

MONCLER GROUP

RAW MATERIAL MANUAL

July 2024

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General Info

Moncler Group¹ (hereafter also “the Group”) believes that there cannot be long-term growth without effective actions to tackle the most urgent social, environmental, and animal welfare challenges that the world is facing.

The Group feels the responsibility for future generations and commits to carefully use resources and contribute to the protection of human rights and of biodiversity and to the fight against climate change. This commitment can be seen through specific programs and actions detailed within the Sustainability Plan, where ambitious targets to face social challenges, reduce overall environmental impacts, and promote animal welfare within its sphere of influence, have been set. Further details can be found at the following [link](#).

The Moncler Group Raw Material Manual is inspired by Textile Exchange’s Materials Market Report which gathers data from government agencies, certification and accreditation bodies, and independent organizations; and is also inspired by best practices and experts’ recommendations within the fashion sector. The Manual was formulated with the support and consultation from experts in leading organizations, collaborating with them to understand best practices for preferred² raw materials.

Structure

The Guidelines cover general characteristics of main raw materials³ and a number of other specific raw materials, their hotspots and specific mitigating actions to tackle them. It furthermore details the mandatory (must-have) requirements to be included within the Group’s raw material supply chain, and distinctive (good practice) requirements which represent the best practices encouraged when selecting raw materials. The latter are to be seen as additional to the mandatory requirements and must be considered part of the Group’s improvement path.

The Guidelines will be subject to continuous revision, update and possible inclusion of other raw materials, in order to align with the Group’s evolution and dynamic legislative framework through constant consultations with experts and best practices within the sector.

Overall, raw materials sourcing, as a basic requirement, must comply to the following:

- **LEGAL COMPLIANCE:** the Group, by contract, requires its suppliers to be compliant with applicable national and international laws, conventions and regulations.
- **CHEMICAL COMPLIANCE:** the Group, by contract, requires its suppliers to operate in accordance with the applicable international laws regarding hazardous or potentially hazardous chemicals and constantly tests for chemicals, composition and the physical and mechanical characteristics of its products.

Moreover, suppliers are contractually bound to comply with the guidelines contained in the Group’s Product Restricted Substances List (PRSL) and Manufacturing Restricted Substances List (MRSL) constantly updated on the corporate [website](#), which lay down the restrictive requirements adopted by the Group for the use of certain substances. The proper implementation of these guidelines is verified through a statistic testing plan at specialized third-party laboratories by the supplier and/or by Moncler and Stone Island.

- **SOCIAL & ENVIRONMENTAL COMPLIANCE:** suppliers are required by contract to respect human rights, social and environmental requirements as set out by applicable laws, the Code of Ethics and Supplier Code of Conduct and related policies such as the Group’s Human Rights Policy and Environmental Policy.
- **ANIMAL WELFARE COMPLIANCE:** suppliers shall commit to the welfare of the animals including but

¹ Moncler Group refers to Moncler S.p.A. and to any other company that is directly or indirectly controlled by or is under common control with Moncler S.p.A.

² Materials that aim to deliver reduced impacts compared to the conventional equivalents used by the Moncler Group (for example recycled, organic, or certified according to specific standards).

³ With “main raw materials” the Group refers to fabrics and yarns made of Nylon, Polyester, Cotton, Wool, and Down.

not limited to breeding, raising, handling/herding, transportation, catching and slaughtering. They are required by contract to operate in accordance with the applicable international laws and to comply with all requirements detailed in the Supplier Code of Conduct in the Animal Health and Welfare standards section. For more information regarding animal welfare in the down supply chain, please see the specific section in this document or visit the following [link](#).

- **TRACEABILITY AND TRANSPARENCY:** a fundamental factor in the supplier's relationship with Moncler Group is the proof of product attributes and processes through rigorous traceability of fabrics, yarns and fibers. In this context, suppliers must make all reasonable efforts to regularly investigate the country of origin of the raw materials to establish their source.

In particular, for Nylon, Polyester, Cotton, and Wool (accounting for at least 80% of relative fibers in volume of yarns and fabrics used in Spring Summer and Fall Winter collections within the reference year) Moncler Group requires traceability up to fiber origin at regional level (i.e. spinning region for synthetic fibers, and farming region for natural or animal fibers) including applicable processes (such as spinning, dyeing, warping and weaving) that the raw material is subject to. Regarding Down, the Group traces 100% of the raw material up to farming regional level. For other yarns and fabrics, at least country of origin is requested.

The Group has in place a periodic and systematic ethical, social and environmental auditing system of its suppliers in order to verify compliance with applicable laws and the principles contained in the Group's Codes. In order to ensure maximum impartiality, audits are regularly conducted by qualified, experienced third parties. The Group has zero tolerance towards any serious violation of its principles including but not limited to the ones related to human rights.

SYNTHETICS

Background info

Synthetic fibers are the most consumed textile material, accounting for around 76 million tons in 2022— or about 65% of all textile fibers produced annually worldwide⁴. In the last 20 years, over 85% of the textiles demand growth has been met by synthetic fibers, while the agricultural land shortage limited natural fiber growth. A similar trend is expected for the future as the greater demand for textile fibers on a global scale will be met almost exclusively by the increase in synthetic fiber⁵.

Polyester alone had a market share of around 54% of total global fiber production. Approximately 63.3 million tons of polyester were produced in 2022⁶.

Polyamide (commonly known as “Nylon”), the second most used synthetic fiber, accounted for 6.2 million tons and about 5% of the global fiber market in 2022⁷.

Polypropylene, acrylics, and elastane had a market share of 5%, with a combined production volume of 6 million tons in 2022⁸.

Synthetic fibers are manmade. Conventional synthetic textiles originate from fossil, non-renewable resources, such as petrochemicals derived from oil. The fibers are created through chemical processes such as polymerization, which combines molecules that can bind together to create polymer chains that form the fiber.

Synthetic fibers covered in this release of the Raw Material Manual are Polyamide (Nylon) and Polyester that are the materials mainly used within the Group’s products respectively accounting for approximately 17% and 13% in 2023.

Sustainability hotspots & mitigating actions

Sustainability issues associated with conventional synthetics include fossil fuel origin, energy-intensive processes, long environmental persistence, and, for some of them, if subject to certain conditions, potential microplastic shedding and release into water⁹.

