

HE CULTURE OF THE ERMENEGUDO ZEGNA

HE CULTURE OF THE ERMENEGILDO ZEGNA Group seems tailor-made for this moment in history, when companies must address mounting challenges related to a myriad of social concerns.

Corporate responsibility, diversity, equity and inclusion and sustainability are no longer buzzwords thrown around by a select few, but rather a necessary part of many businesses' corporate strategies. The treatment of employees and the value of an enterprise to the surrounding community are now of significant importance to all sectors of business.

Since its founding in 1910, Zegna has remained a closely knit, family-run organization dedicated to giving back to its customers, its employees, its community and the environment. In the 1930s, as part of that effort, its founder, Ermenegildo Zegna, created a nature reserve and reforestation project around the town of Trivero, where his wool mill was located, and developed a constructive relationship with employees and the surrounding community that continues to this day.

As it has grown into a global leader in menswear with 500 stores and 6,000 employees worldwide, Zegna's leadership has kept its mission closely focused on those core values. Today, the company has expanded the reserve into the 100-square-kilometer Oasi Zegna in Biella Alps, and its commitment to community has blossomed into a brace of initiatives, including #UseTheExisting, which aims to foster sustainable practices in fashion industry manufacturing, and #WhatMakesAMan, a campaign that elegantly advocates for a more fluid and compassionate definition of masculinity.

Ermenegildo Zegna, the namesake and grandson of the founder, represents the third generation of the Zegna family at the company's helm. At Zegna, 2020 was meant to be a celebratory year, with the brand celebrating its 110th anniversary. But COVID-19—which struck the company's

Ermenegildo Zegna, or "Gildo," is the third generation of his family to run the company, which has been in business for 110 years.

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hometown of Milan especially hard—upended any sense of jubilation. We spoke to Ermenegildo Zegna about the company's response to the pandemic and its current role in the global conversation toward a better world. Despite leading the company through one of its most difficult moments, his commitment to its founding values remains firm, and he is putting them to the service of the new challenges facing businesses around the world. At the peak of the pandemic in northern Italy, Zegna made direct donations in Italy and abroad and converted part of their manufacturing plants to produce much-needed personal protection equipment.

"My grandfather's philanthropic foresight continues to lead us generation after generation," Mr. Zegna says. "If he were running the business today, I have no doubt that he would be making the same commitments we're undertaking with the same sense of dedication."

# Your grandfather's vision for the company seems ahead of his time. Why do you think that was?

My grandfather realized that establishing a positive relationship with the local community was key to obtaining the quality he sought for his products. He wisely understood that that was necessary to create the best possible social and environmental conditions—to use resources for the good of others; to give back to the people and to our employees; to take care of the territory and communities from which we come, and in which we do business.

## How has your leadership had to evolve to meet the challenges around societal issues?

Zegna, both as a family and a company, has always been committed to giving back to the communities in which we live and work. I believe my grandfather was a pioneer in creating social value—a concept which, at the time, wasn't as explicitly talked about as it is today. For instance, he accomplished a massive reforestation of the mountains around Trivero, where the Ermenegildo Zegna wool mill operated and still operates to this day. But preserving the natural beauty of his hometown wasn't his only focus; he was also committed to the well-being of the people, not only those who worked for the company but those who lived in his community and outside it.

We want to carry forward what he started. In 2000, we established a family foundation, Fondazione Zegna. The Fondazione is developing projects on natural resource enhancement and conservation, sustainable development, culture, education, health and wellness.

As part of that, six years ago we launched the Ermenegildo Zegna Founder's Scholarship, extending the philanthropic vision of my grandfather to a new generation as a concrete way to express our strong traditions of giving back and of social responsibility. Every year we award €1 million to talented Italian university graduates to enable postgraduate studies or research abroad. This not only manifests our own commitment to the development of our country, but also encourages each of our awardees' individual sense of responsibility and desire to play their own positive part in shaping the future.

#### What have you learned from COVID-19?

This pandemic has been exceedingly difficult. Not only were we forced to close nearly all of our stores, but our headquarters and production facilities are located in two of Italy's worst-hit regions and the world's earliest hotspots.

Yet it has also brought us closer together. The creativity coming out of this once-in-a-generation moment has been inspiring and energizing. We're rethinking and questioning everything with a new spirit. Lessons learned in 2020 will be carried into the future: an increased use of flexible working, new ways of connecting with employees, customers and communities, and the application of new paradigms to manage a new normal.

# Do you think being a family-run, private company allows you more flexibility in prioritizing your social value efforts?

