4. Moleskine

BUSINESS DESCRIPTION

Moleskine is a global, multi-category, multi-channel brand, whose mission is to unleash human genius through hands-on paper to empower creativity and knowledge in each individual and the entire world. The company aims to enable creativity with objects designed to elevate thinking, planning and making, and with services that help achieve creative potential. Its products include notebooks, diaries, journals, bags, writing instruments, reading accessories as well as hybrid products that migrate handwritten ideas to the infinite possibilities of the digital world. Furthermore, its ecosystem gathers content and stories, people and partners, which enable and nurture creativity and self–expression: In particular, Moleskine is present across a network of websites, blogs, online groups and virtual archives, not least within the brand's own online community, myMoleskine. Overall, it provides open platforms to create, communicate and share ideas.

Moleskine has about 390 employees and a vast network of partners. With its headquarter in Milan, Italy, the Moleskine Group also includes, among others, Moleskine America, Inc. (established in 2008); Moleskine Asia Ltd (2011), which controls Moleskine Shanghai and Moleskine Singapore; Moleskine France (2013) and Moleskine Germany (2013). The group designs and sells its products through a multichannel distribution platform. The production itself is outsourced to partner suppliers.

OUR APPROACH TO SUSTAINABILITY

Corporate responsibility has always been part of the DNA of our brand since the beginning (lettera27 Foundation was founded in 2006 and then transformed into Moleskine Foundation in 2017; first FSC paper certification was obtained in 2008, etc.), but to move forward in sustainability Moleskine decided to elevate the significance of sustainability across the enterprise and to embed it in the organization's strategic fabric. Each component of the sustainability strategy has a key role in the implementation of the brand mission:

- **Environment**
  Build a sustainable brand to last by reducing its footprint, through environmentally-friendly solutions for its iconic products.
- **Social**
  Bringing positive changes to society by nurturing critical thinking and creativity while acting as an inclusive company and a responsible leading brand.
- **Governance**
  Setting a long-term governance approach of transparency, integrity and ethical behaviour to build a solid and trusting relationship with its stakeholders and preserve the reputation of its brand.

Sustainability has been included among the strategic drivers for growth. Moving forward from setting up an ECO team in 2019, Moleskine has appointed an internal resource to be responsible for the Global Sustainability Strategy.

MATERIALITY

Moleskine has decided to identify its non-financial priorities based on a "materiality analysis". This analysis has been performed in early 2020 and is aimed at determining significant environmental and social impacts. To create its materiality analysis, Moleskine opened a dialogue with its internal and external stakeholders: executive team, employees, shareholders, suppliers of goods and logistics, key customers per channel. External experts were involved to support Moleskine in this process and ensure a consistent and accurate materiality assessment. Starting from that, Moleskine also performed a maturity assessment on materiality analysis results. Both these analyses and assessments were conducted following the principle of materiality as set out in the Global Reporting Initiative (GRI) and are recapped in the table below. Moleskine developed its ambitions to be implemented through the ESG strategy according to the material topics.

STRATEGIC AMBITIONS	MATERIAL TOPICS	GRI REFERENCE
Playing an active role in the protection of the environment	Environmental friendly products Environmental friendly suppliers	306 WASTE (2020), 305 EMISSIONS (2016) 308 SUPLLIER ENV. ASSESSMENT (2016)
Fostering people's creativity and critical mindset	Social actions and education	413 LOCAL COMMUNITIES (2016)
Supporting employees' development and well-being	Talent development Employee well-being and diversity	404 TRAINING AND EDUCATION (2016) 405 DIVERSITY AND EQUAL OPPORTUNITY (2016)
Applying sustainable corporate governance	Responsible governance Ehtical suppliers	414 SUPLLIER SOC. ASSESSMENT (2016)

OUR MAIN IMPACT

With a mission statement dedicated to empowering creativity and knowledge in each individual and the entire world, Moleskine contributes to promoting lifelong learning, which is in line with SDG4 (quality education).
It contributes to this first and foremost via its products, services and its digital platforms. But it also contributes to spreading lifelong learning and critical thinking among communities through the Moleskine Foundation, which is fully aligned with the values and beliefs of the company. In 2020 Moleskine has strengthened its relationship with the Moleskine Foundation and both entities started a joint long-term program to support creative communities world-wide, in the firm belief and awareness that creativity and imagination are key drivers for producing positive social change.

