

CONSOLIDATED NON-FINANCIAL STATEMENT 2017



MONCLER



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MONCLER

CONTENTS

10 LETTER TO STAKEHOLDERS

12 THE RESULTS OF OUR EFFORTS

1 THE MONCLER GROUP

18 VALUES

20 PHILOSOPHY

22 A HISTORY OF INNOVATION DEEPLY ROOTED IN TRADITION

26 MARKET PRESENCE

30 STRATEGY

32 FINANCIAL PERFORMANCE

32 Results

36 Creating value for stakeholders

2 RESPONSIBLE BUSINESS MANAGEMENT

42 GOVERNANCE MODEL

42 Corporate Governance

45 Code of Ethics

48 RISK MANAGEMENT

48 Enterprise Risk Management model

51 Environmental, social, and compliance risks

54 CREATING SUSTAINABLE VALUE

54 Sustainability governance

55 Materiality matrix

56 Dialogue with stakeholders

60 SUSTAINABILITY PLAN

60 Sustainability planning process

3 PEOPLE

72 EMPLOYEES IN NUMBERS

72 Geographic areas and professional categories

74 Age, length of service, and education levels

76 Nationality of local management

76 Employment contracts

76 Turnover

78 MANAGEMENT AND DEVELOPMENT

78 Recruitment

80 Training

81 Remuneration

82 Benefits

82 Development

85 Employee engagement

86 DIVERSITY AND EQUAL OPPORTUNITIES

88 OCCUPATIONAL HEALTH AND SAFETY

88 Management system

90 From prevention to control

90 Training and information

91 Health and wellbeing

92 INDUSTRIAL RELATIONS

4 PARTNERS

98 SUPPLY CHAIN PROFILE

102 RESPONSIBLE SOURCING

104 Animal welfare and traceability

106 SUPPLIER ENGAGEMENT AND DIALOGUE

5 CLIENTS

- 112 THE IMPORTANCE OF THE CLIENT EXPERIENCE
 - 115 Tuning in on client expectations by listening
- 116 QUALITY
 - 116 Product quality and safety
 - 119 Down quality
- 120 THE FIGHT AGAINST COUNTERFEITING
- 124 TRANSPARENT AND RESPONSIBLE COMMUNICATIONS
 - 124 Marketing, advertising, and product information
 - 124 An increasingly digital dialogue

6 ENVIRONMENT

- 132 ENVIRONMENTAL POLICY AND MANAGEMENT SYSTEM
- 134 RESOURCE CONSUMPTION AND MITIGATION ACTIVITIES
 - 134 Energy consumption and CO₂ emissions
 - 138 Use of raw materials
 - 139 Waste
 - 140 Logistics

7 COMMUNITIES

- 146 SUPPORTING LOCAL COMMUNITIES
 - 151 Support to medical and scientific research
 - 152 Initiatives for the social and economic development of local communities
 - 152 Natural disaster relief

8 APPENDIX

- 157 GUIDE TO THE REPORT
- 159 ADDITIONAL INFORMATION
- 164 STATEMENT OF ASSURANCE
- 168 GRI-G4 CONTENT INDEX
- 178 GLOSSARY
- 180 CONTACTS













LETTER TO STAKEHOLDERS

The year 2017 was full of accomplishments for Moncler. Once again, we achieved brilliant results that testify to the effectiveness of our strategy and, above all, to the passion, energy, and extraordinary professionalism of Moncler's people.

We are proud of these achievements, which are not a point of arrival but a stepping stone toward increasingly ambitious challenges to reach new heights. Our ability to look forward guides us in creating long-term value, in the awareness that our growth needs to be first and foremost sustainable, and that we have a responsibility towards people, the environment, the communities in which we operate and, more in general, towards all our stakeholders.

In a rapidly changing world that often raises concerns on sustainability for future generations, Moncler, as a multinational company, knows it must take responsibility on issues of global relevance. For this reason, we committed to doing our part in achieving the goals published in the United Nations' *2030 Agenda for Sustainable Development*, which sets out the priorities for contributing to global development, promoting human wellbeing, and protecting the environment.

In 2017, we also met all of the commitments made in the Sustainability Plan while taking further steps forward.

After its implementation at all our offices and stores in Italy, the occupational health and safety management system was extended to our production site in Romania.

We continued to promote greater awareness of ethical and social aspects among our suppliers by establishing a constructive and direct dialogue with our main strategic partners. In 2017, 100% of the down purchased was certified as per DIST Protocol (Down Integrity System & Traceability), developed by Moncler to ensure respect for animal welfare, traceability, and quality across the supply chain.

Clients continued to be at the centre of our priorities through a comprehensive approach, resulting in a significant increase in interaction and loyalty and in the consolidation of Moncler's digital presence worldwide.

As evidence of our attention to the environment, we set out the Group Environmental Policy and implemented an ISO 14001-certified Environmental Management System at the production site in Romania.

Moreover, we upheld our commitment to communities through scientific research, social development initiatives, and emergency relief.

These goals were also achieved thanks to integrated sustainability governance, entailing the direct involvement of our senior management, and the fundamental contribution of all 3,500 Moncler employees worldwide.

The future is open to those who are willing to take on new challenges, love change, and innovate with passion, while remaining true to their values and heritage. This is what guides us day after day in creating long-term value.



REMO RUFFINI
CHAIRMAN AND CHIEF EXECUTIVE OFFICER



THE RESULTS OF OUR EFFORTS

“We judge the value of our results also by how we achieved them, because we are convinced that long-term success depends on knowing how to create shared value.”

100%

of down purchased was DIST certified

100%

of down supply chain audited to verify compliance with DIST Protocol

CODE OF ETHICS

updated in line with best practices

OHSAS 18001

health and safety certification obtained for production site in Romania

ISO 14001

environmental certification obtained for production site in Romania

93%

of stores with LED lighting¹

52%

women in management

+52%

in hours of training delivered to employees compared to 2016

70

social, ethical, and environmental audits across the supply chain

+28%

invested in local communities compared to 2016

1. Excluding the 14 shop-in-shops in which lighting is provided by the host department stores, where Moncler cannot take action.

1

THE MONCLER GROUP

18	VALUES
20	PHILOSOPHY
22	A HISTORY OF INNOVATION DEEPLY ROOTED IN TRADITION
26	MARKET PRESENCE
30	STRATEGY
32	FINANCIAL PERFORMANCE







VALUES

Moncler has always stood for authenticity, excellence, and talent, for seeking challenges, and for pursuing shared and sustainable goals. These are the values at the heart of the Group.

In everything it does, Moncler is driven by the desire to innovate while remaining true to itself and its heritage, to strive for continuous and uncompromising quality, and to grow through change and the pursuit of new challenging standards.

The client is the cornerstone of Moncler's business and the central focus of all decisions, while the talent of people is its most important asset.

Nurturing individual talent has always been a core value of the Group, which considers its people a strategic resource, the architects of the Brand's past success, and the key to its future growth. For this reason, the Company is always mindful that, to create long-term value, it needs to act responsibly and inclusively.

AUTHENTICITY

There is only one Moncler, and our task is to protect its uniqueness while always evolving

EXCELLENCE

Quality is at the heart of everything Moncler does

AMBITION

Moncler never stops innovating and seeking to set new challenging standards

COMMITMENT TO PEOPLE

People are Moncler's greatest asset: their future is Moncler's future, and we are committed to their development

RESPONSIBILITY

Long-term value creation can only be driven by respect and responsible behaviour

PHILOSOPHY

Moncler's philosophy is inherently rooted in the Group's values and intrinsically tied to its unique history.

Over the years, the Brand has been at the centre of remarkable climbing expeditions and pioneering initiatives. Long associated with sports, mountains, outdoor activities, and nature at its purest, Moncler has consistently and faithfully based its philosophy on simple yet solid principles, summarised in the words of the Company's Chairman and Chief Executive Officer, Remo Ruffini.

“THERE IS NO PRESENT OR FUTURE WITHOUT A PAST. MONCLER IS A UNIQUE BRAND, AND ITS PRODUCTS ARE SYNONYMOUS WITH CREATIVITY, QUALITY EXCELLENCE, AND CONSTANT EVOLUTION WITHOUT EVER LOSING SIGHT OF THE BRAND'S TRUE ESSENCE”

Moncler has a unique heritage and positioning. With over 60 years of history, the Brand conveys its DNA through innovative and versatile products that withstand fashion trends, and are therefore timeless. Products are inspired by values stemming from the love for sports and nature, and deliver renowned elegance and quality excellence. Moncler adopts an integrated business model that focuses on quality control, and directly manages and coordinates the higher value-added activities within its value chain. Promoting responsibility across the supply chain is an integral part of this process.

**“CLIENTS ARE
OUR MAIN
STAKEHOLDERS”**

Clients have always been pivotal in every strategic decision made by Moncler, as further confirmed in 2016 with the launch of the *Retail Excellence* project. The uniqueness of the Brand is reflected in every Moncler store. Its presence in the most important multi-brand and luxury department stores, the selected location of its retail stores across the most prestigious shopping streets and holiday resorts, and a distinctive store concept always consistent with its DNA yet in constant evolution, are clear expressions of the Brand's values and philosophy.

**“I ALWAYS WANT
TO BE AMAZED
BY THE TALENT
OF OTHERS”**

Moncler has always considered its people as a strategic asset. Motivation, determination, and innovation are qualities that the Company supports and nurtures constantly. Developing this asset, helping its people to grow, is a fundamental part of the Group's philosophy. Moreover, it is a clear objective for senior management that, led by Remo Ruffini, has built a cohesive, motivated, highly experienced team with a proven track record of delivering significant results.

**“MONCLER IS
A GLOBOPHONIC
COMPANY: WHILE
ITS VISION IS GLOBAL,
ITS STRATEGY
IS LOCAL”**

Moncler's policy is to have a direct presence in the regions in which it operates, with local management and organisational structures acting in close coordination with the Parent Company. The Company operates through its headquarters and five regional organisations (*Regions*): EMEA, Asia Pacific, Japan, the Americas, and Korea. Moncler firmly believes in the importance of strengthening and consolidating its presence in each of these areas, and has always promoted the hiring of local employees and managers who understand and can better analyse trends in each market.

**“THERE IS NO
GROWTH WITHOUT
RESPONSIBILITY
AND RESPECT”**

Moncler judges the value of its results also by how it achieved them, believing there can be no long-term growth without responsibility and respect. Which is why, a few years ago, the Company started to integrate sustainability issues into its business model and decisions.

**“A UNIQUE PRODUCT
DESERVES A UNIQUE
COMMUNICATION
STRATEGY”**

Moncler's communication strategy is both innovative and non-conventional. It always conveys the product's uniqueness and the Brand's values in a highly distinctive and unequivocal way, using all available channels.

A HISTORY OF INNOVATION DEEPLY ROOTED IN TRADITION



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**.

1952

1954

1968



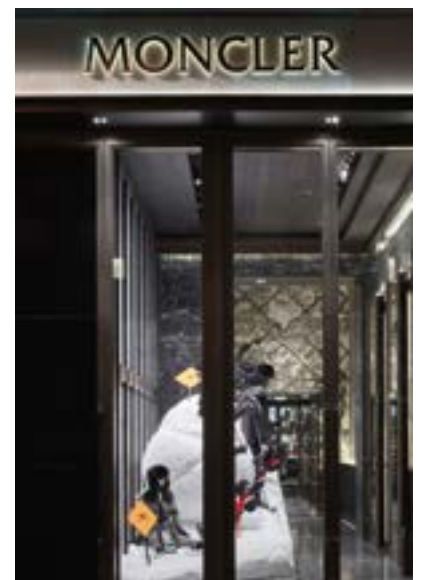
Moncler products become popular in day-to-day urban contexts, sparking a true **fashion craze** among younger consumers, especially in Italy, France, and Japan.

'80



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

2003



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

In the years following, 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).

2007



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 since the Italian conquest of K2.



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

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

On August 31, Moncler finalises 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.

2013

2014

2015



Moncler **completes the set-up process at the production site in Romania** by hiring about 600 employees in addition to the workforce previously taken over during the acquisition process, for a total headcount of approximately 900 employees.

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

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

2016



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

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

2017

MARKET PRESENCE

Moncler is present in more than **70 markets worldwide**, through a retail distribution channel consisting of mono-brand Directly Operated Stores (DOS) and an online store, and a wholesale distribution channel consisting of multi-brand and mono-brand stores run by third parties within department stores (shop-in-shops).

The Group operates in local markets through **five regional organisations**: EMEA, Asia Pacific, Japan, the Americas, and Korea.

In recent years, the business has grown mainly through the **retail channel**, which in 2017 accounted for **75% of consolidated revenues**, up 19% at constant exchange rates. Now active in 35 markets, the **online store** (www.moncler.com) is becoming increasingly important within the retail channel. The wholesale channel, which is of strategic importance to Moncler's business, grew by 10% at constant exchange rates in 2017, also through the development of mono-brand wholesale

stores and online business on selected luxury platforms (high-end e-tailers).

At 31 December 2017, Moncler had **201 mono-brand retail stores** and **59 mono-brand wholesale stores** (shop-in-shops), 11 and 17 more, respectively, compared to the previous year.

MONO-BRAND RETAIL NETWORK (No.)

	31/12/2017	31/12/2016	Net Openings FY 2017
Italy	21	19	2
EMEA (excl. Italy)	59	55	4
Asia and Rest of the World	96	93	3
Americas	25	23	2
Mono-brand retail stores	201	190	11
Mono-brand wholesale stores	59	42	17

CONSOLIDATED REVENUES BY GEOGRAPHIC AREA (Million euros)

	Revenues	%	Change vs. 2016 (at current exchange rate)	Change vs. 2016 (at constant exchange rate)
Italy	149.3	13	+4%	+4%
EMEA (excl. Italy)	352.4	30	+16%	+19%
Asia and Rest of the World	495.5	41	+18%	+20%
Americas	196.5	16	+12%	+14%
Total	1,193.7	100	+15%	+17%





201
Mono-brand Directly
Operated Stores (DOS)
at 31 December 2017

AMERICAS

25 DOS
2 new openings in 2017, including
the second store in Toronto



ITALY

21 DOS

2 new openings in 2017, including a store in Florence

EMEA

59 DOS

4 new openings in 2017, including the first store in Kazakhstan (Almaty) and the first store in Sweden (Stockholm)

ASIA AND REST OF THE WORLD

96 DOS

3 new openings in 2017, including the first store in Australia (Melbourne)

STRATEGY

Moncler's goal is to pursue sustainable and responsible growth within the global luxury goods segment, while remaining faithful to its unique heritage. Creativity, multiplicity, and consistency have always been the creed of the Group, which leverages change to grow stronger as it continues to explore both known and new avenues, seeking constant dialogue with an ever-broader client base. Moncler's strategy is closely related to the Group's philosophy and values, and is based on six pillars.

IDENTITY AND UNIQUE POSITIONING

Moncler's unique heritage represents its main asset and permeates its entire strategy. Heritage, quality, uniqueness, creativity, and consistency define and characterise all Moncler products, making them timeless.

A GLOBAL BRAND WITH NO FILTERS WITH THE MARKET

In recent years, Moncler's growth strategy has been inspired by two key principles, clearly devised and strongly endorsed by the Company's Chairman and CEO, Remo Ruffini: to become a global brand and to have no filters with the market. Today, 87% of Moncler's revenues are generated outside of Italy. This result was achieved by exercising significant control over the business, and by maintaining direct contact with wholesale, retail, and digital clients.

SELECTIVE PRODUCT RANGE EXPANSION

Thanks to its strong tradition and credibility built over the years, Moncler has consolidated its position as a worldwide leader in the premium down jacket segment. The Group is now selectively expanding beyond its core business, into complementary product and market segments in which it has, or can surely achieve, high recognition and in-depth know-how. “To create special products with a specialist’s approach” is the motto that drives and steers Moncler’s present and future.

DIRECT RELATIONSHIP WITH CLIENTS, TO ALWAYS SURPRISE THEM

Engaging directly with clients through every channel and touchpoint, involving them, and understanding their expectations – even when unspoken – is a cornerstone of the relationship that Moncler strives to develop with its clients to never stop surprising them.

DIGITAL CHANNEL DEVELOPMENT

Moncler considers digital channels as a crucial and indispensable tool for brand communications and business growth at global level, in an omni-channel perspective.

For some years now, the Group has created a digital division that reports to Moncler’s Chief Marketing & Operating Officer, and is responsible for both e-commerce and digital marketing to develop online business and boost the presence of the Moncler brand across all major social media.

SUSTAINABLE GROWTH TO CREATE VALUE FOR ALL STAKEHOLDERS

The Brand has been progressively strengthening its commitment to long-term sustainable and responsible growth, as a means to further meet stakeholder expectations and create shared value.

FINANCIAL PERFORMANCE

In 2017, once again, Moncler reported a double-digit growth in its financial results, driven by both its distribution channels and by all geographic areas.

RESULTS

In 2017, revenues reached 1,193.7 million euros, an increase of 15% at current exchange rates and of 17% at constant exchange rates. This performance was driven by both the retail channel (+17% at current exchange rates compared to 2016) and the wholesale channel (+9% at current exchange rates compared to the previous year). In particular, the retail channel benefitted from a significant organic growth in stores and online (+14% in comparable stores sales growth¹) and from the opening of new stores and relocations/expansions of existing ones.

Results in all geographical areas in which Moncler operates were significant, both in the domestic market and abroad. International markets grew by 16%, accounting for 87% of consolidated revenues in FY 2017, with double-digit growth in all areas (EMEA, Asia and Rest of the World, and the Americas).

EBITDA² reached 411.6 million euros, representing a margin of 34.5% of revenues, an increase compared to the 34.1% reported in 2016. EBIT totalled 340.9 million euros, with a margin of 28.6%, unchanged compared to the previous year.

Group net revenues totalled 249.7 million euros, a 27% increase compared to 2016.

In 2017, capital expenditure amounted to 72.5 million euros, and was mainly related to retail business development, while net working capital at 31 December 2017 was 89.7 million euros, equal to 8% of revenues over the last 12 months, a drop compared to the 10% reported as at 31 December 2016. In addition, in 2017, Moncler generated 244.3 million euros in free cash flow and 199.1 million euros in net cash, with a net financial position at 31 December 2017 of 304.9 million euros.

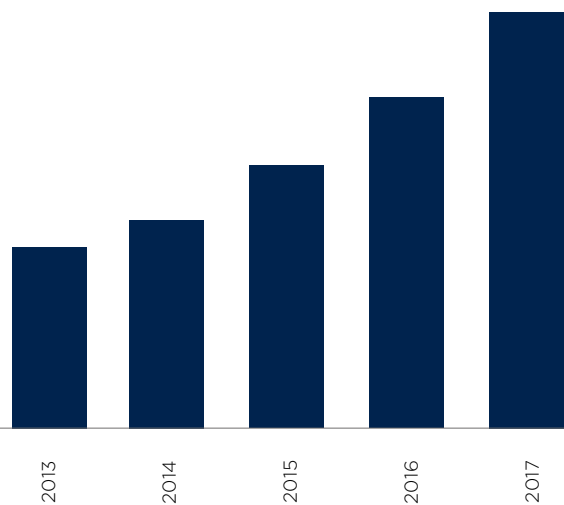
1. Increase in the sales revenues of retail stores (DOS) open for at least 52 weeks. The figure includes online sales but excludes outlets and stores that have been relocated or extended.

2. EBITDA Adjusted: operating income before depreciation, amortisation, and costs related to share incentive plans.



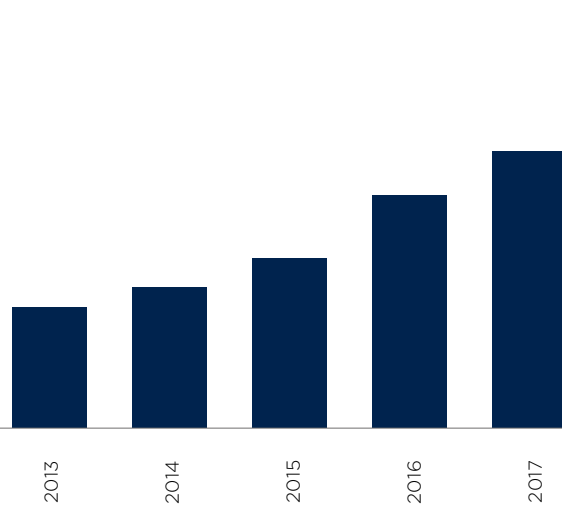
REVENUES (Million euros)

580.6 694.2 880.4 1,040.3 1,193.7



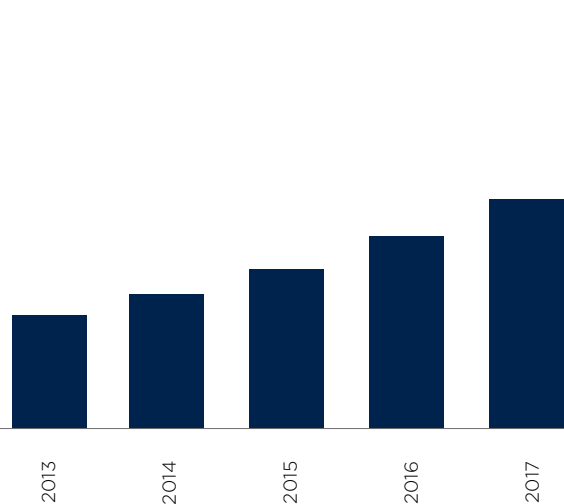
EBITDA³ (Million euros)

191.7 232.9 300.0 355.1 411.6



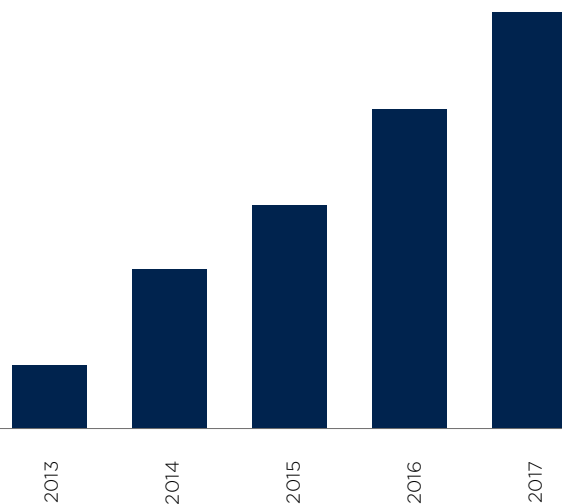
EBIT (Million euros)

166.4 201.6 252.7 297.7 340.9



NET INCOME (Million euros)

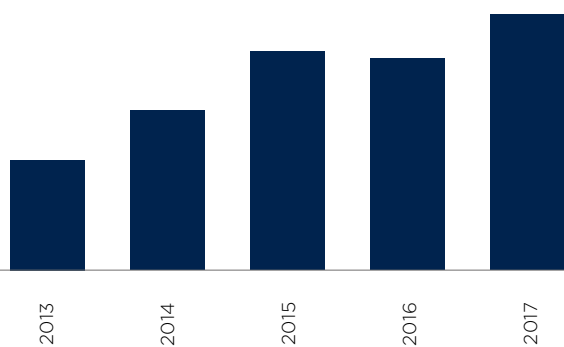
76.1 130.3 167.9 196.0 249.7



3. EBITDA Adjusted: operating income before depreciation, amortisation, and costs related to share incentive plans.

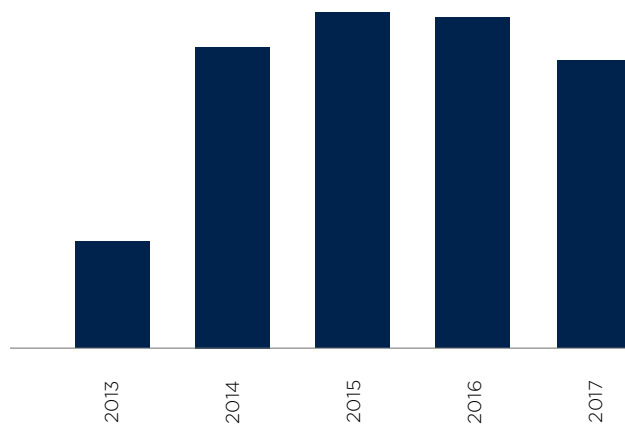
CAPITAL EXPENDITURE⁴
(Million euros)

33.9 49.5 66.2 62.3 72.5



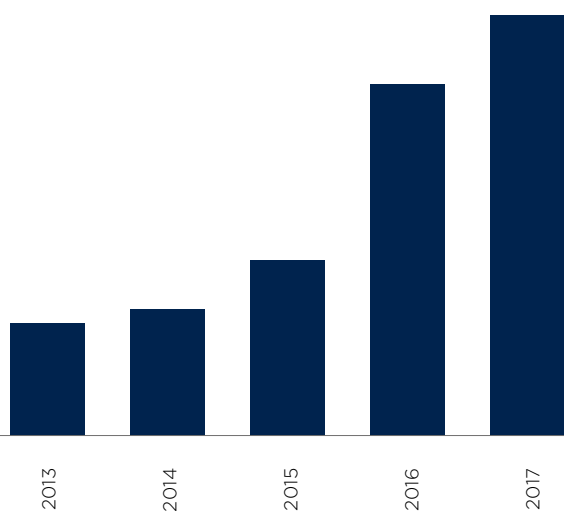
NET WORKING CAPITAL
(Million euros)

46.9 97.1 110.9 108.1 89.7



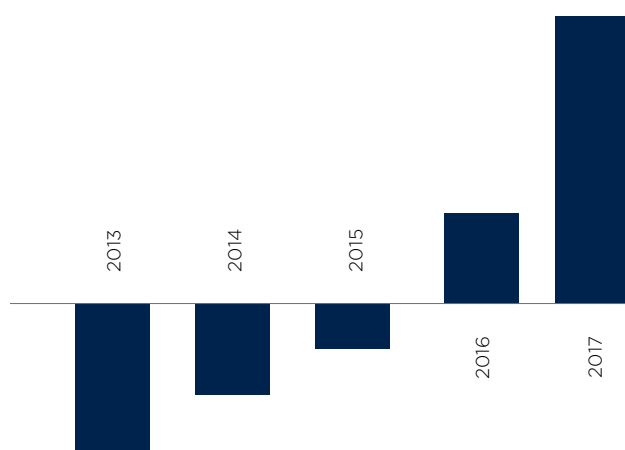
FREE CASH FLOW
(Million euros)

58.4 86.8 118.6 210.6 244.3



NET FINANCIAL POSITION
(Million euros)

(171.1) (111.2) (49.6) 105.8 304.9

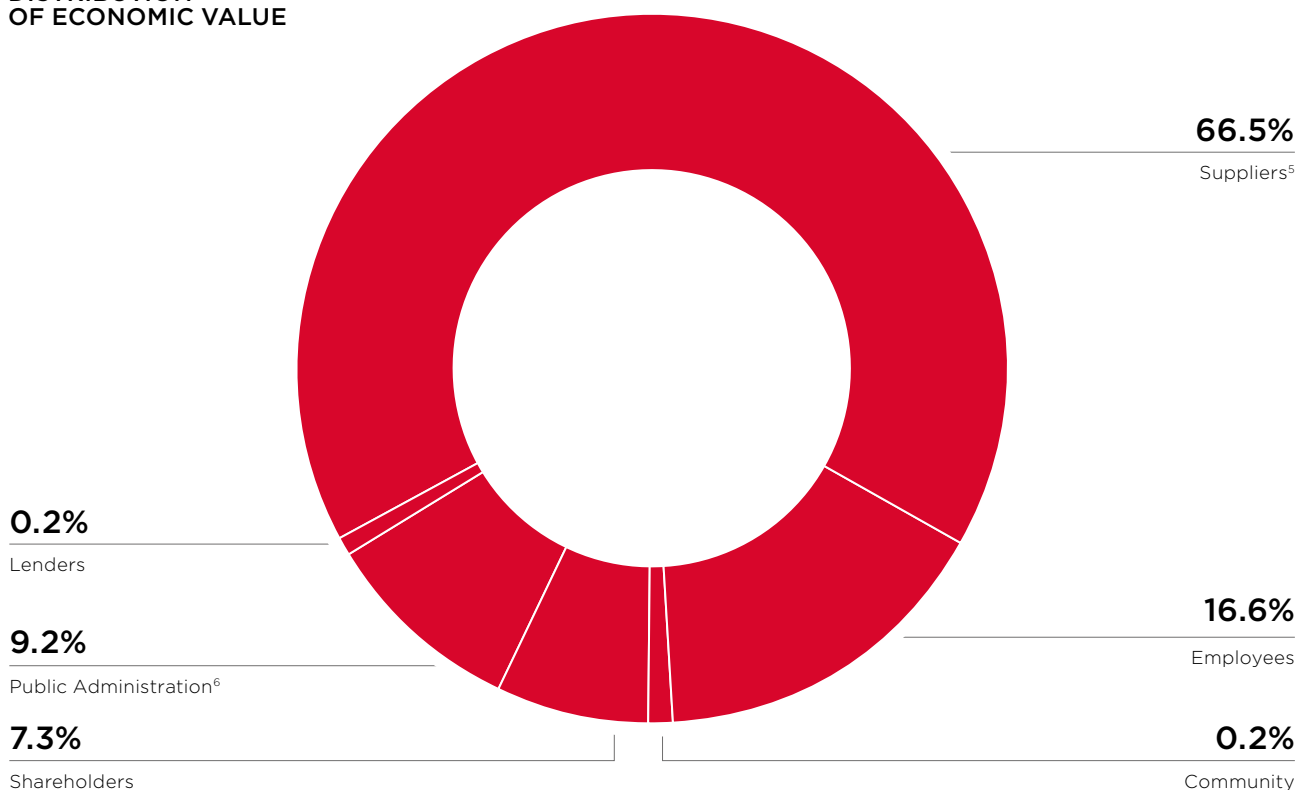


4. Net of assets disposal.

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 2017, Moncler generated an economic value of 1,196.5 million euros, an increase of over 14% compared to 2016. The economic value distributed by the Group grew from 845.1 million euros in 2016 to 968.3 million euros in 2017, up by approximately 15%. An 81% share of the value generated by the Group was distributed to internal and external stakeholders, while the remaining 19% was retained by the Company.

