

Ermenegildo Zegna Group

**SUSTAINABILITY
REPORT
2021**

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CHAIRMAN & CEO LETTER

Responsibility towards people, community and territory is at our core since 1910: at Ermenegildo Zegna Group, we have taken care of the world we live in from the beginning, following in the footsteps of our founder, my grandfather Ermenegildo.

Ensuring the highest quality without compromising the quality of life for future generations is our legacy. Giving back is our path. Today, as a listed company, we live this mission with even greater responsibility. We want to honor our founder's philanthropic spirit through tangible actions, and as we have grown into a worldwide luxury group, our commitment has expanded from local to global.

Our first Sustainability Report as a public company comes on the heels of our inaugural Capital Markets Day, which we hosted on May 17, 2022 at Oasi Zegna. Oasi Zegna is the mountain region that our founder, Ermenegildo Zegna, a forerunner of the times, started reforesting in the 1930s. It is the cradle of our century-long commitment to caring for the natural world around us, our people, and our communities.

The creation of Oasi Zegna was one of the many ways my grandfather put his values into action, something we have proudly done as a Company and as a family ever since. Act, actions as the keywords. Then, and now, with the belief that our actions today will shape our tomorrow.

During the Capital Markets Day, we announced our new ESG strategy, including the latest set of actions that Ermenegildo Zegna Group intends to execute to solidify our thought leadership position in the luxury industry by accelerating the pace of change needed to guarantee the well-being of future generations.

The new ESG strategy includes commitments on materials traceability, addressing climate change, and equal employment opportunities. These 27 commitments will continue to ensure that ESG is a core part of our products and processes, that we expand our already-recognized leadership position in advancing sustainability practices, and that we remain an engine for positive change across the communities in which the Group operates. A number of these pledges are only possible thanks to our strong partnerships with industry leaders and organizations, including the Fashion Pact, Stellantis Group, CNMI, and others. To highlight the importance of these commitments, they will be overseen directly by the Board of Directors, and starting this year, long-term equity incentive plans granted to eligible executives will be linked to achieving these targets.

The new ESG strategy and commitments, our increased focus on healthy governance, and this very Sustainability Report all reaffirm our dedication to a path of responsible growth that will take us boldly to the future. They also ensure that we are accountable to our stakeholders to meet both our financial and our ESG goals.

We are a business and company firmly rooted in tradition. A tradition of excellence, the tradition of Italian craftsmanship, and a tradition of caring for the world around us. These traditions, which are so much a part of who we are at Ermenegildo Zegna Group, make me confident in our ability to deliver against these ambitions.



Ermenegildo Zegna
Chairman & CEO of Ermenegildo Zegna Group

USEFUL INFORMATION ON GROUP PERIMETER EVOLUTION

As reported in the Methodological Note presented at the end of this document, during 2021, significant changes occurred to the Group.

Inter alia, the Group disposed of the following assets¹:

- Agnola Brand, deconsolidated from the start of the year;
- Real estate businesses, consisting of the Group's former subsidiary EZ Real Estate, which directly and indirectly holds all of the real estate assets formerly owned by the Group, as well as certain properties previously owned by Lanificio Ermenegildo Zegna, including part of Lanificio's industrial building located in Valdilana and Lanificio's hydroelectric plants;
- Oasi Zegna, a freely accessible natural reserve in Trivero (Valdilana, Biella), established by Zegna in 1993 with the goal of fostering a positive relationship with the local territory and the community;
- Achill, an Australian wool farm, home to about 10,000 Merino sheep.

Most of the real estate properties directly or indirectly owned by EZ Real Estate were, and continue to be, leased to the Group also following the disposition.

In addition, the following changes occurred during 2021:

- In December 2021 the Group has entered into an arrangement with Oasi Zegna. In exchange of an annual fee, Oasi Zegna will provide the following to the Group: licensing, marketing and other sustainability-related services that also include the conservation and development of the Oasi Forest heritage and the protection of its territory for the benefit of the local communities;
- In 2021 the Group continued to support the activities of Fondazione Zegna, a charitable organization which provides an opportunity for philanthropic work on the part of the Zegna family, focusing on Social Responsibility and Arts initiatives. From October 2021 the Group does not hold the role of "founder" of Fondazione Zegna any longer, and has not made any more contributions. The Group is currently considering how to continue the relationship with Fondazione Zegna and the Ermenegildo Zegna Founder's Scholarship Fund;
- During 2021, the management of the Ermenegildo Zegna Founder's Scholarship Fund has shifted from the Group to Fondazione Zegna.

In light of the changes described above, the present report also provides an update on the initiatives and achievements obtained in 2021 in relation to Oasi Zegna, Fondazione Zegna, Achill and the Ermenegildo Zegna Founder's Scholarship.

Please refer to the Methodological note for further information in relation to the Group perimeter evolution as well as other features of this Sustainability Report, including scope of information and references to the Sustainability Reporting standards used.

¹Please refer to the document 20-F SEC filing for a detailed description, at the following link: <https://ir.zegnagroup.com/financials/sec-filings/default.aspx>

ERMENEGILDO ZEGNA GROUP

Ermenegildo Zegna N.V. is the parent company of the Ermenegildo Zegna Group and is named after our founder Ermenegildo Zegna (the grandfather of our Chief Executive Officer), who started his business in the Northern Italian town of Trivero in 1910 with the dream of creating the most beautiful and luxurious fabrics in the world.

History:

Since its inception, the company sourced the best quality natural fibers directly from their countries of origin, imported them to Italy to be expertly woven, and subsequently exported these luxury fabrics worldwide. In the late 1920s, the wool mill employed more than 700 workers, growing to more than 1,000 in the late 1940s. In 1938, the company began to export fabrics to the United States.

In the mid-1960s, Ermenegildo's sons Aldo and Angelo took over the company. Under their guidance, the label expanded its business to ready-made suits and established new plants and distribution networks abroad.

In 1968, the first clothing production plant was opened in Novara, Italy, followed by factory openings in Spain, Greece, and Switzerland. Market units were also established in France, Germany, the United Kingdom and the United States.

In 1972, Zegna launched its made-to-measure service called "Su Misura."

Zegna's brand internationalization strategy continued with the opening in **Paris (1980)**, followed by boutiques in **Milan (1985)**, **London (1987)**, **Tokyo (1989)**, **Beijing (1991)** and **Hong Kong (1993)**, making Ermenegildo Zegna one of the first luxury brands to establish a presence in Greater China.

Between 1979 and the 1990s, the third generation of the Zegna family entered the business.

In 1998, Angelo's son, Ermenegildo "Gildo" Zegna, and Aldo's son, Paolo, became the co-Chief Executive Officers.

In 2006, Gildo Zegna became the sole Chief Executive Officer and Paolo Zegna was elected Chairman. Under his leadership, Zegna began a strategy of brand extension, both organically and with M&A activity, and full verticalization.

Zegna entered the luxury womenswear business in 1999 by acquiring the Italian brand Agnona. The Agnona business was later deconsolidated with the disposition in the course of 2021.

In 2009, Zegna acquired the business of **Tessitura di Novara**, which specialized in the production of silk.

In 2014, Zegna acquired a majority equity interest in **Achill**, an Australian wool farm of 2,500 hectares (approximately 6,175 acres), home to about 10,000 Merino sheep. Achill was demerged in November 2021, but Zegna continues to source raw materials from this wool farm.

In 2016, Zegna acquired a majority stake in **Bonotto**, a high-end textile manufacturer based in Molvena, Italy, expanding Zegna's presence into new areas such as furnishing and experimental fabrics.

In 2018, Zegna acquired a majority stake in **Thom Browne**, a leading and fast-growing luxury brand focused on high-end menswear and womenswear. Zegna also acquired **Cappellificio Cervo**, a historic hatmaker in Biella, Italy with over 150 years of history.

In 2019, Zegna acquired a majority stake in **Dondi**, an Italian high-end jersey fabrics manufacturer, enhancing Zegna's control over its textile supply chain.

During 2021, Zegna further strengthened its presence in the textiles business with the acquisition of a majority stake in **Tessitura Ubertino**, a business specialized in high-end fabrics for women based in Pratrivero, Italy, and a 40% stake in **Filati Biagioli Modesto**, a business specialized in the production of carded yarns based in Montale, Italy. Concurrently with Zegna's acquisition, the Prada Group also acquired a 40% stake in Filati Biagioli Modesto.

On December 20, 2021, the Ermenegildo Zegna Group was listed on the New York Stock Exchange, remaining under the control of the Zegna family.



OUR ACTIVITIES

Today we are a leading global luxury group, internationally recognized for the distinctive heritage of craftsmanship, quality and design associated with our Zegna and Thom Browne brands and the noble fabrics and fibers of our in-house luxury textile and knitwear business.

Since our foundation in 1910, we have expanded beyond our luxury textile production to ready-to-wear products and accessories to become a highly recognized luxury lifestyle group.

We design, manufacture, market and distribute luxury menswear, footwear, leather goods and other accessories under the Zegna and the Thom Browne brands, and luxury womenswear and childrenswear under the Thom Browne brand.

Our product range is complemented by eyewear, cufflinks and jewelry, fragrances, underwear and beachwear manufactured by third parties under licenses.

Our business covers the entire value chain from design to manufacturing and distribution.

Our goal is to provide customers with excellent products that reflect our tradition of fine craftsmanship with exclusive design content and with a style that preserves the exceptional manufacturing quality we are known for, through the sourcing of superior raw materials, the careful finish of each piece, and the way they are delivered to our customers.

Our Business Segments:

The Group operates the business in two segments: the **Zegna segment** (comprising three product lines: Zegna Branded Products, Textile and Third-Party Brands, formerly known as Strategic Alliances) and the **Thom Browne segment**.

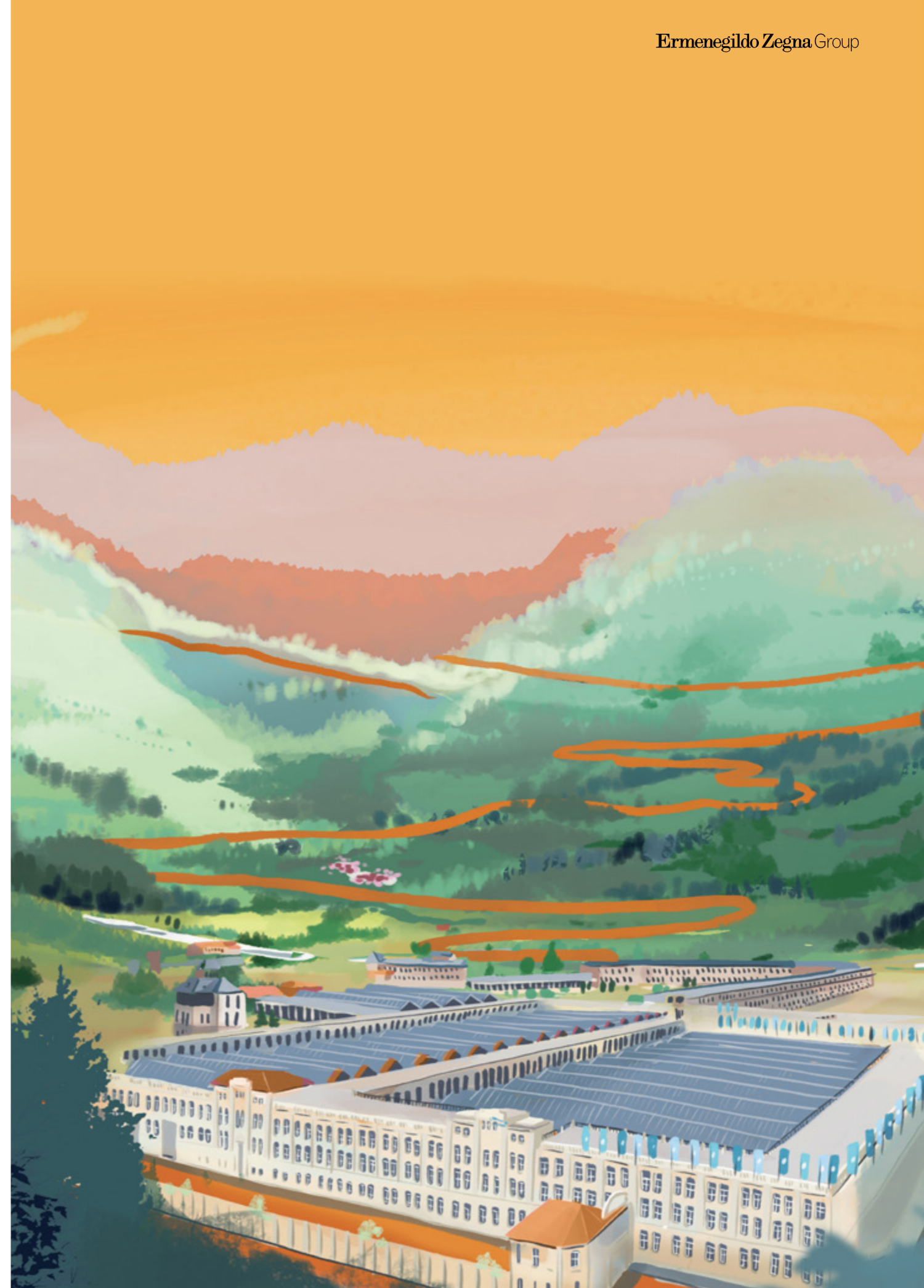
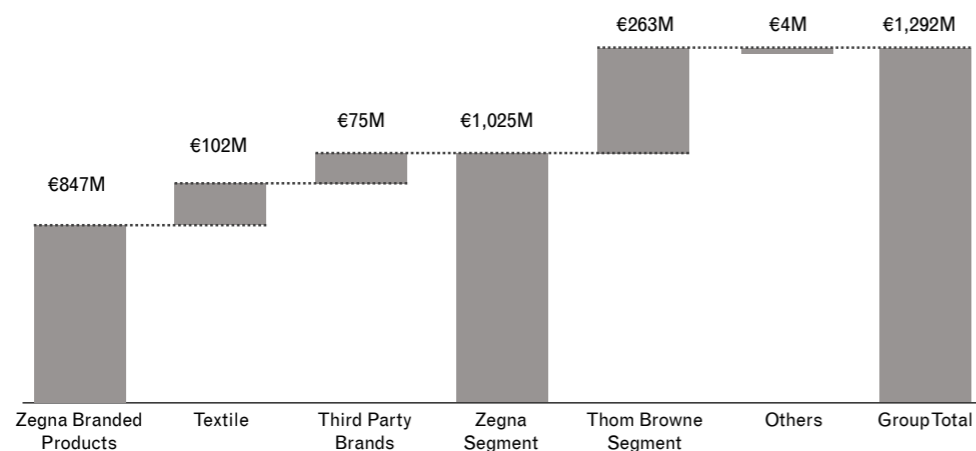
With respect to the Zegna Branded Products product line and Thom Browne segment, we operate via our direct-to-consumer or DTC channel worldwide through our network of 245 Zegna and 52 Thom Browne DOSs as of December 31, 2021.