- The fossil fuel origin and energy-intensive manufacturing processes are linked to the generation of Green House Gases (GHGs) in the atmosphere. Recycled and bio-based synthetics are considered an alternative that aim to reduce respectively GHG emissions and dependency on fossil feedstock.
 - **Recycled Synthetics:** synthetic products with certified recycled content should be preferred where feasible over conventional virgin synthetics. Three technologies are available for recycling synthetic fibers: mechanical, thermomechanical, and chemical. The latter of which reduces the synthetic polymer to its base components that are then re-polymerized in a new synthetic fiber with a virgin-grade quality.
 - **Bio-based synthetics:** bio-based synthetics are partially or entirely made from renewable biomass used, at least partly, as feedstock. Bio-based synthetics have the advantage of potentially reducing the dependency on limited fossil resources and reducing greenhouse gas emissions. Current standards require the declaration of the percentage deriving from biomass. Indeed, bio-based polyesters and nylons can be composed of a mix of fossil and biomass content. The biomass content should be maximized and certified by lab-tests. Feedstocks for bio-based synthetics include sugars, lipids and starches-rich plants and seeds. Feedstock not in competition with food for arable land, such as from non-edible parts of the plant, resources from forestry, and proteins from discarded sources, must be preferred over bio-based

⁴ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

⁵ Journal of Bioresources and Bioproducts, Beyond cotton and polyester: An evaluation of emerging feedstocks and conversion methods for the future of fashion industry ([link](#)).

⁶ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

⁷ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

⁸ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

⁹ European Environment Agency, Plastic in textiles: towards a circular economy for synthetic textiles in Europe ([link](#)).

synthetics that use resources from arable lands or food feedstock.

- Synthetic fibers, under specific conditions, can potentially shed into the environment depending on many factors, such as the type of material and laundry conditions. This shedding takes place through microplastic pieces — less than 5 millimeters in length, with diameters measured in micrometers (one-thousandth of a millimeter) — that can eventually reach the oceans. The synthetic materials (nylon and polyester) that are the most subject to this issue are jersey and fleece, while nylon and polyester woven filaments are not considered as great contributors¹⁰. Synthetic fibers can also have a long persistence in the environment.

As of today, information regarding microplastic release from different materials is still under evaluation and being scientifically addressed by specific tests that are being developed by accredited organizations. The ASTM (American Society for Testing and Materials) and Universities are currently developing microplastics shedding test methods. They will help to provide more conclusive information on the phenomenon and clarify the size of the potential risk concerning textiles and the relative impact of the various textile fibers. Standards (e.g. ISO 4484) are also being developed in order to quantify the impact of microplastics of fabrics subject to washing cycles.

- **Biodegradable**¹¹ synthetics aim to solve the problem of synthetic waste that have a long environmental persistence by allowing their decomposition into the fiber's original elements. As for now, decomposition of biodegradable synthetics is effective mainly when they are sent to controlled anaerobic landfills or industrial composting plants that are not very common. When disposed of on the ground or in water, biodegradation takes a long time, even if less than conventional synthetics. Only biodegradable materials with a proven scientific evidence through dedicated lab tests (e.g. EN 14046 / ISO 14855) can be considered biodegradable.

All textile products are subject to potential microfiber shedding during standard home laundry cycles, but the extent of shedding varies widely among different products. The construction of the garments and the type of material itself play a key role together with washing conditions.

The information reported within Moncler Group's products care labels and in the "composition & care" section on brands respective website indicates specific washing and care guidelines that are studied to engage and educate customers to take care of their garments in the most appropriate ways, extending their lifespan as much as possible. In particular, care labels suggest that the washing phase should be performed at low temperatures and with the exclusion of tumble drying, in order to limit the deterioration of the garments' materials (e.g. possible shedding of plastic microfibers). In the specific, outerwear synthetic woven fabric garments are a product that usually does not undergo frequent washing (approximately once a year), and that is not composed of brushed fabrics, which are the type of fabrics that are most subject to shedding of plastic microfibers.

Nylon:

✓ **Must-have:**

- Nylon must be compliant with applicable laws, Moncler Group M-RSL and P-RSL and suppliers must be aligned to the Group's Code of Ethics, Supplier Code of Conduct and relative policies.
- Nylon is traced¹² starting from yarn spinning regional level.
- Recycled or bio-based raw materials must be certified according to specific standards, like: GRS/RCS for recycled; TUV-OK BioBased + DIN-Geprüft BioBased, or C14 laboratory test report, for bio-based.
- Nylon fabrics and yarns resulting from these certified raw materials must ensure the presence of

¹⁰ Vassilenko, K., M. Watkins, S. Chastain, A. Posacka and P.S. Ross. 2019. Me, my clothes and the ocean: The role of textiles in microfiber pollution. Science Feature. Ocean Wise Conservation Association, Vancouver, Canada, 16 pp.

¹¹ The capability of a material to be converted into CO₂ under the action of micro-organisms. This property is measured with a laboratory standard test method: the EN 14046 (also published as ISO 14855: biodegradability under controlled composting conditions). European Commission GLOSSARY ITEM ([link](#)).

¹² At least 80% of nylon fibers in volume (kg) of yarns and fabrics used in Spring Summer and Fall Winter collections within the reference year.

transaction certificates or other applicable tracking documents in order to document the certified content and chain of custody of the raw materials. In the unlikely case the final supplier is not certified, a declaration that the raw materials used in production are certified, together with their certificates, is required.

By 2025¹³

- 50% of nylon yarns and fabrics used in collections will be “preferred” (e.g. recycled or biobased).

✓ **Good practice:**

- Nylon with the highest percentage of fiber in composition coming from recycled or bio-based origin.
- Nylon with scientifically measured environmental impacts such as Life Cycle Assessment or Product Environmental Footprint.
- Materials made with one fiber in order to facilitate recyclability.

Polyester

✓ **Must-have:**

- Polyester materials must be compliant with applicable laws, Moncler Group M-RSL and P-RSL and suppliers must be aligned to the Group’s Code of Ethics, Supplier Code of Conduct and relative policies.
- Polyester is traced¹⁴ starting from yarn spinning regional level.
- Recycled or bio-based raw materials must be certified according to specific standards, like: GRS/RCS for recycled; TUV-OK BioBased + DIN-Geprüft BioBased, or C14 laboratory test report, for bio-based.
- Polyester fabrics and yarns resulting from these certified raw materials must ensure the presence of transaction certificates or other applicable tracking documents in order to document the certified content and chain of custody of the raw materials. In the unlikely case the final supplier is not certified, a declaration that the raw materials used in production are certified, together with their certificates, is required.

