



Sustainability Report 2023

Ermenegildo Zegna Group

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Chairman & CEO Letter

Since our founding in 1910, our commitment to people, community, and nature has been at the core of our journey. We have always believed that the highest quality products come from the highest quality natural resources, and that these resources must be cared for. The Sustainability Report we are issuing today – the third for the Group – is rooted in these simple principles that have guided us yesterday and today and will continue to lead our path tomorrow.

At our Capital Markets Day in December 2023, we shared the next chapter in the Ermenegildo Zegna Group's strategy. We are now home to three authentic, distinctive and complementary brands – ZEGNA, Thom Browne, and TOM FORD FASHION – and to our unique *Filiera*: a one-of-a-kind textile platform integrated with state-of-the-art industrial know-how, which brings together the best Italian craftsmanship and innovation to ensure excellence and utmost quality. Our *Filiera* is also one of the primary reasons we continue to be an innovator in the development of sustainable materials and traceability – an area where I am particularly proud of our progress.

In 2023, ZEGNA debuted Oasi Lino, a collection made from 100% certified traceable European linen products by 2024. This same commitment to traceability (and accountability) is mirrored in Oasi Cashmere, the winter collection we introduced last year. Motivated by the possibility of these collections, we are doubling down on our use of certified traceable raw materials, and further integrating the Group's ESG and business strategies.



We achieved another important sustainability milestone last year: the Science Based Targets initiative (SBTi) approved the Group's net-zero emissions reduction targets. These ambitious targets reaffirm our commitment to address climate challenges and to safeguard our planet for future generations.

I am also proud of the evolution our diversity, equity, and inclusion (DE&I) strategy has undergone in just one year. This year, we focused on making sure everyone was aware of our DE&I policies through our manifesto, which is available to all employees and prominently displayed at all our locations and production sites. As part of our commitment to ensuring everyone within the Group knows the importance of the role they play in maintaining our increasingly inclusive culture, we carried out diversity and inclusion training for more than 80% of our workforce. These are just the first steps on Our Road to Inclusion, and I am confident we will continue to make progress on these important efforts.

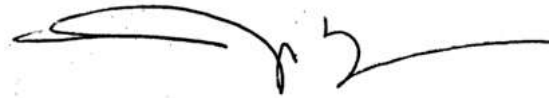
I am also particularly proud that in June 2023 we were honored with the United Nations High Commissioner for Refugees (UNHCR) "Welcome. Working for Refugee Integration". This designation underscores our commitment in collaborating with society to provide stable employment opportunities for refugees.

None of these important steps along Our Road would have been possible without the support of our people worldwide; so I would like to thank each and every one of them across the whole Group.

Our Road started in 1910; that's almost 114 years of growth, resilience, transformation, expansion, and success. The values that inspired my grandfather and namesake, Ermenegildo Zegna, still inspire us daily: creativity, authenticity, passion, giving back to our community, accountability, excellence, and entrepreneurship. These are the values that brought us to today. As we face the future and consider the work still ahead of us, these are the values that will pave Our Road to Tomorrow.

Ermenegildo Zegna

Chairman & CEO of Ermenegildo Zegna Group

A handwritten signature in black ink, consisting of a series of fluid, connected strokes that form a stylized representation of the name Ermenegildo Zegna.

Ermenegildo Zegna Group

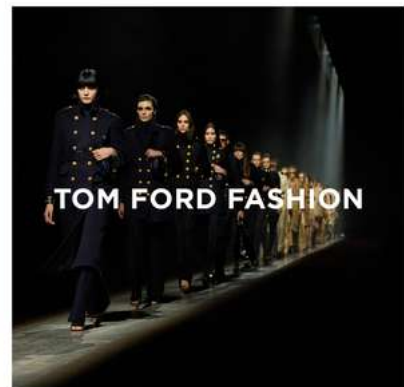
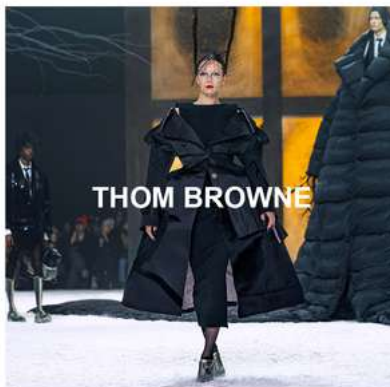


Founded in 1910 in Trivero, Italy, the Ermenegildo Zegna Group (the “Group”) is a leading global luxury player, who owns the world-renowned ZEGNA and Thom Browne brands, and operates TOM FORD FASHION¹ business through an exclusive long-term license agreement with The Estée Lauder Companies Inc.

At the Group’s core is a unique *Filiera*, a one-of-a-kind textile platform integrated with state-of-the-art industrial know-how, which brings together the best Italian craftsmanship and innovation to ensure excellence and utmost quality.

Responsibility towards people, community and the natural world has been at the heart of the Ermenegildo Zegna Group’s belief since its founding. As of December 31, 2023, the Group (including Tom Ford Fashion segment) employed 6,925 people² and had revenues of €1,905 million.

Ermenegildo Zegna Group



OUR FILIERA

¹ On April 28, 2023, the Group completed the acquisition of Tom Ford International (“TFI”) (the “TFI Acquisition”), through which it acquired the company that owns and operates the TOM FORD FASHION business, as part of a transaction in which sole ownership of the TOM FORD brand, its trademarks, and other intellectual property rights have been acquired by The Estée Lauder Companies Inc. (“ELC”), and TFI has become a long-term licensee of ELC for all TOM FORD men’s and women’s fashion as well as accessories and underwear, fine jewelry, childrenswear, textile and home design products, for a term of 20 years, subject to renewal at TFI’s option for further 10 years subject to certain minimum performance conditions. Please note that Tom Ford Fashion segment is excluded from the 2023 Sustainability Report numbers and indicators, except where explicitly mentioned.

² The figure does not include 276 temporary employees as of December 31, 2023.

The Brands



ZEGNA

Established as a fabric maker in 1910, ZEGNA has evolved into men's ready-to-wear and is today internationally recognized as a leading global luxury menswear brand.

In more recent years, under the Artistic Direction of Alessandro Sartori, ZEGNA entered an exciting new chapter. Evolving the craft of tailoring in a luxury leisurewear direction is the road Alessandro Sartori follows; reflecting the evolving world while continuing to produce timeless products made with the finest materials. In doing so, the brand's Artistic Director has reset ZEGNA's identity with a clear agenda in which he puts a progressive spin on traditional designs, yet remaining practical and pragmatic to meet the needs of the modern man.

A strong sense of responsibility towards both communities and the natural world has been a driving principle at ZEGNA since its inception. Oasi Zegna³ stands as a living monument to the brand, a home for its enduring values. It is the philosophy embodied by Oasi Zegna that continues to guide all that ZEGNA does and informs the brand's commitment to certifying Oasi Cashmere and Oasi Lino fibers as 100% traceable from 2024.



ZEGNA FW23 collection

³ For more information regarding Oasi Zegna, please refer to the "Oasi Zegna: Guardians of our local community for Over 110 years" section of this Report.

THOM BROWNE

Thom Browne is widely recognized for challenging and modernizing today's uniform: the suit. By questioning traditional proportions, Thom Browne's designs consistently convey a true American sensibility rooted in superior quality craftsmanship and precise tailoring.

In 2001, Thom Browne began his business with five suits in a small "by appointment" shop in New York City's West Village. In the years following he expanded his business to include complete ready-to-wear and accessories collections for both men (2003) and women (2011). Thom Browne has also become known for his highly conceptual runway presentations, which have gained global attention for their thought-provoking, dramatic themes and settings.

Thom Browne has been honored with the CFDA Menswear Designer of the Year Award (2006, 2013, 2016), the GQ Designer of the Year (2008), the FIT Couture Council Award (2017), as well as the Cooper Hewitt National Design Award (2012). His designs are recognized by museums around the world, including the Costume Institute at the Metropolitan Museum of Art, the Museum of Modern Art, the Victoria & Albert Museum, the Costume Museum at Bath and the Mode Museum Antwerpen.





TOM FORD FASHION

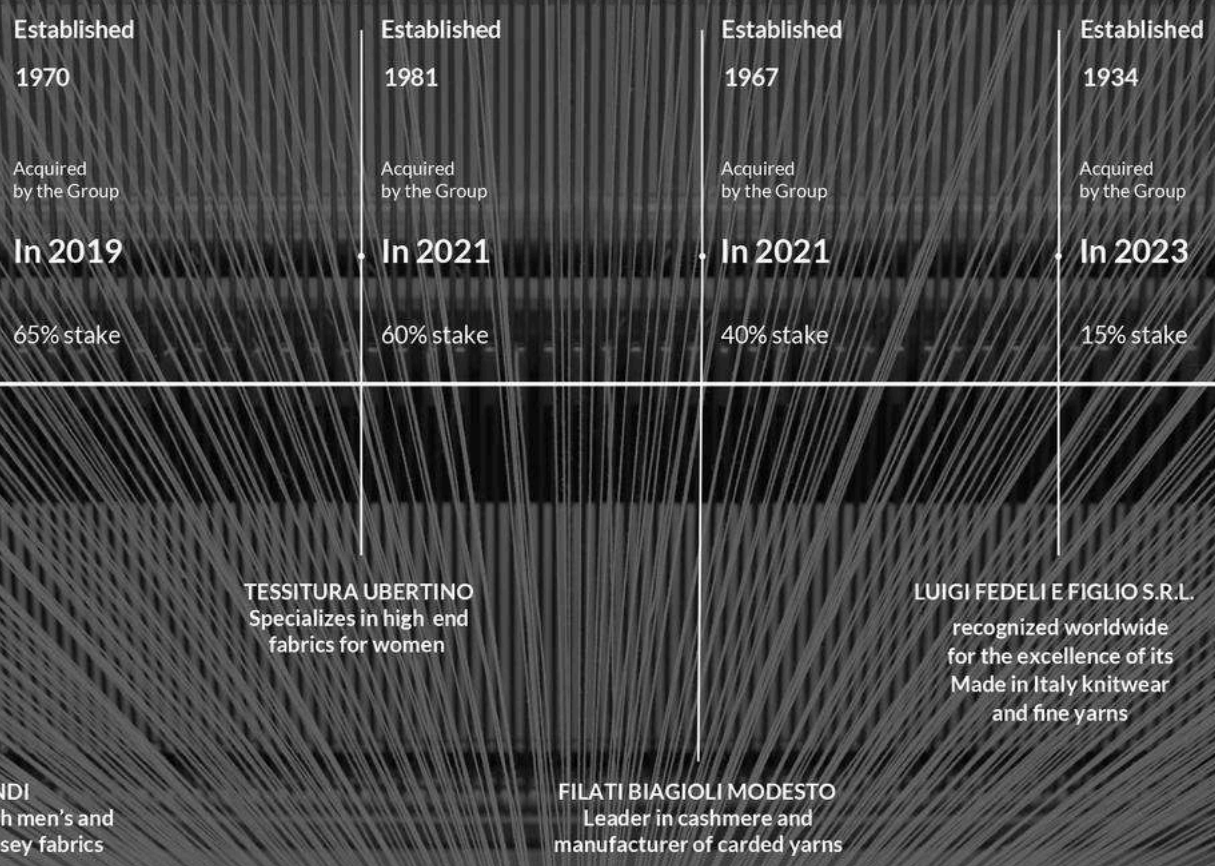
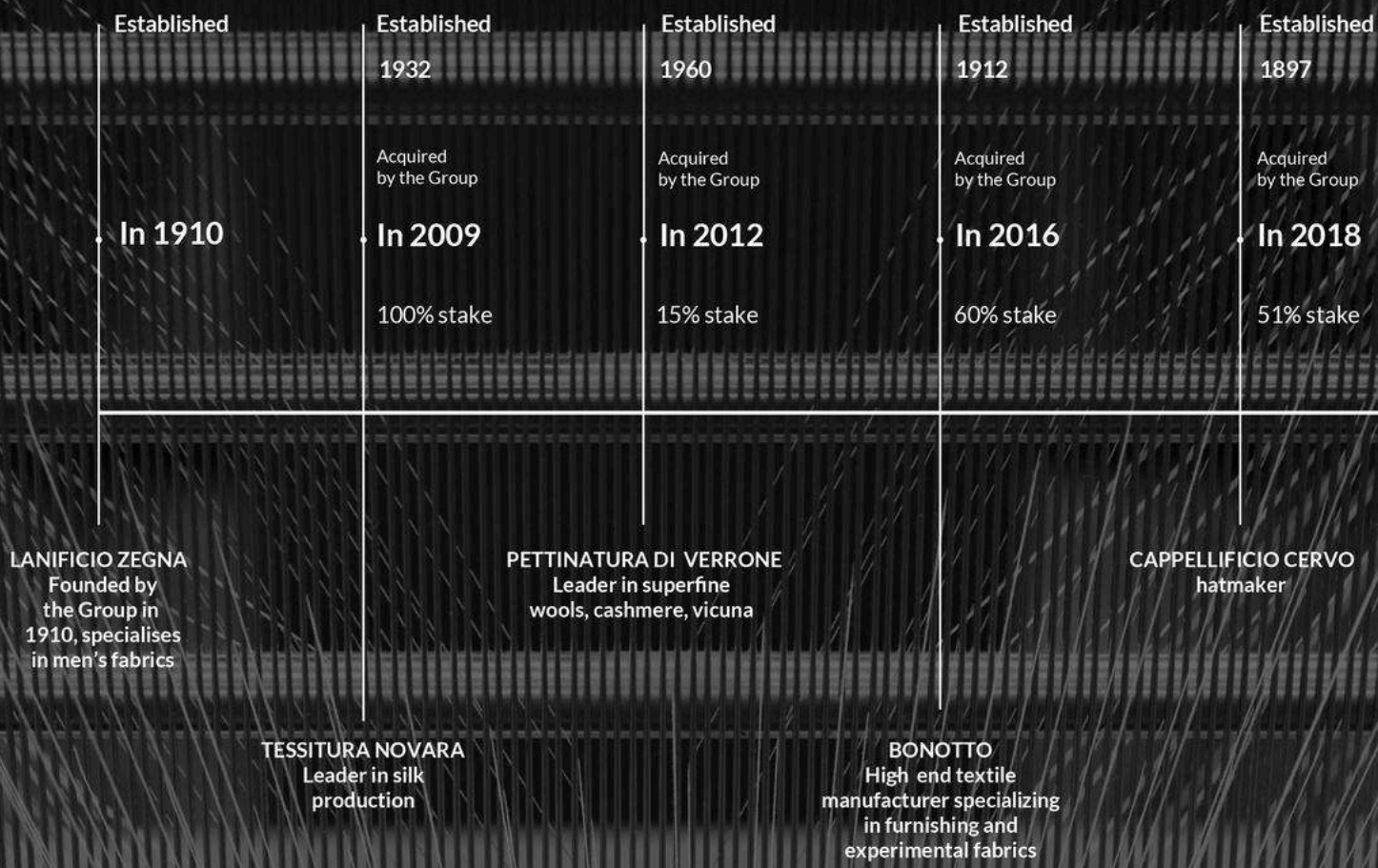
TOM FORD FASHION, part of the Ermenegildo Zegna Group through an exclusive long-term license with The Estée Lauder Companies Inc., is the fashion business of the luxury house founded by designer Tom Ford in 2005. The luxury house personifies modern glamour and an unparalleled level of style through impeccable tailoring and craftsmanship. In 2023, Lelio Gavazza was appointed CEO, TOM FORD FASHION, and Peter Hawkings Creative Director, TOM FORD.

Ermenegildo Zegna Group currently oversees the TOM FORD FASHION business – men’s and women’s ready-to-wear as well as accessories, fine jewelry, textile, and home design products – from collection creation and development, to merchandising, through to production and distribution.

The Estée Lauder Companies Inc. is the sole owner of the TOM FORD brand, its trademarks, and other intellectual property rights.

Our *Filiera*





INNOVATION MEETS BELIEF

Fabric is fundamental to the Ermenegildo Zegna Group: it is our essential truth woven into everything we have done for over 110 years. Fabrics were the means by which the founder intended his business to be a force for good in the world. Fabric represents our culture of beauty; the Group remains a master of fabric, with an unrivalled manufacturing legacy, forward-looking creativity, technical proficiency, and an innovative approach to sustainability. Over the years the Group has acquired established Italian companies, each a specialist in its sector. The vision was to build what we call our *Filiera*. The Group continues to produce the highest quality fabrics, while safeguarding the uniqueness of Italian craftsmanship.

Our *Filiera* allows us to make innovative, high performing fabrics. A modular approach to the manufacturing process, varying with the needs of production, gives us flexibility and efficiency, an important competitive advantage. Through our long-term relationships with our suppliers, we enjoy favored access in the procurement of the finest fibers and fabrics, and enhanced traceability and quality control of raw materials.

Thanks to our experienced in-house teams, our personnel dedicated to research and development, and our leading technological capabilities, we can manage the entire production process throughout its stages, either in-house or through our trusted, long-standing external manufacturers.

Through Lanificio Ermenegildo Zegna, Bonotto, Dondi, Pettinatura di Verrone, Filati Biagioli, Tessitura Ubertino and Luigi Fedeli e Figlio we act as a platform that collects different know-how in a constant quest for creativity, innovation and quality.

Our *Filiera*

Lanificio Ermenegildo Zegna

Founded in 1910, Lanificio Ermenegildo Zegna Wool Mill (Lanificio) is the mainstay of the Group's growth. Lanificio has pioneered sophisticated men's fabrics that are lighter, smoother, more refined, and with improved performance and functionality.

Lanificio performs the entire production process – from raw material selection to finishing. Lanificio Ermenegildo Zegna Wool Mill is located in Piedmont, Northern Italy, where the pure water of the local mountain rivers washes its fabrics, giving them a particularly soft finish. Commitment to quality and the use of modern technology to back up artisan craftsmanship is our living tradition, linking past, present and future.

Pettinatura di Verrone

In 2012, the Group acquired 15% of shares in Pettinatura di Verrone. With this action the Group contributed to the preservation of this sophisticated fabric company and the wealth of knowledge and human resources in the textile district of Biella, where it was founded in 1960. Specializing in the combing of superfine wools, cashmere and vicuña, Pettinatura di Verrone continues to produce remarkably fine natural fibers of the highest quality, further enriching our *Filiera*.

Bonotto

In 2016, the Group acquired a majority stake in Bonotto, a fourth-generation textile manufacturer based in Molvena, Italy. Founded by Luigi Bonotto in 1912, the brand celebrates the Slow Factory movement against mass production at low cost, focusing instead on hand craftsmanship and traditional techniques. Bonotto is known for the creative and experimental dimensions of its fabrics. Inside the factory there are over 24,000 works of art from the Bonotto Foundation, which inspire the production processes and make Bonotto an authentic creative source of fashion textiles. The brand consists of a style center devoted to research and development, a weaving and warping plant, and a dyeing and finishing plant.

Gruppo Dondi

For over 50 years, Dondi has been a leading manufacturer of high-quality jersey fabrics for men and women. In 2019, the Group acquired a majority stake in Gruppo Dondi. With this acquisition, the Group expanded its capabilities in the textile supply chain.



Cappellificio Cervo

In 2018, the Group acquired the milliner Cappellificio Cervo, which is based in Biella, Italy, and whose history stretches back over 120 years. Cappellificio Cervo was founded in 1897 by local master craftsmen, who then turned it into one of the world's most prestigious hat brands. The company still owns some of the original machinery from the 1800s, which allows it to showcase its detailed work methods. Tradition and innovation are key features of this company, which has contributed so much to crafting excellence in Italy, and helped to promote the Made in Italy movement.

Tessitura Ubertino

Tessitura Ubertino (based in Pratrivero, Biella, Italy) specializes in high-end fabrics for women. In 2021, the Group consolidated its *Filiera* with the acquisition of a majority stake in Tessitura Ubertino, which was founded in 1981. Today it is a well-known research laboratory and hub for textile innovation in the global luxury fashion industry.

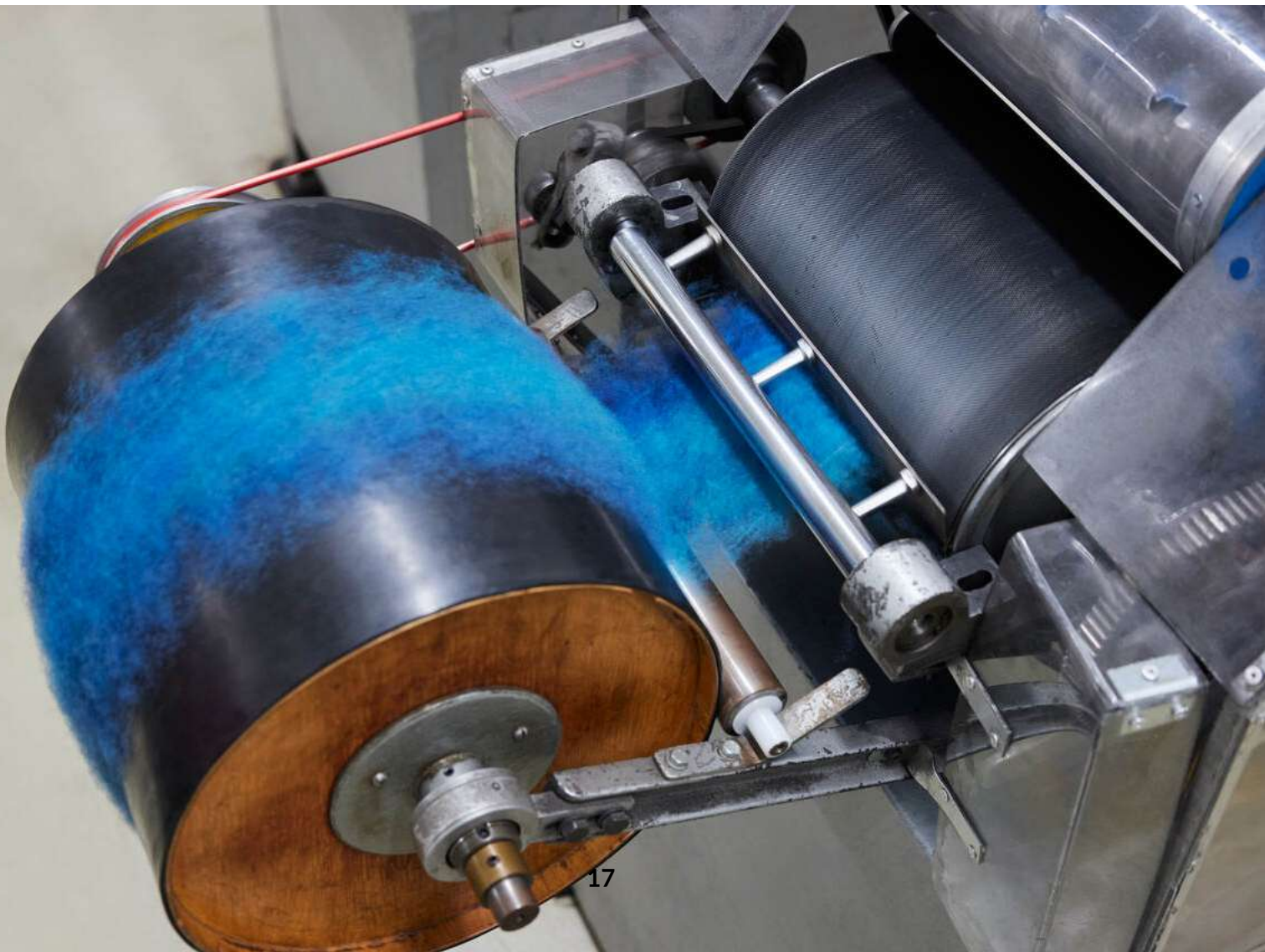


Filati Biagioli Modesto

In 2021, the Ermenegildo Zegna Group and the Prada Group each acquired a minority stake in Filati Biagioli Modesto S.p.A., which is based in Montale, Italy. For over a century Biagioli Modesto has excelled in the production of cashmere and other noble yarns, demonstrating its superior production processes in transforming fibers into high-quality yarn.

Luigi Fedeli e Figlio

Established in 1934, Luigi Fedeli e Figlio S.r.l. is a renowned company with a strong presence in the market and 90 years of history. Today it is managed by the third generation of the Fedeli family, and led by Luigi Fedeli who is named after the company's founder. In 2016, Luigi's son Niccolò, a fourth generation Fedeli, entered the company to further the company's legacy and develop its presence in the US market. Fedeli is today a first-class player in the luxury wear market, and crafts bespoke Made in Italy garments with a clear focus on cashmere and jersey products. In 2023, the Ermenegildo Zegna Group and the Prada Group each acquired a minority stake in Luigi Fedeli e Figlio.



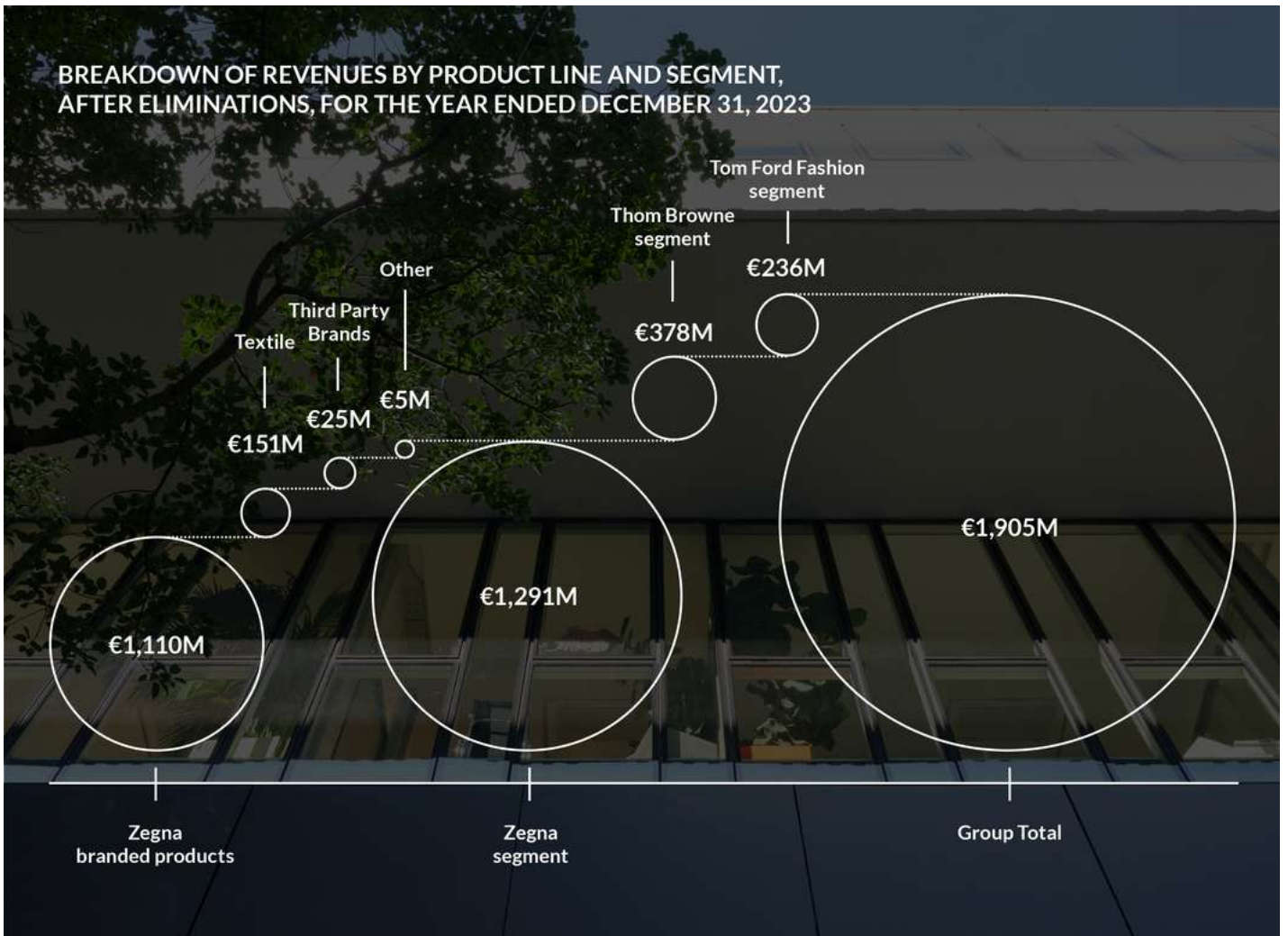
Our Activities

Ermenegildo Zegna is a well-known leading luxury Group. As of December 31, 2023, our ZEGNA, Thom Browne and TOM FORD FASHION brands are sold in approximately 85 countries around the world. The three brands retail through 390 stores, of which 253 are directly operated by ZEGNA, 86 by Thom Browne, and 51 by TOM FORD FASHION. We have 246 wholesale monobrand stores: 151 for ZEGNA, 25 for Thom Browne and 70 for TOM FORD FASHION.

Our business covers the entire value chain and we are vertically integrated, from design to manufacturing and distribution. Our goal is to provide customers with excellent products that reflect our tradition of fine craftsmanship, exclusive design content, and a style that preserves the exceptional manufacturing quality we are known for.

The high-quality luxury experience we offer customers is further assured through the sourcing of superior raw materials, the careful finish of each piece, and the way they are delivered to them.

For more information on consolidated revenues by segment and by geographic area, please see "ITEM 4 INFORMATION ON THE COMPANY" of the Form 20-F (www.zegnagroup.com/investors/financials).



Key Highlights

GOVERNANCE

- ✓ First Group climate-related financial disclosure aligned with TCFD framework
- ✓ Expansion of Group Policies

SOCIAL

- ✓ Creation of the Inclusion Team
- 87% Of employees at Group level received training on diversity, equity, and inclusion concepts, allyship, language and bias awareness
- ✓ Release of a new internal global operating recruiting procedure integrating DE&I aspects

ENVIRONMENT

- 68% Of Group electricity purchased from renewable sources (+22pp vs 2022), 98% in Europe and 86% USA
- ✓ Launch of the collective Virtual Power Purchase Agreement (CVPPA) and installment of additional solar panels in our production sites
- 32% Of traceable & lower-impact top priority raw materials (+7pp vs 2022)
- ✓ ZDHC Signatory Brand, with all production sites achieving ZDHC Foundational compliance level

The scope of data and information provided is aligned with the reporting scope described in the Methodological Note, that is the Group excluding Tom Ford Fashion segment

A close-up photograph of a wooden crate filled with spools of thread. The crate is made of light-colored wood and has a metal handle and a metal latch. The spools are arranged in rows, with blue spools in the foreground and orange spools in the background. The text "Our Sustainability Strategy" is overlaid on the image in a white serif font.

Our Sustainability Strategy

Our Sustainability Commitments

Sustainability has been part of our journey since the beginning, when our founder Ermenegildo Zegna transformed his dream into action to support the local community and the surrounding natural environment.

Thanks to his contribution, a hospital with a maternity department and an indoor swimming pool were constructed for the local community. In addition, he financed the reforestation of more than 500,000 trees, creating the Oasi Zegna; and he constructed a 26-kilometer road connecting the city to the surrounding countryside.

Ermenegildo Zegna believed that his workers should take advantage of outdoor activities, given that they spent the entire week working at the production plant. He also helped families of workers, by providing summer vacation camps in the mountains for their children.

We want to honor our founder's legacy and build a brighter future for our children today based on the lessons he taught us. For this reason, we have started a new journey as a Group called "Our Road to Tomorrow".

Our Road to Tomorrow is the result of a careful examination of the ESG positions of our stakeholders, as well as our impact on the environment where we operate, giving our Group the chance to identify our ESG strategy. The strategy, launched during the Capital Markets Day held on May 17, 2022, consists of 3 commitments, defined in 27 goals (see below). We will keep disclosing progress, as well as any potential changes, on the Group's ESG goals in the following Sustainability Reports.

Commitment	ESG goal	Target year	Progress
Commitment 1: Made in Italy, transparently!	Group Animal Welfare policy formalized and embedded in lower-impact raw material certifications	2022	Achieved. The Group has adopted an Animal Welfare policy in 2023. Please see chapter “Raw material traceability & Circularity”
	Top executives’ long-term incentives linked to ESG targets	2022	Achieved. We developed an LTI plan, which includes an ESG multiplier on account of an ESG performance-based indicator reflecting relevant environmental and social performance at the end of the three-year period 2022-2024
	Transparent reporting (audited Group Sustainability Report, GRI & SASB reporting standards)	2022	Achieved. We have added the recent Task Force on Climate-related Financial Disclosure (TCFD)-aligned assessment in this report
	Board oversight of ESG strategy & implementation	2023	Achieved. From 2023, the Board of Directors is formally in charge of overseeing the Group ESG strategy and its implementation; the Board is also in charge of approving the Sustainability Report
	Join relevant trade associations ⁴	2023 onward	Achieved. The Group joined Textile Exchange in 2022 and ZDHC as a Signatory Brand in 2023. The Group will keep considering further engagements with relevant industry associations. Please see chapter “Our Stakeholders”
	Adoption of an innovative and open digital platform to allow suppliers to share energy sources, water, chemicals, product certifications, and emissions data, covering at least 30% of the Group supply volume	2024	In progress. In 2023, the Group adopted and rolled out a vendor management solution. Please see chapter “Our Suppliers”
	>90% Made in Italy supply of yarns & fabrics	2025	In progress.
	Top priority raw materials with at least 50% traced to the geography of origin and from lower-impact sources ⁵	2026	In progress. 32% of traceable & lower-impact top priority raw materials. Please see chapter “Raw material traceability & Circularity”
	Expand innovative #UseTheExisting initiative and explore new avenues for the reuse of industrial waste and pre-consumer waste	Ongoing	In progress. Please see chapter “Raw material traceability & Circularity”
	Product raw materials tracking: >95% of products enabled with a product traceability system	2030	In progress. The Group has been experimenting with digital product tracking solutions to assess technology readiness

⁴ The Group had initially identified a list of trade associations to join over the years (United Nations Framework Convention on Climate Change, Textile Exchange, Sustainable Fiber Alliance, Zero Discharge of Hazardous Chemicals, Leather Working Group). On a yearly basis, the Group assesses the strategic relevance of these associations and their alignment to the Group’s commitments.

⁵ The Group had initially identified a list of 6 priority raw materials (wool, cotton, cashmere, polyester, leather, man-made cellulose) primarily considering acquired volumes and relevance for the Group’s operations. Starting from 2022, following the increasing purchase of linen fiber, the material has been added to the list.