DISTRIBUTION OF ECONOMIC VALUE



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

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

ECONOMIC VALUE GENERATED AND DISTRIBUTED
(Thousand euros)

	2017	2016
Economic value generated by the Group	1,196,561	1,045,900
Revenues	1,193,704	1,040,311
Other earnings	7,733	7,801
Financial income	558	492
Value adjustments of financial assets	-	-
Write-down of receivables	(1,783)	(1,527)
Exchange rate gains (losses)	(3,841)	(1,851)
Gains (losses) from disposal of tangible and intangible assets	190	674
Value adjustments of tangible and intangible assets	-	-
Economic value distributed by the Group	968,354	845,155
Economic value distributed to suppliers ⁷	643,871	574,394
Economic value distributed to employees	160,896	128,798
Economic value distributed to lenders	1,899	3,233
Economic value distributed to shareholders ⁸	70,778	45,582
Economic value distributed to the public administration ⁹	88,711	91,780
Economic value distributed to communities	2,200	1,368
Economic value retained by the Group	228,206	200,745
Amortisation and depreciation	47,274	41,635
Provisions	1,942	8,369
Reserves	178,990	150,741

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

8. In 2017, the amount was estimated based on the suggested dividend. The 2016 amount was adjusted based on the actual dividend paid.

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

2

RESPONSIBLE BUSINESS MANAGEMENT

- 42 GOVERNANCE MODEL
- 48 RISK MANAGEMENT
- 54 CREATING SUSTAINABLE VALUE
- 60 SUSTAINABILITY PLAN





**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.**

GOVERNANCE MODEL

CORPORATE GOVERNANCE

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

The corporate governance system complies with the principles set forth in the Corporate Governance Code for Italian Listed Companies issued by Borsa Italiana and adopted by Moncler, and with the regulatory provisions 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, recognised, shared, and established in both the Code of Ethics and company policies.

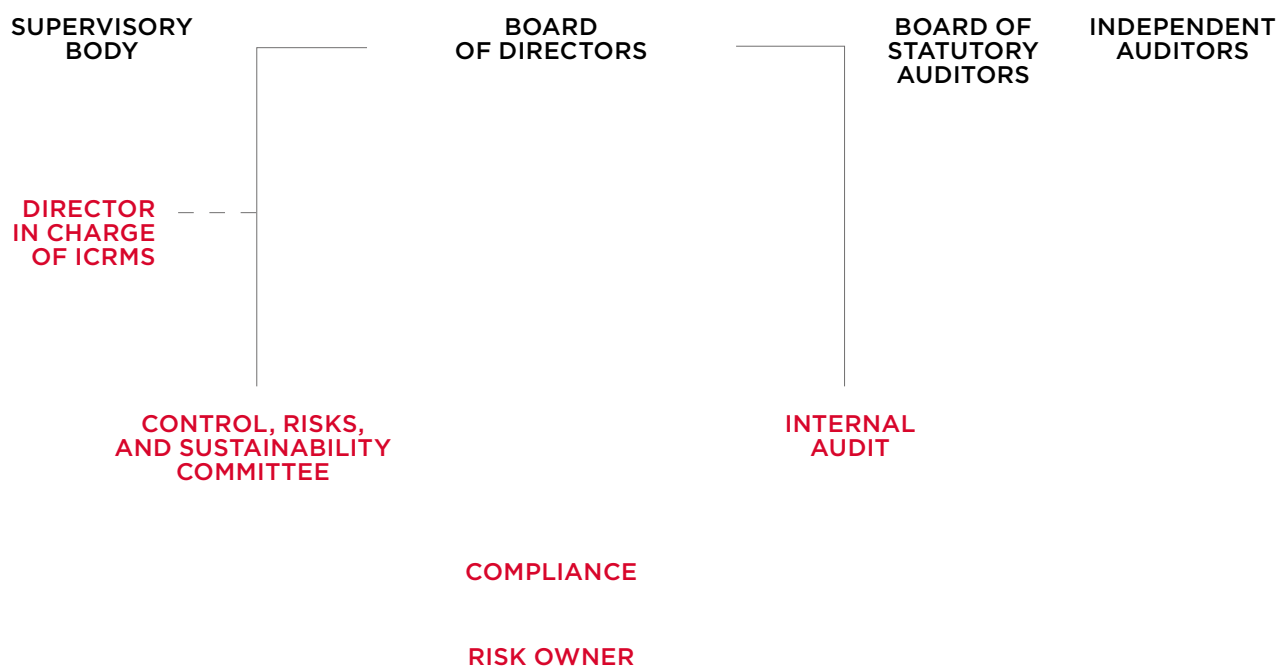
Based on the values set out in Moncler's **Code of Ethics**, all employees are committed to ensuring that the Group's activities are carried out in compliance with the law and with principles of fair competition, honesty, integrity, and fairness, while respecting the legitimate interests of shareholders, employees, clients, suppliers, commercial and financial partners, and of the communities of the countries in which the Moncler Group is present. See also page 45.

Moncler implements a traditional administration and control system as per articles 2380-bis et seq. of the Italian Civil Code.

This system ensures continuous dialogue between management and shareholders as follows:

- the **Shareholders' Meeting**, in ordinary and/or extraordinary sessions, is responsible for resolutions regarding, inter alia, (i) the appointment and removal of members of the Board of Directors and Board of Statutory Auditors, as well as their remuneration; (ii) the approval of the financial statements and allocation of profits; (iii) amendments to the Bylaws; (iv) the appointment of the independent auditors, upon motivated proposal of the Board of Statutory Auditors; (v) incentive plans
- 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 Committees have been established to support the Board of Directors: the **Nomination and Remuneration Committee and Control, Risks, and Sustainability Committee**, both vested with consulting and advisory functions, and the **Related Parties Committee**
- 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 competence, the suitability of the Company's organisational structure, internal control system, and administrative accounting system, as well as the reliability and accuracy of the latter in representing management operations; (iii) the procedures adopted

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM



by the Company to effectively implement the corporate governance rules set out in the codes of conduct that it has publicly claimed to adopt; and (iv) the effectiveness of the internal audit and risk management system, the auditing of accounts, and the autonomy of the external auditor

- the **independent auditors** carry out the statutory auditing of accounts. They are appointed by the Shareholders' Meeting and in accordance with the Bylaws, upon proposal of the Board of Statutory Auditors. Pursuant to the Civil Code, the external auditor operates independently and autonomously and therefore does not represent either the minority or majority of shareholders.

Moreover, the Internal Control and Risk Management System (ICRMS) adopted by Moncler is supported by: a **Supervisory Body**, i.e., a collegial body of three members reporting directly to the Board of Directors, tasked with ensuring that Company rules, mechanisms, and internal controls are in line with Legislative Decree 231/2001 as amended; the Head of the Internal Audit division (third-level control); the Head of the Group Compliance division (second-level control); and the Director in charge of the ICRMS itself. See also page 48.

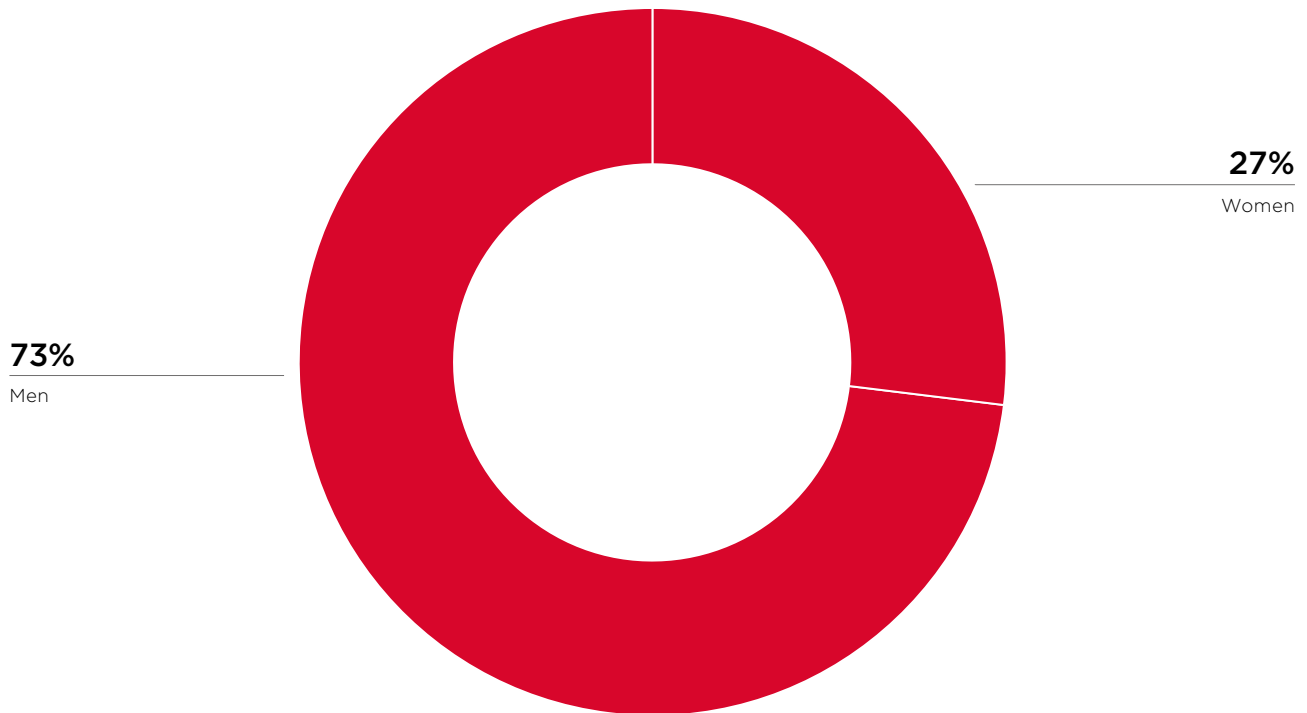
At 31 December 2017, Moncler's Board of Directors, including the Chairman, consisted of 11 members, of whom 6 were independent. With regard to the powers assigned within the Board, there were 3 Executive and 8 Non-Executive Directors (6 of whom independent). Moncler believes that a Board of Directors composed of members of different ethnicity, gender, and age, and with diverse skills, professional experience, and cultural backgrounds, can enable an international company such as the Group to make the

best decisions possible. See also Moncler's *Report on Corporate Governance and Ownership Structure* for 2017.

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 areas of the Group, ensuring consistency and the sharing of Moncler's guiding values.

In 2017, average attendance at Board meetings was 89%.

COMPOSITION
OF THE BOARD OF DIRECTORS
BY GENDER



COMPOSITION
OF THE BOARD OF DIRECTORS
BY AGE GROUP



CODE OF ETHICS

Moncler's Code of Ethics (hereinafter also the Code) 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 represents the set of values that the Group identifies with, shares, and promotes, in the belief that a 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 the principle of shared value.

In 2017, a comprehensive update was carried out on the Code to align it with the best international practices and to better integrate sustainability issues and anti-corruption guidelines. The Code of Ethics reflects the main regulations, guidelines, 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 Organisation) conventions, and the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises. The Code of Ethics also includes the key principles set out in the Supplier Code of Conduct adopted by the Group and in the 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. The Code 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. In June 2014, an online and classroom-based training programme was launched for all employees in Italy to ensure the widespread dissemination of the Code's principles, their proper understanding, and the development of virtuous behaviours, as identified by the Code of Ethics.

The Code is also a fundamental and integral part of the **Organisation, Management, and Control Model** (hereinafter also the Model) adopted by Moncler in accordance with Italian Legislative Decree 231/2001. The 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 the 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 the principles of conduct required by Moncler. Audit findings may require

disciplinary actions that, depending on the severity of the case, can also lead to termination of employment. The Supervisory Body in Italy is tasked with supervising the suitability of, and compliance with, the Organisation, 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 organisational structure and reports directly to the Board of Directors to ensure its independence from any form of potential interference or conditioning.

In 2017, an assessment of risks and corporate processes was conducted, with results to be used in early 2018 to update Moncler's Model in accordance with new offences recently introduced under Legislative Decree 231/2001, regarding illicit brokering, the exploitation of labour, racism, and xenophobia, as well as new regulations on whistleblowing and some changes concerning corruption between private individuals. Following the assessment, there were no instances requiring significant corrective measures.

The audits performed in 2017 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, credit management, recruiting, etc.) and on the main 'sensitive' areas identified by the Model. With regard to international subsidiaries, in 2017 the Internal Audit division audited Group companies in the United States, Korea, Japan, China, and Hong Kong, focusing on the suitability of internal control and financial reporting procedures, with the aim to identify and/or prevent any potential cases of fraud. With regard to the management of store operations (receipts and sales management, stock management, protection of corporate assets, and theft prevention), in 2017 the Internal Audit division audited 49 stores, selected on the basis of turnover, risk level, and geographic diversification. The audits made it possible to verify and make improvements to existing operating and control procedures.

In 2017, **no breaches of the Code of Ethics were reported**. Moncler considers the reporting of particular instances of non-compliance with the Code of Ethics – whether by employees or external entities – 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 penalisation, without prejudice to statutory obligations in force or to the rights of the Company or people falsely or mistakenly accused of misconduct.

To this end, a Group-wide **whistleblowing system** was launched in March 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. In late 2017, to further consolidate the internal whistleblowing procedure and in compliance with recent legislation on whistleblowing, Moncler launched a study for the adoption of a dedicated web platform and ad hoc telephone lines – to be managed by a specialised and independent third party – to manage and record any reports from employees, suppliers, clients, and counterparts of all Group companies. The new system is expected to be operational by mid-2018.

In 2017, only one report was received through the whistleblowing system, which was timely analysed, assessed, and managed through an ad hoc audit carried out at the production site of a foreign supplier. The audit did not confirm the allegations of the report received, nor did it reveal any breaches of the Codes adopted by Moncler and made binding also for suppliers. Therefore, no specific action was taken against the supplier in question.

In this regard, the Group has adopted a **Supplier Code of Conduct** since 2016. It addresses Moncler's expectations regarding responsible sourcing, and consists of six sections describing the binding provisions related to: 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 binding principles set forth in the Supplier Code of Conduct, and conducts regular audits across the supply chain to verify compliance. The Group is also committed to carrying out relevant training and awareness activities among internal departments and suppliers alike. See also pages 102-104.



ANTI-CORRUPTION POLICY

In 2017, Moncler developed an Anti-Corruption Model, providing the framework to perform a targeted risk assessment and regulatory review of corruption offences in some of the countries in which the Group operates, selected on the basis of sales revenues and Corruption Perception Index (CPI). This allowed the Company to identify the areas at theoretical risk of corruption, the internal controls in place, and those requiring improvement, and to define an Anti-Corruption Policy.

The Policy, approved by the Board of Directors, reflects Moncler's strong commitment to fighting all forms of corruption in every country in which the Group operates, and to setting specific rules and regulations to prevent, identify, and manage corruption risks.

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

Moncler is fully aware that the development of an effective strategy against corruption requires, first and foremost, the thorough knowledge of the available means of prevention; to this end, an online training course will be delivered to the Group's entire workforce in 2018.

The Company is also committed to carrying out an annual risk assessment of all Group

companies, so as to regularly update the corruption risk profiles identified.

The first assessment, carried out in 2017, identified the following areas as being at theoretical risk of corruption:

- relations with Public Administrations
- relations with suppliers and external consultants
- relations with agents and intermediaries
- relations with business partners for joint ventures and directors
- management of donations, sponsorships, and gifts
- human resources management.

All of these areas are thoroughly described in the Anti-Corruption Policy and further addressed in the Group's Code of Ethics, which was updated during the year to provide more detailed guidance on the conduct to be held. Moreover, Moncler's Internal Audit function carries out periodic audits 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 expenses. In 2017, no cases of corruption were reported.

RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT MODEL

The Group has adopted an integrated Enterprise Risk Management (ERM) model based on international best practices. The system involves Moncler's governance bodies, each acting within the scope of its respective 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
- business support risk
- compliance risk.

Strategic risks relate to changes in business or to inadequate responses to changes in the competitive environment. Sustainability risks may fall within this risk category.

Business risks are associated with the sector of reference and Company operations.

Business support risks concern the Group's organisational structure, control processes, and IT and reporting systems.

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

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, minimise its likelihood of occurrence, or contain its impact in the event of occurrence. With regard to external risks, the ERM model aims to monitor them and mitigate their impact in the event of any occurrence.

For each business area in which a risk has been identified, there is a 'risk owner' responsible for managing the risk itself and the related control system, and for implementing or improving mitigation measures. All risks and related

mitigation actions are recorded in a **Risks Register**, which is updated regularly (in concert with 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 2017, the ERM model was updated to include the Human Resources Management area and the production process at the site in Romania, and to reflect the findings of the cyber risk analysis performed on the Group's IT systems and processes. Furthermore, a detailed analysis was also conducted on the risks associated with: operations (with a focus on the supply chain); the retail, wholesale, and logistics areas; additional risks related to the IT area; and the business support processes of the administration and control, treasury, and legal divisions.

The results of ERM activities are reviewed half-yearly by the Control, Risks, and Sustainability Committee and by the Board of Directors, as part of the report by the Head of the Internal Audit division on the suitability and effectiveness of the Internal Control and Risk Management System (ICRMS). Moncler's ERM model involves the following governance bodies:

- the Board of Directors, which defines guidelines and assesses the suitability of the ICRMS at least every six months
- the Control, Risks, and Sustainability Committee, which has an investigative and advisory role in supporting 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.

See also page 43.





ENVIRONMENTAL, SOCIAL, AND COMPLIANCE RISKS

With operations in several 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 minimise 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 implemented a performance evaluation system that covers the entire workforce (excluding workers) and takes into account 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. See also page 82. The Group also developed an incentive plan specifically for managers and key personnel to facilitate retention. See also page 81. Lastly, with the aim of creating a more attractive work environment, Moncler implemented a welfare plan for its employees at corporate offices in Italy, as well as specific employee wellbeing initiatives at the production site in Romania. See also page 82.

The risk of **human rights** violations against the employees of Group companies is considered solely at a theoretical 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 corporate offices. Furthermore, Moncler has adopted a Group-wide Personnel Search and Recruitment Policy to ensure a robust personnel selection and recruitment process while guaranteeing equal opportunities. The Group also provides its people with a whistleblowing system enabling anyone to report violations. To date, no human rights violations have been reported. See also page 45.

As per Moncler's business model, only part of the Company's product manufacturing is carried out in-house, at the production site in Romania, while the remaining activities are contracted out mainly to *façon* manufacturers and finished product suppliers in Italy and abroad.

The Group purchases raw materials from a large number of suppliers worldwide, and relies on the services provided by companies that do not belong to the Group. The variety of partners and the geographical scope in which Moncler operates have led the Group to make huge investments in the prevention and monitoring of risks associated with possible human rights violations along the supply chain, with a particular focus on *façon* manufacturers, specialised workshops, and the main logistics operators.

Moncler conducts regular audits, also through certified specialised firms, to verify the supply chain's compliance with applicable laws and with the principles of the Code of Ethics and the Supplier Code of Conduct, which set out binding standards of conduct for suppliers, under penalty of termination of the collaboration in case of violation. Moreover, the Group is committed to raising awareness of

responsible sourcing principles among its partners through specific training activities. See also page 106.

Moncler pays particular attention to the **environmental aspects** involved in the conduct of its business, although its most significant environmental impacts are indirect. To this end, the Group has set out specific rules, processes, and control procedures to prevent and manage any environmental risks linked to its suppliers of raw materials and manufacturing services, which are required to adopt the Group's 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 specialised third parties. See also page 104.

As regards its direct environmental impacts, Moncler implements numerous initiatives to minimise them, by: leveraging the adoption of both an Environmental Policy and an Environmental Management System; engaging its employees in reducing paper, toner, and energy consumption; and promoting waste sorting. In 2017, Moncler's production site in Romania obtained ISO 14001 certification, which is expected to be extended to the Company's corporate offices in Italy by the end of 2018. See also page 132.

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 Program, which is regularly updated.

Since its establishment in 2016, the Group's Compliance function has been engaged in activities aimed at strengthening the monitoring and management of risks of non-compliance, starting from the areas considered to be most sensitive, such as those related to antitrust, health and safety, privacy, and anti-corruption issues.

In particular, as regards antitrust issues, Moncler has drawn up and adopted a Group Compliance Antitrust Program, consisting of an Antitrust Policy, an Antitrust Compliance Manual, and a Guide disseminated among Group employees, to minimise the risk of their behaviours (whether actions or omissions) resulting in illegal conduct.

Moncler considers the promotion and protection of employee health, safety, and wellbeing as a value and key priority of its operations. For this reason, it has implemented an effective management system in compliance with the OHSAS 18001 international standard, which provides for the application of streamlined management procedures with a specific focus on the Health and Safety Management Policy, as well as for periodic checks across the Group employees' work locations (offices, stores, showrooms, and logistics and production sites). 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 in the workplace. See also page 88.

The Moncler Group has always handled privacy issues very carefully. To this end, in addition to strengthening the relevant section of its Code of Ethics, it has completed the preliminary work to adapt its Model to the new European regulation that will enter into force in May 2018.

As regards corruption prevention measures, Moncler developed and adopted an Anti-Corruption Model that pro-

vides, among other things, for the regulatory review of corruption offences in the countries in which 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, regulating the responsibilities for monitoring regulatory changes, risk controls, training, audit activities, management, and the reporting of any cases of non-compliance. See also page 47.

The main **social risks** identified by Moncler are primarily those that affect clients (i.e., related to product safety and counterfeiting) as well as animal welfare.

To protect the health and safety of its clients, Moncler requires all its suppliers to perform 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 their products. Suppliers are also required by contract to comply with the guidelines of the Restricted Substances List (RSL), 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 specialised 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 page 116.

The Group's commitment to protecting its clients and Brand has also been pursued for years now through the fight against counterfeiting. To this end, Moncler has implemented a series of management and prevention tools, including: the creation of an internal department specialised in Intellectual Property and Brand Protection; the development of detailed procedures; collaborations with law enforcement agencies, customs, and other luxury brands; supplier training and auditing; and finally the use of anti-counterfeiting tags applied on all products. See also page 120.

In order to ensure animal welfare, Moncler demands and verifies that all its down suppliers comply with the strict requirements of the DIST Protocol (Down Integrity System & Traceability). With the support of specialised independent bodies, the Group conducts regular audits to ensure that animals are treated decently from the farm to the slaughterhouse. See also page 104.

For an overview of the different types of risks to which Moncler is exposed, and to complete the information provided above, see also the *Board of Directors' Report* contained in the *Annual Report 2017*.



CREATING SUSTAINABLE VALUE

The true 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. 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.

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 supervising and managing sustainability issues.

The **Sustainability Unit** is responsible for identifying sustainability risks, reporting them promptly to senior management, and managing them (in collaboration with the relevant divisions), as well as for identifying areas for improvement and relevant improvement measures, thus creating value in the long term. The Unit is also tasked with proposing the sustainability strategy, drafting the Sustainability Plan, preparing the Consolidated Non-Financial Statement, and fostering a culture of sustainability within the Group. Lastly, the Unit promotes a 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. In 2017, the Company also created a profile for **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 set in the Sustainability Plan.

The Sustainability Unit relies on the advice of the **Sustainability Steering Committee**, which comprises the members of the Strategic Committee and a number of heads of the Group's most relevant functions. In its advisory capacity, the Committee assesses the proposals of the Sustainability Unit, supervises the sustainability guidelines and targets, and analyses the extent to which they are achieved.

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 as a committee of the Board of Directors. It comprises three Non-Executive, Independent Directors. The Committee is tasked by the Board of Directors with: supervising sustainability issues associated with the business activities of the Company and its interactions with stakeholders; defining strategic sustainability guidelines and the relevant action plan (Sustainability Plan); and reviewing the Consolidated Non-Financial Statement.

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 Non-Financial Statement according to GRI-G4 international reporting guidelines.

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 was conducted by the Sustainability Unit with the support of a specialist consultancy firm, through a structured process involving the Group's management.

The analysis was performed through a four-step process:

- identification of all potential material topics of significance to Moncler. This involved the analysis of corporate documents (Code of Ethics, Annual Report, Strategic Plan, etc.), external literature on changes in market scenarios¹, sustainability assessment questionnaires by rating agencies, sector studies, media and internet research, and multi-stakeholder standards/initiatives²
- prioritisation of the material topics. The topics were prioritised by liaison officers from internal Moncler divisions, tasked with assessing each topic from the

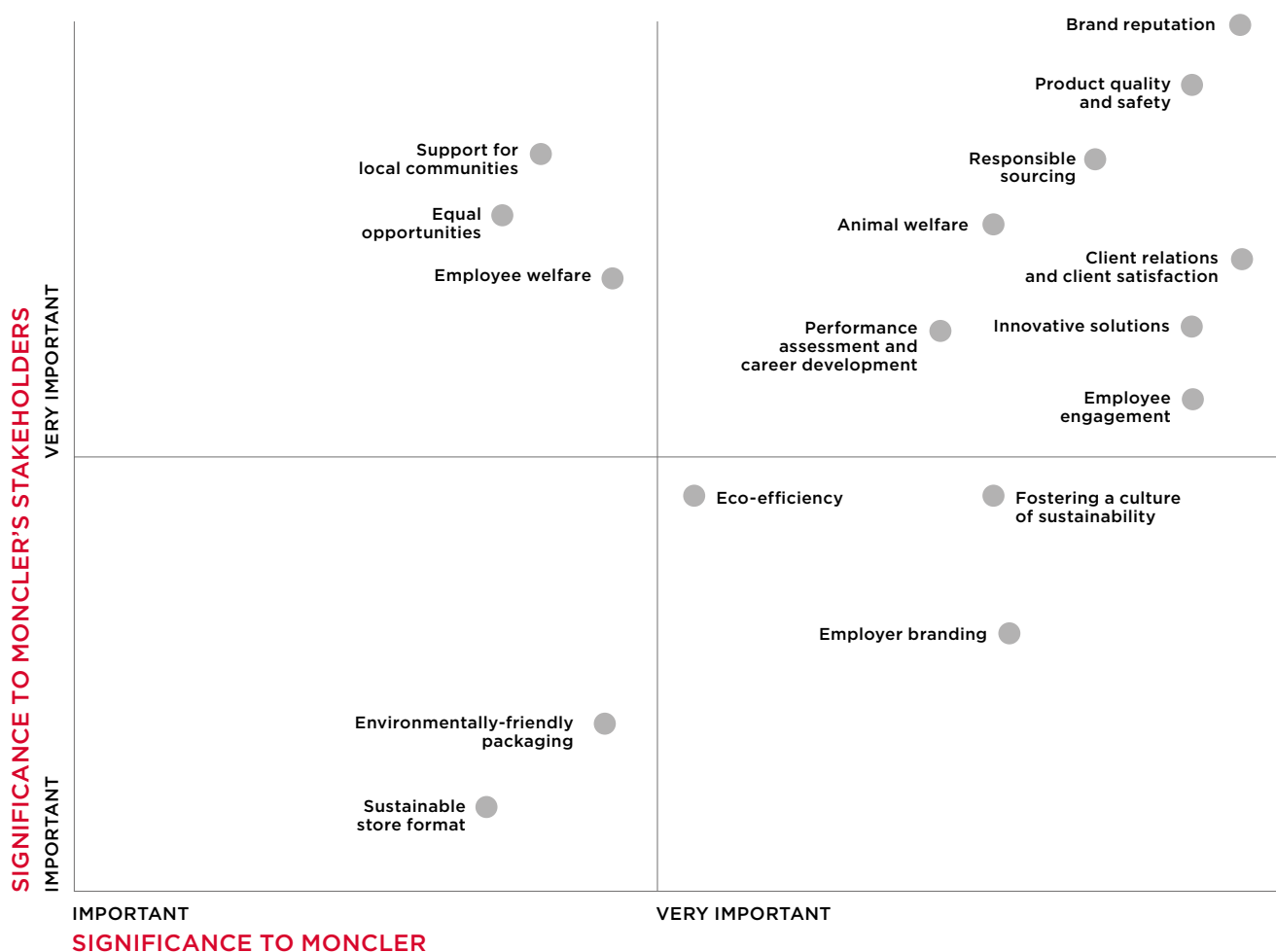
Company's standpoint as well as that of stakeholders, rating each on a scale from 1 to 5

- approval by the Sustainability Steering Committee
- presentation to the Board of Directors.

