Extended monitoring of CO<sub>2</sub> emissions from logistics transports</li> </ul>
<b>2022</b> LEED certification for all new corporate buildings	
<b>SAFEGUARD BIODIVERSITY [SDG 15]</b>	
<b>2021</b> Mapping the impact of key raw materials and their origin with respect to biodiversity	<ul style="list-style-type: none"> <li>▶ Participated in biodiversity task forces promoted by The Fashion Pact</li> </ul>
<b>2025</b> Supporting for initiatives of Zero Deforestation and sustainable forest management	

**LEGENDA**  
 ✓ Target achieved  
 ▶ On time  
 ○ Delayed

TARGETS	2020 RESULTS
<b>THINK CIRCULAR</b>	
<b>MOVE TOWARDS MORE SUSTAINABLE PRODUCTS [SDG 12]</b>	
<b>2025</b> 50% sustainable nylon used (2019 base year)	<ul style="list-style-type: none"> <li>▶ Drew up sustainable materials guidelines that define criteria for choosing raw materials, accessories and production processes</li> <li>▶ Launched Moncler Born to Protect range, a selection of jackets made entirely from sustainable materials</li> <li>▶ Expanded the range of products made from recycled materials in the Moncler Grenoble line</li> </ul>
<b>2020</b> Definition of a dedicated strategy to further reduce polluting substances	<ul style="list-style-type: none"> <li>✓ Introduced the Manufacturing Restricted Substances List (MRSL) and updated the Product Restricted Substances List (PRSL)</li> </ul>
<b>EXTEND PRODUCTS LIFE [SDG 12]</b>	
<b>2021</b> Beginning of DIST-certified down recycling	<ul style="list-style-type: none"> <li>▶ Selected partners to manage the down recovery and recycling process and conducted initial extraction tests</li> </ul>
<b>2023</b> At least 80% of nylon fabric scraps recycled	<ul style="list-style-type: none"> <li>▶ Defined procedure for recovering nylon fabric scraps and conducted initial recycling tests</li> </ul>
<b>2022</b> Extra Life repair service developed worldwide	<ul style="list-style-type: none"> <li>▶ Set up roundtables with relevant company departments to organize the Extra Life pilot project</li> </ul>
<b>2024</b> Take Me Back project implemented worldwide	
<b>ADOPT LOW IMPACT PACKAGING [SDG 14]</b>	
<b>2021</b> 100% sustainable packaging for end clients	<ul style="list-style-type: none"> <li>▶ Drew up manual with guidelines for choosing low-impact materials for packaging</li> <li>▶ Identified sustainable solutions for all types of used packaging</li> </ul>
<b>2023</b> Zero single-use conventional plastics	<ul style="list-style-type: none"> <li>▶ Conducted a life cycle assessment with the Politecnico of Milan to find the best alternative to single-use conventional plastics</li> <li>▶ Replaced about 44% of single-use conventional plastics with recycled plastic</li> </ul>
<b>2023</b> 100% sustainable packaging in logistics services	<ul style="list-style-type: none"> <li>▶ In logistics packaging 44% of the plastic used is recycled and 70% of the paper used is recycled</li> </ul>

TARGETS	2020 RESULTS
<b>BE FAIR</b>	
<b>ACHIEVE RAW MATERIAL TRACEABILITY</b>	
<b>2023</b> 100% of down suppliers also compliant with new human rights and environment modules included in the DIST Protocol	▶ Shared the introduction of the new human rights module in the Protocol during the DIST multi-stakeholder forum
<b>2023</b> 100% of key raw materials traced	
<b>2024</b> 100% of key raw materials in line with the Responsible Raw Materials Manual	
<b>PROMOTE FAIR WORKPLACE [SDG 8]</b>	
<b>2025</b> At least 80% of strategic suppliers to achieve the highest grades of Moncler's social compliance standard	▶ Carried out 154 social and ethical audits involving 100% of direct suppliers of jacket manufacturers
<b>Ongoing</b> Continue mapping suppliers certified to ISO 14001 and ISO 45001 and launch awareness campaign	▶ Mapped 100% of indirect suppliers on health & safety and environmental certifications
<b>Ongoing</b> Continue promoting health & safety and environmental certifications of preferred suppliers	▶ Continued awareness activities on indirect suppliers to promote the importance of the certification processes
<b>NURTURE GENIUS</b>	
<b>EMPOWER PEOPLE [SDG 3]</b>	
<b>Ongoing</b> Repeat employee satisfaction survey worldwide annually	✓ Carried out the fourth employee satisfaction survey, <i>MONVoice</i> , with an 88% response rate
<b>2021</b> Extend performance assessments system to 100% of permanent contract employees worldwide	▶ Carried out a pilot project for employees performance assessment system at the production site in Romania
<b>2020</b> Launch further training courses for employees at the Moncler Academy for Knowledge and Excellence ( <i>MAKE</i> )	✓ Implemented 12 new <i>MAKE</i> training programmes
<b>2021</b> 10% increase in average <i>MAKE</i> training hours compared with 2019	✓ +23% average training hours worldwide with respect to 2019
<b>2020</b> Further reduce number of accidents in the workplace compared with 2018	✓ -38% workplace injuries with respect to 2018
<b>REDESIGN WAYS OF WORKING</b>	
<b>2023</b> Implement new organizational model based on cross-functional and cross-cultural working groups	▶ Adopted the remote working by 100% of corporate office employees

TARGETS	2020 RESULTS
<b>ENHANCE MULTIPLICITY [SDG 4; SDG 5]</b>	
<b>2021</b> Strengthen inclusivity and value diversity, internally and externally, and establish a Diversity and Inclusion Council	▶ Established the Diversity and Inclusion Council, which reports to the Nomination and Remuneration Committee
<b>2022</b> 100% of employees involved in a 3-year plan to build awareness of different cultures	▶ 1,400 training hours on American, Korean, and Japanese culture for 100% of employees
<b>GIVE BACK</b>	
<b>KEEP PEOPLE WARM</b>	
<b>2023</b> Protect 100,000 people most in need from the cold	▶ Supported for the fourth year in a row the <i>Warmly Moncler for UNICEF</i> project, for children living in emergency situations
<b>SHARE VALUE WITH COMMUNITIES [SDG 11]</b>	
<b>2020</b> Carry out one high social value project every two years	✓ Donated 3,600 devices and internet connections to elementary and middle schools in Milan (Italy) and 100 training hours for 80 teachers (about 2.1 million euros)
<b>2022</b> Set up a nursery for employees' children at the production site in Romania	✓ Donated about 2 million euros to the experimental homecare sanitary assistance programme for COVID-19 patients in Milan (Italy)
<b>DEVOTE TIME</b>	
<b>2022</b> Volunteering during working hours for 100% of eligible employees	▶ Identified volunteer projects to be carried out remotely

# 3

# NURTURE GENIUS

- 74 EMPLOYEES IN NUMBERS
- 80 MANAGEMENT AND DEVELOPMENT
- 94 DIVERSITY AND EQUAL OPPORTUNITIES
- 98 OCCUPATIONAL HEALTH AND SAFETY
- 104 INDUSTRIAL RELATIONS





MONCLER RECRUITS THE BEST TALENTS AND INVESTS IN THEIR PROFESSIONAL GROWTH AND WELLBEING.

IT OFFERS A WORKPLACE THAT IS HEALTHY AND SAFE, MERITOCRATIC AND STIMULATING, WHERE DIVERSITY IS VALUED AND WHERE INDIVIDUALS CAN THRIVE AND EXPRESS THEIR CAPABILITIES, POTENTIAL AND TALENT TO THE FULLEST.

# EMPLOYEES IN NUMBERS

At 31 December 2020 the Moncler Group had 4,398 employees, a slight decrease since the end of 2019 (-4% or 171 fewer employees).

The trend should be viewed in light of the COVID-19 pandemic. Due to the state of emergency, many stores underwent temporary closures, and there was also less traffic – especially tourists – in stores. For the sales network this meant fewer short-term seasonal hires, as well as personnel transfers on the basis of need. See also pages 191-194.

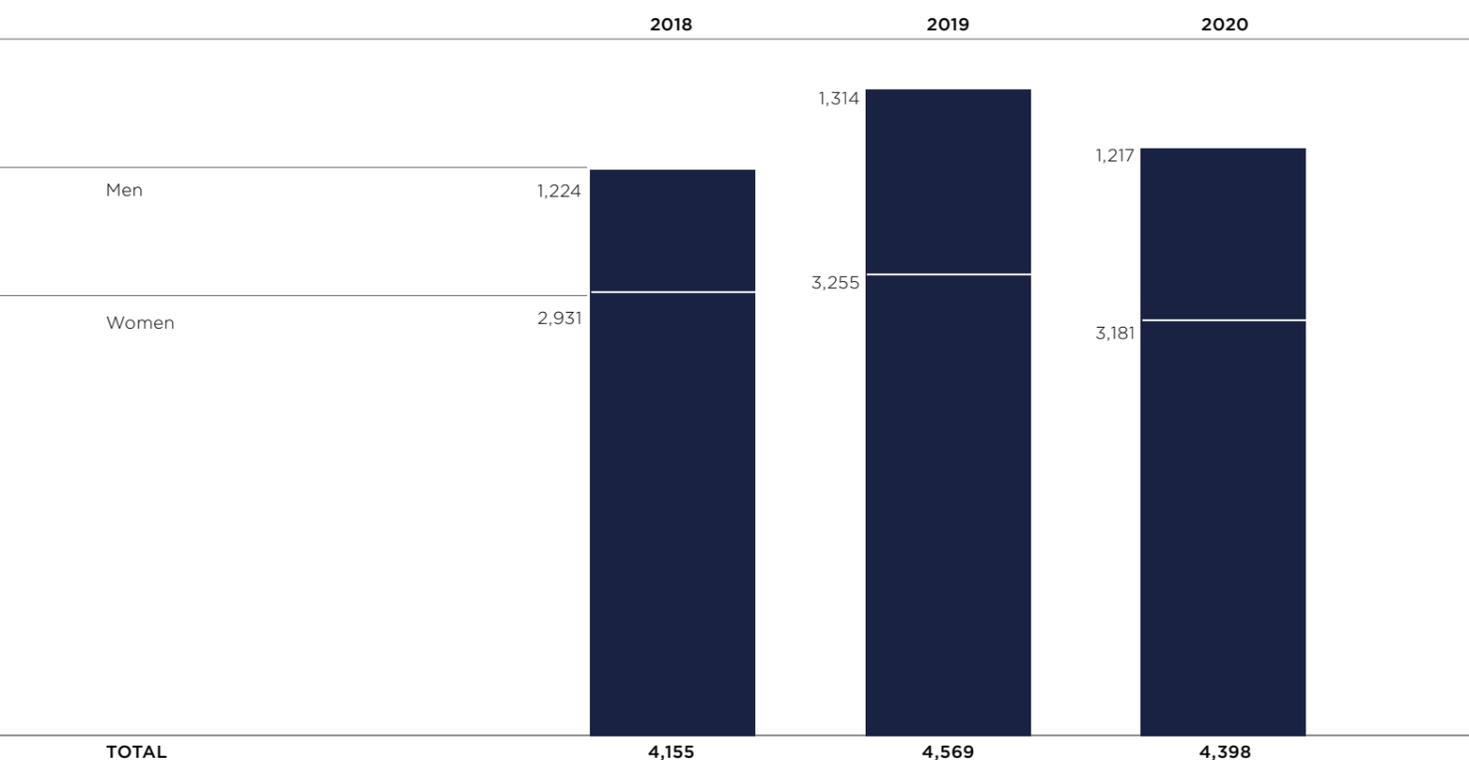
## GEOGRAPHICAL AREAS AND PROFESSIONAL CATEGORIES

The majority of Moncler's workforce is concentrated in the EMEA Region, due in part to the production site in Romania, which accounts for 66% of the EMEA workforce.

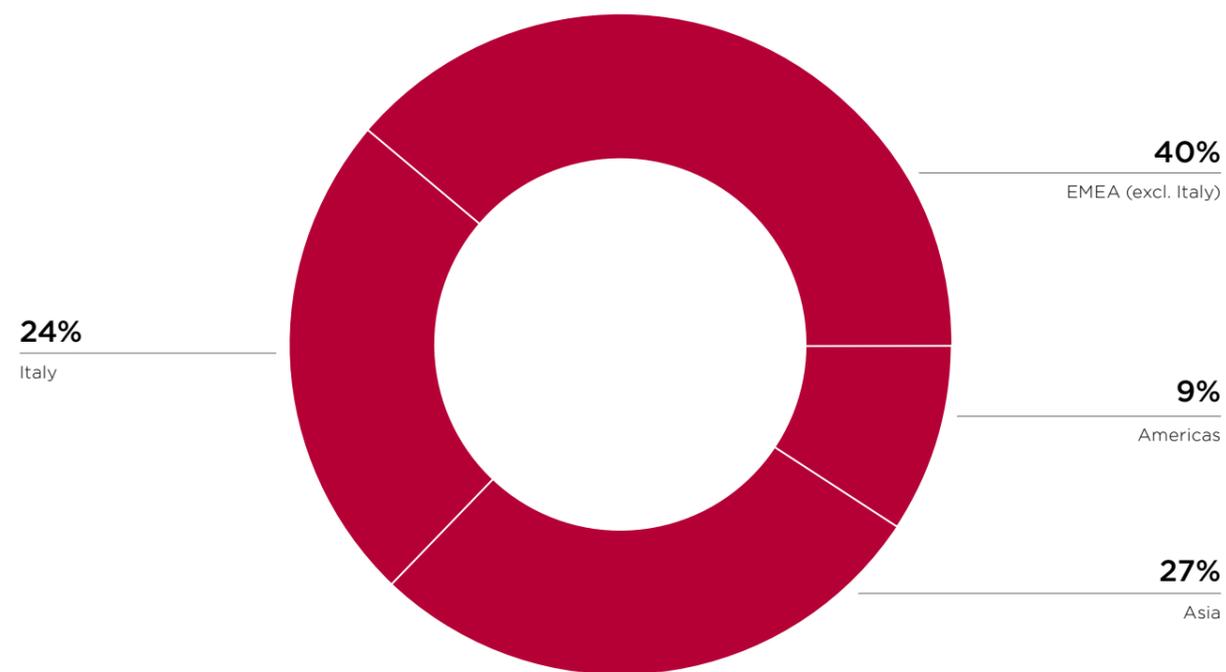
By country, besides Romania (26%), most employees are concentrated in Italy (24%), China and Japan (11%), and the United States (7%).

White-collar (including retail) workers make up the largest employee category, though their numbers decreased by 10% with respect to 2019 due to the non-renewal of temporary contracts. The fastest-growing categories are managers (+10%) and professionals (+9%), as a direct consequence of Moncler's constant investment in coordinating figures who are directly involved in the implementation of key activities and processes. See also pages 191-193.

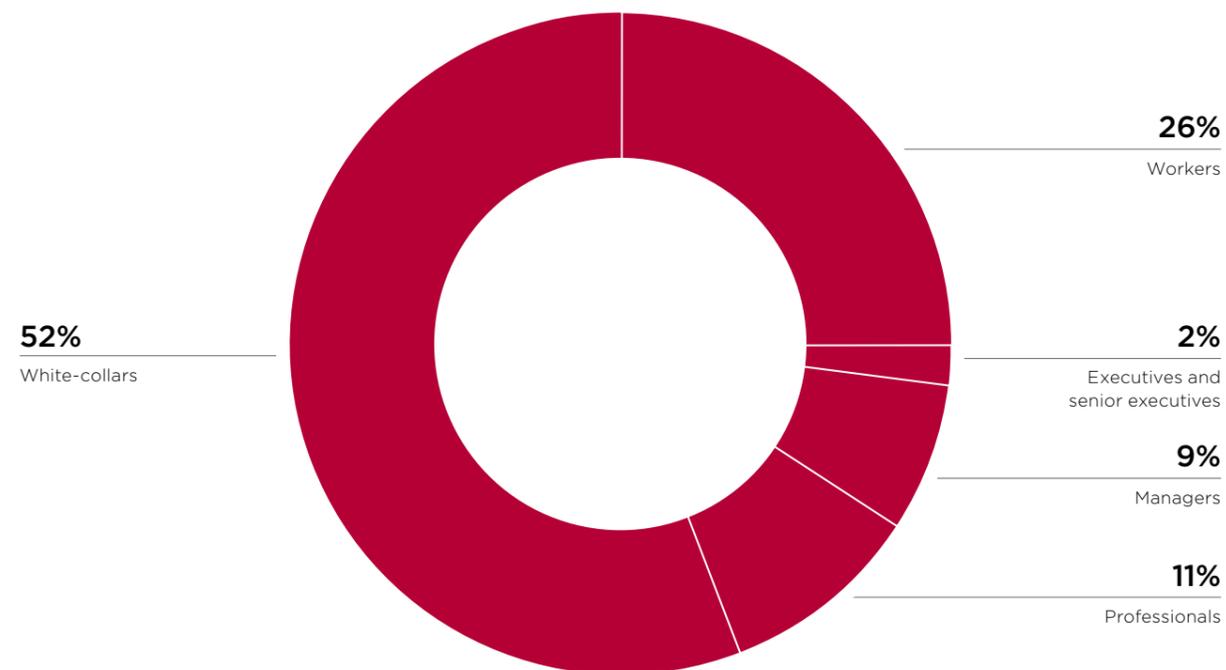
## NUMBER OF EMPLOYEES



## EMPLOYEES BY GEOGRAPHIC AREA



## EMPLOYEES BY PROFESSIONAL CATEGORY<sup>1</sup>



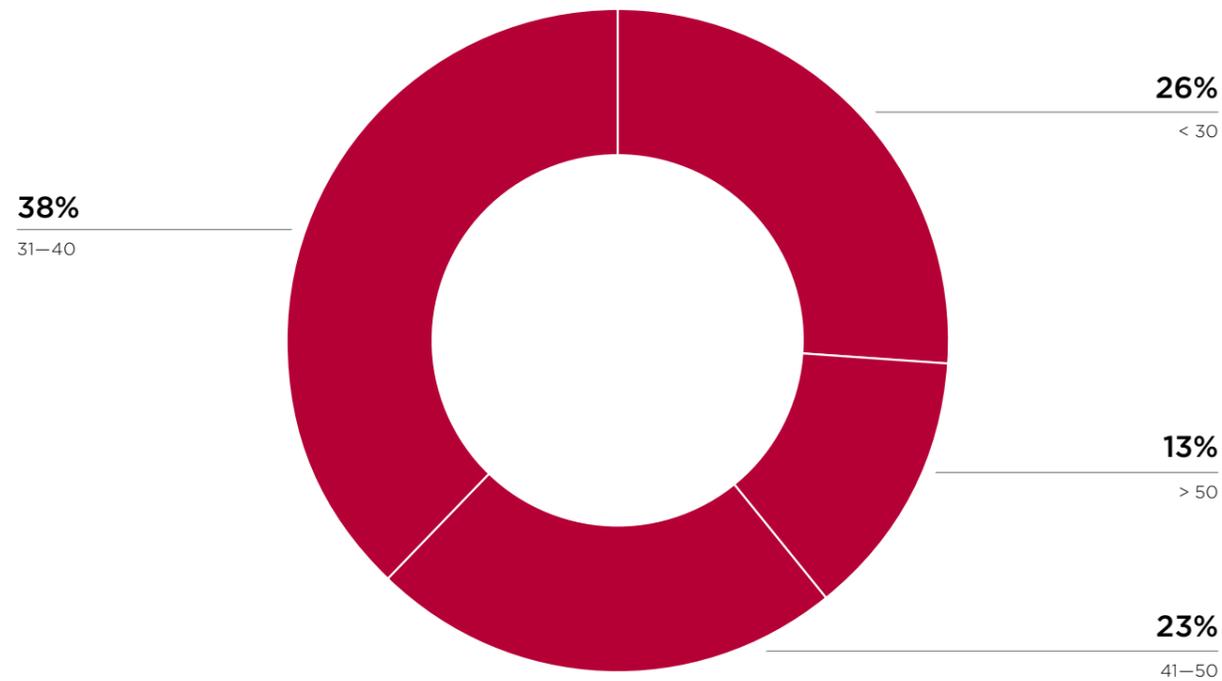
<sup>1</sup> Employees are divided into five categories: workers, white-collars, professionals, managers, and executives/senior executives. Executives and senior executives are the highest and second highest-level decision-makers in a Company division or business unit; they help define both corporate and division strategy and have a direct impact on performance. Managers are responsible for the implementation of certain operating activities and processes, usually by managing a group of people. This category also includes senior managers responsible for implementing corporate or division strategy, through leadership and people management. Professionals have specialist skills and manage activities or parts of processes that are of significance to the organization. They may be in charge of coordinating a team of technical experts. White-collar workers are tasked with specific responsibilities and/or duties assigned by a senior officer. Workers perform manual labour within the Company.

## AGE, LENGTH OF SERVICE AND EDUCATION LEVEL

The greatest concentration of employees by age is the 31-40 age group (38% of the total, a slight increase compared with 2019). Employees over the age of 50 increased by 14% for the year and now make up 13% of the workforce. The average age is 37.8 years, in line with 2019.

As regards length of service, 84% of employees (-7% with respect to 2019) have been working for the Group for 0-5 years. The groups 6-10 years and 11-20 years grew the fastest, by 15% and 16%, respectively, confirming a significant trend towards consolidation and retention. Most employees (72%) have a medium/high level of education (45% hold a university degree or equivalent, and 27% a high-school diploma). See also page 191.

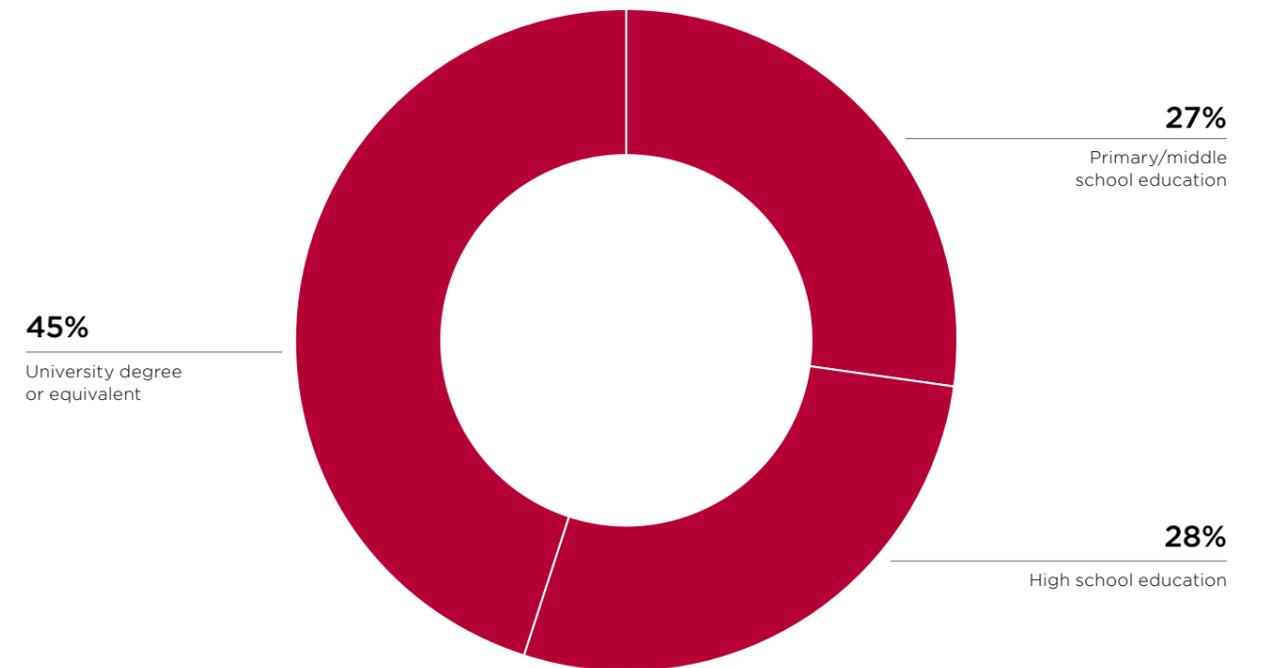
### EMPLOYEES BY AGE GROUP



### EMPLOYEES BY LENGTH OF SERVICE



### EMPLOYEES BY LEVEL OF EDUCATION<sup>2</sup>



<sup>2</sup> In 2020, 336 employees could not be mapped as their educational level was unknown.

## NATIONALITY OF LOCAL MANAGEMENT

Moncler operates directly in around 75 countries, with five regional structures, through local offices where senior management teams work in synergy with the corporate offices in their areas of expertise.

Despite the lack of a specific policy, the Company has always favoured the hiring of qualified local professionals, whose skills and knowledge of the market enable a better understanding of country-specific competitive dynamics and cultures. This approach, along with strong organizational integration on a global scale, has led to the creation of significant value for Moncler.

About 98% of senior managers in the various Regions were hired locally, with no substantial difference in gender.

### LOCAL SENIOR MANAGEMENT

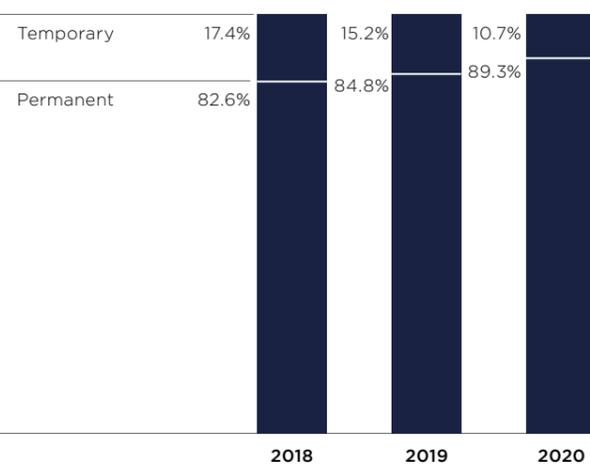
	2020	2019	2018
EMEA (including Italy)	100%	100%	100%
Americas	100%	100%	100%
Asia	97%	97%	100%

## EMPLOYMENT CONTRACTS

A total of 89% of employees have a permanent employment contract, roughly unchanged since 2019, with 93% of them working full-time.

Temporary contracts, reflecting the seasonal nature of various business and retail operations, decreased by 32% compared to 2019 as a result of reduced store traffic and temporary closures caused by the measures taken to limit the spread of COVID-19.

### TEMPORARY AND PERMANENT EMPLOYMENT CONTRACTS



In 2020, 151 temporary contracts were converted to permanent, demonstrating the Company's commitment to consolidating the workforce and retaining personnel.

At year-end 2020, 256 people were working for Moncler under other arrangements (internships, temporary, etc.), as permitted by law and in relation to business needs. A total of 16% of these were internships, which Moncler views as an important way to recruit future talents. See also page 192.

## TURNOVER

In 2020, negative turnover was 16%<sup>3</sup> compared with 21% the previous year. This amount relates mainly to retail personnel and is considered a phenomenon to be expected, given the competitive dynamics in this sector.

During the year, around 1,300 people were hired under temporary or permanent contracts, of whom more than 70% were women and 46% younger than 30. About 1,500 employees left the Company. See also pages 192-193.

### EMPLOYEE TURNOVER

	2020
Employees at 31/12/2019	4,569
New hires <sup>4</sup>	1,333
Departures <sup>4,5</sup>	(1,504)
<b>Employees at 31/12/2020</b>	<b>4,398</b>

<sup>3</sup> Negative turnover is the ratio of permanent employees who left the Company in 2020 (638) to total permanent employees (3,928) at 31 December 2019.

<sup>4</sup> Both temporary and permanent employees.

<sup>5</sup> Including 70 temporary employees whose contract expired on 31 December 2019.



# MANAGEMENT AND DEVELOPMENT

Moncler places great importance on the selection and recruitment of personnel, as well as on their performance evaluation and engagement, and is steadfast in its belief that creating long-term value is closely linked to human capital.

## RECRUITMENT

Moncler has always sought to attract and identify the best talent, people who stand out not only for their strong technical, professional, and management skills, but also for their personal qualities, passion, energy, flexibility, vision, innovative spirit, identification with Group values, and last but not least, their positive, effective interpersonal style along with a client-oriented approach, strong organizational skills, and an ability to adapt to an ever-changing environment.

Driven by the Group's growth and geographical expansion in recent years, the recruitment process is increasingly focusing on people with an international profile and a broad and diverse cultural and educational background, who have the expertise and experience to meet the Group's future challenges. An international environment, the opportunity to work on stimulating, unconventional projects where diversity is valued and where individuals are empowered to express their skills and potential, and Moncler's strong commitment to sustainable development are the key elements that help it attract talent, especially among the younger generations.

Moncler's attractiveness was confirmed by the high number of applications received in 2020, about 20,000 **résumés** were submitted via the corporate website, in line with the trend in previous years.

The recruitment process follows the procedure set out in the **Personnel Search and Recruitment Policy**, which ensures equal opportunities, the prevention of discrimination in all forms, and the empowerment of internal resources in the recruitment phase.

A fundamental lever of Moncler's human resource development, job rotation, and international mobility policies is the Internal Job Posting. Through the corporate intranet, MONCamp, interested employees can apply for open positions that best match their profile, experience, and aspirations. In 2020 about 20% of positions in Europe, 15% in the Americas, 20% in South Korea, and 2% in the rest of Asia were covered through Internal Job Postings.

In the second half of the year, despite the pandemic, the Group was able to resume international development programmes for its managers and to attract talent from different parts of the world, consistently with its inclination towards the spread of a global mobility culture.

## COLLABORATIONS WITH ACADEMIA

Moncler has long-standing relationships with the best training colleges, universities and business schools, and working with them is of great importance to the Company. Joint initiatives include internships for students and new graduates, project development, participation in work groups, and visits to Company premises. Employer branding activities are a great opportunity to showcase the Company and its continual developments, increase its appeal, and reach out to a large number of talented people.

Every year, Moncler offers various internships to young people with high potential, giving them the opportunity to experience the Company and its business as they train. In 2020, in Italy, 48 internships were offered ranging from curricular to extracurricular internships. With regard to



## MONCLER AND ITS COLLABORATIONS WITH THE MOST IMPORTANT UNIVERSITIES AND BUSINESS SCHOOLS

In 2020, Moncler's attention to attract, identify and invest in young talents with a strategic view to develop the future generation of business leaders led to numerous partnerships with the most important national and international universities and business schools, as well as with professional and educational institutions. Moncler renewed its partnership with the **Università Cattolica del Sacro Cuore (Milan)** for the master's degree in Luxury Goods Management (EMLUX), through which members of Moncler's management hold courses on omnichannel and digital topics, present business cases, and propose project activities. In 2020 this involved a class of 36 students of 18 different nationalities, who completed a project on the multi-channel purchasing process to be presented directly to Moncler management. Four students were then selected for an internship so they could continue their experience within the Group. The partnership will continue in 2021.

Together with the **Ca' Foscari University in Venice**, a virtual Meet Up took place in July 2020 with the participation of 70 young students and recent graduates.

To access the webinar and interviews with Moncler's People & Organization function, the participants had to face a challenge: play the role of Client Service Advisor, through the presentation of a video explaining their affinities with Moncler values.

The Strategic Sustainability Plan Moncler Born to Protect was also the subject matter of projects with students at various Italian universities.

Students in the Advanced Marketing Management course at LUISS University were involved in the creation of a marketing strategy and communications campaign for each of the five pillars of the Sustainability Plan. The selected projects were evaluated by the Sustainability team, which chose the best one for every pillar. In mid-December, the five winning groups presented their projects directly to Moncler management.