Commitment	ESG goal	Target year	Progress
Commitment 2: Weaving the fabric of tomorrow	Appointment of the Diversity, Equity, and Inclusion (DE&I) Officer & Governance to manage the deployment of the DE&I strategy	2023	Achieved. The DE&I Officer & Governance was appointed in September 2022
	80% of employees with DE&I training completed	2023	Achieved. 87% of employees received DE&I training. Please see chapter "Diversity, Equity & Inclusion"
	Develop a talent acquisition & retention approach according to DE&I strategy, to become an equal opportunity employer	2023	Achieved. The Group released an internal new global operating recruiting procedure, aligned with the DE&I strategy, in 2023. Please see chapter "Diversity, Equity & Inclusion"
	Impact investing on wool, cashmere & cotton raw material sources with regenerative agriculture and carbon sequestration initiatives	2023 onward	In progress. The Group is a founding funder of the Unlock Program of The Fashion Pact. Please see chapter "Raw material Traceability & Circularity"
	Parental leave benefits extended to all markets, above local law requirements	2023	Achieved. New Group parental leave standards were approved in 2023
	Launch the Group Academy ⁶	2024	In progress. The Group continued the preparation activities; in 2023 the scope of the project has been broadened. Please see chapter "Group Academy"
	Develop a biodiversity laboratory in Oasi Zegna, in collaboration with NGOs and universities, to study the impact and adaptation strategies to climate change for alpine environments	-	
	Map private forests of the world, promote and lead the responsible private forest management association globally	-	

⁶ The Goal has been fine-tuned during the course of 2023. The former goal was: "Kick-off Accademia dei Mestieri by 2022".

Commitment	ESG goal	Target year	Progress
Commitment 3: Oasi, Home of our values	Climate change commitment with Science-Based Targets initiative (SBTi) submitted	2022	Achieved. In May 2023, SBTi verified Ermenegildo Zegna NV's net-zero (both near- and long-term) science-based target by 2050. Please see chapter "Climate"
	Assess water footprint & commit to reduction targets, aligned with Science Based Targets Network (SBTN) evolution	2022 (Internal productions) 2025 (External)	In progress. Completed first Group water footprint assessment. The Group is working on the 2025 target. Please see chapter "Water"
	Chemical management: ZDHC Foundational compliance level (MRSL, Manufacturing Restricted Substances List, waste water) for all Group production sites	2023	Achieved. All production sites achieved the Foundational compliance level in 2023. Please see chapter "SASB Report"
	Oasi Zegna in the world: supporting reforestation and forest protection activities in any key retail market where ZEGNA brand operates, with more than 500 thousands trees planted or protected in the 2024-2025 period ⁷	2025	In progress. Scouting and preparation activities carried out during the reporting year
	100% electricity from renewable sources (scope 2)	2024 onward (Europe & US) 2027 onward (Group)	In progress. 97% of electricity from renewable sources in Europe and US. Please see chapter "Climate"
	100% fully electric or plug-in hybrid corporate vehicles (scope 1)	2025	In progress. Please see chapter "Climate"
	Consumer packaging from lower-impact materials	2022 (Paper or recycled plastics) 2030 (Distribution packaging)	In progress. Our retail packaging includes shopping bags and gift boxes made of 51% post-consumer waste paper and 49% of FSC-certified paper. Handles are made of Tencel, and hang tags are 100% recycled paper. Please see chapter "Packaging & Waste"
	At least 50% content of plastics from recycling in business to consumer packaging & business to business	2025 (Business to consumer) 2030 (Business to business)	Achieved. Please see chapter "Packaging & Waste"
	Community service – 1 day/year for every employee, to be donated locally	-	In progress. The Group will evaluate possible initiatives/programs such as volunteering activities for employees in the local community

⁷ The Goal has been fine-tuned during the course of 2023. The former goal was: "Export Oasi Zegna to the world: 10,000 trees cultivated in every city (mini Zegna Forests) where the Ermenegildo Zegna Group opens or relocates Zegna boutiques starting from 2023".

Our Stakeholders

We are conscious of the role we play in the economy and in communities near our operations. We recognize the key role of stakeholders in our success and the importance of engaging with our stakeholders in a transparent, consistent, and ethical manner. We are therefore committed to fostering strong and transparent relationships with our relevant stakeholders.

In January 2024, the Board adopted a Stakeholder Engagement policy⁸ with the goal to define the modalities our commitment to open, honest, and collaborative interactions with relevant stakeholders, in a manner that contribute to long-term sustainable value creation.

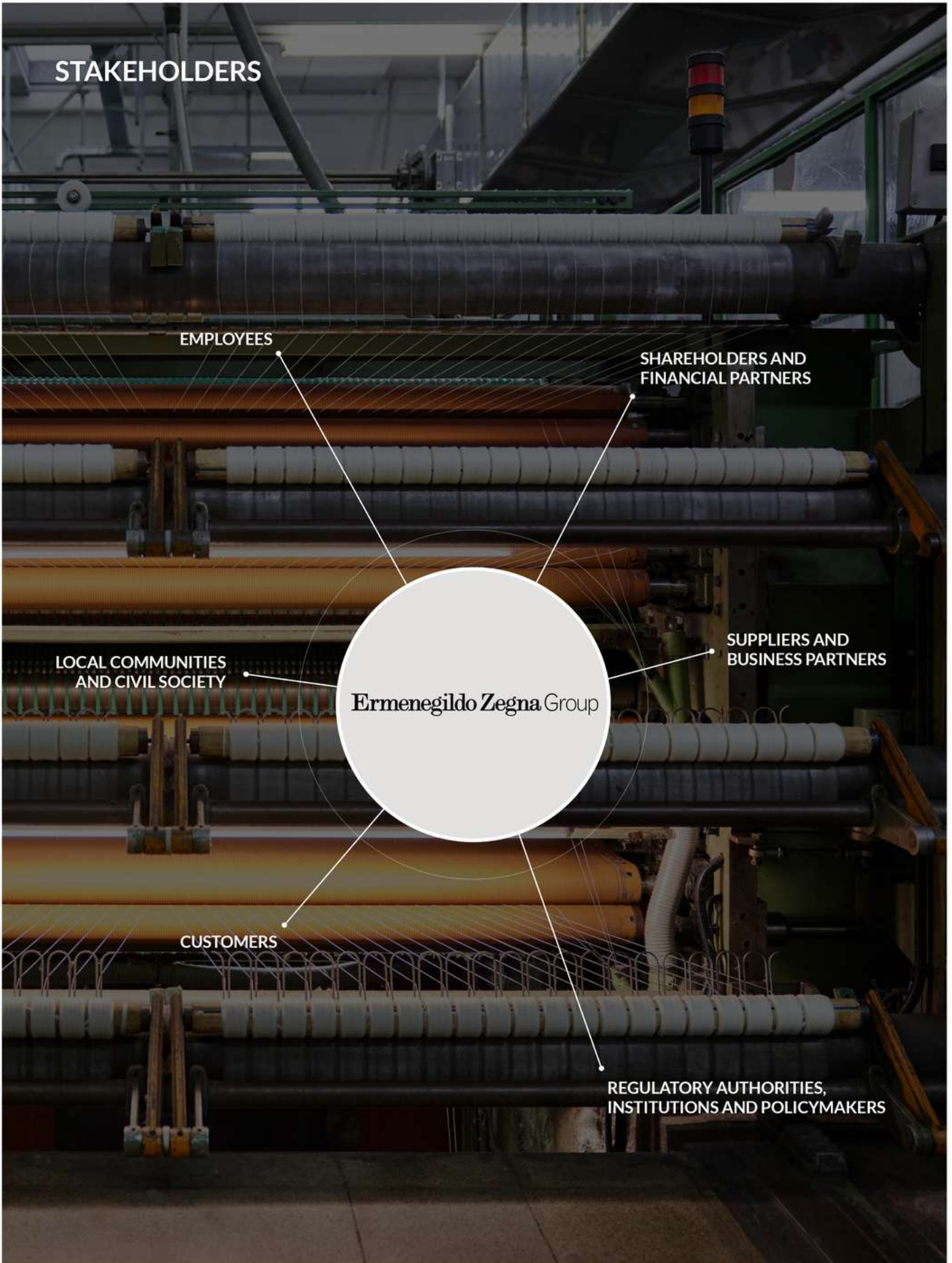
The Ermenegildo Zegna Group's primary stakeholders encompass various categories, each playing a vital role in shaping our business operations. Stakeholders are identified through comprehensive assessments that consider their interests, expectations, and influence on the Group's operations, with a particular emphasis on aspects related to sustainability. Our main categories of stakeholders are:

- Customers;
- Employees;
- Shareholders and financial partners;
- Suppliers and business partners;
- Regulatory authorities, institutions and policymakers; and
- Local communities and civil society.

These categories include the media and bodies representing the interests of various stakeholders.

The Group welcomes constructive dialogue with relevant stakeholders, recognizing their fundamental role in fostering understanding, collaboration, and the co-creation of value for the benefit of all. When applicable, the outcome and findings from dialogue with stakeholders contribute to the discussions held by the Board of Directors of the Group and its standing Committees, in particular the Governance & Sustainability Committee, in relation to the Group's sustainability strategy.

⁸ For more information see: [Stakeholder Engagement policy](#).



Employees:

Engaged and well-supported employees are essential to the sustainable growth of the Group. Several tools allow employees to stay up to date with the latest company news, e.g. the EaZy intranet, the Zegna4U newsletter, and the My Zegna World platform (dedicated to welfare initiatives). Employees are also engaged through surveys. Ad hoc events help to spread news about collections, financial performance, and Group objectives. We offer training and performance review programs to employees, and an induction program for new hires, with the goal of building a welcoming Group culture.

Shareholders and financial partners:

We recognize the importance of transparent communication with shareholders and financial partners regarding our ESG practices. The Group provides open and consistent communication, including regular updates on performance, strategic objectives, and the latest developments. Through presentations and events such as webcasts, the Group provides insights and updates, while actively soliciting feedback from its shareholders. Information about the Group can be found on the institutional website, and specific queries can be submitted to the Investor Relations Director.

Customers:

Customer expectations and preferences on social and environmental aspects contribute to the design of our product offering. We dedicate the utmost attention to our customers, both in-store and online, thanks to our experienced retail teams, whose goal is to convey the brands' values and heritage, as well as offering a unique and personalized experience. Events at stores and customized services, such as the made-to-measure offering, allow customers to enter into each brand's world. Customers can reach the brands through Client support services (email and phone service) and the CRM teams.

Suppliers and business partners:

We actively engage with partners who share our commitment to responsible business practices. Building a strong and long-lasting relationship with our suppliers is at the core of our strategy. We maintain day-to-day communication with our suppliers and over the years we have built a collaborative approach based on mutual trust and mutual sharing of knowledge to drive innovation. We engage with our suppliers in the development of materials and product standards, and we actively involve them in projects to foster responsible practices along our value chain.

Regulatory authorities, institutions, and policymakers:

The Group participates in various local and international initiatives organized by professional associations and non-governmental organizations (NGOs), such as The Fashion Pact. A constructive dialogue with policymakers and appropriate engagement with authorities contribute to the responsible management of our operations. Our engagement with trade associations reflects our commitment to supporting the broader fashion industry. By working closely with key organizations, and by participating in industry initiatives, the Group is helping to drive positive change in the fashion industry, enabling a platform for collaboration and sharing of best practices.

Local communities and civil society:

We acknowledge the impact our operations may have on local communities and society in general. Through dialogue and collaboration, the Ermenegildo Zegna Group seeks to understand community concerns when making strategic decisions. One example is the Oasi Zegna, a nature reserve open to the public in Alpi Biellesi (Biellese Alps) created by our founder, Ermenegildo Zegna, in the 1930s. Here local business enjoys rent-free space to pursue their commercial activities.

ASSOCIATIONS & ORGANIZATIONS

We believe in maintaining dialogue with local and international organizations and participating in industry working groups; thus we are involved in various associations and organizations pertinent to our business activities. We are committed to increasing transparency along our supply chain; to that end we participate in responsible market initiatives such as The Fashion Pact, Textile Exchange and Zero Discharge of Hazardous Chemicals (ZDHC).

Altgamma:

Since 1992, Altgamma has gathered high-end Italian cultural and creative companies, representing the Italian luxury businesses in fashion, design, gastronomy, and hospitality. It promotes Italian craftsmanship, innovation, and creativity to the world, building institutional relationships at national and international levels.

Associazione Tessile e Salute di Biella:

The Group is a member of the Textile and Health Association of Biella, which promotes health and wellbeing for employees and consumers. The association raises awareness of possible health risks and promotes best practices for workers and consumers, providing information, training, and support to make a safer and healthier workplace.

Associazione Industriali di Novara:

The Industrial Association of Novara promotes the interests of its industrial sector members and supports the local economy via initiatives and services, working closely with local stakeholders and institutions to drive economic development and foster innovation and competitiveness in the region.

CNMI (Camera Nazionale della Moda Italiana):

The National Chamber of Italian Fashion supports Italian fashion brands through training, promotion, and advocacy. The CNMI upholds the principles of Italian craftsmanship and organizes the Milan Fashion Week.

Re.Crea:

In 2022, the Group contributed to founding the Re.Crea consortium, an organization dedicated to promoting sustainability in the fashion and textile industries and coordinated by the CNMI. Its goal is to manage the end-of-life phase of textile and fashion products, and to promote the research and development of innovative recycling solutions.

SMI (Sistema Moda Italia):

Sistema Moda Italia is one of the largest worldwide organizations representing the textile and fashion industry. It represents the entire supply chain on a national and international level and maintains relations with government agencies, public administration, and with economic, political, labor and social organizations. SMI is committed to making the textile and fashion sector one of the most important economic resources of Italian industry.

Textile Exchange:

Textile Exchange is a non-profit organization that promotes sustainable textile materials and processing methods. Textile Exchange provides tools, resources, and certifications to support businesses in moving to more sustainable models, collaborating with various stakeholders for a more sustainable future.

The Fashion Pact:

The Fashion Pact is a coalition of fashion and textile companies dedicated to addressing the industry's environmental challenges. The Group joins industry leaders in working to reduce fashion's environmental impacts, with initiatives focused on climate, biodiversity, and ocean health.

Unione Industriale di Biella:

The Unione Industriale di Biella (Biella Industrial Union) is an association of entrepreneurs whose purpose is to support and develop industry in the area. The union represents local businesses in the textile, fashion, and manufacturing sectors, promoting their competitiveness through networking, training, advocacy, and financial advice.

Unione Parmense degli industriali:

The Unione Parmense degli industriali (Parma Union of Industrialists) represents companies from various sectors. It fosters their development and competitiveness through networking, training, and advocacy. It provides services such as legal and financial advice, and organizes events and programs to promote the local economy and stimulate economic growth and innovation.

Zero Discharge of Hazardous Chemicals (ZDHC):

ZDHC is a multi-stakeholder organization comprising over 320 signatories from across the industry, including brands, suppliers, solution providers and suppliers of chemicals. ZDHC's Roadmap to Zero Programme is a leading initiative for the fashion industry to eliminate harmful chemicals from its global supply chain.



Our ESG Materiality Assessment

In 2022, the Group assessed its material topics, giving more emphasis to the economic, environmental, and social (including human rights) impacts of our activities, in compliance with the 2021 GRI Universal Standards. The 2021 materiality assessment (which was part of the Group ESG strategy presented in the 2021 Sustainability Report) was the foundation for the updated analysis. Upholding the validity of the 2022 analysis, the Group approved the updated materiality analysis for 2023, confirming the materiality of the same topics.

The impact analysis assessed the Group's contribution, positive or negative, to sustainable development, across the three categories of economy, environment, and people. We asked ourselves, "What are the effects, positive and negative, of the Group's value chain on the economy, the environment, and on people?" And we posed the question for each of the four steps (in terms of deriving material issues) stipulated by the GRI Standards:

- Understand the organization's context;
- Identify actual and potential impacts;
- Assess the significance of the impacts; and
- Prioritize the most significant impacts for reporting.

The GRI sector standards for the textile, apparel and footwear industry have yet to be released. Nevertheless, to ensure we meet future standards, the Group analyzed sector trends and risks, benchmarking peers' and competitors' material topics, and consulted official sources (e.g. World Resources Institute, the UN, and The Fashion Pact).

After mapping potential impacts, the Group's sustainability team evaluated and prioritized them, considering internal evaluations and the results of stakeholder engagement activities. After this analysis, the results were reviewed by three sustainability experts, as suggested by the GRI Standards. These experts were chosen from among university faculty in the field of the fashion and consumer goods sector. They conducted a completeness and prioritization analysis of our work. We requested that for their review, they consider global risks, challenges and opportunities, trends related to the sector in which the Group operates, and distinctive features of the Group. The results of the experts consultation confirmed the internal analysis; moreover, the insights received by the experts were an opportunity to re-categorize the material topics appropriately.

Thus, after extensive internal discussion, and a review from outside sources, we developed an updated list of issues that are material to value creation, or destruction, for the Group over the short to long-term.

MATERIAL TOPICS

GOVERNANCE

Sustainable sourcing & animal welfare

Data privacy & cybersecurity

ESG culture, integrity & transparency

SOCIAL

Human & labor rights

Employee wellbeing

DE&I (diversity, equity & inclusion)

Education & Training

Community & philanthropy

ENVIRONMENT

Water & chemical management

Packaging & plastic pollution

Circularity, durability & ecodesign

Biodiversity loss & deforestation

Carbon emissions & energy management

OUR MATERIAL IMPACTS

MATERIAL TOPICS	IMPACTS	POS/NEG	POTENTIALITY	INVOLVEMENT
Sustainable sourcing & animal welfare	Establishing enriching partnerships with local suppliers to create positive impact throughout the supply chain	Positive	Effective	Caused by the Group
	Contributing to the reduction of raw materials-related impacts (e.g. soil chemicals contamination, GHG emissions) thanks to responsible sourcing practices, such as preferring traceable and lower impact raw materials	Positive	Effective	
	Promoting positive and enriching working conditions in the supply chain and promotion of animal welfare	Positive	Effective	
	Negative impacts related to the procurement of raw materials from suppliers, in particular with regard to their impacts on environmental and social aspects	Negative	Potential	
Data privacy & cybersecurity	Sensitive data breaches for customers, employees, and third parties	Negative	Potential	Contributed by the Group
ESG culture, integrity & transparency	Occurrence of episodes of corruption and anti-competitive behavior	Negative	Potential	Caused by the Group
	Transparency and reliability of disclosure on our environmental impacts through adherence to standards and/or certifications, and through the monitoring of progresses against our commitments	Positive	Effective	
Human & labor rights	Human rights violation along the supply chain (e.g. exploitation of workers, child labor, slavery, etc.)	Negative	Potential	Contributed by the Group
Employee wellbeing	Contributing to the wellbeing of employees and their families by taking their needs into consideration	Positive	Effective	Caused by the Group
	Injuries in the workplace with negative consequences for the health and safety of employees or external workers	Negative	Potential	

DE&I (diversity, equity & inclusion)	Promotion of fair and inclusive working environment through the adoption of DE&I policies, and inclusive communication to consumers	Positive	Effective	Caused by the Group
Education & training	Contributing to the enhancement of people's competencies and skills by establishing a virtuous training and education system	Positive	Effective	Caused by the Group
Community & philanthropy	Contributing to the flourishing of the local environment	Positive	Effective	Caused by the Group
Water & chemical management	Soil and water pollution due to contaminated and uncontrolled water discharges	Negative	Potential	Caused by the Group
	Harm to safety and living conditions of local communities caused by uncontrolled and excessive water withdrawal and consumption, or by contaminated water sources	Negative	Potential	
Packaging & plastic pollution	Contributing to sustainable practices by stimulating research on alternative materials to replace plastic (virgin or recycled)	Positive	Effective	Caused by the Group
	Soil and water pollution, and biodiversity loss (including harm to wild animals) due to plastic contamination of the environment	Negative	Potential	Contributed by the Group
Circularity, durability & eco-design	Reduction in the need for virgin raw materials by increasing the useful life of products, through the increase of product durability, reusability, recyclability, and proper waste management	Positive	Effective	Caused by the Group
Carbon emissions & energy management	Direct and indirect GHG emissions into the atmosphere	Negative	Effective	Caused by the Group
Biodiversity loss & deforestation	Harm to local communities' natural environment in the areas of direct production activities and along the supply chain	Negative	Potential	Caused and contributed by the Group
	Contributing to the preservation and restoration of natural habitats, also through the Oasi Zegna	Positive	Effective	

Governance & Ethical Commitment



Corporate Governance

Ermenegildo Zegna N.V. (the “Company”) is a public limited liability company, incorporated under the laws of the Netherlands and listed on New York Stock Exchange (NYSE), since December 20, 2021, under the ticker symbol ZGN. The Company complies with NYSE rules for foreign private issuers and endorses the principles and provisions of the Dutch Corporate Governance Code (DCGC) on a “comply or explain” basis.

Composition of Board of Directors and Committees

In accordance with its Articles of Association, Ermenegildo Zegna N.V. is managed by a one-tier Board of Directors (the “Board”), consisting of one or more executive directors having responsibility for day-to-day management, and one or more non-executive directors having oversight responsibilities but not responsibility of day-to-day management. The non-executive directors oversee the executive directors' policy and performance of duties and supervise the Group's general affairs and its business.

As per our Articles of Association, executive directors and non-executive directors are jointly responsible for the strategic management of the Group, with a focus on long-term value creation, taking into account relevant stakeholders' interests.

The Board may allocate its duties and powers to directors and to the committees of the Board, in accordance with mandatory Board regulations.

The Board consists of one executive director and ten non-executive directors. The sole executive director is Mr. Ermenegildo Zegna di Monte Rubello, who serves as the CEO and Chairman of the Board.

The Board established three permanent committees in charge of assisting and advising the Board in its decision-making process within their respective scope of responsibilities:

- **Audit Committee:** entrusted with the oversight of, among other things, the integrity and quality of the financial reporting and the effectiveness of the Group's internal control systems and procedures;
- **Compensation Committee:** responsible for assisting and advising the Board in determining remuneration structure, executive compensation, and implementation of equity incentive plans, consistent with the Group's Remuneration policy⁹; and
- **Governance and Sustainability Committee:** responsible for assisting and advising the Board in determining the criteria for professional and personal qualifications of Board members, and periodically assessing its composition and functioning. This committee also assists and advises the Board on sustainability policies and practices followed by the Group and oversees the integrity of the sustainability reporting.

⁹ For further information please see: [Remuneration policy for the Board of Directors of Ermenegildo Zegna N.V.](#)

The Audit Committee consists of at least three non-executive directors, who, as per NYSE rules (Rule 10A-3 of the Exchange Act) and the rules of the DCGC, are independent.

The Compensation Committee, and the Governance and Sustainability Committee each consist of at least three non-executive directors; more than half of their respective members (including the Chairperson) are independent under the DCGC.

As of December 31, 2023, the Board was composed of eleven members, as shown in the following table¹⁰:

Directors	Nationality	Age Tier	Executive	Non-Executive	Independence		Committees		
					NYSE Rules	Dutch Rules	Audit	Compensation	Governance & Sustainability
Mr. Ermenegildo Zegna di Monte Rubello (Chairman and Chief Executive Officer)	Italian / Swiss	> 50	●						
Mr. Sergio P. Ermotti (Lead Non-Executive Director)	Swiss	> 50		●	●				
Mr. Andrea C. Bonomi	Swiss / American	> 50		●	●				
Ms. Angelica Cheung	Chinese	> 50		●	●	●			●
Mr. Domenico De Sole	American	> 50		●				●	
Mr. Ronald B. Johnson	American	> 50		●	●	●	●		●
Ms. Valerie A. Mars (Audit Committee Chairman)	American	> 50		●	●	●	●	●	
Mr. Michele Norsa (Governance & Sustainability Committee Chairman)	Italian	> 50		●	●	●	●		●
Mr. Henry Peter (Compensation Committee Chairman)	Swiss / French	> 50		●	●	●		●	
Ms. Anna Zegna di Monte Rubello	Italian	> 50		●					
Mr. Paolo Zegna di Monte Rubello	Italian	> 50		●					

¹⁰ For more information regarding the Board members, please refer to the Group's corporate site or to ITEM 6. A Form 20-F.

CEO, Chair and Lead Non-Executive Director

The Board has granted to Mr. Ermenegildo Zegna di Monte Rubello the titles of Chairman and Chief Executive Officer. The Board appointed Mr. Ermotti as Lead Non-Executive Director and Chairman (*Voorzitter*) of the Board under Dutch law, responsible for ensuring that the Board and its committees function properly and that meetings are led in a proper manner, with adequate time for deliberation and decision-making. He also acts as a guarantor of the prevention and mitigation of conflicts of interest within the Board. In light of the above, the Lead Non-Executive Director also serves as an appropriate counterbalance to the CEO & Chairman.

Non-Executive Directors

The Board determines the number of executive directors and non-executive directors, provided that the majority of the Board consists of non-executive directors. NYSE listing standards generally require a majority of Board members to be “independent” as determined under the NYSE listing standards. While the DCGC, in principle, requires that a majority of non-executive directors be “independent,” the definition of “independent” under the DCGC differs in its details from the definition of “independent” under the NYSE listing standards.

In some cases, DCGC requirements are stricter; in other cases the NYSE listing standards are stricter. As of December 31, 2023, a majority of the members of the Board were independent under NYSE rules (7 out of 11) and 5 out of the 10 non-executive directors of the Board were independent under the Dutch provisions. Meetings of the Board are generally followed by an executive session, i.e. a meeting of the non-executive directors chaired by the Lead Non-Executive Director, who reports thereon to the Chairperson.

Board diversity and inclusion

Directors are appointed for one year by the general meeting on a binding nomination by the Board. Each director is appointed for a term ending at the close of the first annual general meeting following his or her appointment, and may be reappointed.

A Diversity and inclusion policy¹¹ was adopted by the Board to ensure gender representation, diversity in the composition of the Board and promote inclusiveness of its practices. The policy is meant to ensure that the Board has sufficient diversity of views and the expertise needed for a good understanding of current affairs and longer-term risks, as well as strategic opportunities. Diversity also helps the Board to consider the nature and complexity of the Group’s business activities and the social and environmental context in which the Group operates. According to the Diversity and inclusion policy, the Board’s composition should also attempt to reflect the geographic spread of its business and the strategic orientations of the Group. The policy also affirms the value of an inclusive working environment, where ideas and insights of each member are respectfully heard and considered, as a strategic advantage for the creation of sustainable long-term value.

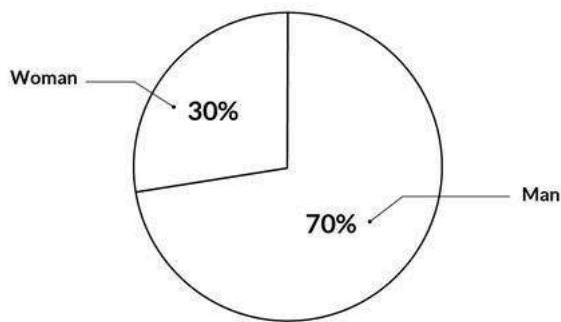
Notwithstanding the above, the selection of candidates for appointment to the Board is primarily based on merit. The Board and its Governance and Sustainability Committee consider and propose candidates who, in respect of (among other things) nationality or cultural background, age, gender, and educational and professional experience, bring an appropriate combination of skills and expertise demanded by the strategic orientation of the Group and the markets in which it operates.

¹¹ For more information see: [Diversity and inclusion policy for the Board of Directors of Ermenegildo Zegna N.V.](#)

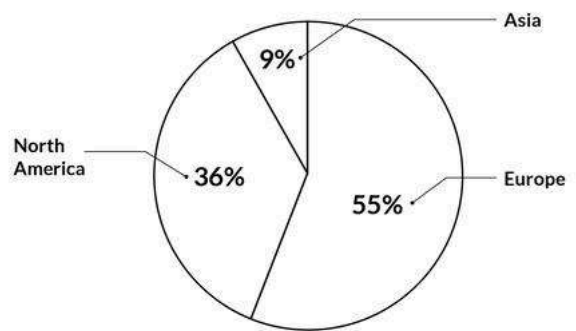
In 2023, the Group met these diversity targets:

- Non-executive directors include directors with an Asian, European and/or North-American background (nationality, working experience or otherwise), consistent with the geographic presence of the Group’s business;
- At least 30% of non-executive directors are women; and
- Non-executive directors have a strong and balanced diversity of skills and complementary expertise that elicits fruitful discussions and enables the Board to perform its oversight duties in the best interests of the Group.

**Non-Executive Directors
GENDER DIVERSITY**



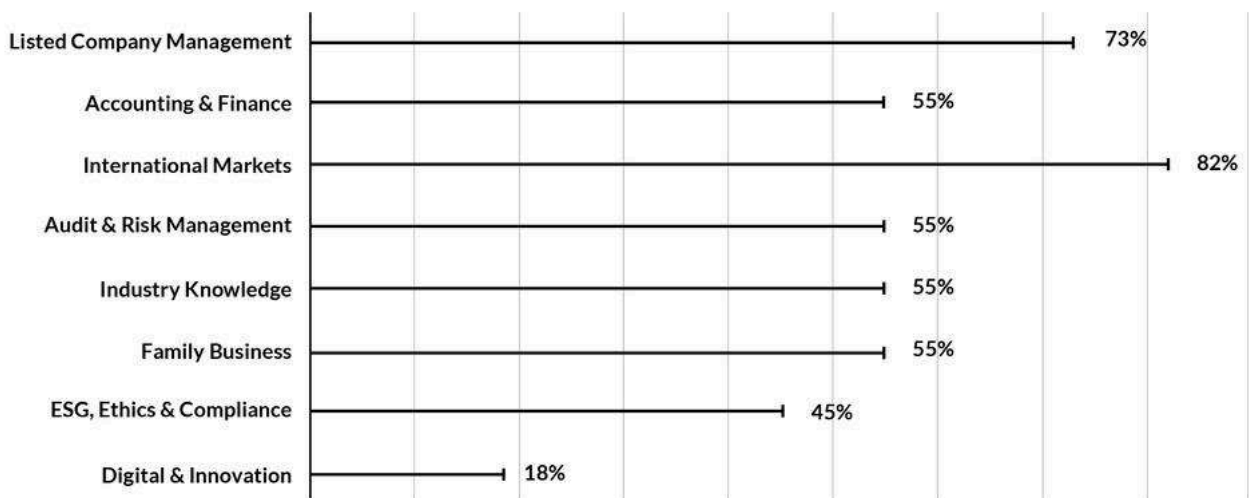
**Non-Executive Directors*
GEOGRAPHIC ORIGIN**



*Andrea C. Bonomi having both Swiss and American nationalities

Main areas of experience and expertise brought by each Board member during 2023 can be summarized in aggregate as follows:

BOARD SKILLS AND EXPERIENCE MATRIX



Annual evaluation of the Board, Committees and Directors¹²

In accordance with the DCGC, the Board regulations, and the charters of the three committees, Board members carry out annual evaluations of the functioning of the Board and of the three committees. This also includes evaluations of the performance of each director. For its annual evaluation in 2023, the Board was assisted by an external firm with extensive experience in board assessments, who circulated a comprehensive questionnaire, inviting frank and open comments. This external firm also conducted individual interviews with directors.

The outcome of the assessment was first analyzed by the Governance & Sustainability Committee, in the presence of the Lead Non-Executive Director, and further discussed among non-executive directors as well as shared with the Chairman and Chief Executive Officer.

The conclusion confirmed a positive assessment of the Board and its committees by the non-executive directors, and reaffirmed the good diversity of skills and professional experience in the composition of the Board. The evaluations of the committees concluded that there was no immediate need to amend the size or composition of the Audit Committee, the Compensation Committee or the Governance and Sustainability Committee, nor was there any reason to amend their charters, other than to insist on specific best practices of the Dutch Corporate Governance Code (DCGC) amended in 2022. It was suggested that the Lead Non-executive Director be permanently invited to the meetings of the Governance and Sustainability Committee. In furtherance of the evaluation, the non-executive directors adopted an action plan containing measures to further improve Board meeting processes and a working program ensuring that specific working themes be scheduled at the most appropriate cadence.

FOCUS: Governance & sustainability

Sustainability has been part of our ethos since our inception. It is as much a part of our history as the quality of our products. This carries over into everything we do, from the technology used to create products to the constant dialogue with customers and suppliers, shareholders, potential shareholders and analysts. In this regard, both a policy on bilateral contacts with shareholders¹³ and a Stakeholder Engagement policy have been adopted by the Board. Both are available on the corporate site.

In accordance with DCGC and Board regulations, the Board, with the support of the Governance and Sustainability Committee, is continually working towards sustainable long-term value creation, taking into account business impacts on the economy, environment, and people, as described in this report.

Governance and Sustainability Committee

The Governance and Sustainability Committee advises the Board and acts under authority delegated to it by the Board with respect to:

- Drawing up the selection criteria and appointment procedures for directors of the Group;
- Periodic assessment of the size and composition of the Board and, as appropriate, making proposals for a composition profile of the Board;
- Periodic assessment of the performance of individual directors and reporting on this to the Board;
- Proposals to the non-executive members of the Board for the nomination and renomination of directors to be appointed by the shareholders;
- Supervision of the policy on the selection and appointment criteria for senior management and on succession planning;

¹² For more information see: [Ermenegildo Zegna N.V. Board Regulations, 9. Annual evaluation of directors.](#)

¹³ For more information see: [Policy on bilateral contacts with shareholders.](#)

- Monitoring, evaluation and reporting on the sustainable policies and practices, management standards, strategy, performance and governance globally of the Group and its subsidiaries; and
- Reviewing the annual Sustainability Report of the Group before Board approval and reviewing any governance-related public disclosures.

In 2023, the Governance and Sustainability Committee consisted of Mr. Michele Norsa (Chairman), Mr. Ronald B. Johnson and Ms. Angelica Cheung.

In 2023, three (3) meetings of the Governance and Sustainability Committee took place. Reports of each meeting was made to the Board. In consultation with the Lead Non-Executive Director, the Governance and Sustainability Committee prepared the annual evaluation of the functioning of the Board and committees and the individual performance of the Directors. Notwithstanding the overall positive evaluation, the Governance and Sustainability Committee identified areas for improvements stemming from the conclusions of the annual assessment and presented a proposal for an action plan to the other non-executive directors.

The Governance and Sustainability Committee supported the Board in carrying out the Directors' independence analysis and the review of their continuation, both analyses being performed on an individual basis, carefully examining the impact of certain events on the Group's governance structure and the committees' composition.

