

MONCLER

GROUP

MODERN SLAVERY STATEMENT FOR FINANCIAL YEAR 2021

Introduction

This document was approved by the Board of Directors of Moncler UK Limited on 29 June 2022 and describes the measures taken to ensure that no form of modern slavery, forced labour or human trafficking exists within the Company or at any point on its supply chain, as required by Section 54 of the UK Modern Slavery Act 2015. The contents of this statement refer to the financial year ended 31 December 2021 and details the measures taken by the Company and by its parent company Moncler S.p.A. in respect of the wider Moncler Group (as defined below).

Moncler UK Limited is a subsidiary of Moncler S.p.A., the parent company of the Moncler Group (hereinafter referred to as the “Group” or “Moncler Group”) which has always been committed to conducting its business with professionalism, adopting ethical and virtuous conduct and totally condemning any form of human rights abuse. In particular, the Moncler Group is committed to fighting modern slavery in all its manifestations, both within its organisation and along its supply chain, in line with the principles set out in the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights.

At the Moncler Group, excellence means quality, style and elegance, but also a commitment to a supply chain that pays attention to and respects the rights of workers. The Group believes in the value of stable relationships, based on trust and cooperation, and prefers long-term relationships with suppliers that are reliable producers and share Moncler Group’s values.

Company profile

Founded in Grenoble in 1952, Moncler Brand is a leading producer of luxury outerwear. Moncler has made the down jacket into an icon, a classic of the modern wardrobe that is above seasonal trends, while expanding the boundaries of the brand to cover every season of the year, combining the most demanding requirements of technical garments with everyday city life. Its products are unique, of the highest quality, timeless, versatile and innovative, and can be worn on any occasion.

Moncler was listed on the Milan Stock Exchange in 2013 and finalised the establishment of a production site in Romania in 2016, with the aim of vertically integrating part of its production and creating an R&D hub for down jackets.

On 31 March 2021, the acquisition by Moncler S.p.A. of the entire share capital of Sportswear Company S.p.A., that owns the Stone Island brand, along with its subsidiaries and associates was completed. These companies joined the scope of consolidation with effect from 1 April 2021.

Moncler Group is present in every major market worldwide through the retail distribution channel consisting of mono-brand directly operated stores (237 stores in 2021 for Moncler Brand and 30 stores in 2021 for Stone Island Brand), the online store and the e-concessions, and through a wholesale distribution channel consisting of multi-brand and mono-brand stores run by third parties within department stores (64 shop-in-shops in 2021 for Moncler Brand and 58 shop-in-shops in 2021 for Stone Island Brand). The Group operates locally through regional organisations: EMEA, Americas, Asia, and Rest of World.

At 31 December 2021 the Moncler Group had 5,290 employees, up from 2020 (+20%, equal to 892 more people). This growth was driven both by the increase in workforce across almost all countries in which the Group is present and by the integration of Stone Island, accounting for approximately 400 employees. The majority of the Moncler Group's workforce (35%) is concentrated in the EMEA Region due to the presence of the Moncler and Stone Island's corporate sites and the Moncler's production site in Romania, accounting for 61% of the entire Region's population.

By country, besides Italy (29%), most employees are concentrated in Romania (22%), China (11%), Japan (10%) and the United States (7%).

Supply chain profile

In 2021, approximately 667¹ suppliers were involved in manufacturing Moncler Group's products. They can be grouped into four categories: raw materials (60%), façon manufacturers (26%), finished products (13%) and services (1%).

Over the years, the Group has rationalised its supply chain, in an effort to gain greater control over supply and develop stronger and more profitable synergies and partnerships with those who share the Group's values and expectations, also in terms of ethical and social standards. Specifically, starting from 2019, as part of the broad "Supply Chain Excellence" programme to innovate and reorganise management of its supply chain, Moncler developed a range of projects to reach operating excellence in terms of quality, speed, sustainability, reliability, flexibility and efficiency.

The majority of Moncler Group's suppliers (89%²) are based in the EMEA area, above all in Italy (about 71% of the total). The Group's top 40 suppliers account for about 50% 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.

The Group's policies for the protection of Human Rights

The Moncler Group has adopted specific internal policies to guarantee and safeguard transparency and responsibility throughout its value chain. Those policies are:

- The Codes of Ethics of the two Brands set out all the values the Group identifies with, shares, promotes and demands respect for, in the belief that behaviour inspired by principles of diligence, honesty and loyalty can be a major driver of economic and social growth. The two Codes reflect the main regulations in force in Italy and internationally on corporate social responsibility and human rights, 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 International Labour Organization (ILO) conventions, and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Above all, the Codes state that all

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

² Percentage calculated based on the number of suppliers.

suppliers are contractually obliged to respect, and compel their subcontractors to respect, the principles and rules of behaviour within it. Violating the Codes constitutes a breach of contract and can lead to specific sanctions, including termination of the contract, depending on the severity of the violation.