The materiality analysis identified 16 material topics³, including brand reputation, product quality and safety, responsible sourcing, client relations and client satisfaction, performance assessment and career development, innovative solutions, animal welfare, and employee engagement.

In 2018, the materiality matrix will be updated and the material topics identified in 2015 will be reviewed. The update will take into account developments in the reference sector, the analysis of megatrends, and feedback from stakeholder dialogue and engagement.

For the correlation between material topics and GRI-G4 aspects and indicators, please see the table on page 177.



1. World Economic Forum report, the Sustainability Manifesto for Italian Fashion, reports and studies of the Nordic Initiative Clean and Ethical (NICE), and the Sustainable Apparel Coalition (Higg Index).

2. Global Compact, GRI-G4 Sustainability Reporting Guidelines, OECD Guidelines for Multinational Enterprises.

3. Within the scope of the analysis, aspects related to corporate governance, regulatory compliance, and economic performance were considered prerequisites; as such, they were not individually examined in the process, but were nevertheless accounted for in this Statement.

DIALOGUE WITH STAKEHOLDERS

Moncler believes in the importance of maintaining continuous and 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 proc-

ess 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.

The following table, which maps stakeholders and their expectations, is periodically revised through internal surveys with the corporate units tasked with the day-to-day management of relations with each category.

STAKEHOLDERS	TOOLS AND CHANNELS OF INTERACTION	STAKEHOLDER EXPECTATIONS
Employees	<p>Continuous dialogue with the Human Resources Department</p> <p>Annual meetings to discuss career plans, set individual targets, and review performance assessments</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</p> <p>Corporate intranet / <i>MONCamp</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</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>Customer care services</p> <p>Engagement via phone, mail, email, and social media</p> <p>Design and delivery of personalised initiatives and experiences</p> <p>Market research and focus groups</p> <p>Client feedback</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 personnel</p> <p>Personalised shopping experience and engagement</p>
Wholesale clients	<p>Events at Moncler showrooms and stores</p> <p>Ongoing engagement via phone and business updates via 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>

STAKEHOLDERS	TOOLS AND CHANNELS OF INTERACTION	STAKEHOLDER EXPECTATIONS
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 organisations</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>
Investors and analysts (traditional and sustainability analysts)	<p>Annual Shareholders' Meeting</p> <p>Regular conference calls 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>More in-depth and consolidated 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>Suitable 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 organisations (NGOs)	<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 into 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 ORGANISATIONS, INSTITUTIONS, AND ASSOCIATIONS

Moncler firmly believes in dialogue and participation, and collaborates with several organisations and roundtables at both national and international levels. Indeed, 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):** 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):** non-profit association that aims to protect consumers against counterfeiting by fostering a collaborative environment between companies and the main local authorities
- **Assonime:** association of Italian joint-stock companies that works to improve industrial, commercial, administrative, and tax legislation in Italy, carries out research studies, issues publications, and represents the viewpoint of companies when dealing with Italian, European, and international institutions
- **Business Action to Stop Counterfeiting and Piracy (BASCAP):** initiative established by the International Chamber of Commerce to support businesses and enhance their resources in the fight against product and brand counterfeiting and piracy, by strengthening the enforcement of intellectual property rights, collaborating with government agencies and bodies at international level, and increasing consumer awareness of this issue
- **Camera Nazionale della Moda Italiana:** the mission of the Italian Chamber of Fashion is to promote and coordinate the Italian fashion industry and provide training for young Italian fashion designers
- **Club 231:** 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
- **INDICAM:** 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
- **International Trademark Association:** international association dedicated to the protection of trademarks and intellectual property, with the aim to safeguard consumers and promote fair and effective commerce
- **PREVILINE ASSISTANCE (Intercompany Welfare Fund for client companies of the ASS. GENERALI S.p.A. Group):** national association whose exclusive purpose is to pro-

vide 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):** international association whose mission is to support China in improving its legal framework for intellectual property rights, and promote an environment conducive to innovation
- **UNI – Italian Organisation for Standardisation:** private non-profit organisation that, for almost 100 years now, has developed and published 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 organisations, and non-governmental organisations, which together form a single multi-stakeholder forum for technical debate at national level. The association represents Italy in the European Committee for Standardisation (CEN) and in the International Organization for Standardization (ISO), supporting the harmonisation of standards and promoting and enhancing the 'Made in Italy' trademark
- **Union des Fabricants (Unifab):** 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:** 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:** Italian association that brings together big industry names, united in their commitment to supporting and promoting women's leadership and talent as a valuable contribution to business growth.

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 2017, Moncler did not make donations to any political parties and did not receive any significant form of public funding or subsidy. Any political commitment or donations made by Group employees are considered as personal and purely voluntary.



SUSTAINABILITY PLAN

The sustainability plan is the expression of the Group's commitment to an ever-more sustainable and responsible growth. It 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 an ongoing challenge with no end.

Through the Sustainability Plan, the Group shares its medium and long-term sustainability strategies with stakeholders.

In order to enhance the integration of environmental and social considerations into Company operations, the Plan focuses on certain priority areas:

- promoting employee wellbeing
- improving occupational health and safety
- fostering a responsible supply chain, respectful of animal welfare
- mitigating environmental impacts
- increasing client satisfaction
- promoting the social and economic development of local communities.

As a multinational company that firmly believes in sustainability, Moncler is committed to contributing to the achievement of the goals published in the *2030 Agenda for Sustainable Development* signed by the 193 member states of the United Nations (UN). The Sustainable Development Goals (SDGs) set out the priorities for contributing to global development, promoting human wellbeing, and protecting the environment. The SDGs call for joint global action between governments, businesses, and society, and aim at mobilising all efforts around a common set of goals to be achieved by 2030. Of the 17 SDGs set by the UN (such as ending poverty, fighting inequality, and tackling climate change), the Group is contributing to 10 of them either directly or through organisations with which it collaborates. As a first step, Moncler also verified the degree to which the targets already included in its Sustainability Plan align with the SDGs, observing that some of its objectives are already linked to 6 of the 17 UN Goals.

The targets related to these 6 SDGs are clearly indicated in the following Sustainability Plan.

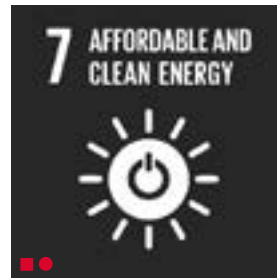
SUSTAINABILITY PLANNING PROCESS

The Sustainability Unit works with the heads of the 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 Sustainability Steering 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 of the departments involved, who have the necessary resources, tools, and know-how to implement the Plan (operational stage).

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



LEGEND
■ Monitored
● Target

CORPORATE GOVERNANCE AND SUSTAINABILITY

FOSTER A CULTURE OF SUSTAINABILITY WITHIN THE GROUP

Implementation of an integrated sustainability management system incorporating environmental and social aspects into business decisions	● Sustainability issues discussed with the Control, Risks, and Sustainability Committee at about 50% of meetings	Continuous in-depth analysis of sustainability issues at meetings with the Control, Risks, and Sustainability Committee
	● Materiality matrix fine-tuned with the integration of 2 new material topics	2018 Materiality matrix update
Monitoring of Key Performance Indicators (KPIs) for non-financial aspects	● Mapping of information requests by sustainability rating agencies updated	Ongoing analysis of information requests by sustainability rating agencies and identification of any additional KPIs
Integration of environmental and social aspects into employee performance targets	● Sustainability aspects incorporated into performance targets for managers and key people	Ongoing incorporation of environmental and social aspects into the performance targets of employees and management involved in the implementation of the Sustainability Plan
	● Company key positions for responsible sourcing identified	2018 Introduction of responsible sourcing targets for key positions within the Company
Provision of classroom and/or online training to raise employee awareness of sustainability issues	● Sustainability training delivered in Italy via classroom sessions at corporate offices (covering 100% of employees), and worldwide via the corporate intranet	Ongoing information and training on sustainability for employees

MAINTAIN CORPORATE GOVERNANCE AND RISK MANAGEMENT SYSTEMS ALIGNED WITH BEST PRACTICES

Update of the Code of Ethics and other corporate policies	● Code of Ethics updated	2018 Code of Ethics dissemination and training for all employees worldwide
	● Preliminary assessment performed for the update of the Organisation, Management, and Control Model	2018 Training on the Organisation, Management, and Control Model for all employees at corporate offices in Italy
	● Environmental and Anti-Corruption policies approved by the Board of Directors and disseminated to all employees in Italy	
Broadening of the scope of business processes covered by the Enterprise Risk Management (ERM) system	● ERM model updated to include the Human Resources Management area, the production process at the site in Romania, and cyber risks	Continuous update of the ERM system based on potential risk factors (also related to social and environmental issues) identified during regular assessments
Update of the corporate governance system		Continuous monitoring of best practices and guidelines of the Corporate Governance Code for Italian Listed Companies with regard to corporate governance, and updating of the system as needed
Implementation of a whistleblowing procedure	● Study launched to adopt a dedicated web platform and ad hoc telephone lines for the management of reports	2018 Online training on whistleblowing procedure for all employees worldwide

INTEGRATE SUSTAINABILITY ISSUES INTO THE DIALOGUE WITH STAKEHOLDERS

Reporting of sustainability performance and targets to analysts and investors	● Frequency of contacts with socially responsible investors (SRIs) and analysts increased	Continuous integration of sustainability issues into financial communications
Collaboration with fashion/textile companies to share best practices and enhance sustainability performance in the sector	● Participation in roundtables focusing on down, potentially hazardous substances, and good sustainability practices	Continuous participation in working groups focusing on sustainability issues

- Achieved or in line with plan
- Partially achieved
- Postponed

ACTIONS	2017 RESULTS	TARGETS
<p>Closer dialogue with key stakeholders on environmental and social issues</p>	<ul style="list-style-type: none"> ● 4th DIST (Down Integrity System & Traceability) multi-stakeholder forum held on animal welfare (related to geese) and down traceability and quality 	<p>2018 Meetings with key stakeholders focusing on relevant environmental and social issues</p>

PEOPLE

ENGAGE EMPLOYEES AND MEET THEIR EXPECTATIONS

<p>Execution of people satisfaction surveys to better understand employee needs and expectations</p>	<ul style="list-style-type: none"> ● People satisfaction survey conducted, covering approx. 2,000 employees worldwide 	<p>2018 Repeat of the people satisfaction survey at global level</p>
	<ul style="list-style-type: none"> ● People satisfaction survey results assessed and working groups set up to define action plan 	<p>2018 Action plan implementation</p>
<p>Strengthening of internal communications</p>	<ul style="list-style-type: none"> ● Group intranet actively used by approx. 1,680 employees worldwide ● Corporate Ambassador team consolidated to promote employee engagement projects 	<p>Ongoing internal communication activities by Region</p>

OFFER EQUAL OPPORTUNITIES

<p>Management of vacancies through a Job Posting system</p>	<ul style="list-style-type: none"> ● Internal <i>Job Posting</i> programme launched for employees in Italy 	<p>2018 Launch of the <i>Job Posting</i> programme worldwide</p>
<p>Implementation of a policy to ensure equal opportunities in the recruitment process</p>	<ul style="list-style-type: none"> ● Personnel Search and Recruitment Policy disseminated through different channels 	
<p>Participation in associations and roundtables focused on enhancing the role of women in the workplace</p>	<ul style="list-style-type: none"> ● Support provided to Italian association Valore D, dedicated to promoting women's leadership and talent 	<p>Continuous participation in initiatives</p>
<p>Promotion of a work environment inspired by the highest principles and fundamental rights at work</p>		<p>Continuous implementation of information and training activities worldwide</p>
	<ul style="list-style-type: none"> ● +14% vs. 2016 in number of women in management positions 	<p>Further increase in the number of diversity candidates hired by Region, in accordance with local requirements and constraints</p>

NURTURE TALENT

<p>Extension of the performance assessment programme</p>	<ul style="list-style-type: none"> ● 94% of permanent employees assessed worldwide (excluding workers) 	<p>2019 Launch of a study for the development of an employee performance assessment system at the production site in Romania</p>
<p>Definition and implementation of a training and development programme</p>	<ul style="list-style-type: none"> ● <i>MonCampus</i> project started, providing for the training of talented young people ● Manager-In-Training (MIT) position created for high-potential employees at flagship stores worldwide 	<p>2018 Definition and implementation of a multi-year training programme, and establishment of career paths for high-potential employees and managers</p>
<p>Definition of incentive plans</p>	<ul style="list-style-type: none"> ● <i>Performance Share Plans</i> for the two-year period 2016-2017 granted to 98 management figures and key positions within the Group 	<p>Continuous provision of long-term incentives</p>
		<p>2019 Initial analysis for the definition of a <i>Rewards Plan</i> at the production site in Romania</p>
<p>Development of talent retention tools</p>		<p>2018 Gradual extension of the accrual plan to Europe</p>

ACTIONS	2017 RESULTS	TARGETS
PROMOTE EMPLOYEE WELLBEING		
Definition of an employee welfare plan	<ul style="list-style-type: none"> ● Welfare plan implemented for the employees at corporate offices in Italy 	2018 Extension of the employee welfare plan to the production site in Romania, in accordance with local requirements and constraints
Enhancement of employee wellbeing during working hours		2017 – 2019 Launch of a renovation project at the Italian corporate offices in Trebaseleghe (Padua) and realisation of the <i>Moncler Village</i>
Promotion of a culture of wellness, through targeted programmes aimed at encouraging healthy lifestyles, and at raising awareness of issues such as nutrition, smoking, and prevention	<ul style="list-style-type: none"> ● Meetings focusing on healthy lifestyles and smoking organised with the Umberto Veronesi Foundation to raise awareness among employees at corporate offices in Italy 	Continuous implementation of awareness initiatives by Region
FOSTER WORK-LIFE BALANCE		
Implementation of initiatives promoting work-life balance	<ul style="list-style-type: none"> ● Agreement renewed for an integrated nursery and kindergarten for the children of employees at Italian corporate offices in Trebaseleghe (Padua) 	Ongoing implementation of initiatives by Region to promote work-life balance
Support for volunteer work during working hours	<ul style="list-style-type: none"> ● Dialogue initiated with non-profit associations and organisations to launch corporate volunteering activities in Italy ● Several employees involved in disaster relief efforts by volunteering a day's work in support of communities in central Italy 	2018 Implementation of corporate volunteering programmes by Region
CONTINUE TO IMPROVE OCCUPATIONAL HEALTH AND SAFETY		
Definition and implementation of a certification process for the occupational health and safety management system	<ul style="list-style-type: none"> ● OHSAS 18001 certification obtained for the production site in Romania and for the offices and stores in France, Germany, United Kingdom, and Switzerland 	2018 Maintenance of OHSAS 18001 certification and extension to all offices and stores in Europe >SDG 3 – SDG 8
		2019 Maintenance of OHSAS 18001 certification and extension to all offices and stores worldwide (existing as at 2017) >SDG 3 – SDG 8
Promotion of a culture of health and safety in the workplace	<ul style="list-style-type: none"> ● Over 14,000 hours of training on health and safety delivered to employees at the production site in Romania 	Ongoing promotion of health and safety training and information tools for employees at the production site in Romania
PREVENT WORK-RELATED STRESS		
Monitoring of work-related stress and definition of prevention plans	<ul style="list-style-type: none"> ● Action plan for the prevention of employee work-related stress implemented at corporate offices in Milan (Italy) 	2018 Gradual extension of employee work-related stress assessment to European offices
		2019 Implementation of action plans to prevent work-related stress across all offices in Europe

- Achieved or in line with plan
- Partially achieved
- Postponed

PRODUCTS AND SUPPLY CHAIN

PROMOTE A RESPONSIBLE SUPPLY CHAIN

Fostering a culture of responsible sourcing among employees interacting with suppliers	<ul style="list-style-type: none"> ● Training course on sustainability and responsible sourcing principles delivered to Quality staff and several employees who interact directly with suppliers 	
Definition and dissemination of social, ethical, and environmental standards for suppliers	<ul style="list-style-type: none"> ● Terms on compliance with the Group Code of Ethics included in 45% of contracts 	2018 Gradual inclusion of contractual clauses on compliance with the Supplier Code of Conduct
	<ul style="list-style-type: none"> ● Training course on ethical principles delivered to all direct suppliers of jacket manufacturing services 	2018 Provision of training on the Group's responsible sourcing principles to additional direct suppliers
Risk analysis of the supply chain	<ul style="list-style-type: none"> ● Self-assessment questionnaires (incorporating sustainability aspects) distributed to 117 suppliers in the two-year period 2016-2017 (accounting for 81% of purchase orders) 	2018 Ongoing distribution and analysis of self-assessment questionnaires
		2018 Update of the vendor rating system to reflect additional sustainability issues and the results of self-assessment questionnaires and audits
Implementation of audits to verify compliance with social, ethical, and environmental standards	<ul style="list-style-type: none"> ● 70 social, ethical, and environmental audits performed, involving 100% of direct suppliers of jacket manufacturing services 	2018 Social, ethical, and environmental auditing of: - 70% of direct suppliers of manufacturing services (façon manufacturers) - 15 direct suppliers of other categories
	<ul style="list-style-type: none"> ● Wastewaters tested at 4 supplier plants 	2018 Analysis of wastewater generated by the production processes of some suppliers >SDG 12
	<ul style="list-style-type: none"> ● Suppliers formally notified of non-compliances identified during audits, and of requests for corrective measures 	Continuous definition of joint supplier-Company plans to solve non-compliances identified during audits; monitoring of results
Certification of the down supply chain	<ul style="list-style-type: none"> ● 100% of down purchased certified as per DIST (Down Integrity System & Traceability) Protocol regulating animal welfare and down quality and traceability ● 85 external third-party audits performed 	Continuous purchase of down that is 100% DIST-certified
	<ul style="list-style-type: none"> ● Training material for farmers disseminated in 4 languages 	2018 Dissemination of animal welfare training material for slaughterhouses
Ongoing review and monitoring of banned or restricted substances (Restricted Substances List, RSL) in products and production processes	<ul style="list-style-type: none"> ● Supply contracts amended following Restricted Substances List (RSL) update 	Ongoing review of the list of substances banned or restricted in Moncler products and production, in line with the latest and most reliable studies and/or changes in applicable laws >SDG 12
Promotion of good sustainability practices among suppliers		2018 – 2019 Mapping of suppliers certified as per ISO 14001 and OHSAS 18001 standards, and launch of awareness campaign
		2019 Promotion of ISO 14001 and/or OHSAS 18001 certification among key suppliers

CLIENTS

REDEFINE THE OVERALL RETAIL ORGANISATION TO ENHANCE CLIENT-CENTRICITY

Enhancement of retail personnel's skills, engagement, and sense of belonging to improve alignment with client expectations	<ul style="list-style-type: none"> ● Internal organisation of stores, as well as retail personnel training and career paths, revised at global level 	Ongoing training and involvement of retail personnel
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STRENGTHEN CLIENT RELATIONS AND SATISFACTION

Implementation of dialogue activities by expanding the collection of feedback and information on client expectations	<ul style="list-style-type: none"> ● Systematic feedback collection initiated in Europe and the United States 	2018 Extension of customer feedback collection to Asia
	<ul style="list-style-type: none"> ● <i>Client Service</i> project providing for a direct channel for dialogue launched in Italy 	2019 Extension of the <i>Client Service</i> project to all Regions
Sharing of Moncler's commitment to a sustainable future with clients		2018 Training of retail personnel worldwide, focusing on the Company's activities in support of people, the environment, and animal welfare

ENVIRONMENT

IMPROVE ENERGY EFFICIENCY AND REDUCE CO₂ EMISSIONS

Environmental impact assessment of key offices and stores, and implementation of improvement and/or offsetting measures	<ul style="list-style-type: none"> ● Energy efficiency plan set out at the Italian logistics hub in Castel San Giovanni (Piacenza) 	2018 Implementation of plans to improve energy efficiency at the Italian logistics hub in Castel San Giovanni (Piacenza) >SDG 12
	<ul style="list-style-type: none"> ● ISO 14001 certification obtained by the production site in Romania 	2018 Certification of corporate offices in Italy as per ISO 14001 standard and maintenance of certification at the production site in Romania >SDG 12
Purchase of electricity from renewable sources	<ul style="list-style-type: none"> ● 100% of electricity consumption at offices, stores, and logistics hub in Italy derived from renewable sources 	Ongoing consumption of 100% of electricity derived from renewable sources at offices, stores, and logistics hub in Italy >SDG 7
Integration of sustainability requirements at Directly Operated Stores (DOS), such as the use of air conditioning and lighting systems with low environmental impact	<ul style="list-style-type: none"> ● 93% of stores worldwide* equipped with LED lighting <p><i>*Excluding the 14 shop-in-shops in which lighting is provided by the host department stores, where Moncler cannot take action.</i></p>	Ongoing use of LED lighting at stores worldwide >SDG 7
	<ul style="list-style-type: none"> ● Sustainability requirements defined for new stores 	2018 Assessment of existing air-conditioning systems in owned stores >SDG 13

RAISE EMPLOYEE AWARENESS OF THE ENVIRONMENTAL IMPACT OF DAILY ACTIVITIES

Promotion of sustainable behaviours among employees: from the responsible use of paper, toners, and energy, to the promotion of waste sorting and sustainable mobility	<ul style="list-style-type: none"> ● 10 Golden Environmental Rules disseminated worldwide among all employees 	Continuous promotion of awareness initiatives focusing on the mitigation of environmental impacts >SDG 12
		2018 Gradual introduction of low environmental impact cars in the corporate car fleet >SDG 13

- Achieved or in line with plan
- Partially achieved
- Postponed

ACTIONS	2017 RESULTS	TARGETS
REDUCE THE ENVIRONMENTAL IMPACT OF LOGISTICS PROCESSES		
Definition of a set of environmental key performance indicators (KPIs)	<ul style="list-style-type: none"> ● Preliminary feasibility study regarding the monitoring of CO₂ emissions from the inbound transport of finished products started 	<p>2018 First monitoring of CO₂ emissions from the transport (excluding airfreight) of raw materials and finished products to the Italian logistics hub in Castel San Giovanni (Piacenza)</p>
	<ul style="list-style-type: none"> ● CO₂ emissions from the road transport of finished products from the Italian logistics hub in Castel San Giovanni (Piacenza) to all nearby owned stores and warehouses monitored 	<p>2019 First monitoring of CO₂ emissions from the transport (excluding airfreight) of raw materials from the Italian logistics hub in Castel San Giovanni (Piacenza) to subcontractors in Europe</p> <p>2019 Gradual extension at global level of the monitoring of CO₂ emissions from the transport of finished products from the Italian logistics hub in Castel San Giovanni (Piacenza)</p>
Management of the environmental impact of transport		<p>2018 Feasibility study on increased transport with lower environmental impact >SDG 13</p>
REDUCE THE ENVIRONMENTAL IMPACT OF THE SHOPPING EXPERIENCE		
Design and production of eco-friendly shopping bags, boxes, and other packaging material	<ul style="list-style-type: none"> ● Eco-friendly shopping bags distributed and used worldwide 	Continuous use of eco-friendly shopping bags worldwide
	<ul style="list-style-type: none"> ● Eco-friendly boxes distributed and used worldwide 	Continuous use of eco-friendly boxes worldwide
		<p>2018 Study of additional packaging solutions with low environmental impact</p>
Promotion of good environmental practices across Directly Operated Stores (DOS)		<p>2019 Launch of a pilot project in Italy to define the environmental guidelines for stores</p>

COMMUNITIES

SUPPORT MEDICAL AND SCIENTIFIC RESEARCH AND INNOVATION		
Organisation of initiatives and funding of research grants to raise awareness and support associations working in the field of research and innovation	<ul style="list-style-type: none"> ● Support provided to the <i>Countdown to a Cure for AIDS</i> research initiative of the amfAR Foundation, aimed at finding a broadly applicable cure for HIV by 2020 ● Support provided to various cancer prevention and research projects promoted by the Umberto Veronesi Foundation 	Ongoing support to scientific research >SDG 3
PROMOTE THE SOCIAL AND ECONOMIC DEVELOPMENT OF LOCAL COMMUNITIES		
Promotion of initiatives fostering the growth of local communities, also via partnerships with associations and non-profit organisations	<ul style="list-style-type: none"> ● New elementary school inaugurated in Cascia (Italy), fully funded by Moncler through the Francesca Rava Foundation – N.P.H. Italia Onlus ● <i>Warmly Moncler</i> project implemented with Unicef for children living in emergency situations 	Ongoing support for initiatives to promote the social and economic development of the local communities in which the Group operates >SDG 11

3

PEOPLE

72	EMPLOYEES IN NUMBERS
78	MANAGEMENT AND DEVELOPMENT
86	DIVERSITY AND EQUAL OPPORTUNITIES
88	OCCUPATIONAL HEALTH AND SAFETY
92	INDUSTRIAL RELATIONS





MONCLER IS STEADFAST
IN ITS BELIEF THAT CREATING
LONG-TERM VALUE IS CLOSELY
LINKED TO HUMAN CAPITAL:
MONCLER INVESTS GREAT ENERGY
IN RECRUITING THE BEST TALENT
AND IN SUPPORTING THEIR
PROFESSIONAL GROWTH
AND WELLBEING.