In the field of sustainability, the Governance and Sustainability Committee reviewed the Sustainability Report, notably in the light of applicable standards such as GRI and SASB reporting standards and TCFD framework. It also reviewed the governance sections of the annual reports. The Governance and Sustainability Committee advised the Board for the review of the Group Diversity, Equity & Inclusion policy, the appreciation of the diversity targets and the deployment of the supporting initiatives. It reviewed and advised on the succession planning for top management. The Governance and Sustainability Committee was regularly informed about the Group's climate strategy and more in general on the Group's ESG performance vs. its commitments. In this regard, it supported the deployment of brand-specific strategies, designed to fit each brand's business specificity. The Committee was educated on the latest ESG requirements, the evolution of the ESG legal landscape and the Groups' readiness to face the most critical changes.



Management's Sustainability Committees

Due to the relevance of sustainability as part of the Group's strategy (with new sustainability projects being initiated by the Group) two managerial committees were also established in 2022: Strategic Sustainability Committee and Operational Sustainability Committee.

The Strategic Sustainability Committee acts as a think-tank to identify new sustainability risks and opportunities, best practices and paths for innovation with a view to long-term value creation. It monitors industry and global trends in the field of sustainability.

The Operational Sustainability Committee is in charge of designing, implementing and monitoring progress of initiatives and projects created under the stimulus of the Strategic Sustainability Committee. These two managerial committees are composed of permanent members, chosen among CEO direct reports and other employees directly involved in the management and development of the Group sustainability strategy. Other internal or external experts in sustainability strategy are also invited to join the meetings of these managerial committees from time to time.

The Group Sustainability department is responsible for carrying out on a daily basis, the sustainability strategy, and identifying any potential projects and improvement areas to ensure the achievement of commitments made. Moreover, it engages with external and internal stakeholders, contributing to the spread of a sustainability culture in the Group. It is responsible for preparing the Sustainability Report, and, together with the Investor Relations team, is also responsible for managing sustainability ratings.

Conflicts of interest

The Board is responsible for dealing with any conflict of interest that directors or majority shareholders may have in relation to the Company, and has adopted in its Board Regulations measures to prevent conflicts of interest¹⁴. A Director may not participate in deliberations and decision-making processes on a subject if such Director has a direct or indirect personal conflict of interest with the Ermenegildo Zegna Group or an associated business enterprise. The Board decides whether a Director has a conflict of interest, and in that case such Director is not entitled to vote in relation to that subject. If the Board is unable to adopt a resolution because all directors are unable to participate in deliberations and decision-making processes due to a conflict of interest, the resolution may nevertheless be adopted by the Board, disregarding the identified conflict of interests for the specific instance.

Conflicts of interest may arise from the Group's relationship with related parties. The related parties of the Group are all entities and individuals, including their close family members, capable of exercising control, joint control or significant influence over the Group and its subsidiaries, including the Group's controlling shareholder. Ermenegildo Zegna Group's related parties also include the Company's associates and joint arrangements, members of the Board and executives with strategic responsibilities, as well as their families and entities controlled by them. The Group also adopted a Related Party Transaction policy aimed at identifying, analyzing and evaluating related-party transactions carrying a potential conflict of interest¹⁵.

¹⁴ For more information see: [Ermenegildo Zegna N.V. Board Regulations, 7. Conflict of interest.](#)

¹⁵ Annually disclosed in ITEM 7.B Form 20-F.

Code of Ethics & Responsible Business Practices

The Ermenegildo Zegna Group has adopted a Code of Ethics¹⁶, approved by the Board of Directors on December 17th, 2021, and published on the corporate website.

The Code of Ethics is applicable to the whole Ermenegildo Zegna Group and it applies to all directors, officers, employees and collaborators, and anyone who acts for, or has business dealings with the Group.

The Group believes in and complies with the principles and values of legality, integrity, equality and impartiality, transparency, correctness and reliability, professionalism, confidentiality, human resources and human rights, health and safety, environmental protection, and fair competition. In this regard, the Code of Ethics is the cornerstone of the Group governance model, aimed at disseminating and promoting such principles and values across the organization. It aims to provide essential guidance to leadership, employees, and other stakeholders on how best to navigate their respective roles in a responsible and ethical manner, ensuring compliance with laws and regulations.

To incorporate such principles into day-to-day business practices, the Group adopted the Code of Conduct for Suppliers¹⁷, as well as specific policies related to anti-corruption, anti-money laundering and sanctions, tax, as well as diversity, equity and inclusion¹⁸. The Group has also established an antitrust compliance program, starting with a Group Antitrust policy that defines the behaviors guaranteeing the respect of fair competition.

In 2024, the Group is updating its Code of Conduct for Suppliers to reflect more ambitious standards, in line with evolving industry norms, regulatory requirements and heightened customers' expectations. The new Group Code of Conduct for Suppliers will raise the Group's stakeholders' expectations across the supply chain.

It is crucial to have an adequate system of reporting and investigating any suspected breaches of the Code of Ethics. The Group thus adopted a Misconduct Reporting policy, aimed at reporting any misconduct. Employees and third parties are required to report any suspected breaches of the Code of Ethics committed in the course of business activities. Whistleblowers are guaranteed protection from any form of reprisal, in accordance with the principles of transparency, traceability and confidentiality.

The Code of Ethics is brought to the attention of employees and third parties in the most appropriate manner. It is available in English and the nine other main languages spoken in the Group. An online training program is regularly provided to the employees to ensure proper understanding and adoption of virtuous behavior, in line with the prescriptions of the Code of Ethics. In 2023, the Group started an awareness campaign promoting the adoption of behaviors compliant with the Code of Ethics across the organization. Employees are requested to inform third parties with whom they have business dealings about the relevant provisions of the Code of Ethics.

The Compliance & Risk Management function, with the support of the Legal Affairs and Human Resources functions, monitors the effective observance of the Code of Ethics and the execution of internal training activities.

¹⁶ For more information see: [Code of Ethics document](#).

¹⁷ Through the Code of Conduct for Suppliers, the Group shares with its suppliers a commitment to high ethical standards, including the respect of human rights. For more information please see chapter "SASB Report".

¹⁸ For more information on the Group policies see: [Governance documents](#).

The Group has in place a standardized process for the implementation, cascading and training of its policies, guidelines and procedures, also through a new dedicated global training platform. Cascading and training activities to the different legal entities are implemented through the most appropriate communication tools and channels.

A section of the Code of Ethics is dedicated to the importance of an efficient and effective internal control system. Such a system is essential if business is to be conducted in accordance with the Code of Ethics. During 2023 the Compliance & Risk Management and Group Internal Audit departments strengthened the internal control system and auditing activities.

Risk management

The Group's Enterprise Risk Management (ERM) system consists of identifying, assessing and managing the risks that can affect the Group. It is formalized in the ERM guidelines, based on the main international best practices (CoSO ERM).

The process involves the entire corporate organization and governance bodies, each within their scope of competence. The process is composed of various stages, including the identification of potential risks from a detailed risk catalog, as well as the analysis and evaluation of these risks, the planning of mitigation measures, and ongoing monitoring to ensure effective risk management.

The main objective of the Group's risk management is to protect the Group from potential financial losses, damage to reputation, and other negative impacts. Furthermore, the Group's risk management process helps management define the appropriate strategies to mitigate the identified risks. These strategies may include implementing internal controls, ensuring certain risks are managed, or changing the way business is managed. Additionally, the Group is committed to constantly monitoring the effectiveness of risk management measures and making any necessary adjustments. This process is crucial to ensuring the continuity of our business operations and to protecting the Group's interests.

The Group's ERM system integrates climate-related risks into its comprehensive framework. The ERM dynamic approach is in alignment with TCFD recommendations (for more information please refer to the section "TCFD Disclosure"). Beginning in 2024, we plan to extend the analysis for the identification and perception of climate-related risks to external viewpoints as well.

Whistleblowing

The Misconduct Reporting policy¹⁹, adopted in December 2021, is intended to encourage everyone working for, or with, the Ermenegildo Zegna Group to report any misconduct confidentially and without fear of reprisals. The policy sets out reporting procedures, including how these will be followed up, and how whistleblowers are protected.

The Group encourages an open culture and emphasizes the importance of employees and other interested parties raising any concerns to assess, investigate and gather additional information if required. An awareness-raising campaign for the Misconduct Reporting policy was launched for all employees and followed by compulsory training activity.

To facilitate the receipt of whistleblowing reports, the Group adopted the following channels of communication:

- Web portal with multiple languages available; and
- Dedicated phone line.

Both are hosted by an independent supplier and are available 24 hours a day, seven days a week, in multiple languages.

Under the Misconduct Reporting policy, employees and other interested parties who wish to report misconduct (i.e. “whistleblowers”) can file a misconduct report through one of the channels of communication mentioned above. Employees can also seek advice and/or report the alleged misconduct to their immediate supervisor or relevant HR representative.

Whatever the selected channel of communication, the Group ensures that employees will not be dismissed, demoted, suspended, threatened, bullied, or discriminated against in the workplace because they lodged a good faith misconduct report.

The Group takes every misconduct report seriously. A cross-functional managerial committee (the Ethics Committee) helps ensure maximum transparency. The Ethics Committee conducts the initial assessment and classifies all misconduct reports received, based on the description of facts, events, or circumstances. In case the report is not sufficiently detailed, the Ethics Committee is entitled to request the whistleblower, where feasible, to provide additional information.

The whistleblower is recommended to periodically access the web portal or the hotline to monitor the progress of the case or submit additional information or clarifications as may be required to investigate the matter. The web portal and the hotline are the exclusive communication channels between the whistleblower and the team investigating the case, which ensures full traceability of the investigation.

The Ethics Committee examines misconduct reports and decides whether they were made in good faith; it also decides whether to continue the investigation process. Depending on the circumstances, the investigation may be conducted by the Internal Audit department, with the involvement of other internal functions as necessary; or a third-party provider may be appointed. In 2023 no incidents of corruption or fraud and no illegal activities relating to behavior in breach of applicable antitrust laws or monopoly practices were reported and confirmed after investigation.

The Audit Committee is systematically informed on any complaint regarding accounting, and internal control of auditing matters, and receives a periodic status update on misconduct reporting activities.

¹⁹ For more information see: [Misconduct Reporting policy](#).

Data Privacy & Cybersecurity

The Ermenegildo Zegna Group endeavors to handle personal data with the utmost care and in compliance with applicable laws. The Group set up an internal data protection governance to ensure compliance with the standards of the EU General Data Protection Regulation and other national data protection regulations in the countries where the Group operates.

The Group therefore makes a priority of managing personal data collected in the course of its various business activities in a manner that strengthens the protection and security of all personal data collected against possible breaches.

Although the Group's IT systems are diversified, hosted in multiple server locations and supported by third-party cloud providers and a wide range of software applications adapted to the different regions and functions, the Group periodically assesses and implements actions to monitor and mitigate the risks inherent to these IT systems. Potentially material cybersecurity incidents are brought to the attention of the Audit Committee for final assessment and subsequent disclosure if need be.

In addition, the Group implemented a robust set of policies and procedures to safeguard all personal data. Among the initiatives that were taken, state-of-the-art technologies (Identity Governance, Security Information Event Management and Compliance systems) have been adopted. In compliance with relevant applicable laws, access controls have been strengthened, and the IT systems are being monitored and tested on a regular basis to ensure that they remain secure and protected from cyber threats and data breaches.

The Group has also deployed across the entire organization a Security Education Platform to increase the level of employees' training and awareness of the matter, the Endpoint Management System and the Penetration Test, to assess and constantly raise the Group's level of protection in case of attacks.

The Group is committed to improving the accuracy and reliability of its services in order to minimize the risk of data breaches and protect the sensitive information of its customers, its employees and its stakeholders. With this aim, by taking a proactive approach to cybersecurity, the Group is currently developing additional initiatives for 2024 in terms of Governance, Security Architecture and Cyber Defense.

During FY 2023 we did not receive any substantiated complaints concerning breaches of customer privacy.

Social Commitment

A close-up photograph of green window blinds, showing the texture of the fabric and the slats. The blinds are slightly out of focus, creating a sense of depth. The text 'Social Commitment' is overlaid in the upper left quadrant in a white, serif font.

Ermenegildo Zegna Group

People

The Ermenegildo Zegna Group recognizes the pivotal role of our people in driving sustainable growth and fostering a positive societal impact. Our commitment to environmental, social and governance principles extends beyond mere compliance; it is an integral part of our organizational DNA. Under the theme of “people,” we have six strategic priorities:

- 1. Facilitating integration through policies and processes:** our aim is to evolve into a cohesive Group that values diversity and inclusivity. Through enhanced policies and processes, we build an organizational culture where individuals from diverse backgrounds can belong, in a spirit of collaboration and mutual respect.
- 2. Shifting to a strategic and future-focused mindset:** we are transitioning from an operational and transactional approach to cultivating a strategic mindset. This shift empowers our workforce to anticipate and navigate future challenges, ensuring our business remains agile and resilient in a rapidly changing global landscape.
- 3. Attractiveness across generations:** recognizing the multi-generational workforce, we are committed to becoming an attractive destination for both customers and employees of all age groups. Our initiatives aim to align with the diverse needs and expectations of different generations, fostering a dynamic and harmonious workplace.
- 4. Embracing new technologies:** in the pursuit of operational excellence, we embrace new technologies across all our processes. This commitment not only enhances efficiency, it also positions us as a future-ready organization, harnessing technological advancements responsibly.
- 5. Enhancing customer experience:** our focus is on transforming the customer experience from being merely advisory to becoming a personalized style advisor. By meeting the unique preferences of our customers, we forge lasting connections and elevate their experience with our brand.
- 6. Building managerial strength:** to secure key capabilities for the challenges of tomorrow, we invest in managers. Our leadership development initiatives equip our managers with the skills and mindset to navigate complexities and achieve success.

The table below reports data on employees and temporary employees that include the entirety of the Ermenegildo Zegna Group, including the Tom Ford Fashion segment.

WORKFORCE - ERMENEGILDO ZEGNA GROUP²⁰

Workforce	At 31 December 2023		
	Group	Tom Ford Fashion segment	Group excl. Tom Ford Fashion segment
Employees	6,925	551	6,374
Temporary employees ²¹	276	74	202
Total	7,201	625	6,576

As described in the methodological note, the following tables and descriptions included in the chapter refer to the Ermenegildo Zegna Group excluding the Tom Ford Fashion segment.

WORKFORCE - ERMENEGILDO ZEGNA GROUP EXCL. TOM FORD FASHION SEGMENT

Workforce	At 31 December 2023	At 31 December 2022	At 31 December 2021
	Total	Total	Total
Employees	6,374	6,030	5,830
Temporary employees	202	226	219
Total	6,576	6,256	6,049

As of year-end 2023, the Group (excluding the Tom Ford Fashion segment) had a total of 6,374 employees, an increase of 5.7% from 2022. Our 2023 temporary employees include personnel not on the payroll of the local branches of the Group, and generally recruited via temporary employment agencies, and thus subjected to seasonal fluctuations over the reporting year.

²⁰ The methodology for reporting the figure for the number of employees and temporary employees is considered at the end of the reporting period, so any fluctuations in the number of employees during the year are not reported.

²¹ The category "Temporary employees" is aligned with the definition used for the 20-F SEC filing of the Ermenegildo Zegna Group.

EMPLOYEES BY GENDER

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
Employees	2,459	3,906	2	7	6,374	2,331	3,683	1	15	6,030
<i>Delta vs. 2022</i>	5.5%	6.1%	100.0%	(53.3)%	5.7%					
<i>% on the total</i>	38.6%	61.3%	–%	0.1%	100%	38.7%	61.1%	–%	0.2%	100%

In 2023, consistently with the previous year, women composed 61% of our overall headcount. The distribution share between men and women remained unchanged between 2023 and 2022, with similar ratios for both categories. In 2023, the number of employees “Not disclosed” halved, due to a refinement of the internal employee classification system.

EMPLOYEES BY EMPLOYMENT CONTRACT (FIXED TERM CONTRACT VS. PERMANENT CONTRACT), BY GENDER

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
Permanent contract	2,367	3,788	2	7	6,164	2,241	3,535	1	14	5,791
<i>Delta vs. 2022</i>	5.6%	7.2%	100.0%	(50.0)%	6.4%					
Fixed-term contract	92	118	0	0	210	90	148	0	1	239
<i>Delta vs. 2022</i>	2.2%	(20.3)%	N/A	(100.0)%	(12.1)%					
Total	2,459	3,906	2	7	6,374	2,331	3,683	1	15	6,030

In 2023 the Group employed a total of 2,459 men and 3,906 women; 96% of male employees were on permanent contract, while the figure rises to 97% for women, consistent with 2022 ratios. These high ratios reflect our commitment to invest in our people, to develop their professional skills, and to base the employer-employee relationship on a long-term commitment that promotes a stable work environment. The 2023 decrease in women in fixed-term contracts (-30, from 148 to 118) is spread across several professional roles, and includes blue-collar, white collar and retail personnel.

EMPLOYEES BY TYPE OF EMPLOYMENT (PART-TIME VS. FULL-TIME), BY GENDER

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
Full-time	2,364	3,362	2	7	5,735	2,229	3,147	1	15	5,392
Delta vs. 2022	6.1%	6.8%	100.0%	(53.3)%	6.4%					
Part-time	95	544	0	0	639	102	536	0	0	638
Delta vs. 2022	(6.9)%	1.5%	N/A	N/A	0.2%					
Total	2,459	3,906	2	7	6,374	2,331	3,683	1	15	6,030

As of the end of 2023, about 10% of employees were working part-time, in line with 2022. This shows that the Group offers employees the choice of flexible work conditions.

Our employee compensation combines a suitable balance of fixed and variable salaries, allowing us to reward initiative and promote talent, while ensuring a dignified salary package for lower-earning employees. These matters are covered in detail in the Group's HR policies²².

Salaries are benchmarked against those of peers in the sector to ensure talent retention and attraction. Sales staff are given specific remuneration packages that include KPI-linked incentives to foster high-performance standards.

²² For more information see: [Zegna Responsibility document](#).



Diversity, Equity & Inclusion

Our diversity, equity and inclusion strategy (DE&I strategy) has evolved since its launch in 2022. Our approach is characterized by a desire to hear our people and to understand their unique needs. We believe that there is power and value in diversity, and that individuals should be seen and heard. An organization that treats its people with respect and dignity, and values them for their unique gifts, is stronger and more resilient. Human diversity is a fact; we choose to include this diversity, weaving the talents and unique expressions of our people into our organizational tapestry, whereby every voice is valued, every perspective is heard, and every individual is empowered.

KEY INITIATIVES EXECUTED IN 2023 AND PLANNED FOR 2024:

In April 2023 the Board approved our DE&I policy²³. The policy was drafted after considering the results of the DE&I survey provided to our employees in 2022. The DE&I policy and DE&I manifesto were translated into 11 languages, published on the company intranet, communicated via email to employees, and disseminated using posters with QR codes that linked to the intranet (aimed at colleagues working in our production sites). The DE&I policy was also included in the onboarding training list and published on the Ermenegildo Zegna Group website.

Following the policy approval, we carried out training on diversity, equity, and inclusion concepts, “allyship” (advocacy for others), language and bias awareness involving 87% of employees of the Group (excluding the Tom Ford Fashion segment). The training, which is part of the Group’s ESG goals, was delivered through various channels, to meet the different needs of each site.

All employees with a work email address received the training through the company intranet. For factories, approximately 70 in-person training sessions were organized, involving around 2,000 people. Where in-person training was not possible, a QR code linked to a video training was shared, with attendance tracked.

Our “road to inclusion” continued in 2023 with the creation of the “inclusion team”, a group of employees in Italy and Switzerland who volunteered to engage in DE&I projects. The team, who participated in 2023 in two days of training, is responsible for identifying inclusion issues and designing initiatives to spread an inclusive culture within the Group. Members of the inclusion team represent the Group’s diversity in terms of roles, functions and locations. Following this very first pilot phase, more initiatives and projects will be launched in 2024.

In alignment with the DE&I objectives of the Group, new Group parental leave standards were approved in 2023, according to which employees are entitled to a parental leave period of 6 weeks with full pay, equivalent to 30 working days. Where the local law is more favorable, no additional provisions apply. The corresponding policy²⁴ was approved in the first quarter of 2024 and applies equally to all eligible employees, regardless of gender, sexual orientation, marital/relationship status or any other protected characteristic, for childbirth, adoption, child custody and alternative forms of birth, according to local regulations and norms.

In addition, where applicable, an improvement in work-life balance measures was adopted, granting 6 days per month for remote working.

²³ For more information see: [DE&I policy](#).

²⁴ For more information see: [Governance documents](#).

To strengthen our Group commitment to DE&I, and with the objective to become an equal opportunity employer, one of our ESG goals, we developed a talent acquisition and retention approach according to our DE&I strategy.

To this end, in 2023 we released a new internal global operating recruiting procedure, aligned with the DE&I strategy, introducing a standardized and transparent framework to attract, assess, and appoint qualified candidates. In 2024 we will provide training to HR and managers involved in the recruiting process, to ensure consistency on the application of the methodologies and tools defined by the procedure. Given that the principles of equity, meritocracy and performance are paramount and must be applied consistently across all HR processes, we publicly set a target of gender balance in top management²⁵. We will achieve the target through initiatives targeted to the management level of the Group, which represents the succession pool for top management.

To strengthen and monitor our efforts on the improvement of gender balance measures, we have started on the path to obtaining the Italian Gender Equality Certification (UNI/PdR 125:2022).

WELCOME. WORKING FOR REFUGEE INTEGRATION

In June 2023, we achieved a significant milestone on “our road to inclusion.” The Ermenegildo Zegna Group was honored by the United Nations High Commissioner for Refugees (UNHCR) with the “Welcome” logo. This indicates recognition for actions in promoting the professional integration of refugees in the workplace, having hired 23 refugees from Ukraine in our factories in Italy and Switzerland during 2022.

This recognition underscores the Group’s substantial commitment and support for this UNHCR project, which enhances the private sector’s involvement (in collaboration with civil society) in providing stable employment opportunities for refugees. Altogether with 166 other Italian companies, we collectively welcomed and employed over 9,000 refugees.

²⁵ For more information see: [page. 5 of the DE&I policy.](#)



BREAKDOWN OF EMPLOYEES BY EMPLOYEE CATEGORY²⁶ AND BY GENDER²⁷

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
Top executive	99	27	0	0	126	96	28	0	0	124
Management	319	328	0	0	647	363	330	1	1	695
Office sole contributor	468	771	1	2	1,242	424	716	0	2	1,142
Retail personnel	1,105	1,080	1	0	2,186	996	990	0	6	1,992
Blue collar	468	1,700	0	5	2,173	452	1,619	0	6	2,077
Total	2,459	3,906	2	7	6,374	2,331	3,683	1	15	6,030

BREAKDOWN OF EMPLOYEES BY EMPLOYEE CATEGORY AND BY AGE²⁸

	At 31 December 2023					At 31 December 2022				
	<30	30-50	>50	Not disclosed	Total	<30	30-50	>50	Not disclosed	Total
Top executive	0	64	61	1	126	0	63	60	1	124
Management	18	454	171	4	647	31	493	167	4	695
Office sole contributor	305	684	244	9	1,242	246	653	235	8	1,142
Retail personnel	472	1,482	232	0	2,186	438	1,333	221	0	1,992
Blue collar	253	947	840	133	2,173	202	934	804	137	2,077
Total	1,048	3,631	1,548	147	6,374	917	3,476	1,487	150	6,030

²⁶ Please note that the terminology for employee categories in management positions has changed from 2022; employees in management positions were grouped into two separate categories: "Top executive", i.e. positions mostly focused on Group strategy design (e.g. CEO, Artistic Director, Group CFO, Group HR Director, Marketing Director, Head of Region, etc.) and "Management", i.e. positions responsible for executing functional strategy across the team (e.g. HR Manager, Finance Manager, Retail Manager, etc.)

²⁷ As requested by the GRI Standards, percentages related to breakdown of employees per employee category according to gender are reported in the Annex section, together with data related to FY 2022 for comparison.

²⁸ As requested by the GRI Standards, percentages related to breakdown of employees per employee category according to age group are reported in the Annex section, together with data related to FY 2022 for comparison.

Discrimination cases

We promote and safeguard respect for human dignity; we reject discrimination based on age, gender, sexual orientation, social and personal status, race, language, nationality, political opinions, union membership, and religious beliefs. This principle of non-discrimination underpins our Code of Ethics and our HR policy. (Note: the Group reserves the right to use its judgment in hiring, promoting, and disciplining its employees, in keeping with laws and regulations, and on the basis of what is good for business and for the vision of the Group.)

In 2023, the Group managed a total of 8 incidents related to discrimination (including 5 new claims that occurred in the reporting year), of which 7 have been closed at the present date while 1 is currently being reviewed²⁹. The above-mentioned cases were closed after due investigation was completed, followed by customized actions of human-resources nature, ranging from specific training to targeted disciplinary measures and negotiated agreements.



²⁹ 2 of the 7 cases closed during the year, and the 1 case still under review, refer to cases that occurred in previous reporting years.

Employee Welfare, Health & Safety

Pursuing the legacy of our founder, we promote the wellbeing of employees, enhancing their sense of belonging and engagement.

More than 62% of our employees are covered by collective bargaining agreements. These regulate relations between employers and workers and facilitate agreement on working conditions. Moreover, the Ermenegildo Zegna Group offers welfare packages to all eligible employees, the terms of which vary depending on local requirements.

The benefits of our welfare packages cover a wide range of services: medical care, crèches (depending on local availability), company canteens, meal vouchers, discounts (e.g. for travel), parking, and grocery shopping, to name some. We also offer benefits related to the Zegna online store. We hold summer camps (e.g. the Oasi Zegna Camp) in various locations, catering for children and young adults.

Wellbeing is a priority. We offer, where possible, the opportunity to work remotely according to employees' job tasks and local regulations. The Group provides its people with a wide range of psychological and medical services. These include a healthcare fund for Italy-based employees and certain medical benefits (including free checkups on specific prevention issues) for Switzerland-based employees. For employees based in Switzerland and Italy, the Group has partnered with a local health center to provide additional benefits for the families of employees, including care for the elderly, and support services to enhance family wellbeing.

In 2023, Thom Browne, continued to focus on wellness by educating and incentivizing employees on issues such as preventative healthcare and mental health awareness. The Group encourages employees to do annual physical check-ups and eye exams, as well as mindfulness, meditation and other wellbeing practices. In 2023 Thom Browne began a "volunteer time-off program", giving employees 8 hours paid time off per year to give back and contribute to community wellbeing.

My Zegna World is an effective welfare initiative dedicated to employees of the ZEGNA segment in the Italian and Swiss offices. Its aim is to improve employee welfare in four areas: financial wellness, free-time activities, health, and safety. Through My Zegna World, Italian employees participated in Caro Vita, a program to help employees cope with the rising cost of living. Eligible employees received funds to subsidize some of their bills (e.g. groceries, energy, medical).

The health and safety of employees is of fundamental concern to the Ermenegildo Zegna Group. All employees are protected by business travel insurance, which covers urgent medical expenses during trips on behalf of the Group. Most importantly, and thanks to various comprehensive preventive measures, employees are protected from workplace accidents.

Besides our compliance with local health and safety regulations, we take various measures to prevent workplace accidents including: consulting experts to identify hazards and apply mitigation measures; regular internal and third-party health and safety verifications.

We regularly check stairs for damage, and keep surfaces clean and safe. We have introduced signs to encourage the use of handrails when using the stairs.

Falling objects are a common hazard for employees working in warehouses. We are reducing these incidents by fixing all shelves to the wall or floor, specifying the maximum permissible load, and ensuring the proper storage of materials.

Employees can refer to the elected workers' representatives for any matter, including concerns relating to health and safety. Relevant information, including the organizational structure in place to manage this topic, is shared with workers through training courses and direct communications with representatives.

Each of our Italian offices and production sites, as per local legislation, has a manager in charge of accident prevention and safety in the workplace ("RSPP" is the Italian abbreviation). Their task is to perform inspections, detailed in dedicated reports. These inspections include all work areas and all work activities. Our risk assessments are updated as required, based on the results.

Our attention to health and safety is demonstrated by the very low rate of work-related injuries (table below). Considering that the business is heavily involved in manufacturing, our general injury rates are relatively low, and for serious injuries they are very low. No fatalities were recorded in the present and previous reporting periods. Most injuries are related to minor wounds caused by the use of working tools such as craft knives and sewing machines. Other injuries, including the single case of a high-consequence injury in 2023, are mainly to do with the use of carts and staircases.

The production sites of In.Co S.p.A. are ISO 45001 certified. Consitex S.A. production site will be ISO 45001 certified by the end of 2024, while ISMACO TEKSTİL LİMİTED ŞİRKETİ is targeting the same certification by the end of 2025.

Training is mandatory for all new joiners and updates are provided periodically, and when there are changes in legislation. Additionally, for activities with particular tasks, on-the-job training is provided.

A health protocol is defined by an occupational physician, who carries out periodic examinations and assessments to monitor workers' health status.



WORK-RELATED INJURIES³⁰

	2023		2022	
	Number	Rate	Number	Rate
Total number of work-related injuries for employees	62		54	
Of which fatalities as a result of work-related injuries	0	0.00	0	0.00
Of which high-consequence work-related injuries (excluding fatalities)	1	0.02	1	0.02
Of which recordable work-related injuries	61	1.07	53	1.04
Total number of work-related injuries for temporary workers	1		2	
Of which fatalities as a result of work-related injuries	0	0.00	0	0.00
Of which high-consequence work-related injuries (excluding fatalities)	0	0.00	0	0.00
Of which recordable work-related injuries	1	0.39	2	1.04

The number of hours worked by employees³¹ in FY 2023 was 11,431,861, against 10,229,435 in FY 2022.

In light of an increased number of hours worked (with a 12% rise), the incident rates have remained stable. In the case of non-serious incidents recorded, the rate has slightly increased for employees (15%), while the rate for temporary workers has significantly dropped (50)%. In light of these trends, the Group remains committed to implementing effective preventive measures to ensure the health and safety of its employees.

³⁰The rates of recordable work-related injuries, high-consequence work-related injuries, and fatalities as a result of work-related injuries are calculated by dividing the total amount of high-consequence work-related injuries and fatalities by the total amount of hours worked, multiplied by 200,000.

³¹When accurate data were lacking, an estimate was made.

Talent Management

The Ermenegildo Zegna Group recognizes that our people are a strategic asset and vital to attaining sustained business success. Our overarching goal is to identify, value and cultivate a global reservoir of diverse and exceptional talent by best-in-class practices in recruitment, leadership development, career progression, and succession planning. Through these initiatives, we seek to enhance individuals' competencies and skills, while also preserving artisanal expertise and specialized knowledge within our workforce.

Talent development

In addition to our well-established performance management process (PMP), people review, and succession planning, in 2023 we introduced two projects that deserve special attention:

1. **New leadership model:** in response to our evolving strategic vision, we introduced a new leadership model. The initiative identifies key competencies and behaviors to empower our workforce to realize our objectives and achieve our vision. The model was officially launched at the end of 2023 through an awareness campaign aimed at our personnel, and emphasizing essential professional behaviors that will drive our success. The model will be integrated into the PMP from 2024 onwards, with training sessions scheduled in the early months of 2024 practices.
2. **JUMP! Graduate program:** this is an effort to nurture a pipeline of young talents and to cultivate versatile staff capable of assuming key roles. This one-year initiative offers a customized learning experience and development path, equipping participants with critical skills for personal and professional growth. The pilot program, launched at our Milan headquarters, encompasses three main paths: data science and digital, partnerships and "clienteling" (building customer relationships) and sustainability. Activities within the program include job rotation, shop discovery, monthly training courses, individual projects, and dedicated support from mentors and buddies. This program is integral to our commitment to developing a dynamic and skilled workforce prepared to meet the challenges of the future.



PERCENTAGE OF EMPLOYEES WHO ARE INVOLVED IN PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY GENDER AND EMPLOYEE CATEGORY³²

	At 31 December 2023 ³³					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
Top executives	84%	93%	—%	—%	86%	90%	82%	—%	—%	88%
Management	79%	72%	—%	—%	75%	66%	58%	100%	100%	62%
Office sole contributor	28%	27%	100%	—%	27%	29%	27%	—%	—%	27%
Retail personnel	21%	15%	—%	—%	18%	9%	5%	—%	—%	7%
Blue collar	1%	—%	—%	—%	—%	8%	2%	—%	—%	3%
Total	28%	16%	50%	—%	21%	25%	13%	100%	7%	18%

Our performance and career development review is a formal, structured yearly process that helps to define, monitor and evaluate professional goals and to support people's development.

The process usually considers goals under the categories "business" and "individual", and it also considers the behavioral competencies of the employee.

Performance reviews are aimed at top executives, executives, senior managers, and professionals.

Performance and career development reviews usually involve 3 main phases:

1. Goal-setting (January-March)
2. Mid-year review (June-July)
3. Performance evaluation (January-March)

Any other type of reward (i.e. for blue-collar employees based on production, and for sales staff based on sales) is usually out of scope and not counted in the performance review.

³² The data is calculated considering employees involved in the PMP process during FY 2023, compared to total employees at 31.12.2023.

³³ In 2023, the Group has further enhanced data collection on PMP to make it more homogeneous across the various legal entities of the Group.

EMPLOYEES NEW HIRES AND TURNOVER³⁴

	At 31 December 2023	2023		At 31 December 2022
	Employees	Employees new hires	Employees Turnover	Employees
Total	6,374	1,679	1,335	6,030
Men	2,459	724	602	2,331
Women	3,906	953	733	3,683
Other	2	1	0	1
Not disclosed	7	1	0	15

EMPLOYEES TURNOVER BY AGE GROUP³⁵, GENDER

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
Total	602	733	0	0	1,335	567	774	0	5	1,346
<30	162	194	0	0	356	173	195	0	0	368
30-50	319	385	0	0	704	308	404	0	0	712
>50	93	114	0	0	207	77	162	0	0	239
Not disclosed	28	40	0	0	68	9	13	0	5	27

EMPLOYEES NEW HIRES BY AGE GROUP³⁶, GENDER

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
Total	724	953	1	1	1,679	642	883	1	20	1,546
<30	260	356	1	0	617	267	363	1	3	634
30-50	378	485	0	0	863	326	429	0	5	760
>50	62	72	0	0	134	42	57	0	1	100
Not disclosed	24	40	0	1	65	7	34	0	11	52

³⁴ Please note that the data on employees divided per gender is not comparable between 2023 and 2022 due to a refinement of the "Not disclosed" employees internal classification system.

³⁵ It is not possible to classify employees based in Turkey according to their age: due to local regulations the data is not available. Employees based in Turkey are here reported as age "Not disclosed".

³⁶ It is not possible to classify employees based in Turkey according to their age: due to local regulations the data is not available. Employees based in Turkey are here reported as age "Not disclosed".

In line with the figures from 2022, we experienced a turnover rate of 21% during 2023, accounting for 1,335 exits. These were outweighed by 1,679 new recruits, indicating strong and responsive growth in our workforce.