IED students were also tasked with creating a marketing strategy and communications plan with a specific focus on the Warmly Moncler project, a major component of the circular economy pillar.

Moncler has continued its long-standing partnership with the **Bocconi University in Milan**, particularly within the Master programme in Fashion, Design and Experience of SDA Bocconi School of Management, the undergraduate

course Management of fashion companies, and the graduate course Value chains and business models in fashion & luxury. Students in this latter course developed a competitor analysis of the fashion industry and the paths followed by Moncler and its competitors. The groups that submitted the most thorough, innovative projects presented them to a jury of Moncler representatives during digital meetings.

Again with **Bocconi University**, Moncler initiated a digital merchandising research project for students of the Fashion management course, with classroom lectures on Moncler Genius model and the Company's Social Media strategy.

Finally, the Group welcomed some final-year students of the first undergraduate Digital Management programme in Italy, offered by **Ca' Foscari University in Venice** in collaboration with **H-Farm**.

In Japan the Group strengthened its collaboration with some major universities and business schools, including the Professional Institute of International Fashion in Tokyo, Tokyo Seitoku University, Kyoritsu Women's University in Tokyo, Temple University in Tokyo, Bunka Fashion College in Tokyo, and Ueda College of Fashion in Osaka. These partnerships mostly concerned fashion retail courses, with the aim of starting an internship programme at Moncler's most prominent boutiques. Three virtual internships were set up at the flagship store in Tokyo's Ginza.

The international partnership with Les Roches International School of Hotel Management in Crans-Montana, led to hiring a manager in training at the local flagship store.

In America, the Group collaborates with several major fashion schools to find potential candidates for Moncler positions, these include: the LIM College and the Fashion Institute of Technology in New York. Moncler has also joined the Handshake community that makes it possible to get in contact with thousands of schools across the United States.

In Europe, career days have been organized with PSB Paris School of Business, the Institut Français de la Mode in Paris, EHL, the Glion Institute of Higher Education, and Les Roches International School of Hotel Management. At these latter two schools, with the support of teachers and personnel from Moncler, six groups of Les Roches students and three groups of Glion students presented their ideas for fine-tuning and enriching the Moncler client experience.

these latter categories 27% of them led to regular employment contracts.

In 2020, despite the COVID-19 pandemic, Moncler continued to organize sessions with the students of its partner schools through the greater use of digital platforms. Workshops, business cases, and recruitment sessions were offered on the basis of ad hoc programmes developed for each school.

The main institutions with which Moncler partnered were the Glion Institute of Higher Education, Les Roches International School of Hotel Management (Crans-Montana), Ecole Hôtelière de Lausanne, Università Cattolica (Milan), Bocconi University (Milan), Ca' Foscari University (Venice), the University of Padua, the Politecnico of Milan, Istituto Secoli and IED (Milan), Domus Academy (Milan), CUOA (Vicenza), Istituto Marangoni and NABA (Milan), Milano Fashion Institute, and LUISS (Rome).

## TRAINING

Training plays a key role in the development of talent. It is an important tool for enhancing and strengthening individual skills while also disseminating the Company's values and strategy, thus supporting cultural and organizational growth.

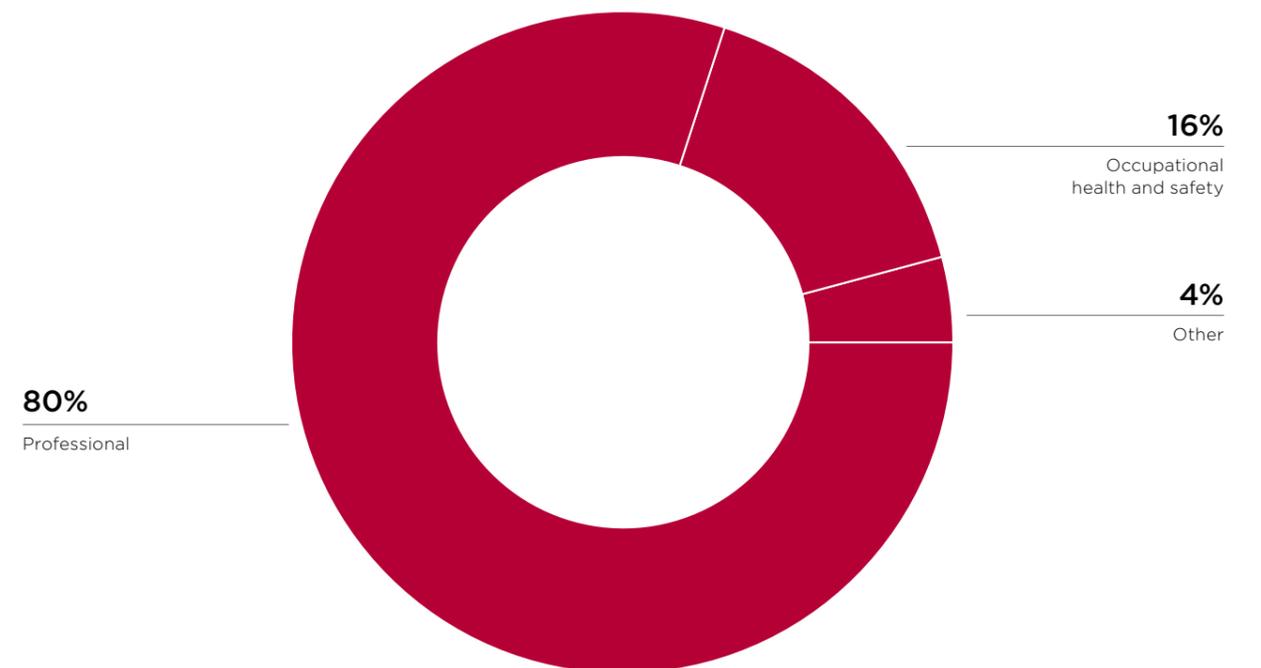
## TRAINING INVESTMENTS

	2020	2019	2018
Training expenditure (EUR)	537,856	886,578	712,669
Hours of training (No.)	121,795	103,194	96,383
Employees involved (No.) <sup>6</sup>	4,830	4,690	3,968

In 2020, despite the challenges posed by the pandemic, training activities were intensified with more than 530,000 euros invested and over 120,000 hours of training (18% more than in 2019) delivered to more than 4,800 employees, of whom 73% were women.

Teaching went increasingly digital during the year, with a 51% rise in e-learning. Since 2019 the Group has been busy updating and adapting content, training activities, and the makeup of participant groups. This made it possible to involve a greater number of employees in training courses (+3% compared with 2019). Of the employees who participated in training activities, 50% were white-collars, followed by workers (29%), professionals (11%), managers (8%), and executives and senior executives (2%).

## TYPE OF TRAINING



6. Refers to all employees, including those who left service during the year, who received at least one training course in 2020.

The average hours per capita, equal to 28, increased by 23% with respect to 2019. In particular, the average hours per capita for women were 32, while those for men were 16.

In 2020, 80% of investments in training activities referred to technical and professional courses for sales staff and employees at corporate offices. There was also an ongoing commitment to health and safety training, which accounted for 16% of all hours, while 2,750 hours were devoted to human rights training, including 2,400 for the Cultural Awareness and Diversity & Inclusion programmes.

Technical and professional training took place at various moments during the year. The Operations team organized a course on product compliance and sustainable supply chains to share the standards and responsibilities of the various players involved in product compliance, and to look into the measures, requirements, and controls put in place by Moncler and the local markets.

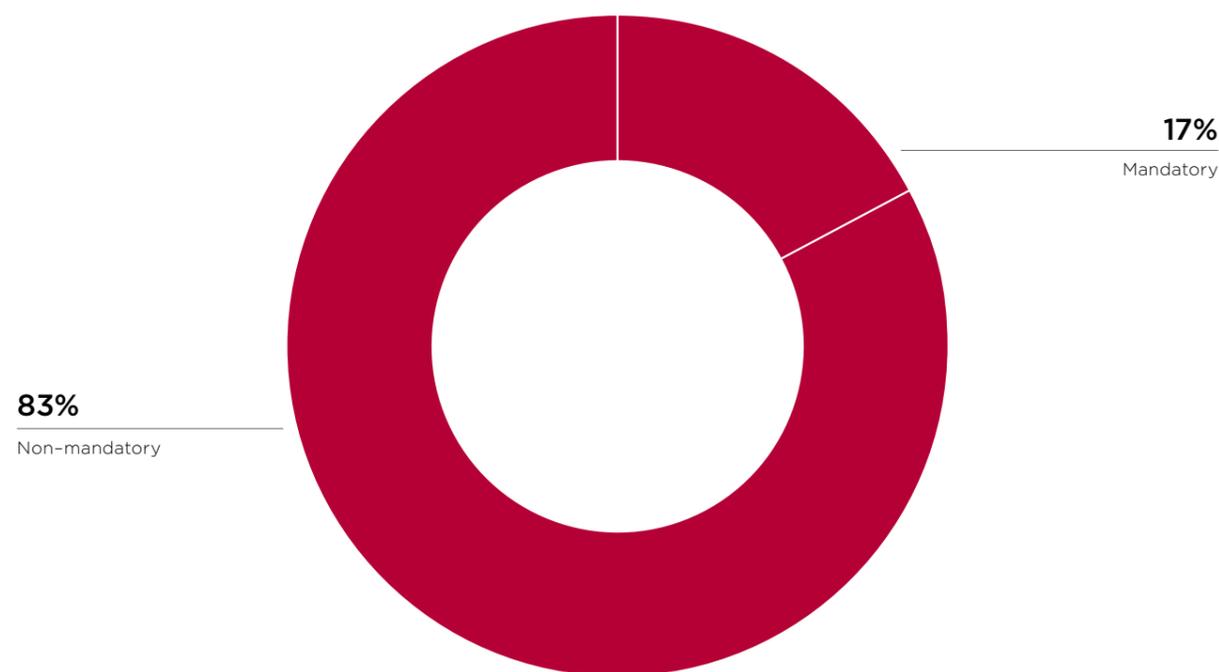
The Brand Protection team explained the importance of knowing and following brand protection procedures as fundamental means to protect the Company from reputational

damage and claims for compensation. Finally, a series of lessons on Product Lifecycle Management (PLM) was introduced as a new system for collection development.

Globally, courses on the new GDPR (General Data Protection Regulation) and cybersecurity were provided to all employees, as well as a series of product-specific courses. An online course on the Organization, Management and Control Model with a specific focus on anti-corruption, and another on the Code of Ethics, has been provided for employees in Italy to explain Moncler's principles and guiding values including, in addition, issues on human rights.

As the coronavirus emergency persisted, Moncler defined an Anti-COVID Protocol in order to allow its employees to safely return to work. Aware of the importance of informing people in a timely manner and allowing them to learn all about the health and safety measures described in the protocol, Moncler immediately created a specific e-learning course for all of the Group's employees. Throughout the year, Moncler continued to offer training programmes at both the corporate offices in Italy and the production site in Roma-

## TYPE OF TRAINING



## MAKE: MONCLER ACADEMY FOR KNOWLEDGE AND EXCELLENCE

MONCampus, the first internally-taught programme to improve knowledge of Moncler's value chain, showed such potential for training opportunities which prompted the Company to invest resources in putting together a proper Academy project. The result is MAKE, Moncler Academy for Knowledge and Excellence, a learning ecosystem for personal development in terms of skills and expertise but also in terms of mindsets, working methods, and organizational awareness.

In a global competitive landscape whose constant growth is accelerated by technology, it is vital to act quickly, in an agile way and with high adaptability. MAKE's goal is to empower people to face this scenario, so they can keep Moncler's competitiveness and fuel the innovative spirit that has always set it apart.

Starting with the Group's business needs, MAKE aims to build a climate of learning where, under the sponsorship of their supervisors, people are aware of their professional growth and able to articulate their needs, while developing an ability to learn from their day-to-day work, understand that "learning is in everything I do", and share expertise with their colleagues.

To achieve this ambitious result, MAKE consists of numerous programmes, many of which were launched in 2020 along with its specially designed technical infrastructure: the MAKEPlatform. This is a place accessible to all employees, where they can find training content, e-learning courses, articles, and webinars and interact with their community at any time.

The platform also contains an events calendar where employees can register for a variety of activities, and a special area dedicated to Moncler's values. Lastly a specific editorial plan has been developed in order to provide contents always fresh and consistent, focused on training courses linked to four themes: Remote Working, Management, Leadership, and Personal Effectiveness.

MAKE's underlying philosophy is to create training plans tailored to the individual's pro-

fessional family or group, such as new hires or the newly promoted: specific content will accompany each person's "journey" within the organization and help develop new knowledge and skills.

To make sure the training themes are firmly anchored to business needs, top executives play a key role in determining the training needs and in designating Makers, namely the internal Subject Matter Experts who will take the lead. The executives are first invited to pinpoint the knowledge and skill sets needed to achieve the medium- and long-term targets the Group has set in its business plan. On that basis, strategic, leadership, and technical training programmes are developed for the department's population. The sharing of knowledge and abilities is one of the fundamental elements of MAKE, hugely valuable to both the learners and those who share their experience. For this reason, one of its key programmes is Makers Lab: the internal Subject Matter Experts - the 23 Makers designated thus far - share what they know about specific activities, processes, and tools. This programme started in 2020 with 12 Makers, who put their knowledge to work in 29 webinars totalling more than 600 hours of training. A variety of topics were addressed: from how to optimize in-person or online meetings, to the basics of project management, lean management, anti-counterfeiting and traceability, boutique management and retail development, the Strategic Sustainability Plan Moncler Born to Protect, the omnichannel client experience, and the Group's financial milestones.

In 2021, the MATE (Moncler Academy for Technical Excellence) project will evolve thanks to the **Adopt a School** programme sponsored by AltaGamma. This is a specific training course for students in their final year of technical and professional schools that aims to train young people to work on sample making, prototyping, and quality control with a comprehensive view of how a down jacket is made.



## TRAINING THE CLIENT ADVISOR AS A STRATEGIC ASSET

Training is a crucial element in the professional growth of our Client Advisors and in their ability to reinforce positive client relationships.

While the training programme focuses on understanding the Brand, its history, products, style, materials, and production processes and on interpersonal skills, it also emphasizes the importance of listening to clients, exploring their needs, and relating to them including by way of effective storytelling and a service that truly meets their expectations.

The proper training of sales personnel is key to communicating the Brand. In recent years, the programme has been designed to give Client Advisors all the information they need to maintain a dialogue with clients that is personalized and consistent in content and way of delivery. With the Moncler Genius project, for example, clients are guided to the discovery of individual collections thanks to new and richer in-store experiences, each designed for a different type of client. Again in 2020, Moncler Genius e-learning modules were developed for the launch of each collection. Since 2019, peer-to-peer and self-learning courses have also been integrated into Moncler Genius training. In this area, the task of Client Advisors is to train colleagues and boost their skills and basic knowledge.

Meanwhile, in order to ensure a uniform, consistent approach to clients and to the way the Brand is communicated, 2020 was also an intense year of training for the staff of the main stores in the **wholesale channel**, in particular at mono-brand stores (shop-in-shops). E-learning modules were held on the history and culture of Moncler and on product knowledge. This way,

the client's experience is enhanced by the narrative of the company's history and by an effective presentation of the distinctive features and qualities of Moncler products. Training was also supported by new materials distributed during in-store morning briefings and through new digital training tools.

In the retail channel, the training programme for Store Managers continued with a focus on developing managerial and leadership skills. A group of Client Advisors was also selected on a regional basis to guide a peer-to-peer training programme.

With the global health crisis and consequent restrictions on movement, 2020 saw some important collaborations with the Merchandising department, to keep offering an even more detailed distance training on products with a specific focus on materials.

Webinars were also produced so that Client Advisors worldwide to share the new guidelines on how to provide a ceremonial selling experience even during the pandemic, while respecting distancing measures and ensuring personal safety.

The weekly "Micro-activity" programme, launched in 2019 to improve soft skills, has evolved into the monthly "Pro-Activities" project with educational and commercial objectives. These training opportunities are based on continuous self-learning and knowledge sharing at the international level.

2021 will be an important year for the development and delivery of online courses through the use of a variety of innovative digital channels.

nia. These were mainly designed to reinforce and spread a **culture of personal health and safety**, raise awareness of risks in the workplace while providing information on risk identification and management, and encourage responsible behaviour among all employees. As regards legally required training on Legislative Decree 81/2008 on health and safety in the workplace, during the year 46 users have been activated for executives and senior executives training, 77 for health and safety officer training, and 158 for the update of specific courses. In all, the Company provided approximately 20,000 hours of health and safety training. See also page 194.

In the context of efforts to promote inclusivity and diversity, during the year e-learning seminars were held in the Americas Region to foster these values and provide the tools for developing an ever more inclusive organization. Initial concepts like the way unconscious bias conditions our judgement and behaviour led into topics such as inclusion and belonging and how to prevent sexual harassment in the workplace.

With regards to promoting diversity the cultural awareness programme has continued. The aim of this programme is to foster respect for cultural differences and to recommend the most appropriate ways of interacting and communicating with colleagues, partners, and other people from different cultures. After the first session on Chinese culture held in late 2019 for corporate employees in Italy, in 2020 digital sessions addressed American, Korean, and Japanese culture to the benefit of the entire Moncler population.

Moncler further strengthened its partnership with the Italian association Valore D, giving some corporate employees in Italy the opportunity to take in-house courses and workshops. These were designed to promote organizational models and develop a culture of cooperation and dialogue among different generations, genders, and cultures, and to facilitate the use of innovative, flexible tools to increase the wellbeing and motivation of the staff involved. During the year, Moncler employees have been engaged in courses focused on the development of the entrepreneurial spirit of young women, being mindful of one's role in the business, striving for effective communication, and developing managerial skills. Some liaison officers of the People & Organization Department took courses on understanding the levers that help develop talent at Moncler.

The **Pattern Making School** formed in 2018 at the production site in Romania aims to enhance professional skills and lead to improvements in various departments, such as pattern making, CAD, development and placement. The school yields clear benefits in terms of earnings and time-to-market, while also improving employee retention and boosting job opportunities. In 2020, seven Romanian students who started training in September 2019 continued their programmes, and three of them were hired as pattern makers. The CAD course proceeded with four participants, of whom two were hired for the CAD department in early 2021.

At the retail level, Moncler continued to invest in a number of training programmes for enhancing the professionals skills of the sales personnel. These covered multiple topics, ranging from technical product knowledge (raw materials, production processes for footwear, handbags, and sunglasses), to sustainability features, to understanding the Brand and its history, and to the development of interpersonal and managerial skills, with a view to promoting a service model

and sales style that make the shopping experience unique and distinctive. See also page 86.

## REMUNERATION

Moncler's remuneration system is designed to attract, motivate, and retain people with the professional skills required to grow the Company's business. It is based on the principles of fairness, equal opportunities, meritocracy, and competitiveness on the market.

As a listed company, Moncler's Remuneration Policy for Group directors and key executives is in line with the recommendations set forth in the Corporate Governance Code issued by Borsa Italiana. The Policy was defined with contribution from the People & Organization Department, the Nomination and Remuneration Committee, the Board of Directors, and the Group's shareholders at the Annual Shareholders' Meeting (see the Report on Remuneration, available in the "Governance" section at [www.monclergroup.com](http://www.monclergroup.com)).

Remuneration for Company employees takes into consideration specific criteria, including market standards, internal fairness, characteristics of roles and responsibilities, and individual expertise, with every effort made to ensure the highest levels of objectivity to prevent any form of bias or discrimination.

For several years now, Moncler has implemented an annual **salary review process** based on two principles: performance and talent. On the basis of annual assessments and business results, as well as potential shown, managers can propose salary raises for their employees. These raises are then discussed in steering committees. The approved proposals take into account individual merit, contribution to the creation of added value for the Company, fairness, and competitiveness in relation to the market.

In every country in which it operates and without distinction by gender, Moncler offers entry-level salaries equal to or above the minimum wage provided for by law or collective bargaining agreements. This was confirmed by an analysis conducted in 2020 on the entire Group workforce, including the production site in Romania.

Since 2019 the Group has a Global Mobility Policy, which sets out the company's commitments in ensuring fair, competitive, incentivizing, and consistent financial packages for Expatriates around the world. This policy is a fundamental tool for regulating international mobility, which increasingly underpins personal growth and the Company's success.

The salary structure of 94% of eligible professionals, managers, executives and senior executives includes both fixed and variable components, balanced on the basis of the contribution to the Company's strategic objectives. **Variable component** may take the form of **short-term bonuses** (Management By Objectives) for store managers and corporate employees, sales commissions for retail personnel at both the team and individual level, or comprise **long-term incentives**. Corporate employees in Italy, up to the title of manager, are also eligible for bonuses tied to company performance indicators.

The **Management By Objectives** (MBO) system focuses mainly on quantitative targets related to overall Company performance (mainly Group consolidated EBIT), as well as qualitative objectives of strategic and operational impor-



tance, such as those stated in the Strategic Sustainability Plan Moncler Born to Protect.

In the MBO system, social and environmental targets related to the fulfilment of the Sustainability Plan are set for everyone involved in the implementation of the plan itself, likewise, responsible sourcing objectives are assigned to some key positions. For all members of the Strategic Committee, including the Chairman and CEO, a percentage of their MBO bonus depends on the achievement of strategic sustainability objectives.

In 2020, despite the difficult economic context, a revised MBO system was maintained in order to motivate employees and reward them for their efforts in such a challenging year. The Chairman and CEO, the executive directors, and the strategic directors gave up their MBO bonuses to help fund the incentives for the rest of the workforce.

Changes were made during the year to the system that incentivizes the achievement of outstanding performance through mechanisms that reward the employees' over performance by increasing the amount of obtainable bonuses, starting from a specific threshold, when performance targets are exceeded.

Moncler has been using **Performance Share** plans as a long-term incentive system for key positions, up to the managerial level. These plans enable linking the bonuses for Group managers and key staff to the Company's actual performance, steering people towards strategies that focus on medium and long-term targets, aligning the interests of beneficiaries with those of shareholders and investors, and developing policies to attract and retain talented professionals.

Three stock option plans and three performance share plans have been introduced since the Company's listing on the stock exchange in 2013:

- *Stock Option Plan 2014-2018 Top Management and Key People*, for Group senior management and key officers in the organization;
- *Stock Option Plan 2014-2018 Italian Corporate Structures*, for all employees at Italian corporate offices with a permanent employment contract;
- *2015 Performance Stock Option Plan*, for Group key officers in the organization;
- *2016-2018 Performance Share Plan*, for Group senior management and key officers in the organization;
- *2018-2020 Performance Share Plan*, for Group senior management and key officers in the organization;
- *2020 Performance Share Plan*, for Group senior management and key officers in the organization.

The new 2020 Performance Share Plan includes an ESG performance indicator. This refers to the Strategic Sustainability Plan Moncler Born to Protect, which contains the medium- to long-term strategic guidelines for sustainability aspects. In defining the five strategic priorities of the Plan and the commitments taken on to achieve them, Moncler took into consideration also the targets set by The Fashion Pact, which it joined in 2019, focused on three main areas: combating global warming, restoring biodiversity, and protecting the oceans. The ESG performance indicator therefore focuses on three challenges: carbon neutrality, the reduction of conventional single-use plastic, and recycling pre-consumer nylon. The indicator also considers Moncler's performance in the Dow Jones Sustainability Index.

See also the 2020 Report on Remuneration, available in the "Governance" section at [www.monclergroup.com](http://www.monclergroup.com).

## BENEFITS

Remuneration packages offered to employees feature a wide range of benefits, from life insurance and pension plans to information and prevention programmes aimed at improving people's wellbeing. Moncler offers employee benefits based on their professional category, irrespective of type of employment contract (permanent/temporary, full-time/part-time). Benefits are provided according to international guidelines, with possible variations depending on country-specific policies.

With a view to developing remuneration policies that not only pay employees for their work but respond to their non-financial needs, Moncler has developed corporate welfare plans currently in Italy, the United Kingdom, and South Korea to ensure greater care and attention to the well-being of people, who have always been the Company's true strategic asset. In Italy the plans apply to all employees, up to the managerial level at the corporate offices, working under a permanent contract or an apprenticeship contract as of 31 December of each year and offer a wide range of benefits and services, some of them extended to the employee's family members, including reimbursement of school expenses, vouchers, leisure activities, and wellness packages.

In Italy employees can also choose to pay a share of their welfare credit into supplementary pension funds, and

### MAIN BENEFITS OFFERED

Financial benefits	Employees entitled to benefits
Supplementary pension plans	39%
Supplementary health plans	56%
Life insurance	17%
Financial support for disability	35%
Company canteen or lunch vouchers	46%
Company welfare plans <sup>7</sup>	51%
Other <sup>8</sup>	37%
Social benefits	Employees entitled to benefits
Fitness/sports centres <sup>9</sup>	0.09%
Wellness and nutritional programmes	52%

<sup>7</sup> Includes the Moncler Corporate Welfare Plan, as well as kindergartens and other childcare services.

<sup>8</sup> Includes benefits such as a company car, transport allowance or accommodation.

<sup>9</sup> Includes free admission to gyms, fitness courses and other initiatives.

the welfare plan has an “access” clause linked to the Group’s profitability.

During the year, the Company’s welfare initiatives included **nurseries** and **preschools** for the children of employees at the corporate offices in Trebaseleghe (Padua, Italy), the cost of which was covered entirely by Moncler. The selected schools offer spaces for up to 33 children of Moncler employees. By the end of 2022, a nursery will be completed for the children of manufacturing employees in Romania, which will host about 60 children.

Since May 2018, Moncler has been a member of Sanimoda, a supplementary healthcare fund for workers in the fashion industry in Italy, which provides healthcare services complementary to those of the Italian national health service. During the year, 728 employees signed up with Sanimoda.

## DEVELOPMENT

Identifying and retaining the best talent is of crucial importance to the Company. In order to enhance and develop that talent, Moncler follows the PIUMA Leadership Model, an annual **performance assessment system** that measures the skills people use to achieve their set targets. Based on a solid methodology, it measures performance by assessing the level of knowledge, problem solving and impact on the business, then comparing it with the standard expected for the specific role. This helps verify how well employees fit into their role, while suggesting potential training and development plans.

The assessment is underpinned by a series of values that everyone in the Company is expected to adopt and promote: integrity, passion, identification with the Moncler culture, the ability to establish relationships built on trust, global vision, performance excellence, innovation and talent development.

Conceived to improve business performance, the assessment system has a medium/long-term perspective, and is thus one of the key processes for managing and developing people, identifying succession plans, and retaining the best talent within the Company. As such, it is the basis of the salary review process. An important part of the evaluation process is the self-assessment, where employees compare their own perception of their performance with the Compa-

ny’s view, leading to more constructive feedback between supervisors and team members.

The assessment process requires managers to appraise their respective teams using a digital platform. Assessments are then reviewed and finalized by a committee of senior executives, who compare and calibrate them to ensure objectivity and fairness. The process concludes with a feedback session between the supervisor and the team member, who discuss results and areas for improvement and agree on a plan of action to strengthen future performance.

The assessment process applies to all positions worldwide, corporate and retail, and since 2020 includes the management team of the Romanian production site. In 2021 it will be extended to workers in Romania, in a manner consistent with the needs of such an important population in terms of size and specificity.

In 2020, 2,708 employees were assessed, 15% more than the prior year, accounting for 97%<sup>10</sup> of the eligible workforce.

## EMPLOYEE ENGAGEMENT

Moncler sees employee dialogue and engagement as key to fostering the motivation and satisfaction of its people, thus creating strong long-term relationships. To this end, the Engagement & Internal Communication unit, within the People & Organization department, is tasked with developing strategies, actions and tools to engage personnel while promoting a company culture. This year, with the COVID-19 emergency, employee engagement was even more important to foster a sense of closeness among people who had to work remotely, apart from their teams.

Use of the **corporate intranet** site MONCamp has grown over the years as a way to share information and news and enhance networking among colleagues. The MONCamp news section, based on a specific editorial plan, features news about products, events and people in order to boost knowledge, sharing, and a growing sense of belonging to the Moncler family. The platform’s “social” function has been strengthened and broadened and is now an important means of communication among employees, especially retail workers, who use it to share sales experiences, build client relationships, and promote local events.

Moncler regularly conducts a **people satisfaction survey**, MONVoice, which aims to offer a snapshot of the Company’s positioning in terms of employee engagement and employee enablement. By analysing the individual elements of each of these aspects, Moncler identifies its strengths and areas to be addressed to improve its overall positioning.

In December 2020 the fourth edition of MONVoice kicked off, involving 3,741 people worldwide with a questionnaire of 48 closed-ended questions (17 sections) and two open-ended questions designed to gather suggestions on new working methods and on diversity and inclusion activities. Three new sections were added to address changes and key trends of the last year. The first aimed to understand how Moncler people perceived the Company’s decisions in response to the pandemic. The second dealt with diversity and inclusion, in an effort to gather employees’ thoughts and suggestions on this topic. The third investigated the values with which Moncler people most identify, those in which they recognize their

## PERFORMANCE ASSESSMENT

	2020	2019	2018
Employees assessed (No.)	2,708	2,354	2,200
Eligible population covered (%)	97%	92%	95%

10. Percentage calculated on the total workforce with permanent contract at 2020, which served as the benchmark for the 2020 assessment process.



own supervisor, and those they believe reflect Group management. All aspects were rated higher than in previous years, with especially high marks going to “quality and attention to the client” and “clear strategic direction”. “Collaboration and communication among departments” is still an area for improvement, although improved since 2019. Most employees reported feeling well supported during the health emergency and that they appreciated the decisions Moncler took in the face of this extraordinary situation.

To begin to improve people’s satisfaction starting with the people themselves, the survey results are shared worldwide through dedicated newsletters and meetings. The results sharing moments are fundamental to deepen the understanding of the data and plan how to better meet the needs and expectations of the entire workforce.

Activities designed to have employees interact with senior management continued during the year. These include “Thank Boss It’s Friday”, an event – carried out virtually in 2020 – in which employees share insights and offer suggestions to senior management with a view to open dialogue. During the year the Chief Corporate & Supply Officer and the Chief Marketing & Operating Officer met with 38 people from Italy’s corporate offices, in six dedicated sessions. This initiative, confirmed for 2021, will be extended to the entire global workforce and to other executives and senior executives.

Another important event was the announcement of results for the first nine months of the year. In October 2020, the Chief Corporate & Supply Officer and the Chief Marketing & Operating Officer held a streaming session with all employees worldwide, to illustrate the Company’s results and present an overview of actions taken as well as current and future plans. During the live event, people had the opportunity to ask questions on all relevant topics.

Steadfast in its belief that **company volunteering** is not only an instrument of social responsibility but a means of creating a culture that is attentive to diversity and solidarity, since launching the programme in 2018, Moncler has built partnerships with several non-profits for activities ranging from the environment to child welfare. Every Corporate employee in Italy can take **two days a year to volunteer with these partners**, choosing from different organizations, types of activities, and dates. Due to the COVID-19 emergency, in 2020 volunteering was suspended worldwide. During the year the Group identified new forms of volunteering, including remote opportunities making use of digital technologies. Some projects of this kind have been identified and will begin in 2021 with Fondazione Francesca Rava and Legambiente. See also page 182.

## PEOPLE SATISFACTION SURVEY

	2020	2019	2018
Employees involved (No.)	3,741	3,640	2,425
Population covered (%)	100	100	58
Engagement rate (%)	72	60	59
Response rate (%)	88	88	91
of whom women (%)	73	73	64

## COVID-19 EMERGENCY: MONCLER PROTECTING ITS PEOPLE

Since the start of the COVID-19 emergency, Moncler has made employee safety an absolute priority, taking every measure to reduce risks to a minimum and provide a safe working environment. The Company defined safety protocols, supervised by epidemiologists, and arranged remote working mechanisms for both corporate and retail employees, always in full compliance with the public health orders in force in the various countries.

