MONCLER

GROUP

ASSESSMENT OF FUTURE IMPLICATIONS OF CLIMATE CHANGE (UPDATED IN JUNE 2025)

Climate change represents a complex, urgent challenge that will have a major impact on the future of the planet and society. Increasing in temperatures are at the base of extreme natural events such as floods, tornadoes, forest fires, rising sea levels, droughts, decreased productivity and altered agricultural ecosystems, etc. These events are resulting in significant changes as well as in economic, environmental and social costs and threats, also having substantial impacts and repercussions on various industries and businesses.

Since 2021 Moncler Group has been voluntarily reporting on business risks and opportunities linked to climate change, assessed according to the recommendations of the **Financial Stability Board's Task Force on Climate-related Financial Disclosures** (TCFD) on i) Governance, ii) Strategy, iii) Risk Management, iv) Metrics and Targets.

i) Governance

The Moncler Group is committed to maintaining and strengthening its corporate governance system to support the Group's strategy to fight climate change. For this reason, specific tasks have been assigned to the Control, Risks, and Sustainability Committee (also the **Committee**) and Board of Directors of Moncler S.p.A. (also the **BoD**) guaranteeing that climate-related topics are duly taken into consideration during all important decisionmaking processes.

The Control, Risks, and Sustainability Committee is a board-level committee composed of three non-executive directors, in majority independent, with advisory functions towards the Board of Directors. In particular, the Committee assists the Board of Directors with a preparatory, propositional and consultative role, in the assessments and decisions relating to the Internal Control and Risk Management System (ICRMS), including those concerning the sustainability-related risks that may be relevant in the medium/long term (e.g., climate-related ones). In particular, as outlined in its regulations, the Committee assists the Board of Directors, among others, with the supervision of sustainability matters, with a focus on impacts, risks and opportunities, related to the business activity and the dynamics of interactions with stakeholders, as well as the definition of sustainability strategy and the related action plan, including topics such as climate change, biodiversity and human rights, and the examination of the Consolidated Sustainability Statement.

The BoD plays a central role in guiding and managing the Group and has exclusive competence over the most important economic and strategic decisions, over those functional to the monitoring and guidance of the business and on sustainability topics. The BoD also has a key role in the process of approving company strategies regarding sustainability matters, including climate change and energy transition, and social topics.

After being advised by the Committee, the BoD:

- defines the guidelines of the internal control and risk management system so that the main risks, including sustainability risks (such as those related to climate change, linked to biodiversity and human rights), are correctly identified, measured, managed and monitored;
- (ii) oversees sustainability topics (including climate change) related to the Group's activity and its dynamics of interaction with stakeholders;

- (iii) examines and approves the strategic sustainability guidelines and the related action plan (Sustainability Plan), which includes short and medium/long-term objectives and initiatives, including those related topics such as climate change, the energy transition and biodiversity, aimed at creating long-term value for all stakeholders;
- (iv) examines and approves the Consolidated Sustainability Statement prepared in compliance with the new Directive 2022/2464/EU (Corporate Sustainability Reporting Directive - CSRD) and, at least annually, the results of the double materiality analysis in line with the European Sustainability Reporting Standards (ESRS), an important process for identifying and assessing sustainability impacts, risks and opportunities;
- (v) examines the portfolio of Moncler Group's top risks, including those related to climate change aligned with TCFD disclosure;
- (vi) examines and approves the Remuneration Policy, which provides for the integration of sustainability objectives into the remuneration system (both short- and medium/long-term) and the consequent alignment of top management remuneration with the company's sustainability strategy, which includes targets related to the reduction of greenhouse gas emissions and, for example, to the carbon neutrality.

The Board of Directors is also informed at least every six months about the progress of the projects that contribute to the achievement of the objectives of the Sustainability Plan. Moreover, as an integral part of the report made by the Internal Auditing Director on the functioning and adequacy of the ICRMS, the results of Enterprise Risk Management (ERM), including climate related risks, are presented every six months to the Committee and the BoD.