The gender distribution among new hires remained steady compared to the previous year, with women constituting 57% of the intake, nearly 90% of whom were below the age of 50. Moreover, around 37% of all new hires were under 30 years of age.



Learning and development

The Ermenegildo Zegna Group fosters the professional growth of its employees, prioritizing essential skills crucial to our business. Our overarching objective is not only to refine the skill set of our workforce through re-skilling and upskilling, but also to cultivate meaningful connections among employees. These interactions are seamlessly integrated into our internal networking events, an occasion for employees to exchange valuable insights and experiences across different areas of our business.

Our strategic plan for 2023 established the objective to enhance people management skills of individuals recently promoted to managerial roles. We equip them with tools and with new, more empowered ways of thinking in terms of managing and leading others. We call this specialized learning path "Our Road to Lead."

It consists of three modules – lead yourself, lead performance, and lead people – and it includes one-on-one coaching and team coaching.

On the professional level, our primary focus was on raising awareness of diverse communication styles to facilitate seamless interactions within and between teams. We conducted a needs analysis to understand the requirements of different teams, mapped the results against business priorities, and eventually identified basic training initiatives across the organization, targeting both hard skills (compliance, software packages, languages), and soft skills (diversity, equity & inclusion, communication skills, project management).

A notable highlight in 2023 was the official launch of a comprehensive onboarding program for new hires in Italy and Switzerland. This program aims to immerse participants in the rich heritage of the Ermenegildo Zegna Group, delving into its history, organizational structure, and core business facets. The goal is to provide a holistic and insightful introduction that enables new people to integrate quicker into the organization.

AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY³⁷

	At 31 December 2023					At 31 December 2022
	Men	Women	Other	Not disclosed	Total	Total
Top executive	22.7	11.2	0.0	0.0	20.3	6.6
Management	12.8	15.9	0.0	0.0	14.4	6.3
Office sole contributor	10.0	9.1	0.0	21.4	9.5	4.8
Retail personnel	19.9	16.3	0.0	0.0	18.1	10.4
Blue collar	7.0	4.6	0.0	0.9	5.1	2.5
Total	14.7	9.7	0.0	19.8	11.7	6.0

³⁷ For FY 2022 it was not possible to track the breakdown of training hours by gender.

Training time is divided between mandatory and non-mandatory training. In addition to H&S, compliance, job role induction, and technical-product training focused on specialized job skills, we also provided training on DE&I. To improve the soft skills of our employees, we coach on performance management. The training was delivered both face-to-face and remotely. To guarantee excellence in our selling experience, our retail personnel receive a significant amount of training³⁸. Furthermore, the Group offers ongoing on-the-job training to blue-collar workers. This necessity, given the skills demands of these jobs, is not officially recorded in our management system.

Overall, this year has witnessed a significant increase in the number of average training hours for all employee categories by more than 90%, driven by an increased focus on DE&I and compliance topics.

Our relationships with universities

In 2023, the ZEGNA brand engaged in various initiatives aimed at fostering awareness, involvement, and interest among students. These efforts included site visits for students, attending career fairs, partnering with educational institutions, and focusing on strategies to enhance in-house expertise from the outset of careers.

Site Visits

The ZEGNA brand welcomed almost 500 graduate and postgraduate students from a diverse range of academic disciplines – including MBA, GMBA, and master's programs – from 23 academic institutions worldwide (including China, USA, France, Italy, Mexico, Switzerland). The visits took place at multiple locations: factories in Mendrisio (Switzerland) and San Pietro Mosezzo (Italy), the Woolen Mill and Casa Zegna in Valdilana (Italy), our headquarters, our flagship Zegna Montnapoleone store in Milan, and the Zegna Masaryk boutique in Mexico.

Educational institutions partnerships

ZEGNA brand enjoys rewarding collaborations with various academic institutions. The brand maintained partnerships with the Biella Master delle Fibre Nobili (in Biella, Italy), and the MAFED program of SDA Bocconi (Milan).

The Biella master is a 13-month postgraduate program that combines theoretical knowledge with practical experience, and is designed to develop global managers with specialized technical expertise in the textile and apparel industry. We offered the 2023 cohort enriching experiences, including visits to our headquarters and to our flagship store in Milan, insights into our supply chain, attending the Summer 2024 fashion show, and for some a trip to New York and an internship opportunity at the Ermenegildo Zegna Group Headquarters.

The SDA Bocconi MAFED is a 12-month full-time international program in fashion, experience & design, providing a blend of theoretical and practical skills for managerial success in the fashion industry. Four students from this program had the opportunity to engage in a field project with us, applying their knowledge to real-life business challenges across various corporate functions.

Early career programs

In 2023, ZEGNA introduced the JUMP! graduate program, aimed at forging early career paths by melding our foundational competencies with the development of new skills. This year-long initiative, based at our Milan headquarters, includes a six-month rotational internship followed by a six-month on-the-job experience, with potential for further opportunities. In December, four recent graduates embarked on specialized career pathways with us.

³⁸ Hours of training delivered to retail personnel on the floor are available for EMEA and LATAM. For the other markets, the Group is working to improve the data collection process.

Group Academy

The Ermenegildo Zegna Group considers craftsmanship and innovation as being core to our learning processes and integral to our long-term growth strategy.

Starting from the ZEGNA brand, in 2023 we broadened the scope of the Group Academy project, to include the entire value chain (from industry to customer). We have formulated a new learning strategy and framework based on four "skills factories", each dedicated to fostering expertise in distinct areas: industry, product, customer relations, innovation and leadership.

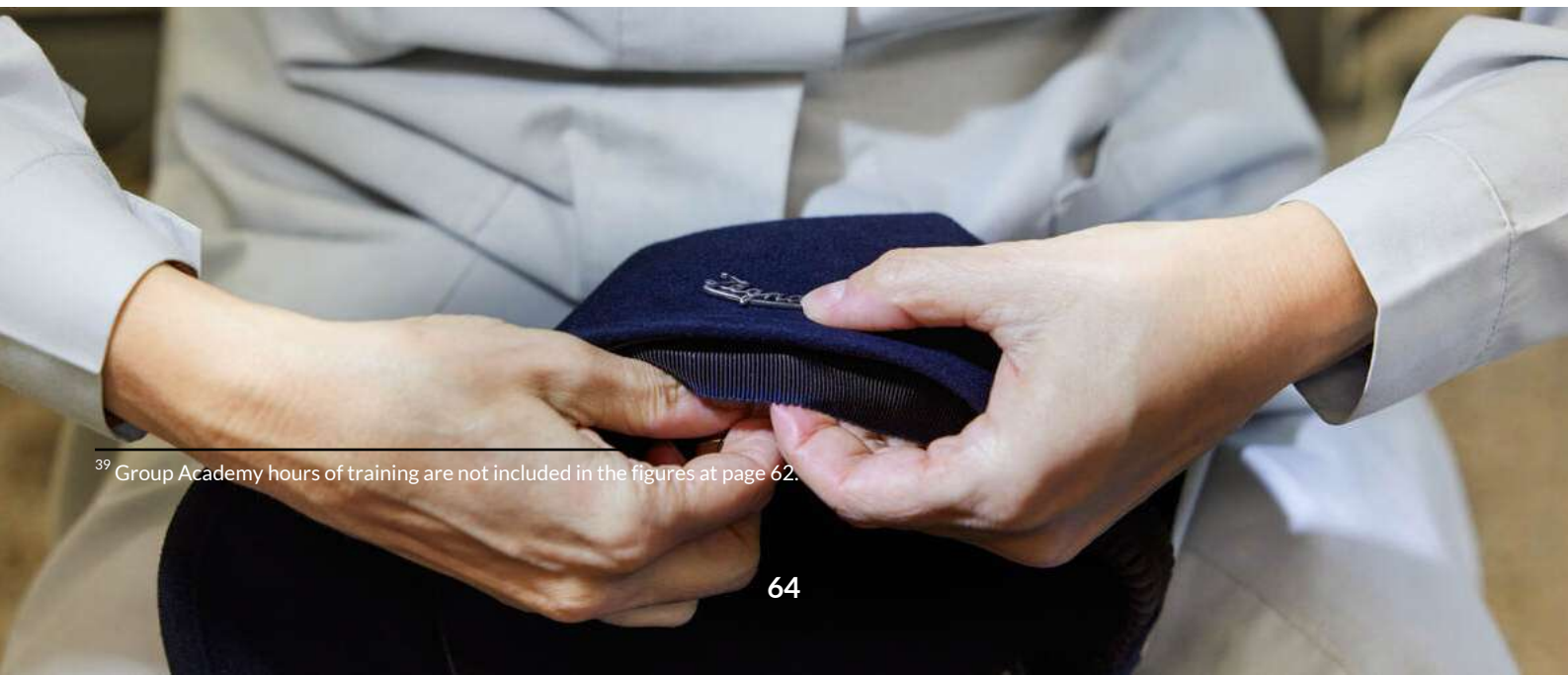
In 2023, the Group Academy devoted substantial efforts to training and skills development for manufacturing, aiming to attract specialized professionals, bridge the skills gap, identify and train young talent, and facilitate knowledge transfer among employees.

The Group Academy has also been dedicated to diversifying the workforce, expanding the talent pool for the manufacturing facilities, and strengthening connections with the territories where the Group operates.

In 2023, in the context of the "skill factory" dedicated to industry, the Group Academy delivered 35,200 training hours³⁹ to 125 external candidates. The focus on professional training and upskilling with a substantial increase of training hours in this realm compared to the 13,205 delivered in 2022.

The Group Academy also fostered technical career orientation among young people by hosting 133 high school students from public schools in our plants in Italy and Switzerland and through the signing of a new learning partnership with a fashion high school in Parma, Italy.

Details of these activities are shown below as follows.



³⁹ Group Academy hours of training are not included in the figures at page 62.

1. Professional orientation for young people

Collaboration with	ITS TAM (Istituto Tecnico Superiore Tessile Abbigliamento Moda: Biella, Italy) ITIS Quintino Sella: Biella, Italy Master delle Fibre Nobili: Biella, Italy STA (Scuola Specializzata di Abbigliamento e di Design della Moda) Lugano, Switzerland
People involved	27
Under 35	96%
Women	80%
Commitment	10,240 hours of on the job training delivered by internal employees to students of public and private schools
Collaboration with	Collaboration with IPSIA Istituto Bellini: Novara, Italy IPSIA Primo Levi, Parma, Italy SAMS (Scuola d'Arti e Mestieri della Sartoria) Lugano, Switzerland
People involved	133
Under 35	100%
Women	99%
Commitment	Hosting classes of two public schools and providing them with technical training & materials, to foster technical career orientation

2. Professional training and upskilling for adults

Collaboration with	APL (Agenzie Per il Lavoro), Italy
People involved	Industrial Sewing Academy: Novara, Italy Shoes Academy: Parma, Italy
People involved	98
Under 35	75%
Women	93%
Commitment	24,960 hours of formal training and training on the job delivered by internal employees and external experts to external temporary staff

Supply Chain



Our Suppliers

The business model of the Group includes a commitment to vertical integration. The full verticalization of our supply chain, fed by predominantly Italian manufacturing, is a key competitive advantage for us. Our *Filiera*, allows us to focus on innovation and research of highest-performing, high-quality textiles. Our *Filiera* also performs important research on the modularization of our manufacturing process, for the sake of flexibility and efficiency.

Through our long-term relationships with our suppliers we enjoy privileged access to the procurement of the finest fibers, yarns and fabrics, and we are able to ensure enhanced traceability and quality control of the raw materials. We place great importance on innovation and, as of the date of this report, over 300 of our employees were involved in our research and development activities across the Zegna, Thom Browne and Tom Ford Fashion segments.

We manage the entire production process (including final making and fabric manufacturing) throughout the various stages, either in-house or through our network of trusted, long-standing external manufacturers.

The Group's production facilities are located in Verrone, Italy, for knitwear; San Pietro Mosezzo, Italy for formal jackets and suits; Parma, Italy, for outerwear and leather accessories; Mendrisio, Switzerland, for jackets, suits, shirts; and Turkey, for shirts. Each facility produces both ready to wear and Made to Measure products.

The companies part of our *Filiera*, described in the "Our *Filiera*" section of this document, are the ones producing innovative and high-performing fabrics.

For those products and or categories that are not manufactured internally, each brand of the Group relies on a selected network of external long-standing suppliers. This external supply chain and the relationship that the Group has with suppliers are described in the following pages.

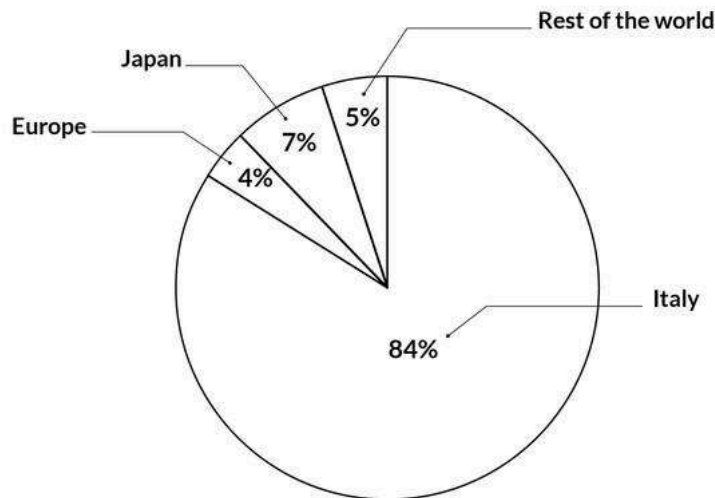
The Group's tier 1⁴⁰ suppliers are defined as suppliers that transact directly with the entity, such as finished goods manufacturers (e.g. cut and sewn facilities). Tier 1 suppliers also include yarn manufacturers, fabric manufacturers, tanneries and other providers of semi-finished products and production services (e.g. dye houses, washing facilities, sundry manufacturers and embroiderers), for both prototyping as well as industrial productions.

Supplier classification	Number of suppliers 2023 ⁴¹
Tier 1	272

⁴⁰ In line with the definition provided by SASB.

⁴¹ This figure represents the number of relevant suppliers of the Group, excluding Tom Ford Fashion segment from the analysis. Starting from FY 2023, relevant suppliers are defined as tier 1 suppliers with a purchased value of more than € 200,000 in the reporting year, corresponding to over 90% of the total purchased value. This criteria has not been considered for the analysis of FY 2022, when the threshold was €30,000 of purchased value and the reported number of suppliers was equal to 433.

2023 GROUP SUPPLIERS' SPENDING PER GEOGRAPHICAL AREA



The sourcing of the Group is predominantly concentrated on Italian suppliers, which represent 84% of our total spending⁴², whereas suppliers from the rest of Europe and from Japan account together for 11% of our spending. All our suppliers are selected based on their degree of specialization in specific raw materials manufacturing and production processes. This testifies to our commitment and long-term efforts to purchase only the finest raw materials and fabrics from selected suppliers.

Suppliers beyond tier 1 are the key direct suppliers to our tier 1 suppliers. Currently, we have only partially identified suppliers beyond tier 1. In some cases, tier 1 suppliers of an entity belonging to the Ermenegildo Zegna Group may be a "beyond tier 1" supplier for another Ermenegildo Zegna Group entity. The Group is working to improve the disclosure of those suppliers in the next 2 years through the adoption of supply chain mapping software platforms.

⁴² The Group defines as "local suppliers" companies based in Italy. For the purpose of the analysis, the geographical area disclosed corresponds to the Country where the supplier has its registered office.

Responsible management of the supply chain

The Group maintains long-term relationships with its suppliers, not only to ensure the procurement of the finest fibers and fabrics but also to create value through ongoing sharing of technical and quality control improvements, as well as investing in the same material certification schemes.

The Group has adopted a Code of Conduct for Suppliers, which is a set of minimum standards to be applied to the production facilities of all suppliers. The Code extends beyond suppliers' production facilities, requesting direct suppliers to guarantee that their subcontractors and sub-suppliers comply with the code.

The Group requires its suppliers to accept its Code of Ethics and its Code of Conduct for Suppliers, as well as its Animal Welfare policy and other policies.

The Group shares with its suppliers a commitment to high ethical standards, including the respect of human rights. In particular, the Group requires external suppliers to comply with regulations and with national and international conventions, such as:

- Hours of work;
- Prohibition of harassment, abuse and discrimination;
- Prohibition of child labor;
- Freedom of association;
- Employment contracts, compensation and benefits;
- Health & safety; and
- Workplace conditions.

To strengthen this collaborative approach, in 2023 the Group adopted an open vendor management software platform to facilitate the exchange of information, data and documents among parties. This software platform solution enhances the monitoring of suppliers' performance on different aspects, including compliance with legislation and policies, in terms of both sustainability and risk management.

In late 2023 we piloted this software with some carefully chosen tier 1 suppliers. We also conducted training on the system, involving the purchasing team, as well as the administration and finance teams.

During 2024 the Group will broaden the rollout of the software solution to include most tier 1 suppliers, and will continue delivering adequate training to our partners. Lastly, through this tool and other possible solutions currently under evaluation, the Group aims to complete the mapping of its extended supply chain. Moreover, audits and inspections are conducted periodically on our direct suppliers and on their subcontractors/suppliers by the Group, through by third-party entities, to ensure compliance with our Code of Conduct for Suppliers.

A vertically integrated supply chain

Production sites such as textile and garment manufacturers (part of tier 1 & 2 suppliers) are vertically integrated within the Ermenegildo Zegna Group. This organizational structure enables direct control and ensures the guarantee of compliance with national and local regulations on labor conditions.

Audits

The Group has a social and environmental compliance program for suppliers, to monitor significant, actual and potential impacts along the supply chain. The program includes audits (through independent third-party auditors) of our suppliers to monitor their social and environmental performance, and their compliance with local legislation and with our Code of Conduct for Suppliers.

The audits follow a checklist that includes internationally recognized standards and regulations (e.g. International Labor Organization recommendations, UN Universal Declaration of Human Rights, ISO 14001, etc.).

The checklist includes 188 requirements across different areas (employees, health & safety, environment, supply chain), tailored according to the category of supply. When planning yearly audits, the Group conducts a risk analysis on its supplier base, assigning each supplier a score based on quantitative criteria to identify strategic suppliers (e.g. relevance to the Group, product category, dependence from the Group, geography, etc.).

After each audit, the Group Internal Audit department sends a summary of the findings to the supplier. In case of non-conformities, the supplier is required to develop a corrective action plan to be discussed with the Group. Our Internal Audit department monitors the implementation of the corrective actions, with specific attention to detecting priority non-conformities.

In 2023, we audited 45⁴³ raw materials and finished product suppliers. This number corresponds to the 17% of 2023 relevant tier 1 suppliers.

During the FY 2023 audits, 24 priority non-conformities out of a total of 7,896 checkpoints were found⁴⁴ on 14 suppliers, which is 37% of suppliers audited. All the non-conformities found at these suppliers' production sites were related to employees and health & safety aspects, while no significant impacts related to environmental aspects were found. As of the severity of the issues, no zero-tolerance non-conformities (e.g. potential child labor and forced labor issues) were found, thus, no mitigation actions were deemed necessary.

All non-conformities detected were addressed by requiring the affected sites to draw up a corrective action plan, corresponding to a corrective action rate equal to 100%⁴⁵. Based on the results of the audits, no supplier relationship was terminated during 2023.

Compared to FY2022, in 2023 the Group grew the sample of suppliers audited to cover a wider range of product categories and geographies. The Group plans to further increase the number of suppliers' sites audited (possibly doing so in collaboration with other brands) to improve social and environmental control of our supply chain. Working with other brands would help reduce the burden on suppliers, in the interest of improving supplier efficiency and engagement.

Risks identified to labor, health & safety, and the environment in the supply chain

During 2023, the Group determined the following to be priority issues in terms of labor, health and safety, and environmental matters along its supply chain.

Labor issues identified:

- Irregularities in employment contracts;
- Unfair remuneration; and
- Employment conditions (e.g. discrimination, use of forced labor).

Health & safety, and environmental issues identified:

- Inadequate conditions of the building and common spaces for employees;
- Irregularities in emergency plans and response procedures; and
- Inadequate handling of chemical substances.

⁴³ This figure also includes 7 follow-up audits conducted in FY 2023 on suppliers, with corrective action plans implemented due to non-conformities detected in FY 2022. Suppliers have been assessed on their environmental and social impacts.

⁴⁴ The non-conformity rate for FY 2023 is equal to 59%. In line with SASB CG-AA-430b.2, the rate was calculated as the number of priority non-conformities identified in the supply chain divided by the total number of facilities audited.

⁴⁵ In line with SASB CG-AA-430b.2, the rate has been calculated as the number of corrective actions that address non-conformities, divided by the total number of non-conformities that have been identified.

Raw Material Traceability & Circularity



The Ermenegildo Zegna Group is dedicated to enhancing the traceability of top-priority raw materials, and improving the circularity of our operations. We aim to continue efficiently producing durable products; and to reduce textile waste by reusing pre- and post-consumer material. Broadly, our circularity commitments also include the aim to contribute to economic growth by promoting research into alternative methods that improve the textile value chain and reduce waste. We see the circular economy providing opportunities for alternative business models, new partnerships, and jobs for local communities.

The Group is also dedicated to providing stakeholders with assurance of animal rights, with a transparent, certified and traceable system of raw materials sourcing.

This is an overview of all the raw materials purchased by the Group.

PURCHASED RAW MATERIALS

Raw material	2023	
	Amount purchased – approximate (tonnes)	Amount purchased – percentage on the total (%)
Animal fibers and skins	1,440	37%
Plant-based fibers	1,071	27%
Synthetic fibers	758	19%
Paper & cardboard	422	11%
Man-made cellulose	166	4%
Metals	33	1%
Others ⁴⁶	37	1%
Total	3,927	100%

In 2023, of total raw materials purchased 3% came from recycled sources. In particular, 23% of our polyester and 1% of cashmere came from recycled sources.

80% of the materials used by the Group are renewable⁴⁷. Our founder, Ermenegildo Zegna, understood the importance of high-quality raw materials, and of upholding fair relationships with suppliers, in whichever country or community they were located. The Ermenegildo Zegna Group continues in this tradition, producing quality natural fibers that have been appropriately sourced.

Animal fibers and skins, which are important inputs for the Group, account for 37% of total raw materials, including wool (24%), leathers (7%), cashmere (3%), silk (2%) and other animal fibers (1%). Plant-based fibers account for another 27% of total raw materials.

Our long-term relationships with suppliers are built on trust, which we leverage to promote best-practice principles, in the interests of responsible sourcing. Through ongoing engagement, we are raising the standard for certification, transparency and traceability of our raw materials. Furthermore, we only source animal-derived fibers from animals that are not at risk of extinction.

In 2021, effective from January 1, 2023, we banned fur from our collections (including ZEGNA and Thom Browne brands).

⁴⁶ "Others" include: animal parts, rubbers, wood and other materials.

⁴⁷ Raw materials considered renewable: animal fibers and skins, vegetable fibers, paper & cardboard, man-made cellulose.

In the first half of 2023, the Group adopted an Animal Welfare Policy, which sets guiding principles for our Group and our partners when sourcing products made from animal fibers, skins and other materials (for more information, please follow this [link](#)). During 2023, we trained our product development and purchasing teams in the policy.

Vellus Aureum Trophy

Our annual Vellus Aureum Trophy for the finest Australian wool is part of a 60-year tradition of honoring our most loyal wool growers for the production of distinctive fibers.

The Ermenegildo Zegna Group has a long association with Australian wool farmers, dating back to the beginning of the 20th century.

We instituted the Ermenegildo Zegna Extra-fine Wool Trophy in 1963, in Tasmania. It was the world's first award for natural fiber; the purpose being to promote the production of the finest Merino wool. Today, it lives on as the Ermenegildo Zegna Superfine Wool Trophy.

The winning wool is judged according to a strict set of criteria, including fineness, style, strength, color and evenness.

The Ermenegildo Zegna Vellus Aureum Trophy was introduced in 2000 to reward the grower producing the finest merino fleece in the world. In 2016, the winning fleece was recorded at an exceptional 9.9 microns.

The Vellus Aureum Trophy winner in 2022 achieved a new world record of 9.4 microns.

All fleeces and wool lots that entered the two competitions (Vellus Aureum Trophy and Superfine Wool Trophy) are suppliers to the Group. They are also certified Authentico[®] by Schneider Group, which assures mulesing-free wool, as well as for animal welfare, biodiversity stewardship and land use management (among other sustainability concerns).

The winners of the Ermenegildo Zegna Vellus Aureum Trophy for 2024 were Aaron and Rebecca Rowbottom (Myndarra, Victoria); with 2nd and 3rd place honors going to Danny and Megan Picker (Hillcreston Park, New South Wales) and David & Susan Rowbottom (Rowensville, Victoria) respectively. The 2024 Superfine Wool Trophy was won by David & Angie Waters (Tarrangower, New South Wales). 2nd and 3rd place honors went to Simon and Ann Louise Cameron (Kingston, Tasmania) and Brett, Sue, Cameron & Ellie Picker (Hillcreston Heights, New South Wales) respectively. Paolo Zegna, a Group Board member, in the presence of representatives of the world's major wool institutions, presented the trophies.



Impact Incentive

The Group is proud to be a founding funder of Unlock, a key program incubated by The Fashion Pact and 2050⁴⁸, which uses field-level GHG measurements to incentivize farmers to cultivate lower climate impact and regenerative cotton. Our leadership and donation to the pilot phase of this project will help establish Unlock as a key mechanism in transforming the supply of sustainable raw materials for the fashion industry. For more information on the Unlock project, please refer to the [Unlock website](#).

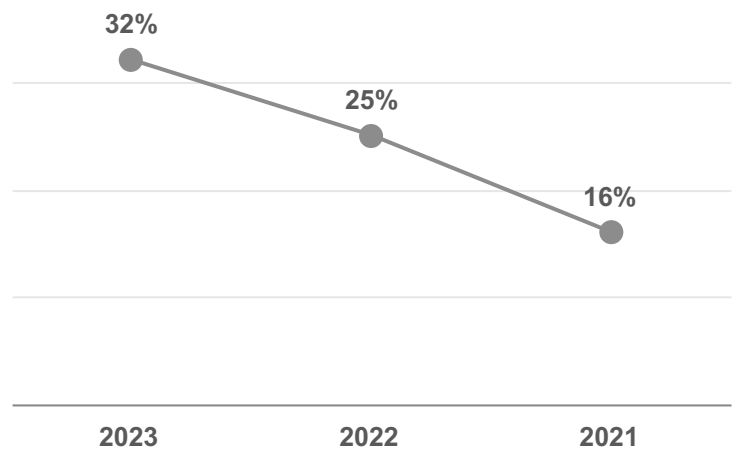
Our work on materials' traceability

The Group's targets include:

- Top priority raw materials (wool, cashmere, cotton, leather, man-made cellulose, polyester and linen) with at least 50% traced to the geography of origin and from lower-impact sources by 2026; and
- Product raw materials tracking: >95% of products enabled with a product traceability system by 2030.

Top priority raw materials cumulatively account for about 72% of total raw materials purchased in 2023. As of December 31, 2023, the share of top-priority raw materials sourced from traceable origin and from lower-impact sources reached 32%, with key contributions from Authentico[®] wool, Sustainable Fiber Alliance cashmere, and linen certified by Masters of Linen[®] and European Flax[®].

Traceable & lower impact top priority raw materials trend



⁴⁸ for more information on 2050 please follow this [link](#).

Certification⁴⁹

Certification is an important way to guarantee the traceability of materials and ensure a lower environmental and social impact.

In 2023, the Group purchased:

Wool

- 48% of the total purchased wool is certified traceable, also guaranteeing mulesing-free practices, as well as other enhanced animal welfare, social and environmental aspects, such as biodiversity stewardship and land use management; and
- 40% of the total purchased wool is certified Authentico[®] by Schneider Group.

Cashmere

- 33% is certified SFA (Sustainable Fiber Alliance), guaranteeing enhanced social and environmental aspects, such as biodiversity stewardship and land use management, as well as protecting animal welfare.

Cotton

- About 16% is certified GOTS (Global Organic Textile Standard).

Man-made cellulosics

- About 24% is certified RCS (Recycled Content Standard), and 28% is certified FSC[®] (Forest Stewardship Council).

Polyester

- About 23%, is certified GRS (Global Recycled Standard).

Linen

- 18% is certified Masters of Linen[®], and 42% is certified European Flax[®].

For more information on these certifications, see pages 129-131.

As a reference, The Fashion Pact commitment requires that we source “at least 25% of key raw materials to have lower climate impact by 2025.”

Authentico[®] by Schneider

First launched in 1999, Authentico[®] is the Schneider Group brand standing for complete, transparent, verified, traceable, ethical and high-quality wool supply chain. From farm to garment, it guarantees best industry practices for wool growing and processing, while recognizing existing local legislation and standards honored by wool growers. This ensures the highest animal, social and environmental welfare requirements, which are third-party audited for adequate assurance.

Authentico[®] is based on Schneider certified global network, meaning Authentico[®] wool is processed in Schneider Group-owned mills which are both RWS (Responsible Wool Standard) and GOTS certified, as well as being in ZDHC Supplier to Zero program, hence ZDHC compliant. Authentico[®] growers are compliant with the Authentico Integrity Scheme ensuring animal, social and environmental welfare requirements. Thanks to a direct relationship with growers and the adoption of the Textile Genesis[®] traceability platform, Authentico[®] wool is traceable along all the supply chain, from farm to garment.

Further assurance of the quality and sustainability of our raw materials is provided by our production sites, which are audited in terms of sourcing certified raw materials. Since June 2019, the greasy wool acquired by Lanificio Ermenegildo Zegna through the Schneider Group has been certified Authentico[®]. In 2022, Lanificio Ermenegildo Zegna and Dondi were certified by the Sustainable Fiber Alliance (SFA) to acquire & process certified cashmere fibers, joining Filati Biagioli Modesto. In 2023, Lanificio Ermenegildo Zegna also acquired the Masters of Linen[®] certification.

⁴⁹ Responsible Wool Standard (RWS), Recycled Content Standard (RCS), Global Recycled Standard (GRS), are trademarks of Textile Exchange.

The cashmere fibers come from Mongolia and Inner Mongolia (China) and are 100% traceable to the collecting centers. The SFA certifies living wages and acceptable social welfare standards to those working in the value chain. It also sets high animal welfare standards, which contributes to keeping the goats healthy, which in turn promotes high-quality fibers. Moreover, SFA supports herders in sustainable farming, preventing desertification of pastures from overgrazing.

Empowered by these achievements, in 2022 the ZEGNA brand launched the Oasi Cashmere collection, as part of our commitment to integrate ESG into our business strategy, in particular driving the adoption of certified, traceable and lower-impact raw materials - see next page for further details.

Supply chain transparency

The Group subscribes to the Fashion Transparency Index (started by the fashion activism movement Fashion Revolution). Since 2016, Fashion Revolution has tracked major fashion and luxury brands, and benchmarked their transparency performance in five key areas: policy and commitments; governance; traceability; supplier assessment and remediation; and spotlight issues.

In 2023 we obtained an overall score of 33%, achieving 56% in the policy and commitments section (the average among the 250 participating brands was 53%), and a stunning 49% in the traceability section, compared to the average of 23%. Although we submitted our questionnaire on time, the information on which we were evaluated was not up to date as it was based on our 2021 Sustainability Report.

See “SASB Report” for more information on sustainable management of raw materials and of supply chains.



OASI CASHMERE & OASI LINO

Oasi Cashmere is a collection introduced for the first time in 2022 and presented as “Born in Oasi Zegna”. The aim is for the collection to be 100% made from certified traceable cashmere fiber by 2024. The collection is named after and inspired by the home of our values – Oasi Zegna – a thriving 100 km² ecosystem that has been nurtured by the Group over generations.

The color selection reflects the warm and earthy autumn foliage of Oasi Zegna, and it offers a vast array of garments: e.g. the iconic over-shirt, extra-fine knitwear, trousers and accessories.

Oasi Cashmere is a trademark of traceability and accountability. Through Oasi Cashmere, our goal is to promote values such as safeguarding the natural environment, contributing to the communities, and ethical sourcing of raw materials.

The Oasi Lino collection, like Oasi Cashmere, embodies our values of authenticity, craftsmanship and high quality. Foremost, it guarantees the traceability of the fiber from its country of origin to the manufacturing site.

Linen is a natural fiber coming from the flax plant. Top quality linen comes from flax grown mainly in Normandy, France, with its blue flowers that bloom for just a single day in early summer. Our traceable linen comes from two different certifications: European Flax[®] and Masters of Linen[®]. Both guarantee that the fiber comes from European sources and that the material is traceable to the fabric mill. By 2024 all linen fibers contained in the Oasi Lino collection will be 100% traceable.



OUR APPROACH TO THE CIRCULAR ECONOMY

Promoting a circular economy is one of the Group's sustainability focus areas. During 2023, both Thom Browne and ZEGNA pursued their exploration of circular solutions. Thom Browne put in place a repairing service to extend the longevity of its employees' uniform, whereas ZEGNA is testing how to insert textile off-cuts into clothing padding and into product props, such as hangers. These ongoing projects follow the #UseTheExisting concept of circularity.

The ZEGNA brand #UseTheExisting project (#UTE), started in 2019, is overseen by ZEGNA brand's Artistic Director Alessandro Sartori. The first garments developed with #UTE mindset were made with wool fibers discarded from production processes. After several tests, we managed to create #UTE garments made from pre-consumer industrial waste, as well as from post-consumer waste. Pre-consumer waste includes raw materials, yarns, and fabrics, whereas post-consumer waste is recycled from another source, e.g. polyester from fishing nets, and plastic bottles.

Re.Crea

In August 2022, the Ermenegildo Zegna Group, together with Dolce & Gabbana, Max Mara Fashion Group, Moncler Group, OTB Group, and Prada Group, founded the Re.Crea Consortium. Other leading Italian luxury and fashion brands joined in 2023. In Q1 2024 the Re.Crea Consortium included 16 brands in total.

Coordinated by CNMI (the National Chamber of Italian Fashion), the purpose of the consortium is to manage end-of-life textile and fashion products, as well as to promote R&D for innovative recycling solutions for production waste and pre-consumer waste.

Re.Crea Consortium is a meaningful response to the concept of extended producer responsibility (EPR). Increasingly, the concept of EPR is being legislated across Europe. EPR is about looking at a product's entire lifecycle and factoring in environmental costs related to garments' end-of-life.

Product durability

Our high-quality products are made to last, and our brands promote values diametrically opposed to a throwaway culture.

Our brands offer customers in-store tailoring services to extend the life of garments. It is possible to alter the size or length of garments, and also repair them. In fact, our garments allow for more than 70 possible alterations, not only reducing waste but also promoting the age-old craft of tailoring.