IT OFFERS THEM A WORKPLACE
THAT IS BOTH 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

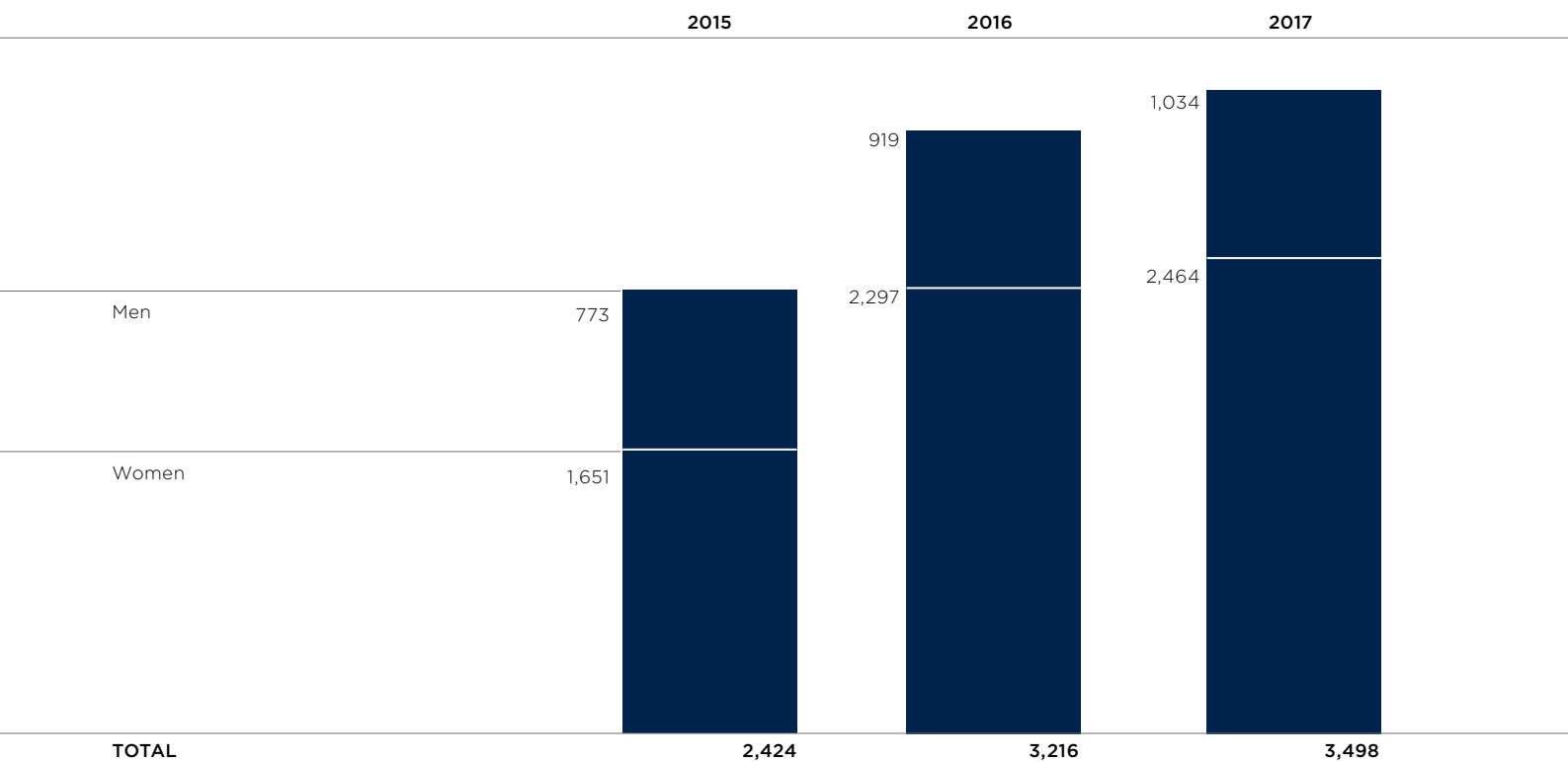
At 31 December 2017, the Moncler Group had a total of 3,498 employees – a 9% increase over 2016, equal to 282 additional employees – with increases in headcount in almost every country where the Group operates. See also pages 159-161.

GEOGRAPHIC AREAS AND PROFESSIONAL CATEGORIES

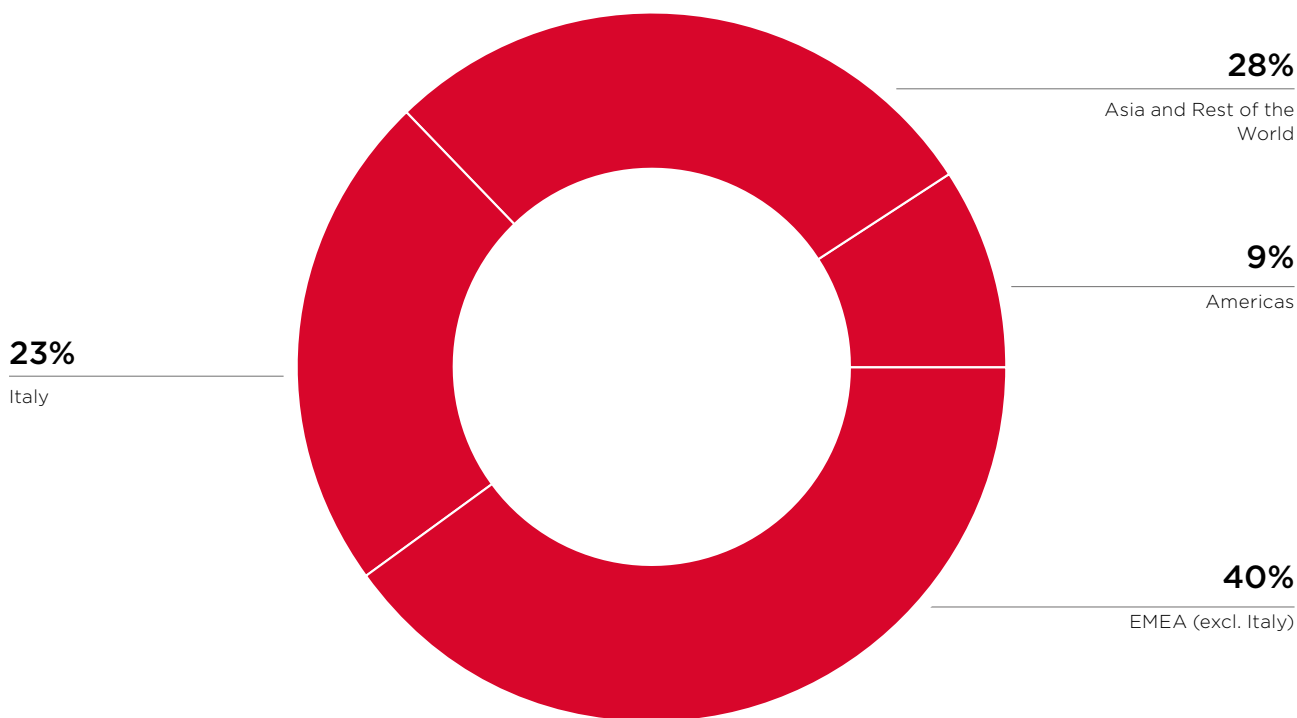
By geographic area, the majority of Moncler’s workforce is concentrated in EMEA. By country, most employees are concentrated in Italy (23%), Romania (26%), and Japan (12%).

White-collar employees account for the largest number of Company employees – a direct reflection of Moncler’s business model, in which the largest share of workforce is concentrated in the retail area (52% of the Company’s total workforce is employed in retail stores). See also page 159.

NUMBER OF EMPLOYEES



**EMPLOYEES
BY GEOGRAPHIC AREA**



**EMPLOYEES
BY PROFESSIONAL CATEGORY¹**



1. Employees are divided into five categories: workers, white-collars, professionals, managers, and executives/senior executives. Executives and senior executives include the first and second highest level decision-makers in a Company division or business unit; they contribute to the definition of both corporate and division strategy, and thus have a direct impact on their 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 organisation. They may be in charge of coordinating a team of technical experts. White-collars are tasked with specific operational responsibilities and/or duties assigned by a senior officer. Workers perform operational duties within the Company.

AGE, LENGTH OF SERVICE, AND EDUCATION LEVELS

The majority of the Group's workforce (35%) is in the 31-40 age group; the average age is 36.5 years.

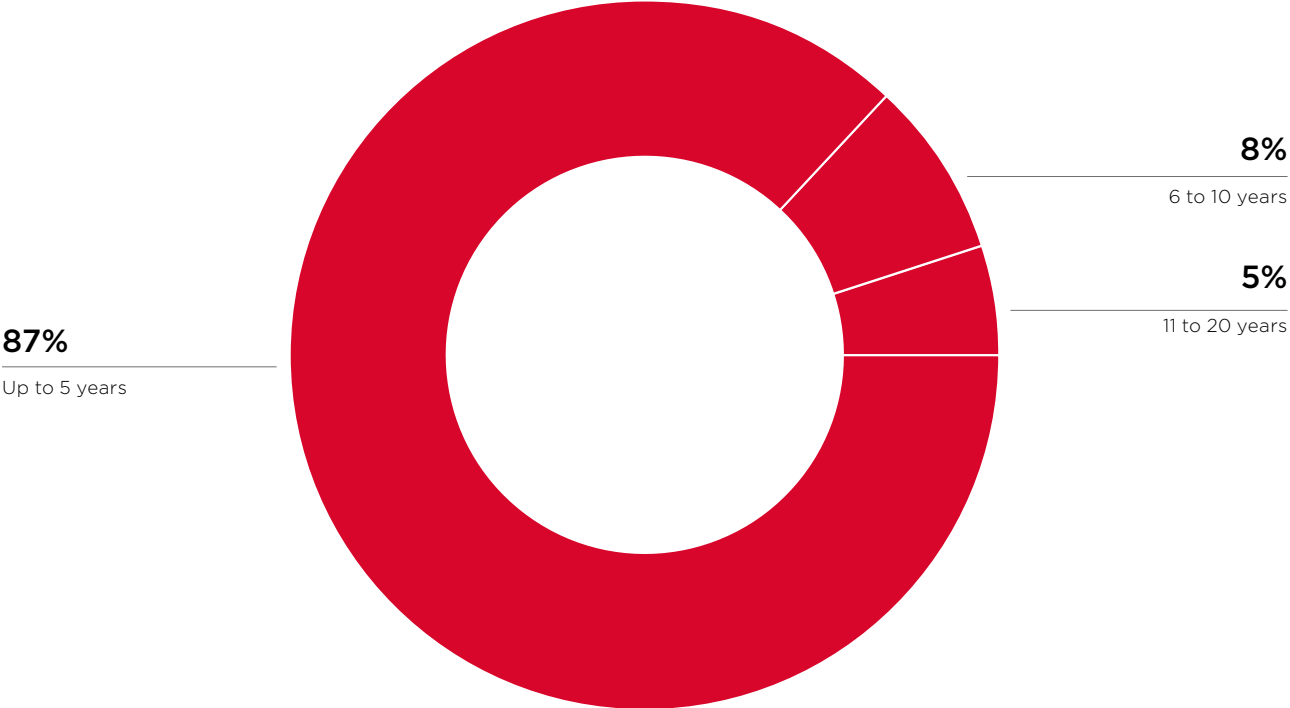
As regards length of service, the majority of employees (87% of the workforce) has been employed for 0-5 years, which reflects the rapid expansion recently experienced by the Group.

Most employees (74%) have a medium/high level of education (41% hold a university degree or equivalent, and 33% a high school diploma). See also page 160.

EMPLOYEES BY AGE GRUOP



**EMPLOYEES
BY LENGTH OF SERVICE**



**EMPLOYEES
BY LEVEL OF EDUCATION²**



2. In 2017, 164 employees could not be mapped as information on education level was not available.

NATIONALITY OF LOCAL MANAGEMENT

Moncler operates directly in around 70 countries worldwide through local offices, where senior management works in synergy with the Company's corporate offices to manage the respective areas of competence.

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

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

LOCAL SENIOR MANAGEMENT

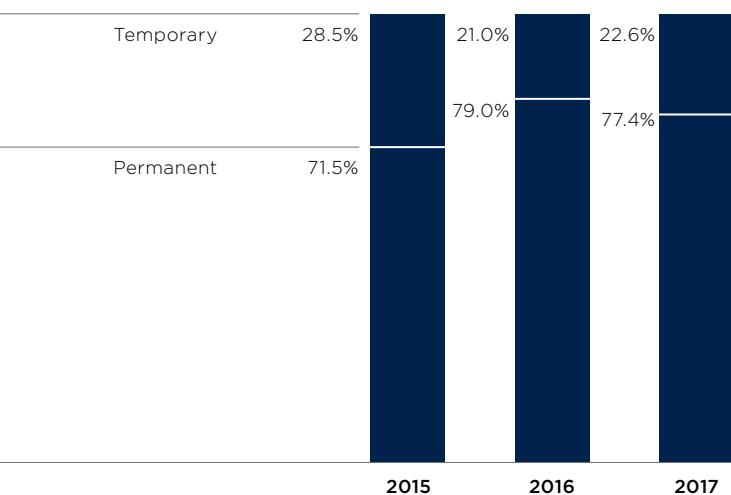
	2017	2016	2015
EMEA (including Italy)	100%	100%	100%
Americas	100%	100%	100%
Japan	100%	100%	100%
Korea	100%	100%	100%
China and Hong Kong	91%	80%	89%

EMPLOYMENT CONTRACTS

A total of 77% of employees have a permanent employment contract, an increase over the previous year, with about 92% of them working full-time.

Temporary employment contracts are mostly related to the seasonality of certain business and sales activities. In 2017, 113 temporary employment contracts became permanent. See also page 160.

TEMPORARY AND PERMANENT EMPLOYMENT CONTRACTS



At year-end 2017, other forms of collaboration (such as internships, professional collaborations, etc.), as permitted by law and in relation to business needs, had involved 292 additional people.

TURNOVER

In 2017, the Group hired about 1,600 people. This growth was mainly driven by the expansion of the network of Directly Operated Stores (DOS), the enhancement of corporate units, and the creation of new organisational divisions. As far as age is concerned, 58% of new hires were under 30, confirming the Company's ambition to invest in new generations. See also page 161.

During the year, a total of 1,300 employees left the Company, of whom about 600 for the termination of temporary contracts.

With regard to the 26%³ negative turnover recorded, it is important to mention that it was mainly due to the departure of retail personnel, who accounted for 50% of the exiting employees, a phenomenon to be expected given the competitive dynamics of the sector.

EMPLOYEE TURNOVER

	2017
Employees at 31/12/2016	3,216
New hires ⁴	1,581
Departures ^{4, 5}	(1,299)
Employees at 31/12/2017	3,498

³. The negative turnover was calculated by relating the number of permanent employees (654) who left the Company in 2017 with the total number of permanent employees (2,542) at 31 December 2016.

⁴. The figure refers to both temporary and permanent employees.

⁵. The figure includes 88 exiting temporary employees at 31 December 2016.



MANAGEMENT AND DEVELOPMENT

The Group places great importance on the selection and recruitment of personnel, as well as on their performance evaluation and engagement, and has invested significant energy in the process, especially in recent years.

RECRUITMENT

Moncler seeks to identify and attract the best talent, people who stand out not only for their strong technical, professional, and management skills, but also for their personal qualities, energy, flexibility, identification with Group values and, last but not least, their positive and effective interpersonal style and ability to adapt to an ever-changing environment.

Driven by the Group's growth and geographic expansion, the recruitment process is increasingly focusing on people with an international profile and a broad and diverse cultural and educational background, as well as on expertise and experience suited to meet the Group's future challenges.

The interest drawn by the Company and its appeal as an employer are reflected in the significant number of job applications it receives every year. Indeed, in 2017, about **15,000 resumes** were submitted via the corporate website.

The recruitment process follows the procedure set out in the **Personnel Search and Recruitment Policy**, also with the aim of enhancing equal opportunities and empowering internal resources.

Furthermore, an internal *Job Posting* system is in place enabling employees to apply for positions better suited to their profiles. The system contributes to spreading a culture of global mobility within the Group, and represents a new pillar of job rotation and development policies.

COLLABORATIONS WITH ACADEMIA

Collaborating with the best vocational institutes, universities, and business schools – with which Moncler has long-standing relationships – is also of great importance to the Company. Initiatives range from internships for students and new graduates, to the development of projects, participation in work groups, and visits to Company premises. Employer branding activities are a great opportunity to showcase the Company and its recent 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 2017, about 120 internships were offered in Italy, ranging from alternating school-work programmes to curricular and extracurricular internships. With regard to curricular and extracurricular internships, 20% of those concluded in 2017 led to actual employment contracts. See also page 76.



In 2017, managers and personnel from the Pattern Making department continued their work with students attending the Modelling and Tailoring Master's programme of the Istituto Secoli of Milan (Italy), supporting them in the various stages involved in the development of a men's collection, from the sourcing of materials and accessories through to the final fashion show.

Still in Milan, Moncler also partnered with the Università Cattolica del Sacro Cuore within the framework of the university's Master's in Luxury Goods Management (EMLUX). As part of this initiative, members of Moncler's management hold courses on retail-related subjects, present business cases, and propose project work.

Finally, in 2017, Moncler organised a series of meetings with students from partnering schools, including workshops, business cases, and recruitment sessions, with programmes tailored to each school. The Company boasts collaborations with prestigious institutions, including the IESE Business School, Glion Institute of Higher Education, Les Roches International School of Hotel Management, Università Cattolica, Stanford University, Università Bocconi, Politecnico di Milano, Istituto Secoli, and the Milano Fashion Institute.

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 organisational growth.

In 2017, a total of around **733,000 euros** was invested in training (+30% compared to 2016), with over **69,000 hours of training** (about 52% more than in 2016) delivered to over 2,600 employees, of whom 74% were women.

Of the employees who participated in training activities, 47% were white-collar, 34% workers, 11% professionals, 6% managers, and 2% executives and senior executives.

TRAINING INVESTMENTS

	2017	2016	2015
Training expenditure (EUR)	732,820	513,030	435,905
Hours of training (No.)	69,050	33,127	12,333
Employees involved (No.)	2,616	2,600	1,339

Training was delivered almost entirely (about 99.5%) through classroom sessions, focusing mainly on professional training (73%) and on occupational health and safety (22%).

In 2017, at corporate level, Moncler launched the development of the *MONCampus* project, providing for the training of talented young people. Training activities are expected to start in 2018, to develop Company awareness among young people and enhance their knowledge and awareness of core business processes and activities, such as People Management, Finance, Supply Chain, Retail, and Digital & IT Transformation. Internal experts from various functions will be responsible for the design and delivery of training content.

TYPE OF TRAINING



Throughout the year, Moncler continued to offer training programmes at both the corporate offices in Italy and the production site in Romania. These were mainly devised to strengthen 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 behaviours among all employees.

Moreover, employees at the corporate offices in Italy received training on sustainability issues and corporate social responsibility, aimed at encouraging behaviours, actions, and initiatives that take account of social and environmental matters.

Moncler also continued to support the training initiatives organised by the Italian association Valore D, engaging employees at the corporate offices in Italy in a series of in-house courses and workshops. These courses were designed to promote organisational models and develop a corporate culture of collaboration and dialogue between different generations, genders, and cultures, as well as to facilitate the use of innovative and flexible tools devised to increase staff wellbeing and motivation.

At retail level, Moncler continued to invest in a number of initiatives aimed at boosting the professionalism of sales personnel, particularly through the *Retail Excellence* project. Training programmes covered multiple topics, ranging from technical product knowledge (of both raw materials and the production processes for footwear, handbags, and sunglasses), to understanding the Brand and its history, 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.

At management level, Moncler implemented a **Learning Management System** enabling all employees at corporate offices and retail staff to consult their respective training plans and access online training.

Following the 2017 update of the Group's Code of Ethics, the relevant training is planned to be delivered in 2018 to all Company employees worldwide, and will also address human rights issues.

REMUNERATION

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

As a listed company, Moncler's Remuneration Policy for Group directors and strategic executives is in line with the recommendations set forth in the Corporate Governance Code for Italian Listed Companies issued by Borsa Italiana. The Policy was defined with the contribution of the Human Resources Department, the Nomination and Remuneration Committee, the Board of Directors, and the Group's shareholders through the Annual Shareholders' Meeting (see the *Report on Remuneration*, available in the Governance section at www.monclergroup.com).

Remuneration for Company employees takes into consideration specific criteria, including market standards and internal fairness, roles and responsibilities, and distinctive skills and competencies, with every effort made to ensure the

highest levels of objectivity to prevent any form of bias or discrimination. Annual compensation reviews are based on meritocracy, rewarding talent based on business results and individual performance outcomes.

In every country in which it operates, Moncler offers entry-level salaries equal to or above the minimum wage provided for by law or collective bargaining agreements, with no substantial difference between genders, as confirmed by the findings of an analysis conducted in 2017 on the entire Group workforce, including the production site in Romania.

The salary structure of 92% of professionals, managers, executives, and senior executives includes both fixed and variable components, balanced on the basis of the Company's strategic objectives. The **variable component** may be **short-term** (Management By Objectives for store managers and corporate employees, sales commissions for retail personnel, and performance bonuses for people employed at the corporate offices in Trebaseleghe, Italy) or **long-term** (stock options and performance share plans).

The Management By Objectives (MBO) system focuses mainly on quantitative targets related to overall Group performance (including EBITDA) and to specific functions and roles. These quantitative targets are mainly economic and financial in nature, whereas the qualitative targets relate to strategic and operational activities.

As an incentive to achieve outstanding results, there are mechanisms in place to reward over-performance, with higher bonuses offered when performance targets are exceeded by a certain threshold.

Within 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.

Since 2016, an individual sales commission system has been in place for store Client Advisors (who are increasingly becoming a strategic asset) in addition to the existing team commission structure. It applies to the top performers at each store, and is based on the quantitative and qualitative assessment of sales results.

With regard to long-term incentive programmes, Moncler offers both **stock options** and **performance share plans**. These plans enable: linking the incentives for Group managers and key figures to the actual performance of the Company; steering resources 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.

The *Stock Option Plan 2014-2018 Italian Corporate Structures* was devised to reward employees at the Italian corporate offices for their contribution to the growth and success experienced by the Group in recent years; it links overall remuneration (and, in particular, the employee incentive scheme) to the Company's actual performance and to the creation of new value for Moncler.

Three stock option plans and one performance share plan 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 senior management and key officers in the organisation
- *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 key officers in the organisation
- *Performance Share 2016-2018*, for senior management and key officers in the organisation.

See also the *2017 Report on Remuneration*, available in the Governance section at www.monclergroup.com.

BENEFITS

Remuneration packages offered to employees feature a wide range of benefits, from life insurance and pension plans to wellness options. 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.

In 2017, the Company implemented the new **Moncler Corporate Welfare Plan**, aimed at all staff (including managers) working at Italian corporate offices under a permanent contract or apprenticeship contract effective as at 31 December each year. This two-year initiative was devised to ensure greater care and attention to the wellbeing of Moncler's true strategic asset – its people. The Plan offers a wide range of benefits and services, some of which also to employees' families, including the reimbursement of school expenses, vouchers, leisure and sports activities, and wellness packages, as well as co-pay arrangements for supplementary pension funds.

During the year, the Company's welfare initiatives included integrated nurseries and kindergartens for the children of employees at the corporate offices in Trebaseleghe (Padua, Italy), the cost of which was covered entirely by the Group. From September 2018, the selected schools will enrol 27 children of Moncler employees.

MAIN BENEFITS OFFERED TO EMPLOYEES

Financial benefits	Employees entitled to benefits
Supplementary pension plans	25%
Supplementary health plans	26%
Life insurance	10%
Financial support for disability	6%
Company cafeteria or lunch vouchers	51%
Company welfare plans ⁶	17%
Other ⁷	29%
Social benefits	Employees entitled to benefits
Fitness/sports centres ⁸	3%
Wellness and nutritional programmes	4%

6. Includes the Moncler Corporate Welfare Plan, as well as kindergartens and other childcare services.

7. Includes benefits such as a Company car and accommodation.

8. Includes free admission to gyms, fitness courses, and other initiatives.

9. Percentage calculated on the total workforce with a permanent contract as at 2016, i.e., those included in the 2017 assessment process.

DEVELOPMENT

Identifying and retaining the best talent is of crucial importance to the Company. In order to enhance and develop that talent, for some years now, Moncler has adopted a **performance assessment system** that measures the skills people use to achieve their set targets. The system helps verify how well employees fit into their role, while identifying 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 Company's 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 to 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.

The assessment process requires managers to appraise their respective teams annually, using a digital platform developed in 2017. Assessments are then reviewed and finalised by a committee of senior executives, who compare and calibrate them to ensure objectivity and fairness. The final step of the process involves an open discussion on the assessment between manager and employee, addressing the results achieved and the areas identified for improvement.

The retail segment uses an assessment tool adapted to the needs of that particular business, based on the same principles and mechanisms.

At present, the assessment process applies to all organisational roles worldwide, including corporate office white-collars. The process has not yet been extended to the production site in Romania. In 2017, **1,575 employees were assessed**, accounting for 94%⁹ of the Group's global workforce hired with permanent contracts, excluding workers. The percentage of women involved in the assessment process was in line with the number of women employed by the Company.

During the year, the assessment model for corporate roles was revised, and the updated version will be used in 2018 to assess the performances of 2017. The same will apply to the retail channel assessment model, which will be revised in 2018 in line with the corporate model, but based on the specific features of the retail business.

Moncler firmly believes that a skilled and competent workforce can enhance the value of its human capital and contribute to increasing employee satisfaction, thus improving the Company's overall performance. As part of this effort, the Group promotes specific **employee development programmes** tailored to the needs of the Regions, the various corporate functions, and distribution channels. See also page 80.

For instance, in 2017, Moncler created a new figure called **Manager In Training (MIT)** at its flagship stores in each Region.





The MIT is a high-potential individual who has graduated from some of the world's best universities and business schools, with a marked sense and passion for the world of retail. The position entails a specific training path towards becoming a store manager within a set period of time. The experience gained and the results achieved will allow these employees to grow even further within the Company, and make the most of their first-hand experience of Moncler's core business.

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 Internal Communication & Engagement department, created within the Human Resources function, is tasked with developing tailored strategies, actions, and tools to engage personnel while spreading the Group's culture.

In 2017, the **corporate intranet site MONCamp**, launched at the end of 2016, was consolidated as a tool to share information and news and enhance networking among colleagues. Through *MONCamp*, the Company aims to increase:

- **awareness**, by publishing real-time news about Moncler's activities, initiatives, and cross-functional results
- **collaboration and engagement**, by working in a fully integrated manner at global level, driving innovation
- **empowerment**, by actively supporting the exchange of ideas and suggestions and encouraging professional and personal involvement.

The intranet's *News* section is based on a specific editorial plan, and features news about products, events, and people, as well as interviews with employees from different functions and organisational levels, thus enhancing knowledge, sharing, and the sense of belonging to the world of Moncler. An Editorial Committee was set up to oversee and approve the editorial plan. It meets periodically and includes representatives of the Human Resources, Marketing & Communications, Investor Relations, and Sustainability functions. From a 'social' perspective, the platform has become a crucial element of communication among employees, particularly those in retail, who use it to share sales experiences, ideas, and local events.

In 2017, the team of Ambassadors, consisting of one or more employees from each business division, was further consolidated, becoming an effective empowerment tool to convey tips, ideas, and initiatives that are then shared through news included in the editorial plan.

During the year, *MONCamp* was actively used by approximately 1,680 users, or 70% of the potential Group workforce worldwide.

2017 also marked yet another milestone in Moncler's dialogue with its employees, thanks to the Company's first-ever **Employee Opinion Survey**, carried out to assess employee satisfaction. In collaboration with one of the sector's leading players, the Company sent a 45-question survey to about 2,000 employees worldwide, or **76% of the workforce**, excluding workers. The response rate was around 90%.

The survey offered a snapshot of employee climate, particularly of how personnel perceive the Company in terms of two aspects: employee engagement and employee enablement. By analysing the individual elements of each of these aspects,

Moncler was able to identify both its strengths and areas to be addressed to improve its overall positioning. The survey showed that the Company has clear areas of excellence, including "pride in being a part of Moncler" and "quality and attention to clients". One of the main suggestions received through the survey was "collaboration and communication between departments".

A well-structured communication plan was implemented before and after the launch of the survey. The *MONCamp* intranet site was used to raise employee awareness in the pre-launch phase, through dedicated news items, and afterwards to share the survey's findings with two ad hoc news articles. In addition, the Company held several function and regional meetings, as well as plenary sessions open to all employees, to share the detailed results of each organisational area.

The Company's subsequent action plan provided for the creation of functional and cross-functional work groups, in which all employees participate on a voluntary basis, to focus on the issues in need of improvement through a bottom-up approach.

In 2018, the survey will be repeated to assess the first results of the measures implemented. Indeed, the Group believes that employee opinion surveys are useful not only to have a clear picture of employee satisfaction levels, but also to identify corrective measures to meet the expectations and needs of the entire organisation.