At management level, climate scenario analyses are coordinated by the head of the Risk Management Function responsible for the integrated management of risks (Enterprise Risk Management - ERM) in collaboration with the Sustainability Unit, who is responsible for proposing to the above corporate bodies the Group's sustainability strategy and for identifying and reporting promptly to top management and handling together with the relevant divisions the sustainability risks, including those relating to climate change and biodiversity, as well as for identifying areas and projects for improvement, thereby contributing to the creation of long-term value.

ii) Strategy

Climate scenario analysis represents a critical tool for strategic planning and risk management as it allows to better understand the impact of climate change and how it could affect the Moncler Group's strategy and business.

Aware of the relevance that climate change may have for its business, during 2021, the Senior Manager Risk, responsible for the integrated management of risks (Enterprise Risk Management - ERM), on behalf of the Director in charge of the Internal Control and Risk Management System (ICRMS), in collaboration with the Sustainability Unit, carried out a scenario analysis aimed at assessing the main climate related risks with potential impacts on the main operating sites located in Italy and Romania and on specific geographical areas of the Moncler and Stone Island supply chain to define what mitigation actions should be implemented and prioritized. Both physical and transition risks were taken into consideration.

The analysis was defined over different scenarios to build a resilient strategy that is able to adapt to these potential changes and identify proper mitigation activities.

The analysis was performed over three different time horizons:

- 0-3 years: aligned with the Group's strategic business plan timeline;
- 3-10 years: aligned with the Group's science-based emission reduction commitments in line with the Science-Based Targets Initiative;

• 10-30 years: consistent with the Group's Net Zero commitment and in line with international scientific evidence provided by the IPCC, as well as the goals of the Paris Agreement to limit the global temperature rise to 1.5°C.

These time horizons were selected to assess how climate events can progressively evolve and potentially affect the business (time horizons may differ from the ones defined for the assessments carried out as part of the double materiality process. For further information please see the Group's Consolidated Sustainability Statement).

The analysis of the climate related risks and opportunities was also used to inform Moncler Group's Sustainability Plan, which also includes goals aimed at fighting climate change.

Description of scenarios used in climate scenario analysis

Physical risks

The following climate-related scenarios were used:

- Representative Concentration Pathway (RCP) 2.6
- Representative Concentration Pathway (RCP) 4.5
- Representative Concentration Pathway (RCP) 8.5

The Representative Concentration Pathways (RCPs) describe different pathways of greenhouse gas (GHG) emissions and atmospheric concentrations, air pollutant emissions and land use. The RCPs include a stringent mitigation scenario (RCP2.6), two intermediate scenarios (RCP4.5 and RCP6.0), and one scenario with very high GHG emissions (RCP8.5).

The **RCP 2.6** represents a scenario in which governments, industries and institutions manage to drastically reduce GHG emissions through several far-reaching measures, such as legislation, global carbon taxes, and major shifts in consumption patterns and lifestyles. This would limit the average temperature increase to 1.5°C.

The **RCP 4.5** scenario presents an intermediate emissions scenario, aligned with the Paris Agreement. It represents an intermediate scenario in which emissions peak around 2040 then decline rapidly thereafter, and global mean surface temperature change likely exceeds 2.4°C.

The **RCP 8.5** represents a business-as-usual scenario with increasing greenhouse gas emissions and limited climate policies. In this scenario governments, industries and institutions fail to curb rising GHG emissions. In the long term (to 2100), this results in a global average temperature increase of at least 3-4°C. Impacts from extreme weather events are assumed to grow in magnitude.

Transition risks

The following climate-related scenarios were used:

- Stringent mitigation scenario (Representative Concentration Pathway 2.6 and 4.5)
- Stated Policies Scenario (STEPS) by the International Energy Agency (IEA)
- Sustainable Development Scenario (SDS) by the International Energy Agency (IEA)

The RCP 2.6 and RCP 4.5 scenarios are described above.