Environmental Commitment

Climate

Safeguarding the environment is one of our founding values and fundamental obligations. We continue to focus on reducing our environmental footprint and contributing to the renewable energy transition.

In 2023, we continued executing under such commitments by:

- Increasing the amount of electricity purchased from renewable sources, from 22% in 2021, to 46% in 2022, and to 68% in 2023;
- Installing and activating two new photovoltaic systems at two of the Group's production sites;
- Participating in the Collective Virtual Power Purchase Agreement (CVPPA) of The Fashion Pact, which enables businesses with global responsibilities – but with less intensive energy needs – to benefit from solar power. The pact, in turn, supports new renewable energy projects, while allowing participating companies to reduce scope 2 emissions; and
- Analyzing how the allocation between FLAG targets⁵⁰ vs. non-FLAG targets, and the acquisition of Tom Ford International LLC on April 28, 2023, impacted scope 3 categories. Moreover, the Group also fine-tuned the methodological approach for the calculation of some categories. In line of these considerations, the Group has updated FY2022 and FY2021 data for the following categories: 3.1, 3.2, 3.8, 3.9, 3.14 and 3.15.

The Group has responded for the second year to the CDP⁵¹ Climate Change questionnaire and for the first time to the Water Security questionnaire, receiving for both a C score. This year, the Group also received a score for the Supplier Engagement Rating questionnaire, scoring a B-. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. A CDP score ranging from D- to A provides a snapshot of a company's disclosure and environmental performance.

⁵⁰ FLAG science-based targets apply to a company's Forest, Land, and Agriculture related emissions, including CO₂ emissions associated with land-use change (i.e. biomass and soil carbon losses from deforestation and forest degradation, conversion of coastal wetlands and peatland burning) and emissions from land management (i.e. N₂O and CH₄ from enteric fermentation, biomass burning, nutrient management, fertilizer use, and manure management; and CO₂ emissions from machinery and fertilizer manufacturing).

⁵¹ For more information on CDP please follow this [link](#).

Our Science-Based Targets

Science-Based Targets initiative (SBTi)⁵²

In 2022, the Ermenegildo Zegna Group committed to setting science-based emission reduction targets, submitting our targets to the Science-Based Targets initiative (SBTi). In May 2023, the SBTi verified Ermenegildo Zegna N.V.'s net-zero (both near- and long-term) science-based targets, by 2050.

Overall net-zero target

Ermenegildo Zegna N.V. commits to reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2021 base year.

Near-term targets

Ermenegildo Zegna N.V. commits to reduce absolute scope 1 and 2 GHG emissions by 50.4% by 2032 from a 2021 base year.

Ermenegildo Zegna N.V. also commits to increase active annual sourcing of renewable electricity from 22% in 2021 to 100% by 2027 and onward.

Ermenegildo Zegna N.V. further commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy-related activities, employee commuting, and investments by 50.4% by 2032 from a 2021 base year⁵³.

Long-term targets

Ermenegildo Zegna N.V. commits to reduce absolute scope 1 and 2 GHG emissions by 90% by 2050 from a 2021 base year. Ermenegildo Zegna N.V. also commits to reduce absolute scope 3 GHG emissions by 90% within the same time frame.

⁵² The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. For more information on SBTi please follow this [link](#).

⁵³ In 2024 the Group will submit a renewed target proposal to the Science-Based Targets initiative to reflect the change in the baseline due to the allocation of FLAG vs. non-FLAG targets and the acquisition of Tom Ford International LLC on April 28, 2023.

In 2022, the Ermenegildo Zegna Group entered into several bilateral financing agreements for a total amount of €190 million. These are committed revolving lines for 7 years, with the pricing linked to two ESG targets, already disclosed by the Group:

1. At least 50% of top priority raw materials traced to their geography of origin and from lower impact sources by 2026⁵⁴;
2. 100% of purchased electricity from renewable sources in Europe and the US by 2024⁵⁵.

Thanks to this ESG credit facility, the Group further consolidates its already sound liquidity position, and further integrates sustainability commitments into business and financial goals. These agreements follow our first sustainability-linked loan, signed with Intesa Sanpaolo bank in 2018.

Finally, as part of the Group's commitment as a Signatory brand of The Fashion Pact⁵⁶, in December 2022 we announced our participation in the Collective Virtual Power Purchase Agreement (CVPPA). The CVPPA, linked to Lightsource BP's solar portfolio in Spain, and finalized in October 2023, offers a long-term renewables commitment for 12 brands.

This collective deal means that businesses with global responsibilities (but less intensive energy use) benefit from solar power; and underpin the development of new renewable energy projects. The Fashion Pact worked collaboratively with Lightsource BP's Power Markets team to create a bespoke PPA structure that meets members' needs and helps satisfy demand for renewable energy. This tailored and pragmatic approach saw the contract being agreed upon in only a few months, creating an equitable platform for the initiative's members to accelerate their transition to clean energy. The CVPPA is an important step towards reducing our scope 2 emissions. Collective action is crucial to ensuring that we meet our sustainability goals; this project is one example of our willingness to cooperate with other brands to make meaningful changes.

Our energy consumption and emission

To reduce our energy consumption we are implementing programs at our offices and production sites, as well as across our internal logistics network and retail facilities.

Starting in 2022, the Group implemented several energy-related initiatives, such as the *Saving Energy in Europe project*, which focused on reducing energy consumption and GHG emissions from our production facilities, headquarters and retail stores; with the target to reduce energy consumption by 10% (at constant production volumes). We carried out various actions to do so, including replacing standard light bulbs with LED technology, changing thermostat thresholds (lowering the heating threshold in winter, raising the cooling threshold in summer) according to Italian legislation, which is among the strictest in Europe, and extending such conservative settings to offices, stores and warehouses in other European countries.

One of the flagship elements of the project is the dedication that the Group has put into energy and cost-efficient technical investments, such as the adoption of photovoltaic (PV) systems at the Group's production sites, and a new heat pump at the Milan headquarters. The Group's efforts have not only led to significant cost savings but have also demonstrated our commitment to sustainability and environmental stewardship.

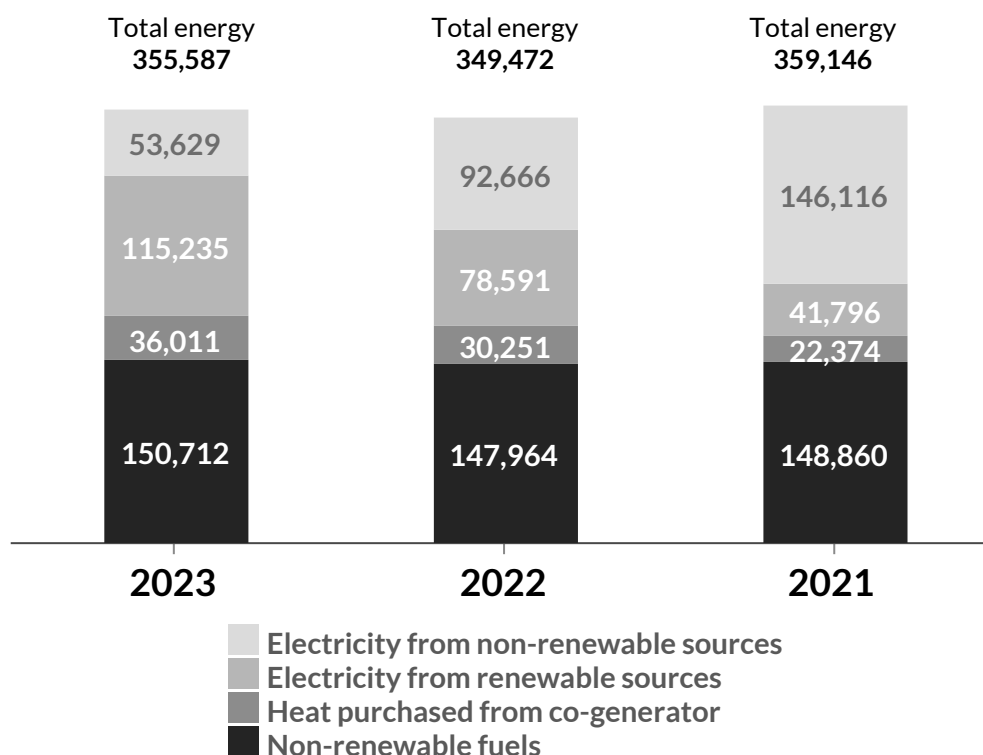
One of our key initiatives was enhancing energy-saving for lighting; adjusting shop lighting to turn on only when needed, and turning off window lighting when not needed.

Furthermore, we have taken steps to meet the main environmental standards for our sites. The Italian production sites of In.Co S.p.A. are ISO 14001 certified. Consitex S.A. production site will be ISO 14001 certified by the end of 2024, while ISMACO TEKSTİL LİMİTED ŞİRKETİ is targeting the same certification by the end of 2025.

⁵⁴ To see progress on this target, please refer to page 74.

⁵⁵ To see progress on this target, please refer to page 85.

⁵⁶ The Group is among the initial signatories at the inception of The Fashion Pact, in August 2019.

ENERGY CONSUMED BY THE GROUP (GJ)⁵⁷

	2023	2022	2021
Non-renewable fuels	150,712	147,964	148,860
Of which natural gas	127,929	132,146	132,516
Of which gas oil	2,977	2,982	3,039
Of which diesel	13,358	11,848	12,106
Of which petrol	6,412	988	1,199
Of which LPG	36	0	0
Renewable fuels	0	0	0
Heat purchased from co-generator	36,011	30,251	22,374
Energy from electricity	168,864	171,257	187,912
Electricity self-produced and consumed from renewable sources	2,412	1,236	1,610
Electricity purchased	166,452	170,021	186,302
Of which from non-renewable sources	53,629	92,666	146,116
Of which from renewable sources	112,823	77,355	40,186
Total energy consumed	355,587	349,472	359,146

⁵⁷ Please note that the following pages and tables report data excluding Tom Ford Fashion segment. For more information on energy consumption data including Tom Ford Fashion segment, please refer to the Annex section.

ENERGY SELF-PRODUCED AND SOLD FROM RENEWABLE SOURCES (GJ)⁵⁸

	2023	2022	2021
Electricity self-produced and sold from renewable sources	1,290	1,393	11,780

ENERGY INTENSITY RATIO (GJ/k € revenues)

	2023	2022	2021
Total energy consumed (GJ)	355,587	349,472	359,146
Total revenues (k €) ⁵⁹	1,669,018	1,492,840	1,292,402
Energy intensity ratio (GJ/k €)	0.213	0.234	0.278

In 2023, we consumed 356k GJ of energy, compared to the 349k GJ in 2022. Energy consumption consisted of non-renewable fuels for about 151k GJ, heat for about 36k GJ and electricity for about 169k GJ.

Natural gas is the main fossil fuel we consume (128kGJ), used for the most part in the production processes of the Group, and partially for heating offices and warehouses. In 2023, consumption of natural gas slightly decreased from 2022 levels. Gas oil consumption, which was mainly employed for testing backup power in 2023, has remained stable, with only a slight reduction since the previous year (2,977GJ).

Almost the total amount of heat (36kGJ) purchased in 2023 was sourced directly from a third-party-operated co-generator plant adjacent to Lanificio Ermenegildo Zegna. The heat is then used to warm up water and produce steam for dyeing and finishing processes.

Fuel consumption related to car fleet is calculated by taking the yearly mileage of vehicles into account. Non-renewable fuel consumption remained relatively stable in 2023 compared to 2022. We observed a marginal increase in diesel, which was also used for transportation, accounting for approximately 13k GJ, and a slightly more significant increase in petrol, which accounted for more than 6k GJ this year. In early 2021, the Group established a strategic partnership with Stellantis Group to replace all leased corporate vehicles with plug-in hybrid (PHEV) or full-electric (BEV) vehicles by 2025. Regarding this commitment, we achieved a coverage of 36% in 2023 (compared to 21% in 2022).

⁵⁸ In 2021 the amount reported also included the data of "EZ Real Estate", the owner of the hydroelectric power generation facilities, which then exited the Group as part of the preparation for the Group listing on the New York Stock Exchange.

⁵⁹ 2023 Total revenues are reported excluding Tom Ford Fashion segment.

The Group's electricity consumption amounts to 169k GJ, roughly equivalent to 47 GWh. Of this amount, 2.4k GJ (about 670 MWh) are produced by solar panel systems installed on factory rooftops, while the remaining 166.5k GJ are purchased from the grid. Of this 166k GJ, 113k GJ comes from renewable sources, purchased through Guarantees of Origin (GOs), Renewable Energy Certificates (RECs) and International Renewable Energy Certificates (IRECs). We reached 97% (vs. 69% in 2022) in Europe and the US, confirming our target of 100% electricity from renewable sources for those geographies by 2024. This increase is the result of substantial efforts to boost the share of electricity purchased from renewable sources, particularly in the US, where the share of electricity from renewable sources rose from 0% in 2022 to 86% this year (2023).

This performance helped us reach 68% (vs. 46% in 2022 and 22% in 2021) of electricity purchased from renewable sources at our operations, bringing us closer to the achievement of our Group target of 100% renewable electricity by 2027.

2023 ELECTRICITY CONSUMPTION FROM RENEWABLE SOURCES (GJ)

	Electricity consumption (GJ)	Electricity consumption from renewable sources (GJ)	%
USA	6,964	5,994	86%
Europe	106,668	104,362	98%
Rest of the world	55,232	4,879	9%
Total	168,864	115,235	68%

The Group's Carbon Footprint

The Group assesses its carbon emissions on an annual basis⁶⁰.

Scope 1 refers to the emissions directly generated by the Group from operations that are owned or controlled by the organization, due to the use of fuels. Scope 2 indirect emissions are derived from electricity and heat purchased and consumed by the organization.

Scope 2 emissions can be calculated with two different methods: location and market-based. The location-based method reflects the average emissions intensity of national grids from where the energy is drawn. A market-based method reflects emissions from electricity that the Ermenegildo Zegna Group has purposefully chosen.

In 2023, scope 1 + scope 2 market-based CO₂e emissions were equal to 19,194 tonnes of CO₂e, a decrease of 5% compared to 2022.

The Group's scope 1 emissions, which slightly increased in 2023 compared to 2022, include emissions deriving from the use of natural gas, diesel, gas oil, petrol and LPG. Conversely, scope 2 emissions, which include the use of purchased electricity and heat, decreased compared to 2022, by 2% (location-based approach) and 10% (market-based approach). This is due to a decrease in consumption of energy from electricity, as well as growth in the share of consumed energy from renewable sources.

EMISSIONS – SCOPE 1 & SCOPE 2 (tCO₂e)

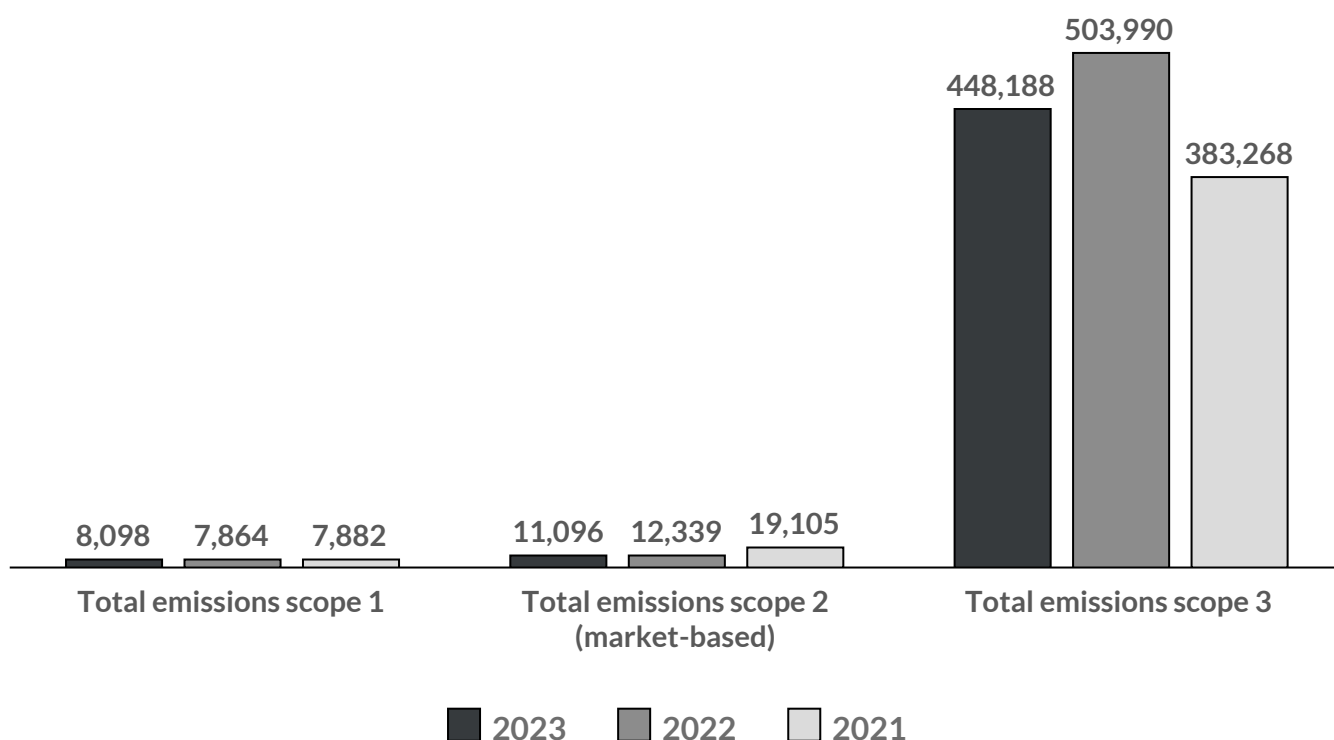
	2023	2022	2021
Total emissions scope 1	8,098	7,864	7,882
Total emissions scope 2 (location-based)	18,192	18,588	20,856
Total emissions scope 2 (market-based)	11,096	12,339	19,105
Total emissions scope 1 & scope 2 (location-based)	26,290	26,452	28,738
Total emissions scope 1 & scope 2 (market-based)	19,194	20,203	26,987

⁶⁰ Please note that the following pages and tables report data excluding Tom Ford Fashion segment. For more information on Emissions data including Tom Ford Fashion segment, please refer to the "Annex" section.

GHG EMISSIONS INTENSITY RATIO (in kgCO₂e/k € revenues)

	2023	2022	2021
Total emissions scope 1 & 2 (tCO ₂ e) ⁶¹	26,290	26,452	28,738
Total revenues (k €) ⁶²	1,669,018	1,492,840	1,292,402
GHG intensity ratio (tCO₂e/ k €)	0.016	0.018	0.022

EMISSIONS - SCOPE 1, SCOPE 2 & SCOPE 3 (tCO₂e)



⁶¹ Total Emissions scope 1 & scope 2 (location-based).

⁶² 2023 total revenues are reported excluding Tom Ford Fashion segment.

SCOPE 3 EMISSIONS

Scope 3 emissions are the result of activities from assets not owned or directly controlled by the Ermenegildo Zegna Group, but that are indirectly generated upstream and downstream along our value chain.

In 2023, considering the allocation of FLAG and non-FLAG targets and in light of the acquisition of Tom Ford International LLC on April 28, 2023, the Group analyzed how these factors impacted our scope 3 emissions across the scope 3 categories. As a result of the analysis, Scope 3 cat. 15 (investments) estimates for emissions were recalculated for FY 2022 and FY 2021 not considering Tom Ford International LLC as an investment. Moreover, the Group also fine-tuned the methodological approach for the calculation of the following categories: 3.1, 3.2, 3.8, 3.9 and 3.14 and consequently updated FY 2022 and FY 2021 data. For previously disclosed data related to FY2022 and FY2021 please refer to the 2022 Group Sustainability Report.

Please note that the Group science-based carbon emission reduction targets, validated by SBTi in May 2023, were based on the FY 2021 baseline, as reported in the 2022 Sustainability Report. Following the above-mentioned changes to the FY 2021 baseline, in 2024, the Group will submit a renewed target proposal with SBTi.

Below is a recap of the changes in methodology used for the recalculation of FY 2022 and FY 2021 and for the assessment of FY 2023:

- For cat. 3.1 (purchased goods and services), we refined the calculation of emissions by using the Quantis WALDB (World Apparel & Footwear LCA Database) proprietary database; this allowed us to increase the precision of the allocation of emissions to each specific raw material purchased, also considering the lower impact of certified raw materials, and to each specific step of the production process.
- For cat. 3.2 (capital goods), we recalculated using different emissions factors, based on the 2017 US Environmentally-Extended Input-Output (USEEIO) database, adjusted to the 2023 inflation rate and to the dollar/euro exchange rate.
- Cat. 3.8 (upstream leased assets) and cat. 3.14 (franchises) have been recalculated considering the actual dimensions of stores that were open in the reporting year.

- For cat. 3.9 (downstream transportation and distribution) the estimates for emissions generated by transportation controlled by third-party entities of fabrics produced by the Group and sold to third parties, were reviewed and improved; estimates for emissions generated by the energy consumed by multi-brand stores (wholesale), have been reviewed and improved. Moreover, assumptions were updated to be aligned with the "Draft product environmental footprint category rules (PEFCR) - Apparel and footwear v 1.3".

According to our analysis, scope 3 emissions of the Group, excluding Tom Ford Fashion segment, for 2023 were 448,188 tonnes of CO₂e; the table below shows the emissions for each category, as well as the emission factors used.

In 2023, for the purpose of the analysis explained above, the Group has started gathering primary data from Tom Ford Fashion segment, including energy consumption, direct and indirect emissions. For more information on data including Tom Ford Fashion segment, please refer to the "Annex" section.

EMISSIONS - SCOPE 3⁶³ (tCO₂e)

Process / Activity - tCO ₂ eq	2023	2022	2021
1. Purchased goods and services	398,640	460,622	332,554
2. Capital goods	8,425	7,243	19,068
3. Fuel and energy-related activities (not included in scope 1 or scope 2)	6,771 ⁶⁴	5,277	5,674
4. Upstream transportation and distribution	12,822 ⁶⁵	11,854	10,639
5. Waste generated in operations	60	57	184
6. Business travel	2,535	2,105	835
7. Employee commuting	5,896	5,600	4,719
8. Upstream leased assets	1,411	1,381	1,486
9. Downstream transportation and distribution	5,994 ⁶⁶	3,927	3,043
10. Processing of sold products	2,263 ⁶⁷	2,756	1,839
11. Use of sold products	0	0	0
12. End-of-life treatment of sold products	404	493	364
13. Downstream leased assets	0	0	0
14. Franchises	2,960	2,668	2,856
15. Investments	7	7	7
Total scope 3 GHG emissions	448,188	503,990	383,268

Purchased goods and services account for 89% of our total scope 3 emissions. 74% of category 1 emissions in FY 2023 are represented by FLAG emissions. Upstream transportation and distribution accounts for 3% of overall emissions, while the remaining categories cumulatively account for 8%.

⁶³ Category 1 (Purchased goods and services) emission factors are based on Quantis "World Apparel and Footwear Life Cycle Assessment Database" (WALDB) and Ecoinvent v 3.9.1 database. Category 2 (capital goods) emission factors are based on the 2017 "US Environmentally-Extended Input-Output" (USEEIO) database, adjusted to 2023 inflation rate and the dollar/euro exchange rate. Category 3 (fuel and energy related activity), category 6 (business travel), category 8 (upstream leased asset) and category 14 (franchise) emission factors are based on Ecoinvent v 3.9.1 database. Category 4 (upstream transportation and distribution) and category 9 (downstream transportation and distribution) emissions factors are taken from GLEC 2.0, HBEFA v4.2, JEC 2020 and Ecoinvent v 3.9.1 database. Category 5 (waste generated), category 7 (employee commuting) and category 12 (end-of-life treatment of sold products) emission factors are based on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2023). Category 10 (processing of sold products) emission factors are based on Quantis "World Apparel and Footwear Life Cycle Assessment Database" (WALDB). Category 15 (investments) emissions factors are based on the 2017 "US Environmentally-Extended Input-Output" (USEEIO) database.

⁶⁴ The calculation methodology for the category was updated as the Quantis Scope 3 Evaluator tool, previously used for the calculation in 2022 and 2021 has been discontinued in 2023.

⁶⁵ Following an improvement of data collection process, Category 4 (upstream transportation and distribution) now includes also emissions related to e-commerce and store-to-store deliveries.

⁶⁶ Differently from previous years, the calculation includes also emissions related to downstream transportation and distribution not paid for by the Group companies part of our *Filiera*.

⁶⁷ The calculation methodology for the category was updated as the Quantis Scope 3 Evaluator tool, previously used for the calculation in 2022 and 2021 has been discontinued in 2023.

Employee commuting survey

In 2022, the Group surveyed employees' commuting habits, collecting insights on actions the Group could take to incentivize sustainable mobility. Insights from the survey were taken into consideration for our scope 3 (category 7) emission calculation. The questions assessed the type of vehicle, distance traveled, and number of days worked by person⁶⁸.

Following the first questionnaire, in 2023, we delivered a follow-up survey exclusively to the Milan and Parma worksites, in line with the Group's sustainability approach and complying with current regulation. The information collected was used to obtain a clear mapping of employees' habits and to draft the Home-Work Commute Plan (so-called "PSCL" in Italian), which will enable the development of initiatives to direct work-related travel toward more sustainable forms of mobility.

The goal for the future is to extend the scope of the analysis to other Group sites and offices.

GHG EMISSIONS INTENSITY RATIO (kgCO₂e/k € revenues)

	2023	2022	2021
Total emissions scope 3 (tCO ₂ e)	448,188	503,990	383,268
Total revenues (k €)	1,669,018	1,492,840	1,292,402
GHG intensity ratio (tCO₂e/ k €)	0.269	0.338	0.297

Overall, the Group's total scope 3 emissions decreased by 11% in 2023 versus 2022, with a slight decrease in scope 3 GHG intensity on the Group's revenues.

⁶⁸ Home working was not considered in the calculation.

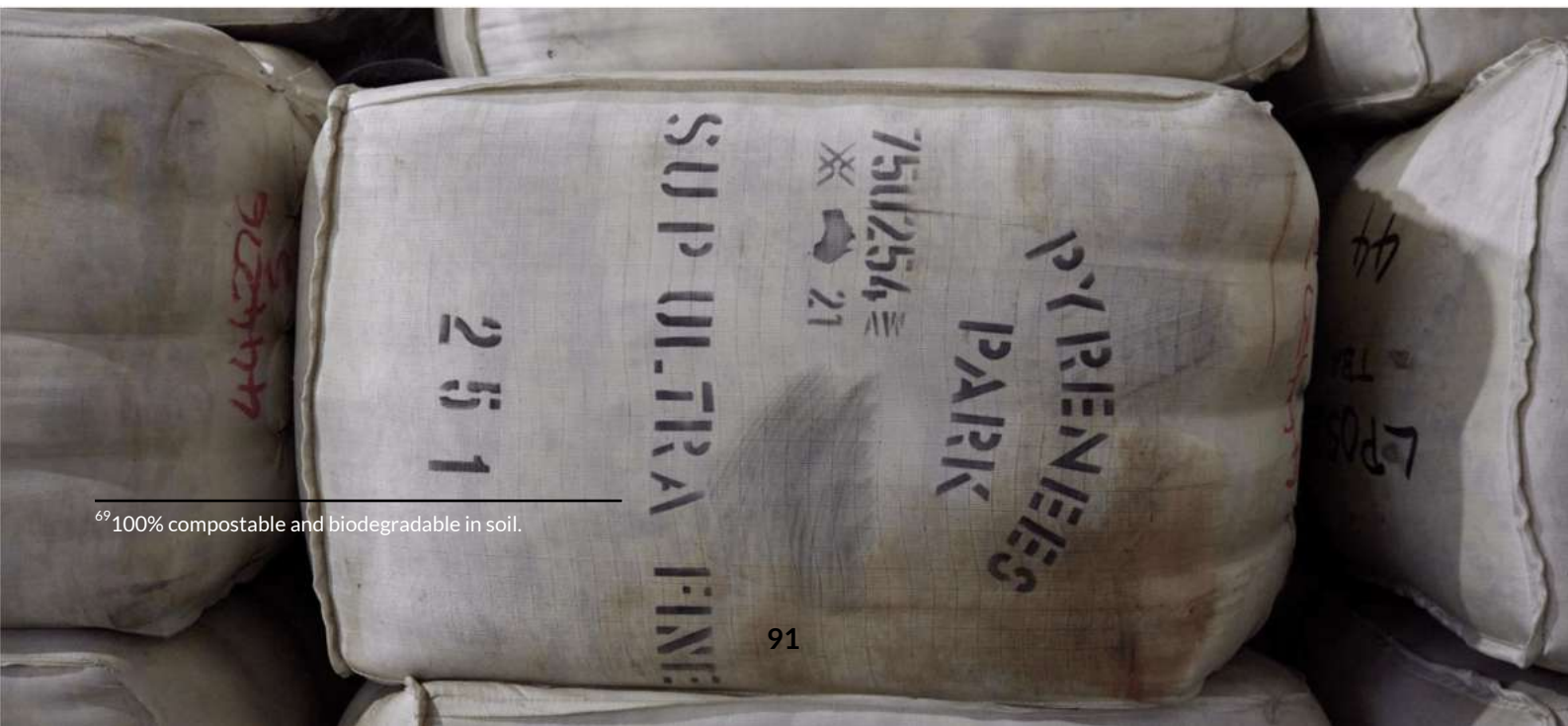
Packaging & Waste

Effective waste management and more sustainable choices for packaging, can help reduce soil and water pollution, and prevent biodiversity loss. There are also health benefits for communities in reducing pollution and plastic contamination.

After the 2021 ZEGNA rebranding, our packaging went through several improvements to increase the percentage of recycled material. Our retail packaging, including shopping bags and gift boxes, is now made of 51% post-consumer waste paper and 49% FSC-certified paper, while the handles are made of Tencel⁶⁹ fabric, and the hang tags are made of 100% recycled paper. Our production boxes (for made-to-measure, ready-to-wear and leather accessories) are made from 100% recycled paper, where 40% comes from post-consumer waste; internal packaging is made from 100% recycled paper. Furthermore, our packaging is 100% recyclable.

To facilitate the recycling of the bags, the sticker to close the shopper is made with the same material. Shopping accessories (e.g. ticket holders and thank-you notes) are made from 100% recycled paper. With a similar approach, dust bags and garment bags are made of 55% GRS-certified cotton.

As part of our *Filiera*, waste management is largely focused on production packaging materials and the textile waste from weaving, cutting and fabric quality inspection. Internal waste production at Group production sites is managed according to local regulations. As reported, over 70% of waste generated is recovered, either by recycling or reuse. Through our up-cycling projects, most animal fiber scraps from production are recovered and recycled. Waste from packaging – mainly cardboard and PET (polyethylene terephthalate) films – is collected separately and sent for recycling. Hazardous waste is generated in small amounts and generally results from machinery maintenance and repair. The waste is managed and disposed of according to local regulations.



⁶⁹100% compostable and biodegradable in soil.

WASTE GENERATED (t)⁷⁰

	2023	2022
Hazardous waste	11	11
Non-hazardous waste	1,204	1,153
Total waste weight	1,215	1,164

WASTE DIVERTED FROM DISPOSAL (t)

	2023				2022			
	Preparation for reuse	Recycling	Other recovery operations	Total	Preparation for reuse	Recycling	Other recovery operations	Total
Hazardous waste	0	1	4	5	0	0	2	2
Non-hazardous waste	243	322	297	862	205	353	270	828
Total waste weight	243	323	301	867	205	353	272	830

WASTE DIRECTED TO DISPOSAL (t)

	2023					2023				
	Incineration (with energy recovery)	Incineration (without energy recovery)	Landfill	Other disposal operations	Total	Incineration (with energy recovery)	Incineration (without energy recovery)	Landfill	Other disposal operations	Total
Hazardous waste	0	0	0	6	6	0	0	0	9	9
Non-hazardous waste	1	242	0	99	342	1	220	0	104	325
Total waste weight	1	242	0	105	348	1	220	0	113	334

Overall, a modest 4% increase in total waste generation was noted in 2023 compared to 2022. The proportion of hazardous waste in our total waste generation remained in line with the previous year, while non-hazardous waste slightly increased. Nonetheless, the proportion of waste diverted from disposal relative to that directed to disposal has consistently been maintained over the past two years.

⁷⁰Data related to FY 2021 is not available as this indicator was firstly disclosed in 2022.

Water

The greatest impact the Group has on water withdrawal, consumption and discharge, is at our wool mill. Quality water is essential for the production processes of a wool mill: from the dyeing processes (where the color is fixed on the fibers, yarns, or fabrics), to the finishing department (where the hand and the look of the fabric are enhanced), to all the general uses of the plant such as the steam and controlled-humidity processes.

In 2012, Lanificio Ermenegildo Zegna Group introduced technology to remove chrome and chrome compounds from dyeing processes, demonstrating effective results in terms of quality and water management.

In 2019, sizeable investments were made to replace machinery for treating fabrics: the new equipment led to a 10% savings in total water use. Also, a water purification system based on ozone gas was installed, allowing for the recovery of output water back into the production cycle, for up to 25% of water needs.

In light of these successful measures, the Group committed to extending to all its production processes the same innovations in terms of chemical use and water consumption.

In terms of our chemical management, as of January 1, 2024, the Group is now a Signatory of the ZDHC Roadmap to Zero Programme⁷¹, adopting the ZDHC Brands to Zero commitment for the use of chemical substances.

Brands to Zero provides brands and retailers with a harmonized approach and a clear path to achieving sustainable chemical management in their own productions and throughout their supply chain. Brands to Zero allows for performance comparability through annual assessments.

In 2023, across all our production sites, the Group achieved ZDHC (Zero Discharge of Hazardous Chemicals) Foundational compliance level in terms of their Manufacturing Restricted Substances List as it applies to wastewater. With regards to this commitment, during 2023, ZEGNA internal production sites achieved the ZDHC Foundational compliance, joining Bonotto, Dondi, Tessitura Ubertino and Lanificio Ermenegildo Zegna in this achievement. This represents an important milestone in the awareness and commitment the Group has to chemical management and to implementing ZDHC solutions.

More information can be found in the SASB Report section of the document.

Water footprint assessment

The Ermenegildo Zegna Group, being a vertically integrated textile manufacturing business, is aware of the essential role that water plays along its value chain.

In 2022, the Group assessed for the first time its Water Footprint, aligned with SBTN (Science-Based Targets for Nature), by mapping the Group's impacts and dependencies on water across the value chain. The analysis allowed the Group to identify hotspots and to start the identification of water risk-related mitigation strategies.