When people returned to the office, a strict protocol was adopted to protect the health of all, reflecting the most up-to-date scientific findings. This involved clear directives to ensure proper distancing in common areas and individual workspaces, guide behaviour, and specify the protective equipment to be worn depending on different exposures to risk.

The Company provides a constant supply of surgical masks and disinfectant kits for the office. In this regard, since April 2020 Moncler has produced over 1 million face masks, bearing the CE mark and with prior approval from the Istituto Superiore di Sanità, which it were distributed to all employees and to schools in local communities where the Company operates. See also page 183.

Workspaces are disinfected throughout the day and sanitized periodically. Temperatures are measured several times a day, using thermal scanners at the entrances of Moncler’s offices.

In 2020 more than 9,500 antibody, rapid antigen, and molecular swab tests were carried out to screen for positive cases in Italy and the rest of Europe, while in the other Regions, screening was managed by the public health authorities. In order to monitor the situation constantly, the swabs are repeated regularly. In addition, through a partnership with San Raffaele Hospital in Milan, almost 200 local employees were able to sign up for and receive the seasonal flu vaccine along with their family members.

Because of the importance of allowing people with pre-existing diseases or that need medical advice to access medical services under the difficult conditions posed by COVID-19,

Moncler signed a telemedicine agreement with the San Donato Group - San Raffaele Hospital covering employees in Italy and their families. This provides a safe and easy way to seek general and specialist care without having to travel physically to the clinic. The service provides reports that are legally valid and can be used to fill prescriptions.

To reduce the use of public transport wherever possible, bicycles are available to employees of the Milan corporate offices so they can travel in greater safety.

During the year, employees mainly worked remotely, except for a few teams and liaison officers who were authorized to work on site because their jobs required physical presence. With work organized so differently over the last several months, internal communication became very important for keeping people connected, fostering a positive climate, supporting the company culture, and promoting a strong sense of belonging and personal motivation. Since the start of the emergency, Moncler has sent out more than 100 communications to inform employees and keep them up-to-date on the Company’s decisions, initiatives, and activities.

In the early days of the pandemic, a private Instagram page was set up for all Italian employees. Packed with a variety of content and daily livestreams on current topics, it has helped keep the engagement high. Topics have included health and safety, with doctors and epidemiologists weighing in on how to interpret “fake news”, the proper way to wear personal protective equipment, and even how to save a child from choking. There have been discussions on healthy diets, prevention, exercise and wellbeing, and cultural topics like books and music. Remo Ruffini, Moncler’s CEO, has used Instagram Live to interview journalists, influencers, fashion industry experts and others, talking with them about Moncler’s values and trending topics. The Instagram page has since been extended to Moncler’s global workforce, with local channels set up in Japan and South Korea.

# DIVERSITY AND EQUAL OPPORTUNITIES

Moncler operates in an international and multicultural context. It cherishes diversity as an asset to be valued and as a source of competitive advantage for the company.

Welcoming everyone, celebrating diversity everywhere, expressing ourselves always are core aspects of Moncler's culture and determining factors for its growth and its way of doing business. Moncler thrives on multiplicity and engages with all generations and cultures, convinced that diversity is an essential and enriching element.

As stated in the Code of Ethics and in keeping with its inclusive approach, the Group does not tolerate any form of discrimination based on ethnic origin, skin colour, gender, sexual orientation, religion, nationality, age, political affiliation, trade union membership, marital status, physical or mental disability, or any other personal characteristic or condition. Respect for diversity and equal opportunities and the prevention of all forms of discrimination are key principles which Moncler is committed to guaranteeing at every step of the employment relationship, from the recruitment process and definition of remuneration package, to opportunities for professional growth, through to the conclusion of the employment relationship.

In 2020 Moncler committed to strengthening the diversity and inclusion culture, internally and externally, embarking in a diversity and inclusion journey. To that end it established the Diversity and Inclusion Council, a task force composed of the People & Organization, Legal Affairs, Sustainability, and Marketing and Communication departments who will report to the Nomination and Remuneration Committee on initiatives developed during the year. The committee will receive support from external professionals who will contribute advice on specific topics, and in general, an outside perspective.

The Diversity and Inclusion Council aims to evaluate current policies and initiatives and define a clear vision which, con-

sistently and in synergy with its business vision, will allow Moncler to reach an outstanding level in the field of D&I by working on areas of improvement, launching new diversity initiatives, and monitoring and measuring progress with a particular focus on the specificities of the local communities where the Company operates. This is a deeply rooted cultural reinforcement process mirrored in Moncler's values, including "Bring other voices in" which represents the Company's ability to thrive on multiplicity and find harmony in diversity, and "Keep warm" which emphasizes the importance of a workplace where people always feel accepted and part of a cohesive and united group and where all are encouraged to reach their full potential.

Bringing together people with diverse expertise, experience and socio-cultural backgrounds has always enabled the Company to rise to the challenges of an increasingly global and borderless market. As a reflection of this, at the Italian corporate offices alone, there are employees of 39 different nationalities. In 2020, on this note, an important role was played by the cultural awareness sessions developed to foster respect for geographical diversity and to recommend better, more effective ways of interacting and communicating with colleagues from different cultures. See also pages 83-84; 87. In the Americas, D&I was reinforced through four e-learning courses that explained what we mean by diversity and inclusion, how to foster an inclusive organization, how unconscious bias affects our decisions, and how to prevent sexual harassment in the workplace. See also page 87.

In 2020 the **people satisfaction survey**, MONVoice, was expanded to include a Diversity & Inclusion section where employees were asked for their personal views on the topic and provide suggestions for future action.



Also, during the year, some new initiatives were introduced in an effort to raise awareness and promote diversity and inclusion. These include **Future Academy**, in partnership with **The Face** magazine, and **Girl Up**, a global leadership development programme for girls and young women.

During the year, the Company received one complaint for alleged discrimination, concerning an employee of the subsidiary Moncler USA Inc. After investigating the complaint, the episode was not recognized as a case of discrimination, and the outcome was discussed with the employee during the second half of the year. See also page 49.

Because Moncler understands the importance of maintaining and promoting human rights and respecting the rights of workers, in line with the principles set out in the Code of Ethics, it is committed to communicate transparently how it investigates and resolves all cases of alleged discrimination.

The Company's awareness of the value and opportunities arising from cultural diversity is also reflected in the absolute confidence that Moncler has in its personnel and local management. See also pages 76-78.

With regard to gender differences, women make up the majority of Moncler's workforce. Around 72% of employees are women, essentially unchanged since 2019.

The percentage of women is also high in all geographical areas and employee categories. There are 260 women at managerial level (managers, executives and senior executives), up by 10% compared to 2019, representing 56% of employees in management positions.

Women account for 73% of the workforce with a permanent contract and 66% of temporary employees. About 71% (107) of the temporary contracts converted to permanent ones in 2020 were for women.

During the year there was further growth in the percentage of women with permanent full-time contracts out of the total permanent workforce (68%).

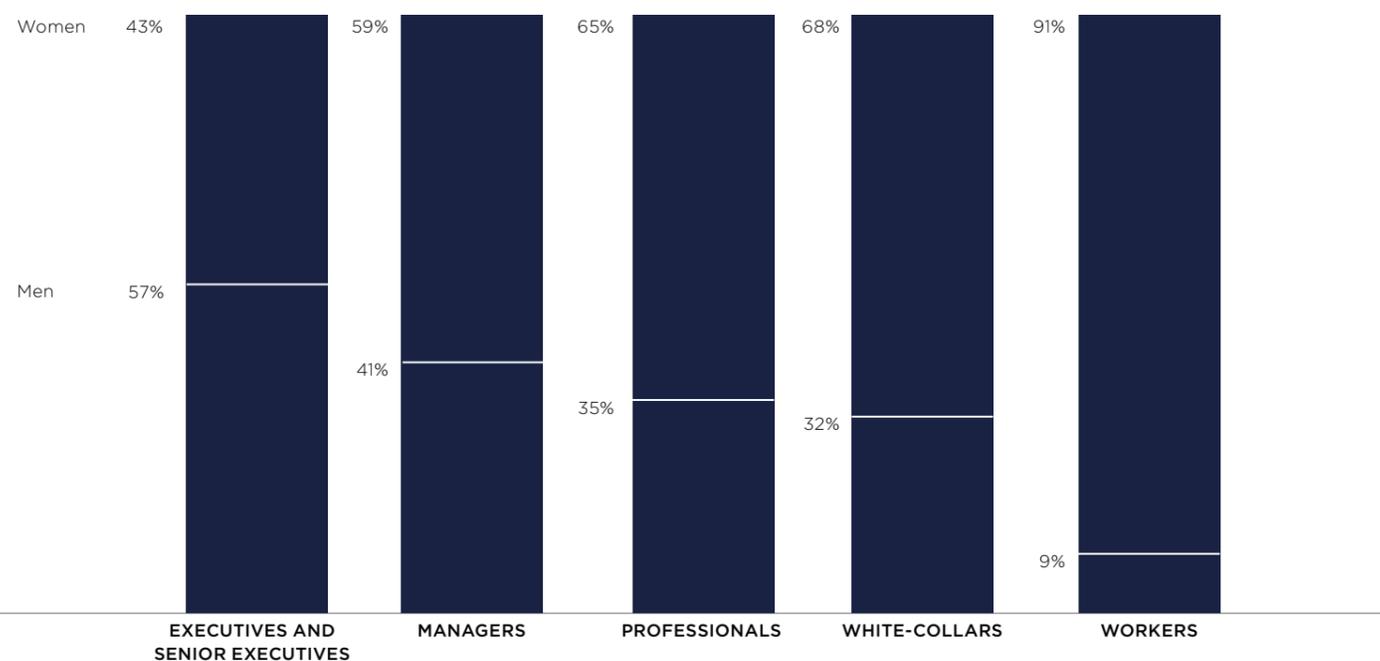
As for the gender breakdown by length of service, age group, and level of education, there were no differences compared with the overall trend. See also pages 191-193.

Moncler is committed to offering **equal pay** for equal skills, expertise, and professional experience, ensuring the principle of equal opportunities without bias. Excluding managers, the differences in men's and women's salary levels range between 6% and 12%. See also page 193.

The Company has long been committed to employing **people with disabilities**. Moncler manages diversity in accordance with the rules and practices of laws in force, and encourages Company departments to employ disabled people. All new hires are managed with due respect and consideration for their needs and capabilities, providing suitable workstations and adapting work hours as required. By doing so, people are protected and empowered to give their best.

At 31 December 2020, the number of employees with disabilities in Italy, Romania, France, Japan and South Korea was 56 in total, unchanged since 2019. In the next few years, the Group will continue to plan the recruitment of additional people with varying levels of disability, also by collaborating with institutions specifically tasked with helping disabled people find employment.

#### EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER



#### THE FACE AND MONCLER LAUNCH FUTURE ACADEMY, THE INCUBATOR FOR CREATIVE MINDS

In 2020 Moncler began collaborating with the British magazine **The Face** to launch **Future Academy**, a programme offering paid training opportunities to aspiring young creatives as a way to gain experience and make valuable contacts for their future.

In November, together with the Create Jobs programme, the research of the two candidates has been initiated focusing on underrepresented backgrounds with an emphasis on inclusivity. The individuals were recruited from underrepresented groups in the creative industries, such as people of colour, Asian and ethnic minorities, the LGBTQI+ community, people with disabilities, and those from un-

derprivileged socio-economic backgrounds. The two selected candidates will have the opportunity to embark in a paid internship at The Face in London and Moncler in Milan, following a tailor-made programme under the guidance of industry leaders. They will receive a 360° crash course in the world of media and design and work towards the end goal of creating an editorial project for The Face. In addition to the two paid positions, Future Academy will also take on 50 individuals from underrepresented backgrounds who will be able to freely access online master classes and virtual mentorships set up by The Face and its network of creatives.

#### MONCLER AND GIRL UP TO SUPPORT GENDER EQUALITY

The MONCLER GENIUS 2020 project has partnered with **Girl Up**, a global leadership development initiative for girls and young women.

The partnership has produced a limited edition outerwear piece made of black nylon, the Brand's signature fabric, and bears the 2 MONCLER 1952 and the Girl Up logo. "IT'S HER RIGHT" is the statement printed in large characters, reflecting designer Veronica Leoni's conviction that every girl has the right to create her own place in society without encountering barriers along the way.

Established by the United Nations Foundation in 2010, Girl Up encourages young women to become leaders in the movement for gen-

der equality. Veronica Leoni is an enthusiastic supporter of equal opportunities and female solidarity and believes strongly in the positive change they can bring to society. Her collections are a celebration of women's powerful, sophisticated energy, making this partnership with Girl Up a natural fit.

Moncler has also participated with a donation and the production of t-shirts with the slogan "IT'S HER RIGHT", worn by the Girl Up teen advisors to raise awareness of gender equality and to celebrate all the girls who make their voices heard and commit to supporting the movement to promote women's talent, women's rights, and the opportunity to be leaders.

# OCCUPATIONAL HEALTH AND SAFETY

Moncler considers the promotion of health and safety as a key priority of its operations, so as to protect employees, clients, contractors, and anyone in its sphere of influence.

Moncler operates in full compliance with the law in every country where it operates, with an approach focused on continuous improvement.

From the Group's headquarters, a team of specialized professionals (the Health and Safety staff) is responsible for ensuring that workplaces worldwide are safe and compliant with applicable laws, defining occupational health and safety guidelines, coordinating monitoring activities and, where necessary, any measures needed to improve safety conditions, supervising the activities of designers and architects, and ensuring an ongoing dialogue with Italian workers' safety representatives.

Every employee plays a fundamental role in safety. Making every effort to create and spread a **culture of safety**, individual responsibility and risk awareness is pivotal in ensuring a safe working environment.

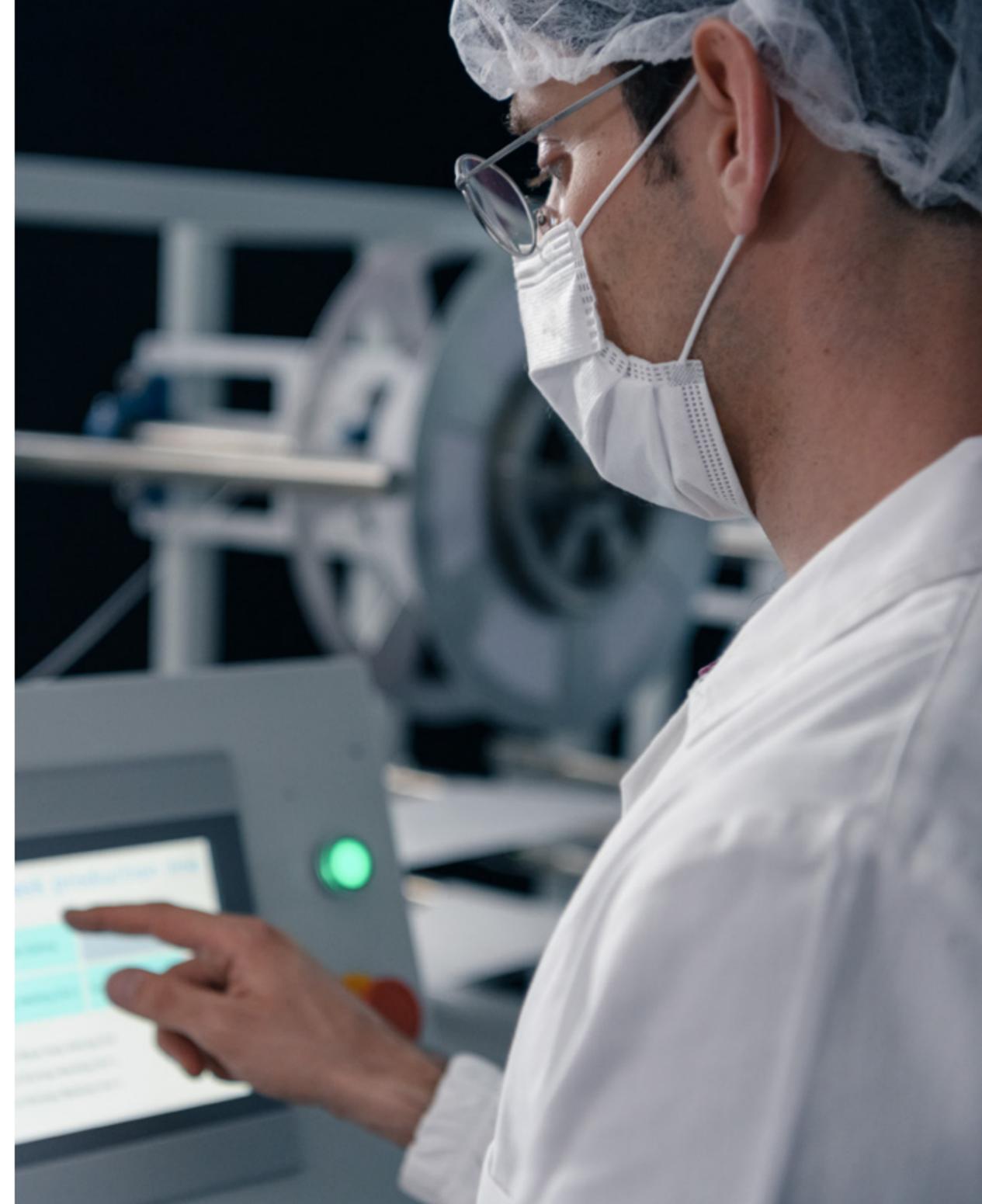
Great emphasis is also placed on the safety of workers and contractors who work within the perimeter of Moncler's operations. In Italy, all business operations involving contractors require a signed risk assessment report identifying any interference risks associated with the work to be carried out on Company premises, and the enforcement of strict prevention measures for any work considered high risk.

## MANAGEMENT SYSTEM

Among its initiatives to protect and promote health and safety in the workplace, Moncler implements an efficient management system in compliance with the highest health and safety standards. This commitment is clearly stated in the Occupational Health and Safety Management Policy, which was distributed to all company employees worldwide in 2017 and updated in 2019. The Policy sets the health and safety principles and guidelines to be implemented in every sphere of activity and provides for:

- the dynamic and preventive assessment of activities, in order to eliminate any root causes of risk or, should this not be feasible, to control risks using the best available techniques;
- the continuous improvement of all activities that may impact safety;
- the enhancement of knowledge, competence, and awareness of all employees through targeted training and practice.

In 2020 Moncler obtained the ISO 45001 certification globally at all offices and stores (excluding shop-in-shops) and for its logistics and production sites.





## FROM PREVENTION TO CONTROL

Moncler puts a lot of thought into and invests considerable time and energy in the management of occupational health and safety, in an effort to minimize any risk of accidents.

Although the Company's business is not high-risk, Moncler adopts a **preventive** approach. Before the opening of any new workplace – be it an office or a store – **occupational health and safety risks are carefully evaluated** through in-depth audits. Offices and stores already in operation are regularly subjected to **compliance checks** through document analyses and on-site inspections (verification of work environments and equipment), with **improvement plans** drawn up as necessary. This monitoring process, originally implemented in Italy alone, was extended in 2019 to all workplaces around the world.

In 2020 the Group continued to perform on-site inspections to check employee health and safety at the production site in Romania. These inspections were conducted both by in-house staff and external bodies and were required in order to obtain Health and Safety certification according to the new ISO 45001 standard.

All Moncler employees and the service providers most exposed to workplace safety risks, such as security, cleaning, portage and maintenance companies, are covered by the company's health and safety management system. In particular, the entire area<sup>11</sup> was subject to audits by internal inspectors and external bodies.

In Italy, Moncler organizes regular safety meetings with Company representatives, specialist physicians, prevention and protection officers, and workers' safety representatives. These meetings focus on risk assessment analyses and outcomes, injury rates, training, and personal protective equipment.

In 2020, workplace accidents involving its own employees and those of the cooperative that manages the logistics hub in Castel San Giovanni, Piacenza, were kept to a minimum through the careful management of work spaces, ongoing in-

formation and awareness initiatives centred on prevention, and the monitoring of the proper implementation of improvement measures. In 2020, Moncler continued to monitor the employee accident rates of the cooperative that manages the logistics hub of Castel San Giovanni, Piacenza, which obtained SA8000 certification during the year, recording a severity rate of 0.20 in 2018, 0.91 in 2019 and 0.93 in 2020 and a frequency rate of 11.67 in 2018, 11.48 in 2019 and 9.17 in 2020. Furthermore, the monitoring was also extended to other service providers deemed to be more exposed to safety risk for whom no accidents were recorded. This result led to register a frequency rate for all suppliers monitored of 7.78, with a decrease of 16% compared to 2019.

**No fatal accidents** were reported during the year involving employees or contractors.

Occupational diseases are a direct consequence of work, caused by workers' exposure to the gradual and progressive harmful effects of the activities they perform. Moncler monitors occupational diseases in order to identify any workplace conditions that may have contributed to their onset, assess any residual risks, and implement corrective measures as needed to prevent recurrence. In Italy, the Group continued to require personnel exposed to specific risk factors to undergo regular health checks, in application of specific health protocols defined on the basis of the risk, with supplementary specialist visits as needed.

All workplace accident indicators are continuously monitored and measured. See also pages 194-195.

The Company also focuses on **work-related stress** as part of a holistic approach to employee wellbeing. Since 2019, work-related stress assessments have again been carried out at the corporate offices in Milan, with a low-risk outcome for all units. In 2020 the Company took a series of actions for ongoing improvement: the stress assessment was used as a basis for planning and implementing organizational or management measures aimed at avoiding or minimizing stress-related harm to workers' health. In 2021 these assessments will also be carried out in the production site in Romania.

## WORKPLACE ACCIDENT INDICATORS

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Incidence rate <sup>12</sup>	<b>1.82</b>	1.64	1.89	<b>3.06</b>	4.57	2.46	<b>3.13</b>	4.08	2.73
Severity rate <sup>13</sup>	<b>0.02</b>	0.03	0.02	<b>0.03</b>	0.04	0.02	<b>0.05</b>	0.06	0.05
Frequency rate <sup>14</sup>	<b>1.07</b>	0.95	1.11	<b>1.90</b>	2.87	1.51	<b>1.99</b>	1.54	2.45

11. Excluding the 16 shop-in-shops.

12. Incidence rate: (number of workplace injuries/total employees) x 1,000.

13. Severity rate: (number of days lost due to workplace injuries/total hours worked) x 1,000.

14. Frequency rate: (number of injuries/total hours worked) x 1,000,000.

## TRAINING AND INFORMATION

Training its people is part of the prevention initiatives promoted by Moncler.

In 2020, about 20,000 thousand hours of health and safety training were provided, more than 16,000 of these at the production site in Romania. Specific training programmes were developed and customized based on different roles and risk levels, so as to transfer the knowledge, skills, and values required to work safely.

The majority of employees attended a training programme on general safety in the workplace, in keeping with legal provisions. People in positions of responsibility took additional training modules to improve monitoring and ensure that workers' behaviour was compliant with the law and Company regulations on occupational health and safety.

In response to the pandemic, in 2020 Moncler developed and delivered a course on anti-COVID measures for the Italian corporate offices.

An online health and safety course with specific content for store employees was given for all stores subject to certification.

## HEALTH AND WELLBEING

Moncler's commitment to promoting and protecting the health of its employees goes beyond the workplace and occupational risks. This explains the meaning and purpose behind the various **training and information initiatives on prevention** organized by the Company.

Alongside these efforts and the measures taken to support employees during the COVID-19 emergency, Moncler is committed to establishing agreements with local outpatient clinics so its people can access the best medical centres at the most affordable rates. Since 2018, Moncler has been a member of a supplementary healthcare fund for fashion industry workers in Italy, which provides services complementary to those of the Italian national health system. In 2020 a total of 728 employees signed up with the fund. See also pages 89-90.

Because of the pandemic and local restrictions, in 2020 Moncler had to suspend its traditional corporate welfare initiatives at the production site in Romania including the annual blood tests directly at the site, free eye tests and contributions towards the purchase of glasses. The workstation **ergonomics** assessment in the ironing department, which will help the Company plan improvements to reduce fatigue and maximize productivity, was also put on hold during the year but will be resumed and extended to the sewing department as soon as the COVID-19 emergency allows. Finally, Moncler continued to install new LED lighting systems, which in addition to being energy efficient also contribute to improve working conditions.

Another aspect regularly monitored by the Company is **noise** in the workplace, which can cause a number of problems to workers' health. At the production site in Romania, noise measurements are carried out annually to verify compliance with the permitted limits in each area.

**Air quality, temperature and humidity** can also cause discomfort in the workplace, affecting both the physical health and psychological wellbeing of workers. Specifically, in order

to ensure proper ventilation of workplaces at the corporate offices in Trebaseleghe and in Romania, where there are several micro-climates due to the different stages of processing, Moncler continued to make efficiency upgrades by installing latest-generation ventilation systems that are periodically inspected. At the logistics hub in Castel San Giovanni, Piacenza, two systems have been installed to monitor the indoor temperature and assess its suitability in view of the specific activities carried out and in relation to outdoor temperatures; heating systems were installed.

In addition, all employees in Italy who became fathers after 1 January 2020 received a total of eight days' **paternity leave**, one more than the number required by law or by national collective labour agreements.



# INDUSTRIAL RELATIONS

Moncler acknowledges and respects the right of workers to be represented by trade unions, and maintains an ongoing relationship with union representatives based on mutual recognition, dialogue, and cooperation.

Dealings and negotiations with trade unions are managed according to the highest standards of **transparency** and **integrity** and in strict compliance with applicable laws.

All employees in Italy, Romania, France, Belgium, Austria, the Netherlands, Spain, Brazil, and Russia, accounting for 57% of the global workforce, are covered by collective bargaining agreements.

Moncler's industrial relations policy is built on a commitment to constructive dialogue, aimed at engaging workers' representatives and maintaining a good working atmosphere. The search for shared solutions results in a total **absence of conflict**.

Once again in 2020, thanks to the climate of cooperation the Company has built over the years, no strikes or union protests were organized against Moncler by workers employed by Group companies. Similarly, there were no reported cases in which freedom of association and the right to collective bargaining were undermined or placed at risk.

During the year, **meetings with trade union representatives** mostly concerned the handling of the COVID-19 pandemic and the health, organizational, procedural, and training measures the Company put into place.

The second level supplementary contract, which expired in December 2019, was renewed for one year.

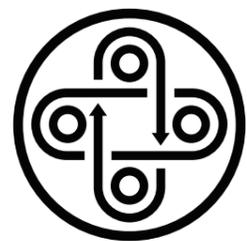
Moncler is aware that certain strategic decisions can have repercussions for employees. Accordingly, in the event of significant organizational changes (such as the reorganization of processes or other significant interventions), the Company has always implemented disclosure and workers' consultation procedures provided for by law and will continue to do so in the future.



# 4

# BE FAIR

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RESPONSIBLE DECISION-MAKING AND RESPONSIBLE DEALINGS, ESPECIALLY WITH SUPPLIERS AND CLIENTS, ARE CRUCIAL TO BUILDING LONG-TERM RELATIONSHIPS BASED ON TRUST AND AUTHENTICITY.

AWARE OF THE FACT THAT A QUALITY PRODUCT IS A PRODUCT MADE WITH CARE FOR HEALTH AND SAFETY, HUMAN RIGHTS AND WORKERS' RIGHTS, THE ENVIRONMENT, AND ANIMAL WELFARE, MONCLER IS COMMITTED TO TRANSPARENCY SO ITS CLIENTS CAN ENJOY A PERSONAL EXPERIENCE THROUGH REGULAR, DIRECT DIALOGUE IN ALL CHANNELS OF COMMUNICATION.

# SUPPLY CHAIN PROFILE

A quality product is the result of shared standards, cooperation, joint efforts, stable and trust-based relationships with all partners in the supply chain. Moncler believes in the importance of developing increasingly close and profitable synergies and collaborations with those who not only ensure reliability in production performance, but also share the Company's values and expectations in terms of ethical, environmental and social standards.

A total of 459 suppliers<sup>1</sup> are involved in the manufacture of Moncler's products. They are grouped into four macro-categories: raw materials, façon manufacturers, finished products, and services.

- **Raw material suppliers** mainly provide fabrics, yarns, down, leathers, accessory components (buttons, zippers, ribbons, elastics, etc.), and furs. Fabrics are sourced primarily from Japan, France and Italy. Suppliers of yarns and accessory components are mainly Italian. Most furs are sourced in Europe and North America, while down is purchased from European, North American and Asian suppliers.
- **Façon manufacturers** are specialist garment makers with a high level of technical skill, whom Moncler supplies with raw materials and entrusts with the manufacture of its finished products. The production process is carefully monitored by Moncler experts, who verify compliance with required standards through a strict methodology and regular on-site inspections. This process applies in particular to jackets, trousers, skirts, dresses, all knitwear, and some adult cut-and-sew knits. Most of these suppliers are located in Eastern Europe, where a long manufacturing tradition guarantees a high level of technical expertise and sufficient production capacity. Once again in 2020, the business model introduced by the Moncler Genius collections, with its continuous product evolution and diversification, led the Company to turn to suppliers – particularly in Italy – with solid experience in complex, unusual processes.
- **Finished product suppliers** manufacture products on behalf of Moncler based on the technical designs received, sourcing the raw materials themselves as per Moncler standards, with the exception of strategic materials such as down, nylon, and logoed materials, which are provided directly by the Company. At all stages of the manufacturing process these suppliers interact with Moncler's experts, who make on-site visits and carefully supervise the process to ensure final products meet the high quality standards required. Some cut-and-sew knits (mainly T-shirts and polo shirts), some soft accessories (such as hats and gloves), footwear, handbags, and small leather

<sup>1</sup> Excluding prototype and pattern making suppliers, and suppliers with sales orders of less than 1,000 euros a year.



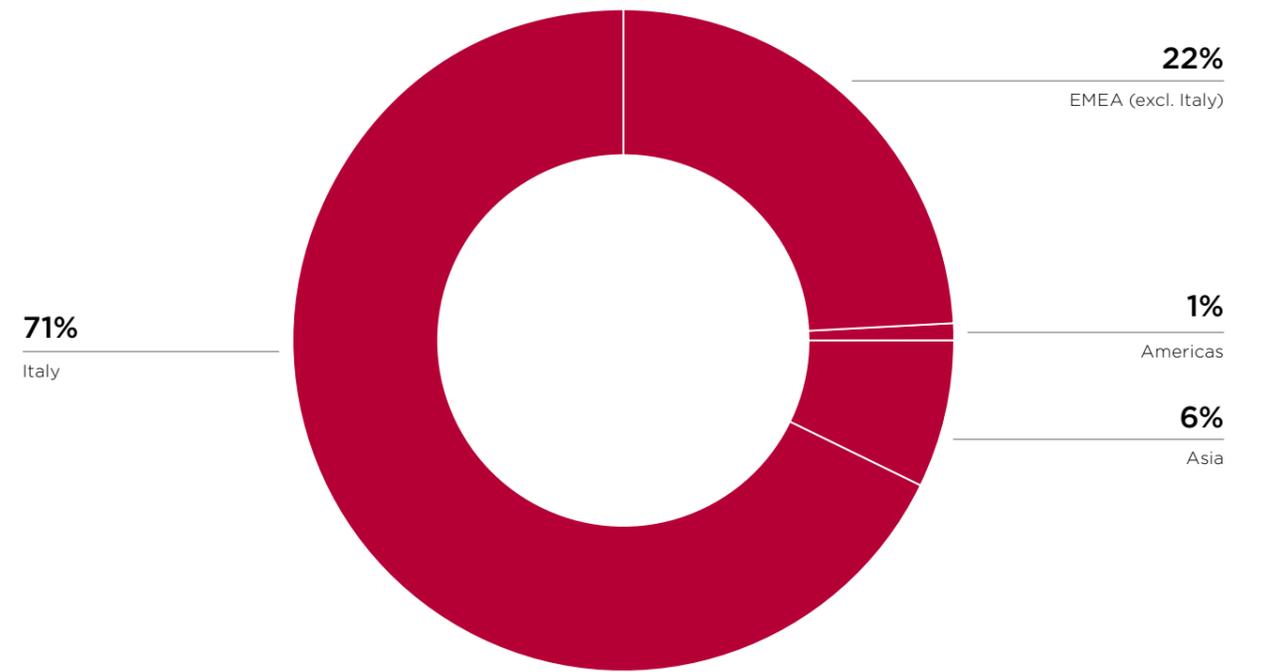
goods are mainly produced by these suppliers. Cut-and-sew knitwear suppliers are vertically integrated and are located in Europe and in Turkey. Soft accessories suppliers are mostly Turkish and Italian and have a high level of specific skill, while footwear and handbags are produced by European suppliers, most of them Italian.