The **Stated Policies Scenario (STEPS)** reflects existing and planned government policies that have actually been put in place to reach energy-related objectives, taking account not just of existing policies and measures but also of those that are under development. The STEPS explores where the energy system might go without achieving the objective of containing the temperature increase within 2°C.

The **Sustainable Development Scenario (SDS)** is based on a surge in clean energy policies and investment that puts the energy system on track for key SDGs. As a "1.5°C" pathway, the SDS represents a scenario in

which the main energy objectives of sustainable development, including full access to energy and the containment of the temperature increase up to 1.5°C by 2050.

iii) Risk identification & management

The Moncler Group adopts an Enterprise Risk Management (ERM) framework to ensure the a) identification, b) assessment and c) management of risks to the business.

The Group's ERM is an essential part of the strategic decision-making processes that identifies, assesses and responds to all risks and opportunities. During 2021 the ERM model was integrated with climate change risks, consistently with the recommendations of the TCFD.

The risk assessment is comprised of both qualitative and quantitative methodologies and takes into consideration the likelihood of the risk's occurrence, its impact and the mitigating actions, and identifies the risk owners responsible for managing the risk and for implementing or improving mitigation measures. The aim is to manage risks through specific prevention and control systems integrated in the corporate processes by avoiding or transferring the risk, reducing the probability of occurrence or, in the event of occurrence, containing its financial or strategic impacts on the Group's business.

The Group's Risk Management process is based on the Risk Appetite Framework, which represents the system of rules (risk appetite and risk tolerance) that the Group defined establishing the tolerated overall level of risk that it is willing to assume in achieving its strategic objectives and the medium-long term sustainable growth.

The Risk Appetite Framework consists of four levels: adverse, cautious, flexible, and open. Each risk category is assigned a Group risk appetite level target (the level of risk that the Group is willing to accept) according to thresholds established by the Senior Manager Risk and approved by the Board. Each risk appetite level has a level of risk tolerance. For instance, in the case of risks assessed using quantitative analysis, these thresholds are defined in relation to the maximum EBIT at risk. If a risk evaluation surpasses the set risk appetite level and tolerance thresholds, additional mitigating actions are identified and implemented. All risks exceeding their risk appetite and tolerance levels are reported to the Risk Control and Sustainability Committee.

The purpose of this framework is therefore to effectively align the risk profile with the propensity to risk defined by the Board of Directors.

Both physical and transition risks were assessed on selected locations that represent the Group's own operations and the most relevant Group's supply chains (main operating sites in Italy and Romania and specific geographical areas of the Moncler and Stone Island supply chain have been considered). In addition, the Group climate scenarios analysis also take into consideration risks and opportunities that could happen downstream the value chain (e.g. the qualitative assessment of the risk related to the change in client purchasing habits due to climate change).

The Group once a year, or more frequently if scenario changes, conducts in-depth analyses to assess in detail the impact of these risks on the most representative geographical areas of its supply chain.

a) Identification and registration of climate risks

The identification of all risks, their assessment, and the efforts taken for their mitigation are recorded in a Risk Register. The Risk Register is updated in collaboration with the risk owners more than once a year, on the basis of an annual plan approved by the Board of Directors with the support of the Control, Risks and Sustainability Committee, in order to guarantee the inclusion of any new risks and mitigation measures and/or to reflect any increases in the likelihood of occurrences or in the impacts.

As a first step, a hotspots analysis was conducted through an extensive literature review in order to map the potential climate-related material risks. The analysis was based on sectorial studies on climate change and overall climate risks studies that included trade associations and sectorial papers mapping the most relevant climate related physical and transition risks and opportunities potentially affecting the fashion luxury sector.

As a first result, a list of potentially material climate-related risks and opportunities have been identified and classified into the following categories: acute and chronic physical risks, operational compliance (e.g. carbon pricing mechanism, product labelling), market and technology (e.g. changes in consumer demand), brand and reputation (e.g. stakeholders expectations and requirements).