The project was divided into three main phases:

- Materiality assessment, aiming at estimating water quantity and quality along the Group's value chain;
- Corporate water footprint, which focused on the quantification of the Group's water use in terms of consumption and pollution;

⁷¹ To know more on ZDHC Signatory Brands please follow this [link](#).

- Water risk assessment, to map and prioritize the Group's value chain sections and locations according to the basin and operational water risk.

The last phase was divided into two layers of analysis:

- The first was conducted on the Group's industrial sites and stores;
- The second one is on purchased material.

The approach consisted of the overlay of value chain location with water risk information. The methodology comprises a total of 10 indicators, distributed along four categories: water quantity and water quality (in line with SBTN guidance), extreme weather events, and WASH (water, sanitation, and hygiene). We provided an additional layer of detail to the assessment, concerning water risks and future strategy development.

Thanks to this methodology, the Ermenegildo Zegna Group gained a better understanding of which areas to prioritize, be it an industrial site or purchased raw material. Furthermore, the analysis enables the Group to develop our water strategy, with water targets, and identify an effective action plan to improve water usage in its supply chain.

During 2024 the Group will update the 2022 water footprint assessment, and we will further expand the scope of the analysis.



WATER WITHDRAWAL (ML)⁷²

	2023		2022 ⁷³
	Fresh water	Other types of water	Fresh water
Industrial sites	373	0	388
Non-industrial sites	49	2	62
Stores ⁷⁴	25	0	17
Total water withdrawal	447	2	467

Water withdrawn for industrial sites is mainly (95%) surface water; water withdrawn for stores is entirely third-party water; water withdrawn for non-industrial sites comes from groundwater (25%), and third-party water (75%).

WATER DISCHARGE (ML)

	2023		2022 ⁷⁵
	Fresh water	Other types of water	Fresh water
Industrial sites	349	0	372
Non-industrial sites	25	2	62
Stores	25	0	17
Total water discharge	399	2	451

Water discharged from industrial sites is almost entirely surface water discharged by Lanificio Ermenegildo Zegna, which is where most of the Group's water discharges take place. On the other hand, water discharged from non-industrial sites and stores is all third-party water. Stores have virtually no loss of water in the atmosphere or other means; for industrial sites and productive non-industrial sites there was overall water consumption of about 48 ML in 2023, either absorbed by products or transformed into steam during the production phases.

WATER CONSUMPTION (ML)

	2023		2022 ⁷⁶
	Fresh water	Other types of water	Fresh water
Industrial sites	24	0	0
Non-industrial sites	24	0	0
Stores	0	0	0
Total	48	0	0

We do not have a water-intensive production site located in a water-stressed area⁷⁷.

⁷² Data regarding freshwater withdrawal for the FY 2022 has been restated due to an overestimation of freshwater withdrawal at the site of Lanificio Ermenegildo Zegna e Figli S.p.A.

⁷³ Water withdrawn during the reporting year FY 2022 is fresh water only.

⁷⁴ The data under the item "Stores" include the data on Group stores and the Group's Headquarter office in Via Savona, Milan.

⁷⁵ Water discharged during the reporting year FY 2022 is fresh water only.

⁷⁶ Water consumption during the reporting year FY 2022 is fresh water only.

⁷⁷ For the analysis we used the Aqueduct tool, Water Risk Atlas according to which the site operates in a basin with "medium/high" water stress; however, according to the GRI guidelines' thresholds the site is not located in a water-stressed area.

Biodiversity

The Ermenegildo Zegna Group is aware of the potential biodiversity loss that may be provoked by direct organizational activities and the activities of suppliers. Therefore, we are committed to reducing our own impact on biodiversity and reducing impacts across our supply chain. Our membership in The Fashion Pact commits us to develop targets and strategies for biodiversity, aligned with the SBTN. We will not achieve our biodiversity goals overnight, but we have begun the process and will continue to work towards meeting our goals.

In 2023, we have launched initiatives internationally to restore lost habitats and to create awareness about biodiversity loss. One of these projects focuses on the restoration of several hectares of land lost to wildfires, or are at severe risk of wildfires. The project is ongoing and likely to be publicly announced in 2025.

On 24 November 2023, ZEGNA was announced as the official partner of the City of Milan for the redesign and care of the flowerbeds in Piazza Duomo for the next three years. ZEGNA has worked with a group of botanical and landscape experts to bring some of the iconic elements of Oasi Zegna's vegetation to Milan (in keeping with ecological best practices). This project will create a green space in the center of the city, inspired by the Oasi Zegna philosophy of environmental responsibility.

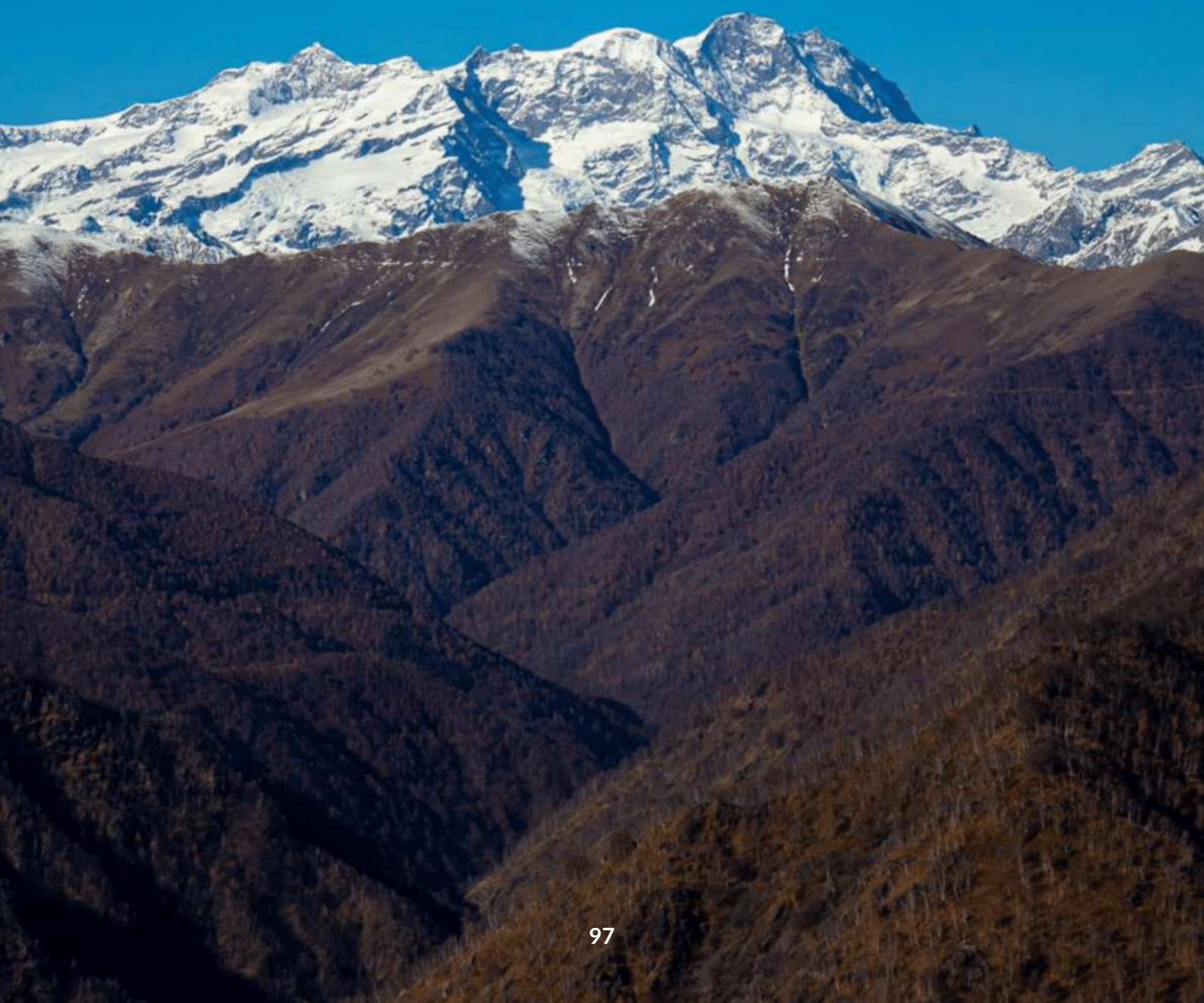
Oasi Zegna is a 100 km² natural preserve in the Biellese Alps, Piedmont, conceived by Ermenegildo Zegna at the beginning of the previous century, as a unique model of social and environmental awareness.

As part of our engagement to progress on biodiversity, we took part in the 2023 Textile Exchange conference held in London. The conference theme was "Bringing materials production into the climate conversation". It aims to promote a global production model that replenishes nature rather than depletes it.

The Group's water assessment analysis in 2022 allowed us to set the baseline for biodiversity-related analysis and ongoing evaluations.



Oasi Zegna: Guardians of our local community for over 110 years



Following the disposal of Oasi Zegna in 2021 (to EZ Real Estate, as part of our preparation for the subsequent NYSE listing) we entered an arrangement whereby Oasi Zegna provides the Group with licensing, marketing, and sustainability-related services. These services include the conservation and development of Oasi's forest heritage and the protection of its territory for the benefit of local communities. In exchange for these services and benefits, the Group pays an annual fee to EZ Real Estate. This arrangement will strengthen the mutually beneficial and inspiring relationship between the Group and Oasi Zegna.

Growing up in Trivero, Italy, Ermenegildo Zegna fell in love with the beauty and wildness of his natural surroundings. Ermenegildo was driven by a deep desire to give back to his homeland and his community; thus, in the 1930s he embarked on a vast environmental restoration and land improvement project in the Trivero area, near Lanificio Ermenegildo Zegna wool mill. Before the term "ecosystem" was coined, Ermenegildo Zegna began creating the ecosystem that is known today as Oasi Zegna.

Our founder was building a business, and he proved a gifted businessman, yet his vision went beyond the industry. Ideas of "six capitals", "shared value" and "stakeholder capitalism" were not known at that time and yet Ermenegildo Zegna pioneered this thinking by setting an example, using financial capital to add value to natural capital, and to social and relationship capital. Ermenegildo intuitively recognized that the complex and beautiful fabrics his mill wove were not only a product – they were, and remain, a function of our greater process and purpose.

Profits were channeled into the purchase of the then-barren and neglected lands that flank the Zegna Panoramic Road (SP232); these lands would later become Oasi Zegna. These funds supported the painstaking reforestation and rehabilitation of the landscape. By this investment, the mill became the beating heart of a wider community, an ecosystem of interdependence – among humans, and between humans and nature.

In 1993, when the third generation of the Zegna family were involved in running the business, the Oasi Zegna land improvement plan evolved further. Oasi Zegna is one of many projects undertaken by the Ermenegildo Zegna Group to promote community learning, sharing, and ideas about conserving our natural heritage.

Oasi Zegna, which is free to the public, covers 100 km² between Trivero, Valdilana and Valle Cervo, in the part of the Alps within the province of Biella (Alpi Biellesi), which is in the Piedmont region of northwest Italy.

The Group's current environmental enhancement and protection projects are in honor of our founder's wonderful vision for reclaiming the beauty of nature. The reserve is the perfect place for families and sports enthusiasts to engage in year-round outdoor activities, in contact with nature and in full respect of the local ecosystem.

In 2014, Oasi Zegna was recognized by the FAI (National Trust of Italy, Fondo Ambiente Italiano), and the reserve is now officially part of Italy's heritage. Through its wide variety of programs – some experimental – Oasi Zegna is a wonderful example of environmental tourism, with the emphasis on edification and education; two examples: forest bathing, a Japanese practice aimed at improving physical and mental wellbeing; the smiling forest, which helps visitors connect with the energy of trees.

Oasi Zegna's model of environmental consciousness has inspired ecotourism initiatives around the world. In 2010, to celebrate its centenary, the Ermenegildo Zegna Group launched the Zegna Baby Forest program, planting a new tree in Oasi Zegna for every child born to an employee (including those outside Italy). In 2023, 73 more trees were planted, reaching a total of 1,385 trees from the program. The program has been extended to Inner Mongolia, where the Group created the My Zegna Forest project and is planting a tree for every newborn baby in the Group in Asia.

With the purpose of creating shared value, Oasi Zegna hosts various local enterprises: accommodation (resorts, chalets, hostels), catering and food services, agri-tourism, grocery production, cultural and art event management, recreational activities (horse riding center, rock-climbing, tennis, paragliding, swimming and various other sports), and winter recreational activities (skiing, ice skating, equipment hire services, and ski school).

Oasi Zegna events include:

- Educational workshops in nature for children;
- Outings in the forest with qualified instructors;
- Mountain runs in summer and skiing events in winter;
- Cultural events such as concerts in nature at the Conca dei Rododendri; and
- Walks through the rhododendron blossoms.

As of 2022, Oasi Zegna, together with its non-profit activities, generates jobs for more than 350 people in 63 enterprises within the tourism and local products sectors.



In the first months of 2022, and after a process that lasted for more than 2 years, Oasi Zegna achieved certification with the FSC® (Forest Stewardship Council). Ms. Anna Zegna, Ermenegildo Zegna Group Board member and President of Fondazione Zegna, commented on this achievement: "It represents the reward for coherence and determination that feeds our daily work in preserving [...] the woods, the views, and the authenticity of the entire territory. FSC® certification is an important milestone that confirms and strengthens what has been done so far, but above all, it stimulates us, even more, to move forward to the future with the same passion and energy of the beginning".

FSC® encourages responsible forest management by certifying and supporting entities who show a measurably positive impact on the environment. Our certification has been extended into 2023. Only nine other entities in Italy have so far achieved this prestigious international recognition. We comply to the FSC® standard across five ecosystem services (i.e. showing benefits to people and environment across five distinct areas).

According to Mr. Diego Florian, Director of FSC® Italy, "Italy has an immense natural capital which benefits us in facing epochal challenges such as the one brought about by the climate crisis. These challenges will be met by management tools and practices that combine environmental, social and economic aspects. Thanks to the FSC® certification and the vision of its founder, Oasi Zegna is a pioneering example of this approach, which restores value to forests, territories and communities, generating positive impacts".

Below are 5 areas of sustainability benefit derived by our commitment to Oasi Zegna.

1. Conservation of biodiversity:

Our interventions, which follow the sustainable principles certified by FSC®, are transforming the reserve. We are replacing spruce woods with more suitable species, creating mixed deciduous and coniferous forests. Thanks to these recent interventions, natural forest cover has grown by more than 5%, now covering 68% of the reserve.

2. Sequestration and storage of carbon:

Silvicultural management (i.e. forest regeneration) conducted in a sustainable manner as certified by FSC[®], creates various benefits:

- Improvement of the quality of forest stands and an increase in their capacity to absorb carbon dioxide;
- The wood obtained is used for energy purposes to replace fossil fuels and as building material; and
- Forests are more resistant to storms, droughts, fires, bark beetle epidemics and other factors that can reduce CO₂ absorption capacity.

3. Water regulation services:

Water is absorbed and retained by the soil. There are over three hundred quality water sources within the reserve; many of which are used for domestic and industrial purposes by the local community.

4. Soil conservation:

Thanks to reforestation, 90% of the surface that is vulnerable to erosion, landslides and avalanches is now covered by forest, improving the protection of the soil.

5. Recreational services

Visitors can count on correctly managed forests, rest areas, recreational and cultural events for every season, and a well-maintained, well-marked hiking network. Thanks to an exhaustive environmental signage system, environmental education and awareness stays at the forefront.

The EU has designated 63% of the reserve as a Site of community importance.



Zegna Forest

“Caring is not only a duty. For us it is always spontaneous, coming from the heart with enthusiasm and generosity. We will go on planting trees: this won’t be an isolated gesture but a choral effort.” These are the words of Anna Zegna, president of Fondazione Zegna (the Zegna Foundation), expressing the spirit behind an extraordinary project in the mountains of Trivero, Valdilana. The pilot phase of the Zegna Forest project (launched by Fondazione Zegna in 2020 and to be completed by 2035) was concluded in 2021. As of 2022, the project is being managed by Oasi Zegna. (However, contributions to the project can still be made through Fondazione Zegna).

The Zegna Forest project will positively impact a total 141,37 hectares of woodland. Since the first phase of the project, initiated in February 2020, about 50 hectares of woodland have been enhanced and almost 19,000 new trees and shrubs have been planted.

Supported by a committee with strong scientific expertise, new species were introduced to improve the forest’s resilience and support its ecological health and biodiversity. A century ago this land was dominated by conifers, a feature that made it ill-suited to the challenges of climate change, extreme weather, and parasitic attacks.

The project has seen the planting of young magnolias, ginkgo biloba, parrotia, beech trees, hydrangeas and rhododendrons. New sections of woodland, consisting of deciduous trees and silver firs, were replanted along the sides of the Zegna Panoramic Road.

In 2022, the Zegna Forest project continued with the replanting of a further 15 hectares; almost 7,503 new trees.

Starting in 2023, the Ermenegildo Zegna Group aims to promote the “Oasi Zegna mindset” worldwide.



Methodological Note

This document constitutes the 2023 Sustainability Report of Ermenegildo Zegna N.V. and its fully consolidated subsidiaries for our 2023 fiscal year (January 1st to December 31st, 2023).

The Sustainability Report is published annually. The contents of this document describe the Group's achievements and impacts in the economic, social and environmental spheres. To communicate the Group's sustainability performance in a transparent and comparable manner, the Sustainability Report has been drafted in accordance with the GRI Standards, defined by the Global Reporting Initiative (GRI). A table listing the reported GRI indicators is included at the end of the Sustainability Report, providing relevant page numbers. See section, "GRI Content Index".

This document covers the material topics defined through the materiality analysis process, carried out involving principal stakeholders, and presented for the first time in the 2021 Sustainability Report. The Group assessed its material topics, giving more emphasis to the economic, environmental, and social (including human rights) impacts of our activities, in compliance with the 2021 GRI Universal Standards.

This report also includes further disclosures in line with the SASB's Standard for the Apparel, Accessories & Footwear industry (May 12, 2022 version); see the "SASB Report" section. The scope of information provided in relation to SASB is detailed in the paragraph headed "Reporting boundaries" at the beginning of the section. The detail of the reported indicators is shown in the "SASB Disclosure Index" at the end of this document. The Group commits to develop its SASB-related disclosure, to improve on our disclosure from the previous year.

This report includes, for the first time, a disclosure on financial impact of climate-related risks and opportunities conforming to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). For more information, please refer to "TCFD Disclosure".

The reporting scope of the economic and financial data corresponds to that of the Ermenegildo Zegna Group's consolidated financial statements as of December 31, 2023. The scope of the data and information relating to social and environmental matters refers to the companies of the Ermenegildo Zegna Group consolidated on a line-by-line basis, except for Tom Ford Fashion segment, which is excluded from the 2023 Sustainability Report except where explicitly indicated. Following the TFI Acquisition on April 28, 2023 the Group is structuring the process for the gathering of environmental and social data and information.

To accurately depict performance and ensure the validity of the data, the use of estimates has been kept to a minimum; where estimates are used, they are identified as such, and the reasoning behind them is explicitly communicated.

For comparison purposes, the Group reported data related to 2022 as well. Additionally, where available and explicitly stated, comparisons with 2021 are provided.

Compared to the 2022 Sustainability Report, a restatement was made on freshwater withdrawal data for the FY 2022, due to an overestimation of freshwater withdrawal at the site of Lanificio Ermenegildo Zegna e Figli S.p.A. In 2023, in order to reflect both the allocation between FLAG vs. non-FLAG targets and the acquisition of Tom Ford International LLC on April 28, 2023, the Group analyzed how these factors impacted scope 3 categories. Following the analysis, the Group updated FY2022 and FY2021 data for the following categories: 3.1, 3.2, 3.8, 3.9, 3.14 and 3.15.

The following changes in the scope of consolidation of the Group occurred during the year ended December 31, 2023:

In March 2023, the Group completed the acquisition of a 25% minority stake interest in Canadian technical trail running shoe company Norda Run Inc. (“Norda”) for consideration of \$7.1 million, with the option to gradually increase its stake over the next nine years. Management has determined that it has significant influence over Norda as a result of its 25% minority equity interest and the Group accounts for its investment in Norda using the equity method. EZ CA Holding Corporation, a limited liability company based in Canada and fully owned by Ermenegildo Zegna N.V. was incorporated in March 2023, primarily to manage the acquisition of Norda.

In March 2023, Zegna Denmark ApS, a limited liability company based in Denmark and fully owned by Ermenegildo Zegna N.V. was incorporated, primarily to manage the operating activities in Denmark. The Group held a 100% interest in the company at December 31, 2023.

In April 2023, the Group completed the acquisition of Tom Ford International (“TFI”) (the “TFI Acquisition”), through which it acquired the company that owns and operates the TOM FORD FASHION business, as part of a transaction in which sole ownership of the TOM FORD brand, its trademarks, and other intellectual property rights have been acquired by The Estée Lauder Companies Inc. (“ELC”). Before the completion of the TFI Acquisition, the Group already owned 15% of TFI, through its fully owned subsidiary EZ US Holding Inc., and, through the TFI Acquisition it acquired the remaining 85% equity interest. As a result of the TFI Acquisition, the Group also obtained 100% of Pelletteria Tizeta, for which it previously held a 50% interest and accounted for the investment using the equity method, with the remaining 50% interest owned by TFI and being acquired by the Group through the TFI Acquisition.

In 2023, the interest held in Consorzio Re.Crea was reduced from 16.7% at December 31, 2022 to 15.5% due to the entrance of new consortium members in the company.

In March 2023, Thom Browne Korea Ltd., a limited liability company fully owned by Thom Browne Trading SA, was incorporated. On July 1, 2023, Thom Browne began directly operating its business in South Korea and its network of 17 stores through the company, with the external support from its previous franchise partner. The Group held a 90% interest in the company at December 31, 2023.

On April 6, 2023 and April 20, 2023, respectively, Investindustrial Acquisition Corp. and Ismaco Amsterdam B.V. were liquidated.

On September 5, 2023, Ermenegildo Zegna Group and Prada Group completed the previously announced acquisition of a 30% interest in Luigi Fedeli e Figlio S.r.l., the world-renowned maker of fine Italian knitwear and yarns, with each group acquiring 15% of the company. The Group paid consideration of €4.7 million for 15% of the company. The Group accounts for this investment under the equity method based on its representation on the board of directors of the company and its participation in policy-making processes.

This Sustainability Report was approved by the Board of Directors of Ermenegildo Zegna Group on April 4, 2024. This document has been subject to procedures performed by the auditors Deloitte & Touche S.p.A. in a limited assurance engagement in accordance with the criteria indicated by International Standard on Assurance Engagements (ISAE) 3000 (Revised). The limited assurance engagement was conducted by performing the procedures indicated in the “Independent Auditor’s Report” section at the end of this document.

For more information regarding the Ermenegildo Zegna Group Sustainability Report, please contact:

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Annex

EMPLOYEES BY EMPLOYMENT CONTRACT TYPE (FIXED-TERM, PERMANENT), BY GEOGRAPHIC AREA AND BY GENDER

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
AMERICAS	328	227	2	0	557	310	213	1	1	525
Permanent contract	325	222	2	0	549	308	212	1	1	522
Fixed-term contract	3	5	0	0	8	2	1	0	0	3
APAC	657	933	0	0	1,590	647	879	0	2	1,528
Permanent contract	644	921	0	0	1,565	634	870	0	2	1,506
Fixed-term contract	13	12	0	0	25	13	9	0	0	22
EMEA	1,474	2,746	0	7	4,227	1,374	2,591	0	12	3,977
Permanent contract	1,398	2,645	0	7	4,050	1,299	2,453	0	11	3,763
Fixed-term contract	76	101	0	0	177	75	138	0	1	214
Total	2,459	3,906	2	7	6,374	2,331	3,683	1	15	6,030
Permanent contract	2,367	3,788	2	7	6,164	2,241	3,535	1	14	5,791
Fixed-term contract	92	118	0	0	210	90	148	0	1	239

EMPLOYEES BY TYPE OF EMPLOYMENT (PART-TIME VS. FULL-TIME), BY GEOGRAPHIC AREA AND BY GENDER

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
AMERICAS	328	227	2	0	557	310	213	1	1	525
Full-time	317	223	2	0	542	296	208	1	1	506
Part-time	11	4	0	0	15	14	5	0	0	19
APAC	657	933	0	0	1,590	647	879	0	2	1,528
Full-time	653	918	0	0	1,571	635	857	0	2	1,494
Part-time	4	15	0	0	19	12	22	0	0	34
EMEA	1,474	2,746	0	7	4,227	1,374	2,591	0	12	3,977
Full-time	1,394	2,221	0	7	3,622	1,298	2,082	0	12	3,392
Part-time	80	525	0	0	605	76	509	0	0	585
Total	2,459	3,906	2	7	6,374	2,331	3,683	1	15	6,030
Full-time	2,364	3,362	2	7	5,735	2,229	3,147	1	15	5,392
Part-time	95	544	0	0	639	102	536	0	0	638

NOT-GUARANTEED HOURS EMPLOYEES DIVIDED BY GEOGRAPHIC AREA AND BY GENDER

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
AMERICAS	15	13	0	0	30	27	22	38	0	49
APAC	0	5	0	0	5	6	9	0	0	15
EMEA	4	5	0	0	9	5	7	0	0	12
Total	19	23	0	0	44	38	38	0	0	76

PERCENTAGE OF EMPLOYEES BY EMPLOYEE CATEGORY AND BY GENDER

	At 31 December 2023				At 31 December 2022			
	Men	Women	Other	Not disclosed	Men	Women	Other	Not disclosed
Top executive	78.6%	21.4%	—%	—%	77.4%	22.6%	—%	—%
Management	49.3%	50.7%	—%	—%	52.2%	47.5%	0.1%	0.1%
Office sole contributor	37.7%	62.1%	0.1%	0.2%	37.1%	62.7%	—%	0.2%
Retail personnel	50.5%	49.4%	—%	—%	50.0%	49.7%	—%	0.3%
Blue collar	21.5%	78.2%	—%	0.2%	21.8%	77.9%	—%	0.3%
Total	38.6%	61.3%	—%	0.1%	38.7%	61.1%	—%	0.2%

PERCENTAGE OF EMPLOYEES BY EMPLOYEE CATEGORY AND BY AGE

	At 31 December 2023				At 31 December 2022			
	<30	30-50	>50	Not disclosed	<30	30-50	>50	Not Disclosed
Top executive	—%	50.8%	48.4%	0.8%	—%	50.8%	48.4%	0.8%
Management	2.8%	70.2%	26.4%	0.6%	4.5%	70.9%	24.0%	0.6%
Office sole contributor	24.6%	55.1%	19.6%	0.7%	21.5%	57.2%	20.6%	0.7%
Retail personnel	21.6%	67.8%	10.6%	—%	22.0%	66.9%	11.1%	—%
Blue collar	11.6%	43.6%	38.7%	6.1%	9.7%	45.0%	38.7%	6.6%
Total	16.4%	57.0%	24.3%	2.3%	15.2%	57.6%	24.7%	2.5%

BREAKDOWN OF EMPLOYEES BY EMPLOYEE CATEGORY, BY GENDER AND BY AGE GROUP

		At 31 December 2023				
		Men	Women	Others	Not disclosed	Total
Top executive	<30	0	0	0	0	0
	30-50	45	19	0	0	64
	>50	53	8	0	0	61
	Not Disclosed	1	0	0	0	1
	Total	99	27	0	0	126
Management	<30	3	15	0	0	18
	30-50	226	228	0	0	454
	>50	87	84	0	0	171
	Not Disclosed	3	1	0	0	4
	Total	319	328	0	0	647
Office sole contributor	<30	108	196	1	0	305
	30-50	254	430	0	0	684
	>50	102	142	0	0	244
	Not Disclosed	0	0	0	2	2
	Total	468	771	1	2	1,242
Retail personnel	<30	239	232	1	0	472
	30-50	712	770	0	0	1,482
	>50	154	78	0	0	232
	Not Disclosed	0	0	0	0	0
	Total	1,105	1,080	1	0	2,186
Blue collar	<30	78	175	0	0	253
	30-50	175	772	0	0	947
	>50	177	663	0	0	840
	Not Disclosed	38	90	0	5	133
	Total	468	1,700	0	5	2,173
Total	<30	428	618	2	0	1,048
	30-50	1,412	2,219	0	0	3,631
	>50	573	975	0	0	1,548
	Not Disclosed	46	94	0	7	147
	Total	2,459	3,906	2	7	6,374

**PERCENTAGE OF EMPLOYEES BY EMPLOYEE CATEGORY,
BY GENDER AND BY AGE GROUP**

		At 31 December 2023				
		Men	Women	Others	Not disclosed	Total
Top executive	<30	—%	—%	—%	—%	—%
	30-50	35.7%	15.1%	—%	—%	50.8%
	>50	42.1%	6.3%	—%	—%	48.4%
	Not Disclosed	0.8%	—%	—%	—%	0.8%
	Total	78.6%	21.4%	—%	—%	100.0%
Management	<30	0.5%	2.3%	—%	—%	2.8%
	30-50	34.9%	35.2%	—%	—%	70.2%
	>50	13.4%	13.0%	—%	—%	26.4%
	Not Disclosed	0.5%	0.2%	—%	—%	0.6%
	Total	49.3%	50.7%	—%	—%	100.0%
Office sole contributor	<30	8.7%	15.8%	0.1%	—%	24.6%
	30-50	20.5%	34.6%	—%	—%	55.1%
	>50	8.2%	11.4%	—%	—%	19.6%
	Not Disclosed	—%	—%	—%	0.2%	0.2%
	Total	37.7%	62.1%	0.1%	0.2%	100.0%
Retail personnel	<30	10.9%	10.6%	—%	—%	21.6%
	30-50	32.6%	35.2%	—%	—%	67.8%
	>50	7.0%	3.6%	—%	—%	10.6%
	Not Disclosed	—%	—%	—%	—%	—%
	Total	50.5%	49.4%	—%	—%	100.0%
Blue collar	<30	3.6%	8.0%	—%	—%	11.6%
	30-50	8.1%	35.5%	—%	—%	43.6%
	>50	8.1%	30.5%	—%	—%	38.7%
	Not Disclosed	1.7%	4.1%	—%	0.2%	6.1%
	Total	21.5%	78.2%	—%	0.2%	100.0%
Total	<30	6.7%	9.6%	—%	—%	16.4%
	30-50	22.2%	34.8%	—%	—%	57.0%
	>50	9.0%	15.3%	—%	—%	24.3%
	Not Disclosed	0.7%	1.5%	—%	0.1%	2.3%
	Total	38.6%	61.3%	—%	0.1%	100.0%

NEW EMPLOYEE HIRES BY AGE GROUP, GENDER AND REGION⁷⁸

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
AMERICAS	102	93	1	0	196	109	85	1	1	196
<30	44	37	1	0	82	38	37	1	0	76
30-50	49	40	0	0	89	65	41	0	1	107
>50	9	16	0	0	25	6	7	0	0	13
APAC	213	295	0	0	508	224	261	0	2	487
<30	103	106	0	0	209	104	99	0	1	204
30-50	108	181	0	0	289	109	155	0	1	265
>50	2	8	0	0	10	11	7	0	0	18
EMEA	409	565	0	1	975	309	537	0	17	863
<30	113	213	0	0	326	125	227	0	2	354
30-50	221	264	0	0	485	152	233	0	3	388
>50	51	48	0	0	99	25	43	0	1	69
Not disclosed	24	40	0	1	65	7	34	0	11	52
Total	724	953	1	1	1,679	642	883	1	20	1,546
<30	260	356	1	0	617	267	363	1	3	634
30-50	378	485	0	0	863	326	429	0	5	760
>50	62	72	0	0	134	42	57	0	1	100
Not disclosed	24	40	0	1	65	7	34	0	11	52

⁷⁸ Due to local regulations in Turkey, it is not possible to classify employees according to their age. Employees based in Turkey are therefore reported as age group "Not disclosed".

RATE OF NEW EMPLOYEE HIRES BY AGE GROUP, GENDER AND REGION^{79,80}

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
AMERICAS	4.1%	2.4%	50.0%	—%	3.1%	1.8%	1.4%	—%	—%	3.2%
<30	10.3%	6.0%	50.0%	-	7.8%	0.6%	0.6%	—%	—%	1.2%
30-50	3.5%	1.8%	-	-	2.5%	1.1%	0.7%	—%	—%	1.8%
>50	1.6%	1.6%	-	-	1.6%	0.1%	0.1%	—%	—%	0.2%
APAC	8.7%	7.6%	—%	—%	8.0%	3.7%	4.3%	—%	—%	8.0%
<30	24.1%	17.2%	—%	-	19.9%	1.7%	1.6%	—%	—%	3.3%
30-50	7.6%	8.2%	-	-	8.0%	1.8%	2.6%	—%	—%	4.4%
>50	0.3%	0.8%	-	-	0.6%	0.2%	0.1%	—%	—%	0.3%
EMEA	16.6%	14.5%	—%	14.3%	15.3%	5.1%	9.0%	—%	0.2%	14.3%
<30	26.4%	34.5%	—%	-	31.1%	2.1%	3.8%	—%	—%	5.9%
30-50	15.7%	11.9%	-	-	13.4%	2.5%	3.9%	—%	—%	6.4%
>50	8.9%	4.9%	-	-	6.4%	0.4%	0.7%	—%	—%	1.1%
Not disclosed	52.2%	42.6%	-	14.3%	44.2%	0.1%	0.6%	—%	0.2%	0.9%
Total	29.4%	24.4%	50.0%	14.3%	26.3%	10.6%	14.7%	—%	0.2%	25.5%
<30	60.7%	57.6%	50.0%	-	58.9%	4.4%	6.0%	—%	—%	10.4%
30-50	26.8%	21.9%	-	-	23.8%	5.4%	7.2%	—%	—%	12.6%
>50	10.8%	7.4%	-	-	8.7%	0.7%	0.9%	—%	—%	1.6%
Not disclosed	52.2%	42.6%	-	14.3%	44.2%	0.1%	0.6%	—%	0.2%	0.9%

⁷⁹Please note that the 2023 and 2022 data in the table are not comparable due to a change in the calculation methodology of employees new hire rates. For 2023 data, the rates of employee new hires were calculated using the gender-age breakdown of the Group employees at 31.12.2023 as the denominator, while for the 2022 data the rates of employee new hires were calculated using the total global head count of the Group employees at 31.12.2022 as the denominator.

⁸⁰Due to local regulations in Turkey, it is not possible to classify employees according to their age. Employees based in Turkey are therefore reported as age group "Not disclosed".

EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION⁸¹

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
AMERICAS	85	79	0	0	164	80	52	0	0	132
<30	26	32	0	0	58	26	14	0	0	40
30-50	49	35	0	0	84	50	31	0	0	81
>50	10	12	0	0	22	4	7	0	0	11
APAC	204	242	0	0	446	223	263	0	0	486
<30	72	71	0	0	143	78	76	0	0	154
30-50	124	158	0	0	282	132	177	0	0	309
>50	8	13	0	0	21	13	10	0	0	23
EMEA	313	412	0	0	725	264	459	0	5	728
<30	64	91	0	0	155	69	105	0	0	174
30-50	146	192	0	0	338	126	196	0	0	322
>50	75	89	0	0	164	60	145	0	0	205
Not disclosed	28	40	0	0	68	9	13	0	5	27
Total	602	733	0	0	1,335	567	774	0	5	1,346
<30	162	194	0	0	356	173	195	0	0	368
30-50	319	385	0	0	704	308	404	0	0	712
>50	93	114	0	0	207	77	162	0	0	239
Not disclosed	28	40	0	0	68	9	13	0	5	27

⁸¹ Due to local regulations in Turkey, it is not possible to classify employees according to their age. Employees based in Turkey are therefore reported as age group "Not disclosed".

RATE OF EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION^{82,83}

	At 31 December 2023					At 31 December 2022				
	Men	Women	Other	Not disclosed	Total	Men	Women	Other	Not disclosed	Total
AMERICAS	3.5%	2.0%	—%	—%	2.6%	1.3%	0.8%	—%	—%	2.1%
<30	6.1%	5.2%	—%	-	5.5%	0.4%	0.2%	—%	—%	0.6%
30-50	3.5%	1.6%	-	-	2.3%	0.8%	0.5%	—%	—%	1.3%
>50	1.7%	1.2%	-	-	1.4%	0.1%	0.1%	—%	—%	0.2%
APAC	8.3%	6.2%	—%	—%	7.0%	3.7%	4.4%	—%	—%	8.1%
<30	16.8%	11.5%	—%	-	13.6%	1.3%	1.3%	—%	—%	2.6%
30-50	8.8%	7.1%	-	-	7.8%	2.2%	2.9%	—%	—%	5.1%
>50	1.4%	1.3%	-	-	1.4%	0.2%	0.2%	—%	—%	0.4%
EMEA	12.7%	10.5%	—%	—%	11.4%	4.3%	7.6%	—%	0.1%	12.0%
<30	15.0%	14.7%	—%	-	14.8%	1.1%	1.7%	—%	—%	2.8%
30-50	10.3%	8.7%	-	-	9.3%	2.1%	3.3%	—%	—%	5.4%
>50	13.1%	9.1%	-	-	10.6%	1.0%	2.4%	—%	—%	3.4%
Not disclosed	60.9%	42.6%	-	—%	46.3%	0.1%	0.2%	—%	0.1%	0.4%
Total	24.5%	18.8%	—%	—%	20.9%	9.3%	12.8%	—%	0.1%	22.2%
<30	37.9%	31.4%	—%	-	34.0%	2.8%	3.2%	—%	—%	6.0%
30-50	22.6%	17.4%	-	-	19.4%	5.1%	6.7%	—%	—%	11.8%
>50	16.2%	11.7%	-	-	13.4%	1.3%	2.7%	—%	—%	4.0%
Not disclosed	60.9%	42.6%	-	—%	46.3%	0.1%	0.2%	—%	0.1%	0.4%

PERCENTAGE OF TOP PRIORITY RAW MATERIALS TRACED TO THEIR GEOGRAPHY OF ORIGIN AND FROM LOWER IMPACT SOURCES

	2023
Top priority raw materials traced to their geography of origin and from lower impact sources	32%

⁸² Please note that the 2023 and 2022 data in the table are not comparable due to a change in the calculation methodology of employees turnover rates. For 2023 data, the rates of employee turnover were calculated using the gender-age breakdown of the Group employees at 31.12.2023 as the denominator, while for the 2022 data, the rates of employee turnover were calculated using the total global head count of the Group employees at 31.12.2022 as the denominator.

⁸³ Due to local regulations in Turkey, it is not possible to classify employees according to their age. Employees based in Turkey are therefore reported as age group "Not disclosed".

2023 PERCENTAGE OF PURCHASED ELECTRICITY FROM RENEWABLE SOURCES IN EUROPE AND THE USA

	Electricity consumption (GJ)	Electricity consumption from renewable sources (GJ)	%
USA	6,964	5,994	86%
Europe	106,668	104,362	98%
Total	113,632	110,356	97%

TOM FORD FASHION SEGMENT ESTIMATED ENERGY CONSUMPTION (GJ)⁸⁴

	2023	2022	2021
Electricity purchased from non-renewable sources	16,045	14,716	10,002

TOM FORD FASHION SEGMENT EMISSIONS – SCOPE 2 (tCO₂e)⁸⁵

	2023	2022	2021
Total emissions scope 2 (location-based)	2,089	1,916	1,302
Total emissions scope 2 (market-based)	2,172	1,992	1,354

⁸⁴ In 2023 the Group has started gathering data of energy consumption from Tom Ford Fashion segment; where not available, data have been estimated. Due to the nature of Tom Ford Fashion segment's activities fuel consumption has not been considered significant.

⁸⁵ Due to the non-significance of Tom Ford Fashion segment's fuel consumption, scope 1 emissions for Tom Ford Fashion segment have not been calculated.

GROUP EMISSIONS – SCOPE 3 (tCO₂e)

Process / Activity - tCO ₂ eq	2023			2022			2021		
	Group excl. Tom Ford Fashion segment	Tom Ford Fashion segment	Group	Group excl. Tom Ford Fashion segment	Tom Ford Fashion segment	Group	Group excl. Tom Ford Fashion segment	Tom Ford Fashion segment	Group
1. Purchased goods and services	398,640	65,652	464,292	460,622	78,018	538,640	332,554	47,261	379,815
2. Capital goods	8,425	2,385	10,810	7,243	2,187	9,430	19,068	1,486	20,554
3. Fuel and energy-related activities (not included in scope 1 or scope 2)	6,771	288	7,059	5,277	264	5,541	5,674	179	5,853
4. Upstream transportation and distribution	12,822	2,072	14,894	11,854	1,984	13,838	10,639	1,447	12,086
5. Waste generated in operations	60	0	60	57	0	57	184	0	184
6. Business travel	2,535	222	2,757	2,105	184	2,289	835	73	908
7. Employee commuting	5,896	516	6,413	5,600	491	6,091	4,719	413	5,132
8. Upstream leased assets	1,411	0	1,411	1,381	0	1,381	1,486	0	1,486
9. Downstream transportation and distribution	5,994	969	6,962	3,927	657	4,584	3,043	414	3,457
10. Processing of sold products	2,263	0	2,263	2,756	0	2,756	1,839	0	1,839
11. Use of sold products	0	0	0	0	0	0	0	0	0
12. End-of-life treatment of sold products	404	65	469	493	83	576	364	50	414
13. Downstream leased assets	0	0	0	0	0	0	0	0	0
14. Franchises	2,960	875	3,835	2,668	803	3,471	2,856	546	3,402
15. Investments	7	0	7	7	0	7	7	0	7
Total scope 3 GHG emissions	448,188	73,044	521,232	503,990	84,670	588,660	383,268	51,870	435,138

GRI Content Index

GRI Standard	Description	Page Number	Omissions / Notes
GRI 1: Foundation 2021			
Statement of use	Ermenegildo Zegna Group has reported in accordance with the GRI Standards for the period from 01-01-2023 to 31-12-2023.		
GRI 1 used	GRI 1: Foundation 2021		
Applicable GRI Sector Standard(s)	Not Applicable		
GRI 2: General Disclosures 2021			
GRI 2-1	Organizational details	p. 7	Ermenegildo Zegna Group headquarters are located in Milan (Italy).
GRI 2-2	Entities included in the organization's sustainability reporting	p. 102-103	
GRI 2-3	Reporting period, frequency and contact point	p. 102-103	
GRI 2-4	Restatements of information	p. 102-103	
GRI 2-5	External assurance	p. 144-150	
GRI 2-6	Activities, value chain and other business relationships	p. 7-11, 13-18	
GRI 2-7	Employees	p. 47-50, 104-105	
GRI 2-8	Workers who are not employees	p. 48	
GRI 2-9	Governance structure and composition	p. 35-36	
GRI 2-10	Nomination and selection of the highest governance body	p. 37-41	Reference to Item 10.B of the Form 20-F.
GRI 2-11	Chair of the highest governance body	p. 36-37	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	p. 39	
GRI 2-13	Delegation of responsibility for managing impacts	p. 35; 39-41	
GRI 2-14	Role of the highest governance body in sustainability reporting	-	The Sustainability Report is approved by the Board.

GRI Standard	Description	Page Number	Omissions / Notes
GRI 2-15	Conflicts of interest	p. 41	Overview of roles CEO & Chairman and LNED.pdf and Regulations of the Board of Directors.pdf
GRI 2-16	Communication of critical concerns	p. 44	
GRI 2-17	Collective knowledge of the highest governance body	p. 38	
GRI 2-18	Evaluation of the performance of the highest governance body	p. 39	
GRI 2-19	Remuneration policies	p. 35; 50	Remuneration Policy.pdf
GRI 2-20	Process to determine remuneration	p. 35; 50	Remuneration Policy.pdf
GRI 2-21	Annual Total Compensation Ratio	-	The information is missing because the data was not available to process this request. We are committed to ensuring the inclusion of the required information by FY 2025.
GRI 2-22	Statement on sustainable development strategy	p. 4-5	
GRI 2-23	Policy commitments	p. 42-44, 51-52	
GRI 2-24	Embedding policy commitments	p. 42-44, 51-52	
GRI 2-25	Processes to remediate negative impacts	p. 44; 70; 133	
GRI 2-26	Mechanisms for seeking advice and raising concerns	p. 44	
GRI 2-27	Compliance with laws and regulations	p. 42-43	During the year of 2023, no significant cases of non-compliance with current laws and regulations have been detected, and no fine nor sanction for significant case of non-compliance has been notified to the Group.
GRI 2-28	Membership associations	p. 28-29	
GRI 2-29	Approach to stakeholder engagement	p. 25-27	
GRI 2-30	Collective bargaining agreements	p. 55	
GRI 3: Material Topics 2021			
GRI 3-1	Process to determine material topics	p. 30-33	
GRI 3-2	List of material topics	p. 30-33	

GRI Standard	Description	Page Number	Omissions / Notes
Sustainable sourcing & animal welfare			
GRI 3-3	Management of material topics	p. 32-33; 67-70; 72-77	
GRI 204-1	Proportion of spending on local suppliers	p. 68	
GRI 301-1	Materials used by weight or volume	p. 72	
GRI 301-2	Recycled input materials used	p. 72	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	p. 69-70	
GRI 414-2	Negative social impacts in the supply chain and actions taken	p. 69-70	
Integrity & Transparency			
GRI 3-3	Management of material topics	p. 32-33; 42-44	
GRI 205-3	Confirmed incidents of corruption and actions taken	p. 44	
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 44	
Carbon emissions & energy management			
GRI 3-3	Management of material topics	p. 32-33; 80-90; 113-114	
GRI 302-1	Energy consumption within the organization	p. 82-85; 113	
GRI 302-3	Energy intensity	p. 84	
GRI 305-1	Direct (Scope 1) GHG emissions	p. 86-87	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	p. 86-87; 113	
GRI 305-3	Other indirect (Scope 3) GHG emissions	p. 88-90; 114	
GRI 305-4	GHG emissions intensity	p. 87, 90	
Water & chemical management			
GRI 3-3	Management of material topics	p. 32-33; 93-95	
GRI 303-1	Interactions with water as a shared resource	p. 93-95	
GRI 303-2	Management of water discharge-related impacts	p. 93-95	
GRI 303-3	Water withdrawal	p. 95	

GRI Standard	Description	Page Number	Omissions / Notes
GRI 303-4	Water discharge	p. 95	
GRI 303-5	Water consumption	p. 95	
Biodiversity loss & deforestation			
GRI 3-3	Management of material topics	p. 32-33; 96; 98-101	
GRI 304-3	Habitats protected or restored	p. 96, 98-101	
Circularity, durability & eco-design			
GRI 3-3	Management of material topics	p. 32-33; 71-78; 91-92	
GRI 306-1	Waste generation and significant waste-related impacts	p. 91-92	
GRI 306-2	Management of significant waste-related impacts	p. 91-92	
GRI 306-3	Waste generated	p. 92	
GRI 306-4	Waste diverted from disposal	p. 92	
GRI 306-5	Waste directed to disposal	p. 92	
DE&I (diversity, equity & inclusion)			
GRI 3-3	Management of material topics	p. 32-33; 36-38; 51-54; 106-108	
GRI 405-1	Diversity of governance bodies and employees	p. 36-38; 53, 106-108	The Board is composed of 73% men and 27% women, considering in the calculation both Non-Executive and Executive Directors
GRI 406-1	Incidents of discrimination and corrective actions taken	p. 54	
Employee wellbeing			
GRI 3-3	Management of material topics	p. 32-33; 55-56; 60-61; 110-112	
GRI 401-1	New employee hires and employee turnover	p. 60-61, 110-112	
GRI 403-1	Occupational health and safety management system	p. 55-56	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	p. 55-56	
GRI 403-3	Occupational health services	p. 55-56	

GRI Standard	Description	Page Number	Omissions / Notes
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	p. 55-56	
GRI 403-5	Worker training on occupational health and safety	p. 55-56	
GRI 403-6	Promotion of worker health	p. 55-56	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 55-56	
GRI 403-9	Work-related injuries	p. 57	
Education & training			
GRI 3-3	Management of material topics	p. 32-33; 58-59; 62-65	
GRI 404-1	Average hours of training per year per employee	p. 62	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	p. 59	
Human & labor rights			
GRI 3-3	Management of material topics	p. 32-33; 69-70	
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	p. 70	
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 70	
Data privacy & cybersecurity			
GRI 3-3	Management of material topics	p. 32-33; 45	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 45	
Community & philanthropy			
GRI 3-3	Management of material topics	p. 32-33; 52; 96	
Packaging & plastic pollution			
GRI 3-3	Management of material topics	p. 32-33; 91	

SASB Report

The Ermenegildo Zegna Group applied the SASB (Sustainability Accounting Standards Board) reporting standard for the first time in its 2021 Sustainability Report. To report according to the standard, the Group performed a thorough data analysis across all its business departments and manufacturing sites. During 2023 the Group worked to improve the disclosure of all the required matters; nevertheless, given the time required to implement some organizational changes in various segments of the Group, some matters have been only partially covered.

ABBREVIATIONS:

LEZ – Lanificio Ermenegildo Zegna
 MRSL – Manufacturing restricted substance list
 PRSL – Product Restricted Substance List
 RSL – Restricted Substance List
 SASB – Sustainability Accounting Standards Board
 ZCMS – Zegna Chemical Management System
 ZDHC – Zero Discharge Hazardous Chemicals

1. Introduction

The following section is intended as a supplementary section to Ermenegildo Zegna Group’s sustainability disclosure, in accordance with the SASB requirements.

Disclosure topics of this section (Management of chemicals in products, Environmental impacts in the supply chain, Labor conditions in the supply chain, and Raw materials sourcing) align with the Standard for the Apparel, Accessories & Footwear industry as defined by SASB (May 12, 2022 version⁸⁶).

Reporting boundaries

The following report includes relevant information on the Ermenegildo Zegna Group, comprising the ZEGNA brand, the Thom Browne brand and our *Filiera*.

The reporting year is January 2023 – December 2023 included.

2. Supplier classification

Please refer to the “Our suppliers” section of this document.

2.1 Number of suppliers by tier

Please refer to the “Our suppliers” section of this document.

3. Management of chemicals in products

3.1 Processes to maintain compliance with restricted substances regulations

The Group has put in place multiple systems to regulate and manage chemicals in its products, such as restricted substances lists (e.g. PRSL), material supplier agreements, and input stream management.

⁸⁶ SASB version 2022 is accessible at this [link](#).

The Product Restricted Substance List⁸⁷ (PRSL) was developed internally and is valid both at the Group level⁸⁸ and for our *Filiera*; the PRSL sets the compliance requirements related to sourcing and fabrics design of the Group and the companies part of our *Filiera*. The Group's PRSL is primarily based on the European Chemical Agency (ECHA) list of Substances of Very High Concern (SVHC), and integrates additional requirements that are in line with recognized sectoral standards and in compliance with the regulations of the main markets (China, US and Europe) served by the Group. This allows the requirements set out in the Group's PRSL to be the most restrictive of the sources considered. The Group PRSL incorporates all relevant updates coming from the industry and it is revised on a regular basis.

The Group includes PRSL compliance requirements in its agreements with its suppliers. These agreements include a self-declaration of conformity to the Group's PRSL, which is signed by each direct supplier and enforced for the duration of the commercial relationship. Each direct supplier who signs the agreement is also requested to share the Group's PRSL with its suppliers.

Textile products made by companies that are part of our *Filiera* are tested by a third party to detect the presence of substances listed in the PRSL; the testing procedure (frequency, selection of sample, etc.) is not yet standardized, and may differ from site to site. In general terms, it is conducted on a sample basis and it depends on specific product's needs and seasonality. Any deviation from the PRSL is not accepted unless justified by proven technical reasons.

3.2 Processes to assess and manage risks and/or hazard associated with chemicals in products

Starting from January 2024, the Group became a ZDHC⁸⁹ Signatory Brand, adopting the ZDHC Brands to Zero commitment for the use of chemical substances. During 2023, ZEGNA internal production sites achieved ZDHC Foundational compliance level; Bonotto, Dondi, Tessitura Ubertino and LEZ had already done so. This represents an important milestone in the Group's commitment to the implementation of ZDHC solutions.

As of 2023, the Group achieved ZDHC Foundational compliance level (MRSL, wastewater) for all our production sites.

The Group has operationalized chemical management systems in its production sites. The above-mentioned sites' systems are based on common guiding procedures and operations, which have been adapted according to the specific context of each site's production processes. The adopted chemical management process identifies and regulates the use of chemical substances at the production site, according to the ZDHC MRSL.

The Group also includes MRSL compliance requirements in its agreements with suppliers. Each direct supplier who signs the agreement is also requested to share the Group's MRSL with its suppliers. The Group has devised a conformity verification procedure for MRSL to enforce compliance within our supply chain.

The RSLs are defined and adopted to avoid dangerous chemicals in the production site (or exclude the ones that in the meantime have been outlawed); or to satisfy RSL requirements by other brands that the Group manufactures for. RSLs are reviewed regularly. Our overall approach to chemical management can be defined as "hazard-based", as it mainly relies on the implementation of PRSL and MRSL, which identify hazardous thresholds for specific chemicals in products and/or in manufacturing processes.

⁸⁷ The PRLs are not currently publicly available.

⁸⁸ Thom Browne segment is formally adopting the Group PRSL.

⁸⁹ More information is available at this [link](#).

In the following section, LEZ's chemical management system is presented as an illustrative example of our procedures and operations. Due to the nature of LEZ production process (spanning from spinning, dyeing, weaving to finishing), LEZ is a comprehensive example of how chemicals are managed in the Group.

LEZ has a Chemical Management System (CMS), aligned to ZDHC's Technical Industry Guidelines. A chemical manager (appointed by top management) is responsible for:

- Implementing the CMS in LEZ;
- Promoting the adoption of the CMS by external suppliers (tier 2 and beyond); and
- Managing agreements and contracts with third-party certifiers.

CMS's scope of application covers all the processes (internal and attributed to third-party suppliers) required to produce outputs, including:

- Inputs: raw materials, chemicals;
- Process: internal & external processes; and
- Output: textiles, emissions to water and air.

The CMS policies specify how to select chemical products to use in the production cycle; how to classify them; how to review their classification regularly; and how to manage and store them properly. They also include specific guidance for continuing the process of reducing the impact of chemicals used.

Various tools and procedures are included in the CMS, such as:

- Raw materials supplier map;
- Production processes map;
- Chemical inventory;
- PRSL and MRSL; and
- Wastewater chemical concentration tests (since 2022 performed by a third-party ZDHC-accredited laboratory, according to ZDHC wastewater guidelines).

The CMS includes details about testing procedures on textiles by third-party entities. Tests are performed on selected samples of the produced textiles based on earlier seasons' production, product category, previous results, and the presence of tests performed by suppliers. Whenever a non-conformity to the MRSL is found in a supplier's material, whether through supplier communication or tests on input material, CMS requires that suppliers be guided toward conformity. In case of persistence of non-conformity, they require the supplier to be phased out. Moreover, the CMS sets out a purchasing policy for chemicals to ensure compliance with the defined requirements of the MRSL.

Ambitions for management of chemicals in products

As of the date of publication of this report, the Group does not hold any third-party certification to verify the chemical content of its finished products. Further analysis of this situation will be made in the future.

4. Environmental impacts within the supply chain

4.1 Supplier in compliance with wastewater discharge permits and/or contractual agreements

The Group Code of Conduct for Suppliers includes compliance with national and local wastewater discharge regulations, among other environmental requirements.

Audits and inspections are conducted periodically on suppliers and their subcontractors by third-party entities to ensure compliance with the Code. The Group requires the auditee to make an action plan to manage and resolve any identified deficiency.

Moreover, for any violation of the Code of Conduct for Suppliers, the Group reserves the right to review its business relationship with the supplier. Additional information on the Code of Conduct for Suppliers and on the auditing process can be accessed via the following [link](#).

Part of the Group's manufacturing activities and related wastewater discharge occurs at the garment manufacturing and textile companies' level (Tier 2 and beyond). Our enforcement of the Code of Conduct for Suppliers enables the Group to control these sites' activities, hence driving compliance with national and local regulations on wastewater discharge.

4.2 Suppliers that have completed an environmental data assessment

The chemical management systems of the garment manufacturing and textile companies' sites (part of Tier 1 & 2 suppliers) drive the data collection and monitoring of waste water and chemicals used in the manufacturing processes. This allows the Group to have continuous control over the environmental performance of the mentioned sites.

Moreover, the Code of Conduct for Suppliers requires suppliers to comply with national and local regulations on waste and chemical disposal, emission handling, and other matters. Audited sites must provide the Group with relevant information on these matters.

The Group has developed long-standing commercial relationships with several suppliers. This is an opportunity to improve the traceability of the supply chain processes and to assess and reduce pressures on the environment, through specific measures.

For instance, in 2022, in line with its commitment, the Group began to engage key suppliers on the implementation and adoption of ZDHC tools and guidelines. Specifically, the Group requires its suppliers to follow the ZDHC wastewater guidelines and join the ZDHC gateway portal, so that suppliers go beyond regulatory compliance in wastewater discharge.

Additionally, by partnering with its suppliers, the Group can foster the exchange of relevant primary data and improve visibility on environmental issues throughout the supply chain.

Moreover, in 2022, the Group performed a water footprint assessment on internal production sites and on selected suppliers. A water footprint analysis has also been conducted on key raw materials used by the Group. See "Water" chapter in this document.

5. Labor conditions in the supply chain

5.1 Labor code of conduct audits performed on suppliers

Please refer to the "Our supplier" section of this document.

5.2 Management of non-conformance and corrective action for suppliers' labor code of conduct audits

Please refer to the "Our supplier" section of this document.

5.3 Risks identified to labor, health & safety, and the environment in the supply chain

Please refer to the "Our supplier" section of this document.

Forward-looking ambition for labor conditions in the supply chain

Please refer to the “Our suppliers” section of this document.

6. Sourcing of raw materials

6.1 Environmental and social risks associated with sourcing priority raw materials

We believe the best garments can only come from the best natural resources. Over the years we have searched for the finest raw materials and fabrics, to select not only the best available fibers, but also to ensure that our supply chain is robust and resilient in terms of:

- Reliability of the quality of raw material supply over the seasons;
- Fair remuneration of the producers (farmers, breeders);
- Presence of multiple actors with relevant competencies, craftsmanship and capabilities to work the fibers; in this regard, see our close relationship with Schneider Group, and the minority stakes in Pettinatura di Verrone and in Filati Biagioli Modesto; and
- Long-term relationships with yarn and fabric manufacturers to continue the refinement of these materials.

The Group had initially identified a list of 6 priority raw materials, primarily considering acquired volumes and relevance for the Group’s operations. Starting from 2022, following the increasing purchase of linen fiber we decided to include it in the list of our priority raw materials. The selected priority raw materials account for approximately 72% of total acquired materials by weight in the reporting year.

Environmental and/or social factors threatening our ability to source certain raw materials are presented in table 1 below, and include climate change impacts and animal welfare. Threats to the sourcing of specific natural raw materials caused by climate change impacts (e.g. droughts and other extreme weather events) do not necessarily affect all of a specific category of raw material. The threats may be confined to certain natural raw materials uniquely sourced from specific regions. These include, for instance, certain quality wool sourced from Australia, certain quality cotton sourced from Egypt, and cashmere sourced from China or Mongolia.

Table 1 also shows how availability, quality and price volatility present the most frequent risks to operations.

The acquisition of certified raw materials is a concrete strategy by which the Group is addressing environmental and/or social factors in the supply chain (e.g. Authentico® by Schneider Group and Sustainable Fiber Alliance, which assure for animal welfare, and environmental and social criteria).

6.2 Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard (as shown in table 2)

The following methodology was used to estimate the amount of priority raw materials purchased:

- For each input material (yarns, textiles, finished products, accessories) the specific raw material composition was determined;
- A mix of standard weight by product category and analytical material weight tracked by Procurement IT systems, was determined for each input material;
- The weight of each priority raw material for single input materials was obtained; and
- Weights of all raw materials were then aggregated to obtain the total input figure.

Table 1

Priority raw materials	Environmental and / or social factors	Discussion on business risk and opportunities	Management strategy
Wool	<ul style="list-style-type: none"> • Climate change impacts (e.g. droughts in Australia) • Animal welfare 	<ul style="list-style-type: none"> • Quality availability • Price volatility 	Certifications (e.g. Authentico [®] by Schneider Group)
Cotton ⁹⁰	<ul style="list-style-type: none"> • Climate change impacts (e.g. droughts) 	<ul style="list-style-type: none"> • Quality availability • Price volatility • Reputational risk 	Certifications (e.g. GOTS)
Cashmere	<ul style="list-style-type: none"> • Climate change impacts • Land and use practices • Animal welfare 	<ul style="list-style-type: none"> • Quality availability • Price volatility 	Certifications (e.g. Sustainable Fiber Alliance)
Polyester	<ul style="list-style-type: none"> • Regulations 	<ul style="list-style-type: none"> • Reputational risk 	Certifications (e.g. GRS)
Leathers	<ul style="list-style-type: none"> • Climate change impacts • Regulations (e.g. deforestation-free farming of bovine animals) • Animal welfare 	<ul style="list-style-type: none"> • Quality availability • Price volatility • Regulatory compliance 	Certifications (e.g. LWG, CITES)
Man-made cellulosics	<ul style="list-style-type: none"> • Climate change impacts 	<ul style="list-style-type: none"> • Availability • Price volatility 	Certifications (e.g. FSC)
Linen	<ul style="list-style-type: none"> • Regulations 	<ul style="list-style-type: none"> • Reputational risk 	Certifications (e.g. European Flax [®] , Masters of Linen [®])

⁹⁰ The Group's potential vulnerability to sourcing cotton from water-stressed regions, and the management of the risk of price variability due to sourcing cotton from these regions, is considered in the context of always having the best possible quality fibers. Diversification strategies are in place to mitigate this risk over the medium and long term.

Table 2

Priority raw materials	Amount purchased - approximate (metric tonnes)	Standards of certifications	Amount certified - approximate (metric tonnes)	Share certified (% on total amount of raw material category)
Wool	928	Authentico® by Schneider Group	370	40%
		Other standards of certifications (GOTS, GRS, RWS)	75	8%
Cotton	891	Global Organic Textile Standard (GOTS)	142	16%
		Global Recycle Standard (GRS)	3	—%
		Organic Cotton Standard (OCS)	5	1%
Polyester ⁹¹	270	Global Recycle Standard (GRS)	63	23%
Leathers	259	—		—%
Linen	176	European Flax®	74	42%
		Masters of Linen®	32	18%
Man made cellulosics	166	Recycled Claim Standard (RCS)	40	24%
		Forest Stewardship Council Certification (FSC)	47	28%
Cashmere	128	Sustainable Fiber Alliance (SFA)	42	33%
		Global Recycle Standard (GRS)	1	1%
Total ⁹²	2,818		895	32%

⁹¹ The purchased amount of leather includes primarily bovine, calf, and sheep leather. The conversion to mass (metric tonne) was obtained from primary data expressed in square meters, with the assumption that 1 square meter of leather weighs 1 kilogram.

⁹² Due to strategic purchasing decisions by the Group's brands, in 2023, there has been a reduction in the total amount of priority raw materials purchased, compared to the previous reporting year.

7. Ambition for raw materials sourcing

The Group has set goals for its sourcing of raw materials, in order to improve the traceability and control over these materials.

One of them has already been achieved: an Animal Welfare policy was formalized at Group level to address potential risks related to animal-based raw material sourcing (refer to page 73).

The Group has also set goals to achieve traceability of at least 50% of priority raw materials in its supply chains, and to source the same amount from lower-impact sources (according to Textile Exchange's definition) by 2026. The progress updated for this commitment is presented in the "Raw material Traceability & Circularity" chapter.

7.1 Environmental & social factors, and business risks & opportunities

7.1.1 Environmental & social factors

These environmental and social factors have been considered for this assessment:

- Climate change impacts are global to regional-scale alterations to climatic conditions, such as extreme weather events (droughts, floods, etc.), increased chronic water stress and scarcity, increased likelihood of pests and diseases;
- Regulations include all current and emerging (in the short to medium term) legal requirements set at national or global level applied to GHG emissions or other environmental matters (e.g. water withdrawal, plastics, etc.) at different levels of the supply chain of raw materials;
- Land use practices may in certain conditions lead to desertification and degradation of terrain in some places; and
- Animal welfare, when not respected, may be a potential issue for all animal-derived fibers.

7.1.2 Business risks

These business risks have been considered for this assessment:

- Availability;
- Quality;
- Price volatility;
- Regulatory compliance; and
- Reputational risks.

7.1.3 Wool

Climate change may reduce available grazing areas due to a widespread of effects, including the rise in average temperatures, water scarcity and changes in precipitation patterns. Producers may be forced to reduce their market presence or exit the market completely, potentially causing a decrease in both the overall wool production and in the quality availability, as well as reducing the number of producers or suppliers of raw materials.

Alterations in wool production (e.g. due to climate change impacts) could cause significant price volatility of the raw material over time. Therefore, a decrease in wool production may result in higher direct sourcing costs for the Group, as well as difficulty in securing an adequate supply.

7.1.4 Cotton

Climate change impacts (extreme events such as droughts, chronic water stress and increased temperatures) are likely to affect production and decrease the yield of cotton in certain places.

Climate change may increase the occurrence of pests and diseases, affecting fiber quality and end-product fabric quality. Variations in cotton production (e.g. due to climate change impacts) could cause significant price volatility of the raw material over time.

Also, sourcing cotton from areas where its production is linked to human rights violations may expose the Group to growing consumer and stakeholder pressure (reputational risk).

7.1.5 Cashmere

Poor livestock and land management may lead to overgrazing and degradation of pastures and grasslands in some places (e.g. Mongolia grassland). These pressures may reduce the overall available grazing areas, possibly reducing cashmere production from those regions. Climate change may also cause a reduction of available grazing areas due to a number of effects, including the rise in temperature, water scarcity, and changes in precipitation patterns, resulting in a decrease in overall production.

Moreover, both habitat degradation and climate change impacts may affect the quality of the fiber (e.g. coarser goat hair) and the quality of the fabric end-product. Variations in cashmere production (e.g. due to land degradation and/or climate change impacts) could cause significant price volatility of the raw material over time. This instability may have adverse effects on the Group's direct sourcing expenses and present challenges in ensuring an adequate supply.

These impacts may be further exacerbated by the fact that cashmere is already obtained exclusively from specific animals raised by highly skilled farmers in a limited number of geographical regions.

7.1.6 Polyester

Polyester fiber depends strictly on fossil fuel, and in a scenario of strong competition for the latter, the production of polyester might be affected. Moreover, growing public awareness of the environmental effects of plastic production, management and potential leaks throughout the value chain may lead to increased regulation to mitigate environmental damage. This could require businesses to comply with emerging regulations on plastic materials. In addition, public awareness may expose businesses that rely on plastics to growing pressure from consumers (reputational risks).

7.1.7 Leather

Climate change may reduce the available grazing area (e.g. increasing water stress, droughts) and decrease overall cattle hide production. In addition, a warming climate is likely to allow pests and diseases to spread into new regions, which may impact cattle productivity. Increased occurrence of pests (e.g. lice and ringworm) due to a warming climate may cause marks on the skin and reduce the quality of the hides. Shifts in production (e.g. due to climate change) could cause significant price volatility of the raw material over time.

Leather sold to the EU market is subject to stricter regulations starting from December 2024. The law called EU Deforestation Regulation (EUDR), will require that only leather with no production-related deforestation be marketed in the EU⁹³. Therefore, regulatory compliance of existing or future leather suppliers may be a risk to the specific raw material supply chain.

7.1.8 Man-made cellulosic

Man-made cellulosic fibers are strongly dependent on wood and cotton production, the primary sources from which such fibers are produced. Thus, partly man-made cellulosic fibers are subject to the same environmental factors as cotton (climate change impacts), as noted previously.

Climate change may also affect the production of wood, consequently affecting the production of wood-derived man-made cellulosic. Shifts in production (e.g. due to climate change impacts) could cause significant price volatility of the raw material over time.

⁹³ More information is available at this [link](#).

7.1.9 Linen

Linen is made with natural cellulose fibers extracted from flax, a crop that requires fewer inputs than other plant fibers. Flax plants are much easier to grow than typical fibers like cotton because they are naturally insect-resistant and do not need intensive irrigation. For these reasons, linen is less prone to risks related to climate change. Flax plants suitable for linen production are predominantly sourced in Europe, also reducing the potential risk of future stricter regulations.

7.1.10 References

The references used to assess environmental & social factors and related risks were:

- Climate Change: Implications and Strategies for the Luxury Fashion Sector (BSR & Kering)
- Sustainable Fibre Alliance; and
- CDP Climate Change, Forest, Water Security questionnaires – Luxury brands (e.g. Kering, Burberry) 2022.

7.2 Certification specification

The SASB standard provides a non-exhaustive list of certification schemes available for disclosure in the Raw Materials Sourcing section. A selection from the list follows, with additional specifications on scope, objectives and other relevant information.

7.2.1 Sustainable Fibre Alliance (SFA)

The SFA Cashmere Standard defines best practices for responsible cashmere production.