We also distribute our products worldwide through mono-brand or multi-brand points of sale operated by our wholesale customers. Taking into account our DTC channel and our wholesale distribution channel, we are present in over 80 countries worldwide. Our DTC channel includes mono-brand boutiques and outlets, as well as concessions in department stores and multi-brand e-commerce marketplaces. In our wholesale channel, we sell our products to franchisees, department stores, multi-brand specialty stores and online multi-brand e-tailers.

The activities of the Textile product line and Third-Party Brands product line follow their own operational phases and logics.

Through the Textile product line, we sell our fabrics both to other product lines of the Zegna segment or to the Thom Browne segment, and to third party customers. Through the Third-Party Brands product line, we are engaged in the manufacturing and distribution or the supply of menswear to other fashion brands.

**BREAKDOWN OF REVENUES BY PRODUCT LINE
FOR THE YEAR ENDED DECEMBER 31, 2021**



ZEGNA BRAND: THE GO-TO BRAND IN MENSWEAR

Since its foundation over 110 years ago, Zegna has been synonymous with quality and style for men. We believe that our products enjoy strong visibility and an established reputation in the market associated with style, quality and innovation. Born as a fabric maker, Zegna has grown into formalwear and more recently into luxury leisurewear. Its brand architecture has also evolved with the **One Brand strategy**: in the fourth quarter of 2021, we announced a rebranding strategy, whereby, starting with the Fall/Winter 2022 season, our Ermenegildo Zegna, Z Zegna and Ermenegildo Zegna XXX brands will be consolidated into a single brand characterized by a new logo and a distinctive signifier. The new brand, logo and signifier are designed to be iconic and immediately recognizable, allowing us to focus our collection and enhance our new luxury leisurewear proposition, which is proving to be successful both with our new customers and our existing loyal customers.

The One Brand strategy will help us focus on our strategic priorities for Zegna brand:

- **Luxury Leisurewear.** In recent years, our apparel offer has shifted towards more versatile and technical luxury leisurewear for men in order to meet the needs of a fast-paced world. The evolution from pure formalwear is our new definition of men's style that we call "luxury leisurewear," a new, versatile wardrobe that combines performance and comfort without compromising quality to become a fundamental part of our design philosophy moving forward. Sales of outerwear, knitwear and jersey have been increasing significantly in recent years. We intend to consolidate the shift toward luxury leisurewear and this new style approach with a focus on categories of products meeting the demand for greater comfort and a modern aesthetic. We believe that this trend will also allow us to expand our reach to a broader, younger client base.
- **Create New Iconic Products and Attract New Customers.** We intend to continue to launch new products, in particular focusing on iconic products that can be visually and easily recognized and offer superior growth, as in the case of our Triple Stitch shoes, while continuing to preserve the exceptional quality we are known for. We believe that there are significant opportunities to capitalize on our brands' recognition and existing customer base by enhancing our current product assortment and introducing new product categories. Additionally, we plan to identify new product categories (e.g. overshirts and 5-Pocket pants) to expand our offer to a younger and more diverse customer base.

THOM BROWNE: REDEFINING MODERN TAILORING

Thom Browne: redefining modern tailoring

“The idea of uniformity is interesting because it shows true individuality, and it shows true confidence” (Thom Browne).

Thom Browne is widely recognized for redefining modern tailoring. Through his collections for men, women and children, Browne conveys a true American sensibility.

In 2003, Browne began his business with five grey suits in a made-to-measure shop in New York city's west village. With each jacket and trouser, he paired a grey cardigan, a white oxford shirt, a grey tie and silver tie-bar, and classic black brogues. The jacket was sharply tailored with a high-armhole fit. The trouser was hemmed at the ankle. This is the Thom Browne uniform.

Thom Browne has since expanded to include ready-to-wear for both men's and women's lines, footwear, accessories, and fragrances. Browne is now known for his runway presentations and films, which have gained global attention for bringing viewers into his unique world. Each collection represents a new story of its own, taking traditional fabrics and reinterpreting them in a new way. Now a global brand Thom Browne continues to challenge expectations with his approach to design, tailoring and presentation. His influence is evident through the culture-defining individuals who wear Thom Browne. The grey suit remains elemental to all he does, signifying a singular point-of-view and the commitment to exceptional quality in fabrics and tailoring.

A creative, thought-provoking designer with a strong tailoring aesthetic, Thom Browne is recognized for creating and establishing a new silhouette in menswear. His ready-to-wear features American influences like east coast preppy icons and unexpected twists from traditional mid-century style. His fashion show collections are theatrical and inspirational. The brand has a strong global following across industries and is widely respected by opinion leaders in fashion and the arts. The Thom Browne customer base is wide and varied. The younger consumers appreciate the creativity and strong vision of the brand while older consumers appreciate the quality of the products and tailoring heritage.

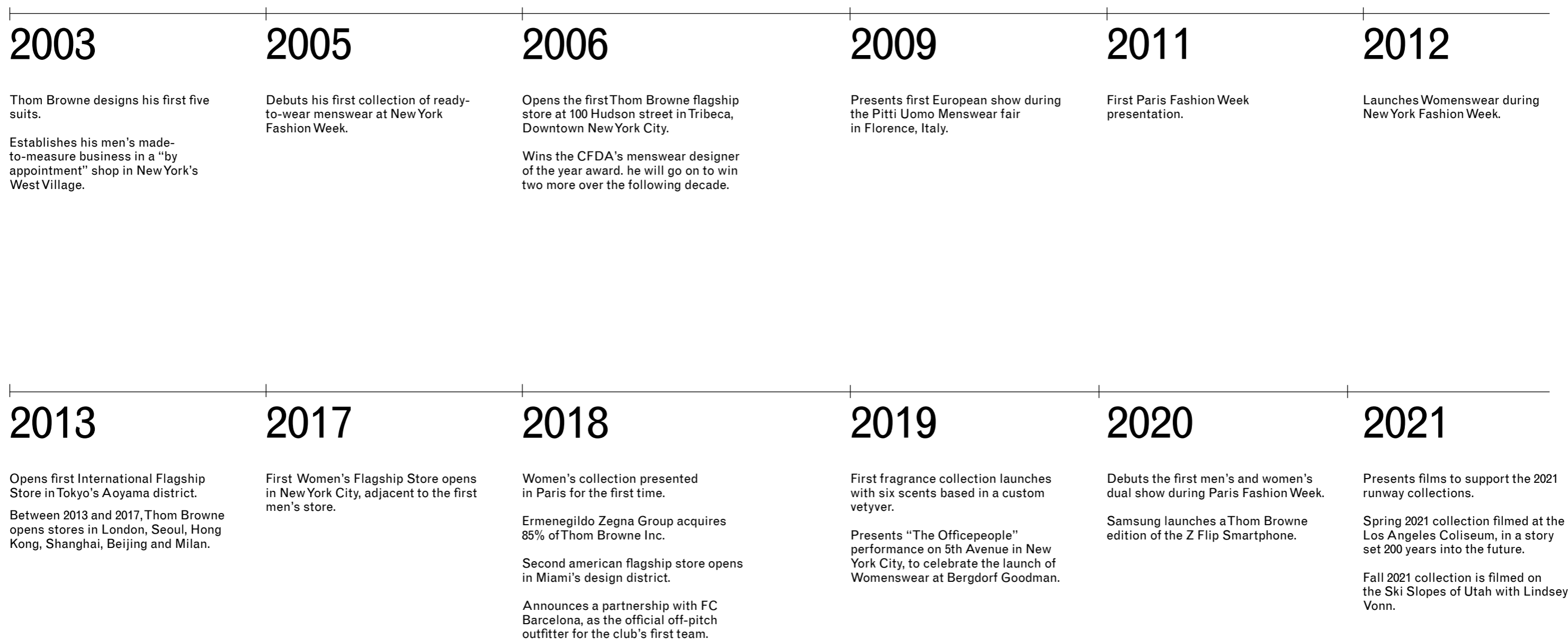
To uphold the brand's high standards of craftsmanship, our fabrics are globally sourced from the highest quality fabric mills, starting from the Group's Textile unit, and also from Italy, Japan, the United Kingdom, France and the United States. We work with the most advanced production facilities to ensure these standards are met: since being part of the Group, we are increasing our reliance on the Group's internal supply chain.

The Thom Browne store is unexpected, designed to feel like the interior of a home; making use of either Venetian blinds or a marble façade to formalize the view. Its retail environment is unique, a true reflection of the brand: mixing luxurious grey marble, brushed and burnished brass, and bespoke poured terrazzo with original vintage furniture and fixtures (a nod to Jacques Adnet, Gio Ponti, Paul McCobb and the like). Personalized flagship locations in the United States, the UK, Europe, and Japan reflect this vision.



Eponymous designer Thom Browne"

THOM BROWNE TIMELINE



TEXTILE: A MADE IN ITALY LUXURY LABORATORY PLATFORM

We benefit from a full verticalization of the supply chain through Lanificio Ermenegildo Zegna as well as our recent acquisitions of Dondi, Bonotto, Tessitura Ubertino and Filati Biagioli Modesto. Our in-house laboratory platform allows us to focus on innovation and research of the finest and highest performing fabrics, but also to leverage a modular approach to the manufacturing process depending on production needs, giving us high flexibility and efficiency. We believe that this provides us with a competitive advantage. Through our long-term relationships with our suppliers, we enjoy privileged access in the procurement of the finest fibers and fabrics and we are able to ensure enhanced traceability and quality control of the raw materials. Thanks to our experienced in-house teams, our personnel dedicated to research and development (approximately 280 employees currently) and our leading technological capabilities, we are able to manage the entire production process throughout the various stages, either in-house or through our network of trusted, long-standing external manufacturers. The excellence of our output is the reason why we not only serve the needs of our proprietary brands Zegna and Thom Browne, but also a number of top luxury players, which rely on us to supply top quality products.

Our Made in Italy Luxury Laboratory Platform Companies

Lanificio Ermenegildo Zegna

Founded in 1910, Lanificio Ermenegildo Zegna 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.