Moleskine also has the ambition to contribute to SDG12, which aims to ensure sustainable consumption and production patterns. It does so by developing eco-friendly solutions for its products and packaging.

STRATEGIC AXES

> Playing an active role in the protection of the environment

PROPOSING ECO-FRIENDLY SOLUTIONS TO OUR CLIENTS

TOPIC DESCRIPTION
Moleskine's business model is based on the conception and creation of consumer goods. Therefore, a substantial part of the environmental impact stems from the design and manufacture of new products. Taking environmental criteria into account and considering the products' full life-cycle at the design stage is crucial to minimizing waste and increasing the recyclability of materials. This perspective goes beyond the product to include the packaging.

AMBITION
Moleskine is stepping up its long-term commitment to lower its environmental impact. It aims to continue developing eco-friendly solutions for its products and packaging. In the short-term, Moleskine has established a project to assess waste elimination solutions by the end of 2021.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
To eliminate waste Moleskine starts thinking about the environmental impact of its packaging from the conception stage: packaging is kept to a minimum and is frequently designed to be reused – such as the B-side of the paper-bands, which can either be re-used for another purpose or kept for the inspiring ideas or quotes that they offer.

In 2020 Moleskine started a project to measure the waste generated through its direct activities and through the commercialization of its core products. Moleskine defined an integrated approach that takes into account different actions, from most favourable to least favourable ones, based on their sustainability assessment. Decisions to prevent, reuse or recycle will be subject to the results of the assessment on waste generated in each step of the commercialization process (including in the direct activities in its offices).

In addition, since the second quarter of 2020 Moleskine has embraced a no-destruction approach of unsold products developed under license agreements. Moleskine started inviting licensors to donate unsold inventory, as an exception to any different and previous provisions of the license agreements. More concretely, licensors have been engaged in the Creative Tools for Social Impact program, whose aim is to repurpose unsold products that will be offered as creative tools in social impact programs instead of being destroyed.

Respect the environment, respect the creative community.

As part of Moleskine's strategy to reduce waste, a decision was also made in 2020 to convert all paper product catalogues into digital versions.

In order for Moleskine to understand the environmental impacts of its products along the entire value chain, the company has performed a life cycle analysis of one its core products. This has enabled it to capture further possibilities for improving the ecological footprint of its products, in addition to waste elimination. Moleskine will continue looking for new solutions with low environmental impact, including scouting for new suppliers and new materials for its core products.

KPIs
- About 92% of paper products in the 2020 catalogue have a reusable paperband or reusable packaging.
- For 64% of license agreements valid at least in Q1 2020 and onwards, licensors have already agreed to donate unsold products at the end of the sell-off period.
- About 84% less paper product catalogues than in 2019.

REDUCING OUR CARBON EMISSIONS

Thinking about our collective tomorrows

TOPIC DESCRIPTION
Moleskine has a direct and indirect impact on climate change, which results respectively from the greenhouse gases emitted for its own operations (design, distribution) and for the activities of its supply chain, as well as direct emissions from day-to-day use of Moleskine's offices and mobility of Moleskine's employees.

AMBITION
Moleskine has the ambition to develop a carbon emission reduction plan by 2022. Because becoming aware of the impact itself is the first step towards reducing it, the first goal of the long-term plan is the fine-tuning of the measurement process that started in 2019, for CO_2 direct emissions coming from offices and stores.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
Moving forward from lessons learnt after the first CO_2 calculation in 2019, Moleskine has implemented some improvements in the calculation process, such as the engagement of landlords in the data collection phase for energy consumption in leased stores locations. From 2020, CO_2 calculation will be reviewed by an external auditor to ensure the robustness of the calculation process.

KPIs

Direct CO_2 emissions (tons)	2019	2020 ✓
Scope 1	184	73
Scope 2 (market-based)	394	415
	578	**488**

1) Part of the CO_2 emissions (concerning 16% of gas consumption and 28% of electricity consumption) is based on extrapolations since the energy consumption of some rented retail stores are not available (shared with the other occupants of the building and landlord). Further details are given in the ESG statement section (p 185).