The SFA Cashmere Standard lays out the definition of responsible cashmere production, with five global principles, which are that herders:

- Ensure the welfare of their goats;
- Safeguard biodiversity and use land responsibly;
- Promote decent work;
- Preserve and enhance fiber quality; and
- Operate an effective management system.

7.2.2 Responsible Wool Standard

The Responsible Wool Standard (RWS) is an international voluntary standard that addresses animal welfare in sheep farms, and the chain of custody of wool from certified farms to the end product.

The aim of the RWS is to provide the industry with the best possible tool to:

- Recognize the best practices of farmers;
- Ensure that wool comes from farms with a progressive approach to managing their land, and from sheep that have been treated responsibly; and
- Provide a robust chain of custody system from farm to final product.

7.2.3 AUTHENTICO® by Schneider

The Authentico® Integrity Scheme was devised by the Schneider Group.

First launched in 1999, Authentico® is the Schneider Group brand standing for complete, transparent, verified, traceable, ethical and high-quality wool supply chain. From farm to garment, it guarantees best industry practices for wool growing and processing, while recognizing existing local legislation and standards honored by wool growers. This ensures the highest animal, social and environmental welfare requirements, which are third-party audited for adequate assurance.

Authentico® is based on Schneider certified global network, meaning Authentico® wool is processed in Schneider Group-owned mills which are both RWS (Responsible Wool Standard) and GOTS certified, as well as being in ZDHC Supplier to Zero program, hence ZDHC compliant. Authentico® growers are compliant with the Authentico Integrity Scheme ensuring animal, social and environmental welfare requirements. Thanks to direct relationship with growers and the adoption of the Textile Genesis® traceability platform, Authentico® wool is traceable along all the supply chain, from farm to garment.

7.2.4 Masters of Linen®

Masters of Linen® is a label and certification awarded to linen fabrics that are produced entirely in Europe, from flax fiber to finished product. It ensures high-quality standards, sustainability, and traceability throughout the entire production chain, from the cultivation of flax to the manufacturing of linen fabrics. It is a trusted label for customers who value sustainability and ethical production practices in the textile industry.

7.2.5 European Flax®

The European Flax® label, owned by the European Confederation of Flax and Hemp, certifies place of origin traceability from plant seed, right through to the complete linen sheet. Its purpose is to ensure premium fibers sourced exclusively from Western Europe, and commitment to zero waste, zero GMO, and zero irrigation by the farmer. Moreover, it offers certificate companies additional services, such as marketing tools, all-round assistance, B2B and B2C sales support and training.

7.2.6 Content Claim Standard (CCS)

The CCS is a chain of custody standard that provides companies with a tool to verify that one or more specific input materials are in a final product⁹⁴. The certification:

- Verifies that chain of custody principles are followed in each stage of production;
- Tracks the flow of raw material from the source to the final product;
- Addresses product flow, documentation, volume reconciliations, and segregation of materials and products; and
- Is based on scope and transaction certificates for maximum levels of verification and tracking.

7.2.7 Recycled Claim Standard & Global Recycled Standard

The Recycled Claim Standard (RCS) and Global Recycled Standard (GRS) are voluntary international standards that set requirements for third-party certification of recycled input and chain of custody. The shared objectives of the standards are:

- Alignment of recycled definitions across multiple applications;
- Verification of recycled content in products; and
- Providing consumers (both brands and end consumers) with a tool to make informed decisions.

Additional objectives of the GRS are:

- Reducing the harmful impact of production on people and the environment;
- Providing assurance that products are processed more sustainably; and
- Driving higher percentages of recycled content in products.

7.2.8 Organic Content Standard

The Organic Content Standard (OCS) is a voluntary, international standard that sets requirements for third-party certification of certified organic input and chain of custody. The goal of the OCS is to increase organic agriculture production. The objectives of the OCS are:

- Providing the industry with a tool to verify the organically grown content of the products they purchase;
- Providing companies with a trusted tool to communicate organically grown content claims to the industry; and
- Providing organic fiber farmers with broad access to the global organic market.

⁹⁴More information is available at this [link](#).

7.2.9 Responsible Down Standard

The Responsible Down Standard (RDS) aims to ensure that down and feathers come from animals that have not been subjected to any unnecessary harm. The standard also provides companies and consumers with a tool to know what is in their products and to make accurate claims. Moreover, the RDS has the objective to ensure a strong chain of custody for certified materials as they move through the supply chain.

7.2.10 Global Organic Textile Standard (GOTS)

GOTS is the worldwide textile processing standard for organic fibers. It includes ecological and social criteria, and is backed up by independent certification of the entire textile supply chain. GOTS-certified final products may include fiber products, yarns, fabrics, clothes, home textiles, mattresses, personal hygiene products, food-contact textiles, and more⁹⁵.

7.2.11 Better Cotton Initiative

The Better Cotton Standard System promotes the production of cotton that follows specific environmental and social criteria. These criteria include: minimizing harmful impact, promoting water stewardship, soil health protection, biodiversity and responsible land use, fiber quality preservation, promoting decent work, and management system implementation. The Better Cotton Initiative uses a chain-of-custody system based on mass balance⁹⁶.

7.2.12 STeP by OEKO-TEX®

STeP by OEKO-TEX® is an independent certification system for brands, retailers and manufacturers in the textile and leather industry. Certification is suitable for production facilities at all processing stages that want to communicate their environmental measures externally in a credible and transparent way. Its facility assessment system has 6 modules:

- Chemicals management;
- Environmental performance;
- Environmental management;
- Social responsibility;
- Quality management; and
- Health protection and safety at work.

A scoring system is used, with three different levels:

Level 1: Compliance with the entry-level specifications;

Level 2: Good implementation, with further optimization potential; and

Level 3: Ideal implementation in the sense of best practice examples.

7.2.13 OEKO-TEX® Standard 100

STANDARD 100 by OEKO-TEX® is a label for textiles tested for harmful substances. The label ensures that every textile or article component has been tested for harmful substances and is therefore harmless to human health.

Tests are conducted by independent entities based on a regularly updated criteria catalog, covering regulated and non-regulated substances.

Limit values for substances found in the textile or article differ depending on the classification of the textile or article (product classes 1, 2, 3, 4)⁹⁷.

⁹⁵More information is available at this [link](#).

⁹⁶More information is available at this [link](#).

⁹⁷More information is available at this [link](#).

SASB Disclosure Index

The Ermenegildo Zegna Group has decided to adopt the SASB's sector standard, Consumer Goods – Apparel, Accessories & Footwear (SASB code CG-AA). The Group has made this decision in light of the results obtained from using the Sustainable Industry Classification System® (SICS®) look-up tool.

The following table shows the accounting metrics contained in the SASB Report.

SASB Code	Description	Page number	Comment / omissions
Management of Chemicals in Products			
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	p. 120-122	
CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	p. 120-122	
Environmental Impacts in the Supply Chain			
CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements	p. 123	This information is currently unavailable. The Group in 2023 has started a pilot phase on a new supplier environmental data assessment system through which also this information is collected. The disclosure will be developed in the next year.
CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	p. 123	This information is currently unavailable. The Group in 2023 has started a pilot phase on a new supplier environmental data assessment system through which also this information is collected. The disclosure will be developed in the next year. Please refer to section "Our suppliers" of this document.
Labor Conditions in the Supply Chain			
CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	p. 123-124	This information is currently unavailable for suppliers facilities beyond Tier 1. The Group commits to develop such a disclosure reasonably in the next 2 years. Please refer to section "Our suppliers" of this document.

CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	p. 123-124	Please refer to section "Our suppliers" of this document.
CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	p. 123-124	Please refer to section "Our suppliers" of this document.

Raw Materials Sourcing

CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	p. 124-125; 127-131	
CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	p. 124; 126	

Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1

CG-AA-000.Aa	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	p. 123-124	Number of suppliers beyond Tier 1 is currently unavailable. The Group commits to improve this disclosure arriving to key suppliers of the Group's Tier 1 suppliers reasonably in the next 2 years. Please refer to section "Our suppliers" of this document.
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TCFD Disclosure

The Ermenegildo Zegna Group contributes to responsible and sustainable development and recognizes the importance of fighting climate change and pursuing our business success by including climate-related issues in our long-term strategy.

Our business success depends on managing risks and embracing sustainability, especially in response to the urgent global climate crisis. Our operations are exposed to climate change factors, encompassing both physical risks, including acute and chronic events, as well as transitional risks related to policy and legal aspects, technology, market dynamics, and reputation. In response to these challenges, we remain committed in demonstrating the resilience of our strategy across various climate scenarios. We are committed to enhancing supply chain resilience and addressing potential climate impacts, positioning ourselves among the leaders in sustainable practices.

TCFD Methodological note

In 2022, we started the assessment of the financial impact of specific climate-related risks and opportunities, conforming to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD framework is a globally recognized risk-based model developed by the Financial Stability Board (FSB) to evaluate the robustness and adaptability of corporate strategies against climate change. The Group joined the TCFD voluntarily to disclose its climate-related commitments to all its stakeholders with greater transparency.

As part of the assessment, we conducted a benchmark analysis to identify best practices in fighting climate change. Additionally, we considered our long-term strategy and identified areas potentially affected by climate change. The outcome of such assessments allowed us to identify our gaps compared to TCFD requirements and industry best practices and consequently to identify potential climate-related risks and opportunities relevant to our business.

During 2023, we developed a financial model to quantitatively assess the potential size of the impact of previously identified risks and opportunities. In this exercise, we considered the Group perimeter excluding the Tom Ford Fashion segment. The analysis therefore starts with 2022 financial data, taking into consideration the 2023 financial performance as well as the current sustainability strategic priorities.

The TCFD is an initiative established in 2015 by the Financial Stability Board to address and quantify the risks generated by climate change on the stability of the global financial system. In 2017, the TCFD developed 11 recommendations set out within the “Recommendations of the Task Force on Climate-related Financial Disclosures - Final Report” (hereinafter “TCFD Recommendations”), aimed at promoting greater transparency on climate-related financial risks and guiding companies in reporting the information that investors and financial markets need to assess climate-related risks and opportunities.

This TCFD section includes the Group's climate-related information prepared referring to the scopes of the 11 TCFD Recommendations: Governance, Strategy, Risk Management and Metrics and Targets. In particular, the Report was prepared on the basis of the following criteria:

Governance:

- disclosure a) Description of the board's oversight of climate-related risks and opportunities; and
- disclosure b) Description of the management's role in assessing and managing climate-related risks and opportunities.

Strategy:

- disclosure a) Description of the climate-related risks and opportunities the organization has identified over the short, medium, and long term;

- disclosure b) Description of the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning; and
- disclosure c) Description of the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario;

Risk Management

- disclosure a) Description of the organization's processes for identifying and assessing climate-related risks;
- disclosure b) Description of the organization's processes for managing climate-related risks; and
- disclosure c) Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Metrics and targets:

- disclosure a) Disclosure of the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process;
- disclosure b) Disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks; and
- disclosure c) Description of the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

The disclosures included in the TCFD section were subject to a limited assurance engagement according to the criteria set in the ISAE 3000 revised principle by Deloitte & Touche, on a voluntary basis.

Governance

Following the DCGC (Dutch corporate governance code) and the Board regulations, the Board, with the support of the Governance and Sustainability Committee, is continually working towards sustainable long-term value creation, taking into account business impacts on the economy, environment, and people, as described in this report.

The Governance and Sustainability Committee advises the Board and acts under authority delegated to it by the Board on various aspects detailed in the "Corporate Governance" section of this document.

In 2023, three (3) meetings of the Governance and Sustainability Committee took place. The Governance and Sustainability Committee reviewed the Sustainability Report, notably in light of applicable standards such as GRI and SASB reporting standards and the TCFD framework. The Governance and Sustainability Committee was regularly informed about the Group's climate strategy and more in general on the Group's ESG performance vs. its commitments. In this regard, it supported the deployment of brand-specific strategies, designed to fit each brand's business specificity. The Committee was educated on the latest ESG requirements, the evolution of the ESG legal landscape and the Groups' readiness to face the most critical changes.

Due to the relevance of sustainability as part of the Group's strategy (with new sustainability projects being initiated by the Group) two managerial committees were also established in 2022: Strategic Sustainability Committee and Operational Sustainability Committee.

Furthermore, the Group Sustainability department is responsible for realizing the sustainability strategy and identifying any potential projects and improvement areas to ensure the achievement of commitments made.

Moreover, the Group developed an LTI plan that includes an ESG multiplier on account of an ESG performance-based indicator, reflecting relevant environmental and social performance at the end of the three-year period 2022-2024.

For more information on the role of the Ermenegildo Zegna Group’s Governance on climate related risk, refer to section “Corporate Governance”.

Strategy

In 2022 the Group started the assessment of the financial impact of specific climate-related risks and opportunities, according to TCFD recommendations. As part of the assessment, we conducted a benchmark analysis to identify best practices in fighting climate change and to identify our gaps compared to TCFD requirements and industry best practices. Starting from the results of the analysis, we analyzed the resulting risks and opportunities in consideration of the Group’s decision-making processes and strategy, such as raw materials sourcing strategy and concentration of spending; procurement and sourcing decisions and geographical distribution, also in consideration of our vertically integrated structure; future B2B and B2C distribution and sales strategies in key markets; Group’s sustainability and climate strategy; industry priorities and trends.

The result of this analysis was the identification of three potential climate-related risks, encompassing both physical⁹⁸ and transitional risks⁹⁹, and two potential opportunities.

RISKS	
Physical risks	Transition risks
<ul style="list-style-type: none"> Scarcity of raw materials (assessed on wool and cashmere fibers) 	<ul style="list-style-type: none"> Potential market entry challenges
<ul style="list-style-type: none"> Business interruption 	
OPPORTUNITIES	
<ul style="list-style-type: none"> Promotion of sustainable branding through low-impact resources 	
<ul style="list-style-type: none"> Use of lower-emission resources at operational level 	

⁹⁸ Physical Risks directly arise from the tangible impacts of climate change, which include the escalation of global mean temperatures, diminishing availability of natural resources, and the prevalence of extreme weather events. These risks vary in frequency and intensity and manifest as both acute and chronic challenges. Physical Risks directly arise from the tangible impacts of climate change, which include the escalation of global mean temperatures, diminishing availability of natural resources, and the prevalence of extreme weather events. These risks vary in frequency and intensity and manifest as both acute and chronic challenges.

⁹⁹ Transition Risks encompass the consequences of shifts in policies and regulations promoting sustainable economic development and the transition to renewable energy. They also include changes in consumer and stakeholder preferences favoring sustainable products, potentially leading to a transformation in market dynamics.

As for TCFD recommendations, identified risks and opportunities have been economically assessed to stress-test our business strategy and evaluate its resilience in achieving decarbonization goals, based on climate scenario analysis. Each scenario has strong internal consistency and is intended as a hypothetical construct, and does not represent a forecast, a prediction nor a sensitivity analysis. Scenarios are not intended to represent a full description of the future, but rather to highlight central elements of a possible future, drawing attention to the key factors that will drive future developments. For this reason, risks and opportunities have been evaluated individually, without considering any possible mutual correlations.

In particular, for this analysis, we selected scenarios from the IPCC (Intergovernmental Panel on Climate Change) for the analysis of our physical risks, while for transitional risk and opportunities, we selected scenarios from the International Energy Agency (IEA).

To assess physical risks, the IPCC employs various pathways to analyze potential future trajectories of greenhouse gas concentrations, specifically through the Representative Concentration Pathways (RCPs)¹⁰⁰ and the Shared Socio-Economic Pathways (SSPs)¹⁰¹. The Group's assessment of physical risks includes three of these scenarios: a pessimistic scenario (RCP 8.5 - high emissions), an intermediate scenario (RCP 4.5 - intermediate emissions), and an optimistic scenario (RCP 2.6 - low emissions).

For both the transitional risk and opportunities, IEA develops distinct energy pathways using the Global Energy and Climate (GEC) Model. This model focuses on future energy trends, particularly regarding the transition towards renewable energy sources. The key pathways examined include the pessimistic scenario (STEPS)¹⁰², the intermediate scenario (APS)¹⁰³, and the optimistic scenario (NZE)¹⁰⁴.

The assessment is performed across three different time horizons (short, medium and long) for all climate scenarios related to physical and transitional risks and opportunities. Short-term assessments focus on risks and opportunities impacting the short-term strategic planning up to 2026. Medium-term assessments address risks and opportunities relevant to the period between 2026 and 2032. Long-term assessments evaluate climate change risks and opportunities, specifically from 2032 to 2050, considering their extended impact and assessing their influence on Ermenegildo Zegna Group's long-term sustainability and climate objectives.

IPCC SCENARIOS (Physical risks)	
Pessimistic scenario	RCP 8.5 - high emissions
Intermediate scenario	RCP 4.5 - intermediate emissions
Optimistic scenario	RCP 2.6 - low emissions).

¹⁰⁰ The Representative Concentration Pathways (RCPs) project four potential global warming scenarios indicating future greenhouse gas concentrations and their radiative forcing (measured in watts per meter squared). These pathways project the potential warming by the century's end.

¹⁰¹ Shared Socioeconomic Pathways (SSPs): Integrated pathways exploring different global futures, each characterized by varying challenges to mitigation and adaptation. They encompass five scenarios (SSP1-SSP5) presenting diverse futures, ranging from sustainable development (SSP1) to worlds facing significant adaptation and mitigation challenges (SSP5).

¹⁰² STEP (Stated Energy Policies) Scenario: Examines impacts of current energy policies.

¹⁰³ APS (Announced Pledges Scenario): Assumes successful execution of governmental climate and energy commitments, aiming towards the 1.5°C global warming limit.

¹⁰⁴ NZE (Net Zero Emissions) Scenario: An aspirational pathway targeting global net zero CO₂ emissions by 2050, emphasizing renewable energy and transformative energy use changes.

IEA SCENARIOS (Transitional risks & opportunities)	
Pessimistic scenario	STEPS (Stated Energy Policies) Scenario: Examines impacts of current energy policies.
Intermediate scenario	APS (Announced Pledges Scenario): Assumes successful execution of governmental climate and energy commitments, aiming towards the 1.5°C global warming limit.
Optimistic scenario	NZE (Net Zero Emissions) Scenario: An aspirational pathway targeting global net zero CO ₂ emissions by 2050, emphasizing renewable energy and transformative energy use changes.

TIME HORIZONS	
Short-term	2022-2026
Medium-term	2027-2032
Long-term	2033-2050

Different methodological approaches were employed in conducting risks and opportunities assessment to address specific physical or transitional factors influencing risks and opportunities.

The analysis encompasses a climate risk assessment using tools to derive mean climate variable curves and risk scores for disruptive events. Market data was gathered, and correlations were identified, with projections for production and prices in key sectors. Scenario analysis models stressed revenue and cost items based on climate-related factors. The impacts were quantified against the baseline, integrating results to calculate adjusted projections that consider pricing changes and revenue impacts.

The goal was to achieve impact quantification on the EBIT baseline of the Group, excluding Tom Ford Fashion segment.

The significance of the identified impacts has been assessed according to the qualitative thresholds of potential financial impact defined in the Group's ERM guidelines (for more information refer to section "Code of Ethics & Responsible Business Practices").

Physical Risks

Scarcity of Raw Materials (Wool and Cashmere)

Our operations require high-quality raw materials, such as precious wool and cashmere, which are particularly rare as they are obtained from specific animals bred by highly qualified farmers in a limited number of geographical regions. Many physical risk events resulting from climate change may reduce the quantity and/or quality of such raw materials, forcing producers to temporarily or structurally reduce their market presence or even exit the market completely. Indeed, the availability of wool and cashmere might be facing a reduction due to widespread climate-related effects, including a rise in temperature, water scarcity, and changes in precipitation patterns. These changes could lead to an increase in prices, which could lead to higher sourcing costs for the Ermenegildo Zegna Group, and/or difficulty in securing an adequate supply, which could have adverse impacts on our production, the quality of our products or customer satisfaction, resulting in impacts on our business and our financial performance in the medium to long term.

The impact on the Group from the physical risk scarcity of our two main raw materials, Wool and Cashmere, being affected by climate change in the areas of interest, with resulting rising prices and decrease in quality availability, reflect an increasing trend for all three scenarios with the advancement of time. The highest impacts are expected in the long-term, in pessimistic scenarios with the biggest increase in temperatures.

Business interruption

The acute risk associated with the increased frequency and intensity of extreme weather events, such as storms and floods due to climate change, could disrupt our supply chain and lead to business interruptions at all of our production sites, primarily located in Italy and Switzerland, as well as most of our main directly managed points of sale. This could lead to a subsequent loss of revenues, primarily stemming from reduced sales.

This risk has shown a reverse trend, with impacts in the longest time frame being lower than in the short-term for all analyzed scenarios. In addition to this, due to the specific geographic location subjected to flooding of some of the Group's facilities, the optimistic scenario with the lowest global warming expected has turned out to have the highest impact.

Transition risks

Potential market entry challenges

Another risk to our financial performance is the emergence of new climate-related regulations. A growing number of governments are monitoring industry practices and defining new climate-related regulations for companies, whether operating domestically or exporting their products abroad. These regulations may include requirements for traceability of materials, final products, and goods along the supply chain, which could present challenges for the Ermenegildo Zegna Group in terms of compliance. Additionally, new border obligations related to the emergence of new climate-related regulations could escalate the costs and complexities of market entry. These new national and international regulations may hinder our efforts to enter certain markets and/or raise the costs of regulatory compliance.

Opportunities

Promotion of sustainable branding through low-impact resources

In addressing climate change issues, we are committed to investigating new lower-impact materials in addition to further increase the traceability of our materials. This strategy presents a dual advantage. First, it increases the attractiveness of the Group toward B2C customers, with a consequent possible increase in revenues through the achievement of a more sustainable value chain, from internal production to the final sale in directly managed points of sale. Second, these investments could mitigate our risk exposure to possible future changes in policy and regulation related to climate change.

Furthermore, the Group may strategically leverage sustainable branding through low-impact resources (i.e. reduced scope 3 emissions and traceable materials at the source) to appeal to B2C customers. This second opportunity is designed to drive revenue growth by aligning with the growing consumer demand for sustainability. The impacts on the Group consistently exhibit positive outcomes, with the most significant effects observed in each selected period within the optimistic scenario. This scenario is characterized by a robust commitment to addressing climate issues and heightened consumer demand for sustainability and climate-related issues.

Use of lower emission resources at operational level

Additionally, in order to lead the fight against climate change and enhance our market share, the Group is setting ambitious net zero targets, including the reduction of our direct greenhouse gas (GHG) emissions. This commitment is part of a broader strategy to reduce the operational impacts of the Group. It involves transitioning to renewable energy sources to lower emissions from electricity and combustion, as well as adopting more efficient and sustainable processes throughout all business activities—from production in our factories to the point of sale in our directly managed stores. Such initiatives not only contribute to environmental stewardship but also increase the attractiveness of the Group to B2B clients who are particularly focused on climate change issues, potentially leading to increased revenues.

This initiative aligns with market trends that emphasize Scope 3 emissions reduction. Impacts on the Group are primarily driven by heightened interest from B2B market players in emissions reduction, coupled with the Group's commitment to reducing Scope 1 and 2 emissions. In the short to medium term, there are challenges in aligning Scope 1 and 2 emissions reduction with B2B market demands in optimistic and intermediate scenarios. However, the most substantial gains are anticipated in the pessimistic scenario, where the Group's emission reduction targets exceed market expectations. The optimistic scenario envisions CO₂ targets as a necessary condition for participating in the market. The outlook for this scenario is only positive for the Group in the long-term, as the Group is committed to reaching net zero emissions by 2050.

Strategy resilience

Overall, the impact across different scenarios and timeframes did not emerge as notably significant. In accordance with the Group's ERM guidelines, a scale of six levels (from "very low" to "extreme") were used to assess the impact of risks against the scenarios and timeframes analyzed. For the long-term, the highest impact is assessed as "medium" (i.e. not notably significant): thus no immediate need for mitigation actions.

The Group intends to continue monitoring climate-related risks and opportunities on a regular basis, with the possibility of expanding the scope of the analysis over time.

Risks and opportunities		Climate Scenarios	Average annual impacts in the period on the Group EBIT (%)		
			Short-Term 2024-2026	Medium-Term 2027-2032	Long-Term 2033-2050
RISKS	Scarcity of Raw materials (Wool and Cashmere)	Pessimistic	LOW	VERY LOW	MEDIUM
		Intermediate	VERY LOW	LOW	MEDIUM
		Optimistic	LOW	LOW	LOW
	Business interruption due to extreme weather events	Pessimistic	VERY LOW	VERY LOW	VERY LOW
		Intermediate	VERY LOW	VERY LOW	VERY LOW
		Optimistic	LOW	VERY LOW	VERY LOW
	Difficulty to enter markets due to emerging climate change regulations	Pessimistic	VERY LOW	VERY LOW	LOW
		Intermediate	VERY LOW	LOW	LOW
		Optimistic	LOW	LOW	MEDIUM
OPPORTUNITIES	Use of lower emission resources at operational level	Pessimistic	VERY LOW	LOW	MEDIUM
		Intermediate	ABSENT	ABSENT	LOW
		Optimistic	ABSENT	ABSENT	LOW
	Promotion of sustainable branding through low impact resources	Pessimistic	VERY LOW	LOW	MEDIUM
		Intermediate	LOW	LOW	MEDIUM
		Optimistic	VERY LOW	MEDIUM	MEDIUM

Concerning the scarcity of raw materials (wool, cashmere) risks, the assessment highlighted that currently, the potential impact is limited, also in consideration of the wider geographical regions of sourcing. The Group thus intends to:

- Continue monitoring such risks and assess the potential evolution of the related impacts;
- Extend the analysis to other key raw materials part of the Group business strategy; and
- Keep monitoring the reliability and precision of available scenarios, with the expectation of a progressive improvement.

Regarding the business interruption risks, the assessment highlighted that currently, the potential impact is limited. Nevertheless, the Group intends to:

- Extend the assessment to key external supply chains;
- Extend the assessment to a wider set of physical assets; and

- Keep monitoring the reliability and precision of available scenarios, with the expectation of a progressive improvement.

Finally, considering the potential market entry challenges, the assessment highlighted that currently, the impact is limited, mainly thanks to the Group's organizational structure addressing ESG topics. Nevertheless, the Group intends to keep monitoring the evolution of ESG-related regulations, both in the markets where it operates and in other industries, to anticipate new requirements with adequate preparation.

With regards to the identified opportunities, the outcome of the assessment confirms the attractiveness of positioning ourselves among sustainability leaders.

Risk Management process

As represented in the section "Code of Ethics and Responsible Business Practices", the Zegna Group's Enterprise Risk Management (ERM) system consists in identifying, assessing and managing the risks that can affect the Group. It is formalized in the ERM guidelines, based on the main international best practices (CoSO ERM).

The process involves the corporate organization and the governance bodies, each within their scope of competence. It is composed of various stages, including the identification of potential risks from a detailed Risk Catalog, the analysis and evaluation of these risks, the planning of mitigation measures, and continuous monitoring to ensure effective risk management. The main objective of the Group's risk management is to protect the company from potential financial losses, damage to reputation, and other negative impacts.

Furthermore, the Group's Risk Management process helps the management to define the appropriate strategies to mitigate the identified risks. These strategies may include implementing internal controls, ensuring certain risks are managed, or changing the way business is. Additionally, the Group is committed to constantly monitoring the effectiveness of risk management measures and making any necessary adjustments. This process is crucial to ensuring the continuity of business operations and protecting the Group's interests.

The Group's ERM system strategically integrates ESG (Environmental, Social, and Governance) climate-related risks into its comprehensive framework. The ERM dynamic approach is in alignment with TCFD recommendations. Beginning in 2024, we plan to extend the analysis for the identification and perception of climate-related risks to external viewpoints as well.

Metrics & targets

At the Ermenegildo Zegna Group, our commitment to environmental stewardship is integral to our core values. In pursuit of our overarching Net-Zero Target by 2050, we have established rigorous metrics and targets to diminish our carbon footprint and enhance our energy efficiency.

Our medium-term goals include a 50.4% reduction in scope 1 and 2 GHG emissions by 2032 from a 2021 baseline, alongside a parallel reduction in scope 3 emissions, encompassing purchased goods, services, and other indirect activities. Notably, we achieved a significant increase in our renewable electricity sourcing, reaching 68% in 2023, up from 22% in 2021. Furthermore, we are committed to fully transitioning to renewable electricity by 2027.

Our progress is rigorously monitored through metrics validated by the Science-Based Targets initiative (SBTi)¹⁰⁵, ensuring transparency and accountability in our journey towards environmental sustainability. We believe these concerted efforts represent substantial strides in our environmental responsibility, reflecting our dedication to a sustainable future.

Additionally, we have established a target to track our top primary raw materials by 2026, aiming to trace at least 50% of them to the geography of origin and procuring from lower-impact sources.

Finally, we have set a target to assess the water footprint of our external productions by 2025 (the Group has already met the goal of completing the first water footprint assessment on internal productions by 2022). Moreover the Group has committed to set reduction targets, aligned with Science-Based Targets Network (SBTN) guidelines.

Should the impacts of the identified risks and opportunities on the Group's EBIT become significant for the Group as we keep them under observation over time, we will establish targets and metrics aimed at monitoring the management of such risks and opportunities.

For more information on targets and metrics, see the sections "Our Sustainability Commitments" and "Environmental Commitment", specifically in the sections "Climate" and "Raw Material Traceability & Circularity".

¹⁰⁵ The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments.

Summary

TCFD Recommendations and recommended disclosure		Other disclosure locations within the Sustainability Report 2023 and external disclosure
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Cap. Corporate Governance, p.35
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Cap. Corporate Governance, p.35
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and Risk Management process.	Cap. Our Sustainability Commitments p. 21, ZEGNA's Remuneration policy
	b) Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emissions and the related risks.	Cap. Climate p. 80
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

The background of the page is a close-up photograph of three skeins of yarn. The top-left skein is a vibrant blue, the middle-right skein is a light grey, and the bottom-left skein is a bright yellow. The yarn has a visible texture and is arranged in a way that creates a sense of depth and color contrast.

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Ermenegildo Zegna N.V.

We have carried out a limited assurance engagement on the Sustainability Report of Ermenegildo Zegna N.V. and its subsidiaries (hereinafter also "Ermenegildo Zegna Group" or the "Group") as of December 31, 2023.

Responsibility of the Directors for the Sustainability Report

The Directors of Ermenegildo Zegna N.V. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by the GRI – Global Reporting Initiative (hereinafter also "GRI Standards") and with the "Apparel, Accessories & Footwear Sustainability Accounting Standards 2022" defined by SASB - Sustainability Accounting Standards Board ("SASB Standards"), as stated in the paragraph "Methodological Note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Ermenegildo Zegna Group's objectives related to the sustainability performance, for identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) 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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards and with the requirements of the SASB Standards. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter *"ISAE 3000 Revised"*), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised*, and, therefore, do 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 performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods of analysis and understanding of the context, identification, evaluation and prioritization of actual and potential impacts and to the internal validation of the process results;
2. comparison between the financial data and information included in the Sustainability Report with those included in the Group consolidated financial statement;
3. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Ermenegildo Zegna N.V. and with the personnel of Consitex S.A., Ermenegildo Zegna (China) Co., LTD, Ermenegildo Zegna Corporation, EZ Service S.r.l., Ezi S.p.A., In.co. S.p.A., Lanificio Ermenegildo Zegna e Figli S.p.A., Zegna (China) Enterprise Management Co., Ltd. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;



- b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies, Ermenegildo Zegna N.V., Consitex S.A., Ermenegildo Zegna (China) Co., LTD, Ermenegildo Zegna Corporation, EZ Service S.r.l., Ezi S.p.A., In.co. S.p.A., Lanificio Ermenegildo Zegna e Figli S.p.A., Zegna (China) Enterprise Management Co., Ltd., which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met their management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Ermenegildo Zegna Group as of December 31, 2023 is not prepared, in all material aspects, in accordance with the GRI Standards and with the SASB Standards, as stated in the paragraph "Methodological Note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

A handwritten signature in blue ink that reads "Silvia Dallai".

Silvia Dallai
Partner

Bologna, Italy
April 17, 2024



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INDEPENDENT AUDITOR'S REPORT ON TCFD DISCLOSURE

To the Board of Directors of
Ermenegildo Zegna N.V.

We have carried out a limited assurance engagement on the TCFD Disclosure of Ermenegildo Zegna N.V. and its subsidiaries (hereinafter also "Ermenegildo Zegna Group" or the "Group") for the period ending December 31, 2023 (hereinafter "TCFD Disclosure") presented in a specific section of the Sustainability Report. The TCFD Disclosure has been prepared on the basis of the criteria established in the "TCFD Methodological note" of the section itself, with reference to the "Recommendations of the Task Force on Climate-related Financial Disclosures" (hereinafter "TCFD Recommendations") defined by the *Financial Stability Board*.

Responsibility of the Directors for the TCFD Disclosure

The Directors of Ermenegildo Zegna N.V. are responsible for the preparation of the TCFD Disclosure in accordance with the criteria established in the "TCFD methodological note" paragraph of the TCFD Disclosure, with reference to the TCFD Recommendations.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of the TCFD Disclosure that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the climate-related objectives of Ermenegildo Zegna Group.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) 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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the TCFD Disclosure with the criteria established in the "TCFD Methodological note" of the TCFD Disclosure. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements.

The standard requires that we plan and perform the engagement to obtain limited assurance whether the TCFD Disclosure is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 *Revised*, and, therefore, do 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 performed on the TCFD Disclosure are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the TCFD Disclosure, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of the policies, procedures and other company documentation in order to understand the governance structure and the processes relating to climate-related strategy and risk management of the Group;
2. comparison between information included in the TCFD Disclosure with climate-related information included in other section of the Sustainability Report and in the consolidated financial statements of the Group;
3. understanding of the processes underlying the origination, recording and management of qualitative material information included in the TCFD Disclosure.

In particular, we carried out interviews and discussions with the management of Ermenegildo Zegna N.V. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of climate-related disclosures to the department responsible for the preparation of the TCFD Disclosure.

In addition, for material information, taking into consideration the Group's activities and characteristics, with regards to qualitative information included in the TCFD Disclosure, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence.



Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the TCFD Disclosure of the Ermenegildo Zegna Group, presented in a specific section of the Sustainability Report, as of December 31, 2023, is not prepared, in all material aspects, in accordance with the criteria established in the "TCFD Methodological note" of the TCFD Disclosure.

DELOITTE & TOUCHE S.p.A.

A handwritten signature in blue ink that reads "Silvia Dallai".

Silvia Dallai
Partner

Bologna, Italy
April 17, 2024