- The Supplier Code of Conduct, adopted in 2016, revised in 2020 and extended to the Stone Island brand in 2021 sets out Moncler Group's requirements in the main fields of the responsible supply process. It is made up of six sections that set out binding rules on: Labour and Human Rights, Occupational Health and Safety, Environment, Animal Health and Welfare, Safety and Quality of Products and Services, Corporate Ethics and Protection of Intellectual Property. The Group requires its suppliers and their subcontractors to adhere to the principles set forth in the Code of Conduct as binding.

Supply chain risk assessment and due diligence processes

The Group's business model entails the manufacture of the products through the production site owned by Moncler in Romania, as well as through façon manufacturers and finished products suppliers in Italy and abroad. In addition, both Moncler and Stone Island purchase raw materials and services from a large number of suppliers worldwide. The Group works to prevent and monitor the existence of any risks related to human rights violations along the supply chain, with a particular focus on façon manufacturers, specialised workshops and main logistics operators through different means and procedures.

Risk assessment is at the base of Moncler Group's due diligence process on human rights.

This activity covers all the actors involved in the Moncler Group's value chain, not limiting itself only to the company's own activities, operations and existing and new business relations (e.g. acquisitions, mergers), but extending also to its entire supply chain. The process of identification of potential risks is performed and reviewed periodically, in order to guarantee continuous compliance and if necessary, intervention, ensuring that all potential new risks are identified. This allows the Group to effectively supervise the value chain over actual and potential fundamental human rights violations, such as forced and child labor, human trafficking, unfair and unhealthy working conditions. In compliance with Moncler Group's values, the company also aims to take action against any form of discrimination taking place along the value chain, as well as guaranteeing equal remuneration and freedom of association and collective bargaining.

The Moncler Group's risk assessment and due diligence processes cover its employees and staff through different tools (e.g. including internal surveys) and is extended over all suppliers, subcontractors and third-party employees, including women, children and local communities, that are somehow connected to or affected by the Group's business, even indirectly.

The Moncler Group actively and continuously shares best practices, so as to ensure responsible and sustainable business growth.

The attention to ethical, social and environmental aspects along the supply chain starts from the supplier selection phase and continues through systematic training and on-site audits. Knowledge, sharing of best practices and monitoring are fundamental not only to limit risk situations, but also and above all to generate and promote a culture of responsible and sustainable business development, to the benefit of the entire supply chain.

The Group procedure that governs the selection of new suppliers was updated in 2021. The assessment of a new supplier consists primarily of an on-site visit carried out by the Quality Team to evaluate the supplier's alignment with the Group's quality standards. After this technical analysis, the assessment process for new façon manufacturers and finished products suppliers involves an ethical, social and environmental audit by a third party. For raw material suppliers, it requires the completion of an environmental and social evaluation questionnaire supported by documentary evidence and then an audit that is carried out in line with the provisions of the audit plan. By doing so, the Group commits to not include in its supply chain companies that do not comply with the Group's quality standards and basic ethical, social and environmental principles. Once this initial selection phase is

over, all suppliers are asked to bind themselves contractually to respecting – and compelling any third parties authorised by the Moncler Group to respect – the Code of Ethics, the Supplier Code of Conduct and the rules of behaviour the Company has set out and shared. Any violation of the principles set out in these documents constitutes a breach of contract, which entitles the Moncler Group to terminate the contract as of right.

Secondly, the Moncler Group carries out social and ethical audits of its supply chain, to ensure it respects applicable law and the principles in the above codes. In line with previous years, the audits in 2021 were conducted by a qualified and experienced independent body to ensure the 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. Additionally, also in 2021 the Moncler Group required all members of its supply chain to comply with national regulations, work authorizations, decrees, regulations, and guidelines on the subject of health protections and the containment of the COVID-19 pandemic.

Although also in 2021 the planning of the ethical and social audits was difficult to schedule due to the Covid19 pandemic, which in some periods of the year prevented auditors from visiting suppliers, the Group was able to stick to the pre-established audit plan.

During the three-year period 2019-2021, Moncler conducted 454 ethical and social audits (both on suppliers and subcontractors), equal to approximately 100% of the volumes assigned to outerwear façon manufacturers, 79% of the volumes assigned to suppliers of other outerwear processes (dye houses, printing works, embroideries, etc.), 95% of footwear and bags suppliers, 100% of tanneries and 98% and 77% of the volumes assigned respectively to knitwear suppliers and soft accessories suppliers.