Tessitura di Novara

This historically important Italian manufacturer was founded in 1932 and has since become a leading producer of pure silk and other high-end natural fabrics. Many leading international luxury fashion brands rely on Tessitura di Novara's fabrics, which combine artisanal skills with innovative technologies.

Pettinatura di Verrone

The company specializes in the combing of superfine wools, cashmere and vicuña. In 2012, the Ermenegildo Zegna Group acquired a minority stake in Pettinatura di Verrone in order to help preserve and grow the wealth of knowledge and experience within the textile district of Biella, Italy, where Pettinatura di Verrone was founded in 1960.

Bonotto

A fourth-generation textile manufacturer based in Molvena, Italy. Bonotto supports the Slow Factory movement, whereby handcraftsmanship and traditional techniques are preferred to mass production at low cost. In 2016, the Ermenegildo Zegna Group acquired a majority stake in Bonotto, which was founded by Luigi Bonotto in 1912. Bonotto focuses on the creative and experimental dimensions of its fabrics. The brand consists of a style center devoted to research and development, a weaving and warping plant, as well as a dyeing and finishing plant.

Cappellificio Cervo

In 2018, the Group acquired this hattery, which is based in Biella, Italy, and whose history stretches back over 150 years. It was founded in 1897 by local master craftsmen who then turned it into one of the most prestigious worldwide brands in the sector. The company still owns some of the original machinery from the 1800s, which allows them to showcase the detailed work methods that distinguish prestigious worldwide luxury brands. Tradition and innovation are key features of this leading manufacturing company that has contributed so much to crafting excellence in Italy, helping to promote the Made in Italy movement.

Dondi

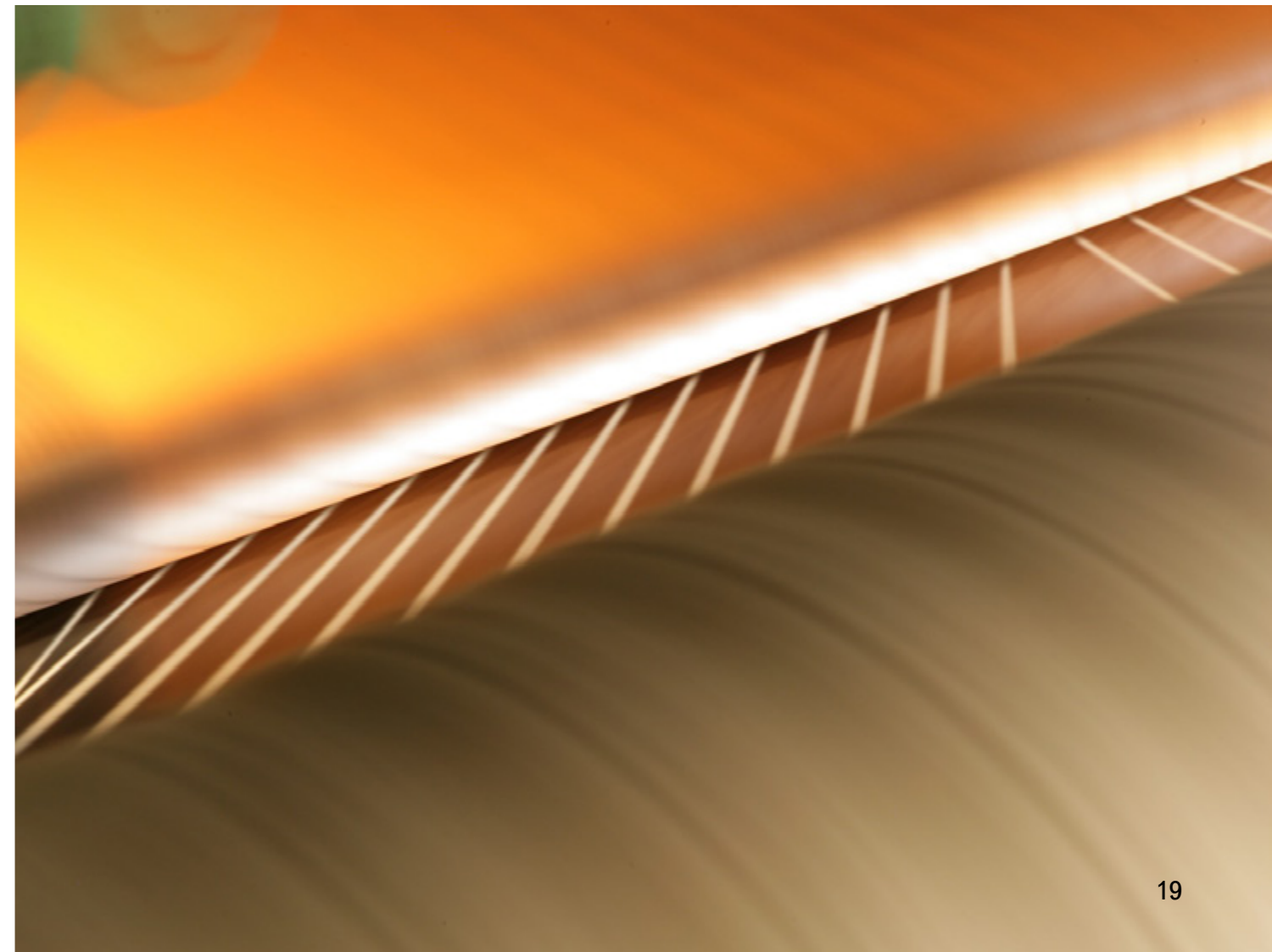
For over 50 years, Dondi has been a leading manufacturer of high-quality jersey fabrics for men and women. In 2019, the Group acquired majority shareholding of Gruppo Dondi. With the acquisition, the Group secured its reputation in fabrics excellence and expanded its specialist capabilities within the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

Tessitura Ubertino

A renowned company specializing in high-end fabrics for women, based in Pratrivero, Biella, Italy. In 2021, the Ermenegildo Zegna Group consolidated its Luxury Textile Laboratory Platform 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 within the global luxury fashion industry.

Filati Biagioli Modesto

In 2021, the Ermenegildo Zegna Group and the Prada Group, with whom we share the "Made in Italy" vision for authentic craftsmanship, acquired majority shareholding in Filati Biagioli Modesto, 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 very high-quality yarns.



2021 HIGHLIGHTS

€1,292M

REVENUES

5,830

EMPLOYEES²
AT 31ST DECEMBER 2021

80

COUNTRIES IN WHICH
THE GROUP OPERATES

61%

OF EMPLOYEES ARE WOMEN
AT 31ST DECEMBER 2021

2

PROPRIETARY BRANDS

22%

OF ELECTRICITY CONSUMED
FROM RENEWABLE SOURCES³

530

MONO-BRAND STORES
AT 31ST DECEMBER 2021

16%

OF TOP RAW MATERIALS ARE TRACEABLE AND SOURCED
FROM LOWER-IMPACT CERTIFICATIONS⁴

297

DIRECTLY OPERATED STORES
AT 31ST DECEMBER 2021

1,420

HECTARES OF WOODLAND IN OASI ZEGNA
(710 HA OF BEECHWOOD, 300 HA OF FIRWOOD, 410 HA OF MIXED WOODLAND),
PLUS 170 HA OF PASTURE).

²Total Group employees excluding temporary collaborators.

³Please refer to note 23 for further information regarding the reported data.

⁴According to Textile Exchange definition of preferred fibers or materials.

OUR SUSTAINABILITY TIMELINE



30's

Beginning of the reforestation of the mountain, starting from S. Bernardo and continuing towards Craviolo. Planting of over 500,000 conifers and hundreds of flowers of different varieties in Valsessera.

Ermenegildo Zegna started building a cultural center, an indoor swimming pool as well as a hospital and maternity ward in his hometown Trivero.

1933

Diploma of Merit to the "Merito Silvano" granted by the Minister of Agriculture and Forestry for the year 1932.

1938

Start of the construction project of the Panoramic Road on the initiative of Ermenegildo Zegna.

Construction of the Piancone hydroelectric plant designed by Mario Castelli and inaugurated on December 10 in the presence of H.E. Cobolli Gigli.

1940

Ermenegildo Zegna writes a letter to the Ministry of Agriculture to reclaim 88km² of Valsessera land, by improving streets, grazing lands and water streams.

The project included the improvement of communication routes, watercourses and alpine dwellings, pastures and mountain pasture and the protection of the forest heritage.

1941-1942

Project for the realization of a Pilot Alp from the project "Bonifica Montana Conte di M. Rubello", then realized at the beginning of the fifties.

1951

The Ministry of Agriculture and Forestry awards Ermenegildo Zegna the Silver Medal of Merit Silvano.



1952

Construction of a first path between Sanctuary of Oropa and Sanctuary of S. Giovanni d'Andorno strongly financed by Ermenegildo Zegna.

Experimental opening of the Colonia Alpina E. Zegna under the Bocchetta di Margosio, built as a summer camp for the children of the workers of the textile industries of Biella (operational in 1953).

1959-1961

The "Mischie" or "Miste" dam was built to supply the Piancone power plant and to cope with the annual periods of low hydraulic flow.

60's

Program of hydraulic-forestry arrangement in the mountain basins of the Cervo and Sessera torrents based on a forest increase to consolidate the ground and decrease the runoff of the territory. Intervention on the Panoramic road and revision of the Conca dei Rododendri project by the landscape architect Porcinai, with an additional intervention of arrangement of the basin after the flood of 1968.

1977

Completion of the Zegna Panoramic Road. The road crosses 6 main valleys and other secondary valleys for a total of 65 km.

1993

Study for the improvement of the Alpe Moncerchio and the requalification of the pasture for its inclusion in the Oasi Zegna project.

1997

Assignment of the special Ermenegildo Zegna award to the American actor Ted Danson during the ceremony of the Annual EMA. Oasi Zegna promotes the project to estimate plant biomass and monitor animals by CEO (Center Earth Observation) and developed by ENEA (Ente per le Nuove Tecnologie l'Energia e l'Ambiente), with the involvement of the Piedmont Region and the Faculty of Agriculture of Turin.

1998

At Lanificio Ermenegildo Zegna, the dosing of chemical products in the dyeing department is automated with the installation of a central dosing unit located outside the department. Anna Zegna receives, for her commitment to environmental protection, the award of the Rainforest Alliance.



2000

Fondazione Zegna is born, with the aim of safeguarding people, culture and the environment.

Lanificio Ermenegildo Zegna has reconverted its internal heating plant from fuel oil to methane gas.

2002

Lanificio Ermenegildo Zegna installs a hot water storage that uses the dispersed heat generated by the power plant to heat the water. Fondazione Zegna sponsors the Palinuro's trip to monitor the Mediterranean Sea's conditions.

2003-2005

The Piancone hydroelectric plant is upgraded with the addition of a forced conduct. It obtains the qualification of "IAFR", a plant powered by renewable energy sources.



2004

Fondazione Zegna donates to FAI (Fondo per l'Ambiente Italiano) 500,000 crocus bulbs planted in the gardens of Villa Della Porta Bozzolo in Casalzuigno.

Fondazione Zegna begins to support WWF for a project to conserve the Qinling giant panda and its habitat in



China, a commitment that lasted until 2018.

Lanificio Ermenegildo Zegna, in its continuous search for innovative products, is one of the first to experiment with new vegetable fibers, such as bamboo.

2007 2008 2008-2009 2010 2011 2012

The Mediterranean Landscape Award is assigned to the project presented by Ermenegildo Zegna Holditalia, entitled "Oasi Zegna - Study, protection, enhancement, development and promotion of the Biella mountain area".

Project of Fondazione Zegna in collaboration with WWF Turkey with the planting of trees in the reserve of Buyukada Island.

Casa Zegna, a historical archive, cultural center and exhibition space located in Trivero, is born.

The Solar Ski Jacket is the first technical ski jacket in the luxury area capable of recharging a cell phone or any other portable communication tool with an eco-friendly system using solar energy.

In Perù, a project for the artificial canalization is created for fields' irrigation and vicuña's watering for the Picotani Community.

A new pathway is created at the Conca dei Rododendri, with the introduction of new roadside walkways and access for disabled to the Caruccia area.

The Zegna Baby Forest project was born, according to which for each new birth among Group's employees a new tree is planted. In 10 years, 1,201 trees have been planted.

Two monitoring stations on the Sessera stream become operative.

Ecotene is a technical fabric made from 100% recycled plastic material, and is, therefore, the first lower-impact synthetic fiber deployed in Zegna clothing.

Lanificio Ermenegildo Zegna equips itself with a system of photovoltaic panels to produce electricity.