The list of identified climate risks and opportunities has been discussed with the Internal Audit Function, the Risk Management Function, the Product Compliance & Sustainable Supply Chain Function and the Sustainability Department. Then, the Group completed a qualitative and quantitative deep dive assessment on a first set of selected relevant risks and opportunities.

b) Assessment

The financial impact assessment of climate related risks was performed through a tool of an internationally recognized provider. The tool's methodology and outputs are fully aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Both on physical and transition risks, the tool performs a context-specific assessment of each asset by relying on GPS coordinates of the different key sites under analysis.

Regarding **physical risks**, the assessment was performed on the basis of the climate scenarios identified by the Intergovernmental Panel on Climate Change (IPCC) (RCP2.6, RCP 4.5 and RCP 8.5) and the analysis was performed over a short term (0-3 years), medium term (3-10 years) and long term (10-30 years), to assess how climate events can evolve and affect the business, which allows to align the impacts with the expected length of service of the sites included in the analysis.

With respect to **transition risks and opportunities**, the analysis was carried out on the basis of the SDS and STEPS scenario and, in particular for carbon pricing, RCP 2.6 and RCP 4.5 were also considered. In line with what has been done for physical risks, the analysis of transition risks was also performed over the same time horizons.

According to TCFD recommendations, the risks and opportunities identified have then been quantified in terms of financial implications, considering the following dimensions:

- Hazard¹ changes in environmental or economic conditions associated with climate change. These are expressed as level of hazard exposure of an asset over time, relative to a historical baseline;
- Vulnerability responses of an asset or entity to changes in the climate-related hazards. These are sensitive to the levels of the hazard metrics;
- Impact financial measures of impacts induced by the hazards via the vulnerabilities. This is based on the combination of the degree of vulnerability (at a given hazard level) and the valuation of an asset.

The climate scenario results are then integrated into the ERM's quantitative assessment that estimates the likelihood of occurrence and impact and classifies the risks by the level of importance based on the substantive financial impact. The most relevant risks are monitored by the Control, Risks and Sustainability Committee.

c) Management

Following the identification and risk assessment, together with risk owners, risk mitigation plans are identified and can be of four different types:

- Avoidance
- Reduction
- Transfer
- Acceptance

¹ Each hazard is associated with a specific metric, which defines how the hazard is measured and expressed (e.g. the carbon price growth estimates derived from the Shared Socioeconomic Pathways have been used for assessing the impacts related to the adoption of energy and climate policies aimed at mitigating climate risk).

The table below summarizes the main adaptation and mitigation actions for each of the climate related risk identified (with different levels of impact and likelihood) and evaluated as well as the key measures that the Group puts in place to realize climate related opportunities.

Risk	Description	Mitigation actions
Intensification of extreme and chronic climatic phenomena (physical risk)	The progressive intensification of extreme and chronic climatic phenomena (heavy rainfall, tornadoes, heat or cold waves, storms, fires, drought phenomena, etc.) could potentially impact the physical operational sites of the Group and its supply chain, resulting in possible disruption or reduction of production levels (business continuity) or a potential increase in production costs.	 The Group has adopted insurance coverage aimed at limiting the economic impact of any damage caused by extreme climatic events. For new corporate sites, the Group carried out a detailed assessment of physical climate related risks (e.g. the area's exposure to hydrogeological and geomorphological risks). Based on the results of the risk assessment, the Group adjusted the project design to minimise its exposure to the identified risks. The Group has defined specific action plans to deal quickly and effectively with any emergency situations relating to its logistics services or its supply chain in order to guarantee business continuity.
		• The Group has adopted a procurement strategy aimed at diversifying its supply chain as much as possible both in geographical terms and in terms of independence from individual suppliers.
Change in client purchasing dynamics (transition risk)	The increasing sensitivity of end and wholesale clients towards companies with strong social and environmental commitments, as well as products with lower environmental impact, could directly reflect on purchasing preferences.	 The Group pays particular attention to create value for its clients and establish relationship of trust; to this end, a Strategic Sustainability Plan has been defined and achievement of its objectives is periodically and transparently reported in the Group's public documentation, which describes the commitment to sustainable development and underlines how environmental and social responsibility are increasingly an integral part of the business model, focusing on five strategic priorities: climate change and biodiversity, the circular economy, responsible sourcing, valuing diversity and supporting local communities. The Group has defined targets related to the use of lower impact materials compared with conventional solutions used by the Group: o over 50% of yarns and fabrics with

be assessed in terms of potential impact.