DIVERSITY AND EQUAL OPPORTUNITIES

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

Bringing together people with diverse expertise, experience, and socio-cultural backgrounds enables the Group to rise to the challenges of an increasingly global and borderless market.

As stated in the Code of Ethics, 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 packages, to opportunities for professional growth, through to the conclusion of the employment relationship.

The Group does not tolerate any form of discrimination based on race, 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.

In 2017, no instances of actual or alleged discrimination were detected or reported.

Moncler believes that diversity, in all its expressions, brings cultural wealth and openness, and that the true value of diversity within the Company is best expressed when each and every person is encouraged to reach his/her potential to the fullest.

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 local management and personnel. See also page 76.

With regard to gender differences, women make up the majority of Moncler's workforce. Around **70%** of employees are **women**, essentially in line with 2016, and the percentage is high in all of the Group's geographic areas and employee categories. In particular, women account for 52% of employees at managerial level (managers, executives, and senior executives).

With regard to gender breakdown by type of employment contract, length of service, age group, and level of education, there is nothing of particular note. See also pages 159-161.

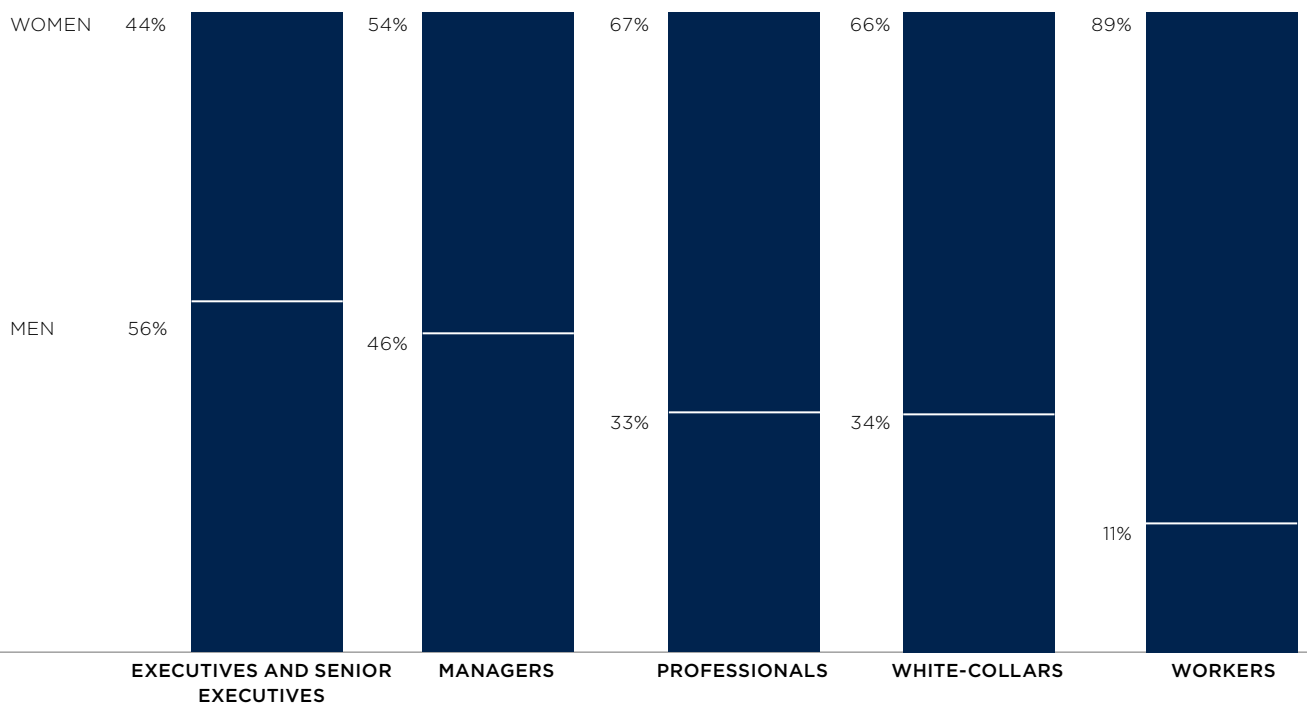
Moncler is committed to offering **equal pay** for equal skills, competencies, and professional experience, thus guaranteeing the principle of equal opportunity in both theory and practice without bias. For senior executives, executives, managers, professionals, and white-collars, the differences in men's and women's salary levels range between 4% and 13%; salary levels are more aligned in the managers' and workers' categories. See also page 162.

The Company is also committed to employing **people with disabilities**. Moncler manages diversity in accordance with the rules and practices of the laws in force, and encourages

Company departments to employ differently-abled 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 2017, the employees with disabilities in Italy, Romania, Germany, Japan, and the United States were 38 in total. In forthcoming years, the Group is committed to taking on additional people with various levels of disability, also by collaborating with institutions specifically tasked with helping the disabled find employment.

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER



OCCUPATIONAL HEALTH AND SAFETY

Moncler considers the promotion of health and safety as a key priority of its operations. For this reason, occupational health and safety issues are managed as an integral part of the Company's business and daily activities, so as to protect employees, clients, contractors, and anyone in its sphere of influence.

Moncler operates in full compliance with the applicable laws in the countries in which it is present, with an approach always focused on continuous improvement.

From the Group's headquarters, a team of specialised 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, the interventions 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.

A big 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, as well as the implementation 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 as per **OHSAS 18001 international standard**. This commitment is clearly stated in the Occupational Health and Safety Management Policy, which was shared with all Group employees worldwide in 2017. 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, so as to eliminate any root causes of risk or, should this not be feasible, control risks using the best available techniques
- the continuous improvement of every activity that may impact safety
- the enhancement of knowledge, competence, and awareness of all employees through targeted training and practice.

In 2017, Moncler obtained the OHSAS 18001 certification for its production site in Romania and for part of its offices and stores in Europe (France, Germany, United Kingdom, and



Switzerland); it also maintained the certification for all its offices and stores in Italy, which were certified in 2016 and account for over 2,000 employees (about 59% of the workforce). The Company aims to extend OHSAS 18001 certification to all offices and stores worldwide by 2019.

FROM PREVENTION TO CONTROL

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

Although the Group'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 workplace 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 2017 to the places of work in France, Great Britain, Germany, and Switzerland, and is expected to be gradually implemented in other countries in the coming years.

In 2017, several on-site inspections to verify employee health and safety were also carried out (by both in-house staff and external bodies) at the production site in Romania, in view of OHSAS 18001 certification.

In Italy, Moncler organises 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 protection equipment.

In 2017, workplace accidents were kept to a minimum through the careful management of work spaces, ongoing information and awareness initiatives centred on prevention, and the monitoring of the proper implementation of improvement measures.

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

Occupational diseases are a direct consequence of work, caused by the worker's exposure to the gradual and progressive harmful effect of the activities being performed. The Group 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 2017, **no cases of occupational diseases were reported**. 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 page 163.

Since 2010, the Group has also focused on **work-related stress** as part of an inclusive approach to employee **wellbeing**. In 2015, a work-related stress assessment was carried out at the headquarters in Trebaseleghe (Padua, Italy), revealing that most of the offices were at low risk. That said, in 2016 the Company decided to implement an action plan nonetheless. The same assessment was then performed at the corporate offices in Milan (Italy), where the risk of work-related stress was also found to be low, and where, in 2017, Moncler also adopted an action plan.

TRAINING AND INFORMATION

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

In 2017, the Company delivered **over 15,000 hours of training** on occupational health and safety (15% more compared to 2016), of which more than 14,000 at the production site in Romania. Specific training programmes were developed and customised 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,

WORKPLACE ACCIDENT INDICATORS

	2017 ¹³			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Man	Women
Incidence rate ¹⁰	5.43	11.61	2.84	5.60	6.53	5.22	1.24	1.29	1.21
Severity rate ¹¹	0.07	0.11	0.06	0.03	0.06	0.02	0.01	0.01	0.01
Frequency rate ¹²	3.39	7.37	1.76	4.79	4.59	4.89	0.89	0.79	0.95

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

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

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

13. In 2017, the scope of reporting was significantly broadened, reaching 100% of the Group's global workforce; data therefore cannot be compared with previous years.

in keeping with legal provisions. With regard to people in positions of responsibility, additional training modules were specially designed for Company managers and officers, to improve monitoring and ensure that employees' behaviours are in line with law provisions and Company regulations on occupational health and safety.

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 organised by the Company, with the support of the Umberto Veronesi Foundation, on healthy lifestyles, the risks of smoking, and the importance of vaccination. The initiatives organised during the year took place in Italy, and involved approximately 420 people for a total of more than 2,500 hours of training. Beyond the purpose of training, they were highly appreciated for being an important moment of interaction, giving employees the opportunity to voice their concerns and seek advice from highly-experienced specialists.

Alongside these initiatives, Moncler is committed to establishing agreements with local outpatient clinics, to ensure employees have access to the best medical centres at the most affordable prices.

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, and Spain, accounting for 55% 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 the total **absence of conflict**.

In 2017, once again, thanks to the climate of cooperation built by the Company over the years, no strikes or union protests were organised 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, **several meetings with trade unions** were held at the headquarters in Trebaseleghe (Padua, Italy), heart of all Group operations. The main discussions focused on the progress of mandatory occupational health and safety training programmes and on the Company's calendar of closing days. In addition, in December 2017, a second-level company agreement was signed with trade union representatives in Italy, granting all employees of the Group's Italian companies, who become fathers as from 1 January 2018, a total of five days of paternity leave, i.e., one day more than that which is established by law or the national collective labour agreement. A second-level agreement was also signed to raise the Company's contribution to supplementary pension plans for all employees in Italy as from 1 January 2018, bringing it to 2.5% for all employees who pay a contribution of no less than 2.5% to the negotiated supplementary pension funds.

Although the Group did not resort to any collective redundancies in 2017, Moncler is aware that certain strategic decisions can have repercussions for employees. Accordingly, in the event of significant organisational changes (such as the reorganisation of processes or other significant interventions), the Group is committed to activating the disclosure and consultation procedures provided for by law.



4

PARTNERS

- 98 SUPPLY CHAIN PROFILE
- 102 RESPONSIBLE SOURCING
- 106 SUPPLIER ENGAGEMENT
AND DIALOGUE





OUR SUPPLIERS ARE OUR
STRATEGIC PARTNERS.

WE BUILD LONG-LASTING
RELATIONSHIPS WITH THOSE
WHO NOT ONLY DEMONSTRATE
TECHNICAL AND QUALITY
EXCELLENCE AND RELIABILITY,
BUT ALSO SHARE OUR VALUES
AND OUR SOCIAL, ETHICAL, AND
ENVIRONMENTAL PRINCIPLES.

A QUALITY PRODUCT IS
A PRODUCT MADE RESPONSIBLY.
THIS REQUIRES ATTENTION
TO HEALTH AND SAFETY,
AS WELL AS RESPECT FOR
HUMAN AND WORKERS' RIGHTS,
THE ENVIRONMENT,
AND ANIMAL WELFARE.
OUR SUPPLIERS ARE ESSENTIAL
PARTNERS IN THIS COMMITMENT.

SUPPLY CHAIN PROFILE

Moncler believes in the value of stable relationships built on trust and cooperation, and seeks long-term relationships with suppliers that not only guarantee reliability in their manufacturing performance, but also endorse the same values as the Group.

At year-end 2017, approximately 409 suppliers¹ were involved in the manufacture of Moncler's products. They are grouped into four categories: raw materials, façon, finished products, and services.

- **Raw material suppliers** mainly provide fabrics, yarns, down, leathers, accessory components (buttons, zips, ribbons, elastics, etc.), and furs. Fabrics are sourced primarily from Japan and Italy. Suppliers of yarns and accessory components are almost exclusively Italian. Furs are sourced primarily in Europe, while down is purchased from European and North American suppliers with supply chains in both Europe and Asia.
- **Façon manufacturers** are specialist garment manufacturers with high technical know-how that Moncler supplies with raw materials and entrusts with the manufacture of its final products. The production process is carefully monitored by Moncler experts, who verify compliance with required standards through a strict methodology and weekly on-site inspections. This process applies to jackets, trousers, skirts, dresses, all knitwear, and, as of 2016, to part of adult cut-and-sew knitwear. Most of these suppliers are located in Eastern Europe, where a long manufacturing tradition guarantees high technical expertise and suitable production capacity.
- **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. These suppliers and Moncler's experts interact at all stages of the manufacturing process, which is carefully supervised by the latter to ensure final products meet the high quality standards required. Cut-and-sew knitwear (especially T-shirts and polo shirts) and hats, scarves, gloves, footwear, handbags, and small leather goods are mainly produced through these suppliers. Cut-and-sew product suppliers are vertically integrated; most are located in Europe, while a small part is in Turkey. Soft accessories suppliers (hats, gloves, and scarves) are mostly Italian with a high level of specific know-how, while footwear and handbags are produced by European suppliers, most of which are Italian.

¹ Excluding prototype and pattern making suppliers, and suppliers with sales orders of less than 1,000 euros per year.

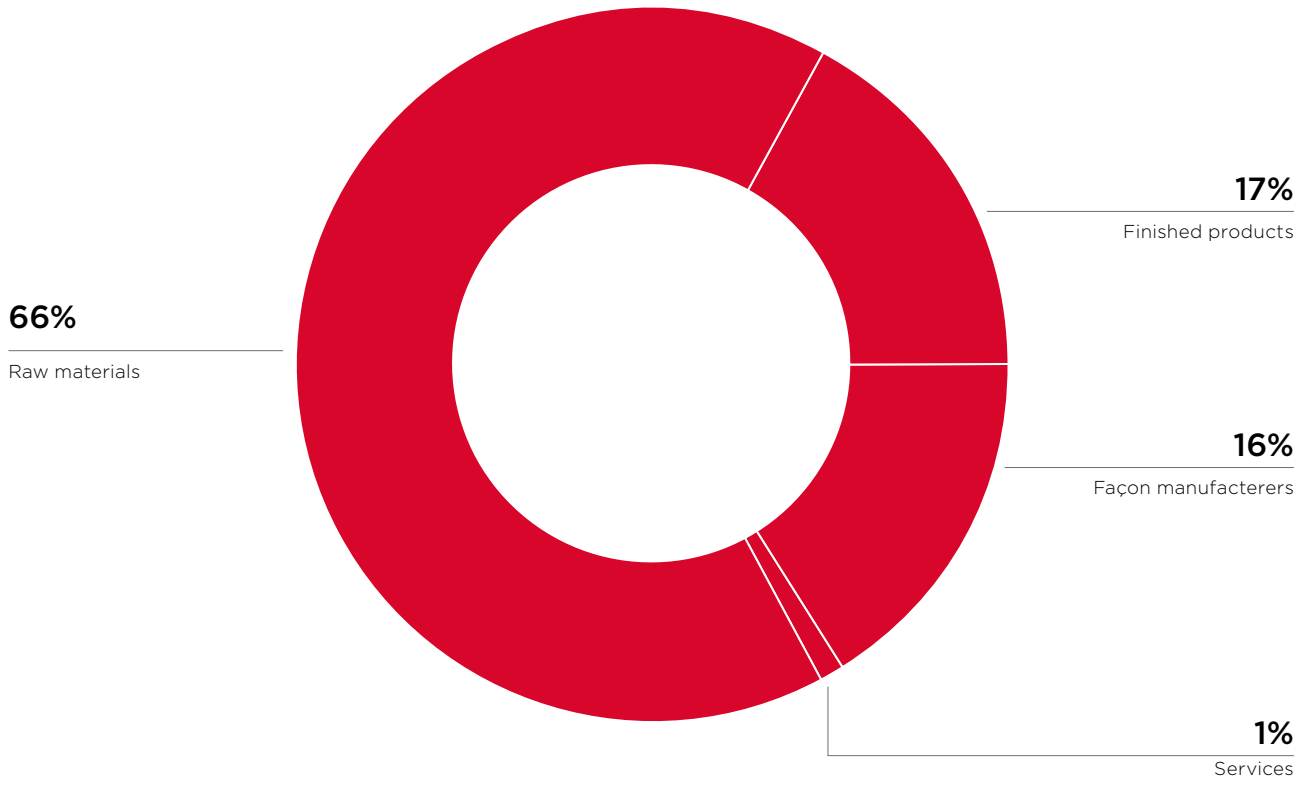


- **Service suppliers** assist Moncler in pattern making and quality control processes and are mainly located near the Company.

Over the years, Moncler has rationalised its supply chain by progressively reducing the number of suppliers, in an effort to gain greater control over supply and develop stronger and more profitable synergies and partnerships with those who share the Group's values and expectations, also in terms of environmental and social standards. Where possible, the Group avails itself of local suppliers situated near its main offices, which simplifies logistics and generates income and jobs across the local communities in which the Company operates.

The majority of Moncler's suppliers (93%) are located² in EMEA, primarily in Italy. Moncler diversifies its purchasing expenditure across a number of partners so as to avoid dependency on any given supplier, which would pose a potential business risk. The Company's top 50 suppliers or so account for about 70% of the total value of orders. The Group is careful to promptly identify any critical situations with the potential to cause supply disruption, addressing them accordingly so as to mitigate any consequences and thus ensure continuity.

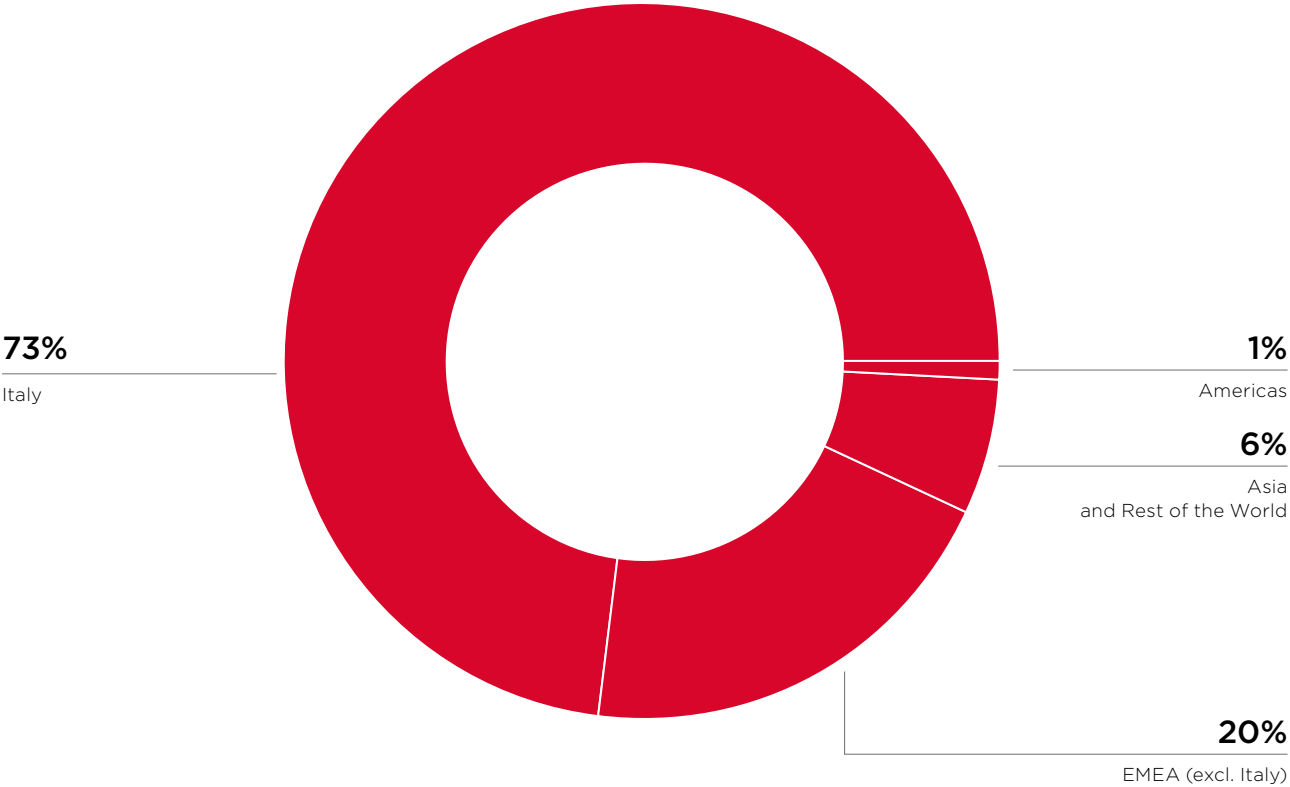
SUPPLIERS BY CATEGORY³



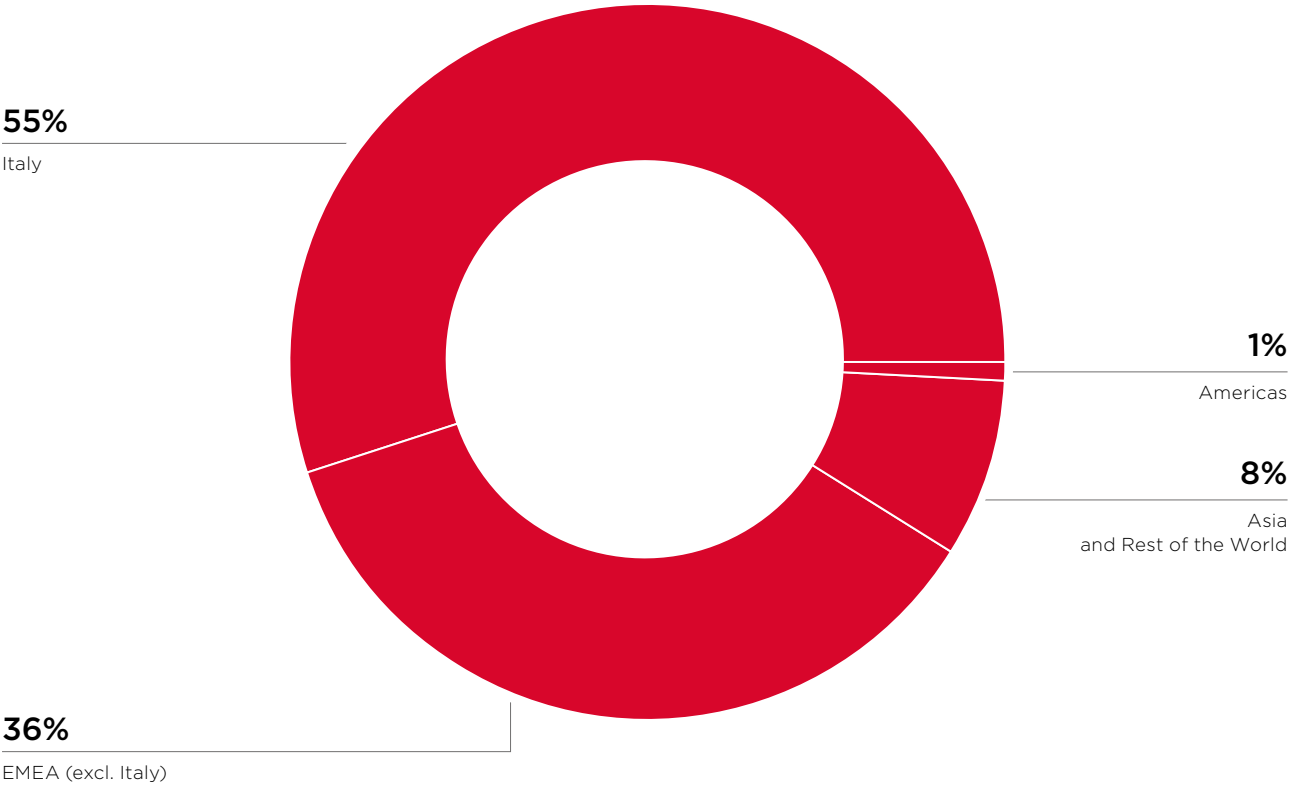
2. For façon manufacturers and finished product suppliers, the geographic location corresponds to the country the product was 'Made in'; for service and raw material suppliers, it corresponds to the country in which the supplier's head office is registered. Percentages calculated on the total number of suppliers.

3. Percentage calculated on the total number of suppliers.

**SUPPLIERS
BY GEOGRAPHIC AREA²**



**VALUE OF ORDERS
BY GEOGRAPHIC AREA**



RESPONSIBLE SOURCING

At Moncler, excellence means quality, style, and elegance, but also commitment to promoting respect for workers' rights, animal welfare, and the environment across the supply chain.

Suppliers are strategic partners and Moncler's relationship with them goes beyond strictly economic and commercial aspects. Indeed, the Group is actively engaged in the continuous sharing of best practices, so as to ensure responsible and sustainable business growth.

Suppliers⁴ are contractually required to acknowledge and comply with the principles of the Group's Code of Ethics, and to ensure the compliance of their subcontractors, as well. Any violation of the principles set out in the Code constitutes a serious breach of contract, which Moncler reserves the right to terminate immediately.

In addition, in 2016, the Group formalised and disseminated the **Supplier Code of Conduct** and related guidelines, devised to provide Moncler partners with accurate operational guidance.

The Supplier Code of Conduct is consistent with the Universal Declaration of Human Rights and the main conventions of the International Labour Organization (ILO), and describes Moncler's expectations regarding **responsible purchasing**. 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.

The main requirements of the Supplier Code of Conduct were the focus of a training event held during a convention organised in February 2017 at the corporate headquarters in Trebaseleghe (Padua, Italy), attended by the Group's national and international suppliers involved in the production of jackets. In addition, a dedicated online training section was added to the supplier portal, which was also implemented in 2017.

During the year, Moncler continued to conduct **ethical, social, and environmental audits** across its supply chain to verify compliance with applicable laws and the principles set forth in the aforementioned Codes. In line with previous years, the audits were conducted by a qualified and experienced independent body to ensure maximum impartiality.

Social and ethical audits were centred on fundamental human and workers' rights, particularly on forced labour, child labour, freedom of association, working hours, minimum wages, and – last but not least – occupational health and safety. In 2017, the Company focused particularly on auditing all its *façon* manufacturers (of jackets – Tier 1), as well as a significant sample of suppliers of other commodity groups.

Environmental audits, some of which particularly on wastewaters, focused mainly on suppliers with internal production units, and on the analysis of their policies and procedures to minimise impact.

The scope of the audits and the **suppliers and subcontractors** to involve in the auditing process are determined by the Internal Audit division based on a risk analysis, which takes into account various factors, such as the amount of orders placed with the given supplier, the type of good or service provided, and geographic location. The risk analysis also con-

4. 90% of significant contracts require compliance with the Group's Code of Ethics.



siders other parameters, such as the supplier's number of employees and plants, and/or the use of subcontractors and their geographic location. The outcomes of previous audits are also an important selection criterion.

Additional **audits on animal welfare and on down traceability** as per DIST Protocol (Down Integrity System & Traceability) were conducted across the entire down supply chain. See also pages 104-105.

In 2017, a total of **60 social and ethical audits** were performed (on both suppliers and subcontractors), covering 81% of the volume produced by façon manufacturers (of jackets), 46% of the volume of knitwear, 41% of the volume of soft accessories (footwear and bags), and 100% of the volume of down purchased from direct suppliers. **10 environmental audits** were carried out on a sample of raw material suppliers (in particular, on fabric and down suppliers and on suppliers with in-house galvanic processing). And **85 audits on animal welfare and traceability** were conducted across the down supply chain (covering 100% of the value of the down purchased).

Moncler has a zero tolerance policy against major compliance breaches, which could indeed lead to immediate contract termination. That being said, the Group 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 measures are implemented by an agreed deadline through follow-up audits.

In 2017, most instances of non-compliance were related to certain aspects associated with occupational health and safety and the management of employment relationships. All non-compliance cases were addressed through corrective actions agreed upon with the suppliers, which will be verified via **follow-up audits**. The audits performed in 2017 did not reveal any major supplier breach requiring contract termination.

During the year, alongside its auditing activities, the Group also sent raw material suppliers a self-assessment questionnaire to gather information on social and environmental aspects, such as the presence of relevant management systems.

When selecting its partners, Moncler takes ethical aspects into account, and thus requires potential suppliers to provide adequate information and documentation that may help understand their actual commitment in this field.

Moncler is also continuing to update its own vendor rating system by incorporating new indicators – including sustainability aspects. Each indicator will be weighted, contributing to the assessment of each supplier based on scores achieved in the different areas.

