



MONCLER

COLLECTION FINSTAD 2018

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The numbers, initiatives and objectives presented in this document tell about Moncler, our culture of sustainability, the commitment of every single person in the company, what we believe in and what we are committed to. They tell about our aspirations. They tell about the awareness that no accomplishment can be considered a point of arrival, but is only a stepping stone along a path that always aims at achieving new goals.

In 2018, our commitment to pursuing some of the Sustainable Development Goals set out in the United Nations' 2030 Agenda continued. They were the focus of our programmes, along with the safety of people, the well-being of our employees, the promotion throughout the supply chain of an increasingly responsible conduct and the consolidation of our relationship with clients.

In 2018, Moncler continued to create jobs by increasing the number of employees worldwide by 19%. This growth was significant not only in numerical terms, but above all for the diversity and energy that people belonging to different generations, cultures and backgrounds bring. We have continued to work for all our people to make Moncler an increasingly stimulating company to work for. Acting on the expectations emerging from the people satisfaction survey, *MonVoice*, we have implemented programmes aimed at well-being, internal communication and more cross-functional and participatory ways of working together.

During the year, OHSAS 18001 certification for our occupational health and safety management system was extended to all offices and stores in Europe and the United States, while our ISO 14001-certified environmental management system was extended to the Italian sites in Trebaselghe, Milan and Castel San Giovanni.

Great energy has also continued to be put into sharing our high social and environmental standards with partners. We have intensified the verification, training and sharing activities to spread our culture of sustainability through an open and constructive dialogue aimed at continuous and mutual improvement.

Moreover, it was the fourth consecutive year of certification of our down supply chain according to the DIST Protocol, Moncler's technical standard for animal welfare, traceability and quality, developed in collaboration with a multi-stakeholder working group that continuously monitors the results and promotes its further development.

Activities in support of scientific research, local communities and the most disadvantaged populations also continued. Over the past two years, thanks to the *Warmly Moncler for UNICEF* project, about 25,000 children living in particularly vulnerable situations in some of the coldest areas of the world have received aid.

The year 2018 also saw the consolidation of our relationship with clients: we intensified our dialogue to offer a consistent and distinctive experience at each of the brand's touchpoints in an omni-channel perspective. Thanks to the new business model launched by the Moncler Genius project and to digital technologies, our communications are now more direct, continuous and faster and in our stores we are devoting time and attention to building an authentic and personal relationship.

I am grateful to our more than 4 thousand people who every day, in our offices, stores and production sites, do their best to make Moncler a company open to challenges and change, a company that is not afraid to question itself and that is constantly exploring innovative paths.

Today's results and the trust we have earned from our stakeholders encourage us to continue along our path, because we believe that dedication and passion are the best foundations for building a desirable future for all.

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 BELIEVE THAT LONG-TERM SUCCESS IS BUILT ON SHARED VALUE."

100%

of down purchased was DIST certified

100%

of outerwear manufacturers audited on ethical aspects in the period 2017-2018

OHSAS 18001

health and safety certification extended to all offices and stores in Europe and United States

ISO 14001

environmental certification extended to corporate offices and logistics hub in Italy

96%

of stores with LED lighting⁽¹⁾

54%

women in management

+40%

in hours of training delivered to employees compared to 2017

+19%

employees compared to 2017

89/100 VIBE SCORE

which measures how willing clients are to recommend Moncler to others

2.7 MILLION

Euros invested in local communities

(1) Excluding the 15 shop-in-shops in which lighting is provided by the host department stores, where Moncler cannot take action.

1

MONCLER

VALUES

PHILOSOPHY

A HISTORY OF INNOVATION DEEPLY
ROOTED IN TRADITION

MARKET PRESENCE

STRATEGY

FINANCIAL PERFORMANCE

VALUES

Moncler has always stood for authenticity, excellence, innovation, and talent, for seeking challenges, and for pursuing shared and sustainable goals. These are the values at the heart of our 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 65 years of history, the Brand conveys its DNA through innovative and versatile products that are inspired by values stemming from the love for sports and nature, deliver renowned elegance and quality excellence, and a lasting creative spirit. 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.

"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 strategy, business model and decisions. Promoting responsibility across the supply chain is an integral part of this process.

"MONCLER IS A GLOBOPHONIC COMPANY: WHILE ITS VISION IS GLOBAL, ITS STRATEGY IS LOCAL"

Moncler believes in the importance of inclusion and the value of multiplicity. Moncler's policy has always been to have a direct presence in the regions (EMEA, Asia Pacific, Japan, the Americas and Korea) in which it operates, with local management and organisational structures acting in close coordination with the Parent Company and providing a profound knowledge of the culture and trends in each market.

"CLIENTS ARE OUR MAIN STAKEHOLDERS"

Clients have always been pivotal in every strategic decision made by Moncler in an increasingly omnichannel perspective, which integrates and connects the touchpoints where actual or potential clients can "meet" the Brand whether in physical stores or online.

"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 increasingly interactively to engage end clients and create a strong sense of belonging around shared values.

"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 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.

A HISTORY OF INNOVATION DEEPLY ROOTED IN TRADITION

2018

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

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

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

2017

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.

2016

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.

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

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

2015

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.

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.

2014

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

2013

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 per share.

2007

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).

2003

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.

'80

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

1968

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

1954

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.

1952

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

MARKET PRESENCE

Moncler is present in all the most important markets both through the retail channel, consisting of mono-brand Directly Operated Stores, (DOS)⁽¹⁾ and an online store, and a wholesale channel, consisting of multi-brand stores and mono-brand stores within department stores (Shop-In-Shops, SIS) and of important specialists in the online sales of luxury goods (e-tailers).

Moncler's strategy aims to directly control both retail and wholesale distribution where it operates through its organisation.

In recent years, the business has grown mainly through the retail channel, which in 2018 accounted for 77% of consolidated revenues. This result was achieved through organic growth, the opening of new stores and, more recently, the expansion of existing ones. Active in all the main markets where the Group operates, the online store — www.moncler.com — is becoming increasingly important.

While the wholesale channel continues to be of strategic importance, over the years, Moncler has been very selective, it has progressively reduced its presence in number and exerted strict control over the quantities ordered. As a result, the Brand is present today only in the best multi-brand stores and luxury department stores in the world. Recent growth in this channel has also been driven by the opening of mono-brand stores (Shop-In-Shops), mainly within major department stores and in some important international airports, and by the development of the online channel through multi-brand stores specialising in high-end products (e-tailers).

At 31 December 2018, Moncler's products were distributed in the mono-brand stores through 193 directly operated stores (DOS) and 55 wholesale mono-brand stores (SIS).

MONO-BRAND RETAIL NETWORK (No.)

	31/12/2018 ⁽²⁾	31/12/2017 ⁽²⁾	Net Openings FY 2018
Italy	20	18	2
EMEA (excl. Italy)	55	51	4
Asia and Rest of the World	91	87	4
Americas	27	25	2
Mono-brand retail stores	193	181	12
Mono-brand wholesale stores	55	46	9

(1) Includes free standing stores, concessions (stores in department stores/malls), travel retail stores (airport stores), and factory outlets.

(2) Number of stores reported according to the new methodology that does not count multiple stores (men's/women's/children's) separately if they are located at the same address.

CONSOLIDATED REVENUES BY GEOGRAPHIC AREA (MILLION EUROS)

	Revenues ⁽³⁾	%	Change vs. 2017 (at current exchange rates)	Change vs. 2017 (at constant exchange rates)
Italy	167.8	12	+ 12%	+ 12%
EMEA (excl. Italy)	407.6	29	+ 16%	+ 17%
Asia and Rest of the World	616.1	43	+ 24%	+ 28%
Americas	228.5	16	+ 16%	+ 17%
Total	1,420.1	100	+ 19%	+ 22%

During 2018, 12 new DOS were opened in the most renowned international locations, including:

- the first directly operated store in the Mexican market (Mexico City) and in the Arabian Peninsula (Dubai);
- the consolidation of the Asian market with the opening of another 4 stores, including two airports;
- some select openings in the United States and Europe.

Moreover, during the year, some existing retail stores were relocated to new premises with a larger average surface area. The most important projects in 2018 were: the flagship store in New York - Soho and the store in London - Sloane Street.

During the year, 9 mono-brand wholesale stores were also opened, including:

- the opening of three stores at international airports;
- the consolidation of the North American market, through the inauguration of SIS in the most important luxury department stores;
- the inauguration of mono-brand wholesale stores in some locations with a high intensity of tourist flows (e.g., Dubai).

(3) Rounded figures to the last digit represented.

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, diversity, sustainability 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.

Its strategy is closely related to the Group's philosophy and values, and is underpinned by five pillars.

DEVELOPING A SOLID GLOBAL BRAND, WHILE BOLSTERING ITS UNIQUE POSITIONING

Over the years, Moncler's growth strategy has been inspired by two key principles: to become a global brand and to have no filters with the market. Today, 88% 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.

CREATION OF A DIGITAL CULTURE

Moncler considers the digital channel as a crucial and indispensable tool for brand communications and business growth at global level in an omni-channel perspective. Spreading and fostering a digital culture in each Company division is a crucial part of Moncler's strategy.

For some years now, Moncler has a digital division that reports to the Chief Marketing & Operating Officer, who is responsible for both e-commerce and digital marketing, with the aim of developing online business and strengthening the presence of the Moncler brand on all major social media.

DEVELOPMENT OF OWN DISTRIBUTION CHANNELS IN AN OMNI-CHANNEL PERSPECTIVE

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. Today, the Group is pursuing an integrated development strategy for its distribution channels, both physical and digital.

SUSTAINABLE GROWTH TO CREATE VALUE FOR ALL STAKEHOLDERS

The Brand has been progressively strengthening its commitment to long-term sustainable and responsible growth, as an integral part of the Company's strategy and as a means to further meet stakeholder expectations and create shared value.

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.

FINANCIAL PERFORMANCE

DOUBLE-DIGIT GROWTH CONTINUED IN ALL REGIONS, ALL DISTRIBUTION CHANNELS AND ALL ECONOMIC INDICATORS: 1,420 MILLION EUROS IN REVENUES (+22%) AND 332 MILLION EUROS IN NET INCOME (+33%).

RESULTS

In 2018, revenues reached 1,420.1 million euros, compared to 1,193.7 million euros in 2017, an increase of 22% at constant exchange rates and of 19% at current exchange rates. This performance was driven by the retail channel, which reported revenues of 1,086.5 million euros compared with 892.4 million euros in 2017, an increase of 26% at constant exchange rates, thanks to significant organic growth and the development of the Directly Operated Store (DOS) network.

The wholesale channel recorded revenues of 333.6 million euros compared to 301.3 million euros in 2017, an increase of 13% at constant exchange rates, driven by the expansion of the network of mono-brand wholesale stores.

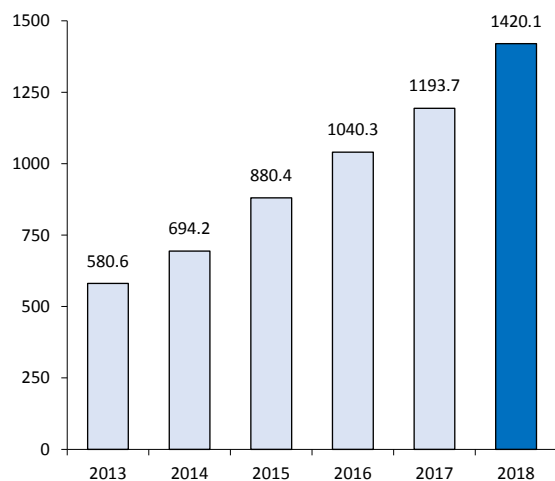
EBITDA⁽⁴⁾ amounted to 500.2 million euros, up from 411.6 million euros in 2017, with a 35.2% margin on sales (34.5% in 2017). EBIT amounted to 414.1 million euros, up 21.5% from 340.9 million euros in 2017, with a 29.2% margin on sales (28.6% in 2017).

In 2018, Group net income totalled 332.4 million euros, with a 23.4% margin on sales, up 33.1% from 249.7 million euros in 2017.

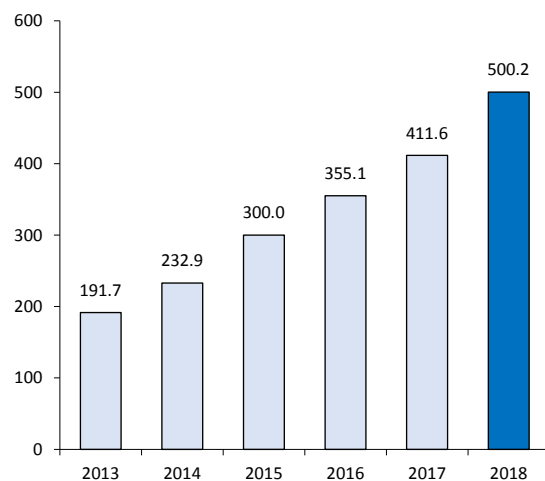
In 2018, capital expenditure amounted to 91.5 million euros, an increase compared to 72.5 million euros in 2017. This increase was related to the development of the retail network, the expansion/relocation of some important stores, IT investments and the expansion/automation of the Italian logistics hub.

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

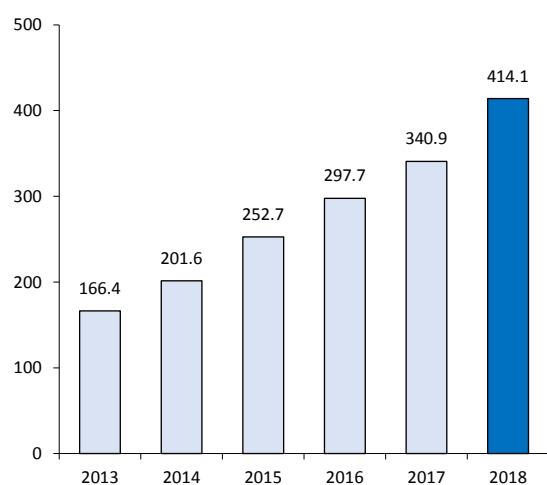
Revenues⁽⁵⁾ (million euros)



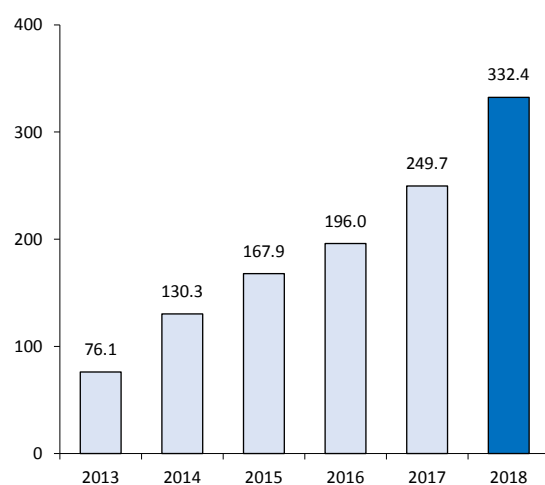
EBITDA⁽⁶⁾ (million euros)



EBIT (million euros)



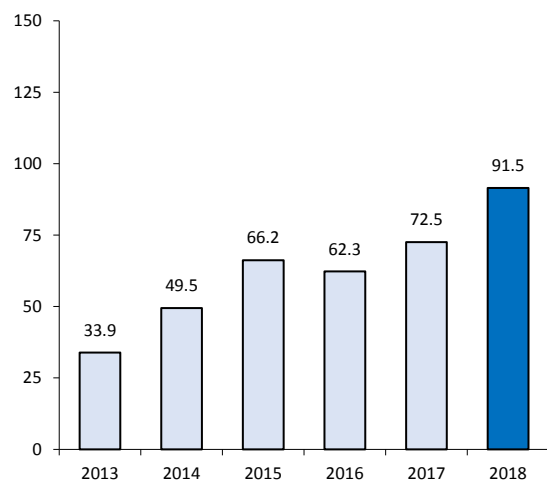
Group Net Income (million euros)



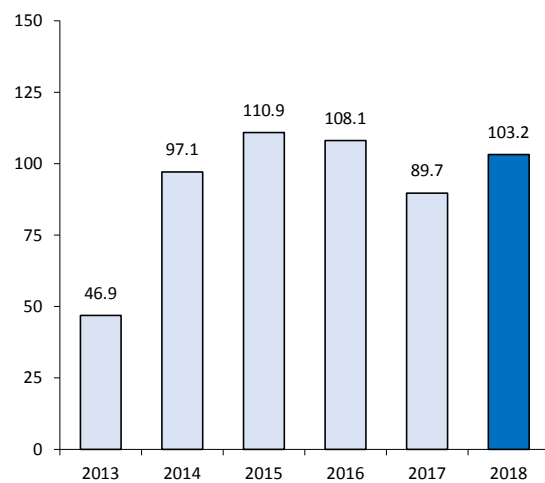
(5) Rounded figures to the last digit represented for all financial highlights.

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

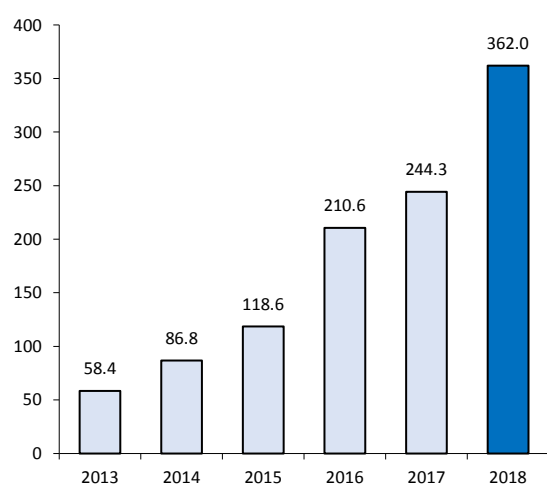
Capital Expenditure ⁽⁷⁾ (million euros)



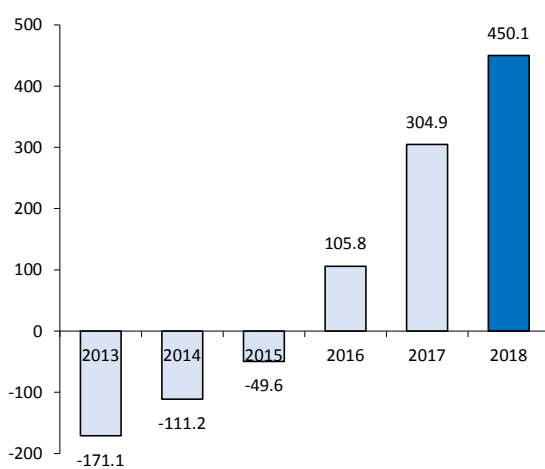
Net Working Capital (million euros)



Free Cash Flow (million euros)



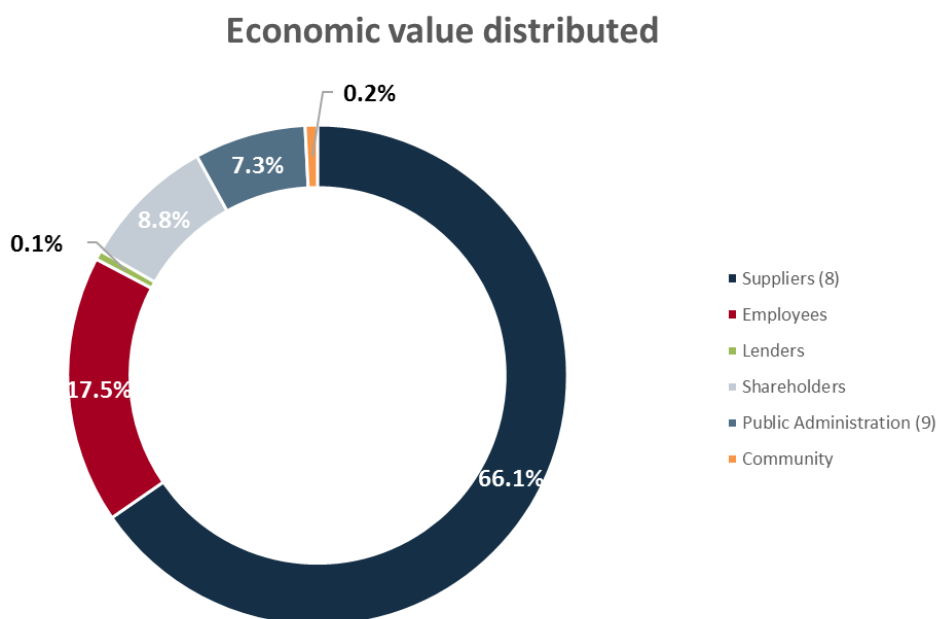
Net Financial Position (million euros)



(7) 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 2018, Moncler generated an economic value of 1,427.2 million euros, an increase of over 19% compared to 2017. The economic value distributed by the Company went from 968 million euros in 2017 to 1,135.9 million euros in 2018, up by over 17%. An 80% share of the value generated by Moncler was distributed to internal and external stakeholders, while the remaining 20% was retained by the Company.



(8) The figure refers to suppliers of goods and services.

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

ECONOMIC VALUE GENERATED AND DISTRIBUTED

(Thousand euros)

	2018	2017
Economic value generated by the Group	1,427,171	1,196,561
Revenues	1,420,074	1,193,704
Other earnings	9,331	7,733
Financial income	717	558
Value adjustments of financial assets	-	-
Write-down of receivables	(1,493)	(1,783)
Exchange rate gains (losses)	(1,334)	(3,841)
Gains (losses) from disposal of tangible and intangible assets	(124)	190
Value adjustments of tangible and intangible assets	-	-
Economic value distributed by the Group	1,135,896	968,041
Economic value distributed to suppliers ⁽¹⁰⁾	750,337	643,871
Economic value distributed to employees	199,024	160,896
Economic value distributed to lenders	1,292	1,899
Economic value distributed to shareholders ⁽¹¹⁾	99,888	70,464
Economic value distributed to the public administration ⁽¹²⁾	83,194	88,711
Economic value distributed to communities	2,161	2,200
Economic value retained by the Group	291,275	228,520
Amortisation and depreciation	56,499	47,274
Provisions	2,173	1,942
Reserves	232,603	179,304

(10) The figure refers to suppliers of goods and services.

(11) In 2018, the amount was estimated based on the suggested dividend. The 2017 amount was adjusted based on the actual dividend paid.

(12) The economic value distributed to the public administration also includes deferred taxes.