LIMITING ENVIRONMENTAL FOOTPRINT OF OUR SUPPLY CHAIN

A sustainable supply chain is key to our collective future

TOPIC DESCRIPTION
Moleskine must exercise responsibility when choosing the materials it uses in its products, since such choices will inevitably impact the world's resources. Even though Moleskine does not produce its products, it designs them and initiates their production. The use of chemicals can also affect the health of end consumers. This can represent a risk to the brand's good reputation as well as costs associated with the non-compliance with standards and regulations.

AMBITION
Moleskine is committed to engage its supply chain partners in sustainable sourcing.

The way forward is to continue applying the same high standards to all materials used to produce Moleskine products (paper, cardboard, polypropylene, polyurethane, polyester, nylon, fabrics and textiles, metals, ABS plastic, EVA rubber, real leather).

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
The company selects its product suppliers according to strict requirements in terms of product certifications to guarantee sustainable procurement, and low environmental impact in terms of chemicals used, while ensuring high quality standards. The paper used to produce notebooks is sourced from a certified FSC (Forest Stewardship Council) chain-of-custody supply chain, since 2008. All the paper is acid-free and ECF (elementary chlorine free). Also, all products and materials comply with major international regulations such as REACH and Proposition 65.

KPI

- Last FSC certification obtained in 2018 and valid until 2023 (the certification is submitted to an annual review)

> Fostering people's creativity and critical mindset

THROUGH MOLESKINE PRODUCTS AND COMMUNITIES

TOPIC DESCRIPTION

Moleskine is a cultural icon, a brand that tells a story. A Moleskine object, service, content connects the owner to a heritage in art, literature, cultural and geographical exploration.

It is part of Moleskine's DNA to sustain creativity and critical thinking in the community, which can increase people's chances to grow in their personal and professional lives.

DETOUR PROJECT

*Pascale Marthine Tayou
(Yaoundé, Camerun 1967)
Many, many (people).
2011. Courtesy of Moleskine
Foundation Collection*

AMBITION

Moleskine will focus on consumers, deepening its understanding of how the company can provide meaningful innovation. Focusing on both established and emerging segments, the company is laying the ground-work for continued consumer relationships in years to come.
The target of the group is that about 10% of the revenues will come from innovation and novelties.

Fold contents: FOLD feat. Aleksandra Kingo

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

The company dedicates significant energy to identifying areas for innovation across every product category, while also seeking ways to innovate internal processes and the business model.

Driven from a solid foundation in company purpose, brand evolution trajectory, and technical capabilities, the teams explore emerging consumer needs – seeking to deploy the optimal solution, at any given time, designed to empower personal creativity and productivity.

Relaunch of the Detour Project: Detour is a travelling exhibition of notebooks donated by world famous authors. It was a successful event, which was organized in a number of global cities and contributed significantly to connecting the iconic black notebook to a grand heritage in art, literature, cultural and geographic exploration. Moleskine wants to revamp the format to celebrate and leverage its extraordinary archive of over 1,000 artworks.

Fold Magazine: Moleskine FOLD is a space where the company engages with world leading cultural institutions and figures in quality and authentic conversations on relevant topics of our time, sharing their commitment to redefining community and driving positive social change. A multi-disciplinary space of inspiration, social commitment, shared learning and creative exchange by speaking to the diversity of thought leaders committed to rethink our future.

In 2020, Moleskine partnered with Skillshare – an online learning community with thousands of classes for creative and curious people. The partnership was cemented by the Moleskine Studio Collection through three of the artists who contributed to the collection itself. Skillshare provided a platform for some of these talented individuals to impart their top tips for living a creative life, sharing advice with a wider audience of budding artists.

KPI

As of 2022: percentage of revenues coming from innovation and novelties.

THROUGH SOCIAL ACTIONS

Can Creativity Change the World?

TOPIC DESCRIPTION
Sustaining creativity and critical thinking in the community is part of Moleskine's DNA. It is also an opportunity for the company to engage with creative people.

AMBITION
Moleskine is committed to collaborate with the Moleskine Foundation by putting its network, its people and its infrastructure at the disposal of the Foundation. Moleskine has approved the annual designation of a sizeable contribution (1% of EBITDA each year, or EUR 0.5 million, whichever is higher) that will cover the structural costs of the Foundation and allow it to have a sustainable, long-term vision. Henceforth, 100% of the resources received by the Foundation can go directly to creating a positive social impact.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
The Moleskine Foundation is a non-profit organisation that provides young people with unconventional educational tools and experiences that help foster critical thinking, creativity and life-long learning, with a focus on communities affected by cultural and social deprivation.