By 2025¹⁵

- The Group’s general commitment is to reach over 50% of total yarns and fabrics (including polyester) deriving from “preferred” materials (e.g. recycled or bio-based).

✓ **Good practice:**

- Polyester with the highest percentage of fiber in composition coming from recycled or bio-based origin.
- Polyester with scientifically measured environmental impacts, such as Life Cycle Assessment or Product Environmental Footprint.
- Materials made with one fiber in order to facilitate recyclability.

¹³ Yarns and fabrics used in Spring Summer and Fall Winter 2025 collections.

¹⁴ At least 80% of polyester fibers in volume (kg) of yarns and fabrics used in Spring Summer and Fall Winter collections within the reference year.

¹⁵ Yarns and fabrics used in Spring Summer and Fall Winter 2025 collections.

Relevant certifications

If fibers/yarns have lower impact attributes, suppliers should provide certifications that scientifically back up the specific claims, in line with the following accepted certification standards:

Recycled materials

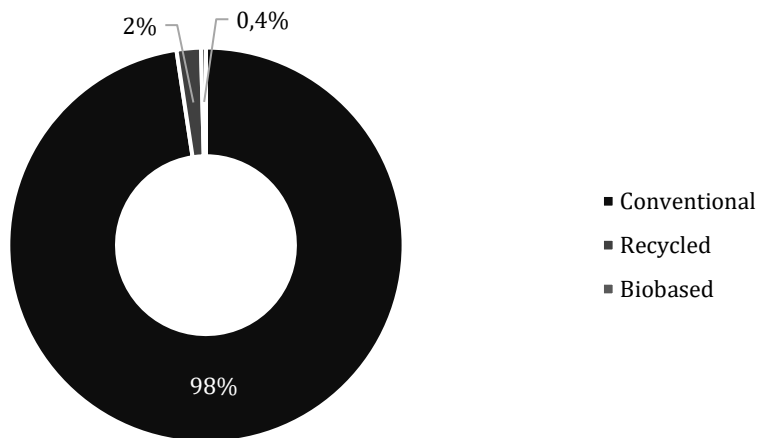
- The Global Recycled Standard ([GRS](#))
- The Recycled Claim Standard ([RCS](#))

Bio-based materials

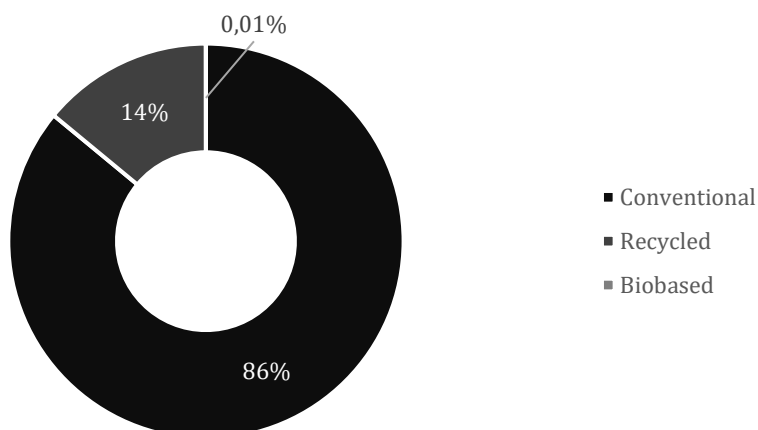
- [TUV-OK BioBased](#)
- [DIN-Geprüft BioBased](#)
- [USDA Certified Biobased Product](#)

Availability of preferred materials on the market (source Textile Exchange) – 2022 Data

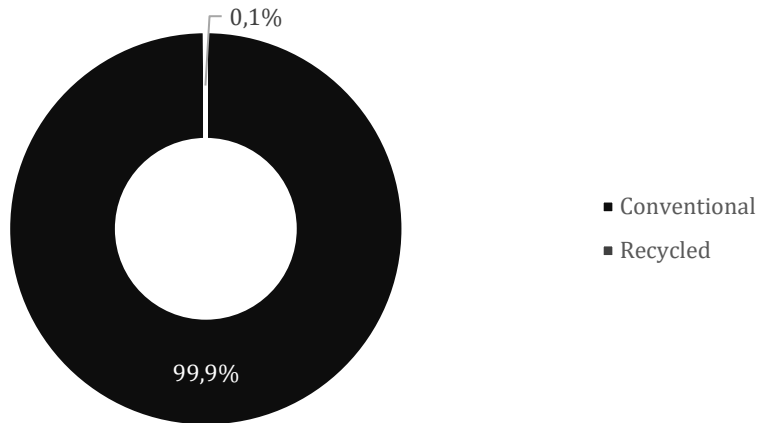
Polyamide Market (~5% of global fibers market)



Polyester Market (~54% of global fibers market)



Other Synthetics Market (~5% of global fibers market)



COTTON

Background info

Cotton is the most used natural fiber, the second overall after polyester.

World production amounted to around 25 million tons, or 22% of the global fiber market, covering approximately 2.5% of the global arable land.¹⁶ In the last 15 years, global cotton production has remained stable, between 20 million and 26 million tons, after many decades of constant growth. The fiber is produced in over 70 countries; top producer countries are in order of importance India, China, the US, Brazil, Pakistan, Uzbekistan and Turkey. In Europe, Cotton is mainly grown in Greece and Spain.¹⁷

Cotton used within the Group's products accounts for approximately 35% of the total raw material purchases of 2023.

Cotton is a natural and renewable resource and a biodegradable material. Conventional cotton is still the most widespread on the market, but lower impact farming alternatives like organic cotton and cotton from regenerative agriculture are growing quickly.

Sustainability hotspots & mitigating actions

The cotton cultivation stage often still needs to overcome significant sustainability challenges.