2

RESPONSIBLE BUSINESS MANAGEMENT

GOVERNANCE MODEL

RISK MANAGEMENT

CREATING SUSTAINABLE VALUE

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.

VALUE THAT LASTS OVER TIME.

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/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 Company operates.

The corporate governance system complies with the principles set forth in the Corporate Governance Code for Italian Listed Companies approved by Borsa Italiana S.p.A. 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 careful and diligent monitoring of related-party transactions and handling of privileged information;
- the effectiveness and transparency of management decisions;
- 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 Company'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 25.

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:

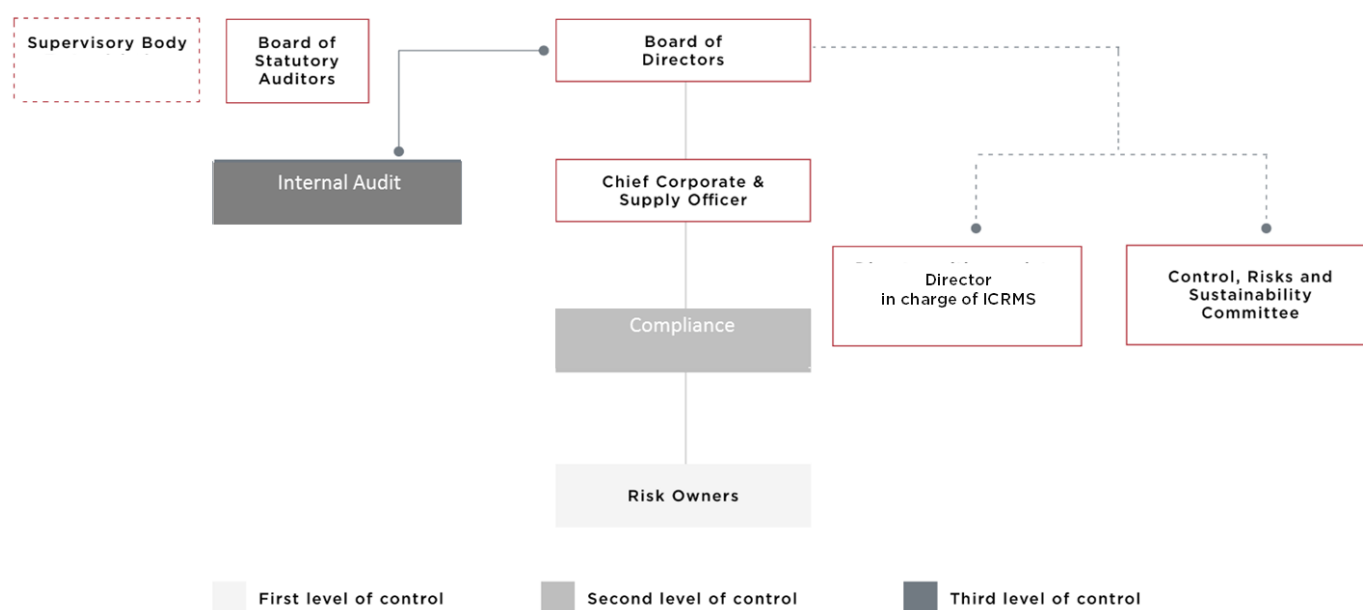
- the **Shareholders' Meeting**, in ordinary and/or extraordinary sessions, is responsible for resolutions regarding, *inter alia*, (i) the appointment and removal of members of the Board of Directors and Board of Statutory Auditors, as well as their remuneration; (ii) the approval of the financial statements and allocation of profits; (iii) amendments to the By-laws; (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 By-laws, 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 By-laws, 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 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 **audit firm** is responsible for the statutory auditing of accounts. It is appointed by the Shareholders' Meeting and in accordance with the By-laws, upon proposal of the Board of Statutory Auditors. The external auditor operates independently and autonomously and therefore does not represent either the minority or majority of shareholders.

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 control figures include 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 29.

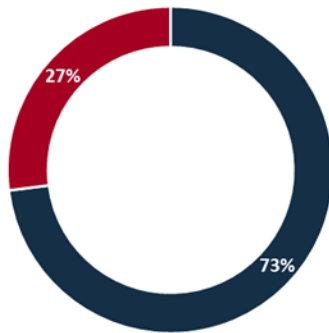
INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM



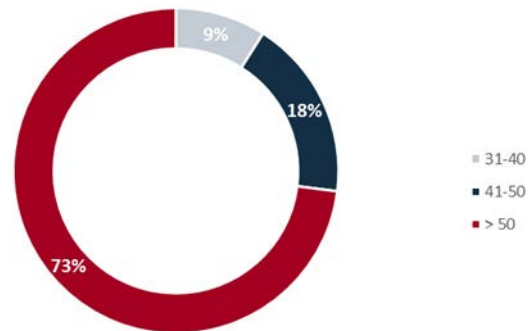
The Chairman and Chief Executive Officer, Remo Ruffini, is also assisted in the definition and implementation of Group strategy by a **Strategic Committee**, which has advisory functions and bridges the main areas of the Group, ensuring consistency and the sharing of Moncler's guiding values.

At 31 December 2018, Moncler's Board of Directors, including the Chairman, consisted of 11 members, of whom six were independent. With regard to the powers assigned within the Board, there were three Executive and eight Non-Executive Directors (six of whom were 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 2018.

Composition of the Board of Directors
by gender



Composition of the Board of Directors
by age group



In 2018, average attendance at Board meetings was 94%.

DIVERSITY POLICY

In 2018, Moncler adopted a policy concerning diversity of the composition of the Company's administrative, management and control bodies: the **Diversity Policy**. The Policy was first submitted for examination to the Nomination and Remuneration Committee and the Board of Statutory Auditors and was subsequently approved by the Board of Directors on 18 December 2018.

Through its Diversity Policy, the Company aims to pursue its objective, in line with its stakeholders' expectations, as well as in line with the pillars on which the corporate governance system is based and the values of the Moncler Code of Ethics, of creating the necessary conditions for its administrative and control bodies to exercise their functions in the most effective and virtuous way, through decision-making processes that express a plurality of qualified and diverse contributions.

The Policy's founding principles are:

- protection of gender equality;
- respect for the independence of Directors;
- search for diversity in managerial and professional skills.

Responsibility for monitoring the results deriving from the application of the Diversity Policy and for its updating lies with the Board of Directors, which acts with the support of the Nomination and Remuneration Committee and the Board of Statutory Auditors.

CODE OF ETHICS

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

The Code 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 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 Cooperation 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 2018, an online training programme was launched for all employees in Italy to ensure the correct understanding of the Code's principles 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** 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 2018, Moncler's Organisation, Management, and Control Model was updated with the new offences recently introduced under Legislative Decree 231/2001, concerning illicit brokering, exploitation of labour, racism and xenophobia, as well as new regulations on whistleblowing and some changes concerning corruption between private persons. Following the assessment and preparatory activities needed to update the Model, there were no instances requiring significant corrective measures.

Italian employees were trained, through an online course, on the contents of the Model and the new regulations that have been introduced.

The audits performed in 2018 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, during the year the Internal Audit division audited Group companies in the United States, Korea, Japan, China, Hong Kong, Turkey, the United Kingdom and Romania, 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 2018 the Internal Audit division audited 50 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.

The objectives of the audits also include the assessment of compliance with the main provisions and company rules included in the Code of Ethics. 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** has been in place since 2016 and it is 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 2018, to further consolidate the internal whistleblowing procedure and in compliance with recent legislation on whistleblowing, Moncler adopted 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 web platform is available in Italian and English, as well as in Chinese, Japanese and Korean, while telephone operators speak the language of all the countries in which Moncler has stores. The platform ensures, *inter alia*, full compliance with international regulations in the field of privacy (processing of sensitive and personal data) and anonymity by whistleblowers: in this case, communication via a platform between whistleblowers and Moncler is carried out solely by means of the unique identification code of the report.

The introduction of the platform went hand in hand with a review of the whistleblowing procedure, which was therefore sent to all Group employees and is available on the company intranet.

In 2018, only one report received through the whistleblowing system was considered relevant and deemed worthy of further scrutiny. As a result of the inquiry carried out with the collaboration of several company departments, one employee was dismissed from the Company.

From 2017, Moncler has developed a Group **Anti-Corruption Model** based on 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. 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 Group Anti-Corruption Policy.

Specifically, the 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.

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

For each of these areas, principles of conduct and guidelines are set out both in the Anti-Corruption Policy and in the Group's Code of Ethics.

The Internal Audit function carries out periodic on-site audits at Group companies to verify the adoption of controls to mitigate the risk of corruption in the areas most at risk. In particular, annual audits focus on sponsorships, donations and gifts, the management of consulting and professional assignments, the acquisition and management of public grants and financing, the recruitment of employees, supplier management, payments, expenses, and entertainment expenses. In 2018, **no cases of corruption were reported**.

Finally, Moncler has adopted a **Supplier Code of Conduct** since 2016. It addresses the Company'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. It also carries out training and awareness-raising activities on in-house structures and suppliers through meetings at corporate sites or at supplier premises. The Group is also committed to carrying out relevant training and awareness activities among internal departments and suppliers alike. See also page 76.

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 entire organisation and 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;
- compliance risk;
- financial risk.

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

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

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

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

With regard to internal risks, the objective of the ERM model is to manage them through specific prevention and control measures incorporated into Company processes, designed to eliminate the risk, or 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 instance through insurance policies.

The risk assessment identifies all the risks and a 'risk owner' responsible for managing the risk itself and the related control system, and for implementing or improving mitigation measures. All risks, the assessment of the relevant internal control system 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.

Specifically, in 2018, the ERM model was updated both with new assessments targeted at the Digital, Investor Relations and Marketing & Communications areas, and with a detailed review of the risks associated with the Retail, Wholesale, Operations (with a focus on the supply chain), Logistics, Production site in Romania, IT & Cyber Risk, and Product Development areas, and at business support processes of the Administration and Control, Treasury, Human Resources and Legal divisions.

The results of ERM activities are presented 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 system involves the following governance bodies:

- the Board of Directors, which defines guidelines and assesses the suitability of the ICRMS at least once a year;
- the Control, Risks, and Sustainability Committee, which supports the Board of Directors in its assessment and decisions concerning the risk management system;
- the Director in charge of the ICRMS, who is responsible for establishing and maintaining the effectiveness of the system itself as per the indications and guidelines defined by the Board of Directors in collaboration with the Control, Risks, and Sustainability Committee;
- the Head of the Group Internal Audit division, tasked with verifying the performance and suitability of the ICRMS, and coordinating the ERM process;
- the Board of Statutory Auditors, which oversees the effectiveness of the ICRMS.

In December 2018, the ERM portfolio comprised 139 risks.

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 in Romania) 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 60. The Group also developed an incentive plan specifically for managers and key personnel to facilitate retention. See also page 58. 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 and other Regions. See also page 59.

The risk of **human rights** violations against the employees of Group companies is considered solely at a theoretical risk level, owing to the level of protection ensured by various laws and/or collective labour agreements, the working standards set out in Moncler's Code of Ethics, and the oversight activities in place at 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. See also page 26.

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 sub-contractors and finished product suppliers in Italy and abroad. In addition, the Company purchases raw materials and services from a large number of suppliers worldwide. The variety of partners and the geographical scope in which Moncler operates have led the Group to make huge investments in preventing and monitoring 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, on compliance by the supply chain with applicable laws and the principles set out in the Code of Ethics and the Supplier Code of Conduct. More specifically, these set out binding standards of conduct to be held by suppliers and provide that any violation could result in the termination of collaboration. Moreover, the Group is committed to raising awareness of responsible sourcing principles among its partners through specific training activities. See also page 81.

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 77. 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 2018, Moncler obtained ISO 14001 certification for its Italian corporate offices and logistics hub in Castel San Giovanni, Piacenza, in addition to the production site in Romania, which was certified in 2017. See also page 98.

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

Since its establishment, 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.

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 66.

The 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 entered into force in May 2018 by adopting, *inter alia*, a specific policy and carrying awareness-raising activities among all employees.

As regards corruption prevention measures, Moncler developed and adopted an Anti-Corruption Model that provides, 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 27.

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 89.

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 92.

In its effort to promote animal welfare, Moncler calls for its suppliers to comply with animal welfare requirements as set out in its Supplier Code of Conduct. The Company demands and verifies that all its down suppliers comply with the strict requirements of the DIST Protocol (Down Integrity System and Traceability).

With the support of specialised independent bodies, the Group conducts regular audits to ensure that animals are treated satisfactorily from the farm to the slaughterhouse. See also page 78.

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 2018.

CREATING SUSTAINABLE VALUE

THE INCREASING INTEGRATION BETWEEN BUSINESS DECISIONS AND THE ASSESSMENT OF THEIR ENVIRONMENTAL AND SOCIAL IMPACTS IS AT THE CORE OF THE COMPANY'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.

In 2018, Moncler received the "Industry Mover Sustainability Award" from RobecoSAM, an asset manager specialising in sustainable investments, and has also been included in the ECPI EMU Ethical Equity, ECPI Euro ESG Equity and ECPI World ESG Equity indices, which are focused on Environmental Social Governance (ESG) issues.

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 international reporting standards.

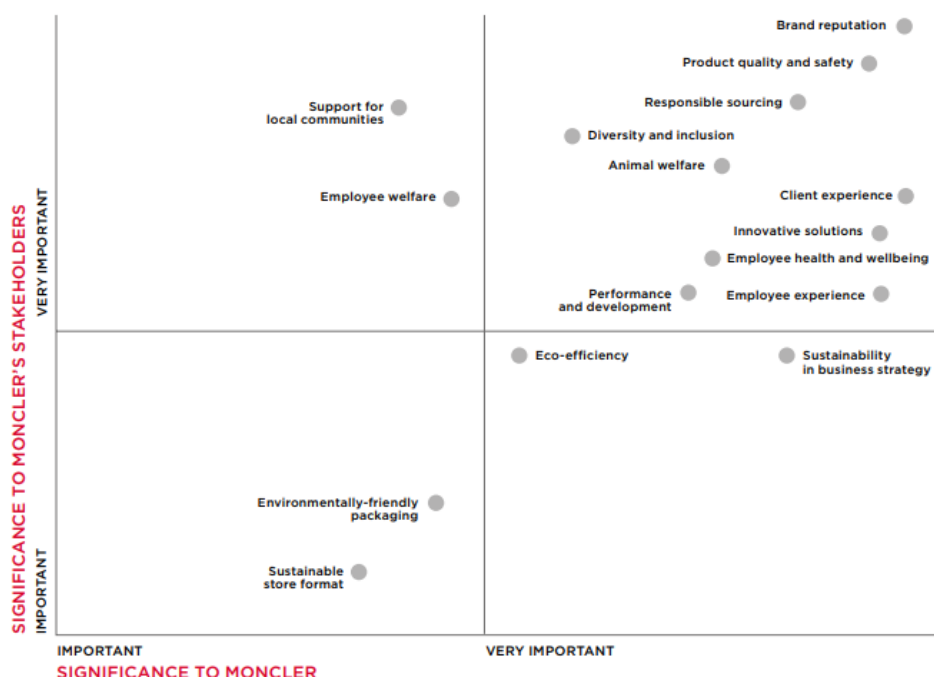
In terms of sustainability reporting, the topics deemed as material (or relevant) are those that have a significant impact on the economic, social, and environmental performance of the Company or that may substantially influence stakeholders' perceptions and decisions.

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

The analysis 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 scenarios⁽¹⁾, sustainability assessment questionnaires by rating agencies, sector studies, media and internet research, and multi-stakeholder standards/initiatives⁽²⁾;
- 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.



(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 Standard, OECD Guidelines for Multinational Enterprises.

The materiality analysis identified 16 material topics⁽³⁾, including product quality and safety, responsible sourcing, client relations, performance assessment and career development, innovative solutions, animal welfare, employee health and well-being and people experience.

For the correlation between material topics and GRI aspects and indicators, please see the table on page 131.

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 process involves the clear and timely identification of stakeholders, so as to establish the most effective communication channels, while continually monitoring expectations, needs, and opinions.

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

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.

(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.

STAKEHOLDERS	TOOLS AND CHANNELS OF INTERACTION	STAKEHOLDER EXPECTATIONS
Employees	<p>People satisfaction survey, <i>MONVoice</i></p> <p>Continuous dialogue with the Human Resources Department</p> <p>Annual meetings to discuss career plans, set individual targets, and review performance 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>Client Service</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>Systematic collection of client feedback (VIBE)</p>	<p>Product quality, safety, and durability</p> <p>Products manufactured respecting the environment, people, and animals</p> <p>Style, uniqueness, innovation, and a complete product range</p> <p>High level of service during and after the sale</p> <p>Competent, professional, and empathetic sales personnel</p> <p>Personalised shopping experience and engagement</p>
Wholesale clients	<p>Events at Moncler showrooms and stores</p> <p>Training sessions</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>
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)	<p>Annual Shareholders' Meeting</p> <p>Regular conference calls or meetings following key announcements</p> <p>Price-sensitive announcements and information</p> <p>Seminars, industry conferences, road shows, and meetings</p> <p>Daily engagement (meetings, phone calls, emails)</p> <p>Corporate website</p> <p>Dedicated investor app</p> <p>Questionnaires on sustainability performance</p>	<p>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 round tables 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.
- **Altagamma Foundation:** foundation that brings together the top companies of the Italian cultural and creative industry that are recognised as authentic ambassadors of Italian style in the world. Its mission is to contribute to their growth and competitiveness.
- **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.
- **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.
- **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 provide member companies with welfare

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

- **Quality Brands Protection Committee (QBPC):** 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 develops and publishes voluntary technical standards for all sectors of industry, from manufacturing to sales and services. UNI members include companies, professionals, associations, public bodies, research centres, educational and academic institutes, consumer associations, trade unions, third sector 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.
- **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 2018, Moncler did not make donations to any political parties. 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 COMPANY'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 NOT A POINT TO BE ARRIVED AT, BUT AN ONGOING PROCESS OF IMPROVEMENT.

Through the Sustainability Plan, the Group shares its medium/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 either directly or through organisations with which it collaborates. 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 six SDGs are clearly indicated in the following Sustainability Plan.

MONCLER INITIATIVES AND TARGETS ALIGNED WITH THE SDGs



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

Responsibility for achieving the targets of the Sustainability Plan lies with the liaison officers 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).

ACTIONS	2018 RESULTS	TARGETS
CORPORATE GOVERNANCE AND SUSTAINABILITY		
Maintain corporate governance and a risk management system aligned with best practices		
Update of the Code of Ethics and other corporate policies	<ul style="list-style-type: none"> Code of Ethics disseminated to all employees worldwide and training delivered to all employees in Italy 	2019 Code of Ethics training extended to all employees worldwide
	<ul style="list-style-type: none"> Online training on the Organisation, Management, and Control Model provided to all employees at corporate offices in Italy 	
	<ul style="list-style-type: none"> Board of Directors Diversity Policy, as well as the Tax policy and the Privacy policy approved 	2019 Formulation of additional guidelines supplementing the Code of Ethics
Implementation of a whistleblowing procedure	<ul style="list-style-type: none"> Training on whistleblowing procedure provided to employees in Italy Web platform and ad hoc telephone lines in local language adopted for the management of the reports 	2019 Extension of training on the whistleblowing procedure to all employees worldwide
Broadening of the scope of business processes covered by the Enterprise Risk Management (ERM) system	<ul style="list-style-type: none"> ERM model updated on all business areas and risks, with a focus on digital and e-commerce processes Risk Management Policy updated 	Continuous update of the ERM system based on potential risk factors, also related to social and environmental issues
Integrate sustainability issues into the dialogue with stakeholders		
Reporting of sustainability performance and targets to analysts and investors	<ul style="list-style-type: none"> Frequency of contacts with socially responsible investors (SRIs) and analysts increased 	Continuous integration of sustainability issues into financial communications
Collaboration with fashion and textile companies to share best practices and enhance sustainability performance in the sector	<ul style="list-style-type: none"> Roundtables focusing on down, potentially hazardous substances, and good sustainability practices attended 	Continuous participation in working groups focusing on sustainability issues
Closer dialogue with key stakeholders on environmental and social issues	<ul style="list-style-type: none"> Fifth DIST (Down Integrity System & Traceability) multi-stakeholder forum held on goose welfare, down traceability and quality with the aim of the ongoing consolidation of the Protocol 	Regular meetings with key stakeholders focusing on relevant environmental and social issues
Foster a culture of sustainability within the Group		
Implementation of an integrated sustainability management system incorporating environmental and social aspects into business decisions	<ul style="list-style-type: none"> 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
Provision of classroom and/or online training to raise employee awareness of sustainability issues	<ul style="list-style-type: none"> Classroom training session organised for young talents of the <i>MONCampus</i> programme Information highlights published via intranet worldwide Training session organised for quality technicians on responsible sourcing principles 	Ongoing information and training on sustainability for employees