The expertise gained with Lettera27 Foundation, has allowed Moleskine and the Moleskine Foundation to develop a new innovative partnership model of social engagement that brings together a non-profit organisation and a business to create a more significant social impact on a larger scale. Moleskine and the Moleskine Foundation have joined forces to start a long-term program to support creative communities world-wide, providing them with creative tools, such as notebooks, writing tools and bags, as well as connecting organizations and promoting local activities. Creative Tools for Social Change is a joint undertaking built on the shared expertise and vision of the Moleskine company and Moleskine Foundation.

The kind of organizations chosen to benefit from the program are those which embody Moleskine and Moleskine Foundation's common purpose: a belief that creativity can lead to positive social change, and that writing and drawing by hand on paper is the best way to unleash human genius.

KPIs
- The amount contributed to the Foundation in 2020 is EUR 625,000.
- About 14,000 units of creative tools offered in 2020.

> Supporting employees' development and well-being

EMPLOYEE WELL-BEING

Understanding our people's needs

TOPIC DESCRIPTION

Strong employee engagement with the corporate culture and goals, and staff retention are crucial to the long-term success of the business.

AMBITION

According to the pillars of its culture (Care, Excellence, Passion, Learning) Moleskine wants to create a specific way of working, which encourages a work-life balance and empowers its people to be result-minded instead of control-minded, to provide a focus on delivery and effectiveness.

The company also believes that better creativity and higher quality of contributions will be achieved if its people can get broader stimulus from outside the working environment.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

To reach these ambitions, Moleskine has started working (and will continue in 2021) on all the main aspects of the whole working life experience: physical space / simpler working processes / digital enablers (tools & systems) / learning & 2-way-feedback.

Moreover, Moleskine is also committed to rethink the office spaces, to allow people to use them not only for working-related matters (for example: gym & dance, museum, co-working spaces, kindergarten, cafeteria).

Since the beginning of 2020, an employee satisfaction survey is performed on a monthly basis for office employees which accounts for approx. 50% of the total workforce. Since October 2020, Moleskine has also developed a satisfaction survey for its retail employees (the other half of its workforce). Building on smart working feedback experienced during COVID restrictions, "A new way of working for Moleskiners" is under development.

KPI

- Average employee* satisfaction score for 2020 is 3.37 in a scale of 1 to 5 (5 being the highest satisfaction rate). ✓

  * The satisfaction score covers our office employees, which accounts for 50% of our employees

EMPLOYEE DEVELOPMENT

TOPIC DESCRIPTION
Moleskine sees it as crucial to unleash its people's creativity to let them contribute at their best to the company's long lasting success story.

AMBITION
Moleskine considers its people as a whole community and wants to sustain their professional development through solid personal growth.

Its ambitions are to:
- train all executive and leadership roles on leadership related contents.
- establish a feedback culture, training all employees on "how to give and receive constructive feedback" leveraging on this essential enabler of personal and professional development.

Moleskine is also committed to create a working environment with enriching professional opportunities (bigger roles and bigger responsibilities), allowing people to contribute in a meaningful way to Moleskine's results.

Its ambitions in this respect are:
- less than 2 people of regretted turnover.
- higher proportion of "promotions from within" vs "new hirings".

**MANAGEMENT APPROACH
AND LATEST DEVELOPMENTS**
People's development will be managed and planned through the "People system", which is an integrated set of activities and tools that will drive employees throughout their experience in Moleskine.

KPI
- 21 talents have been identified and growth paths have been defined.

Nurturing ideas

> Applying sustainable corporate governance

RESPECT FOR HUMAN RIGHTS THROUGHOUT THE VALUE CHAIN

TOPIC DESCRIPTION

Moleskine's products are sourced entirely by external suppliers. Therefore, from the beginning of the development process Moleskine defines with these suppliers a set of social and ethical standards to be applied at all times.