- Environmental issues of conventional cotton are associated with the use of synthetic pesticides and fertilizers in the growing phase. These can potentially pollute the water and soil and be potentially harmful for human health in surrounding communities as well as causing biodiversity loss. Further issues are linked to the consumption of great amounts of water in the cultivation phase.¹⁸
 - **Organic Cotton** is a type of cotton that is grown without the use of synthetic fertilizers, genetically modified organisms, and most synthetic pesticides. To control pests and weeds, farmers may use biological pesticides and fertilizers, or farming practices, such as crop rotation, planting cover crops, and the use of beneficial insects.
To be certified as organic, cotton farmers must meet strict standards set by organizations such as the Global Organic Textile Standard (GOTS) and the Organic Content Standard (OCS). These standards, in order to proceed with the certification, require that the cotton is grown on land that has been free of synthetic chemicals for at least three years, and that the entire supply chain, from farming to processing and manufacturing, follows strict guidelines for environmental sustainability and social responsibility.
Reducing the use of harmful chemicals and promoting healthy soil and ecosystems, organic cotton can be seen as an environmental lower impact alternative to conventionally grown cotton.
Organic cotton is still a tiny share, 1.4%¹⁹, of available cotton. In-conversion cotton programs were established to support the transition to organic cotton and require a farm to meet organic criteria for several years before achieving certification²⁰.
Considering the effort and the timeframe required to the farmer in the transition period, supporting and guiding them in their shift towards organic practices is a vital component in boosting the proportion of organic cotton in the marketplace.
 - **Regenerative cotton:** regenerative cotton refers to a method of cotton farming that promotes natural ecosystem processes to improve soil health, biodiversity, reduce the use of synthetic fertilizers and pesticides, and increase carbon sequestration in the soil. Regenerative cotton farmers prioritize practices such as cover cropping, crop rotation, reduced tillage, and

¹⁶ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

¹⁷ International Institute for Sustainable Development, Cotton prices and sustainability ([link](#)).

¹⁸ WWF, Sustainable Agriculture: Cotton ([link](#)).

¹⁹ Textile Exchange, Organic Cotton Market Report, October 2022 ([link](#)).

²⁰ In-Conversion to Organic Cotton: The Basics ([link](#)).

intercropping. These practices can lead to increased water retention, reduced erosion, and higher yields over time. Regenerative cotton is seen as a lower impact alternative to conventional cotton farming. As of today, there is a limited amount of specific certifications on the market that cover regenerative practices; the most widespread certifications on the market as of today are RegenAgri and Regenerative Organic Certified.

- **Recycled cotton:** certified recycled cotton is also considered a lower impact alternative to conventional cotton. Unfortunately, existing mechanical recycling techniques imply a degradation of the fibre quality and limit yarn and fabric quality. In order to enable its use in final products, recycled cotton can be blended with other lower impact cotton alternatives (e.g. organic), so that the average length of the fiber blend is increased to enhance the quality of the yarn produced. At Moncler Group level, research is being carried out in order to assess the blend that can be the best solution to meet the required quality and compliance standards.
- Social issues of certain conventional cotton supply chains are associated, according to an European Union Study²¹, with potential child labor and forced labor together with excessive working hours, low and unfair wages and compensation, unsafe working conditions and lack of social protection.
 - Some organic cotton certifications, such as GOTS, contain human rights and social requirements that apply to workers engaged in all stages in textile processing and manufacturing²².

Cotton:

✓ **Must-have:**

- Cotton must be compliant with applicable laws, Moncler Group M-RSL and P-RSL and suppliers must be aligned to the Group's Code of Ethics, Supplier Code of Conduct and relative policies including human rights one.
- Cotton is traced²³ starting from the raw material cultivation region.
- Organic, regenerative or recycled raw materials must be certified according to specific standards, like: GOTS/OCS for organic; ROC for regenerative and GRS/RCS for recycled.
- Cotton fabrics and yarns resulting from these certified raw materials must ensure the presence of transaction certificates or other applicable tracking documents in order to document the certified content and chain of custody of the raw materials. In the unlikely case the final supplier is not certified, a declaration that the raw materials used in production are certified, together with their certificates, is required.

By 2025²⁴:

- 50% of cotton yarns and fabrics used by the Group will be "preferred" (either organic, regenerative, or recycled).

✓ **Good Practice:**

- Cotton with the highest percentage of fiber in composition coming from organic, regenerative or recycled origin, also in blend.
- Cotton with scientifically measured environmental impact, such as Life Cycle Assessment or Product Environmental Footprint.
- Materials made with one fiber in order to facilitate recyclability.

²¹ The Clear Cotton project "Eliminating child labour and forced labour in the cotton, textile and garment value chains: an integrated approach", EU, ILO ([link](#)).

²² Organic Cotton Market Report, Textile Exchange ([link](#)).

²³ At least 80% of cotton fibers in volume (kg) of yarns and fabrics used in Spring Summer and Fall Winter collections within the reference year.

²⁴ Yarns and fabrics used in Spring Summer and Fall Winter 2025 collections.

Relevant certifications

If fibers/yarns have lower impact attributes, suppliers should provide certifications that back up the specific claims, in line with the following accepted certification standards:

Organic materials

- Global Organic Textile Standard ([GOTS](#))
- Organic Cotton Standard ([OCS](#))

Regenerative materials

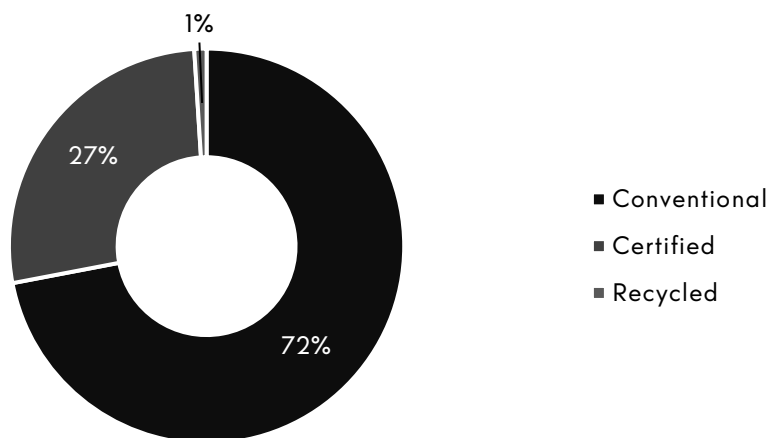
- Regenerative Organic Certified ([ROC](#))

Recycled materials

- The Global Recycled Standard ([GRS](#))
- The Recycled Claim Standard ([RCS](#))

Availability of preferred materials on the market (source: Textile Exchange) – 2022 Data

Cotton Market (~22% of global fibers market)



SHEEP WOOL

Background info

Wool is the most used animal-based fiber and holds an important role in high-end clothing and furnishings even if the competition from manmade fibers is limiting its use. The fiber is produced in varying qualities in over 100 countries, and the highest quantity of wool fiber for apparel use comes from Australia, New Zealand, South America and South Africa. In Europe, the primary producer is the United Kingdom. World production amounted to around 1 million tons with an overall textile fiber market share of about 1%, recording a constant decline over the last 20 years, it was 2 million tons in 1990 and 1,1million tons in 2010.²⁵

Sheep shearing is the first process wool goes through, followed by scouring, which involves cleaning the greasy wool to remove skin and sweat residues, pesticides and vegetable matter coming from the animal's environment. Scouring uses detergents that can be potentially hazardous to the environment if used and released inappropriately. Carbonization may also be performed on wool with a high content of vegetable matter, through a process that eliminates vegetable matter from wool entirely.