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

ACTIONS	2018 RESULTS	TARGETS
PEOPLE		
Engage employees and meet their expectations		
Knowledge of employees' expectations and needs to improve the working environment	<ul style="list-style-type: none"> Second employee satisfaction survey, <i>MONVoice</i>, conducted and response rate of 91% achieved Results of 2017 employee satisfaction survey analysed and an action plan (240 projects) implemented 	2019 Repeat of the employee satisfaction survey at global level (excluding Romania)
		2020 Launch of a study for the development of a employee satisfaction survey at the production site in Romania
Strengthening of internal communications	<ul style="list-style-type: none"> Group intranet actively used by approx. 1,700 employees worldwide 	Ongoing consolidation of internal communication activities by Region
Launch of corporate volunteering programmes during working hours	<ul style="list-style-type: none"> Corporate volunteering programme for Italy presented, providing for up to 2 working days a year 	2020 Extension of corporate volunteering programmes to all Regions
Development of digital workplaces and implementation of new technologies to foster greater collaboration and empowerment, quality and efficiency of work and work-life balance		2019 Launch of the 'New ways of working' pilot project, dedicated to agile work, for employees of corporate offices in Italy
		2019 Creation of the first <i>Hackathon</i> for employees in Italy
Offer equal opportunities		
Enhancing internal skills	<ul style="list-style-type: none"> <i>Internal Job Posting</i> programme implemented worldwide 	
Participation in associations and roundtables focused on enhancing the role of women in the workplace	<ul style="list-style-type: none"> Support provided to Italian association Valore D, dedicated to promoting women's leadership and talent 	2019 Participation in working groups to empower women in the workplace
Promotion of an inclusive work environment that respects fundamental rights at work		2019 Employee awareness and information activities worldwide
	<ul style="list-style-type: none"> +34% presence of diversity employees vs 2017 	Continued increase in the number of diversity employees hired by Region
Nurture talent and human capital		
Extension of the performance assessment programme	<ul style="list-style-type: none"> 95% of permanent employees assessed (excluding workers) 	2019 Launch of a study for the development of an employee performance assessment system at the production site in Romania
	<ul style="list-style-type: none"> <i>PIUMA leadership model</i> extended to retail personnel to assess potential 	2020 Launch of a study for a comprehensive feedback assessment system
Definition and implementation of training and development programmes	<ul style="list-style-type: none"> 120 hours of training delivered to 30 people through <i>MONCampus</i>, a training pathway of the Academy for talented young people 	2020 Launch of further training courses for employees at the Moncler Academy
	<ul style="list-style-type: none"> Pattern-making school started up at the production site in Romania 	2020 Extension of vocational schools: in-house prototype school at the Italian corporate office in Trebaseleghe, Padua
Promote employee wellbeing		
Definition of an employee welfare plan	<ul style="list-style-type: none"> Welfare plan defined for employees of the production site in Romania, including blood tests and eye check-ups 	2019 Continuation of welfare initiatives for employees in other Regions
Enhancement of employee wellbeing during working hours	<ul style="list-style-type: none"> Renovation project launched at the Italian corporate office in Trebaseleghe, Padua Company restaurant inaugurated at the corporate office in Trebaseleghe 	2019 Creation of the Moncler Village, a catering and aggregation venue for the local community
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"> Various healthy nutrition awareness initiatives with the Umberto Veronesi Foundation and health prevention initiatives with the Piccoli Punti Association organised for employees at the corporate offices in Italy 	Continuous implementation of awareness initiatives by Region

Creation of programmes to ensure access to the best health services	<ul style="list-style-type: none"> 563 employees in Italy joined the supplementary health funds 	2019 Continuation of medical check-up programmes for the production site in Romania
Implementation of initiatives promoting work-life balance		2020 Creation of a nursery school for the children of employees at the production site in Romania
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 extended to all offices and stores in Europe and the United States 	2019 Extension of OHSAS 18001 certification, with the new IOS 45001 standard, to all offices and stores worldwide (existing at 2017 and excluding shops-in-shops) [SDG 3 - SDG 8]
Promotion of a culture of health and safety in the workplace	<ul style="list-style-type: none"> Over 28,000 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
Pursuit of high standards of prevention with a view to zero accidents and injuries at work	<ul style="list-style-type: none"> -32% number of accidents at work vs 2017 	2020 Further reduction in the number of accidents at work compared to 2018
Prevent work-related stress		
Monitoring of work-related stress and definition of prevention plans	<ul style="list-style-type: none"> Work-related stress reassessed at the corporate office in Trebaseleghe, Padua, and action plan implemented 	2020 Assessment of work-related stress of employees at the production site in Romania
PRODUCTS AND SUPPLY CHAIN		
Promote a responsible supply chain		
Definition and dissemination of social, ethical, and environmental standards for suppliers	<ul style="list-style-type: none"> Over 300 hours of training and awareness-raising on ethical principles provided to all direct suppliers of jacket and knitwear 	Continued awareness-raising of suppliers on responsible sourcing principles
Risk analysis of the supply chain	<ul style="list-style-type: none"> Sustainability Self-Assessment questionnaire developed as a tool for prequalifying new suppliers 	2019 Distribution and analysis of the Sustainability Self-Assessment questionnaire to 100% of new direct suppliers of jacket manufacturers
	<ul style="list-style-type: none"> Vendor rating project, integrated with sustainability aspects and the results of social, ethical and environmental audits, defined 	2019 Implementation of the vendor rating system on a sample of suppliers
Conduct of audits on compliance with social, ethical, and environmental standards	<ul style="list-style-type: none"> 144 social and ethical audits performed, involving 100% of direct suppliers of jacket manufacturers 	2019 Conduct of 150 social, ethical and environmental audits and follow-up audits on suppliers
	<ul style="list-style-type: none"> Postponed 	2019 Analysis of waste water 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
Promotion of good sustainability practices among suppliers	<ul style="list-style-type: none"> Supplier portal launched and mapping of existing certifications started 	2019 - 2020 Mapping of suppliers certified as per ISO 14001 and OHSAS 18001 standards, and launch of awareness campaign
		2020 Promotion of health and safety, and environmental certifications of key suppliers
Promote sustainable and safe products		
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 goose welfare and down quality and traceability 176 external third-party audits performed 	Continuous purchase of down that is 100% DIST-certified
	<ul style="list-style-type: none"> Animal welfare training material for slaughterhouses disseminated 	
Integration of innovative and sustainable solutions in the development of new products		2019 Introduction of recycled materials

		[SDG 12]
		2019 Launch of a complete Life Cycle Assessment (LCA) project on an iconic product
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 due to the extension of the Restricted Substances List and to the inclusion of new thresholds that are stricter than the legislative ones 	Ongoing review of the list of substances banned or restricted in products and production, in line with the latest and most reliable studies and/or changes in applicable laws [SDG 12]
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"> Training activities also started for the personnel of the most important stores in the wholesale channel 	Ongoing training and involvement of retail personnel
Provide clients with a consistent and integrated shopping experience across all touchpoints	<ul style="list-style-type: none"> Multi-channel service project, <i>Omnichannel</i>, launched in EMEA 	2020 Extension of the <i>Omnichannel</i> project to all Regions
Strengthen the client experience		
Implementation of dialogue activities by expanding the collection of feedback and information on client expectations	<ul style="list-style-type: none"> Systematic feedback collection, VIBE project, started worldwide 	2019 Continuous improvement of client satisfaction (VIBE score)
	<ul style="list-style-type: none"> Client Service, a direct dialogue channel, launched in Europe and handled about 70,000 service requests 	2019 Extension of the Client Service project to all Regions
Sharing of Moncler's commitment to a sustainable future with clients	<ul style="list-style-type: none"> Approximately 400 Client Advisors and employees of corporate offices trained at the <i>Moncler Worldwide Summit 2018</i> on sustainability activities and projects 	
Creating an environment in our owned stores where the customer have a comprehensive experience, also through design elements such as lighting or air quality		2019 Launch of an assessment according to the <i>WELL Building Standard for Retail Protocol</i> on certain stores
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"> ISO 14001 certification obtained for its Italian corporate offices and logistics hub in Castel San Giovanni, Piacenza 	2019 Maintenance of ISO 14001 certification at the production site in Romania, at its Italian corporate offices and logistics hub in Castel San Giovanni, Piacenza [SDG 12]
	<ul style="list-style-type: none"> New logistics hub in Castel San Giovanni, Piacenza, and the production site in Romania provided with LED lighting 	2019 Progressive replacement of traditional lighting systems with LED lamps at the logistics hub in Castel San Giovanni, Piacenza [SDG 7]
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]
Contribute to the fight against climate change		2019 Reduction of CO ₂ emissions at the production site in Romania (base 2018) [SDG 13]
		2019 Compensation of all CO ₂ emissions generated by the corporate car fleet in Italy and Romania [SDG 13]
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"> 96% of stores worldwide* equipped with LED lighting <p><i>*Excluding the 15 shop-in-shops in which lighting is provided by the host department stores, where Moncler cannot take action.</i></p>	2019 Use of LED lighting in all new stores worldwide [SDG 7]
	<ul style="list-style-type: none"> Analysis of air conditioning systems in stores in Europe, the Americas, Asia and the Rest of the World started and replacement plan prepared 	2019 Completion of assessment of existing air-conditioning systems in stores [SDG 13]
Reduce the environmental impact of logistics processes		

Definition of a set of environmental key performance indicators (KPIs)	φ Feasibility study regarding the monitoring of CO ₂ emissions from the directly managed incoming finished products	2020 First monitoring of CO ₂ emissions from the transport (excluding airfreight) of raw materials and finished products to the Italian logistics hub in Castel San Giovanni, Piacenza
		2019 First monitoring of CO ₂ emissions from the transport (excluding airfreight) of raw materials from the Italian logistics hub in Castel San Giovanni, Piacenza, to subcontractors in Europe
	• CO ₂ 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	2020 Gradual extension at global level of the monitoring of CO ₂ emissions from the transport of finished products from the Italian logistics hub in Castel San Giovanni, Piacenza
Management of the environmental impact of logistics processes	φ Various transport solutions with low environmental impact analysed.	2020 Study of logistics solutions with lower environmental impact [SDG 13]
Reduce the environmental impact of the shopping experience		
Design and production of packaging with low environmental impact, from shopping bags to boxes, display accessories, etc..	• Sustainability principles introduced among the criteria for the selection of materials, packaging and display accessories	2019 Gradual introduction of additional packaging solutions and display accessories with low environmental impact
Raise employee awareness of the environmental impact of daily activities		
Promotion of ecological behaviour among employees: from the responsible use of paper, toners, and energy, to the promotion of waste sorting and sustainable mobility	• Steel bottle distributed to all employees around the world on the occasion of World Environment Day to raise awareness of the need to reduce the use of plastic	Ongoing promotion of good environmental practices
	• About 30 hybrid and electric cars introduced in the corporate car fleet in Italy	2019 introduction of additional low environmental impact cars in the corporate car fleet [SDG 13]
		2019 Launch of carpooling project for employees at the corporate offices in Trebaseleghe, Padua
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	• 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"> • <i>Warmly Moncler</i> project implemented for the second year running with Unicef for children living in emergency situations • Nursery school inaugurated in Pieve di Torina, Macerata, thanks to the contribution of Moncler through the Francesca Rava - NPH Italia Onlus Foundation 	Ongoing support for initiatives to promote the social and economic development of the local communities in which the Group operates [SDG 11]

3

PEOPLE

EMPLOYEES IN NUMBERS

MANAGEMENT AND DEVELOPMENT

DIVERSITY AND EQUAL OPPORTUNITIES

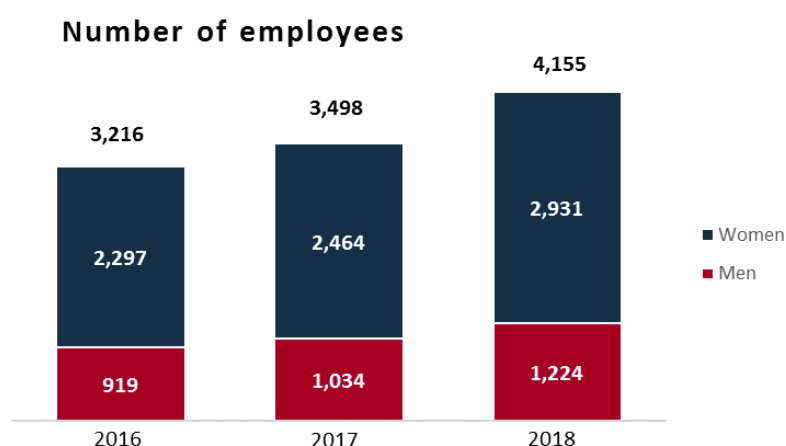
OCCUPATIONAL HEALTH AND SAFETY

INDUSTRIAL RELATIONS

MONCLER INVESTS GREAT ENERGY IN RECRUITING THE BEST TALENTS 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 2018, Moncler had 4,155 employees, up 19% compared to 2017 (equal to 657 additional employees). This growth was driven mainly by the development of the sales network. The increase in staffing involved almost all the countries where the Company operates. In particular, the country that continued to show strongest growth was Japan, with 29% more staff than in 2017, followed by France and the United States with 27% and 23% more respectively. See also pages 116-118.



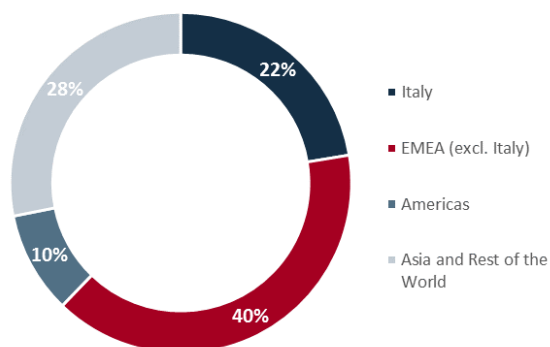
GEOGRAPHICAL AREAS AND PROFESSIONAL CATEGORIES

By geographical area, the majority of Moncler's workforce is concentrated in EMEA Region, thanks also to the presence of the production site in Romania, which accounts for 63% of the workforce in the entire Region.

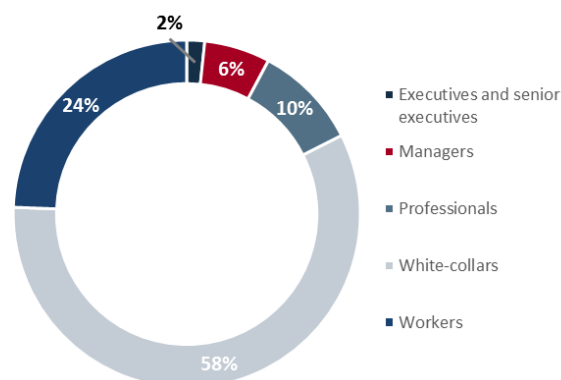
By country, besides Romania (25%), most employees are concentrated in: Italy (22%) and Japan (13%), followed by China and the United States (8%).

The professional category with the highest number of employees is that of white-collars, which also recorded a 19% increase compared to 2017. The category that grew the most was that of managers, as a direct consequence of the investment made by the Company in coordination figures, directly involved in the implementation of key activities and processes in the value chain. See also page 116.

Employees by geographical 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.

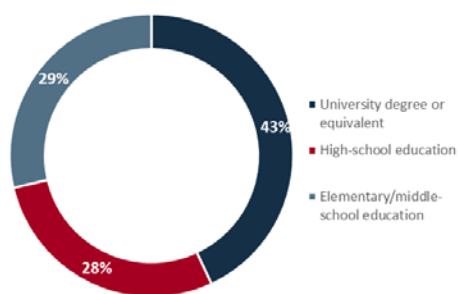
AGE, LENGTH OF SERVICE AND EDUCATION LEVEL

The majority of workforce continues to be concentrated in 31-40 age group, which grew by 19% compared to 2017, in line with the investment in middle management resources. The average age is 36.3 years.

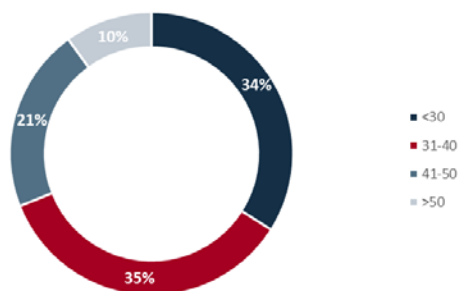
As regards length of service, the majority of employees (88% of the workforce) continue to be employed for 0-5 years, which directly reflects the strong growth registered in the workforce. The 6-10 years group shows the greatest increase compared to the previous year, with +24% confirming a significant consolidation and retention trend.

Finally, most employees (71%) have a medium/high level of education (43% hold a university degree or equivalent, and 28% a high-school diploma). See also page 116.

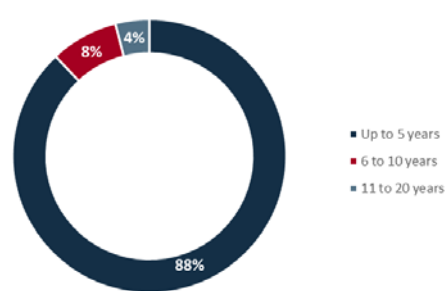
Employees by level of education²



Employees by age group



Employees by length of service



(2) In 2018, 441 employees could not be mapped, as information on education level was not available.

NATIONALITY OF LOCAL MANAGEMENT

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

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

All the senior managers in the various Regions were hired locally, with no substantial difference in gender.

LOCAL SENIOR MANAGEMENT

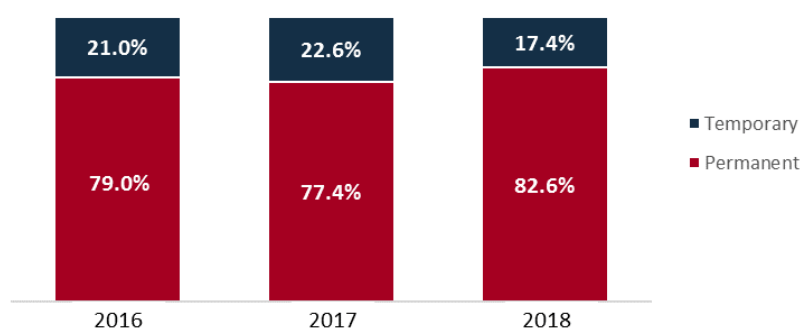
	2018	2017	2016
EMEA (including Italy)	100%	100%	100%
Americas	100%	100%	100%
APAC and Rest of the World	100%	96%	93%

EMPLOYMENT CONTRACTS

A total of 83% of employees have a permanent employment contract, a significant increase (+27%) over the previous year, with about 93% of them working full-time.

Temporary employment contracts are mostly related to the seasonality of certain business and sales activities. In 2018, 169 temporary employment contracts became permanent, recording a 76% increase over 2017.

Temporary and permanent employment contracts



At year-end 2018, other forms of collaboration (such as internships, temporary, etc.), as permitted by law and in relation to business needs, involved 412 additional people. A total of 14% of these were internships, considered as an important channel for finding the company's future talents (in 2018, in Italy, 38% of internships were transformed into contracts). See also page 54.

TURNOVER

In 2018, negative turnover was 13%⁽³⁾. It was mainly due to the departure of retail personnel, a phenomenon to be expected given the competitive dynamics of the sector.

During the year, the Group hired about 2,100 people, both temporary and permanent contract, while a total of 1,500 employees left the Company.

The growth was mainly driven by the expansion of the network of Directly Operated Stores (DOS), the strengthening of corporate structures, and the creation of new organisational divisions. As far as age is concerned, 56% of new hires were under 30, confirming the Company's ambition to invest in new generations. See also pages 117-118.

EMPLOYEE TURNOVER

	2018
Employees at 31/12/2017	3,498
New hires ⁽⁴⁾	2,136
Departures ^{(4) (5)}	(1,479)
Employees at 31/12/2018	4,155

(3) The negative turnover was calculated by relating the number of permanent employees (1,312) who left the Company in 2018 with the total number of permanent employees (3,431) at 31 December 2017.

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

(5) The figure includes 167 exiting temporary employees whose contract ended at 31 December 2017.

MANAGEMENT AND DEVELOPMENT

THE COMPANY PLACES GREAT IMPORTANCE ON THE SELECTION AND RECRUITMENT OF PERSONNEL, AS WELL AS ON THEIR PERFORMANCE EVALUATION AND ENGAGEMENT, AND IS STEADFAST IN ITS BELIEF THAT CREATING LONG-TERM VALUE IS CLOSELY LINKED TO HUMAN CAPITAL.

RECRUITMENT

Moncler 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 geographical 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 2018, about 15,000 résumés were submitted via the corporate website, in line with the trend in previous years.

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

In 2018, *Internal Job Posting* was also launched globally. Through the corporate intranet *MONCamp*, interested employees can apply for open positions that best match their profile, experience and aspirations. The system contributes to spreading a culture of global mobility within the Group, and represents a fundamental lever of job rotation and development policies. In the initial start-up phase, approximately 7% of positions at Italian corporate offices were covered by *Internal Job Posting*.

Collaborations with academia

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

Every year, Moncler offers various internships to young people with high potential, giving them the opportunity to experience the Company and its business as they train. In 2018, about 71 internships were offered in Italy, ranging from alternating school-work programmes to curricular and extracurricular internships. With regard to curricular and extracurricular internships, 38% of those held in 2018 led to actual employment contracts. See also page 52.

In 2018, managers and personnel from the Pattern Making department continued their work with students on the Modelling and Tailoring master's programme at the Istituto Secoli in Milan, supporting them in the various stages of developing a men's collection, from sourcing materials and accessories up to the final fashion show.

Also in Milan, Moncler partnered with Università Cattolica del Sacro Cuore for its 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 activities.

Finally, in 2018, Moncler organised a series of meetings with students from partner schools, including workshops, business cases, and recruitment sessions, with programmes tailored to each school. The main institutions with which the Company collaborated were: the Glion Institute of Higher Education, Les Roches International School of Hotel Management, IESE Business School, HEC Business School, Aalto University School of Business, Cattolica University, Bocconi University, Ca' Foscari University, the University of Padua, the Polytechnic of Milan, Istituto Secoli, the IED, Domus Academy, CUOA, Marangoni Institute 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 2018, a sum of over **712,000 euros** was invested in training and over 96,000 hours of training (about 40% more than in 2017) were delivered to about 4,000 employees, of whom 72% were women.

TRAINING INVESTMENTS

	2018	2017	2016
Training expenditure (EUR)	712,669	732,820	513,030
Hours of training (No.)	96,383	69,050	33,127
Employees involved (No.)	3,968	2,616	2,600

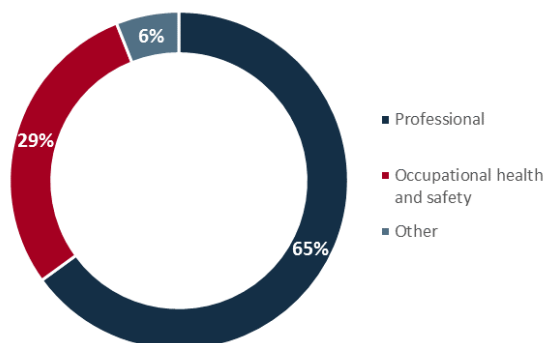
Of the employees who participated in training activities (up 54% from 2017) 50% were white-collars, 30% workers, 11% professionals, 7% managers, and 2% executives and senior executives.

The average hours per capita amounted to 23 (up 18% from 2017). In particular, the average hours per capita for women were 26 while those for men were 17.

Training hours were provided through classroom activities in 91% of cases. Although e-learning still accounts for only 9% of the total, it has grown significantly compared to previous years, thus confirming the investment that the Company is making in training also in terms of diversifying learning methods and opportunities.

There was a greater variety of activities than in the past, with an increase in managerial training and the launch of language courses. In general, the number of hours dedicated to vocational training accounted for 65% of the total, while those on health and safety amounted to 29%.

Type of training



In 2018, several training programmes were developed for the company's people. The most significant was certainly *MONCampus*, a programme for young talents.