The macro-areas of the vendor rating system are:

- risk (country risk, financial risk, number of subcontractors, etc.)
- service (technological capacity, innovation, timely delivery, etc.)
- quality (defect rate in manufacturing, quality grievances reported to client service, etc.)
- costs (price competitiveness, logistics costs, etc.)
- ethics (working conditions, environmental practices, animal welfare, etc.).

ANIMAL WELFARE AND TRACEABILITY

As part of its commitment to ensuring animal welfare, Moncler demands and verifies that all its down suppliers comply with the strict requirements of the **DIST Protocol (Down Integrity System & Traceability)**, first implemented in 2015, regulating farming standards, respect for the animal, down traceability, and down technical quality. Moncler only purchases down that is DIST-certified.

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

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

Moncler's down supply chain is almost entirely vertically-integrated and includes various entities: white geese farms, abattoirs where the animals are 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. All down suppliers must scrupulously comply with Protocol requirements to ensure raw material traceability, animal welfare, and the highest quality standards throughout the down supply chain.

The Protocol was 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 provides a scientific approach to animal welfare and product traceability.

The forum is chaired by a Professor of Management at Ca' Foscari University, in Venice (Italy), who is an expert on sustainability issues. Its members include: Moncler officers; experts from the Department of Veterinary Medicine at the University of Milan (Italy), from the Polish National Institute

SUPPLY CHAIN AUDITS (No.)

	2017	2016	2015
Social and ethical audits	60	41	45
Animal welfare and traceability audits	85	119	120
Environmental audits	10	14	-
of which on wastewater	4	3	-
Total	155	174	165

of Animal Husbandry (Koluda Wielka), and from Compassion in World Farming, an NGO dedicated to the welfare of farm animals; and representatives from certification and consulting firms (Bureau Veritas, Control Union, IDFL, and KPMG). In November 2017, the fourth multi-stakeholder forum was held to discuss Protocol updates to make it even more stringent; the new Protocol release will be approved at the beginning of 2018.

The DIST Protocol assesses animal welfare using an **innovative approach**. In fact, alongside the traditional approach that focuses on the animal's environment (in terms of availability of food and water, space to pasture, etc.), it also provides for the careful **observation of the animal itself** (as per recent European Commission guidelines), through the so-called **Animal-Based Measures**⁵ (ABMs), which enable the direct assessment of the animals' conditions 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-pecking⁶, 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 the human-animal interaction, which is assessed according to the responses to a specific test (the HAR test, Estep and Hetts, 1992).

Moncler believes that, in order to have a significant impact on animal welfare and enable continuous improvement, it is important not to impose but rather **explain, share, and involve** its suppliers, so as to ensure a long-term joint commitment. Throughout 2017, the Company shared information material with them to support the dissemination of good farming practices across their respective supply chains. Efforts to raise awareness will continue in 2018, with the distribution of information material to slaughterhouses.

Moncler is continuously committed to verifying Protocol compliance in the field. To ensure the utmost **impartiality**:

- audits are commissioned directly by Moncler and not by the supplier
- 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 (Italy)
- audit results are, in turn, verified by a second accredited external body.

An important change in 2017 was the inclusion of a tag indicating 'Down certified under DIST' in all Moncler jackets, starting with the Fall-Winter 2017 collections. This milestone was achieved by extending down traceability as per DIST Protocol across the entire supply chain, all the way down to the finished product, and by performing extensive audits on *façon* manufacturers of jackets.

In 2017, **85 independent audits** were conducted, some of which were attended by both Moncler officers and experts from the University of Milan's Department of Veterinary Medicine. Although the audits involved the suppliers' best farms, some of them were required to take corrective measures before obtaining certification. No instances of live-plucking or force-feeding were observed at any of the farms audited.

In addition to these audits to verify compliance with the DIST Protocol, other checks were carried out focusing on human and workers' rights. Some instances required the definition of specific improvement plans, the implementation of which will be verified via follow-up audits.

Moncler is aware that these results, however significant, are not a finish line but rather a new starting point, and that its duty is to continue to promote increasingly ambitious standards, also based on the insights of its stakeholders.

5. The 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. These measures include physiological, pathological, and behavioural indicators.

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

SUPPLIER ENGAGEMENT AND DIALOGUE

Supplier relations are a strategic aspect for Moncler. Constant communication and interaction are essential to promoting profitable collaborations and mutually beneficial relationships.

The dialogue with suppliers is encouraged through **regular institutional meetings** and through daily interactions with the Moncler experts and inspectors tasked with overseeing the various activities involved in production. Indeed, Moncler's experts provide specialist support at all stages of production in order to share technical know-how and resolve any critical issues. Furthermore, an ad hoc **web portal** for the supply chain went live in 2017, giving suppliers direct access to communications and documents (including the Code of Ethics, the Supplier Code of Conduct, and related policies) and to a dedicated online **training** section.

As regards outerwear, the experts in charge of the external workshops manufacturing jackets are regularly invited to visit Company offices to help analyse samples and share technical and production standards. Similarly, external knitwear workshop experts are invited at least once every season to train for one week alongside Moncler experts, focusing on procedures and on production and quality standards, with visits to the Group's quality control centres. At these seasonal meetings, they also receive training on other topics relevant to Moncler, including ethical, social, and environmental aspects, so as to spread the relevant culture among suppliers. In turn, Moncler experts visit the various third-party production sites as well. The shared know-how thus becomes an integral and essential component of the bond between the Company and its suppliers.

In February 2017, in an effort to further promote mutual knowledge, strengthen its relationship with the supply chain, elaborate on contractual and operational aspects, and **involve its partners in the Group's journey towards sustainability**, Moncler organised a meeting at its corporate offices in Trebaseleghe (Padua, Italy) with its national and international suppliers involved in the production of jackets. The meeting addressed several topics, including quality, down traceability and management, safety, brand protection issues, and responsible sourcing principles. **Awareness** activities on ethical, social, and environmental issues continued during the year, through one-to-one meetings at the production facilities of some of the Company's façon manufacturers. Building on these achievements, in 2018, the Group will continue to pursue a dialogue with its suppliers and their engagement in initiatives related to these aspects.



5

CLIENTS

- 112 THE IMPORTANCE OF THE CLIENT EXPERIENCE
- 116 QUALITY
- 120 THE FIGHT AGAINST COUNTERFEITING
- 124 TRANSPARENT AND RESPONSIBLE COMMUNICATIONS





THE QUALITY OF PRODUCTS AND PROCESSES ALIKE, THE UNRELENTING PURSUIT OF INNOVATION WHILE STAYING TRUE TO TRADITION, THE UNIQUE AND ORIGINAL DESIGNS, AND THE COMMITMENT TO PERFORMING RESPONSIBLY, WHILE INVOLVING CLIENTS AT ALL TIMES AND DELIVERING THE BEST SERVICE POSSIBLE, ARE THE ESSENCE OF MONCLER'S BUSINESS STRATEGY, AND THE KEY TO THE LONG-TERM SUCCESS OF THE BRAND.

HERITAGE, UNIQUENESS, QUALITY, AND INNOVATION ARE THE TERMS THAT BEST DESCRIBE MONCLER'S CONCEPT OF LUXURY.

THE IMPORTANCE OF THE CLIENT EXPERIENCE

At Moncler, clients take centre stage. Every interaction is an opportunity to receive and learn, as well as to share and engage. And to make the shopping experience even more engaging, Moncler launched an ambitious Retail Excellence project.

In 2016, Moncler began to implement the **Retail Excellence** project, spanning a three-year period and covering 15 areas of intervention. It aims, among other things, to redesign the client experience, reorganise both stores and sales staff, and redefine store procedures and operations. The essence of each intervention is to design through the eyes of the client, which is key to achieving the sole objective of the project: to enhance the **shopping experience** for clients, involving them more and more in Moncler's world.

Many activities were implemented in 2017, aimed primarily at developing a direct relationship between Moncler's Client Advisors and clients. To this end, training was key, with new courses delivered through the **Moncler Instant Sharing** programme revolving around the selling ceremony, focused mainly on strengthening the key role of store managers in coaching the retail staff. Nurturing the growth of retail employees' skills and expertise is a strategic lever for the Company and a means to differentiate the Brand. The **continuous training** provided to boutique personnel focuses on the understanding of the Brand, its history, products, style, materials, and production processes, and on the interpersonal skills and style required to best engage with clients. Even more so, it emphasises the importance of listening and relating to clients, essential to providing a service that truly meets expectations.

In 2017, the **MonClient** project was fully executed by extending it to 152 boutiques worldwide, enabling approximately 1,000 Client Advisors to establish a direct and personal relationship with their most loyal clients via their smartphones. In particular, more than 120 client interaction programmes were launched across the retail channel, de-

signed, on the one hand, to turn Client Advisors into genuine Brand ambassadors and, on the other, to engage clients at an emotional level through storytelling and Brand details, and by offering opportunities for dialogue with the world of Moncler while creating a deeper appreciation of the Company's many angles and level of sophistication. Smartphones are no longer simply a means to contact clients, and are increasingly becoming a comprehensive work tool: to date, 160 Client Advisors worldwide can complete sales transactions directly from their devices, making the in-store selling ceremony all the more enjoyable.

Client relations also encompass **after-sales** services, addressed by Moncler through the development of a shared global policy. Furthermore, in 2017, through an organisational unit dedicated to improving the after-sales experience, the Company selected a number of tailor shops capable of delivering quality and efficient alterations and repairs, providing them with accessory kits to ensure timely services to clients. Projects aimed at improving the after-sales experience are expected to continue in 2018, including training activities for Client Advisors focusing on the technical and relational skills needed to handle more complex situations.

A gratifying shopping experience is determined not only by the interpersonal skills of the sales staff, but also by the ambience and comfort of the store. To this end, the **Store Design** project was launched to make Moncler's stores and sales points more efficient and inviting for clients and Client Advisors alike, for example through the reorganisation of spaces, the provision of the most effective and functional staff tools and technologies, and the constant monitoring of safety.





TUNING IN ON CLIENT EXPECTATIONS BY LISTENING

Listening to clients is a strategic choice when it comes to aligning the services offered with client expectations and with what really matters to them.

In this regard, in 2017, Moncler launched a project in Europe and the United States, providing for the systematic collection of client feedback after each purchase through a brief questionnaire exploring different aspects of the shopping experience, including hospitality, personalisation, and service. The goal is to identify and redress any instance of customer dissatisfaction and, even more so, to give Client Advisors in-depth knowledge of their clientele, enabling them to offer a service that better meets expectations. The project is expected to be extended to Asia in early 2018, and to tourist clients in the second half of the year.

Similarly, the internal **Client Service** project launched in Italy in 2017, where it was fully operational by the end of the year, will be extended at European level in 2018 and at global level within three years. The Client Service was set up to serve as both a reference point for clients and a means to ensure a constant two-way dialogue between Moncler and its clientele, with a view to continuous improvement.

This project was an important turning point for the Company, marking a new direction for the future based on an omni-channel approach, which entails a redesign spanning from the client experience in Moncler's boutiques to the client experience across all channels of interaction with the Brand.

QUALITY

Quality is at the heart of all our choices. Moncler pursues quality excellence at all times, without exception.

PRODUCT QUALITY AND SAFETY

Product quality and safety are at the centre of the Group's attention. For this reason, stringent controls are implemented 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 (including accessory components) 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 that the Group pursues right from the design of garments and purchase of the raw materials. The quality of the down, nylon, and all other fabrics, as well that of the raw materials used, is crucial to guarantee **the excellence and safety of the final product**. For this reason, Moncler selects its suppliers very carefully, and constantly subjects all materials to **strict tests to identify their chemical composition and physical and mechanical features**, which are essential to ensure the desired technical performance. Moncler requires all its production partners to perform in full compliance with the **most stringent international regulations relating to hazardous and potentially hazardous chemical substances**, including the European Union's REACH¹ regulation, China's GB² standards, and the Japanese JIS³ standards. They are also required by contract to comply with the guidelines of the **Restricted Substances List (RSL)**, which outlines the most stringent standards for the use of certain substances, and is constantly updated as per the best international standards and regulatory developments. The proper implementation of RSL guidelines is verified through tests performed at independent specialised laboratories, at the request of the supplier and/or Moncler itself. Accessory components used in production undergo additional testing to ensure their technical compatibility with fabrics and garment care (e.g., 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.

1. Registration, Evaluation, Authorisation, and restriction of CHemicals.

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

3. Japanese Industrial Standards.





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

Before selecting a production supplier, Moncler's quality assurance experts will first verify that the prospect has the technological capacity and is **adequately equipped** to produce garments that meet all 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 progress of the supply process and compliance with the required 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. Prior to sale, all products undergo a final inspection to verify aesthetics, quality, size, and that they have the proper labels and tags. In this final stage, the anti-counterfeiting protocol is checked and activated using sophisticated last-generation technology.

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 the Company to gain unique expertise in this area, in terms of **knowledge not only of down as a raw material**, but also of outerwear **manufacturing processes**. 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: indeed, when purchasing raw materials, the origin of the down used and **respect for animal welfare** are as essential and important as the quality of the down itself.

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. Each batch of down undergoes a two-step inspection procedure to assess its compliance with **11 key quality parameters**, including health and cleanliness, set according to the **strictest international standards and to 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-specialised down technicians. Approximately 720 tests were performed in 2017.

Down cluster content and fill power are the main indicators of down quality. Moncler's products contain **at least 90% 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 equal to or greater than 710 (cubic inches per 30 grams of down), resulting in warm, soft, and lightweight products delivering unique comfort.

THE FIGHT AGAINST COUNTERFEITING

The fight against counterfeiting is yet another means to convey our attention to clients. Moncler is constantly engaged in guaranteeing the value and authenticity of its products, to protect itself as much as its end clients.

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

The Company's strong portfolio of trademarks, designs, patents, and Brand 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.

The fight against counterfeiting is waged at multiple levels and across several channels, both offline and online. Over the years, the Group has invested a great deal of resources in developing anti-counterfeiting systems and collaborations, as well as in raising awareness and carrying out inspection activities.

To date, all Moncler products feature a complex anti-counterfeiting system featuring the **most sophisticated Radio Frequency Identification (RFID) technologies** currently available on the market. This new **authentication-tracking system** provides for the generation of a unique alphanumeric code, a QR code, and a Near Field Communication (NFC) tag. By registering their purchases on the code.moncler.com website, which is managed directly by the Company, clients can establish a direct dialogue with Moncler and verify product authenticity. Moncler has also created a **special service dedicated exclusively to counterfeiting issues** to further assist its clients. Where necessary, Moncler prepares expert reports for any deceived clients attempting to re-

cover the amount paid for a counterfeit product from their electronic payment service providers.

Digital channels are another crucial front in the Company's fight against counterfeiting, with monitoring and enforcement activities spanning across the main sales platforms, search engines, and active websites. In 2017, a great effort was made to counteract the publishing of sponsored ads and accounts promoting the sale of counterfeit Moncler merchandise on the main social networks. Constant online monitoring allowed the Company to shut down about 69,000 online auctions and 2,500 websites, delist almost 170,000 pages from search engines, and delete about 15,600 pages and sponsored ads on social networks, all featuring or promoting the sale of counterfeit Moncler products. Furthermore, as part of its fight against online counterfeiting, 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.

Moncler also ensures the **thorough and constant monitoring of its suppliers** of finished products, through regular checks at workshops managing and applying logoed material and anti-counterfeiting tags supplied by the Group. A total of 30 brand protection audits were conducted in 2017. Feedback on audit results and periodic training at workshops on Moncler's guidelines on the management of logoed material and anti-counterfeiting tags ensures constant and progressive improvement in the production process.

Initiatives promoting **dialogue, awareness, and cooperation** within the Group and with authorities are a key factor





in this effort. The constant **synergy between corporate functions** allows Moncler to analyse, evaluate, and define the best strategy to protect new products, processes, and projects right from their conception. To this end, several events were organised to raise awareness among the various functions on intellectual property issues related to their activities, spanning from style, to product development, to communication.

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. In 2017, the Company also registered its main trademarks with new customs agencies, including Taiwan as part of its efforts in Greater China. The Company successfully continued to organise **training and awareness** activities for law enforcement officers, focusing on Moncler's products, lines, and intellectual property rights. In 2017 alone, 64 training sessions were delivered to customs authorities tasked with blocking and inspecting products in transit and at local law enforcement agencies, including the first-ever training and awareness event for the *Arma dei Carabinieri*, Italy's military police corps. This continuous collaboration allowed Moncler to manage almost 2,800 seizures worldwide, leading to the removal from the market of over 87,400 counterfeit Moncler finished products and almost 790,000 items branded with non-authentic logos and labels for the production of counterfeit clothing and accessories. In achieving these results, a crucial role was also played by the monitoring and investigation activities carried out with teams of local investigators and attorneys, who helped uncover individuals and companies behind the distribution and sale of counterfeit products.

Moncler also protects its brand by participating and collaborating as an active member of the main national and international associations against counterfeiting, including INDICAM in Italy, QBPC in China, UNIFAB Tokyo in Japan, UNIFAB in France, and ACG in the United Kingdom, as well as INTA and BASCAP at global level. See also page 58.

TRANSPARENT AND RESPONSIBLE COMMUNICATIONS

Maximum transparency and clarity are Moncler's rallying cry underpinning all brand marketing and communication activities to promote its products.

MARKETING, ADVERTISING, AND PRODUCT INFORMATION

Although the Group does not currently adhere to any specific codes or voluntary standards in advertising, it has always taken a **highly responsible approach to marketing communications**. All images and messages delivered through any communication channel 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. An 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. To this effect, 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 all national and international labelling regulations in force. Accordingly, the Group works closely with its suppliers to obtain reliable information on the materials and processes involved in the various stages of production. 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 9 languages. In addition, custom

labels are applied to products to be distributed to specific markets, such as China, Japan, 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 scientific name of the animal and percentages of down and feathers, in the case of down.

AN INCREASINGLY DIGITAL DIALOGUE

Moncler's communication strategy has been relying more and more on digital channels to stay close to, and ensure, constant interaction with the Brand's clients and aficionados. Moncler is currently present across all digital channels: internet, social media, and mobile media.

Significant **energy, in terms of human resources and investments, goes into to social networking**, not only as a means to convey the Brand's messages, but also as a relational and clienteling tool. This applies to the main social media, such as **Instagram, Facebook, and Twitter** (1.1 million, 2.9 million, and 1.2 million followers, respectively, in 2017), where Moncler's engagement is growing at an impressive rate. But this is also true of mobile-oriented social network apps such as **WeChat** (in APAC), where Moncler opened an official account to deliver personalised client messages and Brand communications through the subscribing stores. In November, the Company also used the app to launch its first temporary





e-commerce platform to regularly promote new initiatives for special collections. In Japan, in 2016, the Company opened an official account on **Line**, positioning itself among the top luxury brands.

In 2017, Moncler launched its first *Influencer Marketing* projects in the United States, APAC, and Europe. These projects aim to increase brand awareness through targeted social media postings by selected micro and mega-influencers, so as to reach key market segments such as millennials.

In terms of launching a global **omni-channel** strategy aimed at strengthening not only the business but also client relationships, Moncler avails itself of technologies to monitor and manage social media sentiment, transferring requests to Client Service or informing other relevant Company divisions tasked with addressing any sentiment signals gauged online. Detailed quarterly analyses are performed in each geographic area to assess digital users' Brand perceptions and the profiles of those interacting with Moncler online.

The Company's new website, www.moncler.com, launched in 2015 in 35 languages, with 5 home pages differentiated by geographic area and completely mobile-responsive, was conceived to deliver a new concept of integrated website. A virtual forum in which shopping experience and brand equity are presented side by side, delivering an editorial approach and user experience that draw on the Company's physical store concept, as part of the global implementation of the omni-channel model. To this end, in October 2017, the Company kicked off the pilot phase of this strategic project, which saw the boutiques in Milan Via Montenapoleone (Italy), Turin (Italy), and London Old Bond Street (United Kingdom) offer web services such as *Click from Store*, *Pick up in Store*, *Return in Store*, and *Product Store Availability* (the latter covering only all stores in Italy, except for airports and resorts). In December 2017, the Company also launched the Korean version of the Brand's moncler.com website.

Moncler is one of the few luxury brands present on all mobile platforms available on the market. The Brand's focus on mobile technology is driven by the realisation that almost 70% of digital traffic related to Moncler is generated by smartphones. In 2017, the Company's iOS e-commerce app was upgraded with new graphics and enhanced usability.

With regard to digital advertising, Moncler adopts programmatic ad banners and performance solutions focusing on online sales with the strong engagement of social network users. The Company's digital communications projects are constantly evolving and growing. As part of its efforts to break new digital ground, Moncler is currently exploring new opportunities in the fields of mobile-based proximity marketing and augmented reality.

6

ENVIRONMENT

- 132 ENVIRONMENTAL POLICY
AND MANAGEMENT SYSTEM
- 134 RESOURCE CONSUMPTION
AND MITIGATION ACTIVITIES





MONCLER IS CONSTANTLY
FOCUSED ON THE ENVIRONMENT
AND ON FUTURE GENERATIONS.

IN THE CONDUCT OF ITS
BUSINESS, THE GROUP
IS COMMITTED TO PRESERVING
NATURAL RESOURCES AND
COMBATING CLIMATE CHANGE
BY TAKING STEPS TO MINIMISE
ITS ENVIRONMENTAL IMPACT.

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

IT IS A COMMITMENT THAT
REQUIRES THE INVOLVEMENT
AND PARTICIPATION OF
EVERYONE AT THE COMPANY.

ENVIRONMENTAL POLICY AND MANAGEMENT SYSTEM

As evidence of its attention to the environment and commitment to the continuous improvement of its environmental performance, in 2017, Moncler formalised a Group Environmental Policy, implemented an Environmental Management System certified under ISO 14001 at the production site in Romania, and continued to adopt solutions to reduce its consumptions and emissions into the environment.

In 2017, Moncler approved a Group 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 minimising the impact of its production site and facilities (offices, warehouses, and stores), as well as that 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 both Italian and English, and can be downloaded from the Group's intranet portal and corporate website.

A tangible result testifying to Moncler's commitment and investments in environmental protection is the **ISO 14001 certification obtained in 2017 for the production facility in Romania**. The Group aims to continue this improvement process, so as to obtain ISO 14001 certification also for the Environmental Management System (EMS) in place at its corporate offices in Italy.

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, the Group concentrates its efforts mainly 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, toners, and energy, and at promoting waste sorting.

Given the nature of Moncler's business model, in which production is mainly outsourced to external suppliers, its most significant environmental impacts are indirect. 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.



RESOURCE CONSUMPTION AND MITIGATION ACTIVITIES

ENERGY CONSUMPTION AND CO₂ EMISSIONS

In addition to heating, air conditioning, lighting, and computer equipment, Moncler's energy consumption is mainly related to the production activities at its site in Romania.

In 2017, 100% of the energy purchased in Italy came from renewable sources.

During the year, the Group also assessed the environmental impact of its employees' business travel. Based on a number of employees accounting for 53% of the total workforce, travel by air, train, and car in 2017 generated approximately 1,490 tonnes of CO₂ emissions.

In order to reduce the carbon footprint of the Company's car fleet, low environmental impact cars will be introduced during 2018.

DIRECT AND INDIRECT ENERGY CONSUMPTION (kWh)

	2017	2016	2015
Direct energy consumption	6,846,732.75	5,545,428.09	2,184,123.04
From non-renewable sources:			
Natural Gas ¹	4,278,224.09	2,723,458.50	2,182,656.00
Diesel ²	2,469,692.90	2,697,831.52	1,467.04
Fuel ²	98,815.76	124,138.07	N/A
Indirect energy consumption³	15,310,797.63	13,603,169.64	8,273,353.50
Electricity from non-renewable sources	10,271,534.25	10,076,736.29	7,435,554.50
Electricity from renewable sources	5,039,263.38	3,526,433.35	837,799.00
Total energy consumption	22,157,530.38	19,148,597.73	10,457,476.54
Total energy consumption/number of employees	6,513.09	6,346.90	7,085.01

DIRECT AND INDIRECT CO₂ EMISSIONS (Tonnes of CO₂)

	2017	2016	2015
Direct emissions (scope 1)	1,636.36	1,437.74	403.00
From non-renewable sources:			
Natural Gas ¹	787.88	502.34	402.59
Diesel ²	826.94	904.11	0.41
Fuel ²	21.54	31.29	N/A
Indirect emissions (scope 2)	5,480.05	5,163.81	3,944.61
Electricity from non-renewable sources	5,480.05	5,163.81	3,944.61
Electricity from renewable sources	-	-	-
Total emissions⁴	7,116.41	6,601.55	4,347.61
Total emissions/number of employees	2.09	2.19	2.95

INITIATIVES TO MITIGATE ENERGY CONSUMPTION AND CO₂ EMISSIONS

In addition to the major goals achieved in 2017 as described above, including ISO 14001 certification of the Environmental Management System (EMS) at the production site in Romania and the use in Italy of 100% green energy, the Group is currently implementing several initiatives across its shops and offices, and at the production site in Romania, to reduce energy consumption and CO₂ emissions. They 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.

With regard to improving the efficiency of lighting systems, thanks to the investments made in 2017, to date, **93%⁵ of stores worldwide** (100% in the United States and over 97% in Europe) are equipped with **Light-Emitting Diode** lights. Latest-generation LED technology delivers high-quality lighting and about **50-70% in energy savings** compared to the former lighting systems, with less residual heat. In terms of environmental impact, LED lights have an average life of five years, versus the six months of traditional light bulbs, and are made almost entirely of recyclable materials. In 2017, Moncler invested about 710,000 euros to replace traditional lighting systems with LED lights.

Further steps towards energy reduction in 2017 were also made during the project to renovate the corporate headquarters in Trebaseleghe (Padua, Italy), where an entire area was already equipped with more efficient lighting systems, using LED lamps, and with insulation systems ensuring greater energy efficiency.

In order to develop a better understanding of the initiatives that could feasibly reduce the environmental impact of stores, Moncler is also engaged in assessing sustainability

requirements in the store design process. Indeed, in addition to style, aesthetics, 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 Group is aware that these aspects need to be managed as soundly as possible to limit their impact on the environment. Moncler relies on the market's best specialists to design its stores, choosing to work with companies offering innovative solutions that also take account of environmental protection.

The Company is also committed to minimising the environmental impact of its Information and Communication Technology (ICT) systems, by implementing increasingly efficient and innovative solutions and thus providing all offices with guidelines for the purchase of green 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 18 conference rooms equipped with modern video conferencing or telepresence technology, 4 more compared to 2016, thanks to the set-up of new facilities at the offices in Shanghai, Hong Kong, New York, and Trebaseleghe. In 2017, these systems theoretically prevented over 19 million kilometres of business travel, estimated to be equal to approximately 2,900 tonnes of CO₂ equivalent⁶.

Moncler is also careful when it comes to the selection of eco-efficient ICT components and equipment. The Group mainly uses multi-functional devices that print, copy, and scan all-in-one, which reduces energy consumption and simplifies maintenance. Existing devices are progressively being replaced with lower energy consumption units. Over the years, the Group has been replacing all hardware components and

1. The 2016 data includes direct consumption in Italy and Romania only, which accounted for about 82% of the total cost of natural gas. Increased consumption in 2017 is due to the broader scope of reporting, which was extended globally, covering 100% of the total cost of natural gas (except for cases in which data is managed by the host department stores).

2. The 2016 and 2017 monitoring of consumption and emissions includes the car fleets in Italy and Romania (accounting for about 100% of the Company fleet). The 2015 data is not available (N/A).

3. The 2016 and 2017 increase in indirect consumption compared to 2015 is due to the progressive and significant expansion of the scope, which in 2017 covered the entire Group.

4. The coefficients used to calculate emissions were published by: DEFRA (Department for Environment, Food & Rural Affairs) in 2015, and by the Department for Business, Energy & Industrial Strategy (BEIS) in 2017. The calculation of CO₂eq (which includes CH₄, NO₂, HFC, PFC, and SF₆ emissions when present) was carried out in accordance with the indications of the Global Warming Potential guide, which is based on the latest scientific studies of the Intergovernmental Panel on Climate Change (IPCC): IPCC Fourth Assessment Report, (AR4).