- **Service suppliers** assist Moncler in pattern making and quality control processes and are mainly located near the Company.

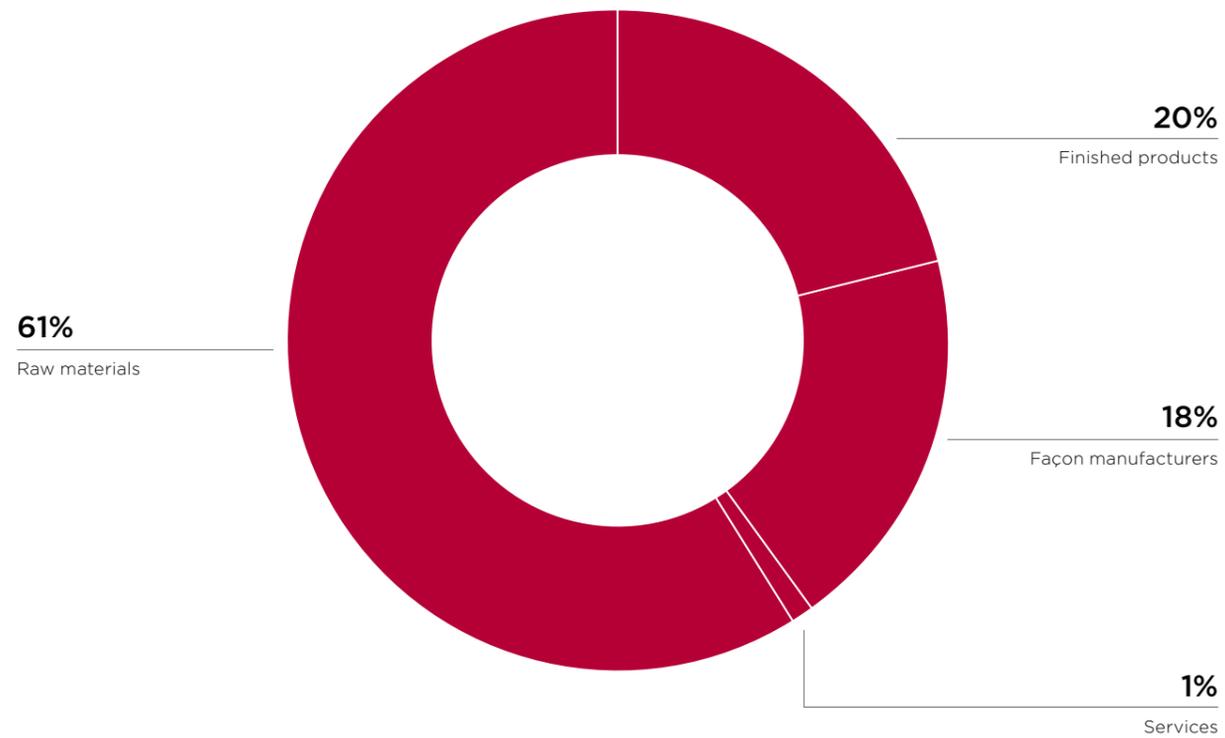
Where possible, the Group uses local suppliers situated near its main offices, which streamlines logistics and generates income and jobs within the local communities. The majority of Moncler's suppliers (93%) are located<sup>2</sup> in the EMEA Region, primarily in Italy.

Moncler diversifies its purchasing expenditure across a number of partners so as to avoid depending on any given supplier, which would pose a potential business risk. The Company's top 60 suppliers account for about 70% of the total value of orders. The Group is careful to promptly identify any problems that might disrupt supply, addressing them accordingly to mitigate risk.

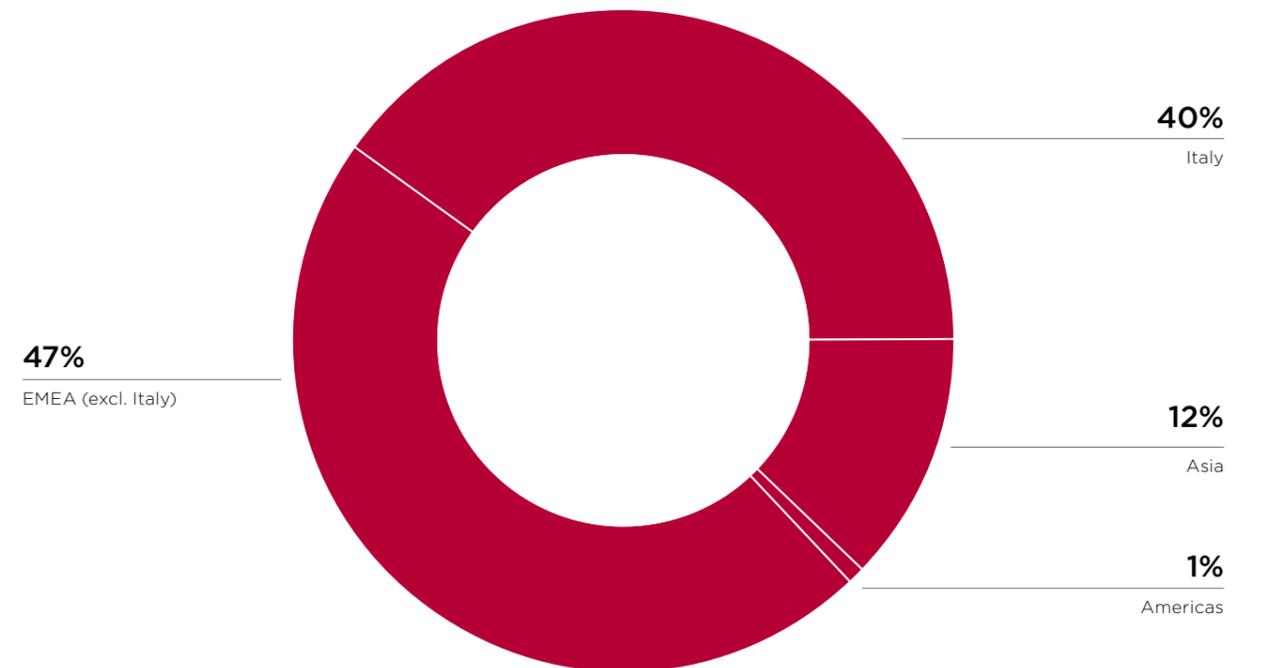
**SUPPLIER BY GEOGRAPHICAL AREA<sup>2</sup>**



**SUPPLIER BY TYPE<sup>3</sup>**



**ORDER VALUES BY GEOGRAPHICAL AREA**



<sup>2</sup>. For façon manufacturers and finished product suppliers, the geographic location is the country the product was 'made in'; for service and raw material suppliers, it is the country where the supplier's head office is registered.

<sup>3</sup>. Percentage calculated on the total number of suppliers.



## SUPPLY CHAIN EXCELLENCE

For several years Moncler has followed a programme called **Supply Chain Excellence**, which aims to achieve the highest possible standards by way of an advanced model designed to master the constant evolution of the market.

The entire programme hinges on people and their contribution. About 100 employees participate in the **work groups**, which have produced numerous initiatives and improvement pathways that have required major efforts in reviewing and coordinating processes and integrating people from different departments. The critical success factors existing today and necessary for the future have been analysed and specific projects have been launched. They all share the objective of **achieving operational excellence in terms of quality, time to market, sustainability, reliability, flexibility and efficiency**.

Some of the main initiatives in 2020 were as follows:

- **Collection Excellence:** the Product Lifecycle Management (PLM) platform was extended to all product lines and categories. In 2021 this project will continue with further developments and improvements. All information on collection development is now kept in a single place and shared with all relevant departments, making the process more collaborative and efficient.
- **New collection development hub:** the Milan hub was fully operational during the year, with key design and development personnel working together in total synergy. Technical skills for the development of specific garment lines were further reinforced, leading to collections of even higher quality.
- **Supply Chain Collaboration:** the project aimed at creating a new collaboration platform to give Moncler better visibility and control over all production phases, with advantages for responsiveness and flexibility has been slowed down in 2020 due to the COVID-19 emergency. The new platform will include special applications for suppliers to communicate with Moncler in real time.
- **Manufacturing Excellence:** new methods, organization and management models for outerwear packaging based on the lean management philosophy have been implemented in a new prototype department. Adoption of the lean management philosophy, in addition to making the production model more efficient and flexible, has also led to the formation of “continuous improvement committees”. Using objective data, employees from different departments participate proactively and through focus groups to achieve constant improvements to operational performance.
- **Demand-driven operating model:** to respond quickly and flexibly to changing market conditions, the Company continued to review its operating and planning model in order to create greater coordination between market demand, production and distribution. In 2020 these activities focused mainly on Moncler’s permanent items.
- **Development of the knitwear division:** additional work was done on the centre of excellence for knitwear in Trebaseleghe, Padua. Consistently with the aim of developing new product categories, technical and innovative skills were boosted and tangible improvements made to the stylistic, creative, and qualitative content of the collections developed during the year.

- **Constant improvement in garment quality:** internal technical competencies continued to be strengthened to ensure constant oversight of the design, industrialization, pre-production and production phases, whether carried out internally or at suppliers’ premises. This is an approach the Company will continue to pursue as it increasingly focuses on the quality of upstream processes as a means of reducing potential defects in the finished products.

# RESPONSIBLE SOURCING

For Moncler, talking about quality also means talking about health and safety, respect for human rights, environmental protection and, in general, ethics in business conduct along the entire value chain. Being a socially responsible company involves taking on a commitment that stretches well beyond its boundaries, embracing the entire supply chain.

Suppliers are strategic partners and Moncler's relationship with them goes beyond strictly economic and commercial aspects. At Moncler, excellence means quality, style, and innovation, but also a commitment to workers' rights, animal welfare, and the environment across the supply chain.

Moncler's attention to ethical, social and environmental aspects along the supply chain starts from the supplier selection phase and continues with **systematic activities to raise awareness and monitor compliance**. Knowledge, traceability, sharing of best practices, and audits are fundamental not only to limit risk situations, but also and above all to generate culture and promote responsible and sustainable business development, to the benefit of the entire supply chain.

Suppliers<sup>4</sup> who enter into a contract with Moncler are required to sign the Group's **Code of Ethics**, which outlines the principles and guidelines that inspire the business and guide the behaviour and actions of all those with whom Moncler interacts. By signing the Code, suppliers undertake to comply with these principles and to have their subcontractors comply with them as well. Any violation of the principles set out in the Code constitutes a breach of contract, which entitles Moncler, if the breach is serious, to terminate the contract immediately. See also pages 47-50.

4. 95% of significant contracts require compliance with the Group's Code of Ethics.

To set even more meticulous standards for its partners, for years the Company has had a **Supplier Code of Conduct**, which in 2020 was revised to include the pandemic response and other matters. The Supplier Code of Conduct is inspired by the Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO), and describes Moncler's expectations regarding responsible working. It consists of six sections (Labour and Human Rights, Occupational Health and Safety, Environment, Animal Health and Welfare, Safety and Quality of Products and Services, and Corporate Ethics), and sets forth the mandatory requirements to become or continue to be a supplier of the Moncler Group.

Moncler requires potential suppliers, from the very first steps of the **selection process**, to provide adequate information and documentation that may help **understand their actual commitment, also in social and environmental fields**. In-house specialists and/or qualified third-party bodies also carry out preliminary visits and checks for Moncler on these aspects before the Company enters into new business relationships. The outcome of this assessment is a prerequisite for initiating any form of collaboration. In addition, potential new suppliers must complete a comprehensive sustainability self-assessment questionnaire, focusing on the main issues related to workers' rights, health and safety, and the environment.

The monitoring of the Group's supply chain continues with **stringent ethical, social and environmental audits** in order to verify compliance with applicable laws and the principles set out in these two codes.

To ensure maximum impartiality, audits are conducted regularly by a qualified, experienced independent body.



The audits are focused on ensuring fundamental human and labour rights with a particular emphasis on the topics of forced labour, child labour, freedom of association, working hours, minimum wage, and last but not least, health and safety. Additionally, in 2020 Moncler required all members of its supply chain to comply with national regulations, work authorizations, decrees, regulations, and guidelines on the subject of health protections and the containment of the COVID-19 pandemic. Even where not expressly required by local regulations, Moncler asked its suppliers to adopt internal safety protocols describing all measures to prevent contagion. These aspects were monitored by Moncler technical personnel and by the auditors.

The scope of audit and the suppliers subject to audits are determined on the basis of a risk analysis and the strategic importance of the supplier and its own supply chain, considering matters such as quality, delivery times, and animal welfare. Specifically, the Company considers the size of orders, the type of goods or services provided and their significance to the business, geographical location, and other parameters such as the number of employees and manufacturing plants, whether there are subcontractors and where they are located, and how difficult it would be to replace the supplier quickly.

Although ethical and social audits were difficult to schedule in 2020 because of the pandemic, which prevented auditors from visiting suppliers at various points during the year, Moncler managed to keep the number of audits in line with 2019 by including follow-ups with suppliers and subcontractors.

During the three-year period 2018-2020, **450 social and ethical audits** were carried out (both on suppliers and sub-contractors), equal to approximately **100%** of the volumes assigned to **outerwear façon manufacturers and suppliers of footwear and bags**, **86%** of the number of **down suppliers and tanneries**, and **82%** and **73%** of the volumes assigned, respectively, to **suppliers of knitwear and soft accessories**. In addition, in 2020 ethical and social audits were carried out on the main raw material suppliers, accounting for 7% of all raw materials purchased in 2019 (excluding down). Moncler has set a target of covering 80% of its purchases from strategic raw material suppliers by 2025.

It is also committed to maintaining 100% coverage of its façon manufacturers every three years and to extending that threshold to other categories of supplier. Finally, it will continue to carry out ethical and social audits on providers of strategic services: logistics platforms, external quality control platforms, and service providers at Moncler offices and stores.

Additional **audits on animal welfare and on down traceability** as per the DIST (Down Integrity System & Traceability) Protocol were conducted across the entire supply chain. See also pages 121-122.

Moncler has a **zero tolerance** policy against major compliance breaches, which can lead to immediate contract termination. Moncler is committed to **raising awareness and driving continuous improvement within its supply chain**, requiring the implementation of corrective measures when deemed necessary. In this case, the Group verifies that **corrective measures** are implemented by an agreed deadline through on-site and documentary **follow-up audits**.

Upon conclusion of every audit, an improvement plan is issued and its implementation is checked during subsequent audits. In 2020, most instances of non-compliance were related to issues of occupational health and safety and, in a few cases only, to the management of employment relationships. During the year there were 15 cases in which suppliers were found to be non-compliant with Moncler's ethical principles, leading to termination of the partnership.

Aware that fostering the principles of supplier responsibility benefits mutual sustainable growth, in addition to ongoing awareness-raising activities on ethical, social, environmental, and animal welfare issues, Moncler **supports its supply chain in several ways**.

The Company continued its support programme for a number of strategic suppliers in 2020, making **health and safety experts** available to provide advice and develop knowledge of best practices to 11 suppliers (41 during the period 2018-2020), and providing **financial support** for investments in technologically advanced machinery for special processes.

Moncler is updating its **vendor rating** system by including new social and environmental indicators for raw material suppliers, with the aim of providing an overall assessment that also takes account of sustainability aspects. Each indicator is weighted, contributing to the rating of every vendor on the basis of the results achieved in the different areas. The vendor rating macro-areas are:

- sustainability and compliance (working conditions, environmental practices, animal welfare, etc.);
- quality (manufacturing defect rate, quality complaints reported to customer service, etc.);
- delivery and service level (flexibility, punctuality of delivery, etc.);
- costs (price competitiveness, delivery charges, etc.);
- innovation (technological capacity, appetite for innovation, etc.).

The vendor rating system will be gradually extended to other suppliers in the coming years.



## FAIR WAGE POLICIES IN THE SUPPLY CHAIN

In 2020 the National **Chamber of Italian Fashion** conducted a survey endorsed by the independent **Fair Wage Network**, to verify compliance with Article 36 of the Italian Constitution ("workers are entitled to wages proportionate to the quantity and quality of their work and in any case sufficient to ensure a free and dignified existence for themselves and their families") in the Italian fashion supply chain. Moncler took part in the roundtable together

with other fashion brands and confirmed its commitment to carry out a project aimed at evaluating the fair living wage at its production site in Romania and then extending the evaluation model to its strategic suppliers, which will provide a better understanding of wage conditions within its supply chain and offer a structured approach to ensuring a fair living wage in every country.

### SUPPLY CHAIN AUDITS: SOCIAL AND ETHICAL, ANIMAL WELFARE AND TRACEABILITY (No.)

	2020	2019	2018
Social and ethical audits	154	152	144
Animal welfare and traceability audits (DIST)	161	215	176
<b>Total</b>	<b>315</b>	<b>367</b>	<b>320</b>



As for “indirect” suppliers, that is suppliers of goods and services not related to products, in the three-year period 2018-2020 the Group finished mapping the quality, social, environmental, and health and safety certifications held by its suppliers. Of the approximately 380 principal suppliers, almost all of them have at least one certification and one third of these already have UNI ISO 45001 health and safety and/or UNI ISO 14001 environmental certification. During the year Moncler continued its efforts to raise awareness of the improvements its suppliers can achieve in connection with the certification process. It also moved forward with partner reliability checks, enhanced by findings from information providers. This was carried out by Moncler’s Internal Audit department for suppliers considered to be strategic. Last but not least, the Company finished creating a sustainability scorecard with 20 indicators in four categories: environment, labour and human rights, health and safety, and ethics. Based on international principles, standards and guidelines such as the Global Compact, the Global Reporting Initiative, ISO 26000, and the OECD Guidelines, this tool will provide a set of parameters for evaluating and comparing the social and environmental performance of indirect suppliers by means of periodic measurement.

## ANIMAL WELFARE AND TRACEABILITY

Down, the heart of every single jacket, is the most important thing to Moncler. Suppliers are not only required to meet the highest quality standards, but also to act responsibly and respect animal welfare.

To ensure animal welfare, Moncler demands and verifies that all its down suppliers comply with the strict requirements of Moncler technical **DIST Protocol (Down Integrity System and Traceability)**, available for consultation at [dist.moncler.com](http://dist.moncler.com). First implemented in 2015, DIST regulates farming standards, animal welfare, and down traceability and technical quality. **Moncler only purchases down that is DIST-certified.**

Among the core principles of the Protocol that must be respected across the entire supply chain:

- down must be exclusively sourced from **white geese raised** and as a **by-product of the food chain**;
- **no form of live-plucking** or **force-feeding** of animals is permitted.

Developed based on the unique features of Moncler’s supply chain, the Protocol is the result of an open and constructive dialogue within the scope of a **multi-stakeholder forum** (established in 2014), taking into account the expectations of the various stakeholders involved. It ensures a scientific and holistic approach to animal welfare and product traceability. The forum is chaired by a Professor of

Management at Ca’ Foscari University, Venice, who is an expert on sustainability issues. Its members include Moncler officers, experts from the Department of Veterinary Medicine at the University of Milan, the Polish National Institute of Animal Husbandry in Kołuda Wielka, and Compassion in World Farming, an NGO dedicated to the welfare of farm animals, and representatives from certification and consulting firms (SGS, Control Union, IDFL and KPMG). In the firm belief that dialogue drives improvement, in February 2021 Moncler organized the seventh multi-stakeholder forum where participants discussed updates to the Protocol, including a specific module on human rights and the procedure for reusing and recycling DIST-certified down. Moncler has set a target of having 100% of its down suppliers compliant with DIST’s new human rights and environment modules by 2023.

The DIST Protocol assesses animal welfare using an **innovative approach**. Alongside the traditional approach that focuses on the animal’s environment (in terms of availability of food and water, space to pasture, etc.), the Protocol also provides for the careful observation of the animal itself (as per recent European Commission guidelines), through the so-called **Animal-Based Measures (ABMs)**<sup>5</sup>. The ABMs enable the direct assessment of the animals’ condition by observing how the geese respond to various factors within their environment (outcome approach). The DIST Protocol features nine ABMs (welfare indicators), including, among others, those designed to identify unusual behaviour or aspects such as feather-pecking<sup>6</sup>, twisted or broken wings, feather irregularities, and abnormal beak colour. These phenomena occur when the welfare of the geese is compromised owing to a number of reasons, including high stocking density, poor diet, lack of pasture, and inappropriate animal management methods.

Another important and innovative indicator introduced by the Protocol regards human-animal interaction, which is assessed according to responses to a specific test (the HAR test, Estep and Hetts, 1992).

All down suppliers must scrupulously comply with Protocol requirements to ensure raw material traceability, animal welfare, and the highest quality standards at each link of the down supply chain. Moncler constantly assesses compliance with the Protocol through stringent **audits in the field** throughout its almost entirely vertically-integrated down supply chain. It includes various types of entities: white geese farms, abattoirs where the animals are exclusively slaughtered for meat production before the down is collected, and companies responsible for washing, cleaning, sorting, and processing the raw material. It also comprises *façon* manufacturers who produce the finished products downstream of the down purchasing process.

To ensure the utmost **impartiality**:

- audits are commissioned and paid directly by Moncler, not by the supplier;

<sup>5</sup>. Animal-Based Measures are indicators that rely on the direct observation of the animal to assess its actual conditions in relation to its ability to adapt to specific farming environments. They include physiological, pathological, and behavioural indicators.

<sup>6</sup>. Feather-pecking is an abnormal behaviour in avian species that occurs when one bird repeatedly pecks (sometimes tearing out) the feathers of another.

- the certification process is carried out by a qualified independent body, whose auditors are trained by veterinarians and zootechnicians of the Department of Veterinary Medicine at the University of Milan;
- in turn the certification body's work is audited by another accredited external body.

In 2020, despite the limitations caused by the COVID-19 health emergency, **161 independent on-site audits** were carried out assessing, in this way, all entities of the supply chain. In all cases where the auditors found minor irregularities, farms had to take prompt corrective action before obtaining certification. During the audits carried out in 2020, no instances of live-plucking or force-feeding were observed at any of the audited farms.

To transparently communicate the company's commitment in this area, a tag indicating "down certified under DIST" has been included in all Moncler's jackets. This milestone was achieved by extending down traceability as per DIST Protocol across the entire supply chain, all the way to the finished product.

With the aim of **promoting a path of continuous improvement** and thus having a significant impact on animal welfare, Moncler is committed to involving and raising the awareness of its supply chain through training activities. In 2020 remote training activities continued for outerwear and knitwear façon manufacturers on traceability procedures, providing 14 courses for a total of 60 hours.

The DIST Protocol is a stringent and innovative document and the goal is to keep it so. That is why it is constantly evolving and subject to periodic review through the multi-stakeholder forum. However significant these results may be, Moncler has no intention of stopping there and is determined to continue to promote increasingly ambitious standards, based also on the insights of its stakeholders.



# DIALOGUE TO GROW TOGETHER

Transparent and constant dialogue is the basis for any relationship based on trust. It is a key element in fostering shared growth, fruitful cooperation and mutual satisfaction.

Moncler is attentive to the dialogue with its suppliers and to sharing good practices, both on technical aspects related to business and on aspects aimed at promoting responsible behaviour. The dialogue is established through different channels, ranging from **daily meetings to institutional events**, and daily interactions are held with Moncler experts and inspectors tasked with overseeing the various activities involved in production. Meetings with the Company's experts provide specialist support at all stages of production in order to share technical know-how and resolve any critical issues. As regards outerwear, Moncler's team of technicians has been expanded over the years to ensure a widespread presence at all façon manufacturers in Italy and abroad, to increase the already high number of checks on quality and on the progress of work in and at the end of the line. Moncler experts periodically attend meetings at the Company to analyse samples and share technical and production standards, results of the previous season, and objectives for the season ahead.

During the COVID-19 crisis, all actions taken by Moncler have been guided by the primary objective of protecting the health of all (employees, consultants, suppliers, clients, etc.) and maintaining business continuity as much as possible. See also page 93.

The strong dialogue that has always been a feature of Moncler's relationships with suppliers became even more intense and collaborative during this period, with the aim of finding the best solutions for such a complex, unpredictable, and difficult situation for everyone in the supply chain and the industry. In this spirit, Moncler joined the International Labour Organization's call to action in support of the global garment industry supply chain and has continued to comply with payment terms and methods, set up economic support initiatives for the most distressed members of the supply chain, and continued to commission independent audits to ensure compliance with the principles included in Moncler's Code of Ethics and the Supplier Code of Conduct on human rights, worker health and safety, and respect for the environment.

Because of the pandemic, it was not possible to offer the traditional training sessions close to suppliers' production sites, for this reason remote sessions were organized. Likewise, Moncler's knitwear experts were invited to attend e-learning courses to learn about procedures, production and quality standards. At these meetings, they are also sensibilized on other topics relevant to Moncler, including ethical, social and environmental aspects, so as to spread





the culture among suppliers. Through the physical presence of experts at the various third-party production sites, or online as happened in 2020, the shared know-how thus becomes an integral and essential component of the bond between the Company and its suppliers.

In 2020, awareness activities on ethical, social, and environmental issues continued through **videoconferences** with some suppliers and sub-contractors (both façon manufacturers and suppliers of raw materials) as it was not possible to conduct these activities on-site due to COVID-19 restrictions. These are in addition to the approximately 170 on-site visits carried out during the three-year period 2017-2019 in Italy and abroad.

The dissemination of the Company's guidelines in terms of compliance and sustainability continued by distributing technical, chemical and performance specifications, both during everyday activities and through ad hoc videoconferences.

A web portal dedicated entirely to suppliers has been active since 2017 as an additional tool for dialogue and to facilitate the exchange of information and documentation. Through the portal, suppliers can directly access communications and documents, including the Code of Ethics, the Supplier Code of Conduct and related guidelines. A dedicated online training section has been set up.

# CLIENT EXPERIENCE 2.0

Through the direct management of the e-commerce and an increasingly omnichannel digital vision, Moncler ensures that clients have a personalised, integrated, seamless and consistent shopping experience across all the channels.

At Moncler, clients take centre stage. Every interaction is an opportunity to receive and learn, but also to share, engage and surprise. Every effort must ensure consistency towards the achievement of a single objective: to enhance the shopping experience for clients and involve them more and more in Moncler's world. Over the years, Moncler has developed and completed the **Retail Excellence** project covering 15 areas of operation, which include redesigning the client experience, organizing stores and sales staff, and redefining store procedures and operations. Version 2.0 of the project has contributed to further improve the client's in-store experience, through **digitalization** while remaining faithful to the fundamental principles of the retail channel. Several initiatives have been launched to foster a comprehensive technological management of stores: from the Match to Traffic system, which allows scheduling activities on the sales floor and thus improving client service, to RFID warehouse management, that allows speeding up the various transactions. The use of these technologies leads to an optimization of operational tasks in stores, favouring efficiency and thus providing more time to be devoted to end clients. The digital payment service is also active at a global level, allowing purchases to be completed directly on the sales floor and making the in-store experience even faster and more enjoyable. This project has been an important starting point for the omnichannel strategy.

Moncler's omnichannel system, in fact, is designed around a shopping experience and a purchasing process where online and offline coexist. This is a system built for a client who follows non-linear paths, who interacts with the Brand in the physical boutique but also in the online store and through the

various digital channels. Such a client experiences a **consistent, personalized**, and perfectly **seamless** experience at all times, while being increasingly involved in a real **community**. For Moncler, omnichannel also means new approaches and experimental collaborations with other digital retail channels, so that a shopper's experience with the Brand is distinctive and unique everywhere.

One of the most representative examples of this transformation is **Omnichannel New Experience (ONE)**, a project which aims at internalizing Moncler's e-commerce channel, which is being implemented gradually region by region. After being initiated South Korea in 2019, in 2020 it was extended to the United States and Canada, and will conclude in 2021 with Europe, Japan, and China. See also pages 33; 140. ONE involves a variety of omnichannel services: *Click and Reserve*, *Click From Store*, *Return In Store*, *Pick Up In Store*, and *Book an Appointment*. These services allow clients to manage their purchases in a flexible way, tapping the full potential of the various contact channels. It becomes possible to book an item online and then try it on and eventually buy it in the store (*Click and Reserve*), to order an item in the store with the support of a Client Advisor and receive it comfortably at home (*Click from Store*), to make a return directly at the store even if the purchase was made online (*Return in Store*), to buy an item online and then pick it up directly in the store (*Pick Up in Store*), or to schedule an in-store appointment with the Client Advisor (*Book an Appointment*).

Another example of the omnichannel strategy is the recent launch of *Omnistore*, a new store concept that reinterprets the traditional luxury retail channel and promotes a "Hyper-Human Imaginarium" vision. By doing so, Moncler





has created a space that integrates the physical and on-line experience, where clients can explore its creativity including through the *immersive rooms* where collections will be presented.

In 2020, in response to the COVID-19 emergency, the **distance sale** service was introduced to allow clients to buy Moncler products safely from home, by phone or videocall, with live assistance from sales personnel.

By the end of 2021 Moncler will launch a new, full omnichannel e-commerce platform, which, in addition to being technologically evolved will present an innovative approach to the client. Based on a concept inspired by the entertainment world, the platform will ensure a fluid navigation and a unique experience, with dedicated content and services including products customization. Moncler's goal is to define a journey characterized by great attention paid to the client experience, in terms of viewing modes, communication, and assistance.

## WHOLESALE EXCELLENCE

Ensuring **consistency and synergy** between all touchpoints in terms of actions, communication and approach to clients is increasingly important in order to establish a unique relationship with the Brand. With this in mind, the philosophy and principles of Retail Excellence, aimed at improving the purchasing experience of clients and their involvement in the Moncler universe, have been extended to all partners in the wholesale channel, starting with mono-brand and airport.

Transferring best practices from the retail channel to the wholesale channel has required specific initiatives involving different areas of action: from in-store training to creating personalized moments with the client, to extending after-sales services, to consolidating client service activities and communication.

In 2020, to ensure high-quality customer service even in the after-sales phase of the wholesale channel, an after-sales service, available through a web app, has been launched for mono-brand stores in the Americas, Europe, China<sup>7</sup>, Korea, Singapore, and Australia.