In line with the Company's digital development, training is aimed at experiences that blend the traditional classroom with new digital technologies, providing for effectiveness and practicality, as well as greater and faster dissemination. In fact, in 2018, some training initiatives were launched only in **e-learning** mode. Globally, courses on the new GDPR-General Data Protection Regulation and Cyber Security were provided to all employees, as well as a series of product-specific courses. For employees in Italy, an online course on the Organisation, Management and Control Model was also provided, with a specific focus on anti-corruption, and one on the Code of Ethics, specifically designed to understand and share Moncler's principles and guiding values and including human rights aspects, which will be extended to all employees worldwide in 2019.

Moncler also further consolidated its partnership with the Italian association Valore D, giving some employees at its corporate offices in Italy the opportunity to participate in a number 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 the wellbeing and motivation of the staff involved.

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 behaviour among all employees. The Company provided approximately 28,000 hours of training on health and safety. See also page 68.

In 2018 a **Pattern Making School** was created at the production site in Romania, with the aim of enhancing the skills of the Company's staff and thus strengthening some departments, such as pattern making, CAD, development and placement, all activities that have been outsourced so far. The school will yield clear benefits in economic and time-to-market terms, as well as in terms of staff loyalty and employment opportunities. In 2018, 10 Romanian students, hired in March, attended a training programme that included both a practical course in pattern making on paper and prototyping and a software course.

At retail level, instead, 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. See also page 87.

MONCAMPUS, MONCLER'S ACADEMY

In 2018, Moncler launched the *MONCampus*, the first programme of the in-house Academy, aimed primarily at a pool of young talents from Italian corporate offices, lasting 12 months. Its objective is to increase knowledge of key processes and activities along the Moncler value chain.

The expected results of this programme include greater knowledge and awareness of the Company's processes and objectives; an increase in the effectiveness of actions and decisions taken; and finally, an improvement in the retention of the workforce involved.

One of the positive effects of the programme has been the great participation and energy generated in the Academy group (which includes about 50 managers and executives, including senior figures). Its activities have stood out for being distinctive and of quality already from the design stage, creating a channel for an ideal transfer of skills between the older and younger generations of the workforce.

MONCampus will end in April 2019, after 14 classroom sessions, including one dedicated to sustainability, and a business trip. The students will present the results of their five project assignments, focused on some of the most relevant strategic issues for the Company.

In addition, some of the training modules in the *MONCampus* programme, such as "Clients" and "Leadership," have also been offered on a global level, with a particular focus on young talents from the teams in the Regions.

REMUNERATION

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

As a listed company, Moncler's Remuneration Policy for Group directors and 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 contributions from the Human Resources Department, Nomination and Remuneration Committee, Board of Directors, and Group's shareholders at the Annual Shareholders' Meeting (see the *2018 Report on Remuneration*, available in the Governance section at www.monclergroup.com).

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

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

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 2018 on the entire Group workforce, including the production site in Romania.

The salary structure of 94% 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 shop managers and corporate employees, sales commissions for retail personnel, and performance bonuses for people employed at the corporate office in Trebaseleghe, Padua) or **long-term** (Stock Option and Performance Share plans).

The **Management By Objectives** (MBO) system focuses mainly on quantitative targets related to overall Company 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 and projects.

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. Likewise, responsible sourcing objectives are assigned to some key roles in the Company. All members of the Strategic Committee, including the Chairman, also have a percentage of their MBO linked to the achievement of strategic sustainability objectives for the Company.

Finally, to empower managers in improvement activities related to the results of the people satisfaction survey, *MONVoice*, the MBOs set for 2019 will include an indicator to evaluate the improvement of the result in certain areas of the survey, considered particularly relevant for the Company, such as, employee engagement and development opportunities.

With regard to long-term incentive programmes, Moncler offers **Performance Share** plans. These plans enable: linking the incentives for Group managers and key figures to the actual performance company; steering people towards strategies that focus on medium and long-term targets; aligning the interests of beneficiaries with those of shareholders and investors; and developing policies to attract and retain talented professionals.

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

- *Stock Option Plan 2014-2018 Top Management and Key People*, for 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;
- *Performance Share 2018-2020*, for senior management and key officers in the organisation.

See also the *2018 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 prevention programmes aimed at improving the wellbeing of people. 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.

MAIN BENEFITS OFFERED TO EMPLOYEES

Financial benefits	Employees entitled to benefits
Supplementary pension plans	2%
Supplementary health plans	40%
Life insurance	10%
Financial support for disability	12%
Company cafeteria or lunch vouchers	50%
Company welfare plans ⁽⁶⁾	12%
Other ⁽⁷⁾	36%
Social benefits	Employees entitled to benefits
Fitness/sports centres ⁽⁸⁾	4%
Wellness and nutritional programmes	35%

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

⁽⁷⁾ Includes benefits such as a Company car, transport allowance and accommodation.

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

In Italy, the *Moncler Corporate Welfare Plan* was continued. It is aimed at all staff, including managers, working at Italian corporate offices under a permanent contract or apprenticeship contract effective at 31 December each year. This two-year initiative, devised to ensure greater care and attention to the wellbeing of Moncler's true strategic asset, namely its people, provides for a wide range of benefits and services, some of which are also offered 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.

Since May 2018, Moncler has been a member of Sanimoda, a supplementary healthcare fund for workers in the fashion industry in Italy, which provides healthcare services complementary to those of the Italian national health service. In 2018, a total of 563 employees registered with the fund.

During the year, the Company's welfare initiatives included **nurseries** for the children of employees at the corporate office in Trebaseleghe, Padua, the cost of which was covered entirely by the Company. The chosen schools offer the opportunity to enrol up to 27 children of Moncler employees. Moreover, by 2020, Moncler

has committed itself to creating a nursery school for the children of employees at the production site in Romania, which can accommodate up to 60 children.

Finally, a welfare plan has been established for UK employees, providing access to a range of value-enhancing goods and services, including childcare, computer purchasing, legal advice and health and wellness packages.

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 the *PIUMA Leadership Model*, a **performance assessment system** that measures the skills people use to achieve their set targets. Based on a solid methodology, it measures performance by assessing the level of knowledge, problem solving and impact on the business, then comparing it with the standard expected for the specific role. This helps verify how well employees fit into their role, while 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/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 assessment process applies to all organisational roles worldwide. The process has not yet been extended to the production site in Romania.

In 2018, 2,200 employees were assessed, 40% more than the year before, accounting for 95%⁽⁹⁾ of the eligible workforce.

(9) Percentage calculated on the total workforce with permanent contract at 2017, which served as the benchmark for the 2018 assessment process.

PERFORMANCE ASSESSMENT

	2018	2017	2016
Employees involved (No.)	2,200	1,575	1,148
Eligible population covered (%)	95%	94%	54%

A major innovation in 2018 was the introduction of the **self-assessment module** in the performance assessment process, to enable employees to compare their perception of their performance with the Company's, thus making the sharing phase between manager and employee more productive. In Italy, 747 people from the corporate offices carried out the self-assessment for the first time.

In 2018, the *PIUMA Leadership Model* for the retail channel was also redesigned. The model is based on the same principles applied to the corporate model, adapting the language to the retail world. Again, the process will include a self-assessment module.

During 2019, the entire population, both corporate and retail, will therefore be assessed and will be able to assess themselves based on a single model applied in two different ways.

As regards the production site in Romania, during 2019, the Company will study an ad hoc model to allow the extension of the assessment process, in a manner consistent with the needs of a population so significant in terms of numbers and specific characteristics.

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 55.

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, within the Human Resources function, is tasked with developing tailored strategies, actions, and tools to engage personnel while spreading the company culture.

Use of the **corporate intranet** site *MONCamp*, launched at the end of 2016, has been consolidated over the years as a tool to share information and news and enhance networking among colleagues. The *MONCamp* 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. Consolidated and enhanced 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, client relations, and local events.

The year 2017 was when *MONVoice*, the first **people satisfaction survey**, was launched. It aimed to offer 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 analysis highlighted a number of 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."

The Company's objective was to set in motion a process of improvement for people starting from themselves. In 2018, a global action plan was therefore developed, providing for the creation of 32 functional and cross-functional work teams, each led by a coordinator identified from among the team. The 32 *MONVoice Coordinators* were directly involved in leading and managing their team. They organised their activities, provided feedback to managers and acted as a vehicle for the Company's responses. Throughout the year 2018, the teams worked on examining and presenting proposals for improvement, resulting in 240 actions and projects being proposed.

The best projects to address the company's needs, shared at Strategic Committee level, were implemented in part at global level already during the year. Other actions, on the other hand, have been carried out and implemented at the level of each Region, function or department, in an ideal virtuous circle of continuous improvement.

In December 2018, the second edition of *MONVoice* was launched, involving 2,425 people worldwide with a questionnaire of 45 closed questions plus an open one. The analysis confirmed the areas of excellence that emerged from the 2017 edition and highlighted a new strength: "Confidence in one's own manager." One of the main suggestions received through the survey continues to be "collaboration and communication between departments".

Moncler 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.

PEOPLE SATISFACTION SURVEY

	2018	2017
Employees involved (No.)	2,425	1,997
Eligible population covered (%)	100%	100%
Response rate (%)	91%	89%
of whom women	64%	N/A

Steadfast in its belief that **company volunteering** is not only an instrument of social responsibility, but also a means of creating a culture that is attentive to diversity and solidarity, at the end of 2018 Moncler presented an articulated volunteering plan to the Italian employees of the corporate offices. The plan, which will start in Italy in 2019 and then spread to other Regions, involves collaboration with six non-profit organisations, in volunteer activities ranging from the environment to children. Each employee of the corporate offices can take advantage of two days a year to devote to the proposed volunteer activities and will also have the opportunity to choose from different organisations, different types of activities and different days.

In 2018, the South Korean team participated in the International Coastal Cleanup Day event, dedicated to coastal cleaning. The team under the motto "Our Ocean, One Future - Moncler, We Care" volunteered to clean Yeongjong Island, off Incheon, South Korea, for a full working day. Before starting the volunteer activity, an orientation and awareness session was organised on the seriousness of pollution, plastic and suffering of marine animals, which raised everyone's awareness of the importance of reducing disposable products.

In addition, 15 Italian *MONVoice Coordinators* were involved in a day of volunteer work in Pieve Torina, a municipality in the Marche region that was 90% devastated by the 2016 earthquake. The occasion was the inauguration of a new nursery school, built with funding also from Moncler, during which volunteer employees entertained children with games and fairy tales on the theme of "Mountains and Bears." See also page 112.

EMPLOYEE INITIATIVES

The year 2018 was full of programmes for employees at corporate offices in Italy; there were several initiatives, such as marathons and children's days.

On 28 October, Moncler and its employees participated in two events of major importance for cancer research and prevention, the Milan Pink Parade and the Venice Marathon.

The Pink Parade was held in collaboration with the Umberto Veronesi Foundation and saw more than 8,000 people take part, including a team of Moncler runners. For the occasion, Moncler employees had the opportunity to receive free breast exams, in an initiative offered by the mobile clinic of the Italian Diagnostic Centre.

While the Venice Marathon was held in collaboration with the association Piccoli Punti for melanoma prevention and saw the presence of a total of about 10,000 participants, including more than 150 Moncler runners.

On 13 and 14 December, the first Moncler Children's Day was organised at the corporate offices in Milan and Trebaseleghe, Padua, welcoming almost 200 children of employees. These two days of play and education for all ages celebrated children and families, giving parents the opportunity to show, and share with their children, the places where they work and spend part of their day. The event was characterised by a series of activities including the photo booth, making a UNICEF rag doll, the mountains to be coloured with an illustrator, a "Journey to discover Moncler down jackets" and a mini-training for the construction of mountain tents.

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 2018, the Company received two reports of alleged discrimination, one against an employee of the subsidiary Moncler Australia Pty Ltd and the other against a client by a Client Advisor of Moncler USA Inc. The first is currently under examination, while the parties have already reached a settlement agreement for the second report. Moncler recognises the importance of maintaining and promoting Human Rights and respecting the rights of workers, in line with the principles set out in the Code of Ethics, and therefore undertakes to communicate the developments and methods of resolution of any case of alleged discrimination that has emerged in a transparent way.

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 51.

With regard to gender differences, women make up the majority of Moncler's workforce. Around 71% of employees are women, up by 19% compared to 2017 basically in line with the overall growth of the workforce.

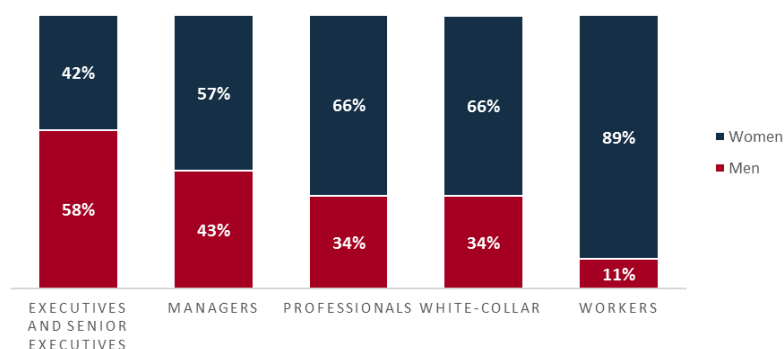
The percentage of women is also high in all geographical areas and employee categories. In particular, women account for 54% of employees at managerial level (managers, executives, and senior executives), up by 32% compared to 2017 (equal to 42 additional women).

Women represent 72% of the workforce with permanent contract and 65% of that with temporary contract. About 64% of the contracts transformed into permanent contracts during 2018 were for women (108).

In 2018, the growth (67%) in the number of women with permanent and full-time contracts on the total workforce with permanent contracts continued.

With regard to gender breakdown by type of length of service, age group, and level of education, there are no differences compared with the overall trend. See also page 116.

Employees by professional category by gender



Moncler is committed to offering **equal pay** for equal skills, expertise, and professional experience, thus guaranteeing the principle of equal opportunities in both theory and practice without bias. For senior executives, executives, managers, professionals, and white-collar, the differences in men's and women's salary levels range between 1 and 9%. See also page 118.

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 disabled people. All new hires are managed with due respect and consideration for their needs and capabilities, providing suitable workstations and adapting work hours as required. By doing so, people are protected and empowered to give their best.

At 31 December 2018, the number of employees with disabilities in Italy, Romania, Germany, Japan and the United States was 51 in total, up by 34% compared to 2017. In the next few years, the Group will continue to plan the recruitment of additional people with varying levels of disability, also by collaborating with institutions specifically tasked with helping disabled people find employment.

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 company 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 all activities that may impact safety;
- the enhancement of knowledge, competence, and awareness of all employees through targeted training and practice.

In 2018, Moncler extended OHSAS 18001 certification to all its offices and stores in Europe and the United States and also renewed the certification obtained in 2016 for all its offices and shops in Italy and at the production site in Romania, covering a total of over 2,900 employees (about 71% of the workforce). The Company's objective is to extend OHSAS 18001 certification to all offices and stores worldwide (excluding shop-in-shops), in accordance with the new ISO 45001 standard, and to renew expiring certifications with the new standard.

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 Company's business is not high-risk, Moncler adopts a **preventive approach**. Before the opening of any new workplace – be it an office or a store – **occupational health and safety risks are carefully evaluated** through in-depth audits. Offices and shops 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, in 2018 was extended to places of work in Europe and the United States and in 2019 will be implemented in Japan, South Korea and APAC.

In 2018 on-site inspections to verify employee health and safety at the production site in Romania continued. These on-site inspections were conducted both by in-house staff and by external bodies and were required to renew 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 2018, workplace accidents of both its own employees and those of the cooperative that manages the logistics hub in Castel San Giovanni, Piacenza, were kept to a minimum through the careful management of work spaces, ongoing information and awareness initiatives centred on prevention, and the monitoring of the proper implementation of improvement measures. As regards workers at the logistics hub, the frequency rate rose from 0.83 in 2016 to 0.49 in 2017 and to 0.20 in 2018.

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

WORKPLACE ACCIDENT INDICATORS

	2018			2017 ⁽¹³⁾			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Incidence rate ¹⁰	3.13	4.08	2.73	5.43	11.61	2.84	5.60	6.53	5.22
Severity rate ¹¹	0.05	0.06	0.05	0.07	0.11	0.06	0.03	0.06	0.02
Frequency rate ¹²	1.99	1.54	2.45	3.39	7.37	1.76	4.79	4.59	4.89

(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) From 2017, the scope of reporting was significantly broadened, reaching 100% of the Group's global workforce; data therefore cannot be compared with 2016.

Occupational diseases are a direct consequence of work, caused by workers' exposure to the gradual and progressive harmful effects of the activities they perform. Moncler monitors occupational diseases in order to identify any workplace conditions that may have contributed to their onset, assess any residual risks, and implement corrective measures as needed to prevent recurrence. In 2018, **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 119.

The Company also focuses on **work-related stress** as part of an inclusive approach to employee wellbeing. In 2018, a work-related stress assessment was carried out again at the offices in Trebaseleghe, Padua, revealing that all of the offices were at low risk. That said, in 2018 the Company adopted nonetheless an action plan to implement a continuous improvement pathway. Stress assessment was used as a basis for planning and implementing organisational or management measures aimed at avoiding or minimising harm to workers' health related to stress risk factors. In 2019, this assessment will be repeated at the corporate office in Milan. In addition, in early 2018 a survey was conducted on the consequences of work-related stress on the health of employees at the production site in Romania and subsequently a training session was organised with all employees to raise their awareness and share solutions on the subject.

TRAINING AND INFORMATION

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

In 2018, the Company provided **about 28,000 hours of training** on occupational health and safety (double as much compared to 2017), of which over 26,000 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, 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.

An online health and safety course with specific content for shop employees was also provided to all certified shops.

HEALTH AND WELLBEING

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

In 2018, in collaboration with the association Piccoli Punti, an awareness-raising meeting was held in both Italian corporate offices to discuss the issue of melanoma prevention. All employees of the corporate offices were then given the opportunity to receive a free dermatological check-up directly at the Company. Around 300 employees were given the opportunity to receive advice and information on the subject.

At the end of 2018, Moncler also collaborated again with the Umberto Veronesi Foundation, organising two meetings on prevention at the table. The information meetings, aimed at employees at the corporate offices in Milan and Trebaseleghe, provided numerous practical tips and, at the end of each session, a live demonstration with the available ingredients was also carried out.

The awareness and prevention sessions, both with Piccoli Punti and with the Umberto Veronesi Foundation, were very much appreciated and met with the interest and enthusiasm of the employees. In fact, they saw a great turnout (about 670 people), for a total of over 1,000 hours of training.

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. Moreover, in 2018, Moncler joined Sanimoda, a supplementary healthcare fund for workers in the fashion industry in Italy, which provides healthcare services complementary to those of the Italian National Health System. In 2018, a total of 563 employees registered with the fund. See also page 59.

During 2018, Moncler also implemented numerous initiatives to promote the health and wellbeing of employees at its production site in Romania, from the offer to carry out annual blood tests directly at the site to free eye exams and contributions to the purchase of eyeglasses. In addition, an evaluation of the **ergonomics** of some workstations in the ironing department was carried out and an improvement plan was defined to reduce staff fatigue and maximise productivity.

The workstation ergonomics assessment will be extended to the sewing department in 2019 and a possible improvement plan will be defined in due course.

In addition, a lighting test was carried out in the production and cutting department of the production site in Romania to verify the difference in working conditions between a traditional **lighting** system and an LED system. It showed that the working conditions are much better in the case of LED lighting and, therefore, at the end of 2018 Moncler decided to introduce LEDs throughout the site, bringing a clear benefit also in terms of environmental impact. See also page 100.

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

Air quality, temperature and humidity can also cause discomfort in the workplace, affecting both the physical health and psychological wellbeing of workers. Specifically, in order to ensure proper ventilation of workplaces at the production site in Romania, where there are several micro-climates due to the different stages of processing, Moncler has installed latest generation ventilation systems that are periodically checked. Two temperature monitoring systems were also installed in the Castel San Giovanni, Piacenza, logistics hub to monitor the degree of heat inside and assess its suitability in view of the specific activities carried out and in relation to outdoor temperatures.

Finally, Moncler believes that a flexible, collaborative and shared work environment can promote greater efficiency at work and therefore improve the balance between family and work life. In 2019, Moncler will launch a pilot project dedicated to **agile work** for employees of its corporate offices in Italy. In addition, in 2018, all employees of the Company's Italian companies, who become fathers as from 1 January 2018, received a total of five days of **paternity leave**, one more than that which is established by law or the national collective labour agreement.

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 54% 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 2018, 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.

In 2018, **several meetings with trade unions** were held at the offices in Trebaseleghe, Padua, heart of all Group operations. They were mainly dedicated to illustrating company trends and projects, as well as the progress of mandatory training plans on company health and safety, the sharing of projects and training and their trends.

In 2018, the Company carried out a reorganisation of some positions within its accounting and human resources departments at the offices in Echirolles, France, which involved a total of eight people.

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 Company has always implemented disclosure and workers' consultation procedures provided for by law and will continue to do so in the future.

4

PARTNERS

SUPPLY CHAIN PROFILE

RESPONSIBLE SOURCING

DIALOGUE TO GROW TOGETHER

OUR SUPPLIERS ARE OUR STRATEGIC
PARTNERS.

WE BUILD **LONG-LASTING**
RELATIONSHIPS WITH THOSE WHO
NOT ONLY DEMONSTRATE EXCELLENCE
AND RELIABILITY IN TECHNIQUE AND
QUALITY, 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

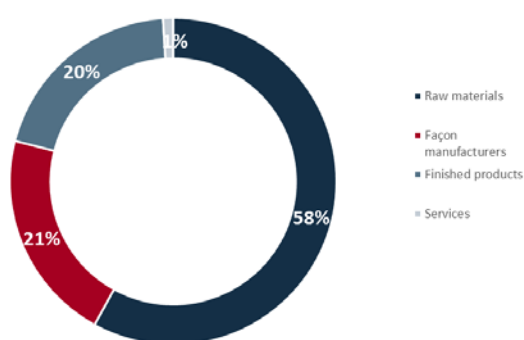
A QUALITY PRODUCT IS THE RESULT OF SHARED STANDARDS, COOPERATION, JOINT EFFORTS, STABLE AND TRUST-BASED RELATIONSHIPS WITH ALL PARTNERS IN THE SUPPLY CHAIN. MONCLER BELIEVES IN THE IMPORTANCE OF DEVELOPING INCREASINGLY CLOSE AND PROFITABLE SYNERGIES AND COLLABORATIONS WITH THOSE WHO NOT ONLY ENSURE RELIABILITY IN PRODUCTION PERFORMANCE, BUT ALSO SHARE THE COMPANY'S VALUES AND EXPECTATIONS IN TERMS OF ETHICAL, ENVIRONMENTAL AND SOCIAL STANDARDS.