The Ermenegildo Zegna Group coordinates LIFE Carabus project to safeguard the Carabo tree in Valsessera area.

"Manifesto of Sustainability for Italian Fashion" is born, aimed at outlining an Italian way for responsible and sustainable fashion, as well as for encouraging the adoption of responsible management models along the entire value chain. The initiative, promoted by Camera Nazionale della Moda Italiana (CNMI), is also supported by Ermenegildo Zegna.

2013-2014 2015 2016 2017-2019 2018

The Lanificio Ermenegildo Zegna goes Chrome Free.

The roofing of the factory is replaced with aluminum panels with polyurethane foam insulation, with a 5% saving in thermal energy. A special system recovers heat from the cooling water of the dyeing cycles and transfers it to the industrial hot water circuit.

My Zegna Forest project is born, to save from desertification the Kulun area in Mongolia, as part of the Milion Tree Project.

First edition of the PANORAMA DAY with FAI. Oasi Zegna receives the patronage of FAI. The event is repeated every year since then. Establishment of the Ermenegildo Zegna Founder's Scholarship by Anna Zegna.

Oasi Zegna joins the network of Grandi Giardini Italiani.

Gildo Zegna receives the "Premio Leonardo" award for his commitment to the promotion of "Made in Italy" in the world.

In March, CNMI defines the Guidelines on eco-toxicological requirements for clothing, leather goods, footwear and accessories. Ermenegildo Zegna takes an active part at the table.

In September, Oasi Zegna receives the 1st level Swiss quality certificate.

Redevelopment interventions of pine forests in the area of Piana del Ponte - Selletto Grosso planting 2200 beech trees in 2017, 4700 beech trees in 2018 and 3000 beech trees in 2019.

Lanificio Ermenegildo Zegna has equipped itself with four charging stations for electric cars.

Oasi Zegna installs stations to recharge electric bicycles in Bielmonte and at Centro Zegna.

2019 2020 2021

In January, Lanificio Ermenegildo Zegna activated a new ozone depuration plant for water, bringing up to 25% of water recovered to use for production purposes.

In April, Oasi Zegna participated to the First meeting of Italian private natural areas, LIFE European Private Land Conservation Network organized by Oasi WWF in Orbetello.

In August, Kering CEO François-Henri Pinault, Gildo Zegna and other 30+ signatories agree on the The Fashion Pact commitments, presented the following day to French President Emmanuel Macron at G7 in Biarritz.

The #UseTheExisting collection is presented in June. Gildo Zegna and Alessandro Sartori receives the CNMI Award in Recognition for Sustainability in September.

Lanificio Ermenegildo Zegna is equipped with the first electric car of its corporate fleet.

Zegna Forest is a project on the territory that includes a multi-year plan developed in agreement with experts of the territory, with the associated Studio Territorium and with illustrious exponents such as the landscape architect Paolo Pejrone.

At the ADI Design Index exhibition in Rome, on June 28th, 2021, Alessandro Sartori collected the prestigious ADI Design Index 2020 Innovation Award for the #UseTheExisting project of Zegna Brand.

In the 2021 Edition of the Fashion Transparency Index, the Zegna brand obtained an overall score of 33% and a 78% score in the Traceability section.

In Q1 2021, the Group announced its commitment to shift to hybrid and fully electric vehicles for its corporate fleet in partnership with Stellantis by 2025.



The Group completed an agreement with Oasi Zegna, after its disposition, to continue to pursue our mutually inspiring relationship.

OUR ROAD TO TOMORROW

Our journey started in 1910; over 110 years later and we are still journeying down that beautiful SP232 Road which our founder helped to develop in Piedmont, Northern Italy. At the time it was no more than barren rocks and one man's unwavering dream for the future. His road was made up of ideas and principles, of the very fabric of tomorrow. This road is our inspiration as it defines our path, woven into everything we do by echoing the essential truth of our founder. It is Our Road to Tomorrow.

Our founder's mission and visionary entrepreneurial flair, passed from one generation to the next, is to create beautiful things of the finest quality applying a responsible approach to production. In this sense, superb fabrics, impeccable clothing and outstanding accessories combine to sustain a unique ecosystem.

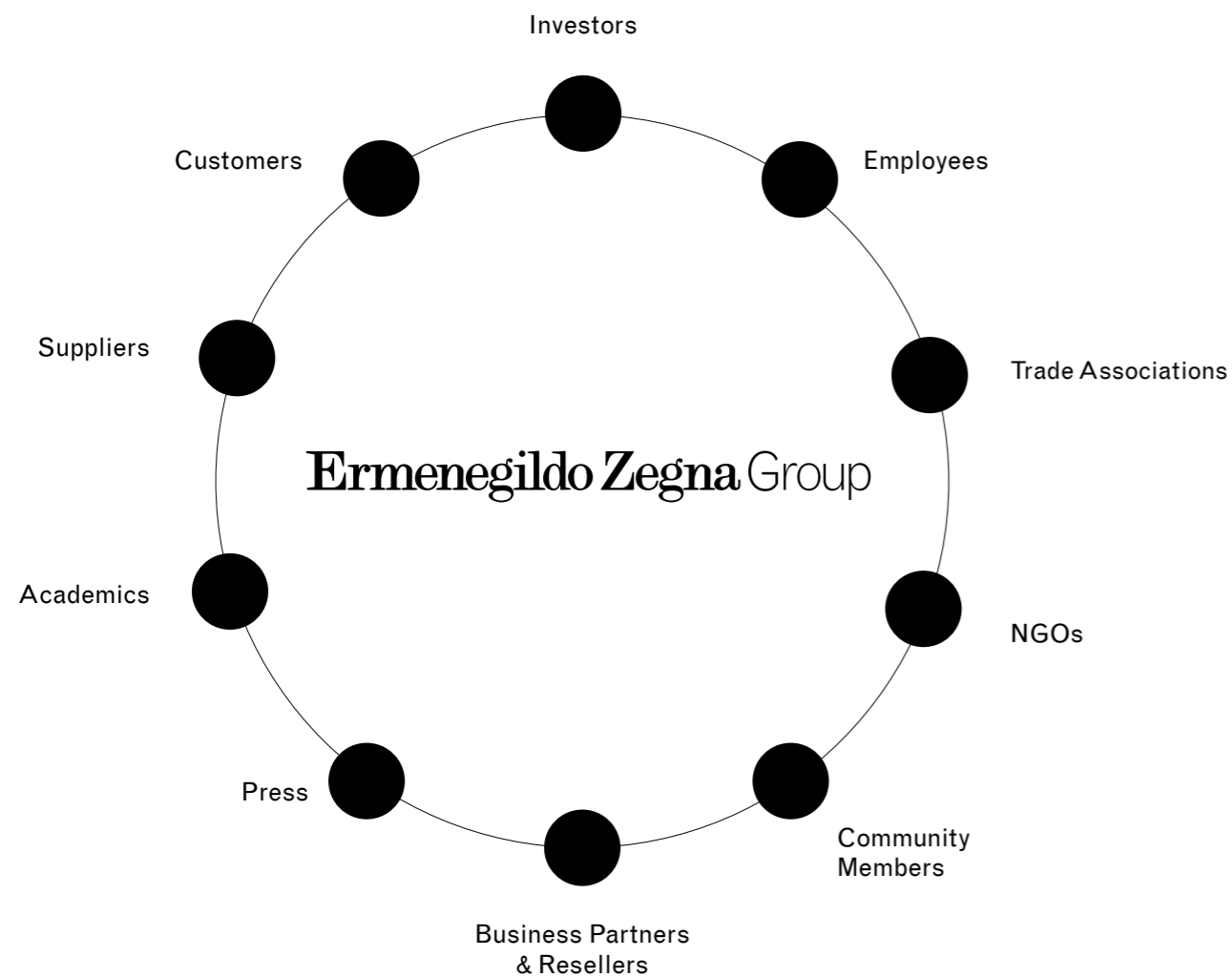
The business model of the Group includes a commitment to both vertical integration and a widening span of activities within our industry. A bold vision and a quest for innovation and beauty underpin our quest for expansion. By investing in a culture of beauty we promote knowledge and skills acquisition (human capital), social capital of trust as well as symbolic capital of identity and recognition (intellectual capital and social and relationship capital). Our commitment to the value of beauty inspires new thought, new connections and new dialogue, as we reach out to partners and associates internationally. Community and collaboration fuel our journey down Our Road to Tomorrow.

OUR ROAD BEGAN WITH A VISION AND A DREAM OF A MAN WHO TRANSFORMED IDEAS INTO FABRICS, WEAVING A FOREST, A COMMUNITY AND A NEW STYLE OF LIFE. INSPIRED BY THE JOURNEY HE TRAVELED SO FAR, WE MOVE FORWARD ON OUR ROAD TO TOMORROW

OUR STAKEHOLDERS

Conscious of the role the Group plays for the economy, the environment and the communities surrounding the locations where we operate, we have mapped the main stakeholder categories who can reasonably be expected to affect, and/or be interested in, our strategy and performance against that strategy. In categorizing stakeholders, the Group considers its strong territorial roots and its recent listing on the New York Stock Exchange (NYSE).

The main categories of stakeholders which were identified are Investors, Employees, Suppliers, Customers, Business Partners & Resellers, Trade Associations, Non-Governmental Organizations (NGOs), Community members, Academics and Press.



OUR ESG MATERIALITY ASSESSMENT

In 2021, the Group conducted its first in-depth ESG materiality analysis, with the goal of identifying the most relevant topics both for the Group itself and for its stakeholders.

The selection of material topics occurred over a process composed of the following steps:

- 1. Identification of a preliminary list of sustainable relevant topics;**
- 2. Gathering stakeholder perspectives and assessing outward and inward impacts related to identify sustainability topics;**
- 3. Elaboration of the Materiality Matrix / Identification of material topics of the Ermenegildo Zegna Group.**

Step 1:

With the aim of obtaining a complete picture of the sustainability context in which the Ermenegildo Zegna Group operates, we drew up a list of 28 sustainable relevant topics, derived through research and analysis of the main sustainability trends affecting our industry. We also considered the Group's strategic priorities with regard to ESG.

The analysis of key trends and the identification of potentially relevant issues constituted the starting point for the subsequent stakeholder engagement activities.

Step 2:

Stakeholder engagement activities were carried out through online and in-presence interviews, both qualitative and quantitative to internal (Ermenegildo Zegna Group Management and non-Management employees) and external stakeholders (academics, customers, sector associations, investors, NGO representatives, public opinion-makers/media, suppliers and business partners).

Specifically, the Group conducted an online survey to collect stakeholders' perspectives on sustainability matters, with the intention to obtain specific information about the relevance of each identified sustainability topic on a scale from 1 (not applicable/not important) to 4 (highly applicable/important). The survey reached 181 stakeholders.

Stakeholder engagement activities were implemented taking into consideration the following two perspectives:

- **Impact of the Group (i.e. how significantly can the Group impact on each issue in the next 3 to 5 years);**
- **Personal view (i.e. how important is it for each stakeholder that the Group addresses each issue).**

Moreover, semi-structured interviews and focus groups with internal and external stakeholders (26 in total) were conducted to provide additional and deeper insights.

Step 3:

The process enabled the identification of 21 material topics: 8 related to economic and governance aspects, 7 to environmental aspects and 6 to social aspects. Specifically:

- **The economic and governance aspects are: sustainable sourcing; data privacy & cybersecurity; transparency, reporting & responsible communication; sustainability ambassadorship; board-level accountability of ESG issues; sustainable finance; remuneration; management of ESG-related risks;**
- **The environmental aspects are: raw materials traceability & chemical management; water management; animal welfare; packaging & plastic pollution; circularity, durability & eco-design; carbon emissions & energy management; biodiversity loss & deforestation;**
- **The social aspects are: human & labor rights; employee well-being; DE&I (diversity, equity & inclusion); education & training; community & philanthropy; stakeholder engagement.**

The results are represented below within the materiality matrix.



The Group commits to ongoing improvement over the coming years, in both quality and completeness, of its sustainability reporting according to the materiality analysis conducted and the commitments presented below.

OUR SUSTAINABILITY COMMITMENTS

Sustainability has been part of our journey since the beginning when our founder Ermenegildo Zegna transformed his dream into actions. In his hometown Trivero, he created work opportunities that help sustain the local community to this day.

His business also built facilities to improve the life of the community including an indoor swimming pool and a hospital with a maternity ward. He also built a 26-kilometer road connecting the city to the surrounding area and he sponsored the planting of more than 500,000 trees, creating the Oasi Zegna.