Wool is a renewable resource and a biodegradable material.

Conventional wool dominates the market, but the non-mulesing and preferred wool programs such as the Responsible Wool Standard, ZQ Merino and others, are increasing.

Wool used within the Group's products accounts for approximately 5% of the total raw material purchases of 2023.

Sustainability hotspots & mitigating actions

Sustainability issues associated with conventional wool production potentially include land use, animal welfare, biodiversity loss, use of hazardous chemicals and water pollution. It must be noted that some of the sustainability issues related to wool are country or region specific, as it can be in the case for animal welfare.

- The conversion of land from natural ecosystems and the degradation of pastureland contribute to the environmental impacts of the sheep farming system. In countries such as Australia and New Zealand, levels of ecosystem degradation in and around farms can potentially occur due to intense exploitation/overgrazing, to the use of chemical inputs such as synthetic fertilizers for the maintenance of pasture conditions or chemical additives used to manage sheep pests, if locally discharged in contaminated water effluents during the scouring process. Moreover, farming can also pose a potential threat to biodiversity, particularly when it interferes with the survival of indigenous animals that may be perceived as predators of sheep or competitors for grazing land, leading to their potential displacement or elimination by farmers.²⁶
 - **Regenerative Wool:** regenerative wool refers to wool that is produced on farms that practice regenerative land management, emphasizing soil health, biodiversity, and carbon sequestration. It involves using regenerative agricultural practices that promote natural ecosystem processes to improve soil health, reduce the use of synthetic fertilizers and pesticides, and increase carbon sequestration in the soil. These practices can help to restore soil health and promote biodiversity as well as lead to increased soil water retention capability and reduced erosion.
 - **Recycled Wool:** products with certified recycled content can reduce the demand for virgin wool and the associated environmental impacts provided that the technical performances of the fiber, the quality requirements and compliance to the PRSL and MRSL are achieved. Recycling of wool is performed by a mechanical technique that often implies a degradation of the fiber quality and limits yarn and fabric quality.

²⁵ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

²⁶ WWF, Losing their homes because of the growing needs of humans ([link](#)).

- Animal welfare is another critical issue in farming, with a particular focus on the practice of mulesing. Mulesing is the surgical practice of removing wool-bearing strips of skin from between the hind legs of sheep (the "breech" area) to avoid fly strike problems. Mulesing remains a critical animal welfare issue. Mulesing can be practiced in a variety of ways including removing the skin via cutting with shears or by freezing through the application of liquid nitrogen. Appropriate pain relief methods (e.g. painkillers and other medication) can be used²⁷. With the ban on mulesing in New Zealand in 2018, Australia is the only country where mulesing can still be practiced though many farmers are moving away from this practice.²⁸
 - **Certified Wool:** wool certified to specific standards, requires that animal welfare practices are in place throughout the breeding, raising, handling/herding, transportation, catching and slaughtering phases. Specific standards, such as the Responsible Wool Standard (RWS) by Textile Exchange, address animal welfare in sheep farms (including prohibition of mulesing) and chain of custody of wool from certified farms to the final product. The goals of these standards are to provide the industry with best practices of farmers, ensure that wool comes from farms with a progressive approach to managing their land, and from sheep that have been treated responsibly (e.g. no-mulesing), create an industry benchmark that will drive improvements in animal care and land management and social welfare where needed, and provide a robust chain of custody system from farm to final product.

Wool:

✓ **Must-have:**

- Wool materials must be compliant with applicable laws, Moncler Group M-RSL and P-RSL and suppliers must be aligned to the Group's Code of Ethics, Supplier Code of Conduct and relative policies.
- Wool is traced²⁹ starting from the raw material farming region.
- Recycled, organic, regenerative or mulesing-free raw materials must be certified according to specific standards, like: GRS/RCS for recycled; ZQRX for regenerative; GOTS/OCS for organic; RWS/Nativa/ZQ Merino/Sustainawool for mulesing-free.
- Wool fabrics and yarns resulting from these certified raw materials must ensure the presence of transaction certificates or other applicable tracking documents in order to document the certified content and chain of custody of the raw materials. In the unlikely case the final supplier is not certified, a declaration that the raw materials used in production are certified, together with their certificates, is required.

By 2025³⁰:

- 100% merino wool yarns and fabrics will be mulesing free certified.
- 70% of wool yarns and fabrics must be certified under the Responsible Wool Standard (RWS), Nativa or Sustainawool.

✓ **Good Practice:**

- Wool with the highest percentage of fiber in composition coming from regenerative, organic, recycled origin or certified under other specific standards, also in blend.
- Wool with scientifically measured environmental impact, such as Life Cycle Assessment or Product Environmental Footprint.
- Materials made with one fiber in order to facilitate recyclability.

²⁷ Australian Wool Sustainability Scheme ([link](#)).

²⁸ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

²⁹ At least 80% of wool fibers in volume (kg) of yarns and fabrics used in Spring Summer and Fall Winter collections within the reference year.

³⁰ Yarns and fabrics used in Spring Summer and Fall Winter 2025 collections.