² Materials that aim to have a lower impact than conventional solutions used by the Moncler Group (e.g., materials that are recycled, organic, or certified according to specific standards).

Increase in the	Climate change such as	• The Group has adopted a strategy to
cost/decrease in the	rising temperatures and	diversify its supply chain so that it can
availability of some raw	droughts could impact the	effectively manage any fluctuations in the
materials (physical risk)	production capacity of	price/availability of raw materials in certain
	some natural raw materials.	geographic areas, while establishing long-
	This could affect both	term relationships and agreements that
	availability and purchase	result in beneficial business relationships.
	price.	
		• The Group has set strategic targets related to the use of lower-impact materials compared to the conventional options used by the Group, considering that those deriving from organic or regenerative agriculture are more resilient to climate change and their cultivation has a lower environmental impact:
		 50% cotton from organic/regenerative agriculture or recycled by 2025;
		 70% wool certified to specific standards (e.g. Responsible Wool Standard -RWS, Nativa and Sustainawool) by 2025.
		In the SS and FW 2024 collections, the Group has included about 37% "preferred" cotton and about 70% certified wool, e.g. Responsible Wool Standard (RWS), Nativa and Sustainawool.
		 The Group is always looking for innovative solutions on materials with a low environmental impact.
Introduction of regulations aimed at mitigating climate change (transition risk)	The adoption of energy and climate policies to limit emissions could potentially have an impact on business in terms of taxation on generated emissions.	• As recommended by the guidelines of the Science Based Targets initiative, the Group committed to reduce by 2030:
		 absolute scope 1 and scope 2 CO₂e emissions by 70% compared with 2021;
		 scope 3 CO₂e emissions per unit of product sold by 52% compared with 2021.
		Lastly, the Group is committed to achieving net zero emissions by 2050.
		For direct activities, in line with the commitment of the Science Based Targets, the Group has defined a strategy and to date has achieved the following results:

o 100% renewable energy (e.g.
through the purchase of energy
from renewable sources,
renewable energy certificates
(RECs) and guarantees of origin
(GOs)) at corporate sites
worldwide since 2023;
 98% of low environmental impact
vehicles in the Group's company
car fleet worldwide in 2024:
o operav efficiency initiative:
• energy enclency minutives.
• over the years, fraditional
lighting systems have been
replaced with LED lights and
thermal insulation systems
have been adopted to
ensure greater energy
efficiency. To date 99% of
Moncler stores worldwide
(100% in the United States,
Korea, Japan and Europe)
have LED lighting systems;
 application of Building
Management Systems (BMS)
at Moncler stores for more
efficient management of
energy consumption;
 progressive replacement of
air conditioning and gas
heating systems with more
efficient systems:
• where necessary
replacement of obsolete
office windows to ensure
thermal insulation
mermar monanon.
• With reference to the supply chain the
Group is collaborating with its suppliers to
continue operation descent activities aimed
at identifying concrete actions to reduce
an identifying concrete actions to reduce
energy consumption and the promotion of
initiate support activities for support activities
definition of CO reduction to reprint the
a deminion of CO_2 reduction targets; it also
conduction of materials with a lower in
the accuration of materials with a lower impact
man conventional solutions in order to reach
over 50% of yarns and fabrics with
preferred materials in the 2025
collections.