## UNDERSTANDING AND FULFILLING CLIENT EXPECTATIONS

Listening to clients is a strategic choice when it comes to aligning the services offered to clients' expectations and with what really matters to them. The **VIBE** project, implemented worldwide, provides for the **systematic collection of client feedback** after each purchase through a brief questionnaire that rates, on a scale of 1 to 5, the different aspects of the shopping experience, including hospitality, personalization, and service. The goal is to identify and redress any instance of client dissatisfaction, but above all to help Client Advisors get to know their clients, so they can provide a service that meets their expectations.

The survey is structured in five phases: the day after their purchase, clients receive by email or SMS a summary of their purchase, which they can save, and a questionnaire consisting of five short questions. The feedback (**VIBE**) is immediately notified to the clienteling app available to the Client Advisor, who can then view the client's comments and thank them in order to strengthen the relationship. If the client is not satisfied, it will be up to the Store Manager to find a solution that fully meets the client's expectations and determine the area in which to take action to improve the shopping experience.

At the end of 2020 Moncler recorded a high **VIBE** score, which measures clients' willingness to recommend Moncler to others. It stood at 92 (on a scale of 1 to 100), one point higher compared to 2019. The Company's target is to reach a score of 94 for the coming year and to extend the service to tourist clients and to those who buy online. In line with the new digital strategy and the direct management of e-commerce, the **VIBE Score** project has been extended to online purchases and adapted to its specificities. In particular, after having received the order, the client is contacted by email and asked to complete a questionnaire on topics such as navigation, the payment and delivery process, and whether the product meets all expectations. The client's feedback is shared with the Client Service team of the relevant market which, in case of negative feedback, gets in contact with the clients to figure out the reasons why and to improve their shopping experience through a better understanding of their needs.

Moncler also has a worldwide direct customer communication channel called **Client Service**, which serves as both a reference point for clients and a means to ensure a **constant two-way dialogue** with a view to continuous improvement. Client Service handles support requests from clients from the various channels, both physical and digital, in an omnichannel perspective at a worldwide level. Moncler's objective is to complete the digitization of Client Service by strengthening its social media presence, setting up a web chat, and integrating clienteling activities.

The Client Moment project aims at supporting Client Advisors in identifying and personalizing client involvement "moments". Multiple "contact moments" have been identified, from those related to the product, such as the launch of a new collection (Product Moment), to cross-cutting ones such as international holidays (Festivity Moment), to personal ones such as birthdays (Personal Client Moment). Each one is an important opportunity for Moncler to create value for its clients, establish a relationship of trust, and offer a highly distinctive and engaging experience. Thanks to the digital Client Relationship Management (CRM) application, the Client Advisor identifies and selects different Client Moments for each client which translates into personalized appointments at Moncler stores during which the client has the full attention of their trusted Client Advisor. The constant monitoring of the quality of these appointments contributes to strengthening clienteling activities and promotes a real culture of client attention and involvement. To support the process further, in 2020 the

<sup>7</sup> China country includes the Chinese mainland, Hong Kong SAR, Macao SAR, and Taiwan.

**version 2.0 of the MonClient app** was released at all retail stores, making communication between sales staff and the client ever more efficient and direct. Through this tool, based on the centralized, integrated management of the CRM calendar, Client Advisors can manage appointments, plan and enter Client Moment-related activities, check product availability, enhance client databases, and handle after-sales requests.

With consumers accelerating their use of technology, Moncler's clienteling is becoming increasingly relational and supported by social platforms as well as digital tools such as video messaging, digital appointments, distance sales, and phygital events that create new synergies between the physical store and digital channels. In 2020, in response to COVID-19 restrictions, Distance Sales allowed Client Advisors to manage remote shopping with their clients, using the app to check product availability, reserve products for their client, while allowing clients to pay from any location, and to have the products delivered to the preferred destination or prepared for in-store pick-up.

#### AFTER-SALES ASSISTANCE AS AN INTEGRAL PART OF THE CLIENT EXPERIENCE

The after-sales phase is another important moment with regards to client relations as it ensures a positive experience with the Brand even after a purchase is made. Moncler offers a highly personalized service, tailored to each client's request, by putting collection and style experts at the individual's disposal. For Moncler this service also represents a virtuous process to further extend product lifecycle, an increasingly important theme of the Company's overall sustainability strategy. See also pages 64-65; 67.

After defining a global policy in 2017, identifying local tailors of quality and providing stores with a replacement accessories kit to enable them to provide a fast and excellent service, over the past three years the Company strengthened the organization of its after-sales service in those countries where it operates including through the creation of central platforms for handling repairs. This process has made the after-sales service increasingly rapid and widespread. In 2020 the Group handled around 32,000 requests for after-sales service.

In 2021, the willingness to build a direct connection between clients and repair platforms will lead Moncler to develop the Distant Repairs service in America and to refine the existing one in Europe and Japan. With this method, the Client Service will arrange the pick-up of the item from the client's home if the client is unable to visit the store.

In November 2020, **VIBE After Sale** has been implemented worldwide, to enable the systematic collection of feedback from clients using after-sales service. Starting in 2021, the site's "Frequently asked questions" section on after-sales service will be enriched with additional information on product care, so as to answer clients' questions.



# FIGHT AGAINST COUNTERFEITING

Moncler is constantly engaged in the fight against counterfeiting to guarantee intellectual property rights and the authenticity of its products and to protect consumers and its intangible assets.

Moncler's approach to the fight against counterfeiting is built on a track record of many years of dedicated and daily commitment to guaranteeing the protection of its clients. This is the guiding principle of the global strategy pursued by the Brand Protection and Intellectual Property Department.

The Company's strong portfolio of trademarks, patents and domain names provides a sound base to counteract the production, distribution and sale of counterfeit merchandise. And by diligently executing, maintaining, and safeguarding its portfolio, Moncler is able to enforce its intellectual property rights in geographic areas of actual and potential commercial interest.

In 2020 Moncler signed an exclusive and worldwide licensing agreement, which will last until 31 December 2026, with Interparfums, the creator of prestige perfumes and cosmetics. Under such agreement, Interparfums will create and produce perfumes and fragrances-related products and will distribute them at Moncler mono-brand stores as well as selected department stores, speciality stores and duty-free shops. The launch of the first line of fragrances is expected within the first quarter of 2022. For this reason, in 2020 the Group carried out an activity on the models portfolio and registered the design of the fragrance bottles in more than 40 countries.

Moncler combats counterfeiting by acting on different levels and channels, both offline and online, and by providing clients with tools to check the items purchased. Over the years, the Group has invested a great deal of resources and energy in developing and improving anti-counterfeiting systems, in collaborations, as well as in training, raising awareness, and carrying out inspections activities.

To date, all Moncler products feature a complex anti-counterfeiting system featuring sophisticated Radio Frequency Identification (RFID) technologies available on the market. This authentication-tracking system, adopted since the 2016 Spring/Summer collection, provides a unique alphanumeric code, a QR code, and a Near Field Communication (NFC) tag, which can be verified at [code.moncler.com](https://code.moncler.com), which is directly managed by Moncler. Moncler has also created a special service dedicated exclusively to counterfeiting issues to further assist its clients by drawing up, where necessary, expert reports for those clients who are victims of counterfeiting and who wish to recover the sums paid for the ill-advised purchase of a counterfeit garment from electronic payment service companies.

Digital channels are another crucial front. Monitoring and enforcement activities were extended in 2020 to additional selling platforms, for a total of 116, to search engines and to active websites. During the year, a great effort was also made to fight the publication of sponsored ads and the accounts promoting the sale of counterfeit Moncler merchandise on the main social networks.

Constant online monitoring and upgrades of the anti-counterfeiting system allowed the Company to intercept more than 82,600 online auctions, shut down about 425 websites, delist around 17,000 pages from search engines, all selling counterfeit merchandise and delete some 45,000 posts, accounts, and sponsored ads on social networks.

In another effort to fight against online counterfeiting, Moncler has drawn up a plan against vendors in the United States involved in the international sale of counterfeit products through digital platforms, serving as a strong deterrent to counterfeiters.





Furthermore, in 2020, the Company continued to enforce the Memorandum of Understanding promoted by the European Commission and signed in 2016 by several brands and the main European e-commerce platforms, aimed at establishing a solid collaboration to counteract the presence of counterfeit products online. Within this project, a lobbying activity aimed at promoting best practices and guidelines in relation to the regulatory package for updating European e-commerce laws (Digital Service Act - DSA) has been carried out.

Moncler also ensures the thorough and constant monitoring of its suppliers of finished products, through regular checks at the workshops that receive, handle, and apply the logoed material and anti-counterfeiting tags supplied by the Group. In 2020, despite the difficulties posed by the pandemic, seven brand protection audits were carried out. The return of feedback on audit results allows a constant and progressive improvement in the production process.

The Group collaborates locally with the main customs and law enforcement agencies worldwide to identify counterfeit Moncler products, issuing, where necessary, expert reports attesting to their illegal nature.

The coronavirus pandemic also impacted the training sessions held for the enforcement authorities in 2020. Although the number of sessions was lower than the trend set by the department in recent years, using digital tools, 39 sessions were held for customs officers and enforcement agencies in Italy and abroad, maintaining the dialogue with the aim of increasing their knowledge of the Brand.

Thanks to this constant collaboration, even in 2020, around 1,700 seizures were carried out worldwide, leading to the removal from the market of more than 110,000 counterfeit Moncler finished products and 277,000 branded items, such as non-authentic logos and labels for the production of counterfeit clothing and accessories.

To raise awareness and train the most involved departments, Moncler formalized brand protection procedures that explain how to check for authentic style content, and held about 10 internal training sessions on this topic.

Moncler also protects its brand by participating and collaborating as an active member of the main national and international associations against counterfeiting, including INDIC-AM in Italy, QBPC in China, UNIFAB Tokyo in Japan, UNIFAB in France, ACG in the United Kingdom, and ECCK in South Korea. See also page 63.

# TRANSPARENT AND RESPONSIBLE COMMUNICATIONS

Trust and transparency are the cornerstones of the most stable and lasting relationships. For this reason, Moncler has always conducted every marketing and communication initiative responsibly on all channels, paying close attention to how, what and to whom it communicates.

It is very important for Moncler's communication to be consistent, responsible and transparent. All **images and messages delivered** through any communication channel, whether online or offline, are **carefully vetted** to ensure they accurately convey Company values, respect human dignity, are non-discriminatory, and do not depict violent behaviour or dangerous conduct. Even greater attention is given to marketing communications related to children's collections, which must guarantee absolute and constant respect for the fundamental principles underlying the protection of minors. Although the Group does not currently adhere to any specific codes or voluntary standards in advertising, Moncler fully complies with all applicable regulations in force in each country in which it operates. As evidence of this unrelenting commitment, Moncler's product marketing communications, advertising and sponsorships have never once breached any regulations in force.

As part of the Group's commitment to enforce responsible communication with clients, great importance is also placed on product **labelling**, which must deliver clear, transparent and accurate information. Moncler guarantees full compliance with existing national and international labelling regulations. Accordingly, the Group works closely with its suppliers to obtain reliable information on the materials and processes involved in the various stages of production and carries out all the tests needed to ensure the accuracy of the contents. All Moncler products feature a global label providing accurate information on the composition of all materials and components, washing and care instructions, and country of manufacture.

All information is translated into ten languages. In addition, custom labels are applied to products to be distrib-

uted to specific markets, such as China and Korea. Products made with specific types of materials carry additional information, such as the common name of the animal, in the case of leather; the common and scientific name of the animal, origin and dyeing treatment (if any), in the case of furs; and the common name of the animal and percentages of down and feathers, in the case of down. As regards down, a label with the indication "DIST-certified down" has been inserted inside all outerwear, guaranteeing that the down contained in the garment is certified according to the principles set out in the Moncler Technical Protocol called DIST (Down Integrity System & Traceability), which regulates farming methods and respect for animal welfare, traceability and the technical quality of the down. See also pages 121-122.



## DIGITAL STRATEGY

Digital channels have always been central to Moncler's growth strategy and continue to strengthen the Brand at a global level.

In 2020 the Company further accelerated its digital transformation by defining a new corporate organization and announcing the direct management of its e-commerce, in line with an increasingly integrated digital vision aimed at personalizing experience and strengthening the relationship with the client across all the Brand's touchpoints. See also pages 33; 129-131.

This digital transformation is a turning point in the way Moncler interacts with its community through a new platform concept, in which the experience will be at the center of an even more personalized client journey. The goal is for every Moncler project, from collection definition to product development and event planning, to be digital native, to be designed with digital platforms as the first point of contact with clients to then spread across all other channels. This new approach requires rapid organizational, cultural and technological transformations and opens up a future full of creativity, experimentation and contents' contamination, and interaction channels.

In July 2020 Moncler set up the new Digital, Engagement and Transformation function to support the evolution of its strategic vision and to boost the digital opportunities for the Company. The function will be tasked with the implementation of the Brand's strategy across all digital channels, the definition of innovative services and experiences for the client, the acceleration of Moncler's presence in all types of digital commerce, and in the spread of a digital culture throughout the organization.

Significant energies and investments have been dedicated to the development of the digital area: from online advertising to **social networks**. Moncler is present on Instagram, Facebook, Twitter, YouTube, LinkedIn, and TikTok (in 2020 with 3.5 million, 2.9 million, 1.1 million, 27 thousand, 213 thousand, and 195 thousand followers, respectively), WeChat, Weibo, Douyin, and RED in Asia (with 496 thousand, 431 thousand, 32 thousand, and 27 thousand followers, respectively), LINE in Japan (with about 424 thousand followers) while in Korea, Moncler has been present on Kakao Talk since 2018 (with about 108 thousand followers). It should be noted that, especially on Instagram, the level of consumer brand engagement has significantly increased in the last three years. Lastly, while social networks are an important channel through which Moncler engages users and keeps them up-to-date on the news about the Brand, they are also increasingly used to promote messages of sustainability. In 2020 a number of social and environmental initiatives, such as corporate volunteering, support for research and COVID-19, were enhanced and promoted through the Group's social media, in particular its LinkedIn page.



## DIGITAL HUB

Digital Hub, a department that drives Moncler's digital transformation and acceleration and that spreads the digital culture, was established in 2019. E-commerce, big data, consumer insights, interactive and personalized omnichannel experiences, innovative online media, and special projects that improve the shopping experience and that exceed client expectations are the basic elements of the team. Digital Hub activity is organized around five strategic pillars: D-Commerce, D-Marketing, Consumer Engagement, D-Intelligence, and D-Operations.

**D-Commerce** aims to define unique, innovative solutions in online business management. In addition to the management of buying and merchandising, it deals with the roll out of new markets. See also pages 33; 129-131.

**D-Marketing** aims to refine reach and to increase client engagement and conversion. In 2020, several projects were developed to boost social media impact, in-store traffic, and media campaigns performance. The TikTok campaign is a notable example. See also page 141. In addition, special collaborations and

partnerships have been set up with e-tailers at global level.

**D-Intelligence** identifies strategic growth levers through the analysis and management of qualitative and quantitative data to maximize knowledge about omnichannel clients and predict demand for new trends and products, therefore improving the client experience. In 2020 Moncler further developed the Big Data project, launched in 2019 in collaboration with Google, promoting the transition from a big data approach to a more focused data management strategy (*smart data*) thanks to qualitative analyses that offer a unique and comprehensive view of the client that support the Company's decision-making processes in real time.

**Consumer Engagement** aims to improve the connection with clients and simplify moments and touchpoints, to make the digital experience ever more personalized and seamless. See also pages 128-132.

**D-Operations** aims to promote the development of business value and the spread of digital culture within Moncler.

## ENGAGING GENERATION Z

In December 2020, Moncler launched the TikTok challenge *#Monclerbubbleup* to open an authentic dialogue with Gen Z and enhance their creativity. The Company asked users to take any idea associated with the Brand, reinterpret the style, and complete the look with

a Moncler jacket. The challenge, implemented with the invaluable help of Client Advisors, who personally invited clients to participate and join the Brand's social media universe, was a huge success reaching more than two billion views worldwide.

# 5

# THINK CIRCULAR

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MONCLER PRODUCTS ARE SYNONYMOUS WITH STYLE, CREATIVE ENERGY, INNOVATION AND QUALITY WHILE ALWAYS REMAINING FAITHFUL TO THE BRAND'S DNA.

IN LIGHT OF NEW CHALLENGES, THE COMPANY IS EVER MORE COMMITTED TO FINDING LOW ENVIRONMENTAL IMPACT SOLUTIONS TO BE INTEGRATED INTO THE DESIGN AND MANUFACTURE OF ITS PRODUCTS.

REVIEWING THE DIFFERENT STAGES OF THE PRODUCT'S LIFECYCLE FROM A CIRCULAR ECONOMY POINT OF VIEW IS AN INCREASING PRIORITY FOR MONCLER IN ORDER TO MINIMIZE USED RESOURCES, EXTEND THE GARMENT LIFE, AND PROMOTE THE REUSE OF MATERIALS.

# STYLE

Moncler's success is based on a unique and consistent brand strategy, which also translates into the ability to develop innovative products that are strongly "anchored" to the history of the brand. The journey which began in 2003 when Remo Ruffini acquired the group, has always been pursued without compromise. Heritage, uniqueness, quality, creativity, and innovation are the terms used at Moncler to define the concept of luxury.

The *Moncler Man* and *Moncler Woman* collections are at the core of the Brand, responding to the needs of different consumers and multiple uses. The offer is completed by the *Moncler Enfant* collection, for babies and children up to the age of 14.

Over time, *Moncler Grenoble* has become a technology and style innovation lab for the sporty consumer with an interest in performance, design and innovation.

*Moncler Genius – One House, Different Voices* collections take on a strategic relevance. They bring together different interpretations of the Brand by designers with eclectic visions brimming with creative energy under the same "roof". The reading key to every creation is the iconic Moncler down jacket, which the designers reinterpret in their own unique way while always remaining true to the Brand's identity.

The Moncler collections are rounded off with footwear and leather goods (bags, backpacks and accessories) lines and a sunglasses and eyeglasses line (*Moncler Lunettes*).

Moncler's team of fashion designers is subdivided by collection and works under the supervision of Remo Ruffini, who sets design guidelines and oversees their consistent implementation across all creations and product categories. The Moncler Style Department is assisted and supported by the Merchandising and Product Development teams, which help create the collections and turn the designers' ideas into reality.

In 2020 Moncler signed a licensing agreement with Interparfums, the creator of prestige perfumes and cosmetics, for the creation and production of perfumes.



# PRODUCT AND INNOVATION

The circular economy is one of the priorities of Moncler's sustainability strategy. It is an approach that integrates innovation and sustainability from the ideas stage of garments to the end of their life. The challenge is to minimize the resources used for production, increase the use of low environmental impact resources, extend product life, and promote the reuse of materials.

To implement a **circular economy** model it is necessary to integrate sustainability into products and processes by taking action in different areas. These range from choosing the most eco-sustainable materials, to initiatives to extend product use and life, such as repair services or "second life" projects, to garment design that facilitates recovery and recycling, to production, distribution and packaging processes with low environmental impact. These are all matters that require an aptitude for innovation, to experiment with new solutions and collaborate with all the players in the supply chain.

Some of the key principles of the circular economy, such as **garment durability**, have always been part of Moncler's DNA. The high quality and timeliness of Moncler products guarantee they have a very long average life. This is the foundation of the Extra Life project, a service aimed at giving a second life to products through specific repairs and customizing garments with patches or specially selected fabrics, which will be extended worldwide by the end of 2022. In addition, the down used, the heart of every single jacket, is an excellent example of how Moncler supports the circular economy. In fact, down comes exclusively from geese in the food chain, of which it is a by-product that if not used would simply be disposed. In 2021 Moncler will start recycling down certified under DIST from its own jackets, using an innovative mechanical process that uses about 70% less water than traditional down recycling processes. See also pages 64; 67.

Since 2019, Moncler has started introducing **sustainable materials** in its collections, such as BIO-based, carbon neutral down jacket made with plant-based fabrics whose emissions have been offset through REDD+ certified projects, a range of recycled garments within the Moncler Grenoble collection, and getting to the launch, in January 2021, of a selection of "Born To Protect" jackets made entirely of recycled materials within the Moncler Man, Woman, and Enfant collections. See also page 151.

Through its **Life Cycle Assessment** analyses, Moncler quantifies the potential impact associated with products, starting with the high selling product, fabrics, and raw materials. These analyses, which are based on a structured methodology and in line with ISO 14067, represent a useful tool for considerations the Company is carrying out on the sustainability of products, processes and materials used. On that note, in 2020 Moncler drew up a set of **Guidelines on sustainable materials** which summarize the criteria and thresholds for guiding the choice of materials, accessories, and manufacturing processes for Moncler products.



The main raw materials used by Moncler are fabrics, yarns and down. The Company works continuously with its suppliers, requiring that production processes be structured so as to optimize material usage and cutting, thereby avoiding waste. Furthermore, in relation to raw materials for products, Moncler is always looking for innovative solutions with low environmental impact.

The sourcing of sustainable or recycled materials plays an important role in Moncler's approach to circularity, in particular, the Company has committed to use 50% sustainable nylon by 2025. Nylon is one of the key raw materials for Moncler garments and accounts for 16% of the greenhouse gas emissions from all materials used in production.

The analysis of raw materials has represented an incentive to strengthen the Company's commitment towards biodiversity preservation also by virtue of the commitments undertaken by Moncler when it joined The Fashion Pact. For this purpose, the Company has started to delineate a specific biodiversity strategy, outlining a series of objectives for using natural resources more responsibly and reducing the impact of the supply chain on ecosystems.

Another area on which Moncler is focusing its attention is **production scrap management**, which pursues two objectives: to reduce waste as much as possible through the use of software as CAD, that provide support during several production stages, from sketching and design to sizing and placement, allowing time optimization and waste reduction; and to collect and reuse the scraps produced during the manufacturing process. Moncler has set a target of recycling 80% of nylon scraps by 2023.

Moncler's commercial strategy is based on the principle of scarcity and, from an operational point of view, on effective warehouse management. This translates into efficient production planning, with the right quantities at the right time and in the right place, in order to avoid excessive inventory. Regarding products that can no longer be sold, Moncler is implementing and continuing to test, through innovative processes, recovery and recycling solutions as well as donating to populations in need in collaboration with NGOs.

#### RAW MATERIALS PURCHASED (Percentage)

	2020
Nylon	29%
Cotton	19%
Polyester	16%
Down	13%
Wool	5%
Other <sup>1</sup>	18%

1. Includes components of raw materials that are not particularly relevant in terms of volume such as silk, rayon, etc.



### “BORN TO PROTECT”: A SELECTION OF JACKETS MADE ENTIRELY OF SUSTAINABLE MATERIALS

In January 2021 Moncler reaffirmed its commitment to the environment by announcing the launch of a range of **jackets entirely made of sustainable materials for men, women and children**, the outcome of the constant search for innovative solutions with low environmental impact.

A physical realization of the Strategic Sustainability Plan Moncler Born to Protect, the jackets illustrate the Company's vision for a circular economy and represent, in a tangible way, three of the plan's five pillars:

- **climate action:** every material in the Moncler Born to Protect jackets is sustainable. Fabrics and accessories, with the exception of down, are recycled ensuring a reduction of roughly 40% of CO<sub>2</sub> emissions;
- **circular economy:** fabrics and accessories

including zips and buttons are made of Econyl® nylon, a regenerated nylon derived from ocean and land-based waste, ensuring the re-use of materials wherever possible;

- **fair sourcing:** as for all Moncler apparel, down is 100% DIST (Down Integrity System and Traceability) certified, ensuring traceability and high farming standards through a scientific approach all along the supply chain. The down, derived exclusively from geese farmed for the purpose of meat, is a by-product of the food chain.

The research for sustainable materials has also been extended to packaging: all paper is sourced from responsibly managed forests, and additionally to this, the shopping bags and gift boxes also include recycled paper.

## PACKAGING

In line with responsible business management and the goals of the Strategic Sustainability Plan Moncler Born to Protect, the Company is also committed to reduce the materials used in its packaging.

Paper and cardboard used for office purposes and packaging are the subject of improvement projects focusing on origin certification, percentage of recycled content, and, where possible, usage limitations and waste sorting for recycling.

On a global level, Moncler continued to promote the use of paper from responsible sources, i.e., those that ensure sustainable forestry practices. As a result of this joint commitment, since 2017 nearly 100% of the paper used in offices and stores has come from responsible sourcing and all logoed material used worldwide is made of Elemental Chlorine Free (ECF) paper from responsible sources, 100% of which are ISO 14001-certified. Single-use conventional plastic of fossil origin has been eliminated from all offices.

As regards packaging, boxes used for shipping are made almost entirely of paper and cardboard from responsible sources, while all shopping bags are made of paper that is 100% from responsible sources and 40% made from recycled material, while reinforcement cardboard is 100% from responsible sources and 70% made from recycled material. All thermal paper used at offices and stores worldwide is BPA-free, in accordance with the new legislation that came into force in 2020 and that bans the use of bisphenol.

The impact of plastic on the environment has become a very important issue for our planet and Moncler feels the need to contribute through concrete actions, even though plastic makes up just 16% of its packaging. The Company has set a target of gradually reducing its use of single-use conventional plastic and phasing it out completely by 2023. See also pages 64; 67.

On one hand, the Company is reducing the use of plastic in packaging when it is not necessary or limiting its weight (for example by reducing its thickness), on the other, it is researching alternative and innovative materials such as bioplastics (derived from plant and non-fossil sources), compostable, biodegradable and recycled plastics. Furthermore, aware of the importance of taking action to reduce environmental impact from the eco-design phase, Moncler undertakes to create mono-material or easily disassembled packaging to facilitate recycling when possible and to design solutions that can be reused.

In 2020, in collaboration with the Politecnico of Milan, Moncler conducted a research project to identify, through a Life Cycle Assessment analysis, the best alternative to single-use conventional plastic in terms of environmental impact and technical performance. Based on the outcome of the study, which indicated recycled plastic as the best alternative, the Company began the replacement process that led to reach 60% of the total plastic recycled by the end of the year. Moncler has also reduced by 21% the amount of plastic used in packaging, compared to 2019.

In 2020 the Group set up a manual with guidelines for choosing materials of lower environmental impact to be used in packaging. See also pages 67; 164.

Hangers, which have been made of recycled plastic for years, have been redesigned with a hook that is easily unscrewed to ensure an appropriate recycling process.

## PAPER USED AT CORPORATE OFFICES

	Quantity (Tonnes)	Renewable	Recyclable	% from responsible sources	% ECF
Printer paper	40.0	100%	Yes	100%	100%
Logoed material <sup>2</sup>	8.2	100%	Yes	100%	100%
Other <sup>3</sup>	382	100%	In part <sup>4</sup>	100%	100%
<b>Total</b>	<b>430.2</b>	<b>100%</b>	<b>Yes</b>	<b>100%</b>	<b>100%</b>

## PAPER USED IN PACKAGING

	Quantity (Tonnes)	Renewable	Recyclable	% from responsible sources
Delivery boxes	1,158.81	100%	Yes	100%
Packaging boxes <sup>5</sup>	189.78	100%	In part <sup>6</sup>	100%
Shopping bags	206.2	100%	Yes	100%
Tissue paper	12.28	100%	Yes	61%
Other	24.46	100%	Yes	98.1%
<b>Total</b>	<b>1,591.53</b>	<b>100%</b>	<b>Yes</b>	<b>99.3%</b>

## PLASTIC USED IN PACKAGING

	2020	2019	2018
Quantity (Tonnes)	358.4	453.34	570.28
of which recyclable	100%	96%	95%
of which recycled	60%	31%	22%

<sup>2</sup>. Including but not limited to business cards, envelopes, 'with compliments' cards, repair receipt books, notebooks, catalogues, folders, stationery, and client data sheets.

<sup>3</sup>. Including but not limited to thermal paper rolls, receipts, and plotter paper.

<sup>4</sup>. Thermal paper rolls are included in this category: some components of this type of paper react to heat, making it non-recyclable.

<sup>5</sup>. Packaging boxes include e-commerce as well as other boxes, such as those for gifts, shoes, eyewear, etc.

<sup>6</sup>. Some packaging boxes are equipped with magnets, which is non-recyclable.

# QUALITY AND SAFETY

For Moncler, quality has always been and will continue to be a priority. There can be no compromise in the pursuit of excellence: from the choice of the finest materials, through the precise manufacture of its garments, to the selection of the best suppliers trained and supported by specialized experts.

## PRODUCT QUALITY AND SAFETY

Product quality and safety are at the centre of Moncler's focus. For this reason, it implements strict controls along the entire value chain. All Moncler products are designed and manufactured under the Company's direct and close supervision. The Group manages the creative stage, the development of prototypes, and the purchase of raw materials internally, while it closely oversees the manufacture of final products at its production site in Romania or outsourced to external suppliers.

Quality and safety are priorities for the Group right from the phase of designing garments and purchasing raw materials. The quality of the down, nylon, fabrics, and other raw materials used to produce Moncler garments is crucial to guarantee the excellence of the final product. For this reason, Moncler selects its suppliers very carefully, and all materials are subject both to strict testing before production and accurate assessments on their composition, check for chemicals, and test their physical and mechanical qualities so as to ensure the desired technical performance.

Moncler contractually requires all its production partners to perform in **full compliance with the most stringent international regulations** on chemical substances and performance, including the European Union's REACH<sup>7</sup> regulation, China's GB<sup>8</sup> standards, and the Japanese JIS standards<sup>9</sup>.

Suppliers are also bound by contract to satisfy Moncler's Compliance Specifications, which contain the main compliance requirements for suppliers and their sub-contractors, including dyeworks, cleaners, and embroidery mills. The specifications are periodically updated, in light of international regulations and parameters and commitments adopted on a voluntary basis by Moncler. They contain two sections: the first, on chemicals, includes the **Product Restricted Substances List (PRSL)** and the **Manufacturing Restricted Substances List (MRSL)**, while the second consists of the **Manual of Performances** and concerns physical-mechanical performance standards.

7. Registration, Evaluation, Authorisation and Restriction of Chemicals.

8. National Standard of the People's Republic of China.

9. Japanese Industrial Standards.





The PRSL, whose latest revision was completed in 2020, applies to materials, treatments, and products and includes the most restrictive standards of the countries where Moncler products are manufactured and sold.

Drawn up with the support and assessment from consultants and testing and certification companies, the PRSL takes into account the main industry standards (including the American Apparel and Footwear Association - AAFA and the Camera Nazionale della Moda Italiana), the certification models of independent bodies, and the specificities of Moncler products.

The PRSL reports the names of the relevant chemical substances and formulations, the CAS (Chemical Abstract Service) registry number, the analysis methods to be considered and reference parameters to be comply with. They also indicate the substances and target parameters for which suppliers are encouraged to make improvements or find viable alternatives on.

In addition to the legally required parameters, the PRSL includes several voluntary standards that are even more restrictive, in line with a precautionary approach.

Aware of how important it is to monitor the use of chemicals in the production process to prevent contamination of materials, products, wastewater, and sludge, in 2020 Moncler drew up a Manufacturing Restricted Substances List (MRSL) which, along with the PRSL, defines the list of substances that suppliers and subcontractors have to monitor during the various production phases in order to anticipate and reduce the risk of product-, material-, and environment-related problems and set the basis for a correct production method and root-cause analysis.

The MRSL and PRSL apply to all levels of the supply chain involved in the production of materials and products. For parameters, substances, methods, and detection limits, suppliers are required to refer to the MRSL and/or PRSL depending on the substrates considered.

The MRSL and PRSL rule the use of more than 350 chemicals and are two important tools in Moncler's strategy to keep reducing its environmental impact.