Ermenegildo Zegna believed that his employees who spent the whole week working in the factory should enjoy outdoor activities as much as they could. For their children he offered holiday summer camps in the mountains.

Today, based on what our founder taught us, we want to honor his legacy and create a better future for our children. Now, as a Group we are embarking on a new journey: Our Road to Tomorrow.

Our Road to Tomorrow is the result of a thorough analysis of our stakeholders' positions on ESG, as well as the impact we have on the operating environment and how that operating environment in turn impacts our business, guiding the Group in the identification of its commitments to sustainability.



Commitment 1: Made in Italy, transparently!

We are proudly Italian and we commit to having the majority of our value chain in Italy, marking the clothing we produce with a “Made in” label that reflects the highest quality and craftsmanship in the world, we commit to further enhancing the traceability of our raw materials and manufacturing processes. From sheep, to shop we will continue our commitment to turning materials from source to resource and will update our #UseTheExisting initiative to maximize waste reuse.

- Top priority raw materials (wool, cashmere, cotton, leather, man-made cellulosic, polyester) with at least 50% traced to the geography of origin and from lower-impact sources by 2026;
- >90% Made in Italy supply of yarns & fabrics by 2025;
- Product raw materials tracking: >95% of products enabled with a product traceability system by 2030;
- Expand innovative #UseTheExisting initiative and explore new avenues for the reuse of industrial waste and pre-consumer;
- Group animal welfare policy formalized by 2022 and embedded in lower-impact raw material certifications;
- 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, by 2024;
- Board oversight of ESG strategy & implementation;
- Top executives' long-term incentives linked to ESG targets by 2022;
- Transparent reporting (audited Group sustainability report, GRI & SASB reporting standards) by 2022;
- Join relevant trade associations (United Nations Framework Convention on Climate Change, Textile Exchange, Sustainable Fiber Alliance, Zero Discharge of Hazardous Chemicals, Leather Working Group) by 2023.

Commitment 2: Weaving the fabric of tomorrow

Since 1910, we have cultivated Italian craftsmanship and know-how and invested in Italian communities. This is one of the ways we give back to who has given us the most, Italy. We also want to give back to the communities we operate in, around the world: from the heart of our business to the world around us. Echoing the dreams of our founder we weave the fabric of a tomorrow that feels worthy of our dreams.

- 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;
- Impact investing on wool, cashmere & cotton raw material sources with regenerative agriculture and carbon sequestration initiatives, from 2023 onward;
- Map private forests of the world, promote and lead the responsible private forest management association globally;
- Kick-off the “Accademia dei mestieri” by 2022;
- Appointment of the Diversity, Equity, and Inclusion (DE&I) Officer & Governance to manage the deployment of the DE&I strategy, by early-2023;
- Develop talent acquisition & retention approach according to DE&I strategy, to become an equal opportunity employer, by 2023;
- Parental leave benefits extended to all markets, above local law requirements, by 2023;
- 80% of employees with DE&I training completed by 2023.

Commitment 3: Oasi, Home of our values

Oasi Zegna is our ecosystem. It is a unique example of a man-grown natural territory with a perfect balance of people, nature, and wildlife. It also embodies our vision and mission to extend our environmental legacy globally. Our goal is to showcase humanity's better nature, grounded by a thoughtful spirit to think and act responsibly.

- Climate change commitment with Science-Based Targets initiative (SBTi) submitted by 2022;
- 100% electricity from renewable sources in Europe & US by 2024, 100% for the Group by 2027 (scope 2);
- 100% fully electric or plug-in hybrid corporate vehicles by 2025 (scope 1);
- Assess water footprint & commit to reduction targets, aligned with Science-Based Targets Network (SBTN) evolution (internal productions by 2022, external by 2025);
- Chemical management: ZDHC Foundational Compliance Level (Manufacturing Restricted Substances List - MRSL, wastewaters) for all Group production sites by 2023;
- Consumer packaging from lower-impact materials (paper or recycled plastics from 2022, distribution packaging by 2030);
- At least 50% content of plastics from recycling in Business to Consumers packaging by 2025 (Business to Business by 2030);
- Community services –1 day/year for every employee, to be donated locally;
- Export Oasi Zegna to the world: 10,000 trees cultivated in every city⁵ (mini Zegna Forests) where the Ermenegildo Zegna Group opens or relocates Zegna boutiques⁶ starting from 2023.

⁵Urban planning constraints may apply, potentially reducing the number of trees to donate

⁶The term Zegna Boutique refers to Zegna Brand self-standing directly operated stores, excluding concessions, shop-in-shop and department store corners, pop-in and pop-up formats, outlet stores and third-party-operated point of sales.

GOVERNANCE & ETHICAL COMMITMENT



CORPORATE GOVERNANCE

In accordance with its Articles of Association, the Group is managed by a board of directors composed of executive directors and non-executive directors. Executive directors are primarily responsible for all day-to-day operations of the Group, while non-executive directors have oversight responsibilities.

The composition of the Board of Directors of Ermenegildo Zegna N.V. as of 31 December 2021 is presented in the following table.

COMPOSITION OF THE BOARD OF DIRECTORS

	Gender	Age Tier
Chairman & CEO		
Ermenegildo Zegna	Male	>50
Non-Executive Directors		
Sergio P. Ermiootti	Male	>50
Andrea C. Bonomi	Male	>50
Angela Cheung	Female	>50
Domenico De Sole	Male	>50
Ronald B. Johnson	Male	>50
Valerie A. Mars	Female	>50
Michele Norsa	Male	>50
Henry Peter	Male	>50
Anna Zegna	Female	>50
Paolo Zegna	Male	>50



Summary biographies of the Zegna Directors are set out below:

- **Mr. Ermenegildo Zegna** has been Chief Executive Officer since 2006, having served on the Group's board since 1989 and as Co-Chief Executive Officer from 1998 to 2006. Under his leadership, Zegna has pursued a strategy of vertical integration and has experienced its most extensive growth stage driven by international expansion in countries in the Middle East and in Africa, as well as Australia and Brazil. Mr. Zegna is also Chairman of the Board of Directors of Monterubello and Thom Browne Inc. and a board member of Tom Ford International LLC. Since 2013, Mr. Zegna has been a member of the board of Camera Nazionale della Moda Italiana and in 2011 he was nominated Cavaliere del Lavoro by the President of the Italian Republic. Born in Turin (Italy) in 1955, Mr. Zegna is a graduate in economics from the University of London.
- **Mr. De Sole** is currently a member of the Board of Directors, a position he has held since 2005. Mr. De Sole is the co-founder of luxury retailer Tom Ford International, LLC and has been the Chairman of its Board of Directors since its formation in 2005. From 1984 to 1994, Mr. De Sole served as President and

Chief Executive Officer of Gucci America, and, from 1994 to 2004, he served as the President and Chief Executive Officer of Gucci Group. Born in Rome (Italy) in 1944, Mr. De Sole graduated from the University of Rome with a law degree and received an L.L.M. from Harvard Law School where he also currently serves as a member of the Dean's Advisory Board.

- **Mr. Johnson** is currently a member of the Board of Directors, a position he has held since 2019. Mr. Johnson is the founder of Enjoy Technology Inc., where he has served as Chief Executive Officer since 2014. Born in Minneapolis (US) in 1958, Mr. Johnson holds a B.A. in Economics from Stanford University and an M.B.A. from Harvard Business School.
- **Mr. Norsa** is currently a member of the Board of Directors, a position he has held since 2017. He also serves as chairperson of the Governance and Sustainability Committee. Until December 31, 2021, Mr. Norsa was Executive Vice Chairman of Salvatore Ferragamo S.p.A., where he previously served as Chief Executive Officer from 2006 to 2016. Born in Lecco (Italy) in 1948, Mr. Norsa graduated in Business and Economics from Università Cattolica del Sacro Cuore in Milan.

- **Mr. Peter** is currently a member of the Board of Directors, a position he has held since 2014. He also serves as chairperson of the Compensation Committee. Mr. Peter serves on the Board of Directors of Swiss Life AG and Banque Lombard Odier & Cie SA and is Chairman of the Board of Directors of Sigurd Rück AG. Born in Boston (USA) in 1957, Mr. Peter holds a Ph.D. in law from the University of Geneva.
- **Ms. Anna Zegna** is currently a member of the Board of Directors, a position she has held since 2018. Ms. Zegna has served as head of Oasi Zegna since 2014 and has directed the Store Planning at Zegna from 1995 to 1998 and the Group Image until 2017. She is a member of the Board of Directors of Monterubello and of the non-profit foundation Fondo Ambiente Italiano (FAI). Ms. Zegna is also the President of Fondazione Zegna. Born in Turin (Italy) in 1957, Ms. Zegna holds a degree in Political Sciences from the University of Lausanne and did her post-graduate studies in advertising and marketing at Watford College.
- **Mr. Paolo Zegna** has served as Chairman of the Board of Directors from 2006 until December 2021. Previously, he served as a member of the Board of Directors of Zegna from 1989 to 1998 and was Co-Chief Executive Officer from 1998 to 2006. Mr. Zegna is also Vice-Chairman of the Board of Directors of Monterubello and Chairman of the Board of Directors of Lanificio Ermenegildo Zegna e Figli S.p.A. and Achill Station Pty Ltd., and a member of the Board of Directors of Bonotto S.p.A., Gruppo Dondi S.p.A. and Elah Dufour S.p.A. Born in Turin (Italy) in 1956, Mr. Zegna holds a degree in Economics from the University of Geneva.

As of December 31, 2021, Mr. Ermotti, Mr. Bonomi, Ms. Cheung and Ms. Mars have been appointed as new members of the Board of Ermenegildo Zegna N.V. in accordance with the previous Ermenegildo Zegna Holditalia SpA Board composition:

- **Mr. Ermotti** is currently Chairman of the Board of Directors of IIAC, a position he has held since January 2021. He was elected to the Board of Directors of Swiss Re Ltd. in April 2020 and has been Chairman of the Board of Directors since April 2021. Born in Lugano (Switzerland) in 1960, Mr. Ermotti is a Swiss-certified banking expert and a graduate of the Advanced Management Program at Oxford University.
- **Mr. Bonomi** established Investindustrial in 1990 and Invest for Children in 2000 and currently serves as Chairman of the Industrial Advisory Board. Born in New York City (USA) in 1965, Mr. Bonomi holds a B.Sc. in Business Administration from New York University.
- **Ms. Cheung** was the founding Editor-in-Chief of Vogue China and served as its Editor-in-Chief from 2005 to 2020. In February 2021, Ms. Cheung joined Sequoia Capital China as a Venture Partner where she focuses on investments in the fashion/lifestyle/entertainment industry, especially the new generation of Chi-

nese innovation and international brands seeking expansion in China. Since June 2021, Ms. Cheung has served on the Board of Directors of SSense, a Montreal-based fashion platform. She is an honorary professor at Beijing Institute of Fashion and the Fashion College of Qinghua University in addition to being an Asia ambassador for the British Fashion Council and serving on the Advisory Board of Advance Global Alumni. Born in Beijing (China) in 1966, Ms. Cheung holds degrees in law and literature from Beijing University as well as an M.B.A. from the University of South Australia.

- **Ms. Mars** currently serves as Senior Vice President & Head of Corporate Development for Mars, Incorporated, a diversified food business operating in over 120 countries, where she focuses on acquisitions, joint ventures and divestitures for the company. Born in New York City (USA) in 1959, Ms. Mars holds a Bachelor of Arts degree from Yale University and an M.B.A. from the Columbia Business School.

The Board of Directors has created three permanent committees in charge of assisting and advising the Board in its decision-making process, according to their respective scope of responsibilities:

- **Audit Committee:** entrusted with the oversight of, among others, the integrity and quality of the financial reporting and the effectiveness of the Group's internal control systems and procedures.
- **Compensation Committee:** responsible for the preparation of the decisions of the Board regarding compensation and implementation of equity incentive plans. It also advises the Board on remuneration practices.
- **Governance & Sustainability Committee:** prepares the decisions of the Board regarding its composition and functioning and oversees the implementation of the Group's policies and practices in the field of sustainable development.

In the table beside you can find the composition of each of the permanent committees.

In December 2021, the Board of Directors adopted a diversity policy 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. In assessing board diversity, we consider the nature and complexity of the Group's business activities, as well as the social and environmental context in which the Group operates.

According to the policy, the selection of candidates for appointment to the Board is primarily based on merit. With due regard thereof, the Board and its Governance and Sustainability Committee will fill vacancies by considering candidates that bring a diversity of (amongst others): nationality/cultural background, age, gender and educational and professional backgrounds.