A total of 445 suppliers⁽¹⁾ are involved in the manufacture of Moncler's products. They are grouped into four macro-categories: raw materials, façon, finished products, and services.

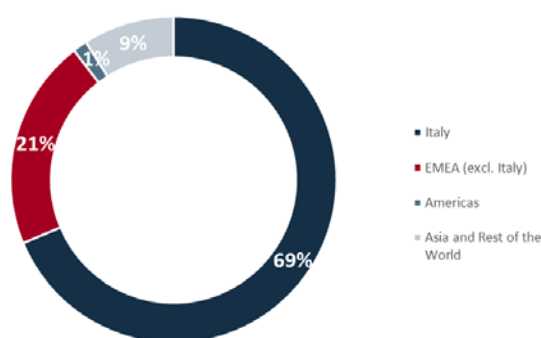
- **Raw material suppliers** mainly provide fabrics, yarns, down, leathers, accessory components (buttons, zips, ribbons, elastics, etc.), and furs. Fabrics are sourced primarily from Japan and Italy. Suppliers of yarns and accessory components are mainly Italian. Furs are sourced primarily in Europe and North America, while down is purchased from European, North American and Asian suppliers.
- **Façon manufacturers** are specialist garment manufacturers with a high level of technical skill, who Moncler supplies with raw materials and entrusts with the manufacture of its final products. The production process is carefully monitored by Moncler technicians, who verify compliance with required standards through a strict methodology and regular on-site inspections. This process applies in particular to jackets, trousers, skirts, dresses, all knitwear, and some adult cut-and-sew products. Most of these suppliers are located in Eastern Europe, where a long manufacturing tradition guarantees a high level of technical expertise and suitable production capacity. In 2018, the new business model introduced by the Moncler Genius collections led the Company to find new suppliers, particularly in Italy, with strong skills in particularly specific and complex processes.
- **Finished product suppliers** manufacture products on behalf of Moncler based on the technical designs received, sourcing the raw materials themselves as per Moncler standards, with the exception of strategic materials such as down, nylon, and logoed materials, which are provided directly by the Company. 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. Part of the cut-and-sew products (especially T-shirts and polo shirts), part of the soft accessories, such as hats and scarves, gloves, footwear, handbags, and small leather goods are mainly produced through these suppliers. Cut-and-sew product suppliers are vertically integrated and are located in Europe and in Turkey. Soft accessories suppliers (hats, gloves and scarves) are mostly Turkish and Italian and have a high level of specific skill, while footwear and handbags are produced by European suppliers, most of whom are Italian.
- **Service suppliers** assist Moncler in pattern making and quality control processes and are mainly located near the Company. From 2018, several of these activities, including in particular quality control, have been consolidated at Moncler's hub in Piacenza to guarantee even greater efficiency in terms of time to market and hence customer service.

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

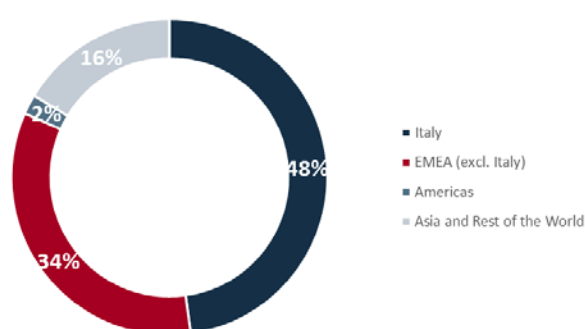
Suppliers by category ⁽²⁾



Suppliers by geographic area ⁽³⁾



Value of orders by geographic area



Where possible, the Group avails itself of local suppliers situated near its main offices, which streamlines logistics and generates income and jobs within the local communities in which the Company operates.

The majority of Moncler's suppliers (90%) are located⁽³⁾ in the 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 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 to mitigate risk.

⁽²⁾ Percentage calculated on the total number of suppliers.

⁽³⁾ 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.

SUPPLY CHAIN EXCELLENCE

In 2018, harnessing the momentum of the *Moncler Genius* project, Moncler launched an important **model innovation and development effort linked to its collections**, spanning creation, presentation and delivery. This change required rethinking the way in which the various corporate functions manage the growing complexity arising from the many designers involved, the launch of monthly collections, and the related management of time-to-market, as well as the development of new products that require new manufacturing processes.

In this context, a development and innovation programme for the Operations & Supply Chain department was launched in 2018. The programme, called **Supply Chain Excellence**, aims to take the supply chain to an even higher level of excellence by developing the operational and industrial area according to an advanced and functional model capable of mastering the constant evolution of the market.

People and their contribution have been placed at the centre of the programme. About 100 employees have been involved in the **work groups**, which have produced numerous initiatives and improvement pathways that have required major efforts to review and coordinate internal processes, as well as integration between people belonging to the different departments involved. The critical success factors existing today and the ones necessary for the future have been analysed and specific projects have been launched. They all share the objective of **achieving operational excellence in terms of quality, speed, sustainability, reliability, flexibility and efficiency**.

Product quality, at all stages of the process, from design to delivery, is the focus of all activities, as well as shorter lead time and greater precision and punctuality in delivery. In particular, the time taken to cross the supply chain was analysed with the aim of reducing the time needed from product launch to production and delivery. This work has also involved an effort to fine-tune and improve the information sharing process and the planning of timing to ensure punctuality on the market. Particular attention was also paid to the sizing and development of the supply chain in line with the Company's strategic vision. All the initiatives developed have been supported by innovative IT tools to support the business to ensure better responsiveness and coordination of all business areas involved.

RESPONSIBLE SOURCING

FOR MONCLER, TALKING ABOUT QUALITY ALSO MEANS TALKING ABOUT HEALTH AND SAFETY, RESPECT FOR HUMAN RIGHTS, ENVIRONMENTAL PROTECTION AND, IN GENERAL, ETHICS IN BUSINESS CONDUCT ALONG THE ENTIRE VALUE CHAIN. BEING A SOCIALLY RESPONSIBLE COMPANY INVOLVES TAKING ON A COMMITMENT THAT STRETCHES WELL BEYOND ITS BOUNDARIES, EMBRACING THE ENTIRE SUPPLY CHAIN.

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

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

Suppliers⁽⁴⁾ are required when entering into a contract with Moncler to sign the Moncler **Code of Ethics**, which outlines the principles and guidelines that inspire the Company's activities and guide the behaviour and actions of all those with whom Moncler has relations. By signing the Code, suppliers undertake to comply with these principles and to have their subcontractors comply with them as well. Any violation of the principles set out in the Code constitutes a breach of contract, which entitles Moncler, depending on how serious the breach is, to terminate the contract immediately.

For years now, the Group has a **Supplier Code of Conduct** in place to provide Moncler partners with an even more accurate operational guidance. It is consistent with the Universal Declaration of Human Rights and the conventions of the International Labour Organization (ILO), and describes Moncler's expectations regarding a **responsible way of doing business**. It consists of six sections (Labour and Human Rights, Occupational Health and Safety, Environment, Animal Health and Welfare, Safety and Quality of Products and Services, and Corporate Ethics), and sets forth the mandatory requirements to become or continue to be a supplier of the Moncler Group.

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

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

The monitoring of its supply chain continues with **stringent ethical, social and environmental audits** in order to verify compliance with the applicable laws and the principles set out in the aforementioned Codes. During the year, Moncler further consolidated its auditing activities across the supply chain, going from 60 audits in 2017 to 144 audits in 2018 on suppliers and subcontractors. In line with previous years, the audits were conducted by qualified and experienced independent bodies to ensure maximum impartiality. The 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. The scope of the audits and the suppliers and subcontractors to be audited were selected based on a risk analysis and on whether a supplier and the related supply chain are considered strategic. In particular, factors such as the amount of orders placed with the given supplier, the type of good or service provided, and geographic location were taken into account. The analysis also considered other parameters, such as the supplier's number of employees and plants, and/or the use of subcontractors and their geographic location.

During the two-year period 2017-2018, the Group carried out **204 ethical and social audits** (on both suppliers and subcontractors), covering **100%** of the volumes assigned to **outerwear manufacturers** (of jackets), **90%** of the volumes assigned to **knitwear manufacturers and suppliers of footwear and bags**, **70%** of **down suppliers** and a sample of suppliers of other raw materials.

In the same period, **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). Moncler aims to continue strengthening its monitoring activities in this area.

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 page 78.

SUPPLY CHAIN AUDITS - SOCIAL AND ETHICAL, ANIMAL WELFARE AND TRACEABILITY (NO.)

	2018	2017	2016
Social and ethical audits	144	60	41
Animal welfare and traceability audits (DIST)	176	85	119
Total	320	145	160

Moncler has a **zero tolerance** policy against major compliance breaches, which can 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 **corrective measures** are implemented by an agreed deadline through **follow-up audits**.

In 2018, most instances of non-compliance were related to issues of occupational health and safety and management of employment relationships. All non-compliance cases were addressed through corrective actions agreed upon with the suppliers and these were verified via follow-up audits. The audits carried out in 2018 found two cases in which the supplier's conduct was found to be not in line with Moncler's ethical principles and therefore the collaboration in place was terminated.

Aware that fostering supplier responsibility principles benefits mutual sustainable growth, in addition to ongoing awareness-raising activities on ethical, social and environmental issues, in 2018 Moncler decided to **support its supply chain in a number of ways**.

The Company has launched a support programme for a number of strategic suppliers, making **health and safety experts** available to provide advice and develop knowledge of best practices, as well as **financial support** for investments in technologically advanced machinery for special processes.

Finally, Moncler is updating its **vendor rating** system by including new social and environmental indicators with the aim of providing an overall assessment of the supplier that takes due account of sustainability aspects. Each indicator will be weighted, contributing to the overall assessment of each supplier based on scores achieved in the different areas. The vendor rating macro-areas updated in 2018 were:

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

ANIMAL WELFARE AND TRACEABILITY

Down, the heart of every single jacket, is a raw material of strategic importance to Moncler. Suppliers are not only required to meet the highest quality standards, but also to act responsibly and respect animal welfare.

In order to ensure animal welfare, Moncler demands and verifies that all its down suppliers comply with the strict requirements of Moncler's **DIST Technical Protocol (Down Integrity System and Traceability)**. First implemented in 2015, it regulates farming standards, respect for animal welfare, down traceability and technical quality. **Moncler only purchases down that is DIST-certified**.

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

- down must be 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.

Developed based on the unique features of Moncler's 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 and providing a scientific and holistic approach to animal welfare and product traceability. The forum is chaired by a Professor of Management at Ca' Foscari University, Venice, who is an expert on sustainability issues. Its members include: Moncler officers; experts from the Department of Veterinary Medicine at the University of Milan, the Polish National Institute of Animal Husbandry in Kołuda Wielka, and Compassion in World Farming, an NGO dedicated to the welfare of farm animals; and representatives from certification and consulting firms (Bureau Veritas, Control Union, IDFL and KPMG). In the firm belief that dialogue enhances and drives improvement, in January 2019, the **fifth multi-stakeholder** forum was held to discuss Protocol updates to make it even more stringent.

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.), the Protocol also provides for the careful **observation of the animal itself** (as per recent European Commission guidelines), **through the so-called Animal-Based Measures (ABMs)**⁽⁵⁾. The ABMs 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-pecking⁽⁶⁾, 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).

All down suppliers must scrupulously comply with Protocol requirements to ensure raw material traceability, animal welfare, and the highest quality standards at each phase of the down supply chain. Compliance with the principles set out in the Protocol is constantly assessed by **Moncler through stringent audits on the field throughout its highly vertically-integrated down supply chain**. The supply chain includes various types of entities: white geese farms, slaughterhouses 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 subcontractors who produce the finished products downstream of the down purchasing process.

To ensure the utmost **impartiality**:

- audits are commissioned and paid directly by Moncler and not by the supplier;
- the certification process is carried out by a qualified independent body, whose auditors are trained by veterinaries and zootechnicians of the Department of Veterinary Medicine at the University of Milan;
- in turn the certification body's work is audited by another accredited external body.

In 2018, **176 independent audits** were conducted, some of which were attended by Moncler officers as well as experts from the University of Milan's Department of Veterinary Medicine. In all cases where minor non-conformities were found during audit activities, farms had to take prompt corrective action before obtaining certification. During the audits carried out in 2018, no instances of live-plucking or force-feeding were observed at any of the audited farms.

Starting with the Autumn-Winter 2017 collections, a tag indicating 'Down certified under DIST' has been included in all Moncler jackets, as a way of providing transparent information on Moncler's commitment in this area. This milestone was achieved by extending down traceability as per DIST, all the way down to the finished product.

(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.

With the aim of **promoting a path of continuous improvement** and thus have a significant impact on animal welfare, Moncler is committed to involving its supply chain, and raising the awareness through training activities. Throughout 2018, the Company shared information material with its partners to support the dissemination of good practices among the slaughterhouses. Training activities for façon manufacturers on compliance with the traceability procedure were also intensified. In 2018, about 35 on-site training courses were provided for a total of about 150 hours.

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

DIALOGUE TO GROW TOGETHER

TRANSPARENT AND CONSTANT DIALOGUE IS THE BASIS FOR OF ANY RELATIONSHIP BASED ON TRUST. IT IS A KEY ELEMENT IN FOSTERING SHARED GROWTH, FRUITFUL COOPERATION AND MUTUAL SATISFACTION.

Moncler is attentive to the dialogue with its suppliers and to sharing good practices, both on technical aspects related to business activities and on aspects aimed at promoting responsible behaviour. The dialogue is established through different channels ranging from **daily meetings to institutional events**.

Daily interactions are regularly held with Moncler experts and inspectors tasked with overseeing the various activities involved in production. The meetings with the Company's experts provide specialist support at all stages of production in order to share technical know-how and fix any critical issues. In 2018, as regards outerwear, Moncler's team of technicians was considerably expanded to ensure an **even more widespread presence** at all façon manufacturers in Italy and abroad, to increase the already **high number of checks on quality** and on the progress of work in and at the end of the line. The technicians in charge of the external workshops periodically participate in meetings at the Company offices to help analyse samples and share technical and production standards. Similarly, Moncler's knitwear technicians are invited a couple of times every season to come in for **training**, focusing on procedures and on production and quality standards, with visits to the Group's quality control centres. At these meetings, they are also educated on other topics relevant to Moncler, including **ethical, social and environmental aspects**, so as to spread the relevant culture among suppliers. Through the presence of experts at the various third-party production sites, the shared know-how thus becomes an integral and essential component of the bond between the Company and its suppliers.

In 2018, the organisation of various **institutional meetings** with suppliers continued, with the aim of fostering mutual understanding, consolidating collaboration with the supply chain, discussing contractual and operational aspects, and, above all, of involving partners in the sustainability path that Moncler has implemented.

In February, **two days of meetings** were held at the headquarters in Trebaseleghe, Padua, **involving about 30 Italian and international knitwear suppliers**. These meetings addressed several topics, including quality, down traceability and management, safety, brand protection issues, and responsible sourcing **principles**. In July, **another institutional meeting was organised with more than 50 Italian suppliers** (knitwear and outerwear manufacturers), with whom these same issues were discussed with an even greater focus on sustainability and on the ethical principles set out in the Code of Ethics and Supplier Code of Conduct, compliance with which is a prerequisite for establishing and maintaining a business relationship with Moncler. During the day, following the plenary session, further **individual meetings** were also organised with certain suppliers to further consolidate and explore the issues discussed.

Awareness activities on ethical, social, and environmental issues continued during the year, through **one-to-one meetings with experts from the Company's Sustainability Unit at the production facilities** of some of its suppliers and subcontractors. In the two-year period 2017-2018, about 150 on-site visits were carried out in Italy and abroad.

In addition, there were also meetings with the heads of various shoe factories and tanneries with whom the company's chemical and performance specifications were shared to make this supply chain increasingly aware of the issues of sustainability and chemicals management. As regards raw material suppliers, to follow up on the 2017 institutional meeting, several one-to-one meetings were held with the various suppliers and two days of meetings were organised in Paris during the textile fair Première Vision, during which the new company guidelines on compliance and sustainability were presented. The new technical, chemical and

performance requirements were then shared, and a fruitful and constant dialogue on the issue has been started.

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

Building on these achievements, in 2019, Moncler will continue to pursue a dialogue with its suppliers and their engagement in initiatives related to these aspects.

5

CLIENTS

CLIENT EXPERIENCE

QUALITY

THE FIGHT AGAINST COUNTERFEITING

TRANSPARENT AND RESPONSIBLE
COMMUNICATIONS

OFFERING A CONSISTENT AND
DISTINCTIVE **EXPERIENCE** AT EVERY
TOUCHPOINT WITH THE BRAND, IN AN
OMNI-CHANNEL PERSPECTIVE,
ATTENTION TO SERVICE, USING
DIGITAL TECHNOLOGIES TO FOSTER
A MORE DIRECT, CONTINUOUS AND
FAST DIALOGUE, TOGETHER WITH
CONSTANT ATTENTION TO PRODUCT
QUALITY AND THE PERSONAL
RELATIONSHIP, ARE THE HEART OF OUR
RELATIONSHIP WITH **CLIENTS**.

CLIENT EXPERIENCE

THE EXPERIENCE OF CLIENTS AT EVERY MOMENT OF THEIR INTERACTION WITH MONCLER TAKES CENTRE STAGE. THROUGH AN OMNI-CHANNEL APPROACH, MONCLER ENSURES THAT CUSTOMERS HAVE A PERSONALISED, INTEGRATED, SEAMLESS AND CONSISTENT SHOPPING EXPERIENCE ACROSS ALL ONLINE AND OFFLINE CHANNELS.

At Moncler, clients take centre stage. Every interaction is an opportunity to receive and learn, but also to share and engage. With this objective in mind, in 2015, Moncler began to implement the **Retail Excellence** project, covering 15 areas of operation, including redesigning the client experience, reorganising both shops and sales staff, and redefining shop procedures and operations. The essence of each intervention has been 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 customers, involving them more and more in Moncler's world. The project was completed in 2018 and this milestone marks a stepping stone in a new direction based on digitalisation and an omni-channel approach.

In an increasingly digital landscape, the strategic integration of all online and offline touchpoints is essential to offer clients a **consistent, integrated and seamless shopping experience**. For this purpose, Moncler has launched several projects aimed at redesigning the retail world from an inclusive perspective to offer clients a consistent experience across all channels.

In the EMEA, for example, an **Omni-channel** project has been implemented, which involves the development and provision of four multichannel services: Click and Reserve, Click from Store, Return In Store, and Pick Up In Store. These services allow clients to manage their purchases in a flexible way, tapping the full potential of the various contact channels: it becomes possible to book an item online and then try it on and eventually buy it in the shop (Click and Reserve), to order an item in the shop with the support of a Client Advisor and receive it comfortably at home (Click from Store), to make a return directly in the shop even if the purchase was made online (Return in Store) or to buy an item online and then pick it up directly in the shop (Pick Up in Store). In 2019, these services will be extended to other Regions.

In 2018, the **Retail Excellence 2.0** project was also launched. It contributed to further enhancing client experience in shops through **digitalisation**, while remaining faithful to the fundamental principles of the retail channel. Several activities have been launched to provide comprehensive technological management of shops: from the Match to Traffic system, which allows scheduling activities on the sales floor and thus improving client service, to the management of the warehouse with RFID that allows expediting the various transactions. The use of these technologies optimises operational tasks in shops, increasing efficiency and speeding up the various transactions. the use of these technologies leads to an optimization of operational tasks in the shop, favouring efficiency and thus providing more time to be devoted to end clients. In 2018, a digital payment service was launched in Germany and the United Kingdom, which enables sales to be completed directly on the sale floor, making the in-store experience even more enjoyable and faster. In 2019, the service will be extended to other countries.

WHOLESALE EXCELLENCE

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

Transferring best practices from the retail channel to the wholesale channel to provide clients with a unique brand experience has required specific initiatives in the various operating areas that have affected different areas of action: from in-store training, to the creation of personalised moments with clients aimed at developing long-term relationships, from the extension of after-sales services, to the consolidation of client service activities and communication. A crucial role has also been played by the coordination and synchronisation of the launch of campaigns and collections, including in particular the important project *Moncler Genius*, which was a hallmark initiative of 2018.

Moncler Genius

The launch in Milan of the *Moncler Genius* project was a major highlight in 2018: a new business model and at the same time a new way of communicating and interacting with clients.

Moncler Genius expresses variety because it gives voice to different creative people with different cultural backgrounds and styles. The designers interpret Moncler through their own collection, which, while remaining true to the brand's DNA, offers a personal point of view and speaks to a broad and diverse public.

Since the early 2000s, Moncler has been experimenting with a variety of different and multiple languages through various creative collaborations. With *Moncler Genius* this vision develops and amplifies: the result is a wide range of creations that speaks to different generations, while celebrating diversity and uniqueness. The uniqueness of each designer reflects that of each client. Hence our motto 'One House, different voices'.

Moncler Genius also sets in motion a new strategy no longer dictated by seasons: the collections are no longer presented and made available to clients twice a year but reach the market on a monthly basis, supported by a comprehensive marketing and communication plan. With *Moncler Genius*, even the relationship with clients changes: the flow of communication is no longer in a single direction, but becomes more interactive and continuous in an omni-channel approach in which the most important and innovative driver is digital technology. At every touchpoint with clients, the experience with the brand becomes increasingly distinctive, personalised, authentic and consistent.

This project marks a true quantum leap for the Company and has required a significant change in its culture: new ways of working, cross-functional working groups, processes and flows closely connected with the production chains and distribution partners.

Our manufacturing partners have played a key role not only in meeting the deadlines of the launch calendar, but also and above all in producing the different collections, which have required specific and sophisticated processes.

Likewise, our commercial partners, whether wholesale or e-tailer, have perfectly understood the project and their policies for the launch of the collections have been perfectly gauged to new

monthly calendar, ensuring that the products are made available to clients at the same time all over the world.

Moncler Genius is a contemporary project that is a tangible expression of the new concept of luxury, which is no longer aspirational but a source of inspiration and aggregation. Its strength brings a whole new energy that unites the brand, clients, and manufacturing and distribution partners, creating a true community.