Opportunity	Description	Adaptation and mitigation actions to realise the opportunity
Increase in resource efficiency	The efficient use of resources, such as electricity, at the Group's sites and operations may lead to a reduction in the emergy used and the emissions generated, with a consequent reduction in operating costs.	 The Group has implemented, and continues to implement, various efficiency measures: environmental certifications: the corporate sites of Moncler and Stone Island are ISO 14001 certified; the logistics hub in Castel San Giovanni (Piacenza) has obtained BREEAM certification; in 2024, the Group implemented the Energy Management System according to the ISO 50001 standard for the offices, the logistics hub and some of the production sites in Italy. In addition, all new corporate buildings and new stores are LEED certified. Compliance with certification and standard criteria results in increased efficiency of the buildings and of continuous improvement; energy efficiency initiatives: over the years, traditional lighting systems have been replaced with LED lights and thermal insulation systems have been adopted to ensure greater energy efficiency. To date 99% of Moncler stores worldwide (100% in the United States, Korea, Japan and Europe) have LED lighting systems; application of the Building Management System (BMS) at Moncler stores for more efficient management of energy consumption.
Change in client purchasing dynamics	Increasing awareness of clients with respect to climate change topics has been registered, especially among younger generations. Clients are paying increasing attention to the environmental impact of the fashion industry and showing	 Since 2021, the Group has already been working on the integration of materials with a lower impact than the conventional solutions used by the Group in order to reach over 50% of yarns and fabrics with "preferred" materials in the 2025 collections.

impact products and more	
responsible companies.	

The results of the financial impact assessment are reported in the Group's CDP Climate Questionnaire (further information can be found in the "Sustainability/Documents" Section at Moncler Group's website www.monclergroup.com).

The results of the analyses in line with TCFD framework represented the starting point for the assessments carried out as part of the double materiality process in line with CSRD guidelines, which **took into account only the theoretical risks that exceeded the materiality threshold**: the physical risk deriving from the intensification of extreme and chronic climatic phenomena (e.g. heavy rainfall, heat or cold waves, drought phenomena, etc.), which could affect physical sites leading to the possible interruption or reduction of production levels (business continuity) and the risk associated with changes in client purchasing dynamics. In addition, through the double materiality analysis, a theoretical reputational risk was identified, linked to the failure to achieve climate targets defined in the 2020-2025 Sustainability Plan (further details in the Group Consolidated Sustainability Statement).

iv) Metrics & Targets

Moncler Group has been reporting its Scope 1, 2 and 3 GHG emissions within its Consolidated Sustainability Statement (further information can be found in the "Act on Climate & Nature" chapter of the Group's Consolidated Sustainability Statement) and the data were independently audited with a limited assurance according to the assurance standard "*Principio di Attestazione della Rendicontazione di Sostenibilità* – SSAE (Italia)". Moreover, since 2021, Moncler Group has been voluntarily reporting its climate performances through the CDP Climate Questionnaire, which incorporates recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

Moncler Group's Sustainability Plan 2020-2025 is a promise to the future that builds on the founding purpose of protection following five main strategic drivers. One of them is indeed the climate change: the prevention and mitigation of the risks associated to the rise of global temperatures.

Following the integration of Stone Island and internalization of Moncler's e-commerce channel, in 2022 the Group redefined its CO_2 reduction targets to ensure the inclusion of all sources of CO_2 emissions and to reflect the actual size and impact of the business.

In particular, the Moncler Group has committed to reduce by 2030 absolute scope 1 and scope 2 CO₂e emissions by 70% (in line with the "1.5°" ambition) and scope 3 CO₂e emissions by 52% (in line with the "Well-Below 2°" ambition) per unit sold from a 2021 base year. In addition, the Moncler Group has committed to achieving net zero³ emissions throughout the value chain by 2050. These objectives were approved by the Science-Based Targets initiative and considered consistent with the contribution required by companies to limit the maximum increase in global temperatures compared to pre-industrial levels.

The Group is committed to continue to follow the TCFD recommendations with the aim of improving the quality of the metrics used to measure the climate-related financial impact based on the risks and opportunities analysed.

³ According to the United Nations Intergovernmental Panel on Climate Change (IPCC), net zero emissions are achieved when the complex balance between greenhouse gas (GHG) emissions produced and those absorbed by the ecosystems is achieved through neutralization mechanisms. In particular, to contribute to the achievement of net zero emissions, companies have to reduce emissions and neutralize residual emissions.