FOCUS: Governance & Sustainability Committee

The function of the Governance and Sustainability Committee shall be to assist and advise the Board and act 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, as applicable, to be appointed by the shareholders;
- Supervision of the policy on the selection and appointment criteria for senior management and on succession planning;
- Monitoring, evaluating and reporting on the sustainable policies and practices, management standards, strategy, performance and governance globally of the Group and its subsidiaries.

The Governance and Sustainability Committee comprises of at least three non-executive directors appointed by the Board, who appoints one of them as Chair of the Governance and Sustainability Committee.

COMPOSITION OF THE BOARD OF DIRECTORS

	Audit Committee	Compensation Committee	Governance & Sustainability Committee
Chairman & CEO			
Ermenegildo Zegna			
Non-Executive Directors			
Sergio P. Ermotti	●		
Andrea C. Bonomi			
Angela Cheung			●
Domenico De Sole		●	
Ronald B. Johnson	●		●
Valerie A. Mars	●	●	
Michele Norsa			●
Henry Peter		●	
Anna Zegna			
Paolo Zegna			

Furthermore, the Board composition follows the profile as included in the Board Regulations, which aims for an appropriate combination of expertise and backgrounds among the directors. This encompasses financial, strategic and risk management, as well as governance and legal aspects related to the geo-

graphic spread of the Group's business. When selecting candidates for appointment to the Board, rules and generally accepted principles of non-discrimination (on grounds such as ethnic origin, disability or sexual orientation) will also be considered.

FOCUS: New York Stock Exchange listing

Ermenegildo Zegna N.V. completed its business combination with Investindustrial Acquisition Corp. ("IIAC"), a special purpose acquisition corporation sponsored by investment subsidiaries of Investindustrial VII L.P, in December 2021. The newly combined company commenced trading on the New York Stock Exchange (NYSE) under the ticker symbol "ZGN" on December 20, 2021.

The Zegna family decided to continue its long-term stewardship of the Group through an ownership stake of 61.8%⁷ (as of March 30, 2022).

Gildo Zegna comments on the day of the listing were evocative of the Group sustainability values and defined a strong commitment for the future: "Today marks a monumental milestone for the Group and it sets the beginning of an exciting and pivotal new chapter in our 111-year legacy.

What began as a wool mill built by my grandfather has now become a publicly traded, modern luxury group with a one-of-a-kind manufacturing platform, sophisticated digital operations and global scale and reach. We are well-positioned to accelerate the successful strategies of the Ermenegildo Zegna Group's two core brands, Zegna and Thom Browne, while also continuing to build upon our heritage, our ethos of sustainability, and the unique craftsmanship that has made our name synonymous with excellence and luxury around the world."

Mr. Zegna ended by saying that "We are very confident in our ability to strengthen our leadership position in the global luxury market while keeping sustainability and care for the people around us at the heart of everything we do. Today's announcement unlocks the doors to a brighter future – while we continue to follow our own path".

⁷ 64% including shares directly held by the Group CEO.



CODE OF ETHICS

The Ermenegildo Zegna Group has adopted a Code of Ethics⁸, approved by the Board of Directors on December 17th, 2021. It summarizes the main ethical principles and rules of conduct that have always inspired its activities.

According to the Code, each company within the Group should adopt, considering their unique circumstances and obligations, rules of conduct intended to promote, at all levels of the business, strong ethical integrity and compliance with the law.

Employees are required to observe the Code of Ethics when performing their duties. They are required to report any suspected breaches of the Code of Ethics during business activities, cooperate fully with the investigation of any possible and/or suspected breaches of the Code, and inform third parties with which they have business dealings about the provisions of the Code of Ethics.

The Ermenegildo Zegna Group believes in, accepts, and complies with the principles of legality, equality and impartiality, transparency, correctness and reliability, professionalism, confidentiality, the value of human resources, health and safety, environmental protection, and fair competition. In this regard, no incidents of corruption and no illegal activities relating to anti-competitive behavior, antitrust or monopoly practices were recorded at the Group level for 2020 and 2021.

A specific part of the Code is dedicated to the importance of an efficient and effective internal control system. Such a system is essential if business activities are to be conducted within the principles laid down in the Code of Ethics. The creation of an effective internal control system requires full and proper determination and assignment of duties as well as responsibilities to people acting on behalf of companies within the Group.

⁸ For more information refer to the Code of Ethics, available at <https://www.zegnagroup.com/wp-content/uploads/2021/11/11.-Code-of-Ethics.pdf>



WHISTLEBLOWING

The Misconduct Reporting Policy⁹, adopted in December 2021, is intended to encourage everyone to 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 Ermenegildo Zegna 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. Under the Policy, an employee who becomes aware of misconduct may consult with and/or report the relevant misconduct to his or her immediate supervisor or his or her relevant HR representative or file a whistleblowing report through any of the relevant channels of communication. Employees are encouraged to first consult with their immediate supervisor or relevant HR representative before filing a whistleblowing report.

To facilitate the receipt of whistleblowing reports, the Ermenegildo Zegna Group offers the following channels of communication:

- Web portal;
- Telephone reporting.

Both are hosted by an independent supplier and are available 24/7.

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

The Ermenegildo Zegna Group takes every whistleblowing report seriously. The Ethics Committee¹⁰ proceeds with an initial assessment and classifies all whistleblowing 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 reported matters. The web portal and the hotline are the only communication channels between the whistleblower and the team investigating the case.

The Ethics Committee examines whistleblowing reports and decides whether the whistleblowing was made in good faith or not; it also decides whether to continue the investigation process. Depending on the circumstances, the investigation may be conducted by the internal audit department, other internal functions may be involved if necessary, or a third-party provider may be appointed.

⁹For more information refer to Misconduct Reporting Policy <https://www.zegnagroup.com/wp-content/uploads/2021/11/12.-Misconduct-Reporting-Policy.pdf>

¹⁰ Ethics Committee: a cross-functional internal body composed of members of management, to be designated on a case by case basis, (a) considering inter alia the nature of the relevant Whistleblowing Report (e.g. for HR related reports the Ethics Committee will include in any event an HR Director; for IP related reports, Legal Affairs & IP Director will be involved, etc.), and (b) with the aim to safeguard an impartial assessment of the relevant Whistleblowing Report.

CYBERSECURITY

As disclosed publicly in the media at the time of the event, the Group experienced a ransomware attack in August 2021 which then impacted the majority of its IT systems.

The Group refused to engage in discussions relating to the payment of the ransom and immediately isolated the Group's network from the outside, to prevent the attackers from further actions. In order to restore the systems to secure operation and identify the dynamics and perpetrators of the attack, competent authorities were notified without delay and a forensic investigation led by experienced external consultants was launched.

Thanks to these prompt actions, the restart of IT services could be carried out progressively and safely, through constant monitoring of the systems and of the users' workstations.

Further, we implemented a robust IT protection plan that includes several solutions to strengthen the protection of our systems and applications.



SOCIAL COMMITMENT



ERMENEGILDO ZEGNA GROUP PEOPLE

The Ermenegildo Zegna Group values its workforce for their artisanal and craftsmanship excellence. We also value them as the very heart and soul of community life. In terms of the six capitals of the International Integrated Reporting Council¹¹, adding value also in the realm of social capital and human capital constitutes an important task for corporate decision-makers. Six thousand employees and their families depend on us to sustain our commitment to social responsibility. In 2021, the Group set DE&I objectives, as part of its broader ESG strategy.

The first milestone of the roadmap is to do an assessment of the Group's position on selected DE&I indices. Then we will carry out an assessment of how our employees perceive the employer and the work environment in terms of our approach to DE&I.

We are performing an inclusion assessment survey for employees, as well as workshops with top management in parallel to selected interviews to discuss the survey results and whether there is a perception gap in terms of the Group's positioning on this issue. We will in due course report back on the DE&I strategy and priority areas. This will be followed by a pilot project. Among the ambitious commitments established by the Group, there are three targets related to DE&I:

- Appointment of the Group DE&I Officer to manage the governance and the deployment of the DE&I strategy, by early-2023;
- Development of talent acquisition & retention approach according to DE&I strategy, to become "equal opportunity employer", by 2023;
- 80% of employees with DE&I training completed by 2023.



¹¹The International Integrated Reporting Council (IIRC), formed in 2010, aims to create a globally accepted framework for a process that results in communications by an organization about value creation. According to IIRC, the primary purpose of an integrated report is to explain to financial capital providers how an organization creates value over time. The best way to do so is through a combination of quantitative and qualitative information, which is where the six capitals come in. The capitals are stocks of value that are affected or transformed by the activities and outputs of an organization. The integrated reporting framework categorizes them as financial, manufactured, intellectual, human, social and relationship, and natural. Across these six categories, all the forms of capital an organization uses or affects should be considered.

GENDER EQUITY, DIVERSITY & INCLUSION

The Ermenegildo Zegna Group prides itself on having a high ratio of employees on permanent contracts. On 31st December 2021, permanent employees accounted for 97% of the total workforce. This speaks to our 'slow factory' commitment, whereby we seek to reduce stress and strain and to promote a spirit of collaboration, creativity and calm focus. We are committed to providing a stable work environment. Only 3% of our employees are not on permanent contracts. As of the end of 2021, 11% of employees were working part-time. This shows that the Group is also able to offer flexibility to its workforce.



EMPLOYEES BY EMPLOYMENT CONTRACT (FIXED TERM CONTRACT VS. PERMANENT CONTRACT), BY GENDER¹²

n. of people	At 31 st December 2021			At 31 st December 2020		
	Men	Women	Total	Men	Women	Total
Fixed-term contract	91	105	196	61	68	129
Permanent contract	2,165	3,469	5,634	2,235	3,734	5,969
Total	2,256	3,574	5,830	2,296	3,802	6,098

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

n. of people	At 31 st December 2021			At 31 st December 2020		
	Fixed term contract	Permanent contract	Total	Fixed term contract	Permanent contract	Total
AMERICAS	2	460	462	8	434	442
APAC	23	1,508	1,531	21	1,539	1,560
EMEA	171	3,666	3,837	100	3,996	4,096
Total	196	5,634	5,830	129	5,969	6,098

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

n. of people	At 31 st December 2021			At 31 st December 2020		
	Men	Women	Total	Men	Women	Total
FullTime	2,168	3,032	5,200	2,208	3,240	5,448
PartTime	88	542	630	88	562	650
Total	2,256	3,574	5,830	2,296	3,802	6,098

¹² 2020-related data have been updated in comparison to those reported in the previous Sustainability Report, available on the [Ermenegildo Zegna Group website](#), in consideration of the inclusion of Thom Browne HR-related information and the continuous development of ESG data collection and consolidation processes.

The Ermenegildo Zegna Group is committed to fair treatment of employees across our global operations. This involves not simply respecting laws and regulations but also using internal policies and procedures to immediately resolve issues of unfairness. The Group promotes and safeguards respect for human dignity against 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 the Code of Ethics and HR Policy established by the Group. We are also proud of the fact that there is a high percentage of women in the Group's overall workforce, 61%; an opportunity for many to support their families and live dignified lives.

BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER

% of People	At 31 st December 2021		At 31 st December 2020	
	Men	Women	Men	Women
Top Management	80.3%	19.7%	79.1%	20.9%
Middle Management	50.9%	49.1%	50.7%	49.3%
Office Sole Contributor	38.5%	61.5%	37.8%	62.2%
Retail Personnel	50.2%	49.8%	50.2%	49.8%
Blue Collar	21.3%	78.7%	20.4%	79.6%
Total	38.7%	61.3%	37.7%	62.3%

Our performance evaluation for workers combines a suitable balance of fixed salary and variable salary, allowing us to reward initiative and promote talent, while ensuring everyone has a dignified salary package.

These matters are covered in detail in the Group's HR policies. Salary rates are linked to those of the sector, with the aim of attracting and retaining the most high-performing, professional and talented people. Sales staff have been given specific remuneration packages that include KPI-linked incentives to foster high-performance standards.

In 2021, the Group had a total of 5 incidents related to discrimination¹³:

- Number of incidents related to discrimination handled in 2021: 5;
- Out of which: number of new incidents related to discrimination reported in 2021: 4;
- 100% of these 5 incidents have been reviewed by the Group;
- 2 incidents are closed; the 3 remaining ones (corresponding to one single case with 3 individuals) are under judicial review.