Relevant certifications

If fibers/yarns have lower impact attributes, suppliers should provide certifications that back up the specific claims, in line with the following accepted certification standards:

Mulesing-free materials

- Responsible Wool Standard ([RWS](#))
- [Sustainawool](#)
- [ZQ Merino](#)
- [Nativa](#)

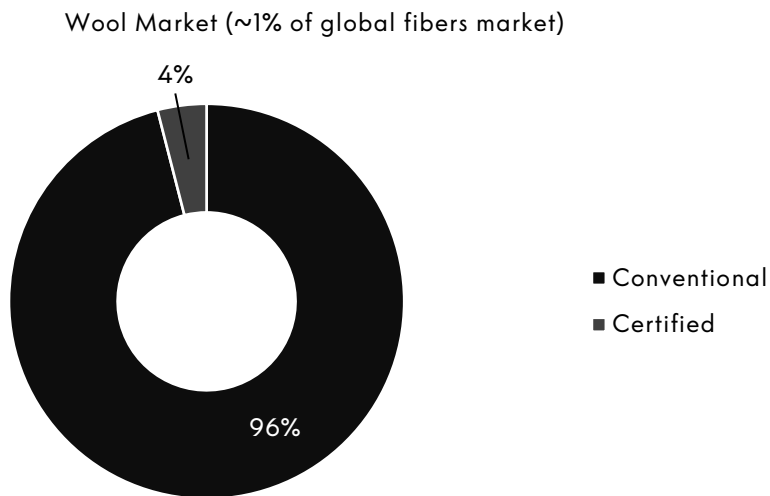
Regenerative materials

- ZQ Regenerative Wool ([ZQRX](#))

Recycled materials

- The Global Recycled Standard ([GRS](#))
- The Recycled Claim Standard ([RCS](#))

Availability of preferred materials on the market (source Textile Exchange) – 2022 Data



FINE ANIMAL HAIR

CASHMERE

Background info

Around 25 thousand tons of greasy cashmere are produced yearly, translating into 9 thousand tons of clean fiber. According to Textile Exchange's Materials Market Report, around 58% is from the Chinese mainland (mainly from the Inner Mongolia Autonomous Region), where cashmere goats are raised in farming systems; 38% from Mongolia, where production is dominated by small-scale, traditional nomadic herders.

The increase of cashmere demand has led to a dramatic growth of fiber production in the last two decades that has generated a significant rise in the environmental impact.

Conventional cashmere still dominates the market but certified cashmere, and less impactful farming and herding have grown and reached 17% of the market in 2021.³¹

In 2023, cashmere used within the Group's collections accounted for less than 1%.

Sustainability Hotspots & mitigating actions

- Sustainability issues with cashmere production are primarily linked to the potential degradation of land and soil erosion due to animal grazing that also can result in air pollution due to particulate matter. The impacts are especially apparent in Mongolia, a fragile, dry land under the constant threat of desertification where, according to studies, the number of herders in the country tripled in the past decade, and the livestock went up by over 30%. The growth led to overgrazing and extensive degradation of grasslands that, in turn, generated a biodiversity loss and contributed to stronger dust storms. On top of that, widespread dust storms fueled by significant soil erosion have had adverse health and air quality impacts.^{32,33} The result of overgrazing and of biodiversity loss, in the long run led to undernourished goats and coarser hairs, which had both a decrease on the overall fiber quality and an impact on cashmere revenue of herders. The Chinese government took action to prevent such effects.³⁴ In Mongolia, considering the large share of the population that depends on cashmere for its livelihoods, the environmental impact translates into significant social impacts and calls for comprehensive measures to improve cashmere sourcing.
- Animal welfare can be a concern for all animal-sourced fibers in all Regions, regarding cashmere farming and herding, the issues are primarily related to the combing or shearing of the fiber, as well as possible painful husbandry procedures and on-farm slaughter or euthanasia procedures. The majority of goats are combed, e.g. in Mongolia and Inner Mongolia. However, cashmere goats in Iran, Afghanistan, New Zealand, and Australia are shorn with potential animal injury risks similar to wool shearing.³⁵
 - **Certified cashmere like Sustainable Fiber Alliance (SFA) and Good Cashmere Standard (GCS)** aim to minimize the overall impact of cashmere, ensure high animal welfare standards and safeguard livelihoods of herders.

✓ Must-have:

- Cashmere materials must be compliant with applicable laws, Moncler Group M-RSL and P-RSL and suppliers must be aligned to the Group's Code of Ethics, Supplier Code of Conduct and relative policies.
- For Cashmere yarns and fabrics, at least country of origin is requested.

³¹ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

³² Oregon State University, Satellite observed widespread decline in Mongolian grasslands largely due to overgrazing ([link](#)).

³³ The cross-boundary of land degradation in Mongolia and China and achieving its neutrality - challenges and opportunities ([link](#)).

³⁴ China to double efforts in combat against desertification, drought, 2019 ([link](#)).

³⁵ RSPCA, Animal welfare issues associated with cashmere production ([link](#)).

- Responsibly sourced or recycled raw materials must be certified according to specific standards, like: SFA/GCS for animal welfare; GRS/RCS for recycled.
- Cashmere fabrics and yarns resulting from these certified raw materials must ensure the presence of transaction certificates or other applicable tracking documents in order to document the certified content and chain of custody of the raw materials. In the unlikely case the final supplier is not certified, a declaration that the raw materials used in production are certified, together with their certificates, is required.

✓ **Good Practice:**

- Cashmere with the highest percentage of fiber in composition coming from recycled or responsibly sourced origin SFA and GCS, also in blend.
- Cashmere with scientifically measured environmental impact, such as Life Cycle Assessment or Product Environmental Footprint.
- Materials made with one fiber in order to facilitate recyclability.
- Traceability of cashmere fibers starting from farm region.

Relevant certifications

If fibers/yarns have responsible sourcing attributes, suppliers should provide certifications that back up the specific claims, in line with the following accepted certification standards:

Responsible sourcing standards

- Sustainable Fibre Alliance ([SFA](#))
- Good Cashmere Standard ([GCS](#))

Recycled materials

- The Global Recycled Standard ([GRS](#))
- The Recycled Claim Standard ([RCS](#))

MOHAIR

Background info

Mohair is the hair of the angora goat (not to be confused with the angora rabbit, which produces Angora wool and that Moncler committed not to use since many years).

Around 4,600 tons of raw mohair fiber are produced yearly. Half of the global mohair is produced in South Africa; 16% in Lesotho, with the remainder coming from Türkiye, Argentina, United States, other countries.³⁶

In 2023 Mohair used within the Group's products accounted for less than 1%.

Sustainability Hotspots & mitigating actions

Some concerns around the sustainability of mohair farming are related to goat grazing that in some areas has damaged local vegetation, similar to the impacts that have been described related to cashmere goats. Animal welfare is also a concern in both shearing, where potential animal injury risks similar to wool shearing may arise, and farming practices.