5. Excluding the 14 shop-in-shops in which lighting is provided by the host department stores, where Moncler cannot take action.

6. The reduction in emissions achieved by using video/telepresence conferencing technologies was estimated by:

- taking into consideration only video/teleconference calls lasting more than 20 minutes
- assuming an average number of four participants in each video/teleconference call
- estimating the flights avoided per each international video/teleconference call. CO₂ estimates were calculated on the basis of the distance in kilometres between the cities linked via video/teleconferencing, assuming two people flying in economy class
- estimating the road trips (by diesel-powered car) avoided per each national video/teleconference call. CO₂ estimates were calculated on the basis of the distance in kilometres between the cities linked via video/teleconferencing
- considering only one calling point and one receiving point for calls involving more than two countries (e.g., Italy, Japan, and the United States)
- calculating the emissions saved based on the coefficients provided by the Department for Business, Energy & Industrial Strategy (BEIS).

monitors in Italy with new Energy Star-certified devices. Energy Star is a voluntary energy efficiency programme, one of the most well-known worldwide. Developed jointly by the United States' Environmental Protection Agency and Department of Energy, Energy Star was devised to reduce costs and help protect the environment through the adoption of energy-efficient products and practices. Products carrying the Energy Star label guarantee excellent energy performance.

In recent years, the Group has also continued to reduce, replace, consolidate, and virtualise its servers, which has led to considerable benefits in terms of energy consumption and related CO₂ emissions. In particular, the extension of virtualisation technologies led to smaller, low-consumption servers, designed to both minimise the amount of energy required to cool the machines, and optimise the use of space and overall performance. In 2017, the virtual infrastructure used by the Moncler Group reached 305 virtual servers (50 more than in 2016, with 45 at the corporate virtual centre and 5 at the virtual centre of the logistics hub in Piacenza). Finally, the server room at the production site in Bacau (Romania) was re-engineered by installing an IBM PureFlex Blade host with new data storage, which allowed the virtualisation (and elimination) of all physical servers present.



USE OF RAW MATERIALS

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 optimise material usage and cutting, thereby avoiding waste.

The same attention is given to paper and cardboard used for office purposes or product packaging, with improvement projects focusing on origin certification, the percentages of recycled content, and, where possible, usage limitations and waste sorting for recycling. An awareness initiative was implemented globally to promote the use of paper from responsible sources – i.e., those that ensure sustainable forestry practices.

Thanks to this joint effort, 100% of the paper used in offices and stores in 2017 came from responsible sources (versus 64% in 2015 and 98% in 2016). Furthermore, still in 2017, almost all logoed material used worldwide was made of Elemental Chlorine Free (ECF) paper from responsible sources, 99% of which were ISO 14001-certified (versus 93% in 2016). With regard to packaging, the boxes used for the shipment of products sold online were redesigned;

the new models, introduced in 2016, are entirely made of ECF paper/cardboard from certified sources and feature over 65% in recycled content. The boxes are also more than 90% recyclable. Moncler's eco-friendly shopping bags, also introduced in 2016 to all boutiques, feature cotton components, paper that is 100% from responsible sources and 40% made from recycled material, and reinforcement cardboard that is 100% from responsible sources and 90% made from recycled material.

Since 2016, in an effort to raise employee awareness of the environmental impacts of day-to-day activities and to promote sustainable behaviours, the corporate offices in Italy have introduced the use of personalised codes for all copying/printing activities. The goal is to enhance employees' **sense of responsibility and to rationalise the number of printed documents**, so as to cut toner and paper consumption. In the wake of the two 16-hour training sessions on *Paper and Printing: Certifications and Environmental Implications*, delivered in 2016 to employees at the corporate offices in Trebaseleghe (Padua, Italy) and Milan, further training activities on paper certifications were organised in 2017 for employees across regional offices.

PAPER

	Quantity (tonnes)	Renewable	Recyclable	% from responsible sources	% ECF
Printer paper	30.5	100%	yes	100%	96%
Logoed material ⁷	82.9	98%	yes	100%	100%
Total	113.4	99%	yes	100%	99%

PACKAGING

	Quantity (tonnes)	Renewable	Recyclable	% from responsible sources
Delivery boxes	1,086.33	100%	yes	96%
Packaging boxes ⁸	263.12	100%	in part ⁹	88%
Tissue paper	19.00	100%	yes	100%
Shopping bags	308.64	100%	yes	100%

7. Including, but not limited to, business cards, envelopes, 'with compliments' cards, repair receipt books, notebooks, catalogues, folders, stationary, and client data sheets.

8. Packaging boxes include e-commerce as well as other boxes, such as those for gifts, eyewear, shoes, etc. As regards the new boxes used to ship products sold online, they are 100% made of paper/cardboard from certified sources.

9. Packaging boxes are equipped with a magnet, which is non-recyclable.

WASTE

The main waste generated by Moncler consists of packaging materials, office waste, and production waste (fabrics).

The Group's offices and shops 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/reuse. Waste sorting applies to: paper, cardboard, wood, plastic, and computer equipment.

In 2017, all employees received the *10 Golden Environmental Rules*, summarising a series of good habits to be adopted at home and at work to make an important contribution to environmental protection.

WASTE GENERATION¹⁰ (Tonnes)

	2017	2016	2015
Non-hazardous waste	499.5	456.0	463.3
paper and cardboard	195.3	246.5	267.4
mixed packaging	140.1	133.0	133.7
wood	55.8	16.8	18.6
plastic	0.8	0.9	-
fabrics	59.9	58.7	43.6
iron	28.6	-	-
glass	-	0.1	-
other	19.0	0.03	-
Hazardous waste	5.2	-	-
Total waste generated	504.7	456.0	463.3

WASTE DISPOSAL (Tonnes)

	2017	2016	2015
Reuse	465.1	-	-
Recycling	27.6	264.2	286.0
Incineration	4.2	51.0	41.3
Landfill	7.8	140.8	136.0
Total waste generated	504.7	456.0	463.3

10. The 2015 data refers to the scope of Italian offices and logistics hub, and do not include waste managed directly by local municipalities. The 2016 and 2017 data also includes the production site in Romania.

LOGISTICS

The transportation of products from production chains to retail markets is a crucial part of the Group's business and a key element of its competitiveness; but it is also a significant source of Moncler's environmental impact. To this end, the Group does its best to implement logistics solutions that ensure not only operational efficiency and compliance with deadlines, but also respect for the environment.

The Group's logistics system is two-fold, featuring an industrial level covering production processes, and a commercial level covering product distribution.

Moncler's industrial logistics are organised around a single hub, located in Castel San Giovanni (Piacenza, Italy), which receives raw materials from suppliers and then forwards them to façon manufacturers (who, in turn, send finished garments back to the central warehouse).

On the other hand, the Company's **commercial logistics** involve multiple hubs managed centrally by the main hub in Castel San Giovanni. These hubs receive finished products from suppliers and then forward them to their final destination (third-party clients and mono-brand boutiques).

The Group has long used customised information systems to support its logistics activities, designed to ensure high levels of standardisation, integration, flexibility, efficiency, and reliability.

On the wave of the Company's growth in recent years, and in order to optimise logistics processes, a project was launched in 2017 to expand and upgrade the logistics hub in Castel San Giovanni (Piacenza, Italy). The project will also provide for the broadening of the hub's activities, so as to include, for example, product quality checks prior to market release, which will clearly have a significant positive impact on local employment.

Moncler supports and encourages its logistics partners to adopt sustainable systems and transport methods. Various initiatives have been implemented over the years to help minimise environmental impacts and costs, and others are currently under assessment. Four main drivers underpin Moncler's commitment towards a sustainable logistics system:

- identification of efficient routes in order to reduce distances travelled
- optimisation of flows in order to minimise 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 reorganised 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 optimisation 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.

Thanks to the collaboration of its logistics partners, the Group started monitoring the CO₂ emissions from road transport of finished products from the logistics hub in Castel San Giovanni (Piacenza, Italy) to all owned stores. In 2017¹¹, the emissions generated by the Company's key logistic partners were estimated at approximately 2,300 tonnes of CO₂ equivalent.

11. The 2017 data refers to transport to owned stores and local warehouses, as well as to wholesale stores.



7

COMMUNITIES

146 SUPPORTING
LOCAL COMMUNITIES





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

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

SUPPORTING LOCAL COMMUNITIES

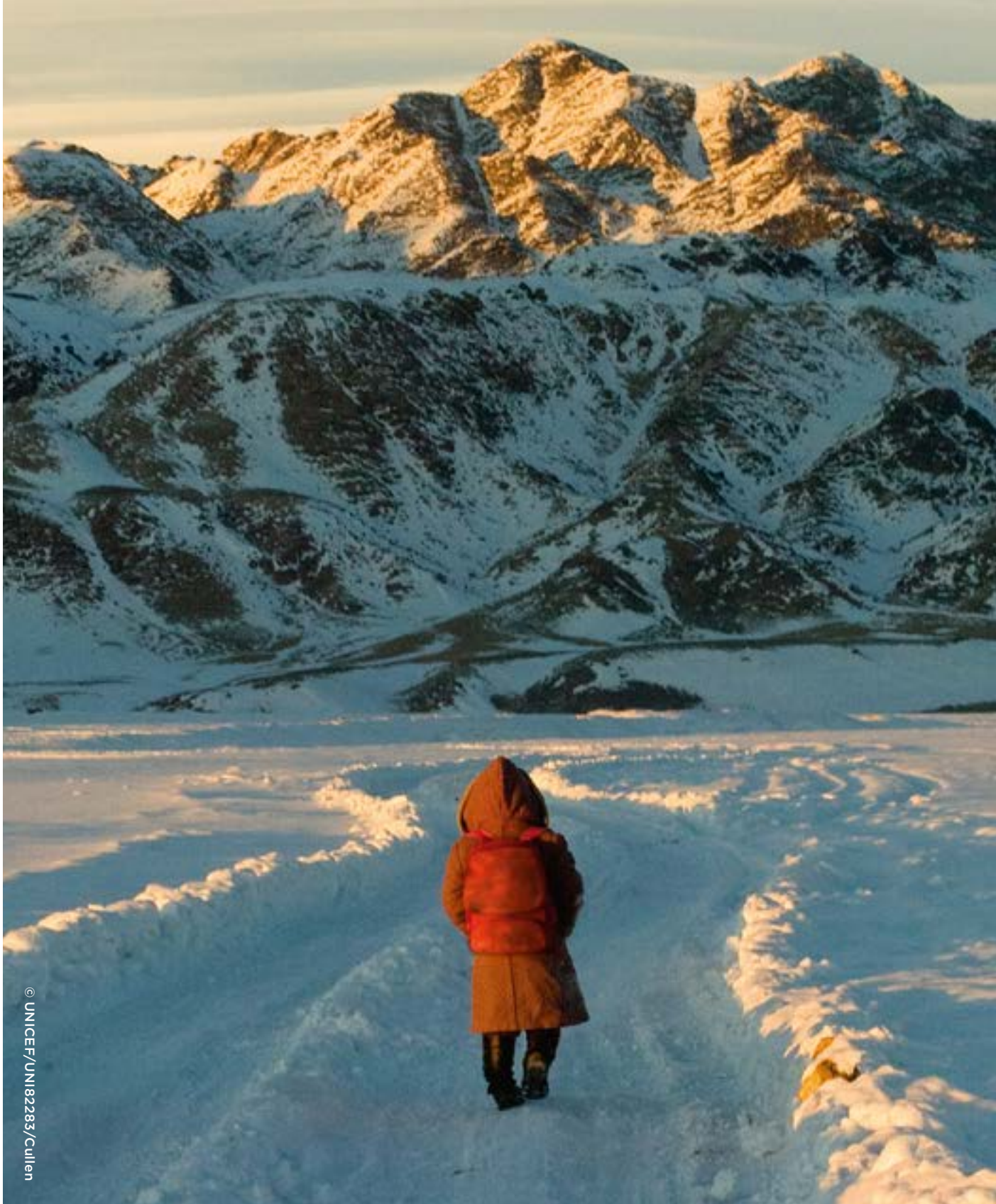
Over the years, Moncler has promoted and sponsored many initiatives in support of local communities and charitable organisations, through cash contributions, the donation of goods (garments), and organisational support to national and international projects.

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

In addition, the Company implements further activities to support local communities near its main areas of operation, in collaboration with authorities and the population alike. 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, recognise the impact of its operations on the community itself, and ensure social consensus.

In 2017, Moncler invested about 2.7 million euros¹ in local community initiatives, an increase of more than 28% compared to 2016.

1. The figure includes both cash contributions and the donation of goods.



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TYPE OF CONTRIBUTION

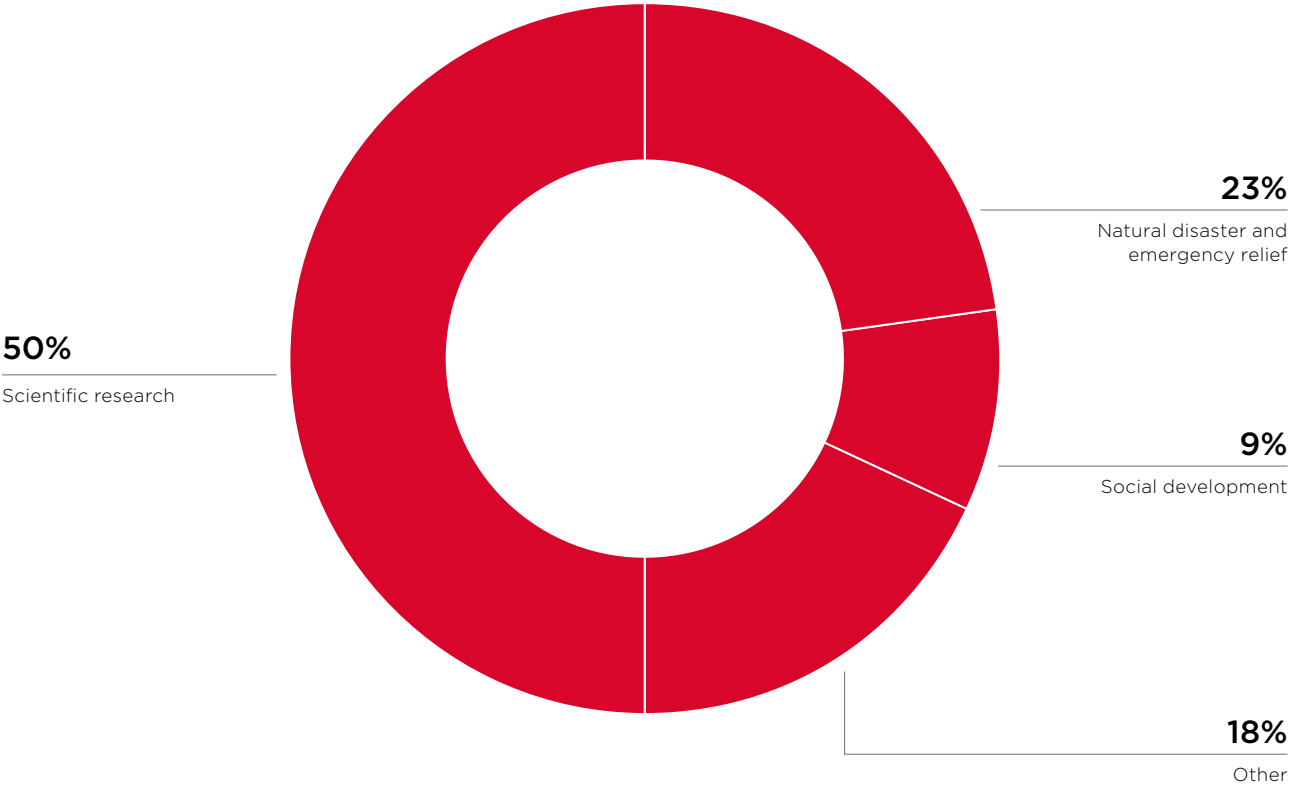


TYPE OF INITIATIVE

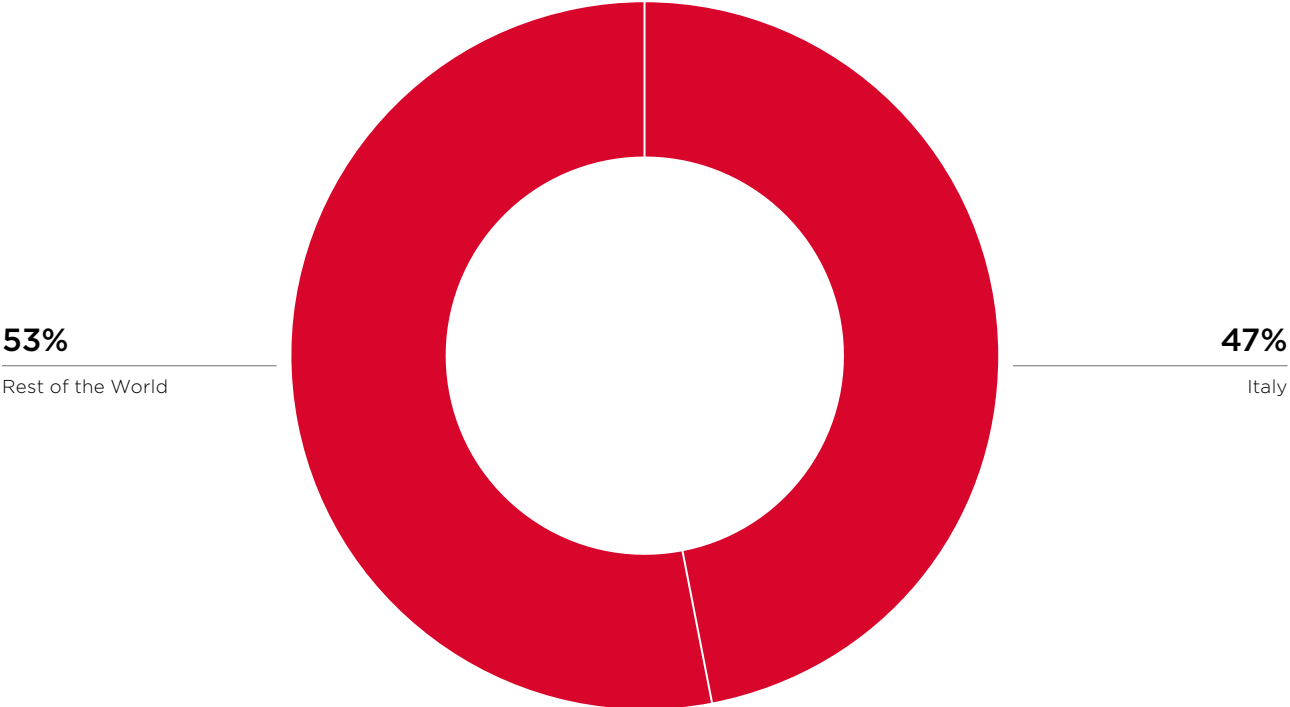


2. Monetary value of hours volunteered by employees during regular working hours and costs incurred to organise volunteering activities.

AREAS OF INTERVENTION



CONTRIBUTION BY GEOGRAPHIC AREA





SUPPORT TO MEDICAL AND SCIENTIFIC RESEARCH

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

In 2017, a total of 1.3 million euros was earmarked 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 the amfAR Foundation and AIL (*Associazione Italiana contro le Leucemie* – Italian association against leukaemia).

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 young physicians and researchers involved in the most advanced fields of oncology, cardiology, and neuroscience.

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 strongly 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 by handing out information brochures to clients to raise prevention awareness.

In 2017, once again, Moncler supported two of the Foundation's researchers: one from the University of Rome Tor Vergata, engaged in the development of a self-diagnosis test for breast cancer, and one from the Humanitas Research Hospital in Rozzano (Italy), who is studying circulating tumour cells in the early diagnosis of lung cancer.

Moncler also continued to support the Foundation's commitment to **paediatric oncology** by contributing to the *Gold for Kids* project, which aims at: raising awareness of the delicate issue of paediatric and adolescent cancers, promoting research, and contributing to the development of innovative treatment protocols capable of delivering cutting edge therapies and the highest chance of recovery. In particular, Moncler continued to fund the five-year *SAR-GEN 2016* protocol for the treatment of bone and soft tissue sarcomas, which account for 10-15% of childhood cancers. In 2017, in order to promote research into treatment as well as diagnosis, Moncler began funding a three-year study to assess the risk of secondary leukaemia in cancer survivors. The study will analyse the DNA of children who survived cancer, in order to develop a genetic test to predict risk and enable the early diagnosis of blood diseases resulting from cancer therapies.

amfAR FOUNDATION

amfAR is one of the world's leading non-profit organisations dedicated to ending the global AIDS epidemic through innovative research.

Since 1985, the organisation has supported AIDS research while also combating the epidemic through prevention, education, awareness campaigns, and the advocacy of AIDS-related public policy. Moncler has collaborated with amfAR since 2013 by supporting its *Countdown to a Cure for AIDS* research initiative, aimed at finding a broadly applicable cure for HIV by 2020.

At the 2017 Cannes Festival, amfAR held the 24th edition of its *Cinema against AIDS* benefit gala, which included a fashion show and the auction of garments from the most prestigious international fashion brands to raise funds for research. Moncler participated by auctioning garments from the Gamme Rouge collection and by sponsoring the gala's after-party.

In October, Moncler also participated in the charity event *Fabulous Fund Fair* organised by amfAR in New York.

INITIATIVES FOR THE SOCIAL AND ECONOMIC DEVELOPMENT OF LOCAL 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 more ways than one, organisations working in the social sphere with a focus on supporting young people and spreading a culture of respect for the environment.

One of the issues closest to the heart of Moncler is that which is related to **young people** and their future. For many years now, the Company has supported new generations in difficulty by ensuring access to medical treatment, adequate levels of education, and a clear growth path, and it does so by collaborating with associations and foundations such as: Francesca Rava – N.P.H. Italia Onlus, San Patrignano Recovery Community, De Marchi Foundation, Together To Go, Dynamo Camp, I Bambini delle Fate Onlus, Action Innocence, and Amici di Cometa Onlus.

Moncler also supports projects focusing on the protection and preservation of the **environment**, such as the *Keep Karakorum Clean* and *Keep K2 Clean* initiatives promoted by the Ev-K2-CNR Association to protect mountain areas. Or the project to restore the landscape, environment, and rural buildings in the natural areas of Mount Fontana Secca and Col de Spadaròt Quero Vas in Belluno (Italy), promoted by the FAI (*Fondo Ambiente Italiano* – National Trust of Italy), which Moncler has supported since 2015.

FRANCESCA RAVA FOUNDATION – N.P.H. ITALIA ONLUS

The Francesca Rava Foundation helps disadvantaged children in Italy and across the globe through child sponsorships, targeted projects, awareness campaigns on children's rights, and volunteer work. In Italy, the Foundation represents the international humanitarian organisation N.P.H. (*Nuestros Pequeños Hermanos* – Our little brothers and sisters), which has helped save orphaned and abandoned children since 1954 by welcoming them into its own orphanage homes and hospitals.

Moncler has stood behind the Foundation since 2010 by supporting the N.P.H. Saint Damien paediatric hospital in Haiti (which assists 80,000 children a year), through the purchase of oxygen generators that supply enough medical gas to cover hundreds of beds in the facility's general ward and intensive care unit, as well as its four operating rooms, and with cash donations to cover the salaries and the costs of training (both in Italy and on site) of new paediatric surgeons, so as to increase the level of service and care at the hospital.

EV-K2-CNR ASSOCIATION

Ev-K2-CNR is a private non-profit association that promotes collaborative development projects and scientific research focusing on fragile mountain ecosystems. The association collaborates with international organisations, among others, such as WWF (World Wildlife Fund), UNEP (United Nations Environment Programme), and WMO (World Meteorological Organization). Its activities are centred on the study and

monitoring of climate change, the protection of biodiversity, and sustainable development in mountain areas.

For several years, the association has been promoting projects in the mountain areas of the Hindu Kush-Karakoram-Himalaya region, as well as in Nepal, Pakistan, Tibet, India, and Bhutan; it also has a laboratory-observatory at 5,050 metres of altitude on the Nepalese side of Mount Everest.

United by the same passion and respect for the mountains, Ev-K2-CNR and Moncler have collaborated since 2014 in promoting environmental education programmes, such as *Keep Karakorum Clean* and *Keep K2 Clean*. These initiatives, also developed within the scope of the K2 expedition and in collaboration with local institutions, have led to waste clean-ups at base camps, which were restored to their natural conditions, and to the creation of a mountain rescue post. Furthermore, several environmental education activities were launched, with the support of the authorities of Central Karakorum National Park and of the province of Gilgit-Baltistan (Pakistan), to raise awareness among Pakistani operators of the importance of preserving parks and glaciers, with initiatives ranging from the implementation of waste sorting systems to the set-up of a waste recycling centre. Other environmental education campaigns were launched in schools across the region.

Thanks to Moncler's support, the Ev-K2-CNR launched a new initiative in 2017, the *Baltoro Cleanup Campaign*, promoting the environmental conservation of the Baltoro Glacier, one of the largest freshwater reserves in Gilgit-Baltistan. The project led to the collection of over 5,000 kg of waste in three months.

NATURAL DISASTER RELIEF

Moncler is committed to helping populations affected by natural disasters.

In October 2016, when a number of municipalities in central Italy were hit by a devastating earthquake, Moncler promptly took action to offer its help. Through its partnership with the Francesca Rava Foundation, the Company donated more than 2,000 down jackets to students and teachers from schools affected by the earthquake in the towns of Norcia, Cascia, and Arquata. In Cascia, it also funded the construction of the new elementary school and the set-up of a multifunctional sports facility. The school was inaugurated in 2017, during a ceremony attended by local authorities, students, teachers, and Moncler representatives, including 12 employee volunteers who joined the children's entertainers engaging the students in a series of fun activities.

Lastly, Moncler funded a project for the construction of a playground at the nursery school in Pieve Torina (in Macerata, Italy), which will be built in 2018 in compliance with seismic and eco-sustainable principles. The playground's design will be inspired by an educational concept focusing on environmental issues, through research and the study of exclusive games, created ad hoc by architects from the University of Camerino.



CHILDREN IN NEED OF HELP AND ASSISTANCE

UNICEF, the United Nations Children's Fund, is present in 190 countries worldwide and provides humanitarian aid to children and their mothers, mainly in developing countries. Millions of children around the world live in conditions of dire need, which become even more desperate in winter, making survival a daily struggle.

In 2017, Moncler teamed up with UNICEF to help children living in extreme poverty in countries where climatic and social conditions are most challenging. Through the *Warmly Moncler for Unicef* project, the Company helped around 11,500 children in Syria, Nepal, and Mongolia by donating clothing and other items to face the winter and protect themselves from the cold.

8

APPENDIX

157	GUIDE TO THE REPORT
159	ADDITIONAL INFORMATION
164	STATEMENT OF ASSURANCE
168	GRI-G4 CONTENT INDEX
178	GLOSSARY
180	CONTACTS





GUIDE TO THE REPORT

REPORTING STANDARDS

The Consolidated Non-Financial Statement 2017 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 GRI-G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI) – to date, the most widely used and recognised standard at international level for sustainability reporting. To facilitate the search for information, a GRI-G4 Content Index is provided on pages 168-176.

The Non-Financial Statement follows the principle of materiality, as provided for by the relevant regulations of the GRI-G4 Guidelines. The issues discussed in this Statement are those that, following a materiality analysis and assessment as described on page 55, were considered relevant, being that they are able to reflect the social and environmental impacts of the Group's activities, or influence the decisions of its stakeholders.