The way we are organized—as a family-run company—is definitely an asset. Given our size and structure, our priorities are clear, as are the values in which Zegna is deeply rooted. We are able to move with more agility and push boundaries in a way that perhaps we wouldn't be able to if the company and family weren't synonymous. Those are strengths that are well known within the company but can be difficult to communicate to outsiders. Since our origin, Zegna has been guided by strong values and a true and authentic history, belonging to our past, present and future. Heritage and legacy are part of our DNA and keys to the development of a healthy future.

Our family-run structure largely drove how we responded to the pandemic. We knew that we had to take care of one another, And as the situation has continued, we continue to adjust to ways of working across the globe. We continue to face many unknowns, which makes communicating with each other and upholding our sense of community and family more important than ever.

## How much do your roots in Trivero affect the way in which the company operates?

Trivero is our hometown—it's where everything started in 1910 and where our wool mill is still located. Our roots in Trivero and our local mindset have always influenced the way we've developed the business and how we approach new challenges.

We are proud of our heritage, but we also know we must look outward, toward the rest of the world. Thanks to this approach, Zegna is today a global company with branches all over the world and our intent is to continue mixing local and international mindsets because we truly believe in diversity as a form of enhancement.

We presented our Summer 2021 collection in Trivero with a new digital format allowing anyone, anywhere in the world to experience the emotion and creativity behind a collection that was inspired by Oasi Zegna.

## What are the greatest challenges you face as a company with regard to building social value?

Our transformation from a top-quality fabric producer in Italy to a global luxury menswear brand presented significant challenges with regard to everything we do. As we undertook this fundamental change, we had to maintain our commitment to product excellence and the established relationships we have with our clients. A key step has been the vertical integration of our supply chain, which allows us to have nearly complete ownership and control from the primary raw material to the end product.

#### The fashion industry is among the worst for environmental impact. How is Zegna different?

Wool manufacturing relies heavily on natural resources such as water. We are working to keep our environmental impact as low as possible throughout the production cycle. But this is not enough. We're very conscious about the amount of waste the luxury industry generates. We're working to use sources and processes that emphasize recycling to ensure we do not waste any material. Our #UseTheExisting initiative is a brand commitment, launched with the Winter 2019 collection, to use pre-existing and post-consumer fibers that are reworked for a new life.

I'm also very proud that Zegna is part of the industry's Fashion Pact—a remarkable alliance of 250 companies that represents a proactive step forward toward a sustainable world. For us it has been natural to embrace this challenge; it perfectly matches our vision of respect and care of environment and community as fundamental values.



Actor Mahershala Ali is one of the celebrities featured in Zegna's #WhatMakesAMan? SS20 campaign, an effort that challenges what its CEO calls the "static, traditional notion of masculinity."

Tell us about the campaign "What does it mean to be a man today?" Why did Zegna launch that?

Since 1910, Zegna has been side by side with men and a purveyor of timeless and modern clothing for them. We know them, and we have always made it our goal to understand their needs and desires.

I firmly believe that the static, traditional notion of masculinity no longer works—if it ever did. Masculinity is not one thing, nor it is defined by given rules; it has always been evolving. Men today are coming to terms with their inner weaknesses as well as their strengths. We are more willing to take risks to embrace our individual personalities, more confident to show emotions, more able to challenge ourselves to believe in and work toward a better world.

The campaign has been evolving over time: Our aim is to move from inner reflection to action and legacy. We want to inspire men to express their principles through responsible actions that create a better future.

"#WhatMakesAMan?" isn't just a brand campaign, it's an opportunity for us to take a new approach to how we think about who we are as a company. Through the campaign we're examining our values, how we talk to our clientele, how we meet a younger audience where they are, how we reuse and reinvent the existing to create our products, how we honor the legacy of our founder, and how we plant seeds today that will make a better world tomorrow.

The campaign represents an invitation to our customers, and to the wider public, to accompany us on this path. I am confident that our customers understand and respect our approach and are making it their own, as well.

#### What role is the younger generation playing in the evolution of Zegna?

Every Zegna generation has been led by values such as ethical and environmental responsibility, passion for work, discipline and attention to details as fundamental assets to contribute to the company development as addressed by our founder. I really hope the fourth Zegna generation, some already in the company, will strengthen the digital strategy the company is already undertaking, without forgetting the company culture and tradition. The digital component is something that comes more naturally to this generation, so I have high hopes that they can develop it into a much larger strength, seizing new opportunities that have emerged from this specific moment. •

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