Suppliers and sub-contractors, especially those involved in wet processing, are encouraged to proactively develop a chemical management system through which they can monitor and test chemicals, wastewater and sludge, as well as materials, components, products and treatments. This includes keeping updated chemical inventories and documentation, in addition to implementing batch traceability and the screening and/or testing of different chemical formulations at least seasonally, if not through sample checks or during on-site inspections.

The supplier must verify that the concentrations of substances detected in any substrate comply with the law or with Moncler's standards, if more restrictive, and to deepen the source of any problem and take appropriate corrective measures.

Moncler monitors compliance with standards through a sample check procedure that defines the samples to be tested, the frequency, and the type of tests. Testing is carried out every season, starting with the materials selection phase and continuing through prototyping, sample making, and production.

The samples and substances to be tested are selected considering the type of materials (fabrics, leathers, etc.), the formulations used in the production process (e.g. dyes and finishing agents), the documents availability, the fre-

quency and quantity of use in the supply chain, the singularity and distinctiveness of a given effect, and so forth.

Tests on components, water, chemical formulations, and finished products are conducted through independent, ISO 17025 accredited laboratories and are carried out by both the suppliers and Moncler.

The accessories used in production are subject to additional testing to ensure their technical compatibility with fabrics and garment care (for example, their reaction with washing detergents). Fabrics are tested for their physical-mechanical properties, such as resistance to water, pilling, colour fastness, seam slippage, tearing strength, breathability, etc.

**Moncler accepts no compromise when it comes to safety and quality.** If materials do not pass the tests, the purchasing process is suspended until the supplier can demonstrate it is able to deliver a product that complies with all requirements.

Regarding technical quality, before selecting a production supplier, the experts from Moncler's quality assurance division will first verify that the **potential partner has the technological capacity** and is adequately equipped to produce garments that meet all the standards required by the **Brand**, and that it can ensure consistent and reliable levels of quality. The experts will then perform weekly checks to verify the status of the supply process and compliance with the product quality standards.

Before starting the production process, every model undergoes a series of fittings to verify every detail and consistency with design and model specifications, and to ensure maximum comfort and wearability.

Finally, prior to sale, **all garments produced are subject to a final stringent quality inspection.** This inspection, with a structured and recorded process, **checks and guarantees the aesthetic detail, characteristics, sizing, labelling and functionality of each garment.** In this final stage, the anti-counterfeiting protocol is checked and activated using sophisticated latest-generation technology.

Since 2018, through major investments in technology, Moncler has expanded its Piacenza hub where, in addition to logistics activities, other services including quality control of finished products and part of the after-sales services are carried out. The expansion of the facility is part of an important project that the Company implemented in order to be faster and more efficient in terms of time-to-market and service to clients.

## DOWN QUALITY

Down is the most important thing to Moncler. Since the beginning of the Company's history, down has been at the heart of every Moncler jacket, gradually becoming the identity of the Brand itself.

Many years of experience, combined with continuous research and development, have enabled Moncler to gain unique expertise in this area, in terms of both knowledge of raw materials and garment manufacturing process. Moncler requires all its suppliers to comply with the highest **quality standards**, which have always been – and indeed remain – a key aspect differentiating Moncler's products. But the Company's notion of quality goes even further: when purchasing raw materials, the origin of the down used and **respect for animal welfare** are taken into account as much as the quality of the down itself. See also pages 121-122.

More specifically, the technical quality of Moncler's down is the result of a well-structured process that ensures that only the best white goose down is used to create the garments. Every batch of down undergoes a two-step inspection procedure to assess its compliance with **11 quality parameters**, including health and cleanliness, set according to the strictest international standards and stringent Company requirements. The procedure involves sophisticated analyses by an accredited independent body, followed by further tests at Moncler's own laboratory performed by highly-specialized down technicians. Approximately **1,100 tests** were performed in 2020.

Down cluster content and fill power are the main indicators of down quality. Moncler's products contain at least 90% white goose down clusters and only 10% feathers/small feathers. This high percentage of down cluster guarantees a high fill power, which is the amount of volume occupied by the down: the higher the fill power, the better the down's performance in terms of lightness, thermal capacity, and insulating properties. Moncler's down boasts a fill power of at least 710 (cubic inches per 30 grams of down), resulting in warm, soft, lightweight products delivering unique comfort.



# 6

# ACT ON CLIMATE CHANGE

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AND CONSUMPTION





**FOR MONCLER, BEING SUSTAINABLE MEANS ACTING FOR LONG-TERM DEVELOPMENT.**

**THIS MEANS FEELING THE RESPONSIBILITY FOR FUTURE GENERATIONS RIGHT NOW AND THEN ACTING CONSCIOUSLY TO PRESERVE NATURAL RESOURCES AND CONTRIBUTE TO THE FIGHT AGAINST CLIMATE CHANGE BY MINIMIZING THE IMPACT ON THE ENVIRONMENT.**

**LONG-TERM GROWTH CAN BE ACHIEVED ONLY THROUGH RESPONSIBLE BEHAVIOUR.**

# ENVIRONMENTAL POLICY AND MANAGEMENT SYSTEM

Moncler is aware that the path to sustainable development requires policies, tools, and lines of action on environmental issues. Responsibility towards future generations calls for a strong commitment to carefully using natural resources and minimizing impacts.

As proof of its focus on the environment, in 2017 Moncler adopted an **Environmental Policy** to confirm its full compliance with all applicable laws and regulatory requirements, as well as its commitment to continuously improving its environmental performance, by minimizing the impact of its production site and facilities (offices, warehouses and stores) and of its activities, services, products, and logistics. Moncler makes substantial investments in the technical, economic and professional resources required to fully achieve the policy's objectives. The document is available in Italian and English, and can be downloaded from the Group's intranet portal and corporate website.

The maintenance of **ISO 14001 certification** at the production site in Romania, the Italian corporate offices, and the logistics hub at Castel San Giovanni, Piacenza, is a solid result, which highlights Moncler's commitment to and investment in environmental protection and the drive for continuous improvement.

Given the nature of Moncler's business model, in which production is mainly outsourced to external suppliers, its most significant environmental impacts are indirect (*scope 3*). The Company uses its influence insofar as possible to promote sound environmental practices among its production and logistics suppliers, in an effort to limit the indirect impact generated by the production and distribution of its products. With regard to direct environmental impacts (*scope 1* and *scope 2*), i.e., those caused by offices, stores, logistics centres, and the production site in Romania, as in previous years Moncler concentrates its efforts on:

- **monitoring and assessing environmental impacts**, on the basis of which the Company can identify and implement improvement measures;

- purchasing **electricity** from renewable sources;
- adopting **more efficient technologies and lighting systems**, as well as green ICT solutions;
- adopting **technologies that enable interaction** amongst employees, thus reducing business travel;
- **using resources efficiently** and buying from responsibly managed sources;
- **engaging employees** and raising awareness across the Company through guidelines and programmes aimed at reducing the consumption of paper, plastic, toners, and energy, and at promoting waste sorting.



# RESOURCE MANAGEMENT AND CONSUMPTION

## ENERGY CONSUMPTION AND CO<sub>2</sub> EMISSIONS

Reducing greenhouse (GHG) emissions, adopting renewable energy, and improving operational efficiency are the key levers of Moncler's strategy to fight climate change, defined in line with the 2030 Agenda for Sustainable Development (Sustainable Development Goals - SDGs) set by the United Nations.

With the Strategic Sustainability Plan Moncler Born to Protect, the Company has set strategies and operational objectives that outline the Group's development path towards carbon neutrality at own sites worldwide by 2021.

In 2020, Moncler submitted its CO<sub>2</sub> emission reduction targets to the Science Based Targets Initiative (SBTi)<sup>1</sup>. The SBTi judged the targets to be consistent with the actions companies in different industries need to take to help reduce the global temperature.

### DIRECT AND INDIRECT ENERGY CONSUMPTION (kWh)

	2020	2019	2018 <sup>7</sup>
<b>Direct energy consumption</b>	<b>5,531,706.27</b>	<b>7,307,505.16</b>	<b>6,506,388.67</b>
From non-renewable sources:			
Natural gas <sup>3</sup>	3,468,702.60	3,494,342.32	2,969,065.39
Diesel <sup>4</sup>	1,089,561.87	2,874,734.71	3,262,034.35
Fuel <sup>4</sup>	973,441.80	938,428.13	275,288.93
<b>Indirect energy consumption<sup>5</sup></b>	<b>29,733,158.57</b>	<b>20,097,325.00</b>	<b>16,376,188.00</b>
Electricity from non-renewable sources	14,616,822.43	11,871,230.00	10,814,842.00
Electricity from renewable sources	15,116,336.14	8,226,095.00	5,561,346.00
<b>Total energy consumption</b>	<b>35,264,864.84</b>	<b>27,404,830.16</b>	<b>22,882,576.67</b>
Total energy consumption/number of employees	8,018.39	5,997.99	5,507.24

### DIRECT AND INDIRECT CO<sub>2</sub> EMISSIONS (Tonnes of CO<sub>2</sub>e)

	2020	2019	2018 <sup>7</sup>
<b>Direct emissions (scope 1)</b>	<b>1,298.14</b>	<b>1,768.18</b>	<b>1,582.37</b>
From non-renewable sources:			
Natural gas <sup>3</sup>	759.21	764.82	649.85
Diesel <sup>4</sup>	283.14	757.04	856.82
Fuel <sup>4</sup>	255.79	246.32	75.70
<b>Indirect emissions (scope 2)<sup>5</sup></b>			
Location-based	<b>10,689.75</b>	<b>7,610.87</b>	<b>6,358.65</b>
Market-based	<b>5,489.21</b>	<b>5,669.75</b>	<b>5,173.31</b>
<b>Total emissions<sup>6</sup></b>			
Location-based	<b>11,987.89</b>	<b>9,379.05</b>	<b>7,941.02</b>
Market-based	<b>6,787.35</b>	<b>7,437.93</b>	<b>6,755.68</b>
<b>Total emissions/number of employees</b>			
Location-based	2.73	2.05	1.91
Market-based	1.54	1.63	1.63

Moncler has committed to reduce absolute scope 1 and 2 GHG emissions 70% and absolute scope 3 GHG emissions 14% by 2030 from a 2019 base year. The Company also committed to increase annual sourcing of renewable electricity from 41% in 2019 to 100% by 2023 for its owned and operated facilities worldwide. Consistently with this commitment, in 2020 the Company purchased 100% of its energy from renewable sources in Italy, Romania, and other countries including China<sup>2</sup>, Brazil, Russia, and Turkey, achieving a total of 50% of energy consumption from renewable sources.

Moncler's energy consumption is mainly related to the production activity in Romania, as well as to the heating, air conditioning and lighting of the structures and the operation of the IT equipment. The monitoring of energy consumption in 2020 was refined to include, among others, stores at host structures (for example department stores) for which Moncler does not directly manage the data. For this reason, energy consumption in 2020 cannot be compared with the previous two years.

In addition to reducing its footprint, in 2020 Moncler continued its collaboration with AzeroCO<sub>2</sub>, a company that helps companies identify paths to reduce consumption and compensate for residual and unavoidable CO<sub>2</sub> emissions, to compensate for the emissions generated by holding the Regional Retail Summit held online. In particular, Moncler offset 1.70 tonnes of CO<sub>2</sub>e associated with the use of computers, projectors, and IT tools through a Verified Emissions Reduction (VER) reforestation project in the Molgora Park, Lombardy, aimed at reclaiming degraded urban areas, creating ecological corridors, and enhancing the traditional landscape by gradually renaturalizing the banks of the Molgora stream that gives its name to the protected area.

Given the nature of Moncler's business model, in which production is mainly outsourced to suppliers, which account for the most significant amount of emissions (scope 3): about 140 thousand tonnes of CO<sub>2</sub>e that represent 95% of the total.

To limit the indirect emissions linked to the purchase of raw materials and the production and distribution of its merchandise, the Company has also initiated a series of roundtables with the aim of collaborating more intensively with its producers and logistics suppliers in the application of good environmental practices. See also page 67.

## INITIATIVES TO PROMOTE SUSTAINABLE MOBILITY

As a constantly evolving and moving company, Moncler is aware of the impact of urban mobility and encourages its employees to adopt environmentally friendly solutions. By adopting good habits, aimed at limiting air pollution, everyone can contribute to improving the quality of the air we breathe.

In 2020, in light of the COVID-19 pandemic, the Company suspended, for safety reasons, the carpooling initiative for employees of the Trebaseleghe office, Padua, which allowed Moncler people to benefit from spending time with colleagues and to limit the environmental impact of travel. It also provided bicycles to encourage people to use alternatives to public transport, in addition to the 20 bikes made available to employees at the Milan offices in 2019 to cover short distances.

At the production site in Romania, Moncler continued to provide the shuttle bus service and increased the number of vehicles to ensure safe distancing in accordance with the anti-COVID protocol. The vehicles were disinfected every day, periodically sanitized, and equipped with protective devices and dispensers. Doors were managed separately for getting on and getting off the bus.

This commuting system prevented the emission of more than 4,400 tonnes of CO<sub>2</sub>, a reduction of 65%, compared to the emissions that would have been generated if each employee had moved by private means.

The commitment to sustainable mobility can be witnessed by the growing number of low environmental impact vehicles in the company car fleet. There are 64 hybrid Company cars, equal to about 35%, and Moncler plans to continue increasing this number. See also page 66.

In 2020, employees with a company car also received a new DKV fuel card which they can use at 8,000 service stations in Italy and 50,000 throughout Europe, thanks to a network of well-known brands and that allow to travel with zero CO<sub>2</sub> emissions. Under this system, for every litre of fuel consumed, the corresponding emissions are offset through certified projects of environmental protection.

1. Endorsed by CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF), the Science Based Targets initiative establishes and promotes best practices for setting science based targets and evaluates the targets submitted to it by businesses.

2. Moncler's energy consumption from renewable energy includes the Chinese mainland, Hong Kong SAR and Macao SAR. While the corporate energy consumption in Taiwan is currently derived from non-renewable sources.

3. The data includes total consumption estimated on the basis of the total cost of natural gas (except for cases in which data is managed by the host department stores).

4. Consumption and emissions for the worldwide car fleet (2020) and the car fleets in Italy and Romania (2019). In 2020 the car fleet was made up of 35% hybrid vehicles, to which the relative consumption factors of vehicles were applied. For the 2018 recalculation for the Moncler fleet, the specific emission factors for each fuel were applied as provided by the EN 16258 standard.

5. The 2019 and 2018 data do not include the energy consumption of stores in host structures (for example department stores) for which Moncler does not directly manage the data.

6. The calculation of CO<sub>2</sub>e emissions (which includes CH<sub>4</sub>, NO<sub>2</sub>, HFC, PFC, SF<sub>6</sub> emissions where present) was carried out in accordance with the GHG Protocol guidelines. The parameters used for the calculation are derived from IEA, 2019 (emission factors for electricity), UNI EN 16258 (fuel emission factors).

7. For 2018, energy consumption values and related CO<sub>2</sub>e emissions have been revised following the refinement of the estimation methodology and updating of the conversion factors.



## INITIATIVES TO MITIGATE ENERGY CONSUMPTION AND CO<sub>2</sub> EMISSIONS

In order to reduce energy consumption and CO<sub>2</sub> emissions, Moncler is engaged in various activities in its stores, offices, logistics hub and production site. These range from gradually replacing traditional lighting systems with LED lights to using green ICT technologies, identifying new methods to use energy more efficiently, and mitigating the environmental impact of employees' business travel.

As for the **efficiency of lighting systems**, Moncler continued to achieve important results also in 2020. To date, **99%<sup>8</sup> of stores worldwide** (100% in the United States, Korea, Japan, and Europe) are equipped with **Light-Emitting Diode (LED)** systems, as well as the entire production site in Romania, the finished products warehouse, and the new area of the logistics centre at Castel San Giovanni, Piacenza, with an area of approximately 40,000 square metres. As for the corporate offices, the significant refurbishment of the Trebaseleghe, Padua, offices was completed in 2020 and all offices and new areas (for a total of 6,000 square metres) were equipped with more efficient lighting systems, with the use of LED lamps and thermal insulation systems to ensure greater energy efficiency.

Latest-generation LED technology delivers high-quality lighting and, under certain conditions, up to 80% in estimated energy savings compared to the former lighting systems, with less residual heat. In terms of environmental impact, LED lights have an average life that is significantly longer than that of traditional light bulbs, and are made almost entirely of recyclable materials. In 2020, Moncler invested around 1.2 million euros to install LED lights or to replace traditional lighting systems.

Also in the field of energy saving, in 2020 Moncler continued an **evaluation of the existing air conditioning systems** in its stores in order to identify more eco-efficient solutions.

To develop a better understanding of the initiatives that could feasibly reduce the environmental impact of its stores, Moncler is also engaged in assessing sustainability requirements in the store design process. In addition to style, sophistication, and practicality, the Company is paying more and more attention to sustainability aspects in the design and realization of its stores. While it is fundamental that stores feature good lighting, layout, climate control, and functionality, the Company is aware that these aspects need to be managed as soundly as possible to limit their impact on the environment.

The Company is also committed to minimizing the environmental impact of its **Information and Communication**

**Technology (ICT) systems**, by implementing increasingly efficient and innovative solutions and providing all offices with guidelines for the purchase of eco-friendly ICT equipment. Moreover, Moncler leverages the potential offered by new technologies that favour remote communication, including the most innovative video conferencing and telepresence systems, which reduce the impact of business travel on both the environment and people's quality of life.

To date, Moncler has 32 conference rooms equipped with modern video conferencing or telepresence technology. In 2020 these systems theoretically prevented over 15 million kilometres of business travel, estimated to be equal to approximately 970 tonnes of CO<sub>2</sub> equivalent<sup>9</sup>.

In addition to the video conferencing systems in the offices, since 2019 Moncler has widely used the web desk conference system, i.e., a video conferencing system for a user's IT device that integrates with the systems in the video rooms of the company's offices, as well as connecting external video conferencing systems to the company network. This video communication system allows Moncler to offer staff outside the company the possibility to contact internal staff without having to physically move.

In 2020, as the COVID-19 emergency persisted, employees worked mainly from home. This way of working led to use, in 90% of the cases, platforms permitting online meetings and video conferencing preventing the emission of about 1,800 tonnes of CO<sub>2</sub> as corporate employees did not have to travel to the workplace using their own cars or public transport.

<sup>8</sup>. Excluding the 16 shop-in-shops in which lighting is provided by the host department stores, where Moncler cannot take action.

<sup>9</sup>. The reduction in emissions achieved by using video/telepresence conferencing technologies was estimated by:

- considering only video/teleconference calls lasting more than 20 minutes;
- assuming an average number of four participants in each video/teleconference call;
- associating flights with the international video/teleconference calls. CO<sub>2</sub> estimates were calculated starting from the distance in kilometres between the cities connected by the video/teleconference calls assuming an average movement of two passengers;
- associating car journeys with the national video/teleconference calls. CO<sub>2</sub> estimates were calculated on the basis of the distance in kilometres between the cities connected by the video/teleconference calls;
- considering only one calling point and one receiving point for calls involving more than two countries (e.g., Italy, Japan and the United States);
- for plane and car journeys, average kg CO<sub>2</sub>e/pkm and kg CO<sub>2</sub>e/km coefficients were used, obtained through processing for Moncler's business travel on a tool certified in compliance with UNI EN 16258.



## RAISING ENVIRONMENTAL AWARENESS BY INVOLVING EMPLOYEES

Over several years, Moncler has launched numerous initiatives to raise employee awareness of the conscious use of natural resources and promote a constant focus on the environmental impact of everyday activities.

### Moncler for WAMI

In 2020 Moncler partnered with WAMI, an Italian mineral water company, ensuring for every bottle of water purchased from the Company's vending machines, 100 litres of drinking water to families that do not currently have access to this precious resource. The litres donated contribute to the realization of water projects in different part of world, including in Senegal, Tanzania, Kenya, Ethiopia, and Sri Lanka.

### Initiatives to reduce paper consumption

In an effort to raise employee awareness of the environmental impacts of day-to-day activities and promote sustainable behaviour also in offices, the corporate offices in Italy have intro-

duced the use of personal codes for all copying/printing activities. The goal is to enhance employees' sense of responsibility and rationalize the number of printed documents, so as to cut toner and paper consumption. Since 2018 the project has been extended to the offices of the EMEA Region in Paris and to the logistics hub in Castel San Giovanni, Piacenza. Another project launched in 2018 and continued over the past two years, which has significantly reduced paper consumption, is the development of an electronic incoming invoice archive. This digitization programme for all incoming invoices is fully operational in Italy, France, Austria, Germany, Belgium, Switzerland, the United Kingdom, Denmark, the Netherlands, Spain, Norway, Sweden, Ireland, the United Arab Emirates, the United States, and Canada. In 2020, this process made it possible to reduce paper consumption by around 880 kg.

## WASTE

The main wastes generated by Moncler consist of packaging materials, office waste, and fabric production waste scraps.

In 2020 the Company reused or recycled about 95% of the waste generated in Italy and at the production site in Romania.

Moncler's offices and stores are equipped with containers for waste sorting, and employees are trained on the importance of following good practices to ensure proper waste disposal and recycling/recovery. Waste sorting applies to: paper, cardboard, wood, plastic, and computer equipment.

With a view to circular economy, Moncler engages in a constant dialogue with partners and organizations to study new solutions of making use of its waste, with a particular focus on fabric production waste scraps.

In this regard, the Company is committed to collect and recycle nylon processing waste, one of the main fabrics used in the production process. See also pages 67; 150.

For more information on the disposal method broken down by type of waste, see the Appendix page 195.

### WASTE GENERATION<sup>10</sup> (Tonnes)

	2020	2019	2018
<b>Non-hazardous waste</b>	<b>1,135.7</b>	<b>917.6</b>	<b>605.7</b>
Paper and cardboard	440.9	375.9	261.4
Mixed packaging	140.9	257.7	157.1
Wood	179.2	167.3	114.5
Plastic	108.1	25.5	9.2
Fabric	72.3	74.6	44.6
Metal	192.4	13.8	5.8
Glass	-	-	-
Other	1.9	2.8	13.1
<b>Hazardous waste</b>	<b>0.6</b>	<b>0.5</b>	<b>1.3</b>
<b>Total waste generated</b>	<b>1,136.3</b>	<b>918.1</b>	<b>607.0</b>

### WASTE DISPOSAL (Tonnes)

	2020	2019	2018
Recovery	1,050.7	800.7	546.2
Recycling	63.1	56.9	46.9
Other <sup>11</sup>	22.5	60.5	13.9
<b>Total waste generated</b>	<b>1,136.3</b>	<b>918.1</b>	<b>607.0</b>

<sup>10</sup>. The data refer to the scope of Italian offices, the Italian logistics hub and the production site in Romania, and do not include waste managed directly by local municipalities.

<sup>11</sup>. This item includes other types of disposal including landfill.

## LOGISTICS SYSTEM

The Moncler logistics system is divided into two sub-systems, one for the industrial part of the supply chain (materials logistics) and the other for the distribution component (finished product logistics).

Moncler's **industrial logistics** has a single-hub structure: the Italian hub in Castel San Giovanni, Piacenza, receives all raw materials and accessories from suppliers, both domestic and foreign, of all commodity groups, checks their quality, and divides them into work orders that are sent to the workshops that manufacture the garments. The flow of industrial logistics closes with receipt of the product at the Piacenza logistics hub, where the quality of the garments is checked to certify its suitability for being placed on the market.

**Distribution logistics** has a much more articulated organization as it must supply about 75 countries, as well as the different sales channels in each of them, in which the brand is present. It is a network comprising different levels, where the first level collects all of the Company's products, the second is a distribution reference point for one or more countries and, in cases characterized by a high concentration of business, also by a third level, which covers service needs of specific geographical areas.

In line with the challenges that Moncler has tackled in the last decade, in order to support a global business strategy centred on a direct relationship with end clients and with ever faster services, distribution logistics has been reorganized to equip the Company with cutting-edge technological and digital instruments that will allow it to respond to the increased complexity of the distribution flow system. This approach has ensured speed, traceability, serial number management and process automation.

In recent years, the logistics hub in Castel San Giovanni, Piacenza, has been expanded, strengthened, automated and enhanced in terms of the services provided. Quality control, including on the finished product, and repairs using state-of-the-art management tools are carried out directly at the hub. Since 2019 the entire serial number management system has been activated, supported by highly automated systems for hanging garments, and an automatic system will be activated with Shuttle technology for handling and storing boxed products.

Since the Autumn/Winter 2019 season, all products are subject to a final testing at the Piacenza hub and are also verified through an X-ray system with image archiving linked to the serial number of the single piece, as well as the archiving of the entire history of the single product unit put on the market.

## MONITORING THE ENVIRONMENTAL IMPACT OF THE LOGISTICS PROCESS

Moncler does its best to implement logistics solutions that ensure not only operational efficiency and compliance with deadlines, but also respect for the environment. It supports and encourages its logistics partners to adopt sustainable systems and transport methods. Various initiatives have been implemented over the years to help minimize environmental impacts and costs, and others are under assessment.

Four main drivers underpin Moncler's commitment to a sustainable logistics system:

- identification of efficient routes in order to reduce distances travelled;
- optimization of flows in order to minimize movements;
- space-efficient packaging so as to ship the same product volumes in less space;
- use of transport vehicles with low environmental impact.

The Group has reorganized its logistics systems in recent years, focusing on the network as well as on operating procedures and processes, achieving tangible benefits in terms of efficiency and optimization of logistics flows.

It has also redesigned the packaging used to transport finished goods, which has considerably reduced the volumes of goods transported and thus the number of transport vehicles employed, thereby mitigating the environmental impact caused by air-polluting emissions. With regard to transport vehicles, Moncler is aware of the environmental impact of the different means of transport it employs. Subject to market requirements, the Group makes a conscious effort to limit, where possible, the use of air freight in favour of shipments by sea, so as to further reduce the environmental impact of its operations.

With the collaboration of its logistics partners, over the last two years the Group has expanded the monitoring of CO<sub>2</sub> emissions from the transport of finished products, from the distribution centres of the logistics network to all stores in the retail channel, the clients in the wholesale channel, and the e-commerce channel where directly managed by Moncler<sup>12</sup>. In 2020 it extended the analysis of logistics flows by monitoring the CO<sub>2</sub> emissions generated by the transport of raw materials sent out for garment making and by the transport of finished products to the logistics hub of Castel San Giovanni, Piacenza. In 2020, logistics emissions amounted to around 11,068 tonnes of CO<sub>2</sub>e<sup>13</sup>, of which 70% from the distribution of the finished product. For this latter category, although air transport was used for only a third of the goods transported by volume, the corresponding emissions amounted to over 96% of the CO<sub>2</sub>e emissions generated by the logistics flows taken into account. The Group is constantly committed to identifying and using more eco-efficient transport systems and methods that are able at the same time to guarantee operational efficiency and delivery times being met.

In 2020, through a pilot project, Moncler has also begun monitoring the impact of raw material transport from suppliers to the logistics hub in Castel San Giovanni, Piacenza. It is the Group's objective to extend the analysis of logistics flows in 2021. See also page 66.

<sup>12</sup> Monitoring includes last-mile transport to the end client in Korea, the Americas, and Canada.

<sup>13</sup> Well-to-wheels value (WtW), includes transport both to owned stores or proximity warehouses and to wholesale clients. It excludes a portion of the last mile of e-commerce flows (from warehouse to the end client) and a part of return flows from the store (to the warehouse). Logistics emissions have been calculated in accordance with GLEC Framework 2.0.



## MONCLER AND EXTREME E: TOGETHER FOR THE OFF-ROAD CHAMPIONSHIP DEDICATED TO ELECTRIC CARS

In 2020 Moncler announced a partnership with Extreme E, the new off-road racing series that seeks to reconcile adventure and the environment seeing electric cars compete in some of the most remote corners of the planet to highlight the climate change challenges faced by different ecosystems. The races will be held in five different stages, the first is scheduled for April 2021 in Saudi Arabia, continuing in Senegal, Greenland, Brazil and will end in the evocative Tierra del Fuego in Argentina in December. Each stage will be an opportunity to raise public awareness on the danger of global pollution and other environmental issues ranging from the melting of glaciers, to the runoff of melt water and deforestation.

The championship envisioned ad hoc initiatives for each stage, for example training courses on environmental issues will be organized in Greenland in collaboration with UNICEF; initiatives will be carried out with The Nature Con-

servancy, a prestigious organization for the conservation and protection of lands and water resources, to promote agro-forestry in the Amazon; millions of mangroves will be planted in Senegal with the NGO Oceanium and many other projects will be implemented to support local communities and territories.

Moncler will provide the entire Extreme E team with a dedicated uniform to protect them during these races in remote areas. The co-branded uniforms will include some of the Group's most iconic outerwear as well as t-shirts, soft accessories and footwear for the diverse types of terrain.

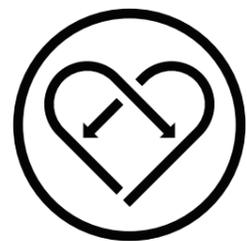
In addition, the initiative will also promote a very important topic for Moncler: Diversity and Inclusion. To this end, all the teams participating in the races will be made up of a male and a female driver, with the aim of promoting gender equality.

7

# GIVE BACK

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SUPPORTING  
LOCAL COMMUNITIES



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MONCLER HAS ALWAYS BEEN COMMITTED TO SUPPORTING LOCAL COMMUNITIES AND BUILDING AN OPEN AND COLLABORATIVE DIALOGUE WITH CHARITABLE ORGANIZATIONS.

THIS APPROACH STEMS FROM THE KNOWLEDGE THAT A COMPANY CAN ONLY THRIVE BY BEING IN HARMONY WITH AND RESPECTING ITS OWN COMMUNITY.

# SUPPORTING LOCAL COMMUNITIES

Over the years, Moncler has promoted and sponsored many initiatives in support of local communities and charitable organisations, through cash contributions, donating clothes, and providing organisational support to national and international programmes.

Moncler's commitment to community support finds expression in initiatives related to scientific research and medical prevention, social development and poverty, and emergency relief.

The Company carries out other work to support local communities near its main areas of activity, in collaboration with local authorities and people. This is made possible by the constant interaction and dialogue between the heads of the Company's main offices and local representatives and administrations, which helps Moncler understand community needs and expectations, recognize the impact of its operations on the population, and ensure social consensus. In 2020 the Company played a very active role in the COVID-19 emergency support, through a number of initiatives dedicated, not only to employees, but also to the community at large.

During the year, Moncler invested more than 5.5 million euros in local community initiatives (+107% compared with 2019)<sup>1</sup>.

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<sup>1</sup> The figure includes both cash contributions and the donation of goods and face masks. The figure does not include approximately 5.5 million euros out of the 10 million euros donation made in March 2020 for the construction of a hospital at the former Milan Trade Fair, which was returned by the Region of Lombardy when the hospital was funded by other means. Moncler will use that amount for other COVID-related initiatives that are currently being assessed.