Also Stone Island, which has a three-year ethical and social audit plan aimed at ensuring the highest coverage of suppliers in its supply chain, during the same three-year period carried out 127 ethical and social audits (on both suppliers and subcontractors), equal to around 98% of the value of orders assigned to finished products suppliers and 83% of the value of orders assigned to façon manufacturers.

With regard to the 180 suppliers audited in 2021, at year-end more than 82% of them were in line with the Group's social and environmental standards; collaboration was ended with around 5% of them (eight suppliers) while around 13% turned out to have non-compliances at the end of 2021, as the audit activity took place just before the last months of the year and not all the projects aimed at remediating the non-compliances had already been closed.

In 2021, with particular reference to social aspects, 43 of the 180 sites were found to have non-compliances and the relative improvement plan was issued. The main areas of non-compliance related to occupational health and safety (77%) and, only in some cases, the management of employment relationships (23%), including non-compliance relating to wages and remuneration (12%), management of employment contracts (7%) and working hours (4%). In the majority of cases, suppliers that were found to be non-aligned with the Group's social standards completed their

improvement action plans during the year and closed the most relevant noncompliances.

Moreover, during 2021 both Brands also conducted ethical and social audits on main raw materials suppliers equal to 53% of total purchases of materials. In particular, with regard to the down supply chain, Moncler has set the target of having 100% down suppliers compliant with the new human rights and environmental modules included in the DIST Protocol by 2023. For this reason, during 2021 a working group was set up to define and test the checklists to be used during DIST audits.

Lastly, ethical and social audits also continued to be carried out on strategic service suppliers: logistic platforms, external quality control platforms, providers of services at Group offices and stores for which no significant non-compliances were identified.

Notwithstanding the zero-tolerance approach for major breaches, for which the Group reserves the right to terminate immediately the existing contractual relationship with the supplier, both Brands are committed to support their supply chain raising awareness and driving continuous improvement, requiring the implementation of corrective actions where needed. Following each audit, an improvement plan is issued and its implementation is then verified.

Furthermore, Moncler is also 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 assessment of each supplier based on scores achieved in five different macro-areas: sustainability and compliance, quality, deliveries and service level, cost, and innovation.

For both Moncler and Stone Island, a whistleblowing system is in place at the Group level, with the aim of managing properly and verify timely any illegal and disrespectful conduct – reported by employees or external parties – not in compliance with internal rules, regulations, procedures and values, and taking appropriate steps, while ensuring the anonymity of the whistleblower. The whistleblowing system can be used by suppliers and their employees to report any unlawful behaviour or failure to respect regulations or the principles in the Codes of Ethics of the two Brands.

Training on human rights

Experts in charge of external production sites attend regular internal Company meetings, where they are informed about a range of topics important to the Moncler Group, including ethical, social and environmental issues. The presence of experts at the various third-party production sites means that the knowledge acquired at these meetings can be shared with suppliers and become an integral and essential component of the bond between the Company and its suppliers.

Due to the Covid-19 health emergency in 2021 it was not possible to offer the traditional training sessions near the suppliers' production sites. For this reason, sessions were held remotely. Similarly, Moncler knitwear experts were invited to attend e-learning courses, to learn about production and quality procedures and standards. During these sessions, they were also made aware of other issues relevant to Moncler, including ethical, social, compliance and environmental aspects, in order to

spread this culture among suppliers. Through the presence of experts at the various suppliers' production sites or through online meetings, the know-how shared thus becomes an integral and essential part of the relationship with the suppliers.

During 2021 awareness-raising activities on ethical, social and environmental issues continued through video conferences with some suppliers and subcontractors (both façon manufacturers and raw materials suppliers), as due to the Covid-19 health emergency it was not possible to visit their production sites. These were in addition to the more than 150 onsite visits carried out in the last three-year period (2018-2020), both in Italy and abroad.

Moreover, there is a web portal dedicated entirely to suppliers, which is intended to provide an additional tool for dialogue and to facilitate 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 section with a broad online training offering has also been set up, to which 90% of suppliers has had access over the last three years.

An online training programme on the contents of the Code of Ethics continued in 2021 for all Moncler employees, including temporary and part-time employees, in order to ensure a proper understanding and virtuous behaviour consistent with the requirements of the Code of Ethics, while Italian Stone Island employees are trained on these issues through a specific module dedicated to the Code within the 231 Model course.

Lastly, from 2022 a training and information programme on human rights issues has been launched for suppliers and for employees of the Group's purchasing and quality control departments.

Commitments for the future

The Moncler Group is committed at all times to running its business responsibly and condemns all forms of modern slavery. The Group will continue to work pro-actively to find new ways and tools to encourage respect for human rights, even outside the company, by sharing its values and principles throughout its supply chain.

Approved by the Board of Directors of Moncler UK Limited on 29 June 2022 and signed on its behalf by:

Robert Philippe Eggs (Chairman of the Board of Directors)