- **Certified Mohair in line with the Responsible Mohair Standard (RMS)**, requires that the fiber comes from farms with a progressive approach to managing their land, and from angora goats that have been treated responsibly from an animal welfare point of view considering the Five Provisions

³⁶ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

(good nutrition, good environment, good health, appropriate behavior, and positive mental experience); it is considered an industry benchmark that will drive improvements in animal care and land management and social welfare where needed also by requesting a robust chain of custody to the supply chain.

✓ **Must-have:**

- Mohair must be compliant with applicable laws, Moncler Group M-RSL and P-RSL and suppliers must be aligned to the Group's Code of Ethics, Supplier Code of Conduct and relative policies.
- All mohair bought must be certified to the Responsible Mohair Standard (RMS) or Global Recycled Standard (GRS) / Recycled Claim Standard (RCS) and traceable accordingly.
- Mohair fabrics and yarns resulting from certified raw materials must ensure the presence of transaction certificates or other applicable tracking documents in order to document the certified content and chain of custody of the raw materials. In the unlikely case the final supplier is not certified, a declaration that the raw materials used in production are certified, together with their certificates, is required.

✓ **Good Practice:**

- Mohair with scientifically measured environmental impact, such as Life Cycle Assessment or Product Environmental Footprint.
- Materials made with one fiber in order to facilitate recyclability.

Relevant certifications

If fibers/yarns have responsible sourcing attributes, suppliers should provide certifications that back up the specific claims, in line with the following accepted certification standards:

Responsible sourcing standards

- Responsible Mohair Standard ([RMS](#))

Recycled materials

- The Global Recycled Standard ([GRS](#))
- The Recycled Claim Standard ([RCS](#))

ALPACA

Background info

The global alpaca fiber production volume is estimated at 6,000 tons yearly. The largest producing country is Peru, where about 4 million alpacas live. The other small percentage of alpacas are grown in other countries such as Bolivia, Australia, the United Kingdom, and the United States. In Peru, two leading vertically integrated suppliers manage around 90% of the processing operations. Alpaca's husbandry system is based on extensive grazing and free-ranging with animals adapted to their environment with benefits in terms of animal welfare³⁷.

In 2023 alpaca used within the Group's products accounted for less than 1%.

Sustainability Hotspots & mitigating actions

Alpacas have a lower impact on the environment compared to sheep or goats as they do not damage or destroy grass root systems, so land is left undamaged, and plants continue growing after an alpaca has eaten them; at the same time their soft padded feet, compared to sharper hooves of sheep and goats, cause less damage to the soil they graze on.³⁸

³⁷ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

³⁸ Alpacas and Ecosystems Management. International Farm Management Association, 14th Congress, Perth, Western Australia, August 10-15, 2003. ([link](#)).

- Animal welfare, on the other hand, can potentially be an issue. During the shearing process, alpacas, who are prey animals with a natural run-away response, can suffer distress if not properly and correctly restrained while shorn.
 - Certified Alpaca in line with the **Responsible Alpaca Standard (RAS)**, requires that the fiber comes from farms with a progressive approach to managing their land, and alpacas that have been treated responsibly from an animal welfare point of view considering the Five Provisions (good nutrition, good environment, good health, appropriate behavior, and positive mental experience); it is considered an industry benchmark that will drive improvements in animal care and land management and social welfare where needed and provides a robust chain of custody system from farm to final product.

✓ **Must-have:**

- Alpaca must be compliant with applicable laws, Moncler Group M-RSL and P-RSL and suppliers must be aligned to the Group's Code of Ethics, Supplier Code of Conduct and relative policies.
- All alpaca bought must be certified to the Responsible Alpaca Standard (RAS) or Global Recycled Standard (GRS) / Recycled Claim Standard (RCS) and traceable accordingly.
- Alpaca fabrics and yarns resulting from certified raw materials must ensure the presence of transaction certificates or other applicable tracking documents in order to document the certified content and chain of custody of the raw materials. In the unlikely case the final supplier is not certified, a declaration that the raw materials used in production are certified, together with their certificates, is required.

✓ **Good Practice:**

- Alpaca with scientifically measured environmental impact, such as Life Cycle Assessment or Product Environmental Footprint.
- Materials made with one fiber in order to facilitate recyclability.

Relevant certifications

If fibers/yarns have responsible sourcing attributes, suppliers should provide certifications that back up the specific claims, in line with the following accepted certification standards:

Responsible sourcing standards

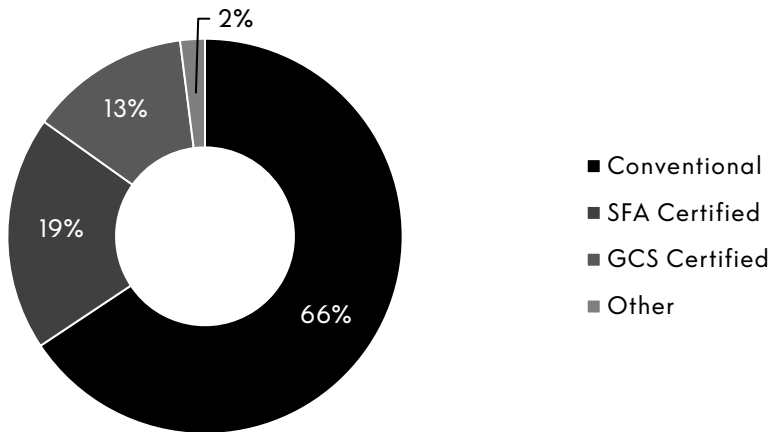
- Responsible Alpaca Standard ([RAS](#))

Recycled materials

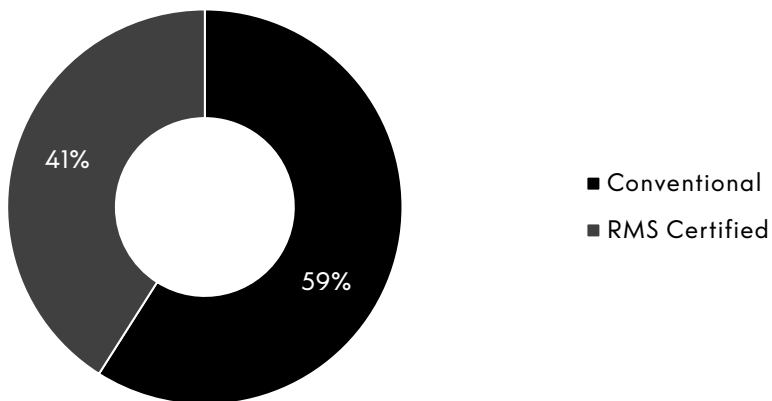
- The Global Recycled Standard ([GRS](#))
- The Recycled Claim Standard ([RCS](#))