**TYPE OF INITIATIVE**



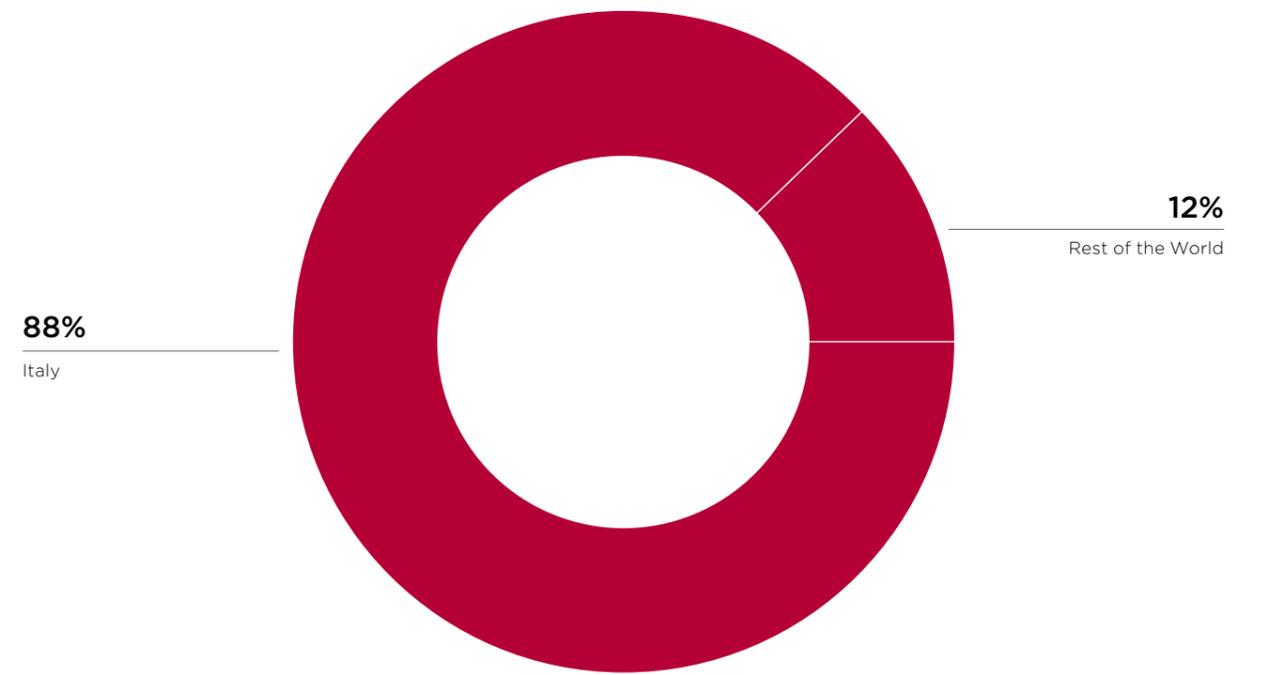
**AREA OF INTERVENTION**



**TYPE OF CONTRIBUTION**



**CONTRIBUTION BY GEOGRAPHIC AREA**



2. Monetary value of hours volunteered by employees during regular working hours and costs incurred to organize volunteering activities.

## SUPPORT TO SCIENTIFIC RESEARCH

Moncler has always believed in research and innovation as key drivers for continuous development and improvement. This belief goes beyond Company boundaries, Moncler is committed to promoting research in the medical and scientific sector, which it actively supports through funding and grants.

In 2020 the Company's support went to scientific research on COVID-19, by funding various entities including the University of Padua.

During the year Moncler also donated more than 300,000 euros for research grants and loans to support researchers at the Umberto Veronesi Foundation and for donations to a number of associations and foundations involved in medical research and in supporting the ill, including Theodora and the Italian Association against Leukemia-Lymphoma and Myeloma (AIL).

### UMBERTO VERONESI FOUNDATION

The Umberto Veronesi Foundation was established in 2003 to support scientific research of excellence. Its promoters include 11 Nobel Prize winners, who form the Foundation's Honorary Committee.

The Foundation supports medical and scientific research through grants for physicians and researchers involved in the most advanced fields of oncology, cardiology, and neuroscience. Since its inception, the Foundation has funded nearly 1,900 researchers involved in cutting-edge scientific projects and around 135 research projects.

Furthermore, it actively disseminates scientific information through conferences, projects with schools, awareness campaigns and publications.

In 2013, the Foundation launched the Pink is Good project to support **breast cancer** research and raise prevention awareness across the community. Moncler has actively supported this project since its inception, by donating part of the revenues generated by its main Italian retail stores during one day in October every year, and handing out information brochures to clients to raise prevention awareness.

In 2020, once again, Moncler supported three of the Umberto Veronesi Foundation's researchers working on the research into breast and pancreas cancer.

Moncler also continued to support the Foundation's commitment to **paediatric oncology** by contributing to the *Gold for Kids* project, which aims to raise awareness of the delicate issue of paediatric and adolescent cancer. It promotes research and contributes to the development of innovative treatment protocols capable of delivering cutting-edge therapies and higher chances of recovery.

## INITIATIVES FOR THE SOCIAL AND ECONOMIC DEVELOPMENT OF COMMUNITIES

Moncler is committed to contributing to the welfare of the communities in which it operates, not only by promoting individual projects, but also by endorsing, in various ways, organizations working in the social sphere, for example supporting

young people, promoting diversity and inclusion and spreading a culture of respect for the environment.

One of the issues closest to Moncler's heart is **young generations** and their future. For many years now, the Company has supported struggling younger people by ensuring access to medical treatment, adequate levels of education and a clear growth path. It does so by collaborating with associations and foundations like Francesca Rava - NPH Italia, the San Patrignano recovery community, I Bambini delle Fate Onlus, and Amici di Cometa Onlus.

Another topic that is increasingly relevant for Moncler is diversity and inclusion. The Company is aware of how discrimination can be a great threat to the community and how important it is to help create a sense of belonging and acceptance of diversity. In 2020 it set a target to foster an ever more inclusive culture. The Company's efforts include a donation to the National Association for the Advancement of Colored People (NAACP), one of the largest and most influential groups for equality and civil rights in the United States, committed to eliminate all forms of racial discrimination and ensure the health and wellbeing of all.

Moncler also supports projects focusing on the protection and preservation of the **environment**. In recent years it has financed the Ev-K2-CNR Association's Keep Karakorum Clean and Keep K2 Clean initiatives to protect mountain areas, and set up a volunteering project with Legambiente to reduce the use of plastic and promote plastic recycling.

### THE EV-K2-CNR ASSOCIATION

Ev-K2-CNR is a private non-profit organization that promotes collaborative development projects and scientific research in mountain regions. The association collaborates with international organizations such as the WWF (World Wildlife Fund), the UNEP (United Nations Environment Programme), the UNDP (United Nations Development Programme) and the WMO (World Meteorological Organization). Its activities are centred on studying and monitoring climate change, protecting biodiversity, and sustainable development in mountain areas.

United by the same passion and respect for the mountains, Ev-K2-CNR and Moncler have collaborated since 2014 in promoting environmental education programmes like Keep Karakorum Clean and Keep K2 Clean. These initiatives, also developed within the scope of K2 expeditions and in collaboration with local institutions, have resulted in annual waste clean-ups at base camps, which are restored to their natural conditions. In recent years, in collaboration with the authorities of the Central Karakorum National Park (CKNP) and Gilgit-Baltistan territory in Pakistan, a waste sorting system and recycling centre have been set up. In 2020, because of the COVID-19 pandemic, these activities were operated directly by CKNP personnel, while the environmental education programmes to raise awareness among Pakistani workers of the importance of preserving parks and glaciers, and to strengthen conservation projects in the region, were continued by Ev-K2-CNR in close cooperation with the government of Gilgit-Baltistan (Pakistan), the stakeholders, and the local population. During the year a new initiative was also launched: **One Health**, a system of laboratories located around the region to study and protect the health of nature and the local fauna.



## MONCLER'S COMMITMENT TO THE FIGHT AGAINST COVID-19

In 2020 Moncler implemented a number of initiatives to protect its people, clients, and suppliers from the COVID-19 pandemic, and also provided concrete support to the community for a total amount of about 5 million euros. See also page 178.

### Homecare sanitary assistance for COVID patients

Moncler supported the experimental homecare sanitary assistance programme promoted by the Region of Lombardy and coordinated by the City of Milan's Health Protection Agency by funding the purchase of tools, machines, and equipment for a total amount of 2 million euros. This project aims at strengthening proximity medical care to allow the timely diagnosis and treatment of COVID-19 patients and, together with general practitioners, relieve pressure on hospitals caused by subsequent epidemic waves.

### Equipment for hospitals

Moncler responded to Fondazione Rava's fundraising appeal for the purchase of equipment needed by the new COVID intensive care unit at the Policlinico of Milan. The donation of 100,000 euros contributed to equip this new unit and to the purchase of machines for measuring the vital parameters of COVID-19 patients.

### Distance learning and digitalization of schools

Moncler contributed to the digitalization process of elementary and middle schools in Milan, providing around 3,600 devices, including ipads and computers, and internet connections to support both distance and face-to-face learning. Throughout 2021, Moncler will also provide a tech support and helpdesk service for the electronic equipment it has supplied.

The service, managed by the Politecnico of Milan and delivered by its students will be dedicated to schoolteachers, and to students, in case of specific needs.

To complete this 2 million euro project, with Moncler's support, professors from the Politecnico will offer a 100-hour training programme to about 80 teachers who will learn to create an educational model, increasingly innovative and integrated with new technologies.

### Surgical masks for employees and local communities

Protection is a fundamental part of Moncler's DNA, a natural instinct that in April 2020 led the Group to dedicate an entire manufacturing line at its industrial hub in Trebaseleghe, Padua, to the production of surgical masks.

Bearing the CE mark and previously authorized by the Istituto Superiore di Sanità, the masks have been immediately distributed to Moncler employees, to the children of employees of the Italian offices and to some schools. In addition, the Company donated more than 100,000 masks to 3,000 students of the schools nearby the Trebaseleghe hub, Padua, and the logistics hub in Castel San Giovanni, Piacenza.

### Other initiatives

Moncler donated more than 180,000 euros to the Civil Protection authority and to the town of Castel San Giovanni, Piacenza, and sponsored the Celebrity Fight Night of the Andrea Bocelli Foundation, which is also committed to supporting the healthcare system during the pandemic, with a particular focus on areas struck by earthquakes.

*Pictured: Remo Ruffini, Chairman and Chief Executive Officer of Moncler, and Giuseppe Sala, Mayor of Milan.*



© UNICEF/UN1275197

Lastly, to support the environmental conservation in the area that includes the CKNP, 10,000 square kilometres of ice and rock, the Deosai Park, a 4,000-meter plateau, and the ecological corridor where the Indo River flows, in 2020 CKNP and Ev-K2-CNR, with Moncler's support, hired more than 100 people who during the summer collected about 5,700 kg of waste, partly disposed of in the plant built by Ev-K2-CNR in Askole. This is an important contribution toward the region's environmental protection and sustainable development.

## SUPPORT TO THE POPULATIONS IN EMERGENCY SITUATIONS

Through *Warmly Moncler* projects, the Company works with various associations to protect people most in need from the cold.

For four years, through its support for UNICEF, the United Nations Children's Fund that provides humanitarian aid to children, mothers, and communities, Moncler has been protecting children living in some of the coldest climates in the world, where extremely urgent conditions become even more desperate in winter and make survival a daily struggle. From 2017 to 2020, thanks to its support to the *UNICEF Winterization* programme, the Company has protected about 50,000 children with basic necessities, kits for newborns, and blankets.

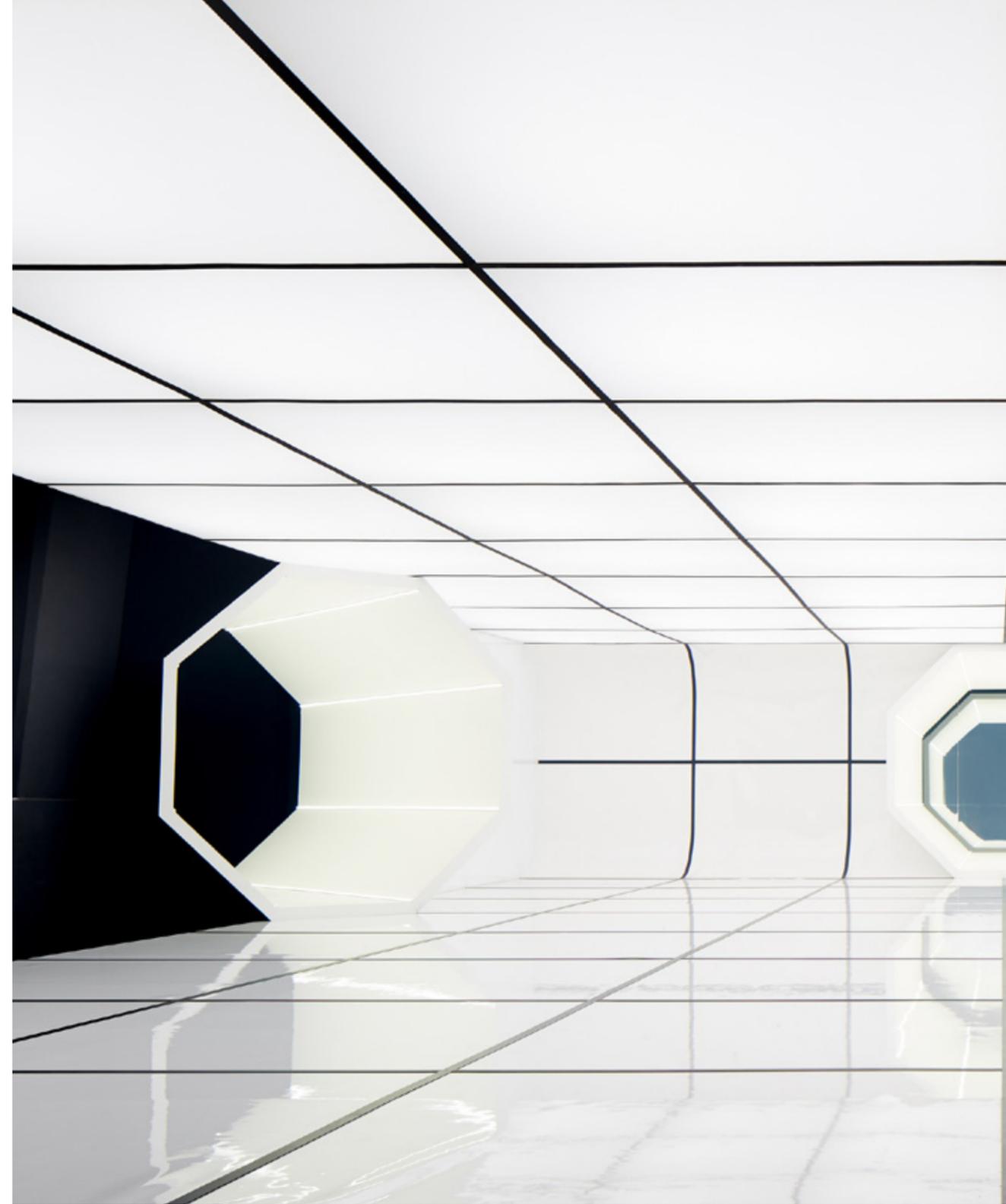
In 2020 the Company also began to work with UNHCR, the United Nations High Commissioner for Refugees, which protects the rights and wellbeing of refugees around the world, by donating Moncler garments to populations in need.

Moncler has set a target to protect 100,000 people most in need from the cold during the period 2020-2023 and to support local communities with a high social value project every two years.

# 8

# APPENDIX

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# GUIDE TO THE REPORT

## REPORTING STANDARDS

The Consolidated Non-Financial Statement 2020 of the Moncler Group (hereinafter also “Non-Financial Statement” or “Statement”) is drawn up in compliance with article 4 of Italian Legislative Decree 254/2016 (hereinafter also “Decree”), and contains information on environmental, social, personnel, human rights, and anti-corruption issues. This information is intended to deliver a clear understanding of the activities carried out by the Group and their impact, and of the Group’s performance and results achieved.

The Statement is published annually, and is prepared “in accordance” with the core option of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI) – to date, the most widely used and recognized standards at international level for sustainability reporting. To facilitate the search for information, a GRI Content Index is provided from page 205.

The Non-Financial Statement follows the principle of materiality, as provided for by the relevant regulations and characterizing the GRI Standards. The topics discussed in this Statement are those that, following a materiality analysis and assessment as described on pages 58-59, were considered relevant, as they are able to reflect the social and environmental impacts of the Group’s activities, or influence the decisions of its stakeholders.

In order to continue to improve the transparency of the ESG (Environmental Social Governance) performance and facilitate the comparability of the data and information provided to different stakeholders, starting from this year Moncler has also begun to consider some indicators provided by Sustainability Accounting Standards Board (SASB) with the aim of gradually expanding disclosures in subsequent publications.

## SCOPE OF REPORTING

The qualitative and quantitative data and information contained in the Consolidated Non-Financial Statement 2020 refers to the performance of the Moncler Group (also the Group, Moncler or the Company) for the year ended 31 December 2020. As provided for by article 4 of Legislative Decree 254/2016, this Statement includes the data of the Parent Company (Moncler S.p.A.) and of its fully consolidated subsidiaries. Any limitations to the scope of reporting have been duly indicated in the document. In order to enable data comparability over time, figures were also provided (where available) for previous years.

## REPORTING PROCESS

The preparation of the Moncler Group Consolidated Non-Financial Statement 2020 was based on a structured process entailing:

- the involvement of all Company units and departments responsible for the relevant areas and related data as well as information subject to the Group’s non-financial reporting. Since 2017, “Sustainability Data Owners” have been operative. These positions are responsible for the data and information relating to their area that are published in the Consolidated Non-financial Statement, and for achieving the objectives contained in the Sustainability Plan for the relevant topics. The data and information included in the Statement are derived from a non-financial reporting system (data collection forms), specifically implemented to meet the requirements of the Decree and GRI Standards, and, for certain data, from the corporate information system used for Group management and accounting;
- the approval of the Statement by the Board of Directors, convened to approve the draft Financial Statements for the 2020 financial year, following examination by the Control, Risks, and Sustainability Committee;
- the issue of an assurance report on the Statement by independent auditor KPMG following a limited assurance engagement;
- the presentation of the Statement at the Shareholders’ Meeting;
- the publication of the Statement on the corporate website to make it available to all stakeholders in a transparent manner.

## REPORTING PRINCIPLES

The identification of the contents and the reporting of the Consolidated Non-Financial Statement took into account the following principles:

- **materiality** – the Statement describes the main economic, social, and environmental impacts directly linked to Moncler's activities, considered most significant by both the Group and the internal and external stakeholders involved in corporate activities;
- **stakeholder inclusiveness** – Moncler takes into account the expectations and interests of all those who, in any capacity, contribute to, or are influenced by, the Group's activities. The Statement provides a description of the Group's main stakeholders and channels of communication;
- **sustainability context** – the reporting of non-financial results is carried out taking into account the socio-economic context in which the Group operates and the issues of greatest relevance to the sector of reference;
- **completeness** – the reported issues and the scope of reporting of the Statement are selected so as to allow stakeholders to form a complete opinion on the Group's main economic, social, and environmental impacts;
- **balance** – the Statement describes Moncler's performance in the field of sustainability, reporting on positive trends and results, as well as on the areas requiring further improvement;
- **comparability** – data referring to previous reporting periods was included and duly indicated in the Statement, to enable the comparison and contextualization of information;
- **accuracy** – in order to ensure the accuracy and homogeneity of the reported information, the Statement was based on hard data collected through direct measurements and surveys, while limiting the use of estimates as much as possible. Estimates, if any, are duly indicated in the document and are based on the best calculation methods currently available;
- **timeliness** – Moncler's Non-Financial Statement is drawn up annually and made public in the same period as the Annual Report;
- **reliability** – all data and information reported were validated by the Sustainability Data Owners and processed based on documented evidence;
- **clarity** – Moncler's Non-Financial Statement contains information presented in a manner that is easily comprehensible and accessible to all stakeholders.

# ADDITIONAL INFORMATION

## EMPLOYEES BY GEOGRAPHIC AREA AND GENDER

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Italy	1,049	30.7%	69.3%	1,084	30.7%	69.3%	929	31.5%	68.5%
EMEA (excl. Italy)	1,758	19.6%	80.4%	1,803	21.2%	78.8%	1,656	21.7%	78.3%
Americas	410	43.4%	56.6%	423	45.6%	54.4%	402	45.3%	54.7%
Asia	1,181	31.5%	68.5%	1,259	32.2%	67.8%	1,168	33.3%	66.7%
<b>Total</b>	<b>4,398</b>	<b>27.7%</b>	<b>72.3%</b>	<b>4,569</b>	<b>28.8%</b>	<b>71.2%</b>	<b>4,155</b>	<b>29.5%</b>	<b>70.5%</b>

## EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Executives and senior executives	92	56.5%	43.5%	88	54.5%	45.5%	69	58.0%	42.0%
Managers	372	40.9%	59.1%	339	41.9%	58.1%	255	42.7%	57.3%
Professionals	495	34.9%	65.1%	455	35.6%	64.4%	405	34.1%	65.9%
White-collars	2,297	32.0%	68.0%	2,566	33.1%	66.9%	2,413	34.1%	65.9%
Workers	1,142	9.3%	90.7%	1,121	10.0%	90.0%	1,013	11.3%	88.7%
<b>Total</b>	<b>4,398</b>	<b>27.7%</b>	<b>72.3%</b>	<b>4,569</b>	<b>28.8%</b>	<b>71.2%</b>	<b>4,155</b>	<b>29.5%</b>	<b>70.5%</b>

## EMPLOYEES BY AGE GROUP AND GENDER

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
<30	1,135	32.7%	67.3%	1,432	35.2%	64.8%	1,430	37.5%	62.5%
31-40	1,671	30.5%	69.5%	1,661	30.2%	69.8%	1,436	28.8%	71.2%
41-50	1,008	22.4%	77.6%	962	20.9%	79.1%	857	21.1%	78.9%
>50	584	19.0%	81.0%	514	21.0%	79.0%	432	21.5%	78.5%
<b>Total</b>	<b>4,398</b>	<b>27.7%</b>	<b>72.3%</b>	<b>4,569</b>	<b>28.8%</b>	<b>71.2%</b>	<b>4,155</b>	<b>29.5%</b>	<b>70.5%</b>

## EMPLOYEES BY LEVEL OF EDUCATION AND GENDER

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
University degree or equivalent	1,811	31.9%	68.1%	1,815	32.6%	67.4%	1,599	32.7%	67.3%
High school	1,136	31.2%	68.8%	1,160	32.2%	67.8%	1,051	33.4%	66.6%
Middle and primary school	1,115	12.9%	87.1%	1,136	13.9%	86.1%	1,064	16.3%	83.7%
Not mapped	336	42.0%	58.0%	458	41.9%	58.1%	441	40.1%	59.9%
<b>Total</b>	<b>4,398</b>	<b>27.7%</b>	<b>72.3%</b>	<b>4,569</b>	<b>28.8%</b>	<b>71.2%</b>	<b>4,155</b>	<b>29.5%</b>	<b>70.5%</b>

## EMPLOYEES BY LENGTH OF SERVICE AND GENDER

	2020			2019		
	Total	Men	Women	Total	Men	Women
Up to 5 years	3,721	27.3%	72.7%	3,978	28.6%	71.4%
6 to 10 years	450	30.4%	69.6%	392	29.3%	70.7%
11 to 20 years	161	25.5%	74.5%	139	28.1%	71.9%
21 to 30 years	39	30.8%	69.2%	38	28.9%	71.1%
More than 30 years	27	48.1%	51.9%	22	50.0%	50.0%
<b>Total</b>	<b>4,398</b>	<b>27.7%</b>	<b>72.3%</b>	<b>4,569</b>	<b>28.8%</b>	<b>71.2%</b>

## EMPLOYEES BY CONTRACT TYPE AND GENDER

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Permanent contract	3,928	26.9%	73.1%	3,873	27.7%	72.3%	3,431	28.4%	71.6%
Temporary contract	470	33.8%	66.2%	696	34.9%	65.1%	724	34.7%	65.3%
<b>Total</b>	<b>4,398</b>	<b>27.7%</b>	<b>72.3%</b>	<b>4,569</b>	<b>28.8%</b>	<b>71.2%</b>	<b>4,155</b>	<b>29.5%</b>	<b>70.5%</b>

## PERMANENT EMPLOYEES BY CONTRACT TYPE AND GENDER

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Full-time	3,666	26.8%	73.2%	3,640	27.5%	72.5%	3,196	28.2%	71.8%
Part-time	262	28.6%	71.4%	233	30.5%	69.5%	235	31.1%	68.9%
<b>Total</b>	<b>3,928</b>	<b>26.9%</b>	<b>73.1%</b>	<b>3,873</b>	<b>27.7%</b>	<b>72.3%</b>	<b>3,431</b>	<b>28.4%</b>	<b>71.6%</b>

## NEW HIRES AND DEPARTING EMPLOYEES BY GENDER

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
New hires	1,333	369	964	2,237	661	1,576	2,136	654	1,482
Departing employees	1,504	461	1,043	1,823	545	1,278	1,479	449	1,030

## NEW HIRES AND DEPARTING EMPLOYEES BY AGE GROUP

	2020					2019					2018				
	Total	<30	31-40	41-50	>50	Total	<30	31-40	41-50	>50	Total	<30	31-40	41-50	>50
New hires	1,333	616	419	208	90	2,237	1,137	634	323	143	2,136	1,198	534	274	130
Departing employees	1,504	655	533	200	116	1,823	868	575	245	135	1,479	676	490	177	136

## NEW HIRES AND DEPARTING EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	2020					
	New hires			Departing employees		
	Total	Men	Women	Total	Men	Women
Executives and senior executives	7	71.4%	28.6%	7	42.9%	57.1%
Managers	41	43.9%	56.1%	28	46.4%	53.6%
Professionals	57	33.3%	66.7%	54	38.9%	61.1%
White-collars	926	31.4%	68.6%	1,142	33.8%	66.2%
Workers	302	11.9%	88.1%	273	13.9%	86.1%
<b>Total</b>	<b>1,333</b>	<b>27.7%</b>	<b>72.3%</b>	<b>1,504</b>	<b>42.9%</b>	<b>57.1%</b>

## NEW HIRES AND DEPARTING EMPLOYEES BY GEOGRAPHIC AREA

	2020			
	Total	EMEA	Americas	Asia
New hires	1,333	768	204	361
Departing employees	1,504	846	234	424

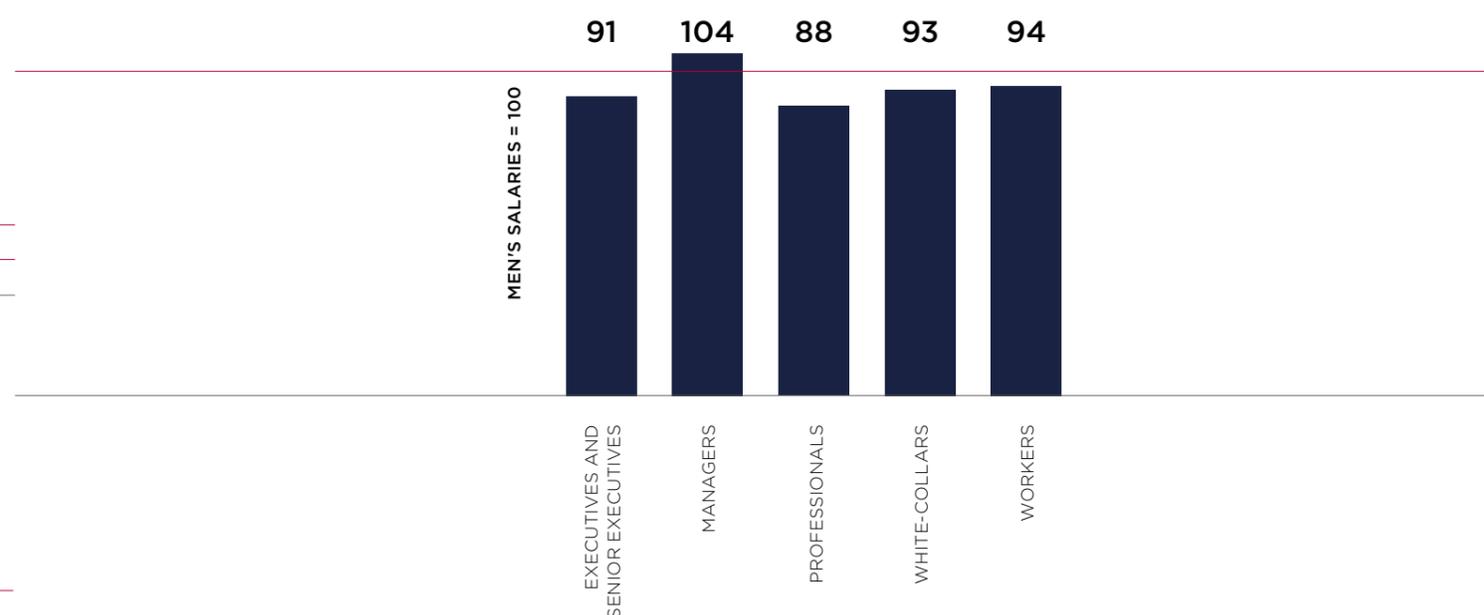
  

	2019			
	Total	EMEA	Americas	Asia
New hires	2,237	1,378	256	603
Departing employees	1,823	1,155	187	481

	2018			
	Total	EMEA	Americas	Asia
New hires	2,136	1,278	276	582
Departing employees	1,479	940	175	364

## RATIO BETWEEN WOMEN'S AND MEN'S SALARY LEVELS<sup>1</sup>



1. Salary levels are adjusted on the basis of the cost of living index in Italy.

## EMPLOYEES BY COUNTRY

	2020		2019		2018	
	Number	%	Number	%	Number	%
Italy	1,049	23.9	1,084	23.7	929	22.4
Romania	1,159	26.4	1,138	24.9	1,051	25.3
Japan	466	10.6	529	11.6	530	12.8
China <sup>2</sup>	485	11.0	504	11.0	470	11.3
United States	320	7.3	366	8.0	345	8.3
France	192	4.4	210	4.6	187	4.5
South Korea	193	4.4	192	4.2	152	3.6
United Kingdom	90	2.0	117	2.6	117	2.8
Germany	76	1.7	72	1.6	61	1.5
Switzerland	56	1.3	62	1.4	61	1.5
Canada	75	1.7	41	0.9	44	1.1
Austria	37	0.8	40	0.9	38	0.9
Other countries	200	4.5	214	4.6	170	4.0
<b>Total</b>	<b>4,398</b>	<b>100</b>	<b>4,569</b>	<b>100</b>	<b>4,155</b>	<b>100</b>

## TYPE OF TRAINING (Hours)

	2020		
	Total	Men	Women
<b>Mandatory</b>	<b>20,598</b>	<b>3,527</b>	<b>17,071</b>
Italy	3,092	1,059	2,033
EMEA (excl. Italy)	17,135	2,324	14,811
Americas	98	36	62
Asia	273	108	165
<b>Non-mandatory</b>	<b>101,198</b>	<b>15,899</b>	<b>85,300</b>
Italy	5,517	1,524	3,993
EMEA (excl. Italy)	84,856	10,368	74,489
Americas	2,096	817	1,279
Asia	8,729	3,190	5,539
<b>Total</b>	<b>121,796</b>	<b>19,426</b>	<b>102,371</b>

## ACCIDENTS BY GEOGRAPHIC AREA AND GENDER

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Italy	3	-	3	9	3	6	4	2	2
EMEA (excl. Italy)	3	1	2	1	1	-	5	1	4
Americas	2	1	1	4	2	2	2	1	1
Asia	-	-	-	-	-	-	2	1	1
<b>In the workplace</b>	<b>8</b>	<b>2</b>	<b>6</b>	<b>14</b>	<b>6</b>	<b>8</b>	<b>13</b>	<b>5</b>	<b>8</b>
Italy	3	-	3	7	1	6	7	3	4
EMEA (excl. Italy)	2	2	-	4	-	4	2	1	1
Americas	-	-	-	-	-	-	1	-	1
Asia	-	-	-	-	-	-	2	1	1
<b>Commuting to/from work</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>11</b>	<b>1</b>	<b>10</b>	<b>12</b>	<b>5</b>	<b>7</b>
<b>Total</b>	<b>13</b>	<b>4</b>	<b>9</b>	<b>25</b>	<b>7</b>	<b>18</b>	<b>25</b>	<b>10</b>	<b>15</b>

## ACCIDENTS AND DAYS LOST DUE TO INJURIES

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
<b>Accidents (No.)</b>	<b>13</b>	<b>4</b>	<b>9</b>	<b>25</b>	<b>7</b>	<b>18</b>	<b>25</b>	<b>10</b>	<b>15</b>
In the workplace	8	2	6	14	6	8	13	5	8
Commuting to/from work	5	2	3	11	1	10	12	5	7
<b>Days lost due to injuries</b>	<b>186</b>	<b>63</b>	<b>123</b>	<b>609</b>	<b>169</b>	<b>440</b>	<b>953</b>	<b>379</b>	<b>574</b>
In the workplace	160	60	100	190	94	96	342	190	152
Commuting to/from work	26	3	23	419	75	344	611	189	422

## ACCIDENT INDICATORS (IN THE WORKPLACE AND COMMUTING TO/FROM WORK) BY GENDER

	2020			2019			2018		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Incidence rate <sup>3</sup>	2.96	3.29	2.83	5.47	5.33	5.53	6.02	8.17	5.12
Severity rate <sup>4</sup>	0.02	0.03	0.02	0.08	0.08	0.08	0.15	0.12	0.18
Frequency rate <sup>5</sup>	1.73	1.90	1.67	3.38	3.34	3.40	3.83	3.07	4.59

## DISPOSAL METHOD BROKEN DOWN BY TYPE OF WASTE (Tonnes)

	2020		2019		2018	
	Total	Men	Total	Men	Total	Men
<b>Reuse</b>	<b>1,050.7</b>	<b>800.7</b>	<b>800.7</b>	<b>546.2</b>	<b>546.2</b>	<b>546.2</b>
Non-hazardous waste	1,012.0	800.4	800.4	544.9	544.9	544.9
Hazardous waste	38.7	0.3	0.3	1.3	1.3	1.3
<b>Recycling</b>	<b>63.1</b>	<b>56.9</b>	<b>56.9</b>	<b>46.9</b>	<b>46.9</b>	<b>46.9</b>
Non-hazardous waste	63.1	56.9	56.9	46.9	46.9	46.9
Hazardous waste	-	-	-	-	-	-
<b>Other</b>	<b>22.5</b>	<b>60.5</b>	<b>60.5</b>	<b>13.9</b>	<b>13.9</b>	<b>13.9</b>
Non-hazardous waste	22.4	60.4	60.4	13.9	13.9	13.9
Hazardous waste	0.1	0.1	0.1	-	-	-
<b>Total waste generated</b>	<b>1,136.3</b>	<b>918.1</b>	<b>918.1</b>	<b>607.0</b>	<b>607.0</b>	<b>607.0</b>

2. China country includes the Chinese mainland, Hong Kong SAR, Macao SAR, and Taiwan.

3. Incidence rate: (number of workplace injuries/total employees) x 1,000.

4. Severity rate: (number of days lost due to workplace injuries/total hours worked) x 1,000. In 2020, the total worked hours were around 7.5 million.