It provides further proof that collaboration between different people, generations and cultures can generate extraordinary results.

TRAINING AS A STRATEGIC ASSET

Training is a crucial element in the growth of our Client Advisors and in their ability to build positive customer relationships.

While the continuous training provided to boutique personnel focuses on understanding the Brand, its history, products, style, materials, and production processes, and on the interpersonal skills and style required to best engage with clients, it also emphasises the importance of listening and relating to clients, which is essential to providing a service that truly meets their expectations.

The launch of the **Moncler Genius project has required intense training activities for sales personnel**. Indeed, *Moncler Genius* marks a watershed moment in the transition in the Brand's style of communication by opening a continuous dialogue, which is consistent in its content and the manner it is delivered in, and in tune with each and every client. In this sense, the work done in engaging the Client Advisors as ambassadors of this new vision was crucial. In particular, clients have been accompanied to discover individual collections thanks to new and richer in-store experiences, each designed for a different target customer.

At the same time, in order to ensure a **uniform** and consistent approach to clients and to the way the brand is communicated, 2018 was an intense year of **training activities provided also to the staff of the main stores in the wholesale channel** and in particular to that of the mono-brand stores (shop-in-shops). Training activities will continue in 2019. A training programme will be implemented through e-learning modules dedicated to the history and culture of Moncler, as well as to product knowledge. In this way, the client's experience will be enhanced by the narrative of the company's history and by an effective presentation of the distinctive and qualitative characteristics of Moncler's products. The training activities will also be supported by new training material, provided during the morning briefings at the shop and through new digital training tools.

As regards the Retail channel, a training programme for Store Managers is expected to kick off in 2019, focusing on the development of employee management and leadership skills. A group of Client Advisors will also be selected within the Regions to guide a peer-to-peer training programme. The task of these Client Advisors will be to train colleagues and boost their basic skills and knowledge.

LISTENING IN ORDER TO UNDERSTAND AND FULFIL CLIENT EXPECTATIONS

Listening to clients is a strategic choice when it comes to aligning the services offered with customer expectations and what with really matters to them. In 2018, Moncler extended the **VIBE** project worldwide. It provides for the systematic **collection of client feedback** after each purchase through a brief questionnaire that rates the different aspects of the shopping experience, including hospitality, personalisation, and service, on a scale of 1 to 5. The goal is to identify and redress any instance of client dissatisfaction, but above all to further support and focus Client Advisors in getting to know their customers, in order that they can offer a service that meets their expectations. In 2019, the service will also be extended to tourist clients.

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

In 2018, Moncler recorded a high VIBE score, which measures our clients' willingness to recommend Moncler to others. It stood at 89 (on a scale of 1 to 100). Moncler recognises the importance of listening to clients as a key element to improve the client experience and to increasingly offer a service of excellence. This is why the Company's objective is to reach an index of 91 in 2019.

Also in this direction, Moncler launched in 2017 the development of a new direct communication channel, the **Client Service**. 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** with Moncler, with a view to continuous improvement. In 2018, the service, which is fully active in Europe, handled approximately 70,000 **service requests from clients from the various channels**, both physical and digital, in an omni-channel perspective. The project is expected to be extended globally during 2019, which will allow more service requests to be answered. This is not only an important result in terms of client service quality, but also a prerequisite for the development and completion of the integration strategy of the different channels.

After-sales service as an integral part of the client experience

Client relations are being expanded to include **after-sales, which is an integral part of the broader client experience with Brand**. After defining a global policy in 2017, identifying quality local tailors and providing its stores with a replacement accessories kit to make the service fast and excellent, in 2018 Moncler provided global training on both technical aspects and the client relationship, to all Client Advisors.

Moreover, with the aim of ensuring a consistent and uniform level of service at all touchpoints, Moncler is creating central repair platforms in key countries such as China and the United States to which all channels can refer.

Moncler has launched other projects that aim to **improve the after-sales experience of its clients by making it global and consistent in all channels**. Among these is the inclusion of a new feature

dedicated to the after-sales service and integrated in *MonClient*, the digital Customer Relationship Management (CRM), which, in addition to managing directly and personally communication with clients, will promote an even more comprehensive management of the relationship.

QUALITY

FOR MONCLER, QUALITY HAS ALWAYS BEEN AND WILL CONTINUE TO BE A PRIORITY. THERE CAN BE NO COMPROMISE IN THE PURSUIT OF EXCELLENCE: FROM THE CHOICE OF THE FINEST MATERIALS, THROUGH THE PRECISE MANUFACTURE OF ITS GARMENTS, TO THE SELECTION OF THE BEST SUPPLIERS THAT ARE TRAINED AND SUPPORTED BY SPECIALISED TECHNICIANS.

PRODUCT QUALITY AND SAFETY

Product quality and safety are at the centre of Moncler's focus. For this reason, stringent controls are implemented along the entire value chain. Quality and safety are priorities for the Group right from the phase of designing garments and purchasing raw materials. The quality of the down and nylon, as well as 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. Since 2018, the company has also adopted a Performance Specifications to be able to give even clearer and more precise guidance to its suppliers. In fact, the Specifications set out the minimum requirements for all those technical parameters (such as dimensional stability, colour fastness of fabrics, prints and leathers, corrosion resistance of metal accessories, values for the tests on the durability and tightness of zips, etc.) that Moncler considers essential to achieve the level of quality expected for all its products.

Moncler requires all its suppliers to perform in **full compliance with the most stringent international regulations** relating to hazardous and potentially hazardous chemical substances, including the European Union's REACH⁽¹⁾ regulation, China's GB⁽²⁾ standards, and the Japanese JIS⁽³⁾ 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 substance. In 2018, the RSL was updated to include new groups of chemicals, new voluntary limits and stricter thresholds than the legislative ones. With the aim of gradually abandoning them, Moncler is engaged in searching for the best replacement products that can guarantee the maintenance of adequate levels of quality and performance. 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. The testing program in 2018 was significantly intensified by involving suppliers in an increasingly proactive way, establishing an ongoing dialogue to solve all issues related to compliance and sustainability.

(1) Registration, Evaluation, Authorisation and Restriction of Chemicals.

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

(3) Japanese Industrial Standards.

In order to ensure product safety and sustainability, as well as high levels of quality and consumer protection in terms of complete and correct information, including on labelling, the 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.

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.

All Moncler products are designed and manufactured under the Company's direct and close supervision. Moncler 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. Before selecting a production supplier, the technicians from Moncler's quality assurance division will first verify that **the potential partner has the technological capacity** and is adequately equipped to produce **garments that meet all the standards required by the Brand**, and that it can ensure consistent and reliable levels of quality. The technicians 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 and even more stringent quality inspection**, introduced in 2018. This inspection, through a structured and recorded process, ensures and **verifies down to the last detail: aesthetics, characteristics, size, and proper labels and tags**. In this final stage, the anti-counterfeiting protocol is checked and activated using sophisticated latest-generation technology. In addition, from 2018, through major investments in technology, Moncler began to expand its Piacenza hub where, in addition to logistics activities, other services, including quality control of the finished product and after-sales service, are carried out. The expansion of the facility is part of an important project that the company is implementing in order to be faster and more efficient in terms of time-to-market and service to clients.

DOWN QUALITY

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

Many years of experience, combined with continuous research and development, have enabled the Company to gain unique expertise in this area, in terms of both **knowledge of raw materials** and garment 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 taken into account as much as the quality of the down itself. See also page 78.

The technical quality of Moncler's down is the result of a well-structured process that ensures that only the best **white goose down** is used to create the garments. Every batch of down undergoes a two-step inspection procedure to assess its compliance with **11 quality parameters**, including health and cleanliness, set according to the strictest international standards and 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 900 tests were performed in 2018.**

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

THE FIGHT AGAINST COUNTERFEITING

MONCLER IS CONSTANTLY ENGAGED IN THE FIGHT AGAINST COUNTERFEITING TO GUARANTEE INTELLECTUAL PROPERTY RIGHTS AND THE AUTHENTICITY OF ITS PRODUCTS AND TO PROTECT END CLIENTS AND ITS INTANGIBLE ASSETS.

The approach to the fight against counterfeiting is built on a track record of many years of dedicated and daily commitment to guaranteeing the protection of its clients. This is the guiding principle of the 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.

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

To date, all Moncler products feature a complex anti-counterfeiting system featuring sophisticated Radio Frequency Identification (RFID) technologies available on the market. This authentication-tracking system adopted from the 2016 Spring/Summer collection provides for the generation of a unique alphanumeric code, a QR code, and a Near Field Communication (NFC) tag, which can be verified at code.moncler.com, which is directly managed by Moncler. Moncler has also created a special service dedicated exclusively to counterfeiting issues to further assist its clients by drawing up, where necessary, expert reports for those clients who are victims of counterfeiting and who wish to recover the sums paid for the ill-advised purchase of a counterfeit garment from electronic payment service companies. The implementation of the current anti-counterfeiting system in 2018, which mainly affected automated internal control mechanisms and client approach and verification methods, led to an increase in the identification and shutdown of online shops and sales platforms offering counterfeit garments.

Digital channels are another crucial front. Our monitoring and enforcement activities also span the main sales platforms, search engines and active websites. In 2018, 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 and upgrades of the anti-counterfeiting system allowed the Company to shut down about 98,300 online auctions and 3,000 websites, delist almost 223,000 pages from search engines, and delete about 42,000 pages and sponsored ads on social networks, all offering counterfeit products. Furthermore, in 2018, 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 receiving, managing and applying logoed material and anti-counterfeiting tags supplied by the Group. A total of 30 brand protection audits were conducted in 2018. 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. During 2018, three Company meetings were held at our offices in Trebaseleghe, Padua, with the knitwear and outerwear suppliers. These meetings addressed several topics relating to responsible sourcing principles and in particular brand protection aspects. See also page 81.

The Group collaborates locally with the main customs and law enforcement agencies worldwide to identify counterfeit Moncler products, issuing, where necessary, expert reports attesting to their illegal nature. The Company successfully continued to organise training and awareness activities for law enforcement officers, focusing on Moncler's products, lines and intellectual property rights. In 2018, 93 training sessions were delivered to customs authorities tasked with blocking and inspecting products in transit and at local law enforcement agencies. This continuous collaboration allowed Moncler to manage almost 2,000 seizures worldwide, leading to the removal from the market of about 75,600 counterfeit Moncler finished products and 284,200 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 38.

TRANSPARENT AND RESPONSIBLE COMMUNICATIONS

TRUST AND TRANSPARENCY ARE THE CORNERSTONES OF THE MOST STABLE AND LASTING RELATIONSHIPS. FOR THIS REASON, MONCLER HAS ALWAYS CONDUCTED EVERY MARKETING AND COMMUNICATION INITIATIVE RESPONSIBLY ON ALL CHANNELS, PAYING CLOSE ATTENTION TO HOW, WHAT AND TO WHOM IT COMMUNICATES.

MARKETING, ADVERTISING AND PRODUCT INFORMATION

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

Variety, diversity and plurality

With the launch of the *Moncler Genius* project, presented in Milan in February 2018 with the motto 'One house, different voices', the Brand gave proof once again of its pioneering spirit in all its manifestations, and launched the *Moncler Beyond* advertising campaign, shot by another master photographer, Craig McDean. The energy that lies in diversity is the principle that inspired the entire campaign. Nineteen individuals of different ages, ethnicity and origin and from different walks of life convey the Brand's values and their personal experience becomes the voice and individual strength that drives people to go beyond rigid patterns and predetermined models. The key message of the campaign is a choral message of freedom and willpower. It is an appeal in the name of plurality, which finds its strength and momentum in diversity.

Beyond embodies all of Moncler's values and captures its desire to push boundaries that has always characterised it. It is in Moncler's nature to constantly go beyond limits, generations and expectations. From the Paralympic athlete to the astronaut, from the activist to the trend setter, the campaign breaks the mould of traditional advertising campaigns to express the motivation, will and uniqueness that drive an individual to overcome every possible limit to be, quite simply, oneself. Addressing a plurality of individuals, Moncler defines and expresses its uniqueness through people who have achieved success thanks to their unique goals and personality, living their lives to the fullest.

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 existing national and international labelling regulations. Accordingly, the Group works closely with its suppliers to obtain reliable information on the materials and processes involved in the various stages of production and carries out all the tests needed to ensure the accuracy of the contents. All Moncler products feature a global label providing accurate information on the composition of all materials and components, washing and care instructions, and country of manufacture. All information is translated into nine languages. In addition, custom labels are applied to products to be distributed to specific markets, such as China, Japan and South 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. As regards the down, since the 2017 autumn/winter collection, a label with the indication "DIST-certified down" has been inserted inside all outerwear, guaranteeing that the down contained in the garment is all certified according to the principles set out in the Moncler technical Protocol called DIST (Down Integrity System & Traceability), which regulates farming methods and respect for animal welfare, traceability and the technical quality of the down. See also page 78.

AN INCREASINGLY DIGITAL DIALOGUE

The digital channel is central to Moncler's growth strategy, whose goal is to provide end clients with a unique multi-channel experience that best responds to market needs, thus reducing the distance to the Brand globally.

For this reason, significant energies in terms of resources and investments have been dedicated to developing this area: from online advertising to social networks. In particular, at the level of **social networks**, Moncler is present on Instagram, Facebook, Twitter and LinkedIn (in 2018 with 1.7 million, 2.9 million, 1.2 million and 98 thousand followers, respectively), WeChat in APAC (with 129,000 followers), LINE in Japan (with about 344,400 followers) while in South Korea, Moncler has been present since 2018 with the Kakao Talk account (with about 58,700 followers). It is worth noting that, particularly on Instagram, the level of consumer brand engagement has increased significantly in the last two years. Social networks are also an important channel through which Moncler engages users and updates them continuously on news about of the brand.

Social media have also been used to advance sustainability messages: on the occasion of World Earth Day, Moncler reaffirmed its commitment to the environment. The project to compensate for CO₂ emissions deriving from the transport activities of the participants in some important Company events by planting different species of trees in the area of Gaggiano, Milan, was shared with users. The forestation project was carried out with the collaboration of AzzerOCO₂. See also page 100.

6

ENVIRONMENT

ENVIRONMENTAL POLICY AND
MANAGEMENT SYSTEM

RESOURCES MANAGEMENT AND
CONSUMPTION

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

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

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

ENVIRONMENTAL POLICY AND MANAGEMENT SYSTEM

MONCLER IS AWARE THAT THE PATH TO SUSTAINABLE DEVELOPMENT REQUIRES POLICIES, TOOLS AND MULTIPLE DRIVERS OF ACTION ON ENVIRONMENTAL ISSUES. RESPONSIBILITY TOWARDS FUTURE GENERATIONS CALLS FOR A STRONG COMMITMENT TO CAREFULLY USING NATURAL RESOURCES AND MINIMISING IMPACTS.

As proof of its attention to 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 shops), 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 and the extension of certification in 2018 to its Italian corporate offices and to the logistics hub in Castel San Giovanni, Piacenza. The certification process required very thorough work, divided into three macro-phases:

- Environmental analysis in accordance with UNI EN ISO 14001: during this phase, the characteristic environmental aspects of the company's activities were examined to identify the most significant ones.
- Development of the environmental management system: based on the analyses carried out, a management system was developed and the organisational and operational procedures for managing environmental aspects were defined and shared.
- Inspection by the certification body: during this phase, audits were conducted by the certification body at the sites subject to certification to verify the effectiveness and correct implementation of the management system.

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. With regard to direct environmental impacts (scope 1 and scope 2), i.e., those caused by offices, shops, logistics centres, and the production site in Romania, in line with previous years, Moncler concentrated its efforts mainly on:

- **monitoring and assessing environmental impacts**, on the basis of which the Company identifies and implements improvement measures;
- **purchasing electricity from renewable sources**;
- **adopting more efficient technologies and lighting systems**, as well as green ICT solutions;
- **adopting technologies that enable interaction amongst employees**, thus reducing business travel;

- using resources efficiently and buying from responsibly managed sources;
- engaging employees and raising awareness across the Company through guidelines and programmes aimed at reducing the consumption of paper, plastic, toner, and energy, and at promoting waste sorting.

RESOURCES MANAGEMENT AND CONSUMPTION

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.

DIRECT AND INDIRECT ENERGY CONSUMPTION (KWH)

	2018	2017	2016
Direct energy consumption	6,834,456.58	6,846,732.75	5,545,428.09
From non-renewable sources:			
Natural gas ¹	4,118,075.20	4,278,224.09	2,723,458.50
Diesel ²	2,464,900.93	2,469,692.90	2,697,831.52
Fuel ²	251,480.45	98,815.76	124,138.07
Indirect energy consumption	16,376,187.95	15,310,797.63	13,603,169.64
Electricity from non-renewable sources	10,814,841.94	10,271,534.25	10,076,736.29
Electricity from renewable sources	5,561,346.01	5,039,263.38	3,526,433.35
Total energy consumption	23,210,644.53	22,157,530.38	19,148,597.73
Total energy consumption/number of employees	5,721.13	6,513.09	6,346.90

DIRECT AND INDIRECT CO₂ EMISSIONS (TONNES OF CO₂)

	2018	2017	2016
Direct emissions (scope 1)	1,735.86	1,636.36	1,437.74
From non-renewable sources:			
Natural gas ¹	757.56	787.88	502.34
Diesel ²	904.23	826.94	904.11
Fuel ²	74.07	21.54	31.29
Indirect emissions (scope 2)	5,582.72	5,480.05	5,163.81
Electricity from non-renewable sources	5,582.72	5,480.05	5,163.81
Electricity from renewable sources	-	-	-
Total emissions⁽³⁾	7,318.58	7,116.41	6,601.55
Total emissions/number of employees	1.80	2.09	2.19

(1) The increase in consumption in 2017 and 2018 compared to 2016 is due to the extension of the scope of reporting. The 2016 data includes direct consumption in Italy and Romania only, which accounted for about 82% of the total cost of natural gas. The 2017 and 2018 data include the total cost of natural gas (except for cases in which data is managed by the host department stores).

(2) Consumption and emissions for the car fleets in Italy and Romania (accounting for about 100% of the Company fleet). About 54% of the gasoline accounted for relates to the consumption of hybrid cars in which the electric motor has a support function. Therefore, specific emission coefficients are applied in calculating the emissions of this type of vehicle.

(3) The coefficients used to calculate emissions were published by: DEFRA (Department for Environment, Food & Rural Affairs) in 2015, and the Department for Business, Energy & Industrial Strategy (BEIS) in the reference years. 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).

As evidence of its attention to the environment and to reducing emissions into the atmosphere, from 2017, 100% of Moncler's purchases of energy in Italy are from renewable sources. In 2018, the Company also added about 30 vehicles with low environmental impact to its company car fleet.

In addition to reducing its footprint, in 2018 Moncler launched an initiative in collaboration with AzzerCO₂, a company specialised in supporting companies in identifying paths to reduce consumption and compensate for residual and unavoidable CO₂ emissions, to compensate for the emissions generated by the business travel of its employees. In particular, by planting about 2,600 trees in the municipality of Gaggiano, Milan, Moncler compensated all the 1,800 tons of CO₂ associated with travel by air and train and with the company car fleet of its Italian employees and the travel of 400 employees from all the Regions that participated in the 2018 worldwide summit in Zermatt, Switzerland.

For all the other initiatives to reduce energy consumption and emissions (from the most eco-efficient lighting systems to the use of more eco-friendly Information and Communication Technology systems) see also next section.

Initiatives to mitigate energy consumption and CO₂ emissions

In order to reduce energy consumption and CO₂ emissions, Moncler is engaged in various activities in its shops, offices, logistics hub and production site. These range from gradually replacing traditional lighting systems with LED lights, to using green ICT technologies, to identifying new methods to use energy more efficiently, to mitigating the environmental impact of employees' business travel.

As for the **efficiency of lighting systems**, Moncler has achieved important results. In particular, to date, **96%⁽⁴⁾ of shops worldwide** (100% in the United States, South Korea and Europe) are equipped with **Light-Emitting Diode (LED) lights**. Significant investments were also made in 2018 to provide the production site in Romania and the new logistics hub in Castel San Giovanni, Piacenza, with LED lighting. As regards the corporate offices, from 2017, as part of the renovation project of the Trebaseleghe, Padua, an entire area was already equipped with more efficient lighting systems, using LED lamps, and with insulation systems ensuring greater energy efficiency. Latest-generation LED technology delivers high-quality lighting and, under certain conditions, up to 80% in estimated energy savings compared to the former lighting systems, with less residual heat. In terms of environmental impact, LED lights have an average life that is significantly longer than that of traditional light bulbs, and are made almost entirely of recyclable materials. In 2018, Moncler invested about 1.7 million euros to install LED lights or to replace traditional lighting systems.

(4) Excluding the 15 shop-in-shops in which lighting is provided by the host department stores, where Moncler cannot take action.

Also in the field of energy saving, in 2018 Moncler began an **evaluation of the existing air conditioning systems** in its shops in order to identify more eco-efficient solutions. In order to develop a better understanding of the initiatives that could feasibly reduce the environmental impact of shops, Moncler is also engaged in assessing sustainability requirements in the shop design process. In addition to style, sophistication, and practicality, the Company is paying more and more attention to sustainability aspects in the design and realisation of its stores. While it is fundamental that stores feature good lighting, layout, climate control, and functionality, the Company is aware that these aspects need to be managed as soundly as possible to limit their impact on the environment.

The Company is also committed to minimising the environmental impact of its **Information and Communication Technology (ICT) systems**, by implementing increasingly efficient and innovative solutions and thus providing all its 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 24 conference rooms equipped with modern video conferencing or telepresence technology, 6 more compared to 2017 (thanks to the set-up of new facilities at the offices in Milan, Trebaseleghe, Paris, Hong Kong and Tokyo). In 2018, these systems theoretically prevented about 22.5 million kilometres of business travel, estimated to be equal to approximately 3,650 tonnes of CO₂ equivalent⁽⁵⁾. In addition to the video conferencing systems in the offices, in 2018 the “web desk conference” project was launched, i.e., a video conferencing system that can be used by a user's IT device and integrates with the systems in the video rooms of the company's offices, as well as connecting external video conferencing systems to the company network. This new video communication system allows Moncler to offer staff outside the company the possibility to contact internal staff without having to physically move.

Moncler is 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 monitors in Italy with new Energy Star-certified devices. Energy Star is one of the most well-known voluntary energy efficiency programme 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.