SCOPE OF REPORTING

The qualitative and quantitative data and information contained in the Consolidated Non-Financial Statement 2017 refers to the performance of the Moncler Group (also the Group or Moncler) for the year ended 31 December 2017. 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 2017 was based on a structured process entailing:

- the involvement of all Company units and departments responsible for the relevant areas and related data and information subject to the Group's non-financial reporting. In 2017, the Group created a profile for 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 set in the Sustainability Plan. The data and information included in the Statement is 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 fiscal year 2017, following its 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 contextualisation 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 was 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

	2017			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Italy	800	30.7%	69.3%	741	29.7%	70.3%	669	30.5%	69.5%
EMEA (excl. Italy)	1,404	21.9%	78.1%	1,281	20.9%	79.1%	664	27.1%	72.9%
Americas	328	46.3%	53.7%	314	44.6%	55.4%	257	44.4%	55.6%
Asia and Rest of the World	966	34.1%	65.9%	880	33.1%	66.9%	834	33.0%	67.0%
Total	3,498	29.6%	70.4%	3,216	28.6%	71.4%	2,424	31.9%	68.1%

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	2017			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Executives and senior executives	55	56.4%	43.6%	50	56.0%	44.0%	41	65.9%	34.1%
Managers	203	46.3%	53.7%	184	48.4%	51.6%	240	42.5%	57.5%
Professionals	355	32.7%	67.3%	293	29.0%	71.0%	211	29.4%	70.6%
White-collars	2,026	34.4%	65.6%	1,865	32.3%	67.7%	1,633	32.6%	67.4%
Workers	859	11.2%	88.8%	824	14.0%	86.0%	299	16.4%	83.6%
Total	3,498	29.6%	70.4%	3,216	28.6%	71.4%	2,424	31.9%	68.1%

EMPLOYEES BY AGE GROUP AND GENDER

	2017			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
<30	1,199	37.0%	63.0%	926	35.7%	64.3%	867	36.8%	63.2%
31-40	1,209	28.6%	71.4%	1,241	29.2%	70.8%	898	29.8%	70.2%
41-50	731	22.0%	78.0%	700	21.0%	79.0%	472	27.3%	72.7%
>50	359	23.1%	76.9%	349	22.6%	77.4%	187	30.5%	69.5%
Total	3,498	29.6%	70.4%	3,216	28.6%	71.4%	2,424	31.9%	68.1%

EMPLOYEES BY LEVEL OF EDUCATION AND GENDER

	2017			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
University degree or equivalent	1,372	32.8%	67.2%	1,144	30.7%	69.3%	955	29.2%	70.8%
High school	1,088	33.7%	66.3%	1,025	33.6%	66.4%	754	37.5%	62.5%
Middle and elementary school	874	17.2%	82.8%	898	18.5%	81.5%	494	25.1%	74.9%
Not mapped	164	40.9%	59.1%	149	38.9%	61.1%	221	39.4%	60.6%
Total	3,498	29.6%	70.4%	3,216	28.6%	71.4%	2,424	31.9%	68.1%

EMPLOYEES BY LENGTH OF SERVICE AND GENDER

	2017			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Up to 5 years	3,060	29.4%	70.6%	2,908	28.5%	71.5%	2,101	32.4%	67.6%
6 to 10 years	274	28.5%	71.5%	145	24.8%	75.2%	174	25.9%	74.1%
11 to 20 years	164	33.5%	66.5%	160	33.1%	66.9%	148	32.4%	67.6%
21 to 30 years	-	-	-	3	-	100.0%	1	-	100.0%
Total	3,498	29.6%	70.4%	3,216	28.6%	71.4%	2,424	31.9%	68.1%

EMPLOYEES BY CONTRACT TYPE AND GENDER

	2017			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Permanent contract	2,709	28.9%	71.1%	2,542	28.5%	71.5%	1,733	32.3%	67.7%
Temporary contract	789	31.7%	68.3%	674	28.8%	71.2%	691	30.8%	69.2%
Total	3,498	29.6%	70.4%	3,216	28.6%	71.4%	2,424	31.9%	68.1%

PERMANENT EMPLOYEES BY CONTRACT TYPE AND GENDER

	2017			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Full-time	2,502	29.1%	70.9%	2,371	28.5%	71.5%	1,595	32.3%	67.7%
Part-time	207	27.1%	72.9%	171	29.2%	70.8%	138	32.6%	67.4%
Total	2,709	28.9%	71.1%	2,542	28.5%	71.5%	1,733	32.3%	67.7%

NEW HIRES AND DEPARTING EMPLOYEES BY GENDER

	2017			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
New hires	1,581	487	1,094	1,259	425	834	1,591	432	1,159
Departing employees	1,299	373	926	1,034	340	694	891	254	637

NEW HIRES AND DEPARTING EMPLOYEES BY AGE GROUP

	2017					2016					2015				
	Total	<30	31-40	41-50	>50	Totale	<30	31-40	41-50	>50	Totale	<30	31-40	41-50	>50
New hires	1,581	914	377	200	90	1,259	590	465	130	74	1,591	685	556	250	100
Departing employees	1,299	689	335	181	94	1,034	500	322	129	83	891	432	297	110	52

NEW HIRES AND DEPARTING EMPLOYEES BY GEOGRAPHIC AREA

	2017				
	Total	Italy	EMEA (excl. Italy)	Americas	Asia and Rest of the World
New hires	1,581	303	647	186	445
Departing employees	1,299	248	537	181	333

EMPLOYEES BY COUNTRY

	2017		2016		2015	
	No.	%	No.	%	No.	%
Italy	800	22.9	741	23.0	669	27.6
Romania	896	25.6	862	26.8	287	11.8
Japan	410	11.7	334	10.4	327	13.5
United States	281	8.0	278	8.6	217	9.0
China	270	7.7	258	8.0	263	10.8
France	147	4.2	136	4.2	127	5.2
Korea	130	3.7	127	3.9	97	4.0
United Kingdom	101	2.9	85	2.6	62	2.6
Hong Kong	96	2.7	108	3.4	101	4.2
Germany	58	1.7	47	1.5	45	1.9
Switzerland	49	1.4	45	1.4	39	1.6
Canada	40	1.1	28	0.9	32	1.3
Austria	36	1.0	28	0.9	29	1.2
Taiwan	25	0.7	24	0.7	25	1.0
Other countries	159	4.5	115	3.6	104	4.3
Total	3,498	100	3,216	100	2,424	100

PARENTAL LEAVE

Moncler grants parental leaves to all its employees in accordance with applicable laws and local regulations. In addition, in December 2017, a second-level company agreement was signed with trade union representatives in Italy granting all employees of the Group's Italian companies, who become fathers as from 1 January 2018, a total of five days of paternity leave, i.e., one more than that which is established by law or the national collective labour agreement.

In 2017, 115 Group employees, accounting for 4% of the eligible female workforce and 1% of the eligible male workforce, took some form of parental leave. Around 72% of them returned to work after the leave period. Of those who returned to work in 2016, 45% 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

The Moncler Group 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.

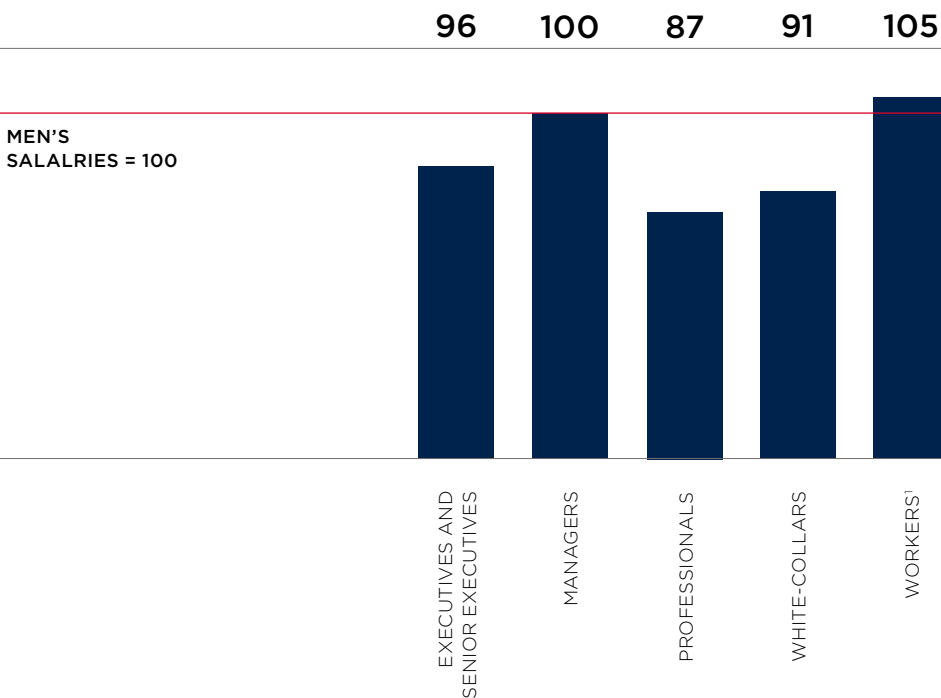
In confirmation of the above, in 2017, no Final Decision was handed down against the Moncler Group in any of the following areas:

- 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.

To be noted is one case related to unfair competition, still pending in appeal after an initial ruling was handed down in favour of the Group. Overall, litigation against the Group, in terms of type of issue and number of cases, is not particularly significant.

With regard to tax audits, reference should be made to the section *Significant events occurred during the Financial Year 2017* in the *Board of Directors' Report* included in the *Annual Report 2017*.

RATIO BETWEEN WOMEN'S AND MEN'S SALARY LEVELS



1. Since most of the workers are women (89%) and are located in Romania, while most of the male workers are located in Italy, the comparison between men's and women's salaries would be misleading. For this reason, the analysis was conducted only within the Romanian perimeter.

ACCIDENTS BY GEOGRAPHIC AREA AND GENDER

	2017 ²			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Italy	4	3	1	2	1	1	1	1	-
EMEA (including Italy)	14	8	6	5	1	4	2	-	2
Americas	1	1	-	7	3	4	-	-	-
Asia and Rest of the World	-	-	-	4	1	3	-	-	-
In the workplace	19	12	7	18	6	12	3	1	2
Italy	9	1	8	5	1	4	8	1	7
EMEA (including Italy)	2	1	1	3	2	1	3	-	3
Americas	-	-	-	-	-	-	-	-	-
Asia and Rest of the World	-	-	-	1	1	-	-	-	-
Commuting to/ from work	11	2	9	9	4	5	11	1	10
Total	30	14	16	27	10	17	14	2	12

ACCIDENTS AND DAYS LOST DUE TO INJURIES

	2017 ²			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Accidents (No.)	30	14	16	27	10	17	14	2	12
in the workplace	19	12	7	18	6	12	3	1	2
commuting to/ from work	11	2	9	9	4	5	11	1	10
Days lost due to injuries	890	205	685	377	190	187	353	34	319
in the workplace	413	176	237	121	73	48	23	7	16
commuting to/ from work	477	29	448	256	117	139	330	27	303

ACCIDENT INDICATORS (IN THE WORKPLACE AND COMMUTING TO/FROM WORK) BY GENDER

	2017 ²			2016			2015		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Incidence rate ³	8.58	13.54	6.49	8.40	10.88	7.40	5.78	2.59	7.27
Severity rate ⁴	0.16	0.12	0.17	0.10	0.15	0.08	0.10	0.03	0.15
Frequency rate ⁵	5.35	8.60	4.02	7.18	7.65	6.93	4.16	1.59	5.69

2. In 2017, the scope of reporting was significantly broadened, reaching 100% of the Group's global workforce; data therefore cannot be compared with previous years.

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.

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



KPMG S.p.A.
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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 Consob Regulation no. 20267

*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 Consob (the Italian Commission for listed companies and the stock exchange) Regulation no. 20267, we have been engaged to perform a limited assurance engagement on the 2017 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 26 February 2018 (the "NFS").

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Moncler S.p.A. (the "parent") for the NFS

The parent's directors are responsible for the preparation a NFS in accordance with articles 3 and 4 of the decree and the "G4 Sustainability Reporting Guidelines" issued in 2013 by GRI - Global Reporting Initiative (the "GRI G4 Guidelines").

The directors are also responsible, in accordance with 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.

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.

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 Cooperative ("KPMG International"), entità di diritto svizzero.

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Bologna Bologna Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Palermo Palermo Parma Perugia
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Moncler Group

Independent auditors' report on the consolidated non-financial statement
31 December 2017

The Collegio Sindacale is responsible for overseeing, in accordance with 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 Code of Ethics for Professional Accountants 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. KPMG S.p.A. 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 G4 Guidelines. 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 group'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 selected procedures to check the correct aggregation of data in the quantitative information;
- we visited Moncler S.p.A., Industries S.p.A. and Industries Yield S.r.l., 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.

Conclusions

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2017 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 G4 Guidelines.



Moncler Group

Independent auditors' report on the consolidated non-financial statement
31 December 2017

Other matters

The parent prepared the group's 2016 sustainability report and has presented the data included therein for comparative purposes in its NFS. We reviewed that sustainability report in compliance with ISAE 3000 revised, not pursuant to any legal requirements, and expressed an unqualified conclusion thereon on 6 April 2017.

Treviso, 26 March 2018

KPMG S.p.A.

(signed on the original)

Francesco Masetto
Director of Audit

GRI-G4 CONTENT INDEX

The following index is provided to facilitate the search for content related to specific GRI-G4 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 2017 materiality analysis. See also page 169.

The second part refers to other GRI-G4 indicators that complete Moncler's performance profile. See also page 172. A table linking the material topics and the GRI index is also provided.

Independent auditor KPMG S.p.A. carried out a limited assurance engagement on Moncler's Consolidated Non-Financial Statement 2017, providing its overall conclusions thereafter. As regards the scope of activities, please refer to the Statement of Assurance on the Consolidated Non-Financial Statement released by the independent auditors, on pages 164-167.

LEGEND

NFS = Consolidated Non-Financial Statement 2017

AR = Annual Report 2017

CE = Code of Ethics

PRP = Procedure Governing Transactions with Related Parties

CGR = Corporate Governance Report 2017

INDEX OF GRI CONTENT 'IN ACCORDANCE' – CORE OPTION

GRI – GENERAL STANDARD DISCLOSURES

STRATEGY AND ANALYSIS

G4-1	NFS page 10
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ORGANISATIONAL PROFILE

G4-3	NFS page 157
G4-4	NFS pages 26, 116-119
G4-5	NFS page 180
G4-6	NFS pages 26-29, 72, 100-101, 159, 161
G4-7	NFS pages 42-44, 180
G4-8	NFS pages 26-29
G4-9	NFS pages 26-29, 32-35, 36-37, 72, 98
G4-10	NFS pages 72, 76, 159-160
G4-11	NFS page 92
G4-12	NFS pages 98-101
G4-13	No significant changes reported. AR (Paragraphs: Consolidated Cash Flow Statement; Notes to the Consolidated Financial Statements – The Group and its Main Activities)
G4-14	NFS pages 48-52
G4-15	NFS pages 42-43, 81
G4-16	NFS page 58

IDENTIFIED MATERIAL TOPICS AND BOUNDARIES

G4-17	NFS page 157
G4-18	NFS pages 157-158
G4-19	NFS page 55
G4-20	NFS page 177
G4-21	NFS page 177
G4-22	NFS pages 36-37
G4-23	No significant changes reported.

STAKEHOLDER ENGAGEMENT

G4-24	NFS pages 56-57
G4-25	NFS page 56
G4-26	NFS pages 56-57
G4-27	NFS pages 56, 85, 104-105

REPORT PROFILE

G4-28	NFS page 157
G4-29	NFS page 157
G4-30	NFS page 157
G4-31	NFS page 180
G4-32	NFS pages 157, 164-167, 168-176
G4-33	NFS pages 157, 164-167

GOVERNANCE

G4-34	NFS pages 42-44, 54
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ETHICS AND INTEGRITY

G4-56	NFS pages 18-21, 42, 45-46
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GRI - SPECIFIC STANDARD DISCLOSURES

CATEGORY: ECONOMIC

FINANCIAL PERFORMANCE

G4-DMA	NFS pages 32, 146-149
G4-EC1	NFS pages 32, 36-37, 146-149

PROCUREMENT PRACTICES

G4-DMA	NFS pages 98-104, 106
G4-EC9	NFS pages 98-101

CATEGORY: ENVIRONMENTAL

MATERIALS

G4-DMA	NFS page 138
G4-EN1	NFS page 138
G4-EN2	NFS page 138

ENERGY

G4-DMA	NFS pages 134-136
G4-EN6	NFS pages 134-136

SUPPLIER ENVIRONMENTAL ASSESSMENT

G4-DMA	NFS pages 65, 102-104
G4-EN33	NFS pages 65, 102-104

CATEGORY: SOCIAL —

EMPLOYMENT

G4-DMA	NFS pages 71, 72, 76, 82-85
G4-LA1	NFS pages 76, 161
G4-LA2	NFS page 82

TRAINING AND EDUCATION

G4-DMA	NFS pages 80-81, 82-85
G4-LA11	NFS pages 82-85

DIVERSITY AND EQUAL OPPORTUNITIES

G4-DMA	NFS pages 82-87
G4-LA12	NFS pages 44, 72-76, 86-87, 159-162

EQUAL REMUNERATION FOR WOMEN AND MEN

G4-DMA	NFS pages 81, 86-87
G4-LA13	NFS page 162

SUPPLIER ASSESSMENT FOR LABOUR PRACTICES

G4-DMA	NFS pages 65, 102-104
G4-LA15	NFS pages 65, 102-104

CATEGORY: SOCIAL —

SUPPLIER HUMAN RIGHTS ASSESSMENT

G4-DMA	NFS pages 65, 102-104
G4-HR11	NFS pages 65, 102-104

CATEGORY: SOCIAL —

LOCAL COMMUNITIES

G4-DMA	NFS pages 146-149, 152
G4-SO1	NFS pages 146-149, 152

CATEGORY: SOCIAL —

CUSTOMER HEALTH AND SAFETY

G4-DMA	NFS pages 116-119, 162
G4-PR1	NFS pages 116-119
G4-PR2	NFS page 162

PRODUCT AND SERVICE LABELLING

G4-DMA	NFS pages 112-115
G4-PR5	NFS page 115

MARKETING COMMUNICATIONS

G4-DMA	NFS page 162
G4-PR7	NFS page 162

ADDITIONAL GRI INDICATORS

GRI – GENERAL STANDARD DISCLOSURES

STRATEGY AND ANALYSIS

G4-2	NFS pages 48-52, 60-67
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GOVERNANCE

G4-35	NFS page 54
G4-36	NFS page 54
G4-37	NFS page 54
G4-38	NFS pages 42-44, 54; CGR (Paragraphs: Board of Directors; Composition and Functioning of the Board of Statutory Auditors)
G4-39	NFS pages 42-44; CGR (Paragraphs: Chairman of the Board of Directors; Table 2: Structure of the Board of Directors and Committees)
G4-40	CGR (Paragraph: Board of Directors – Appointment and Replacement of Directors)
G4-41	CE (Paragraphs: Contributions and Sponsorships; Conflicts of Interest); PRP
G4-42	NFS page 54
G4-43	NFS pages 48, 54
G4-45	NFS pages 48, 60
G4-46	NFS page 48
G4-47	NFS page 48
G4-48	NFS pages 55, 157-158
G4-49	NFS pages 45-46
G4-53	NFS pages 81-82

ETHICS AND INTEGRITY

G4-57	NFS pages 45-46, 62 ; CE (Paragraph: Reporting Breaches of the Code of Ethics)
G4-58	NFS pages 45-46, 62

GRI - SPECIFIC STANDARD DISCLOSURES

CATEGORY: ECONOMIC

FINANCIAL PERFORMANCE

G4-EC2	NFS pages 132, 134-136. Partial disclosure of indicator. The opportunity of expanding the scope of analysis will be considered in the future.
G4-EC3	NFS page 82; RFA (Paragraph: Employee Benefits)
G4-EC4	NFS page 58

MARKET PRESENCE

G4-DMA	NFS pages 76, 81
G4-EC5	NFS page 81
G4-EC6	NFS page 76

INDIRECT ECONOMIC IMPACTS

G4-DMA	NFS pages 146-153
G4-EC7	NFS pages 146-153

CATEGORY: ENVIRONMENTAL

ENERGY

G4-DMA	NFS pages 132, 134-136
G4-EN3	NFS page 134
G4-EN5	NFS page 134
G4-EN7	NFS pages 134-136

WATER

G4-EN9	The Group's main source of water supply is represented by water mains.
G4-EN10	Water consumption mainly relates to sanitary plumbing. During the reporting period, water consumption was approximately 189,000 cubic metres. The water used is neither recycled nor reused.

BIODIVERSITY

G4-EN11	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 G4-EN12, EN13, EN14, and EN26 are not applicable.
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EMISSIONS

G4-DMA	NFS pages 132, 134-136
G4-EN15	NFS page 134
G4-EN16	NFS page 134
G4-EN17	NFS page 140
G4-EN18	NFS page 134
G4-EN19	NFS pages 132, 134-136
G4-EN20	During the reporting period, gas leaks of approximately 53 kg of hydrochlorofluorocarbons (HCFCs) were recorded in Italy, mainly due to the rupture of a battery in the air conditioner at the logistics hub in Piacenza, and to leaks from air conditioning units at the corporate offices in Solari (Milan) and Trebaseleghe (Padua).
G4-EN21	Given Moncler's business model, there are no known significant emissions at this time.

EFFLUENTS AND WASTE

G4-DMA	NFS page 139
G4-EN22	Water discharges are comparable to those of residential dwellings and are therefore drained into the sewage system.
G4-EN23	NFS page 139
G4-EN24	During the reporting period, there were no significant spills of pollutants.
G4-EN25	Moncler did not transport, import, export or treat any kind of waste deemed hazardous under the terms of the Basel Convention.

COMPLIANCE

G4-DMA	NFS page 162
G4-EN29	During the reporting period, there were no fines or monetary sanctions for non-compliance with applicable environmental laws and/or regulations.

TRANSPORT

G4-DMA	NFS pages 132, 134-136
G4-EN30	NFS pages 134-136

OVERALL ENVIRONMENTAL PERFORMANCE

G4-DMA	NFS pages 132, 134-136
G4-EN31	NFS pages 135-136

ENVIRONMENTAL GRIEVANCE MECHANISMS

G4-DMA	NFS pages 45-46, 162
G4-EN34	During the reporting period, there were no grievances filed related to environmental impacts.

CATEGORY: SOCIAL —

EMPLOYMENT

G4-DMA	NFS page 162
G4-LA3	NFS page 162

LABOUR/MANAGEMENT RELATIONS

G4-DMA	NFS page 92
G4-LA4	NFS page 92

OCCUPATIONAL HEALTH AND SAFETY

G4-DMA	NFS pages 88-91
G4-LA5	NFS page 90. There are no formal committees in this area.
G4-LA7	NFS page 90

TRAINING AND EDUCATION

G4-DMA	NFS pages 80-81
G4-LA9	NFS page 80

LABOUR PRACTICES GRIEVANCE MECHANISMS

G4-DMA	NFS pages 45-46
G4-LA16	During the reporting period, 2 grievances were filed related to labour practices, both resolved through formal grievance mechanisms.

CATEGORY: SOCIAL —

INVESTMENT AND PROCUREMENT PRACTICES

G4-DMA	NFS pages 80-81, 102-105
G4-HR1	NFS pages 102-105
G4-HR2	NFS pages 80-81

NON-DISCRIMINATION

G4-DMA	NFS page 86
G4-HR3	NFS pages 45-46, 86

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

G4-DMA	NFS pages 92, 102-104
G4-HR4	NFS pages 65, 92, 102-104

	PAGE NUMBER (OR DIRECT LINK)
CHILD LABOUR	
G4-DMA	NFS pages 102-104
G4-HR5	NFS pages 65, 102-104
FORCED OR COMPULSORY LABOUR	
G4-DMA	NFS pages 102-104
G4-HR6	NFS pages 65, 102-104
INDIGENOUS RIGHTS	
G4-HR8	Considering the geographic areas in which it operates, Moncler believes there is no risk of violating the rights of indigenous populations.
HUMAN RIGHTS ASSESSMENT	
G4-DMA	NFS pages 51, 102-104
G4-HR9	NFS pages 65, 102-105
HUMAN RIGHTS GRIEVANCE MECHANISMS	
G4-DMA	NFS pages 45-46
G4-HR12	NFS pages 45-46, 51
CATEGORY: SOCIAL —	
LOCAL COMMUNITIES	
G4-DMA	NFS pages 146-153
G4-SO2	Considering Moncler's activities to date, no operations are deemed to have a significant actual or potential negative impact on local communities.
ANTI-CORRUPTION	
G4-DMA	NFS pages 45-47
G4-SO3	NFS page 47
G4-SO4	NFS page 47
G4-SO5	During the reporting period, there were no instances of corruption.
PUBLIC POLICY	
G4-DMA	NFS page 58
G4-SO6	NFS page 58
ANTI-COMPETITIVE BEHAVIOUR	
G4-DMA	NFS page 162
G4-SO7	NFS page 162
COMPLIANCE	
G4-DMA	NFS page 162
G4-SO8	NFS page 162
SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY	
G4-DMA	NFS pages 65, 103-104
G4-SO10	NFS pages 65, 103-104

GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY

G4-DMA	NFS page 162
G4-SO11	NFS page 162

CATEGORY: SOCIAL —

PRODUCT AND SERVICE LABELLING

G4-DMA	NFS pages 124, 162
G4-PR3	NFS page 124
G4-PR4	NFS page 162

MARKETING COMMUNICATIONS

G4-DMA	NFS pages 104-105, 116-119
G4-PR6	NFS pages 104-105, 116-119
G4-PR7	NFS page 162

CUSTOMER PRIVACY

G4-DMA	NFS page 162
G4-PR8	NFS page 162

COMPLIANCE

G4-DMA	NFS page 162
G4-PR9	NFS page 162

TABLE LINKING MATERIAL TOPICS AND THE GRI INDEX

MATERIAL TOPICS	LINK TO ASPECTS OF THE GRI-G4	INTERNAL IMPACTS	EXTERNAL IMPACTS
Brand reputation	(*)		Clients
Product quality and safety	Customer health and safety (G4-PR1; G4-PR2)		Clients Suppliers
Responsible sourcing	Supplier assessment for labour practices (G4-LA15) Supplier assessment for human rights (G4-HR11)		Clients Suppliers
Client relations and client satisfaction	Product and service labelling (G4-PR5)	Internal stakeholders	Clients
Innovative solutions	(*)	Internal stakeholders	Clients Environment Suppliers
Performance assessment and career development	Training and education (G4-LA11)	Internal stakeholders	
Fostering a culture of sustainability	(*)	Internal stakeholders	Clients Environment Suppliers Community
Animal welfare	Supplier assessment for labour practices (G4-LA15)		Clients Suppliers
Eco-efficiency	Energy (G4-EN6) Materials (G4-EN2)		Environment
Employer branding	Employment (G4-LA1)	Internal stakeholders	
Employee welfare	Employment (G4-LA2)	Internal stakeholders	
Support for local communities	Economic performance (G4-EC1) Local communities (G4-SO1)		Community
Employee engagement	(*)	Internal stakeholders	
Equal opportunities	Diversity and equal opportunity (G4-LA12) Equal remuneration for women and men (G4-LA13)	Internal stakeholders	
Environmentally-friendly packaging	Materials (G4-EN1, G4-EN2)		Environment
Sustainable store format	Energy (G4-EN6)		Environment

(*) With regard to this topic (not directly connected to an aspect under the GRI-G4 Guidelines), 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 store, large or medium-sized, divided internally into specialist departments.

DIRECT EMISSIONS (SCOPE 1)

Air polluting emissions originating from combustion processes involving equipment controlled or owned by the organisation.

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 organisations 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.

FAÇON MANUFACTURER

Third-party supplier carrying out the 'cut-make-trim' phase (façon) of production according to the so-called industrialised 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.

INDIRECT EMISSIONS (SCOPE 2)

Air polluting emissions originating from combustion processes external to the organisation, over which the latter has no control.

ISO 14001

Voluntary standard developed by the International Organization for Standardization (ISO), defining the requirements of environmental management systems.

KPI (KEY PERFORMANCE INDICATOR)

Measurable value that monitors the effectiveness of a process.

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.

OHSAS 18001

Voluntary standard published by the British Standards Institution, defining the requirements of occupational health and safety management systems.

OUTLET

Retail store that sells products and collections from previous years and seasons at discount prices.

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).

SRI (SOCIALLY RESPONSIBLE INVESTOR)

Financial operator who integrates standard financials with environmental, social, and governance considerations.

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.

STAKEHOLDER

Person or subject with a legitimate interest in the activities of an organisation, and who affects or is affected by the organisation'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