SCOPE 3 INDIRECT CO_2e EMISSIONS (Updated based on 2023 Carbon Footprint)

TONNES OF CO_2e	Emissions calculation methodology
Indirect emissions (Scope 3)	
Purchased goods and services	This category includes emissions from purchased raw materials and processing, and services. For each raw material (such as nylon, wool, cotton, polyester, down feather, and others), emissions have been calculated considering volumes, in terms of weight, composition and country of origin, where info was available. As per processing services (weaving, knitting, dyeing, assembly and finishing), the following variables have been considered to estimate CO_2e emissions: volumes, processing steps, and location. In addition, for calculating the impact of the processing operations, primary data on energy consumption and specific energy mix were collected from Tier 1 and 2 suppliers. Specific emission factors were applied to each purchased material to correctly estimate their impact in both raw material and processing phases. For most of the fibres and for all the textile processing operations, the data source for the related environmental inventory flows was World Apparel Life Cycle Database (WALDB). Other processing datasets for countries not available in WALDB were adapted to the different countries by selecting their national grid mix electricity.
Capital goods	Emissions from this category have been estimated considering the CAPEX expenditure in the reporting year for the following activities: relocation, new openings, machineries, refurbishment, expansions, IT software and hardware. Emissions factors have been applied to monetary values to estimate the impact in CO_2e. The European multi-regional input-output USEEIO Database v1.1, adjusted for the reporting year inflation rate has been used.
Fuel- and energy-related activities	Emissions from energy related activities refers to upstream activities linked to direct and indirect energy consumption already reported in Scope 1 and 2. For the calculation of these emissions the direct and indirect energy consumption is multiplied by a specific emission factor. Well-to-tank emission factors have been applied, to calculate indirect emissions of fuel and energy related activities. Moncler Group does not consider this source of Scope 3 CO_2e emissions to be relevant as it represents less than 3% of total Scope 3.
Third-party warehouses	Third-party warehouses energy data were collected through dedicated surveys. Emissions factors applied were based on IEA parameters.
Transportation and distribution	Data concerning logistics flows are mapped and updated when needed with the collaboration of Moncler logistics partners. Amongst others, the most relevant emissions results include data from: - the transport of yarns and fabrics from suppliers to the logistics hub of Castel San Giovanni, Piacenza - the transport of yarns and fabrics sent out to garment making producers - the transport of finished products from garment making producers to the logistics hub of Castel San Giovanni, Piacenza. - the transport of finished products from the distribution centres of the logistics network to all stores and the e-commerce channel where directly managed by Moncler The emissions factor applied to calculate Group's logistics emissions are based on the GLEC Framework 2.0.
Waste generated in operations	Emissions from this category have been calculated considering volumes and type of waste (hazardous and non-hazardous waste) produced at Moncler and Stone Island directly owned operations located assuming a 50 km distance for waste collection by lorry truck. To evaluate the total impact in CO_2e, these methods of disposal have been considered: recovery, recycling, and, for a minor part, others. According to the different materials and methods of disposal, emission factors from Ecoinvent 3.9.1 have been used to evaluate the impact of this category. Moncler Group does not consider this source of Scope 3 CO_2e emissions to be relevant as it represents less than 3% of total Scope 3.
Business travel	Emissions from this category have been calculated considering the total number of trips made (split between train and air journeys). To calculate emissions, the total distance (in km) was multiplied by the CO_2e emission factor according to the mean of transportation used. Calculations for this category have been carried out in accordance with the EN16258 guidelines. Data for this category have been provided by the travel agency with which the Moncler Group collaborates. Moncler Group does not consider this source of Scope 3 CO_2e emissions to be relevant as it represents less than 3% of total Scope 3.
Employee commuting	Emissions from this category have been calculated considering information collected through a survey aimed to investigate modes of transport used by the Group's both corporate and retail employees worldwide (Italy, EMEA (excluding Italy), Americas, Asia). Working days for every employee, were divided between "commuting" and "remote working", to differentiate remote-working days to on-site days. Specific emission factors have been used according to the mean of transportation used by employees.
Upstream leased assets	This category is not applicable to Moncler Group as emissions linked to spaces leased by Moncler Group from third parties have been included in Scope 1 and 2 emissions.
Downstream transportation and distribution	This category is not applicable to Moncler Group as most transport of finished products for which the Moncler Group has paid the shipping costs is already included in the category "Transportation and distribution". The other sources of emissions in this category are not relevant for the calculation of total Scope 3.
Processing of sold products	This category is not applicable to Moncler Group as sold products do not require further processing or transformation.
Use of sold product	Emissions from this category have been calculated starting from the total pieces sold in the reporting year by Moncler and Stone Island. The calculation was based on the indirect use phase (e.g. washing, ironing, drying) information included in the product-specific care labels used to estimate the maintenance processes applicable during the life cycle of each product

	category. Specific emission factors have been applied to each product category, taking into account the materials and the type of maintenance that they should be subject to.
End-of-life treatment of sold products	Moncler Group does not directly and/or indirectly manage this phase, but it has estimated its impacts according to the GHG Protocol. According to the volumes of materials, the disposal methods (e.g. recycling and recovery), and the packaging, specific emission factors have been used to calculate CO_2e emissions. Moncler Group does not consider this source of Scope 3 CO_2e emissions to be relevant as it represents less than 3% of total Scope 3.
Downstream leased assets	This category is not applicable to Moncler Group as it does not have any downstream leased assets.
Franchises	This category is not applicable to Moncler Group's business model.
Investments	This category is not applicable to the Moncler Group since all the companies in which the Group invests are fully consolidated, therefore emissions are already included in Scope 1 and 2 data.
Other (upstream)	This category is not applicable to Moncler Group.
Other (downstream)	This category is not applicable to Moncler Group.