Remediation plans being deployed:

- A new misconduct reporting policy has been adopted in December 2021 and is publicly available;
- Wherever incidents were reported, they were escalated to the local head of HR and most appropriate senior supervisor in the given circumstances, and investigated under the direct supervision or hierarchical authority of the Group head of HR;
- A systematic campaign of regular trainings and workshops was implemented in the main concerned geography to increase awareness and sensitivity to behaviors that can qualify as discriminatory biases.

BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO AGE GROUP¹⁴

% of People	At 31 st December 2021			At 31 st December 2020		
	<30	30-50	>50	<30	30-50	>50
Top Management	0.0%	49.2%	50.8%	0.0%	49.6%	50.4%
Middle Management	4.7%	67.4%	27.9%	3.8%	69.1%	27.1%
Office Sole Contributor	15.3%	61.6%	23.1%	14.7%	61.2%	24.1%
Retail Personnel	22.0%	67.9%	10.1%	21.4%	68.2%	10.4%
Blue Collar	9.0%	48.6%	42.4%	8.2%	47.2%	44.6%
Total	14.4%	59.8%	25.8%	13.5%	59.1%	27.4%

Something that separates us from other brands is that we are deeply involved in manufacturing processes. Thus, many of our employees are blue-collar workers. Across the various employee branches, most of the Group's employees are aged between 30 and 50 years old, the majority women. A consequence of this age range is that much of the Group's workforce has a family to look after. The Ermenegildo Zegna Group offers a series of benefits and initiatives to help employees with their work-life balance, as explained in the next paragraph.

¹³According to the adopted GRI standard 406, discrimination is defined as the act and the result of treating people unequally by imposing unequal burdens or denying benefits, instead of treating each person fairly on the basis of individual merit. Discrimination can also include harassment. This is defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

¹⁴Data disclosed for employee breakdown by age group does not include employees based in Turkey (which represents 2% of the total workforce on 31 December 2021), due to privacy constraints enforced in the country.

WELFARE & EMPLOYEES' HEALTH & SAFETY

The Ermenegildo Zegna Group offers “local welfare packages” to employees¹⁵. This is a type of welfare support that covers a wide range of services: e.g. medical campaigns, summer camps for children, company canteens and crèches (depending on local availability).

Among the most significant steps taken by the Group, and a virtuous example of an effective welfare initiative, is “My Zegna World”, dedicated to Italian and Swiss employees of the Zegna segment. “My Zegna World” aims to improve employee welfare in four areas: financial matters, free-time activities and health and safety-related aspects.

Examples of financial help include discounts to cover basic needs, such as grocery shopping, or discounts on a diverse range of commercial services. We also offer assistance to families, such as care for the elderly and consultancy services to enhance family well-being and create greater potential for leisure activities. This involves culture and entertainment aspect, discounts for cinemas and amusement parks.

The Group offers a variety of activities related to the “Oasi Zegna Camp”, which takes place in different locations and is dedicated to children and young adults. We also offer benefits related to the Zegna online store. Other benefits offered to employees include meal vouchers, or internal canteen, parking, discounts on public transport, travel insurance and, for the site located in San Pietro Mosezzo, an in-house crèche.

As regards other benefits, the Group commits to extend parental leave benefits to all markets, above local law requirements, by 2023.

The Ermenegildo Zegna Group creates the conditions for working in a climate of harmony and cooperation, with particular attention to fostering a positive work-life balance with the possibility for its employees to work remotely, with a dedicated HR policy.

The Group provides its people with a wide range of psychological and medical services. A healthcare fund for Italian employees and a medical campaign for Swiss employees are also in place.

Due importance is dedicated to health and safety measures externally and internally; employees are covered by a business travel insurance, which covers urgent medical expenses during trips on behalf of the Group. Most importantly, they are protected from accidents occurring in the workplace, thanks to a series of preventive measures.

Preventive measures are also taken to avoid high-consequence injuries, depending on the type of hazard and related company's activities. For example, with regards to falling and sliding on fixed stairs, the Group regularly undertakes checks on its premises to prevent deposits from forming on stairs, or the presence of broken parts, and to increase grip on surfaces. Whiteboards were erected across our premises to remind users to always use handrails. One of our common hazards is falling materials. We are reducing these incidents by fixing all shelves to the wall or floor, specifying maximum permissible load and reporting information on the proper storage of materials. All hazards are determined through consultations with experts and standard analysis methods.

Furthermore, the person in charge of accident prevention and safety protection in the workplace is given specific inspection activities, recorded in annual inspection reports. Inspections cover all areas and work activities, and their outcomes may result in the revision and periodic updates of risk assessments.

The effectiveness of all these measures is demonstrated by the low overall rate of work-related injuries. Considering that the business is heavily involved in manufacturing, our injury rates are relatively low and very low for high-consequence injuries. No fatalities were recorded during the reporting period.



EMPLOYEES WORK-RELATED INJURIES¹⁶

	2021		2020 ¹⁷	
	Number	Rate	Number	Rate
Total recordable work-related injuries	34	0.7	44	0.8
Of which high-consequence work-related injuries (excluding fatalities)	1	0.0	1	0.0
Of which fatalities as a result of work-related injury	0	0.0	0	0.0

TEMPORAL DATA

	2021	2020 ¹⁸
Number of hours worked ¹⁹	10,260,800	10,732,480
Denominator for calculation	200,000	200,000

¹⁵ In the field of Health and Safety, data regarding external workers is not available.

¹⁶ The 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 injuries, high-consequence work-related injuries and fatalities as a result of work-related injuries by the total amount of hours worked, multiplied by 200,000.

¹⁷ 2020-related data have been updated in comparison to those reported in the previous Sustainability Report, available at [Ermenegildo Zegna Group website](https://www.ermenegildo.com/en/Ermenegildo-Zegna-Group-website), in consideration of the inclusion of Thom Browne Health and Safety-related information and the continuous development of ESG data collection and consolidation processes.

¹⁸ 2020-related data have been updated in comparison to those reported in the previous Sustainability Report, available at [Ermenegildo Zegna Group website](https://www.ermenegildo.com/en/Ermenegildo-Zegna-Group-website), in consideration of the inclusion of Thom Browne HR-related information and the continuous development of ESG data collection and consolidation processes.

¹⁹ Number of hours worked for 2021 and 2020 have been estimated with the assumption that each Group worker as of 31st December 2021 and as of 31st December 2020 works 1,760 hours per year.

TALENT MANAGEMENT

The Ermenegildo Zegna Group understands that talent is a strategic asset, a competitive advantage for achieving business success. We conduct an annual people review process that helps us invest in, nurture and retain the most talented people. This process identifies talent in managerial roles, office functions and retail functions, mapping about 520 employees, 9% of our total employee complement. Talents are identified according to the annual performance appraisals and the evaluation thereof. During these assessments, each role is positioned within a talent matrix, i.e., a framework for discussing the strengths and improvement areas of each employee. This process is also extremely useful for identifying the next generation of leaders.

The Group is committed to clearly defining the organizational evolution of its talent, supporting career growth through a tailor-made development plan and leveraging on-the-job training as well as other training initiatives, and special projects.

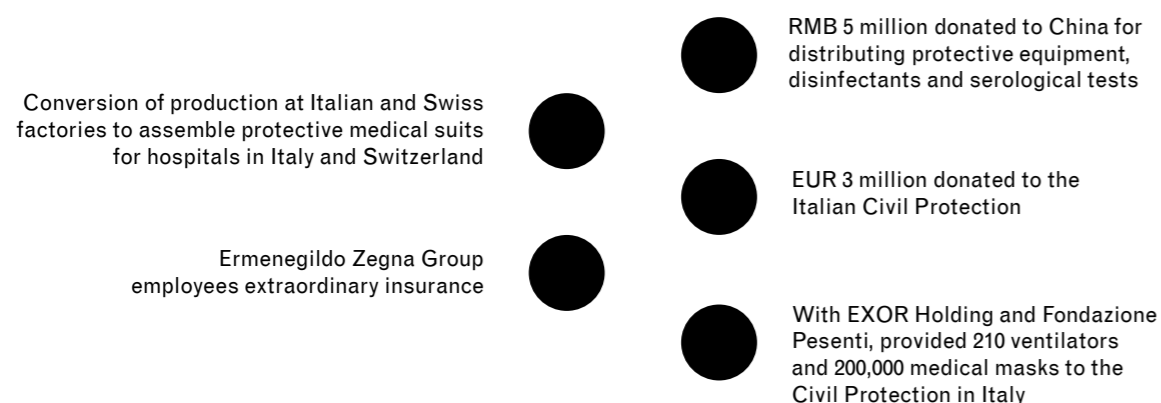
Each year, we measure and review our progress in offering a stimulating and empowering work environment, with the aim of enabling employees to realize their full potential, while promoting diversity and equal opportunities. Finally, we monitor the retention of talent, internal mobility and the ability of the company to place the right people in key positions.



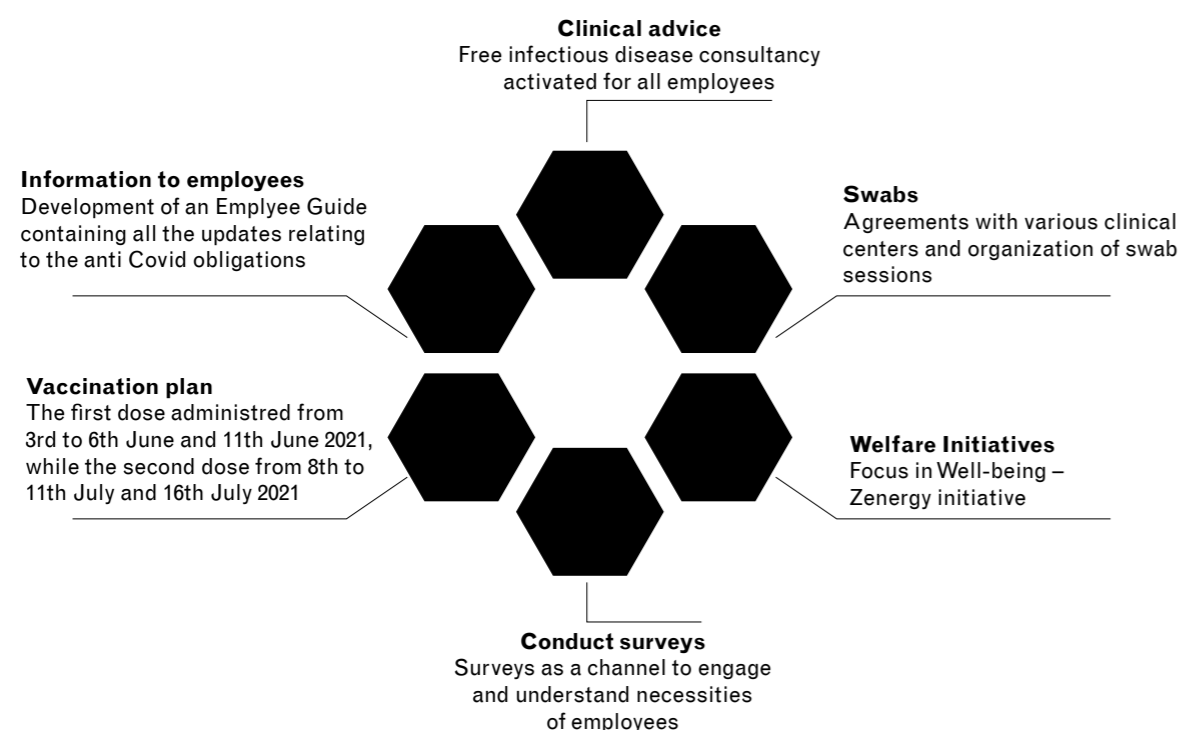
COVID-19 FOCUS

Since the outbreak of the first wave of the Covid-19 emergency, the Ermenegildo Zegna Group undertook initiatives to provide prompt support to its employees, reinforcing, once again, its commitment to employees' health and safety and well-being as depicted in the info-graphic below:

2020 COVID-19 INITIATIVES HIGHLIGHTS



2021 COVID-19 INITIATIVES HIGHLIGHTS²⁰



Particularly with regards to Italian and Swiss Employees of the Zegna segment (a total of about 3,000 people), the Group took the following actions:

- An Employee Guide was created to keep employees updated on the latest legislation and anti-COVID regulations;
- A toll-free phone number and a dedicated email was activated to provide employees with advice from an infectious disease specialist;
- Signed agreements with several clinical centers to guarantee swab sessions for all employees at special prices;
- A vaccination plan, sponsored by “Regione Piemonte” in partnership with the Private Clinic “Casa della Salute” & CRAB, a company delivering health and safety and environmental services, was established to provide two vaccine doses to a total of 654 employees;
- Well-being initiatives, including psychological support for employees in mental distress caused by the pandemic, have been activated and made available through a dedicated well-being portal;
- 5 surveys have been launched to understand the needs and collect feedback on the well-being measures.