AMBITION

Our ambition is to strengthen the results in terms of suppliers that comply with our guidelines, and enhance the commitment to ethical and social topics. In 2021 Moleskine will continue working to extend the number of suppliers that have accepted its Code of Ethics and that are c ompliant with a SA8000 certification or equivalent.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS

In 2020 Moleskine has defined new Corporate Responsibility Guidelines and has become a member of Sedex, one of the world's leading ethical trade membership organisations, working with businesses to improve working conditions in global supply chains.

The legal and ethical standards that Moleskine adheres to are described in the company's Code of Ethics and in the new Corporate Responsibility Guidelines. The standard of General Conditions of Supply submitted to vendors that supply finished products contains the acceptance of Moleskine's Code of Ethics and to join Sedex.

Moleskine requires its suppliers of finished products to guarantee that every stage of their chain of production complies with the SA8000 International Social Responsibility Standard or an equivalent (which covers, amongst other points, working conditions, under-age workers and non-voluntary work).

KPI

In 2020, 100% of purchases from significant* suppliers of goods come from companies that are compliant with the SA8000 International Social Responsibility Standard or have an equivalent social audit for the production sites where Moleskine products are made.

* Significant suppliers are defined as the suppliers of goods that together account for over 90% of total year purchase value of Moleskine Goods (measured by total order value submitted in EUR) ✓

NO TOLERANCE FOR CORRUPTION AND BRIBERY

TOPIC DESCRIPTION
Moleskine makes it clear that it will not tolerate any forms or attempts of corruption or bribes, which are totally against its ethical principles.

AMBITION
Moleskine's ambition is for all employees at every level of the organisation to comply with the Code of Ethics and do business in accordance with the values and behaviour contained therein.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
Relationships with public administrations or with commercial parties, suppliers or other third parties are guided by utmost honesty and transparency.

Those individuals who, in the course of their work, engage in dialogue and negotiation with the public administration, be it in Italy or abroad, are obliged to adopt a clear, fair and transparent approach, and must in no way influence the decisions of public employees in an improper manner,

or behave illicitly (such as offering money, or other professional or personal benefits or favours) in a way that affects the impartiality and judgement of the representative of the public administration.

Since 2012 Moleskine has adopted a Code of Ethics, and since 2013, it has implemented the Italian Legislative Decree 231/2001 by adopting the organizational and control model aimed at preventing bribery and the corruption of public authorities and private entities.

It also complies with the Italian Entrepreneurial Association Guidelines (Confindustria Guidelines). A supervisory body oversees the efficiency of the model and must be informed of any possible violation. The Supervisory Board reports twice a year to the Board of Directors.

KPI
No cases of corruption and bribery were registered in 2020 by the Supervisory Body.

DIVERSITY AND INCLUSION

TOPIC DESCRIPTION
Moleskine promotes diversity, rejects all forms of discrimination and applies the same standard of treatment toward each employee regardless of their religion, nationality, origin, gender or beliefs. It is acknowledged that diversity within the organization greatly benefits the business thanks to the mix of different genders, mindsets, cultural and professional backgrounds.

AMBITION
The company's ambition is to create a working place which resonates with its corporate culture. According to the 4 pillars of its culture (Care, Excellence, Passion, Learning), Moleskine wants to build a community of people, with a shared culture and values, who can create, together with economic value, a broader benefit for the whole of society.

Diversity is part of its brand DNA and the company is committed to create a culture of fairness and equality across all geographies and all roles.

Inclusion at 360, vertically.

Its targets are:
- At least 50% of women in executive and leadership roles.
- More than 33% of international profiles (not Italian) in executive roles.
- Setting up internal hiring and talent management processes to avoid unconscious bias.

Moleskine is also committed to enhance inclusion among different cultures and locations.

MANAGEMENT APPROACH & LATEST DEVELOPMENTS
Moleskine rejects all forms of discrimination and applies the same standards of treatment to all employees.

Moleskine recognises the importance of its people as one of the fundamental factors in achieving corporate objectives and is committed to put in place fair processes for recruitment, development, evaluation and training, aimed at providing equal opportunities without discrimination on the basis of gender, age, sexual orientation, religious beliefs or any other factor.

Staff are recruited on the basis of their experience, their attitudes and their skills. Recruitment and internal promotions are based exclusively on the match between expected and required profiles.

KPIs
- In Moleskine's working environment, 47% of top and middle management are women.
- There are 22% of international profiles (not Italian) in executive roles.

Eight executives have been trained on diversity and inclusion in 2020.