(5) The reduction in emissions achieved by using video/telepresence conferencing technologies was estimated by:

- taking into consideration only video/tele conference calls lasting more than 20 minutes;
- assuming an average number of four participants in each video/tele conference 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/tele conferencing, 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/tele conferencing;
- 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 - 2018).

In recent years, the Company 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 2018, the infrastructure used reached 372 virtual servers (67 more than in 2017), mainly upgrading the infrastructure of the logistics hub in Castel San Giovanni, Piacenza, where a new server room was built with integrated refrigeration and fire protection systems that allow optimising energy consumption for cooling the hardware.

USE OF RAW MATERIALS

The main raw materials used by Moncler are fabrics, yarns and down. The Company works continuously with its suppliers, requiring production processes to 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.

A campaign was implemented globally to promote the use of paper from responsible sources, i.e., those that ensure sustainable forestry practices. As a result of this joint and ongoing effort, already from 2017, about 100% of the paper used in offices and shops comes from responsible sourcing and all logoed material used worldwide is made of Elemental Chlorine Free (ECF) paper from responsible sources, 100% of which are ISO 14001-certified. As regards packaging, the boxes used are made almost entirely of paper and cardboard from responsible sources and all of Moncler's shopping bags are made of 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. The shopping bags also have cotton components.

PAPER

	Quantity (tonnes)	Renewable	Recyclable	% from responsible sources	% ECF
Printer paper	36.9	100%	yes	100%	100%
Logoed material ⁽⁶⁾	41.1	98%	Yes	100%	100%
Other ⁽⁷⁾	43.2	100%	In part ⁽⁸⁾	98%	37%
Total	121.2	99%	yes	99%	78%

⁽⁶⁾ Including, but not limited to, business cards, envelopes, 'with compliments' cards, repair receipt books, notebooks, catalogues, folders, stationary, and client data sheets.

⁽⁷⁾ Including, but not limited to, thermal paper rolls, receipts, labels, and plotter paper.

⁽⁸⁾ Thermal paper rolls are also included in this category: some components of this type of paper react to heat, making it non-recyclable.

PACKAGING

	Quantity (tonnes)	Renewable	Recyclable	% from responsible sources
Delivery boxes	1,147.1	100%	Yes	100%
Packaging boxes ⁽⁹⁾	225.8	100%	In part ⁽¹⁰⁾	99%
Tissue paper	16.0	100%	Yes	100%
Shopping bags	289.6	100%	Yes	100%
Total	1,678.5	100%	Yes	100%

⁽⁹⁾ Packaging boxes include e-commerce as well as other boxes, such as those for gifts, shoes, etc.

⁽¹⁰⁾ Some packaging boxes are equipped with a magnet, which is non-recyclable.

Since 2016, in an effort to raise employee awareness of the environmental impacts of day-to-day activities and to promote sustainable behaviours also in offices, 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 2018 the project was extended to the offices of the EMEA Region in Paris and to the logistics hub in Castel San Giovanni, Piacenza.

Another project launched in late 2018, which will significantly reduce paper consumption, is the development of an electronic incoming invoice archive. A programme has been launched to digitise all incoming invoices in Italy, France, Austria, Germany and Belgium. The entire process has been digitised, from the authorisation phase to the electronic archiving of the invoice, thus making it possible to significantly reduce the paper consumed. In order to spread a "zero paper" approach, the project will be progressively extended to other countries, compatibly with local regulations.

WASTE

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

Moncler'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.

WASTE GENERATION⁽¹¹⁾ (TONNES)

	2018	2017	2016
Non-hazardous waste	605.7	499.5	456.0
paper and cardboard	261.4	195.3	246.5
mixed packaging	157.1	140.1	133.0
wood	114.5	55.8	16.8
plastic	9.2	0.8	0.9
fabrics	44.6	59.9	58.7
iron	5.8	28.6	-
glass	-	-	0.1
other	13.1	19.0	0.03
Hazardous waste	1.3	5.2	-
Total waste generated	607	504.7	456.0

⁽¹¹⁾ The data refer to the scope of Italian offices, the Italian logistics hub and the production site in Romania, and do not include waste managed directly by local municipalities.

WASTE DISPOSAL (TONNES)

	2018	2017	2016
Reuse	546.2	465.1	-
Recycling	46.9	27.6	264.2
Incineration	13.9	4.2	51.0
Landfill	-	7.8	140.8
Total waste generated	607	504.7	456.0

For more information on the disposal method broken down by type of waste, please see page 120

Raising environmental awareness by engaging employees

In 2018, a number of initiatives were launched that helped raise awareness among employees of the need to use natural resources consciously and to promote constant attention to the environmental impact of daily activities.

In order to reduce the use of plastic, on World Environment Day, Moncler distributed a durable, reusable stainless steel water bottle to all employees in offices and shops around the world. Specific initiatives have also been launched on this front at the Italian corporate offices. In particular, at the corporate offices in Trebaseleghe, Padua, an innovative system of drinking water supply for employees has been implemented, which draws water directly from the water mains and serves it filtered and cooled through a distributor, drastically reducing plastic consumption. In addition, all vending machines have been equipped with a waste sorting system that returns 2 euro cents to employees for each plastic product disposed of correctly (e.g. bottles, yoghurt jars). Although the economic amount is purely symbolic, the value is represented by the educational message sent to employees, which is aimed at rewarding virtuous behaviour.

Finally, at the canteen of the corporate office in Milan, all plastic water bottles were replaced with reusable glass bottles. This was made possible by installing two water columns, connected to the water mains, which filter and purify the water and allow refilling the glass bottles. The project was started in September 2018 and in just four months it has reduced plastic consumption by about 140 kg.

LOGISTICS SYSTEM

The Moncler logistics system is divided into two sub-systems, one for the industrial part of the supply chain and the other for the distribution part. The first is commonly referred to as "materials logistics" and the second as "finished product logistics".

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

The distribution logistics has a much more articulated organisation as it must supply more than 70 countries, as well as the different sales channels in each of them, in which the brand is present.

It is a network comprising different levels, where the first level collects all of the Company's products, the second is a distribution reference point for one or more countries and, in cases characterised by a high concentration of business, also by a third level, which covers service needs of specific geographical areas.

In line with the challenges that Moncler has tackled in the last decade, in order to support a global business strategy, centred on the direct relationship with end clients and with ever faster services, in 2017 a project was launched to redesign the distribution logistics. In the period 2018-2020, it will provide the Company with cutting-edge technological and digital instruments that will allow it to respond to the increased complexity of the distribution flow system. The vision of the project is based on four key elements: speed, traceability, serial number management and process automation.

The logistics hub in Castel San Giovanni has been expanded by about 20,000 m², strengthened, automated and enhanced in terms of the services provided. Since 2018, the hub has been progressively carrying out quality control activities on the finished product as well as repairs using state-of-the-art management tools. In the first half of 2019, the entire serial number management system will be activated, supported by highly automated systems for hanging garments, and by the early months of 2020, an automatic system will be activated with Shuttle technology for handling and storing boxed products.

Moncler is investing about 15 million euros in the expansion and automation of its logistics hub. As early as the Autumn/Winter 2019 season, all products will undergo final verification at the Piacenza hub and will also be verified through an X-ray system with image archiving linked to the serial number of the single piece, as well as the archiving of the entire history of the single product unit put on the market.

Monitoring the environmental impact of the logistics process

Moncler does its best to implement logistics solutions that ensure not only operational efficiency and compliance with deadlines, but also respect for the environment. It supports and encourages its logistics partners to adopt sustainable systems and transport methods. Various initiatives have been implemented over the years to help 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 redesigned its logistics organisation 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, to all owned shops. In 2018, the emissions generated by the Company's key logistic partners were estimated at approximately 1,800 tonnes of CO₂ equivalent⁽¹²⁾.

(12) The data refers to transport to owned shops and local warehouses, as well as to wholesale shops.

7

COMMUNITIES

SUPPORTING LOCAL COMMUNITIES

MONCLER HAS ALWAYS BEEN COMMITTED TO SUPPORTING LOCAL COMMUNITIES AND 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 **RESPECTING** ITS OWN COMMUNITY.

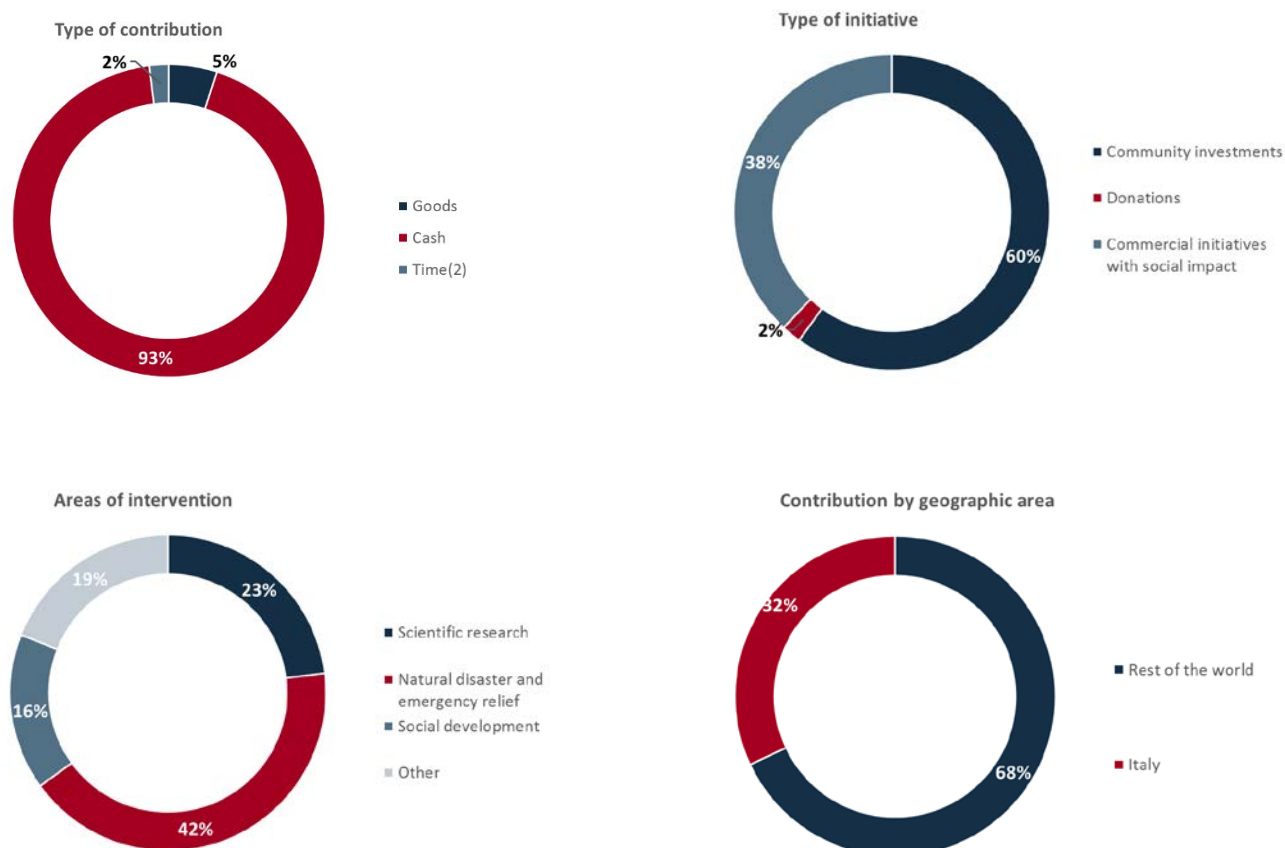
SUPPORTING LOCAL COMMUNITIES

OVER THE YEARS, MONCLER HAS PROMOTED AND SPONSORED MANY INITIATIVES IN SUPPORT OF LOCAL COMMUNITIES AND CHARITABLE ORGANISATIONS, THROUGH CASH CONTRIBUTIONS, DONATING CLOTHES AND PROVIDING ORGANISATIONAL SUPPORT TO NATIONAL AND INTERNATIONAL PROJECTS.

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

The Company carries out other work to support local communities near its main areas of activity, in collaboration with both local authorities and people. This is made possible by the constant interaction and dialogue between the heads of the Company's main offices and local representatives and administrations, which helps Moncler understand community needs and expectations, recognise the impact of its operations on the community itself, and ensure social consensus.

In 2018, Moncler invested about 2.7 million euros⁽¹⁾ in local community initiatives.



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

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

SUPPORT FOR 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 2018, a total of 600 thousand 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 Theodora and Anlaids.

Umberto Veronesi Foundation

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

The Foundation supports medical and scientific research through grants for physicians and researchers involved in the most advanced fields of oncology, cardiology, and neuroscience. Since its inception, the Foundation has funded nearly 1,600 researchers involved in cutting-edge scientific projects.

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

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

In 2018, once again, Moncler supported two of the Foundation's researchers. One, from the University of Rome Tor Vergata, was involved in developing a self-diagnosis test for breast cancer. The other, from the Italian National Institute for Cancer Research and Treatment in Milan, is studying the role of lung bacterial microflora in debilitating the immune system and allowing cancer to develop.

Moncler also continued to support the Foundation's commitment to **paediatric oncology** by contributing to the *Gold for Kids* project, which aims to raise awareness of the delicate issue of paediatric and adolescent cancer. It promotes research and contributes to the development of innovative treatment protocols capable of delivering cutting-edge therapies and higher chances of recovery. 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 2018, in order to promote research into treatment as well as diagnosis, Moncler also funded 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.

INITIATIVES FOR SOCIAL AND ECONOMIC DEVELOPMENT IN 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 various ways, organisations working in the social sphere, for example supporting young people and spreading a culture of respect for the environment.

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

Moncler also supports projects focusing on the protection and preservation of the **environment**. In particular, in recent years the Company has financed the Ev-K2-CNR Association's *Keep Karakorum Clean* and *Keep K2 Clean* initiatives to protect mountain areas, as well as a project to restore the natural landscape and rural buildings on Monte Fontana Secca and Col de Spadaròt Quero Vas in Belluno. The project is promoted by the FAI (Fondo Ambiente Italiano, National Trust of Italy), which Moncler has supported since 2015.

UNICEF

UNICEF, the United Nations Children's Fund, is present in 190 countries around the world and provides humanitarian aid to children and mothers.

Millions of children around the world live in extremely urgent conditions, which become even more desperate in winter and make survival a daily struggle.

In 2018, for the second year running, Moncler renewed its commitment to supporting the most vulnerable children living in some of the coldest areas in the world, through its *Warmly Moncler for UNICEF* project. The Company has supported the programme to the tune of over 1 million euros, supplying medicines, basic necessities, neonatal kits and winter blankets to 25,000 newborn babies and children (in the two-year period 2017-2018) in Nepal and Mongolia.

The Ev-K2-CNR Association

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

For several years, the association has been promoting projects in the mountain areas of the Hindu Kush-Karakorum-Himalaya region, as well as in Nepal, Pakistan, Tibet and India. It also has a laboratory and observatory 5,050 metres above sea level 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 like *Keep Karakorum Clean* and *Keep K2 Clean*. These initiatives, also developed within the scope of K2 expeditions and in collaboration with local institutions, have resulted in annual waste clean-ups at base camps, which were restored to their natural conditions. In

collaboration with the authorities from the Central Karakorum National Park (CKNP) and Gilgit-Baltistan territory in Pakistan, a waste sorting system and recycling centre have been set up, together with an environmental education programme to raise awareness among Pakistani workers of the importance of preserving parks and glaciers. Other environmental education campaigns were launched in schools across the region.

Thanks to Moncler's support, in 2018, the CKNP and Ev-K2-CNR hired a team of workers who collected and disposed of 5,000 kg of waste during the summer to ensure the environmental conservation of the Baltoro Glacier, one of the largest freshwater reserves in Gilgit-Baltistan.

It was an important contribution to the environmental conservation of the Baltoro Glacier and to the sustainable development of the region as a whole.

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. Since then, it has continued to address the needs of the local population, especially young people. Through its partnership with the Francesca Rava - NPH Italia Foundation (which has played a leading role in tackling the emergency by rebuilding eight schools in two years), the Company donated more than 2,000 down jackets to students and teachers from schools hit by the earthquake in the towns of Norcia, Cascia and Arquata del Tronto. In Cascia, it funded the construction of the new elementary school and the set-up of a multifunctional sports facility. In 2018, Moncler financed the construction of a playground at the nursery school in Pieve Torina, Macerata. The playground's design was inspired by an educational concept focusing on environmental issues, through research into and study of exclusive games, created specially by architects from the University of Camerino. The opening of the school in Pieve Torina was attended by 15 Moncler volunteer workers who, together with some volunteer entertainers from the Foundation, engaged the children in a series of entertainment activities inspired by the theme 'Mountains and Bears'.

Finally, in 2018, an extraordinary wave of bad weather hit northern Italy, felling about 14 million trees, upsetting the environmental balance of vast mountain areas and endangering the hydrogeological stability of these areas from Trentino to Alto Adige, from the Veneto to Friuli. Through its collaboration with Treedom, Moncler has decided to contribute to reestablishing forests in the Veneto, planting a thousand trees and donating them symbolically to all employees in Italy.

8

APPENDIX

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GUIDE TO THE REPORT

Reporting standards

The Consolidated Non-Financial Statement 2018 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 Company and their impact, and of the Group's performance and results achieved.

The Statement is published annually, and is prepared 'in accordance' with the core option of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) issued in 2016 by the Global Reporting Initiative (GRI) – to date, the most widely used and recognised standards at international level for sustainability reporting. To facilitate the search for information, a GRI Content Index is provided from page 126.

The Non-Financial Statement follows the principle of materiality, as provided for by the relevant regulations and characterising the GRI Standards. The issues discussed in this Statement are those that, following a materiality analysis and assessment as described on page 34, 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 2018 refers to the performance of the Moncler Group (also the Group, Moncler or the Company) for the year ended 31 December 2018. 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 2018 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. From 2017, the figure of the Sustainability Data Owner was created. They are responsible for the data and information relating to their area that are published in the Consolidated Non-financial Statement, and for achieving the objectives contained in the Sustainability Plan for the relevant issues. 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 2018, 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

	2018			2017			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Italy	929	31.5%	68.5%	800	30.7%	69.3%	741	29.7%	70.3%
EMEA (excl. Italy)	1,656	21.7%	78.3%	1,404	21.9%	78.1%	1,281	20.9%	79.1%
Americas	402	45.3%	54.7%	328	46.3%	53.7%	314	44.6%	55.4%
Asia and Rest of the World	1,168	33.3%	66.7%	966	34.1%	65.9%	880	33.1%	66.9%
Total	4,155	29.5%	70.5%	3,498	29.6%	70.4%	3,216	28.6%	71.4%

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER

	2018			2017			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Executives and senior executives	69	58.0%	42.0%	55	56.4%	43.6%	50	56.0%	44.0%
Managers	255	42.7%	57.3%	203	46.3%	53.7%	184	48.4%	51.6%
Professionals	405	34.1%	65.9%	355	32.7%	67.3%	293	29.0%	71.0%
White-collars	2,413	34.1%	65.9%	2,026	34.4%	65.6%	1,865	32.3%	67.7%
Workers	1,013	11.3%	88.7%	859	11.2%	88.8%	824	14.0%	86.0%
Total	4,155	29.5%	70.5%	3,498	29.6%	70.4%	3,216	28.6%	71.4%

EMPLOYEES BY AGE GROUP AND GENDER

	2018			2017			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
<30	1,430	37.5%	62.5%	1,199	37.0%	63.0%	926	35.7%	64.3%
31-40	1,436	28.8%	71.2%	1,209	28.6%	71.4%	1,241	29.2%	70.8%
41-50	857	21.1%	78.9%	731	22.0%	78.0%	700	21.0%	79.0%
>50	432	21.5%	78.5%	359	23.1%	76.9%	349	22.6%	77.4%
Total	4,155	29.5%	70.5%	3,498	29.6%	70.4%	3,216	28.6%	71.4%

EMPLOYEES BY LEVEL OF EDUCATION AND GENDER

	2018			2017			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
University degree or equivalent	1,599	32.7%	67.3%	1,372	32.8%	67.2%	1,144	30.7%	69.3%
High school	1,051	33.4%	66.6%	1,088	33.7%	66.3%	1,025	33.6%	66.4%
Middle and elementary school	1,064	16.3%	83.7%	874	17.2%	82.8%	898	18.5%	81.5%
Not mapped	441	40.1%	59.9%	164	40.9%	59.1%	149	38.9%	61.1%
Total	4,155	29.5%	70.5%	3,498	29.6%	70.4%	3,216	28.6%	71.4%

EMPLOYEES BY LENGTH OF SERVICE AND GENDER

	2018			2017			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Up to 5 years	3,635	29.5%	70.5%	3,060	29.4%	70.6%	2,908	28.5%	71.5%
6 to 10 years	341	27.6%	72.4%	274	28.5%	71.5%	145	24.8%	75.2%
11 to 20 years	179	33.0%	67.0%	164	33.5%	66.5%	160	33.1%	66.9%
21 to 30 years	-	-	-	-	-	-	3	-	100.0%
Total	4,155	29.5%	70.5%	3,498	29.6%	70.4%	3,216	28.6%	71.4%

EMPLOYEES BY CONTRACT TYPE AND GENDER

	2018			2017			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Permanent contract	3,431	28.4%	71.6%	2,709	28.9%	71.1%	2,542	28.5%	71.5%
Temporary contract	724	34.7%	65.3%	789	31.7%	68.3%	674	28.8%	71.2%
Total	4,155	29.5%	70.5%	3,498	29.6%	70.4%	3,216	28.6%	71.4%

PERMANENT EMPLOYEES BY CONTRACT TYPE AND GENDER

	2018			2017			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Full-time	3,196	28.2%	71.8%	2,502	29.1%	70.9%	2,371	28.5%	71.5%
Part-time	235	31.1%	68.9%	207	27.1%	72.9%	171	29.2%	70.8%
Total	3,431	28.4%	71.6%	2,709	28.9%	71.1%	2,542	28.5%	71.5%

NEW HIRES AND DEPARTING EMPLOYEES BY GENDER

	2018			2017			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
New hires	2,136	654	1,482	1,581	487	1,094	1,259	425	834
Departing employees	1,479	449	1,030	1,299	373	926	1,034	340	694

NEW HIRES AND DEPARTING EMPLOYEES BY AGE GROUP

	2018					2017					2016				
	Total	<30	31-40	41-50	>50	Total	<30	31-40	41-50	>50	Total	<30	31-40	41-50	>50
New hires	2,136	1,198	534	274	130	1,581	914	377	200	90	1,259	590	465	130	74
Departing employees	1,479	676	490	177	136	1,299	689	335	181	94	1,034	500	322	129	83

NEW HIRES AND DEPARTING EMPLOYEES BY GEOGRAPHIC AREA

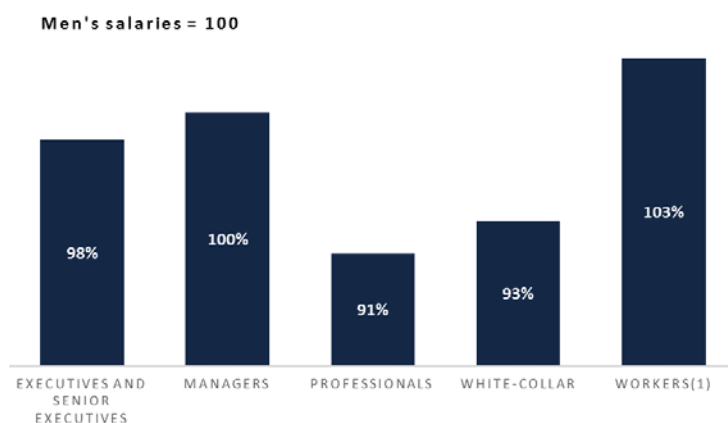
	2018			
	Total	EMEA	Americas	Asia and Rest of the World
New hires	2,136	1,278	276	582
Departing employees	1,479	940	175	364

	2017			
	Total	EMEA	Americas	Asia and Rest of the World
New hires	1,581	950	186	445
Departing employees	1,299	785	181	333

EMPLOYEES BY COUNTRY

	2018		2017		2016	
	No.	%	No.	%	No.	%
Italy	929	22.4	800	22.9	741	23.0
Romania	1,051	25.3	896	25.6	862	26.8
Japan	530	12.8	410	11.7	334	10.4
United States	345	8.3	281	8.0	278	8.6
China	314	7.5	270	7.7	258	8.0
France	187	4.5	147	4.2	136	4.2
South Korea	152	3.6	130	3.7	127	3.9
United Kingdom	117	2.8	101	2.9	85	2.6
Hong Kong	109	2.6	96	2.7	108	3.4
Germany	61	1.5	58	1.7	47	1.5
Switzerland	61	1.5	49	1.4	45	1.4
Canada	44	1.1	40	1.1	28	0.9
Austria	38	0.9	36	1.0	28	0.9
Taiwan	25	0.6	25	0.7	24	0.7
Other countries	192	4.6	159	4.5	115	3.6
Total	4,155	100	3,498	100	3,216	100

RATIO BETWEEN WOMEN'S AND MEN'S SALARY LEVELS



(1) The data for the category workers refer only to the Romanian perimeter, since female workers amount to 99.5% in Romania and account for 88% of the total of the category workers. The remaining 12% of workers are located in Italy, where, however, the pay comparison between men and women is 132%.