Availability of preferred materials on the market (source Textile Exchange) – 2022 Data

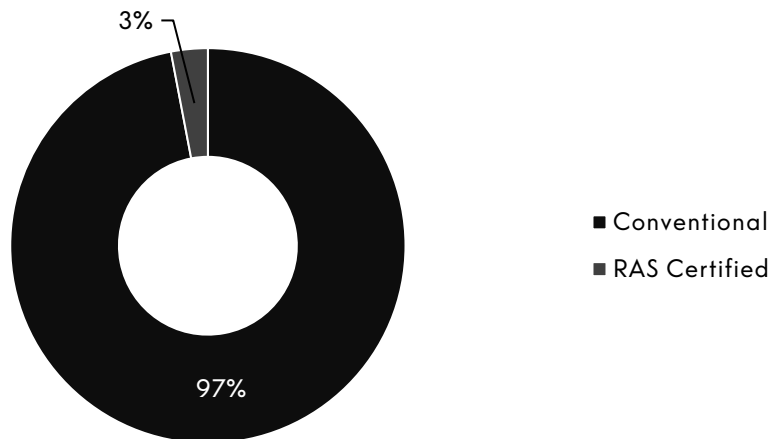
Cashmere Market (~0.02% of global fibers market)



Mohair Market (~0.01% of global fibers market)



Alpaca Market (~0.02% of global fibers market)



DOWN

Background info

The global down and feather production volume is estimated at 600 thousand tons yearly. Major suppliers are China followed by European countries such as Poland and Hungary³⁹. The majority of the volumes (85-90%) come from ducks, while the remainder from geese.

Down used within the Group's products accounts for approximately 9% of the total raw material purchases of 2023.

Sustainability Hotspots & mitigating actions

The main potential sustainability issues tied to the use of down within products are linked to animal welfare in the rearing and slaughtering phases of the animals as well as incorrect handling during transport. These span from potential incorrect housing and handling, water and food availability, force feeding and live plucking. These aspects and concerns about the treatment of animals have led to the development of animal welfare standards for down.

The Moncler Group follows strict guidelines in the sourcing of down:

- The Moncler Brand requires and verifies through third parties that its down suppliers meet stringent requirements set forth in the Moncler Technical Protocol called DIST ([Down Integrity System & Traceability](#)), which regulates how animals are raised, traceability and the technical quality of the down, as well as social and environmental standards along the down supply chain.
The DIST 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.
Among the basic requirements that must be respected across the entire supply chain, the down used by the Moncler Brand must be exclusively sourced from farmed white geese and as a by-product of the food chain and no form of live-plucking or forced feeding is tolerated.
The protocol provides a scientific approach to animal welfare not only assessing the environment where the animals live but also by carefully observing the animal through the so-called Animal-Based Measures (ABMs)⁴⁰, and the evaluation of the human-animal interaction, through the response to specific tests (the HAR test, Estep and Hetts, 1992).
To ensure the utmost impartiality, audits are commissioned and paid for directly by the Moncler Brand and not by the supplier. The certification process is carried out by a qualified third-party entity, whose auditors are trained by veterinarians and zootechnicians of the Department of Veterinary Medicine at the University of Milan (Italy). The certification body is in turn audited by another accredited external certification body.
- The Stone Island Brand instead only uses duck down certified under the Responsible Down Standard ([RDS](#)) by Textile Exchange.

✓ Must-have:

- Down must be compliant with applicable laws, Moncler Group M-RSL and P-RSL and suppliers must be aligned to the Group's Code of Ethics, Supplier Code of Conduct and relative policies.
- All down must be certified according to specific standards. DIST for Moncler down or RDS for Stone Island down. R-DIST or GRS for recycled down.
- Down traced starting from the raw material production regional level (i.e. geese farm).
- Certified down must ensure the presence of transaction certificates or other applicable tracking documents in order to document the certified content and chain of custody of the raw materials.

³⁹ Textile Exchange, Materials Market Report, December 2023 ([link](#)).

⁴⁰ Animal-Based Measures are indicators that can be directly observed on animals and that assess their actual conditions in relation to their ability to adapt to specific farming environments. These measures include physiological, pathological and behavioural indicators.

✓ **Good Practice:**

- Down with scientifically measured environmental impact, such as Life Cycle Assessment or Product Environmental Footprint.

Relevant certifications

Responsible sourcing standards

- Down Integrity System and Traceability ([DIST](#))
- Responsible Down Standard ([RDS](#))

Recycled materials

- Down Integrity System and Traceability ([R-DIST](#))
- The Global Recycled Standard ([GRS](#))

FUR AND ALTERNATIVES

Moncler Group commits not to use animal fur in all its collections, adhering to the Fur-Free Retailer Policy.

The word "fur" refers to any skin with hair from animals raised or caught in the wild exclusively or primarily for their fur, for example fox, mink, coyote, raccoon, ermine, rabbit etc.

Short and long hair shearling from livestock primarily raised for meat, (e.g. calf, cow, sheep, lamb and goat) do not fall under the above definition of "fur".

The last Moncler brand collection to feature fur was Fall/Winter 2023; while Stone Island has not used fur since 2018.

Moreover no materials of animal origin from endangered species belonging to any of the three [CITES](#) Appendices ("Convention on International Trade in Endangered Species of Wild Fauna and Flora" or Washington Convention) are used in the Group's products.

As an alternative to fur, the Group also uses synthetic materials.

Animal derived alternatives:

✓ **Must-have:**

- All materials must be compliant with applicable laws, Moncler Group M-RSL and P-RSL and suppliers must be aligned to the Group's Code of Ethics, Supplier Code of Conduct (including animal welfare requirements) and relative policies.
- Farming Region of animal derived alternatives is requested.
- A third-party verification audit has to be carried out.

✓ **Good Practice:**

- Raw materials with scientifically measured environmental impact, such as Life Cycle Assessment or Product Environmental Footprint.