5. Frequency rate: (number of injuries/total hours worked) x 1,000,000.

## PARENTAL LEAVE

Moncler grants parental leave to all its employees in accordance with applicable laws and local regulations. In addition, from 2020, all employees of the Group's Italian companies who become fathers as from 1 January 2020 have been granted a total of eight days' paternity leave, i.e., one more than that established by law or the national collective labour agreement.

In 2020, 89 Group employees, accounting for 5% of the eligible female workforce and 0.3% of the eligible male workforce, took some form of parental leave. Around 136% of them returned to work after the leave period, including those who took parental leave starting in 2019. Of those who returned to work in 2019, 49% were still working for the Company 12 months later.

The Group also helps both men and women balance their professional and private lives by offering flexible working hours that can be tailored to personal needs.

## COMPLIANCE

Moncler strives towards the highest principles of transparency, integrity and loyalty in its operations, in compliance with all applicable laws in the countries in which it operates, while concentrating efforts on building relationships of trust with its clients.

In confirmation of the above, in 2020, no Final Decision was handed down against the Company in any of the following areas:

- unfair competition and antitrust;
- occupational health and safety;
- product labelling;
- marketing communications, including advertising, promotions, and sponsorships;
- disputes impacting the community;
- the environment;
- intellectual property rights;
- privacy.

## PRIVACY

The protection and processing of personal data is an important area for Moncler that has become increasingly significant in recent years, especially in view of the digital transformation on which the Group has embarked.

As stated in its Code of Ethics, Moncler works constantly to establish and implement appropriate measures of an organizational and technical nature, to adequately meet the privacy needs of its employees, consultants, clients, and suppliers, in accordance with all laws and regulations in force and with the most recent best practices.

In this context, the Group has also taken the necessary steps to promptly ensure compliance with all provisions of Regulation (EU) 2016/679, the **General Data Protection Regulation (GDPR)**, which came into effect in May 2018.

It has designated a **Data Protection Officer (DPO)**, who monitors compliance with the GDPR and all legal and regulatory provisions relating to the protection of personal data, and advises Moncler and its employees on compliance with

and implementation of the measures and obligations arising from the GDPR.

In order to ensure a structured and efficient management of privacy issues, Moncler has drawn up internal procedures, tools, and guidelines, including (i) the **Data Protection Master Policy** that describes the rules and instructions for the processing of personal data and the applicable retention periods, while also defining and designating the people involved in that process, their roles and responsibilities; (ii) the register of personal data processing activities; (iii) the **Data Protection Impact Assessment (DPIA)**; (iv) the **Data Breach Management Procedure**; and (v) regulations on the use of IT tools by employees.

The Group has also set up the email address [dpo@moncler.com](mailto:dpo@moncler.com), through which it is possible to drive the attention of the DPO on requests for information or on any potential privacy violations; this works alongside with the existing [privacy@moncler.com](mailto:privacy@moncler.com) address, which allows any interested party to contact the Company about privacy issues.

In 2020 the Company continued to adapt to the GDPR provisions by making organizational changes in terms of technology and cybersecurity, and by updating the policies and procedures necessary for GDPR compliance in Italy and for the Group companies based in Europe. External consultants have performed audits on GDPR compliance in Italy, including with reference to the methods of collection and management of the data of the Company's clients and employees and the release of suitable information. Mandatory training courses on privacy have been organized for the entire Moncler population.

In 2020, only a few incidents of data breach occurred in connection with the Omnichannel (Click From Store) services that further to the outcome of accountability assessments, have not been notified to the authorities.



## TAX POLICY

In administrative management and in drafting the Financial Statements and any other type of accounting documentation, Moncler complies with the applicable laws and regulations, adopts generally accepted accounting practices and standards, and is inspired by the principle of **transparency** in relations with stakeholders, including the tax authorities. It faithfully represents performance and significant events according to criteria of **clarity, truthfulness and fairness**, in accordance with internal procedures, as stated in the Group's Code of Ethics. In this context, the Board of Directors plays a central role in the leadership and management of the Company and the Group according to the values of honesty and integrity and the principle of legality.

The Company pays close attention to the legislation's evolutions aimed at fighting tax avoidance and evasion at the national and international level. Moncler has a **tax strategy** that governs how the Company manages this subject.

The Group has adopted a **Tax Policy** to ensure its compliance over time with the tax rules of the countries where it operates and to guarantee the financial and reputational integrity of all Group companies. It contains the following principles for the uniform handling of tax matters throughout the Group:

- observe all the applicable laws, rules, regulations and disclosure requirements;
- apply diligent professional care and judgment to reach well-reasoned conclusions, ensuring all decisions are taken at an appropriate level and supported with documentation that evidences the decision-making process;
- achieve certainty on tax positions adopted; whereas tax law is unclear or subject to interpretations, perform a robust risk assessment, supported by adequate advices to ensure that the Group tax position adopted will be, more likely than not, settled in the Group's favour;
- develop and foster good working relationships with tax authorities, government bodies and other related third parties, undertake all dealings with them in a professional, courteous and timely manner;
- be compliant with anti-bribery legislation;
- constantly interact with industry bodies or associations, governments, and other external bodies (e.g. OECD and the EU), where possible, and appropriate to shape future tax legislation and practice in ways that balance the Group's interest (e.g. consistency, stability, competitiveness) with those of the relevant authority or policy;
- do not make use of secrecy jurisdictions, tax havens or law tax jurisdictions in order to obtain tax advantages or tax structures intended for tax avoidance;
- comply with the Group Transfer Pricing Policy applicable world-wide on the basis of the principle of arm's length, or normal value, stated by OECD Guidelines.

In Moncler's organizational model, the **Group Tax Department (GTD)** is responsible, among other things, for developing the Group's tax strategy by identifying, analysing, and managing different optimization initiatives and monitoring the most relevant topics. Alongside the Group Tax Department, the Tax Affairs units of individual countries, acting in accordance with the values and principles defined by the Parent Company, are in charge of compliance management and tax planning and tax monitoring activities at the local level.

Moncler strengthened its internal tax risk control system, known as the **Tax Control Framework (TCF)**, to reflect the strategic importance of tax risk. The main objective of the Tax Control Framework is to provide Group companies with uniform, consistent guidance in adopting a proper and effective approach to tax risk management. Because they operate in different jurisdictions, the Group companies have to adopt the TCF in accordance with the specific business context and the domestic laws of their countries of reference. In keeping with the principles and guidelines set forth in the tax strategy, Moncler aims to manage tax risk proactively and believes that adopting a TCF can assure the timely detection, accurate measurement, and effective control of tax risk.

Moncler ensures transparency and integrity in its relationships with the tax authorities, in case of audits referring either to Group companies or third parties. The Company constantly acts with a transparent, cooperative approach with all industry associations and institutions to support the development of effective tax systems in the different countries in which it operates, and is active in various working groups on taxation, such as the one organized by Altgamma.

## EXCERPT FROM THE COUNTRY BY COUNTRY REPORT 2019 (Million euros)

		2019					
	Tax rate range	Countries included in the range	Revenues from third parties <sup>6</sup>	Income before taxes <sup>7</sup>	Taxes paid <sup>8</sup>	Taxes accrued <sup>9</sup>	Employees (FTE)
EMEA	x<10%	- United Arab Emirates - Hungary	8.04	0.38	0.02	0.04	17.26
	10%<x<=15%	- Ireland	1.77	0.08	0.02	0.01	4.79
	15%<x<20%	- Romania - Czech Republic - United Kingdom - Poland - Switzerland - Kazakhstan - Russia - Ukraine	87.18	9.30	1.99	2.11	1,286.63
	20%<x<25%	- Sweden - Denmark - Norway - Turkey	19.32	1.80	0.70	0.63	43.60
	x>=25%	- Italy - Belgium - Germany - France - Austria - Spain - Netherlands	543.24	428.19	54.06	81.94	1,240.08
<b>Total EMEA</b>			<b>659.55</b>	<b>439.74</b>	<b>56.79</b>	<b>84.73</b>	<b>2,592.36</b>
Americas	x>=25%	- Brazil - Canada - Mexico - United States	265.87	16.99	0.85	7.38	306.35
<b>Total Americas</b>			<b>265.87</b>	<b>16.99</b>	<b>0.85</b>	<b>7.38</b>	<b>306.35</b>
Asia	10%<x<15%	- Macau	15.19	4.46	0.60	0.54	21.76
	15%<x<20%	- Hong Kong SAR - Singapore - Taiwan	84.72	0.79	0.70	1.44	155.12
	20%<x<25%	- South Korea	101.15	15.23	5.41	5.01	168.32
	x>=25%	- Australia - Japan - China	457.88	70.47	22.02	26.44	731.17
<b>Total Asia</b>			<b>658.93</b>	<b>90.95</b>	<b>28.73</b>	<b>33.43</b>	<b>1,076.37</b>
<b>Total</b>			<b>1,584.35</b>	<b>547.68</b>	<b>86.37</b>	<b>125.54</b>	<b>3,975.08</b>

**6.** Revenues from third parties, amounting to 1,584.35 million euros, differ from the amount shown in the Annual Report 2019, equal to 1,627.70 million euros, because in this table they include revenues contained in the local statutory financial statements of the individual companies.

**7.** Income before taxes of 547.68 million euros differs from the amount shown in the Annual Report 2019, equal to 470.73 million euros, because in this table it only includes the pre-tax income contained in the local statutory financial statements of the individual companies.

**8.** Taxes paid differ from taxes accrued primarily because they consist of the balance of the previous year (2018) and only advance payments for the current year (2019).

**9.** Taxes accrued refer only to current taxes accrued in 2019. In addition, the nominal tax rate is applied to pre-tax profits, which have been adjusted on the basis of local tax laws.



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(Translation from the Italian original which remains the definitive version)

**Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018**

To the board of directors of  
Moncler S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2020 consolidated non-financial statement of the Moncler Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 18 February 2021 (the "NFS").

**Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Moncler S.p.A. (the "parent") for the NFS**

The directors are responsible for the preparation of a NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Padova Palermo Piacenza Perugia  
Pescara Roma Torino Treviso  
Trieste Varese Verona



Moncler Group  
Independent auditors' report  
31 December 2020

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies for the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

**Auditors' independence and quality control**

We are independent in compliance with the independence and all other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Auditors' responsibility**

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.

3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
  - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
  - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
  - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).
5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel and personnel of Industries S.p.A. and Industries Yield S.r.l.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:
  - at parent and subsidiaries level:
    - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
    - b) we carried out analytical and limited procedures to check the correct aggregation of data in the quantitative information;
  - we visited Moncler S.p.A. and Industries S.p.A. which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

### Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2020 consolidated non-financial statement of the Moncler Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Treviso, 10 March 2021

KPMG S.p.A.

(signed on the original)

Gianluca Zaniboni  
Director of Audit

# GRI CONTENT INDEX

The following index is provided to facilitate the search for content related to specific GRI indicators. The index has two parts.

The first refers to the indicators reported “in accordance” with the GRI core option on the basis of the materiality analysis. See also pages 58-59.

The second part refers to other GRI indicators that complete Moncler’s performance profile. See also page 208. A table linking the material topics and the GRI index is also provided.

The independent auditor KPMG S.p.A. carried out a limited assurance engagement on Moncler’s Consolidated Non-Financial Statement 2020, providing its overall conclusions thereafter. As regards the scope of activities, please refer to the Statement on the Consolidated Non-Financial Statement released by the independent auditors, on pages 200-203.

## LEGEND

NFS = Consolidated Non-Financial Statement 2020  
 AR = Annual Report 2020  
 CE = Code of Ethics  
 PRP = Procedure Governing Transactions with Related Parties  
 CGR = Corporate Governance Report 2020  
 RR = Report on Remuneration

## INDEX OF GRI CONTENT “IN ACCORDANCE” - CORE OPTION GENERAL STANDARD DISCLOSURES

### ORGANIZATIONAL PROFILE

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102-2	NFS pages 30-33; 146	
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102-4	NFS pages 30-33; 74-77; 110-113; 191; 194	
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102-7	NFS pages 30-33; 34-39; 74-77; 110-113	
102-8	NFS pages 74-78; 191-195	
102-9	NFS pages 110-113	
102-10	There are no significant changes; AR (Paragraphs: Consolidated Cash Flow Statements; Explanatory Notes to the Consolidated Financial Statements - The Group and Main Activities)	
102-11	NFS pages 52-57	
102-12	NFS pages 44; 63; 87	
102-13	NFS page 63	

### STRATEGY

102-14	NFS page 10	
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### ETHICS AND INTEGRITY

102-16	NFS pages 18-21; 44; 47-50	
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### GOVERNANCE

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### STAKEHOLDER ENGAGEMENT

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### REPORT PROFILE

102-45	NFS page 189	
102-46	NFS pages 189-190	
102-47	NFS pages 59; 213	
102-48	NFS pages 22; 24-29; 30-33; 34-39; 166-167; 189-190	
102-49	No significant changes	
102-50	NFS pages 189-190	
102-51	NFS page 189. The Consolidated Non-Financial Statement 2019 (in compliance with Italian Legislative Decree 254/2016) was published in June 2020	
102-52	NFS page 189	
102-53	NFS page 216	
102-54	NFS page 189	
102-55	NFS pages 204-212	
102-56	NFS pages 200-203	

GRI ID	PAGE NUMBER (OR DIRECT LINK)	OMISSION
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<b>CATEGORY: FINANCIAL PERFORMANCE</b>		
<b>ASPECT: FINANCIAL PERFORMANCE</b>		
103-1 103-2 103-3	NFS pages 34; 180-181; 213	
201-1	NFS pages 34-37; 38-39	
<b>ASPECT: PROCUREMENT PRACTICES</b>		
103-1 103-2 103-3	NFS pages 110-113; 116-121; 213	
204-1	NFS pages 110-113	
<b>CATEGORY: ENVIRONMENTAL PERFORMANCE</b>		
<b>ASPECT: MATERIALS</b>		
103-1 103-2 103-3	NFS pages 148-150; 152-153; 213	
301-1	NFS pages 148-150; 152-153	
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<b>ASPECT: ENERGY</b>		
103-1 103-2 103-3	NFS pages 164-169; 213	
302-4	NFS pages 166-169	
<b>ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
103-1 103-2 103-3	NFS pages 118; 213	
308-2	NFS page 118	
<b>CATEGORY: SOCIAL PERFORMANCE</b>		
<b>ASPECT: EMPLOYMENT</b>		
103-1 103-2 103-3	NFS pages 74-77; 80-87; 213	
401-1	NFS pages 78; 192-193	
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GRI ID	PAGE NUMBER (OR DIRECT LINK)	OMISSION
<b>ASPECT: OCCUPATIONAL HEALTH &amp; SAFETY – GRI Standard 2018</b>		
103-1 103-2 103-3	NFS pages 68; 83; 89-90; 93; 98-103	
403-1	NFS pages 98-101	
403-2	NFS pages 98-101	
403-3	NFS pages 98-101	
403-4	NFS pages 98-101. There are no formal committees in this area	
403-5	NFS pages 83; 102	
403-6	NFS pages 68; 89-90; 93; 102	
403-7	NFS pages 98-102	
403-8	NFS pages 98-101	
403-9	NFS pages 101; 194-195	
403-10	In 2020 a case of occupational carpal tunnel syndrome was recorded in France	
<b>ASPECT: TRAINING AND EDUCATION</b>		
103-1 103-2 103-3	NFS pages 83-87; 90; 213	
404-3	NFS page 90	
<b>ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES</b>		
103-1 103-2 103-3	NFS pages 87; 89-90; 94-97; 213	
405-1	NFS pages 45-46; 74-78; 94-97; 191-193; 196	
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<b>ASPECT: LOCAL COMMUNITIES</b>		
103-1 103-2 103-3	NFS pages 180-181; 213	
413-1	NFS pages 180-181	
<b>ASPECT: SOCIAL ASSESSMENT OF SUPPLIERS</b>		
103-1 103-2 103-3	NFS pages 116-121; 213	
414-2	NFS pages 116-121	
<b>ASPECT: CONSUMER HEALTH AND SAFETY</b>		
103-1 103-2 103-3	NFS pages 154-158; 196; 213	
416-1	NFS pages 154-158	
416-2	NFS page 196	
<b>ASPECT: MARKETING COMMUNICATIONS</b>		
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417-3	NFS page 196	

GRI ID	PAGE NUMBER (OR DIRECT LINK)	OMISSION
<b>ADDITIONAL GRI INDICATORS</b> <i>GENERAL STANDARD DISCLOSURES</i>		
<b>STRATEGY</b>		
102-15	NFS pages 52-57; 64-69	
<b>ETHICS AND INTEGRITY</b>		
102-17	NFS pages 47-49; 64-69 CE (Paragraph: Reporting breaches of the Code of Ethics)	
<b>GOVERNANCE</b>		
102-19	NFS page 47	
102-20	NFS page 47	
102-21	NFS page 47	
102-22	NFS pages 44-45; 47; CGR (Paragraphs: Board of Directors; Composition and Functioning of the Board of Statutory Auditors)	
102-23	NFS pages 44-47; CGR (Paragraphs: Chairman of the Board of Directors; Table 2: Structure of the Board of Directors and Committees)	
102-24	CGR (Paragraph: Board of Directors - Appointment and Replacement of Directors)	
102-25	CE (Paragraphs: Contributions and Sponsorships; Conflicts of Interest); CGR (Paragraph: Directors' interests and transactions with related parties); PRP	
102-26	NFS pages 47	
102-27	NFS pages 47; 52; 54-57	
102-29	NFS pages 52; 54-57; 64	
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102-31	NFS pages 52; 54-57	
102-32	NFS pages 47; 189-190	
102-33	NFS pages 47-50; 64	
102-37	NFS pages 87-89. RR (Paragraph: paragraph "F" of Section I of the Report on Remuneration 2020 and paragraph 1.6 of Section II)	

GRI ID	PAGE NUMBER (OR DIRECT LINK)	OMISSION
<b>TOPIC – SPECIFIC DISCLOSURE</b>		
<b>CATEGORY: FINANCIAL PERFORMANCE</b>		
<b>ASPECT: FINANCIAL PERFORMANCE</b>		
201-2	NFS pages 164-169. Partial disclosure of indicator. The opportunity of expanding the scope of analysis will be considered in the future	
201-3	NFS pages 89-90. AR (Paragraph: Employee Benefits)	
201-4	In 2020, where possible, Moncler took advantage of the COVID-19 relief measures made available by local governments in the amount of approximately 8.8 million euros.  Also, during the year, the Romanian company Industries Yield received a government grant of about 113 thousand euros for local socio-economic development and the Chinese company Moncler Shanghai Commercial Co. Ltd. received a government grant of around 1.5 million euros for the benefit of local business.	
<b>ASPECT: MARKET PRESENCE</b>		
103-1 103-2 103-3	NFS pages 78; 87-90	
202-1	NFS pages 87-90	
202-2	NFS page 78	
<b>ASPECT: INDIRECT ECONOMIC IMPACT</b>		
103-1 103-2 103-3	NFS pages 178-185	
203-1	NFS pages 180-181	
<b>ASPECT: ANTI-CORRUPTION</b>		
103-1 103-2 103-3	NFS pages 47-50; 57	
205-1	NFS pages 49-50; 54; 57	
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205-3	NFS pages 49-50	
<b>ASPECT: ANTI-COMPETITIVE BEHAVIOUR</b>		
103-1 103-2 103-3	NFS page 196	
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<b>ASPECT: TAX</b>		
103-1 103-2 103-3	NFS pages 198-199	
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207-3	NFS pages 198-199	
207-4	NFS page 199	

GRI ID	PAGE NUMBER (OR DIRECT LINK)	OMISSION
<b>CATEGORY: ENVIRONMENTAL PERFORMANCE</b>		
<b>ASPECT: ENERGY</b>		
302-1	NFS pages 166-167	
302-3	NFS pages 166-167	
302-5	NFS pages 166-169	
<b>ASPECT: WATER</b>		
303-2	The Group's main source of water supply is represented by water mains	
303-3	Water consumption mainly relates to sanitary plumbing. During the reporting period, water consumption was approximately 69,000 cubic metres (the item does not include companies for which water is managed by Department Stores). The water used is neither recycled nor reused	
<b>ASPECT: BIODIVERSITY</b>		
304-1	Moncler does not own or manage facilities or operating sites that are located in, or adjacent to, protected areas or areas of high biodiversity value outside protected areas. Accordingly, indicators 304-2, 304-3, 304-4 and 306-5 are not applicable	
<b>ASPECT: EMISSIONS</b>		
103-1 103-2 103-3	NFS pages 166-169; 172	
305-1	NFS pages 166-167	
305-2	NFS pages 166-167	
305-3	NFS pages 148-150; 172	
305-4	NFS pages 166-167	
305-5	NFS pages 166-169; 172	
305-6	During the reporting period, there were no gas leaks in corporate offices in Italy	
305-7	Given Moncler's business model, there are no known significant emissions at this time	
<b>ASPECT: EFFLUENTS AND WASTE</b>		
103-1 103-2 103-3	NFS page 171	
306-1	Water discharges are comparable to those of residential buildings and are therefore drained into the sewage system	
306-2	NFS pages 171; 195	
306-3	During the reporting period, there were no significant spills of pollutants	
306-4	Moncler did not transport, import, export or treat any kind of waste deemed hazardous under the terms of the Basel Convention	
<b>ASPECT: ENVIRONMENTAL COMPLIANCE</b>		
103-1 103-2 103-3	NFS page 196. During the reporting period, there were no grievances filed related to environmental impacts	
307-1	During the reporting period, there were no fines or monetary sanctions for non-compliance with applicable environmental laws and/or regulations	

GRI ID	PAGE NUMBER (OR DIRECT LINK)	OMISSION
<b>CATEGORY: SOCIAL PERFORMANCE</b>		
<b>ASPECT: EMPLOYMENT</b>		
401-3	NFS page 196	
<b>ASPECT: LABOUR/MANAGEMENT RELATIONS</b>		
103-1 103-2 103-3	NFS page 104	
402-1	NFS page 104	
<b>ASPECT: TRAINING AND EDUCATION</b>		
404-1	NFS pages 83-87; 102	
<b>ASPECT: NON-DISCRIMINATION</b>		
103-1 103-2 103-3	NFS pages 47-50; 54; 94-97; 104	
406-1	NFS pages 47-50; 94-97; 104	
<b>ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		
103-1 103-2 103-3	NFS pages 109; 116-119	
407-1	NFS pages 109; 116-119	
<b>ASPECT: CHILD LABOUR</b>		
103-1 103-2 103-3	NFS pages 109; 116-119	
408-1	NFS pages 109; 116-119	
<b>ASPECT: FORCED OR COMPULSORY LABOUR</b>		
103-1 103-2 103-3	NFS pages 109; 116-119	
409-1	NFS pages 109; 116-119	
<b>ASPECT: INDIGENOUS RIGHTS</b>		
411-1	Considering the geographical areas in which it operates, Moncler believes there is no risk of violating the rights of indigenous populations	
<b>ASPECT: HUMAN RIGHTS ASSESSMENT</b>		
103-1 103-2 103-3	NFS pages 47-50; 109; 110-113; 116-119	
412-1	NFS pages 116-119	
412-2	NFS pages 47-50	
412-3	NFS pages 109; 116-119	

GRI ID	PAGE NUMBER (OR DIRECT LINK)	OMISSION
<b>ASPECT: LOCAL COMMUNITIES</b>		
413-2	Considering Moncler's activities to date, no operations are deemed to have a significant actual or potential negative impact on local communities	
<b>ASPECT: PUBLIC POLICY</b>		
103-1 103-2 103-3	NFS page 63	
415-1	NFS page 63	
<b>ASPECT: MARKETING COMMUNICATIONS</b>		
417-1	NFS page 196	
417-2	NFS page 196	
<b>ASPECT: CUSTOMER PRIVACY</b>		
103-1 103-2 103-3	NFS page 196	
418-1	NFS page 196	
<b>ASPECT: COMPLIANCE</b>		
103-1 103-2 103-3	NFS page 196	
419-1	NFS page 196	

## TABLE LINKING MATERIAL TOPICS AND THE GRI INDEX

MATERIAL TOPICS	LINK TO ASPECTS OF THE GRI	INTERNAL IMPACTS	EXTERNAL IMPACTS
Product quality and safety	Client health and safety		Clients Suppliers
Responsible sourcing	Supplier assessment for labour practices Supplier assessment for human rights		Clients Suppliers
Diversity and inclusion	Diversity and equal opportunities Equal remuneration for women and men	Internal stakeholders	
Animal welfare	Supplier assessment for labour practices (*)		Clients Suppliers
Client experience	Labelling of products and services	Internal stakeholders	Clients
Circular economy	(*)	Internal stakeholders	Clients Environment Suppliers
Climate change	Energy		Environment
Employee experience	Employment	Internal stakeholders	
Employee performance and development	Training and education	Internal stakeholders	
Health, safety and wellbeing	Occupational health and safety Employment	Internal stakeholders	
Poverty and social development	Financial performance Local communities		Community
New generations	(*)	Internal stakeholders	
Cybersecurity	(*)	Internal stakeholders	Clients
Sustainable packaging	Materials		Environment
Biodiversity	Materials		Environment

(\*) With regard to this topic (not directly connected to an aspect provided for by GRI standards), the Statement reports the management approach adopted and the associated indicators.

# GLOSSARY

## AUDIT

Systematic and documented assessment (by an independent body) to verify compliance with the requirements of a given law/standard of reference.

## CONCESSION

Directly managed mono-brand retail space located on the premises of a department store.

## DEPARTMENT STORE

General shop, large- or medium-sized, divided internally into specialist departments.

## DOS

Directly Operated Stores, including Free Standing Stores, Travel Retail Stores, Concessions, and Outlets.

## EMAS

Voluntary environmental management tool developed by the European Commission for companies and other organizations to evaluate their environmental performance, and to provide the public and other interested parties with information on their environmental management.

## EMEA

Europe, Middle East and Africa.

## DIRECT EMISSIONS (SCOPE 1)

Air polluting emissions originating from combustion processes involving equipment controlled or owned by the organization.

## INDIRECT EMISSIONS (SCOPE 2)

Emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

## INDIRECT EMISSIONS (SCOPE 3)

Indirect emissions due to the company's activities. This category includes sources of emission that are not under the company's direct control, but whose emissions are indirectly caused by its activities. They are divided into 15 categories according to the indications of the GHG Protocol.

## FAÇON MANUFACTURER

Third-party supplier carrying out the 'cut-make-trim' (façon) phase of production according to the so-called industrialized method.

## FLAGSHIP STORE

Mono-brand retail store that, by size and/or location, conveys the philosophy and image of the Brand.

## FREE STANDING STORE

Retail store located directly on a street, i.e., not in a mall or shopping centre.

## ISO 14001

Voluntary standard developed by the International Organization for Standardization (ISO), defining the requirements of environmental management systems.

## ISO 45001

Voluntary standard published by the British Standards Institution, defining the requirements of occupational health and safety management systems.

## KPI (KEY PERFORMANCE INDICATOR)

Measurable value that monitors the effectiveness of a process.

## OUTLET

Retail store that sells products and collections from previous years and seasons at discount prices.

## MONO-BRAND STORE

Retail store that exclusively sells clothing, accessories, and products of a specific brand.

## MULTI-BRAND STORE

Retail store that sells different brands of clothing, accessories, and products.

## RETAIL

Distribution channel for the sale of products or goods managed directly by the Group through Directly Operated Stores (DOS) or its own e-commerce website ([www.moncler.com](http://www.moncler.com)).

## SHOP-IN-SHOP

Mono-brand wholesale space located on the premises of a department store.

## SHOWROOM

Space used to display and sell an apparel company's products to wholesale clients.

## SRI (SOCIALLY RESPONSIBLE INVESTOR)

Financial operator who integrates standard financials with environmental, social, and governance considerations.

## STAKEHOLDER

Person or subject with a legitimate interest in the activities of an organization, and who affects or is affected by the organization's decisions.

## TRAVEL RETAIL STORE

Point of sale located in places with heavy traffic of potential clients, such as airports and train stations.

## WHOLESALE

Distribution channel for the sale of products or goods to distributors (industrial, commercial, institutional, and other professional entities), through which the Group sells its products. The channel consists of both mono-brand and multi-brand stores.

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ECF (Elemental Chlorine Free)  
Heavy Metal Absence  
Acid Free