ACCIDENTS BY GEOGRAPHIC AREA AND GENDER

	2018			2017 ⁽²⁾			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Italy	4	2	2	4	3	1	2	1	1
EMEA (excl. Italy)	5	1	4	14	8	6	5	1	4
Americas	2	1	1	1	1	-	7	3	4
Asia and Rest of the World	2	1	1	-	-	-	4	1	3
In the workplace	13	5	8	19	12	7	18	6	12
Italy	7	3	4	9	1	8	5	1	4
EMEA (excl. Italy)	2	1	1	2	1	1	3	2	1
Americas	1	-	1	-	-	-	-	-	-
Asia and Rest of the World	2	1	1	-	-	-	1	1	-
Commuting to/from work	12	5	7	11	2	9	9	4	5
Total	25	10	15	30	14	16	27	10	17

ACCIDENTS AND DAYS LOST DUE TO INJURIES

	2018			2017 ⁽²⁾			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Accidents (No.)	25	10	15	30	14	16	27	10	17
in the workplace	13	5	8	19	12	7	18	6	12
commuting to/from work	12	5	7	11	2	9	9	4	5
Days lost due to injuries	953	379	574	890	205	685	377	190	187
in the workplace	342	190	152	413	176	237	121	73	48
commuting to/from work	611	189	422	477	29	448	256	117	139

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

	2018			2017 ⁽²⁾			2016		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Incidence rate ⁽³⁾	6.02	8.17	5.12	8.58	13.54	6.49	8.40	10.88	7.40
Severity rate ⁽⁴⁾	0.15	0.12	0.18	0.16	0.12	0.17	0.10	0.15	0.08
Frequency rate ⁽⁵⁾	3.83	3.07	4.59	5.35	8.60	4.02	7.18	7.65	6.93

(2) From 2017, the scope of reporting was significantly broadened, reaching 100% of the Group's global workforce; data therefore cannot be compared with 2016.

(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.

DISPOSAL METHOD BY TYPE OF WASTE (TONNES)

	2018
Reuse	546.2
<i>non-hazardous waste</i>	544.9
<i>hazardous waste</i>	1.3
Recycling	46.9
<i>non-hazardous waste</i>	46.9
<i>hazardous waste</i>	-
Incineration	13.9
<i>non-hazardous waste</i>	13.9
<i>hazardous waste</i>	-
Landfill	-
<i>non-hazardous waste</i>	-
<i>hazardous waste</i>	-
Total waste generated	607

PARENTAL LEAVE

Moncler grants parental leaves to all its employees in accordance with applicable laws and local regulations. In addition, in 2018, all employees of the Group's Italian companies, who become fathers as from 1 January 2018, were granted a total of five days of paternity leave, one more than that which is established by law or the national collective labour agreement.

In 2018, 159 Group employees, accounting for 6% of the eligible female workforce and 3% of the eligible male workforce, took some form of parental leave. Around 92% of them returned to work after the leave period. Of those who returned to work in 2017, 54% were still working for the Company 12 months later.

The Group also helps both men and women balance their professional and private lives by offering flexible working hours that can be tailored to personal needs.

COMPLIANCE

Moncler strives towards the highest principles of transparency, integrity and loyalty in its operations, in compliance with all applicable laws in the countries in which it operates, while concentrating efforts on building relationships of trust with its clients.

In confirmation of the above, in 2018, no Final Decision was handed down against the Company in any of the following areas:

- unfair competition and antitrust
- occupational health and safety
- product labelling
- marketing communications, including advertising, promotions, and sponsorships
- disputes impacting the community
- the environment
- intellectual property rights
- privacy.

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



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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

*To the board of directors of
Moncler S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2018 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 28 February 2019 (the "NFS").

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

The directors are responsible for the preparation of a NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016 by GRI - Global Reporting Initiative (the "GRI Standards").

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

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. is una società per azioni a diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Cooperative ("KPMG International"), entità di diritto svizzero.

Antonio Anna Rita Bergami
Roberto Roberto Rocco
Caterina Carla Andrea Sestini
Luca Maria Nicola Tassinari
Patrizia Patricia Paola Tognoli
Alessandra Patricia Diana Tognoli
Treviso, gennaio 2019

Scopo del report
Garanzia limitata
Fino a 245.000.000 €
Regione Piemonte-Alba e
Cuneo PIASSA 04/09/2019
S.B.A. Roma N. 510380
Numero IVA 04590000164
VAT number IT04590000164
Sede legale: Via Italia 100, 10121
10124 Alba (CN) Italia



The Collegio Sindacale is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the 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. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.



4. Gaining an understanding of the following:

- the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
- the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
- the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel and personnel of Industries S.p.A. and Industries Yield S.r.l.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent and subsidiaries level:
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence;
 - b) we carried out analytical and limited procedures to check the correct aggregation of data in the quantitative information;
- we visited Moncler S.p.A. and Industries S.p.A., which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2018 consolidated non-financial statement of the Moncler Group



Mandator Group
Independent auditors' report
31 December 2018

has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Treviso, 25 March 2019

KPMG S.p.A.

(signed on the original)

Francesco Masetto
Director of Audit

GRI CONTENT

The following index is provided to facilitate the search for content related to specific GRI indicators. The index has two parts.

The first refers to the indicators reported "in accordance" with the GRI core option on the basis of the materiality analysis. See also page 126.

The second part refers to other GRI indicators that complete Moncler's performance profile. See also page 128. 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 2018, providing its overall conclusions thereafter. As regards the scope of activities, please refer to the Statement on the Consolidated Non-Financial Statement released by the independent auditors, on pages 122-124.

LEGEND

NFS = Consolidated Non-Financial Statement 2018

AR = Annual Report 2018

CE = Code of Ethics

PRP = Procedure Governing Transactions with Related Parties

CGR = Corporate Governance Report 2018

INDEX OF GRI CONTENT "IN ACCORDANCE" – CORE OPTION

GRI ID	PAGE NUMBER (OR DIRECT LINK)	OMISSIONS
GENERAL STANDARD DISCLOSURES		
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102-1	NFS page 114	
102-2	NFS pages 12-13, 89-91	
102-3	NFS page 135	
102-4	NFS pages 12-13,48,73,116,117-118	
102-5	NFS pages 22-24, 135	
102-6	NFS pages 12-13	
102-7	NFS pages 12-13,15-16,18-19, 48, 72	
102-8	NFS pages 48, 51, 116-118	
102-9	NFS pages 72-73	
102-10	No significant changes reported. AR (Paragraphs: Consolidated Cash Flow Statement; Notes to the Consolidated Financial Statements - The Group and its Main Activities)	
102-11	NFS pages 28-31	
102-12	NFS pages 22-23,56-57	
102-13	NFS pages 37-38	
STRATEGY		
102-14	NFS pages 3-4	
ETHICS AND INTEGRITY		
102-16	NFS pages 8-9, 22, 25-26	
GOVERNANCE		
102-18	NFS pages 22-24,32, CGR	
STAKEHOLDER ENGAGEMENT		
102-40	NFS pages 34-36	
102-41	NFS page 70	
102-42	NFS page 33	
102-43	NFS pages 34-36	
102-44	NFS pages 34, 60-62, 80, 87-88	
REPORT PROFILE		
102-45	NFS pages 114-115	
102-46	NFS pages 114-115	
102-47	NFS pages 33-34	
102-48	NFS pages 18-19	
102-49	No significant changes reported.	
102-50	NFS page 114	
102-51	NFS pages 114-115. Consolidated Non-Financial Statement 2017 (in compliance with Italian Legislative Decree 254/2016) was published on April 2018	
102-52	NFS page 114	
102-53	NFS page 134	
102-54	NFS page 114	
102-55	NFS pages 126-131	
102-56	NFS pages 122-125	
TOPIC – SPECIFIC DISCLOSURE		
CATEGORY: FINANCIAL PERFORMANCE		
ASPECT: FINANCIAL PERFORMANCE		
103-1	NFS pages 15, 109, 132	
103-2		
103-3		
201-1	NFS pages 15, 18-19	
ASPECT: PROCUREMENT PRACTICES		
103-1	NFS pages 72-76, 78, 80-81,132	
103-2		
103-3		
204-1	NFS pages 72-73	
CATEGORY: ENVIRONMENTAL PERFORMANCE		
ASPECT: MATERIALS		
103-1	NFS pages 102-103, 132	
103-2		
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301-1	NFS page 102	
301-2	NFS page 102	

ASPECT: ENERGY		
103-1	NFS pages 99-101, 132	
103-2		
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302-4	NFS pages 99-101	
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT		
103-1	NFS pages 43, 75-77, 78, 132	
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CATEGORY: SOCIAL PERFORMANCE		
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404-3	NFS pages 59-60	
ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES		
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ASPECT: SOCIAL ASSESSMENT OF SUPPLIERS		
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414-2	NFS pages 43, 75-77, 78	
ASPECT: CUSTOMER HEALTH AND SAFETY		
103-1	NFS pages 89-91, 121, 132	
103-2		
103-3		
416-1	NFS pages 89-91	
416-2	NFS page 121	
ASPECT: MARKETING COMMUNICATIONS		
103-1	NFS pages 121, 132	
103-2		
103-3		
417-3	NFS page 121	

ADDITIONAL GRI INDICATORS

GRI ID	PAGE NUMBER (OR DIRECT LINK)	OMISSIONS
GENERAL STANDARD DISCLOSURES		
STRATEGY		
102-15	NFS pages 28-31, 39-45	
ETHICS AND INTEGRITY		
102-17	NFS pages 25-27, 39-45; CE (Paragraph: Reporting Breaches of the Code of Ethics)	
GOVERNANCE		
102-19	NFS page 32	
102-20	NFS page 32	
102-21	NFS page 32	
102-22	NFS pages 22-24, 32; CGR (Paragraphs: Board of Directors; Composition and Functioning of the Board of Statutory Auditors)	
102-23	NFS pages 22-24; CGR (Paragraphs: Chairman of the Board of Directors; Table 2: Structure of the Board of Directors and Committees)	
102-24	CGR (Paragraph: Board of Directors - Appointment and Replacement of Directors)	
102-25	CE (Paragraphs: Contributions and Sponsorships; Conflicts of Interest); PRP	
102-26	NFS page 32	
102-27	NFS pages 28-29, 32	
102-29	NFS pages 28-29, 39-40	
102-30	NFS pages 28-29	
102-31	NFS pages 28-29	
102-32	NFS pages 33-34, 115	
102-33	NFS pages 25-27	
102-37	NFS pages 56-57	
TOPIC – SPECIFIC DISCLOSURE		
CATEGORY: FINANCIAL PERFORMANCE		
ASPECT: FINANCIAL PERFORMANCE		
201-2	NFS pages 98-101; Partial disclosure of indicator. The opportunity of expanding the scope of analysis will be considered in the future.	
201-3	NFS page 58; RFA (Paragraph: Employee Benefits)	
201-4	<p>Pursuant to the requirements of Law no. 124/2017, in 2018 Moncler S.p.A. benefited from tax credit relating to research and development for the years 2015, 2016 and 2017 for an amount of 3,957 thousand euros, while Industries S.p.A. received employee training grants of 35 thousand euros from Fondimpresa and 7 thousand euros from Fondirigenti. For the purposes of the above requirements and with regard to any other grants received falling among the cases provided for, reference is also made to the specific Italian national register, which can be consulted by the public.</p> <p>Moreover, in 2018 the Romanian company Industries Yield received a public grant of approximately 1 million euros for local social and economic development</p>	
ASPECT: MARKET PRESENCE		
103-1	NFS pages 49-50, 56	
103-2		
103-3		
202-1	NFS page 56	
202-2	NFS pages 49-50	
ASPECT: INDIRECT ECONOMIC IMPACTS		
103-1	NFS pages 109- 112	
103-2		
103-3		
203-1	NFS page 109	
ASPECT: ANTI-CORRUPTION		
103-1	NFS pages 25-27, 28, 75	
103-2		
103-3		
205-1	NFS page 27	

205-2	NFS pages 25-27, 28, 75	
205-3	NFS page 27	
ASPECT: ANTI-COMPETITIVE BEHAVIOUR		
103-1 103-2 103-3	NFS page 121	
206-1	NFS page 121	
CATEGORY: ENVIRONMENTAL PERFORMANCE		
ASPECT: ENERGY		
302-1	NFS page 99	
302-3	NFS page 99	
302-5	NFS pages 99 101	
ASPECT: WATER		
303-2	The Group's main source of water supply is represented by water mains.	
303-3	Water consumption mainly relates to sanitary plumbing. During the reporting period, water consumption was approximately 139,000 cubic metres (the item does not include companies for which water is managed by Department Stores). The water used is neither recycled nor reused.	
ASPECT: BIODIVERSITY		
304-1	Moncler does not own or manage facilities or operating sites that are located in, or adjacent to, protected areas or areas of high biodiversity value outside protected areas. Accordingly, indicators 304-2, 304-3, 304-4, and 306-5 are not applicable.	
ASPECT: EMISSIONS		
103-1 103-2 103-3	NFS pages 99-101	
305-1	NFS page 99	
305-2	NFS page 99	
305-3	NFS pages 105- 106	
305-4	NFS page 99	
305-5	NFS pages 99-101	
305-6	During the reporting period, gas leaks of approximately 6.5 kg of hydrochlorofluorocarbons (HCFCs) were recorded in Italy, mainly due to leaks from air conditioning units at the corporate office in Solari, Milan.	
305-7	Given Moncler's business model, there are no known significant emissions at this time.	
ASPECT: EFFLUENTS AND WASTE		
103-1 103-2 103-3	NFS pages 103-104	
306-1	Water discharges are comparable to those of residential dwellings and are therefore drained into the sewage system.	
306-2	NFS pages 103, 120	
306-3	During the reporting period, there were no significant spills of pollutants.	
306-4	Moncler did not transport, import, export or treat any kind of waste deemed hazardous under the terms of the Basel Convention.	
ASPECT: ENVIRONMENTAL COMPLIANCE		
103-1 103-2 103-3	NFS page 121; During the reporting period, there were no grievances filed related to environmental impacts.	
307-1	During the reporting period, there were no fines or monetary sanctions for non-compliance with applicable environmental laws and/or regulations.	
CATEGORY: SOCIAL PERFORMANCE		
ASPECT: EMPLOYMENT		
401-3	NFS page 121	
ASPECT: LABOUR/MANAGEMENT RELATIONS		
103-1 103-2 103-3	NFS page 69	
402-1	NFS page 69	
ASPECT: OCCUPATIONAL HEALTH AND SAFETY		
103-1 103-2 103-3	NFS pages 65-68	
403-1	NFS page 66; There are no formal committees in this area.	

403-3	NFS pages 66-67	
ASPECT: TRAINING AND EDUCATION		
404-1	NFS pages 54-56, 67	
ASPECT: NON-DISCRIMINATION		
103-1 103-2 103-3	NFS pages 25-27, 28, 69	
406-1	NFS pages 26, 63	
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
103-1 103-2 103-3	NFS pages 69, 75-77, 78	
407-1	NFS pages 43, 69, 75-77, 78	
ASPECT: CHILD LABOUR		
103-1 103-2 103-3	NFS pages 75-77, 78	
408-1	NFS pages 43, 75-77, 78	
ASPECT: FORCED OR COMPULSORY LABOUR		
103-1 103-2 103-3	NFS pages 75-77	
409-1	NFS pages 43, 75-77	
ASPECT: INDIGENOUS RIGHTS		
411-1	Considering the geographical areas in which it operates, Moncler believes there is no risk of violating the rights of indigenous populations.	
ASPECT: HUMAN RIGHTS ASSESSMENT		
103-1 103-2 103-3	NFS pages 25, 54-56, 72-76, 77	
412-1	NFS pages 43, 76	
412-2	NFS pages 26, 55	
412-3	NFS pages 75-76, 77-78	
ASPECT: LOCAL COMMUNITIES		
413-2	Considering Moncler's activities to date, no operations are deemed to have a significant actual or potential negative impact on local communities.	
ASPECT: PUBLIC POLICY		
103-1 103-2 103-3	NFS page 38	
415-1	NFS page 38	
ASPECT: MARKETING COMMUNICATIONS		
417-1	NFS pages 54-55	
417-2	NFS page 121	
ASPECT: CUSTOMER PRIVACY		
103-1 103-2 103-3	NFS page 121	
418-1	NFS page 121	
ASPECT: COMPLIANCE		
103-1 103-2 103-3	NFS page 121	
419-1	NFS page 121	

TABLE LINKING MATERIAL TOPICS AND THE GRI INDEX

MATERIAL TOPICS	LINK TO ASPECTS OF THE GRI	INTERNAL IMPACTS	INTERNAL IMPACTS
Brand reputation	(*)		Clients
Product quality and safety	Customer health and safety		Clients Suppliers
Responsible sourcing	Supplier assessment for labour practices Supplier assessment for human rights		Clients Suppliers
Diversity and inclusion	Diversity and equal opportunities Equal remuneration for women and men	Internal stakeholders	
Animal welfare	Supplier assessment for labour practices (*)		Clients Suppliers
Client experience	Product and service labelling	Internal stakeholders	Clients
Innovative solutions	(*)	Internal stakeholders	Clients Environment Suppliers
Employee health and wellbeing	Occupational health and safety	Internal stakeholders	
Employee experience	Employment	Internal stakeholders	
Performance and development	Training and education	Internal stakeholders	
Sustainability in business strategy	(*)	Internal stakeholders	Clients Environment Suppliers Community
Eco-efficiency	Energy Materials		Environment
Employee welfare	Employment	Internal stakeholders	
Support for local communities	Economic performance Local communities		Community
Environmentally-friendly packaging	Materials		Environment
Sustainable shop format	Energy		Environment

(*) With regard to this topic (not directly connected to an aspect provided for by GRI standards), the Statement reports the management approach adopted and the associated indicators.

GLOSSARY

AUDIT

Systematic and documented assessment (by an independent body) to verify compliance with the requirements of a given law/standard of reference.

CONCESSION

Directly managed mono-brand retail space located on the premises of a department store.

DEPARTMENT STORE

General shop, large- or medium-sized, divided internally into specialist departments.

DOS

Directly Operated Stores, including Free Standing Stores, Travel Retail Stores, Concessions, and Outlets.

EMAS

Voluntary environmental management tool developed by the European Commission for companies and other 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.

DIRECT EMISSIONS (SCOPE 1)

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

INDIRECT EMISSIONS (SCOPE 2)

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

SUB-CONTRACTOR

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

FLAGSHIP SHOP

Mono-brand retail shop that, by size and/or location, conveys the philosophy and image of the Brand.

FREE STANDING SHOP

Retail shop located directly on a street, i.e., not in a mall or shopping centre.

ISO 14001

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

KPI (KEY PERFORMANCE INDICATOR)

Measurable value that monitors the effectiveness of a process.

OHSAS 18001

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

OUTLET

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

MONO-BRAND SHOP

Retail shop that exclusively sells clothing, accessories, and products of a specific brand.

MULTI-BRAND SHOP

Retail shop that sells different brands of clothing, accessories, and products.

RETAIL

Distribution channel for the sale of products or goods managed directly by the Group through Directly Operated Stores (DOS) or its own e-commerce website (www.moncler.com).

SHOP-IN-SHOP

Mono-brand wholesale space located on the premises of a department store.

SHOWROOM

Space used to display and sell an apparel company's products to wholesale clients.

SRI (SOCIALY RESPONSIBLE INVESTOR)

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

STAKEHOLDER

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

TRAVEL RETAIL SHOP

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 shops.

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