Moreover, in 2021 the Group offered employees the opportunity to work remotely, where possible. Taking into consideration the white-collar category of the Group, the percentage of remote working hours compared to the total hours worked for 2021 was 32%.

Throughout 2021, across the Ermenegildo Zegna Group white-collar employees in response to relaxed Covid restrictions, worked more at the office and less remotely than the previous year. Remote working peaked in January, February and March 2021, reaching a high of 39% adoption of remote working, with the percentage decreasing over the rest of the year.

Information to employees

In addition to the Health and Safety Protocols required by law, the Employee Guide was developed in May 2020, and updated regularly to keep up with regulatory changes affecting the Italian and Canton Ticino offices.

The Employee Guide was also translated into English.

Clinical advice

Starting from October 2021, all employees had access to free infectious disease consultancy. By 31 December, 2021:

- 525 telephone calls were made and received;
- 90 emails were managed.

Vaccination Plan

On May 26th, 2021, the Group, in collaboration with Regione Piemonte, Casa della Salute and CRAB, activated its vaccination plan. This involved sending to the local health authorities the self-certification of the vaccination hubs of Retail Area Family & Friends Sale, Casa della Salute at The Place in Sandigliano (BI) and Canteen area at the San Pietro Mosezzo production unit. In particular, for the vaccination plan, the following activities were accomplished:

- Preparation of communication for employees (producing and distributing questionnaires and posters, with CRAB's support);
- Activation of users of health professionals on SIRVA LIGHT (Piedmont Region platform dedicated to companies) for the registration of vaccinated persons;
- Setting up of vaccination hubs involving the Novara Red Cross;
- Carrying out interviews during Vax Day and organization of numerous visits to the vaccination hubs by local workers.

2021 VACCINATION PLAN

First dose	Second Dose	Total
344	310	654

²⁰The initiatives listed, with exception of Thom Browne's and remote working policies, were addressed to Italian and Swiss employees of the Group.

Swabs

Since the beginning of the pandemic, the Group has entered into agreements with various clinical and hospital bodies, in particular with "Casa della Salute", guaranteeing controlled prices for employees and for those who, due to work needs, had to go to Group offices (e.g., wearers, staff support for shooting or fitting for a fashion show). In 2021, several swab sessions were organized, for a total of 855 swabs performed.

Welfare initiatives

In 2021, we had as one of our key welfare initiatives, Well-being - Zenergy, whose main theme is health and in particular:

- The vaccination campaign;
- The agreements signed with medical centers for rapid and molecular swabs;
- The agreements signed with medical centers for post-covid effects' visits;
- First level of psychological support to employees for personal problems, such as: management of family relationships, relational problems, psychological disorders, developmental and adolescent disorders, work-related stress, marginalization, stalking, social problems. The service is available free of charge for the first three consultations and was used by 13 people in 2021;
- Through the broker Marsh, we offered employees supplementary insurance (Medical Expense Reimbursement Coverage) with advantageous membership conditions for those interested in the offer.

We had webinars to illustrate the role of Welfare Coach (another of our initiatives) and provide information on our welfare offer. As per the latter, we conducted a survey for employees, whereby we gathered needs, suggestions, and feedback for the drafting of the 2022 welfare plan.

Finally, we introduced online courses for children and adults to improve learning skills, given the cognitive challenges of our day.

Regarding Thom Browne segment, the main initiatives to support employees during the pandemic were:

- Maintaining global remote/smart working/flexible policy with voluntary in-office time;
- Guaranteeing additional paid time off for any vaccination dose and/or related symptoms following dose;
- Conducting an employee survey regarding the return to office (for US only);
- Establishing a partnership with Centro Medico Beccaria for discounted health check-ups for Italian and Swiss employees and their families.

ERMENEGILDO ZEGNA FOUNDER'S SCHOLARSHIP

The Ermenegildo Zegna Group has a tradition of giving back to the community and back to nature. These values have inspired the company for over a century. For the 8th consecutive year, the Group has confirmed its commitment to supporting young and brilliant talents in Italy through the implementation of the Ermenegildo Zegna Founder's Scholarship program. Since its inception in 2014, the program has been providing financial assistance to Italian students and researchers wishing to spend time abroad in connection with or following completion of, their university studies in Italy. By supporting talented Italian students, the Ermenegildo Zegna Group manifests its commitment to fostering development in Italy and encourages the award-winners in taking responsibility for their lives and playing their own positive part in shaping the future. The Ermenegildo Zegna Founder's Scholarship not only aims to allow scholars to increase their knowledge in their chosen fields but also to have experiences that will help them become leaders in promoting cultural and social progress. As described in the "Useful information on Group perimeter evolution" paragraph, in the course of 2021, the management of the Scholarship Fund has shifted from the Group to Fondazione Zegna.

The Ermenegildo Zegna Founder's Scholarship provides financial assistance for an amount of up to €40,000 per year, or €65,000 for the full program, for each student selected with no limits to the field of study. This involves an overall commitment of up to €1 million in annual financing. Its goal is to identify highly accomplished and promising young Italian women and men who have the potential to become leaders in their fields, selected with the help of about 20 leading Italian higher education institutions and the Fulbright Commission. The program allows awardees to acquire valuable know-how and experience abroad which can be brought back to Italy, contributing to the country's economic dynamism.



Since its first edition, 284 talented scholars have been rewarded, with some receiving funds to finance more than one year of study, up to a maximum of three years. The majority of the awardees have chosen to spend their time abroad in leading academic institutions in Europe and North America. No field of study is excluded. Priority will, however, be given to candidates whose programs of study or research will enable them to make potentially significant contributions to Italy following their return here (92 scholars – 32% of whom have already returned to Italy).

Since the start, the program has supported students across various disciplines: Life Sciences & Medicine (27% of scholarship students), STEM (19%), Arts & Humanities (14%), and Social Sciences (14%), economics (11%), law (9%) and management (5%), as well as one scholarship in Journalism.



Ermenegildo Zegna Founder's Scholarship 2018 – 5th edition event at Oasi Zegna, Trivero Valdilana, Italy

OUR RELATIONSHIP WITH THE LOCAL COMMUNITY: FONDAZIONE ZEGNA

Supporting the local community and promoting its socioeconomic development were cornerstones of our founder Ermenegildo Zegna's vision for the Group. Today, the Group continues to pursue his vision by engaging with communities and investing in the territories where they are based. Moreover, the Group is involved in the organization and the promotion of several initiatives that support communities' cultural heritage through partnerships with associations and organizations at a local, national, and international level.

As described in the "Useful information on Group perimeter evolution" paragraph, from October 2021 the Group does not hold the role of "founder" of Fondazione Zegna any longer, and has not made any more contributions.

Up to that date, the Group continued to support to the activities of Fondazione Zegna.

Since 1990, Fondazione Zegna has been actively financed by the Group in order to continue its work with in local and international communities and to foster a more sustainable way of life. Formally established in 2000 with Ms. Anna Zegna as President, the Fondazione is defined by the founder's sense of philanthropy, which dates back to 1910. Fondazione Zegna is situated in Trivero – Valdilana (Biella), where the Ermenegildo Zegna Wool Mill is located.

Fondazione Zegna plans and coordinates both domestic and international humanitarian initiatives in four areas of activity:

- Health and well-being;
- Promotion of sustainable development in local communities;
- Culture and education;
- Preservation and enhancement of environmental resources.

Fondazione Zegna is characterized by a lean organizational structure and a deep commitment to voluntary endeavours on the part of the Zegna family and Group employees. It supports and funds projects in cooperation with other non-profit organizations operating in various fields consistent with its scope of activities, mainly in Italy but also internationally. The result is a co-generation of projects with partners that share the Fondazione's vision and approach, with the aim of helping these projects become self-sustainable.

Fondazione Zegna has partnered with ReShape Model an initiative organized in conjunction with the "Filo da Tessere" social cooperative in Biella. Its aim is to counteract the NEET phenomenon (not in education, employment or training), and support socioeconomic inclusion, particularly among youngsters aged 17 to 29.

ReShape was established in 2015 to create a connection between young people and business in the Biella area, by which the youth are offered educational and working opportunities that allow for their professional skills to be honed and their talents to be identified. Since its foundation, ReShape has become a model and an example for other communities and businesses.

In 2020, the mission of social inclusion for young people was expanded with an additional initiative, Skill, an educational guidance project for youngsters aged 8 to 29. The initiative offers school orientation (advice) to youngsters, 8-19 years old; school-work (apprenticeship) for 17-19; and advice on how to get a job, 19-29. This initiative is made possible by the collaboration with Fondazione Cassa di Risparmio di Biella and with the social enterprise "Con i Bambini". The initiative provides various activities in schools and other contexts to encourage the young to explore the world for themselves, on their own terms, and to discover their talents and make choices with greater awareness and autonomy.

The Oasi Zegna Outer Educampus project, an open-air learning workshop in Oasi Zegna, was launched in 2021. The safeguarding of Oasi Zegna depends on the respect and education of every single visitor. Outer Educampus engages the local community, building on the legacy of the founder Ermenegildo Zegna's "green philosophy". This has traditionally involved educational activities focusing on the common good and civic responsibility. The main theme of the open-air workshops is: "Le metamorfosi – vivere il cambiamento e le trasformazioni immersi in un'aula a cielo aperto" ("Metamorphoses - experiencing transformation immersed in an open-air classroom").

Fondazione Zegna will keep developing these initiatives to assure the brightest future for the people of its community.



Casa Zegna
Trivero Valdilana, Biella, Italy

CASA ZEGNA

Casa Zegna, part of Fondazione Zegna, is a historical archive and cultural center in Trivero – Valdilana, in the province of Biella. One of the projects of Casa Zegna has been to create an “archive-museum” inside the original Ermenegildo Zegna Wool Mill, a 1930s building that was once the family’s home. Casa Zegna hosts exhibitions on the history of the Ermenegildo Zegna Group, a story that weaves entrepreneurialism with heritage and philanthropy. Exhibitions cover the origins of the Wool Mill, the evolution of the Zegna brand and style, our founder’s Panoramica road project and the Oasi Zegna nature reserve, with accompanying documents, research and images by acclaimed photographers.

In 2021 Casa Zegna opened the season with a new work by Laura Pugno, a local artist born in Trivero in 1975. Laura’s multi-media installation invites the viewer to consider an alternative vision and investigates the relationship between human beings and nature. The exhibition coincided with the FAI’s (Fondo Ambiente Italiano, Italian Environment Fund) Spring Days. Laura’s works consider the effects of human activity on nature. The trees of Oasi Zegna are vulnerable to a rise in temperature by two degrees Celsius, this would upset the natural balance and cause insect damage that otherwise poses no threat. Parts of the installation were also exhibited at Oasi Zegna, which is a great place to learn about nature conservation.

ENVIRONMENTAL COMMITMENT



THE FASHION PACT

In August 2019, the Ermenegildo Zegna Group signed the Fashion Pact, "a global coalition of companies in the fashion and textile industry...committed to a common core of key environmental goals."²¹

The Group, together with other major companies committed to helping stop global warming, protect our oceans and restore biodiversity²². These key topics are based on priorities set by the UN SDGs, as well as various UN conventions, with consideration to the concept of planetary boundaries.

The Fashion Pact signatories (there are over 70 of them) committed themselves to the following goals:

Climate:

- Implementation of science-based climate targets for achieving net-zero by 2050.
- Ongoing implementation of the principles of the UN Charter for Climate Action.
- 2025: 25% of key raw materials to have lower climate impact.
- 2030: 100% renewable energy across own operations.

Biodiversity:

- Development and implementation of strategies and science-based targets for nature.
- 2020: Develop individual biodiversity blueprints.
- 2025: Support zero deforestation and sustainable forest management.

Oceans:

- Reduction of the negative impact the fashion industry has on the ocean environment.
- Elimination of problematic and unnecessary plastics in B2C packaging by 2025, and B2B by 2030.
- Ensure at least half of all plastic packaging is 100% recycled content, by 2025 for B2C, and by 2030 for B2B.



François-Henri Pinault, Kering CEO and Gildo Zegna together with some representatives of the signatories part of The Fashion Pact coalition at the Elysée Palace

²¹ For more information please refer to: <https://www.thefashionpact.org/>

²² Fashion Pact's joint actions, which are designed to accelerate achievements of the commitment targets, are ongoing; results will be disclosed when completed.

CLIMATE

THE GROUP ENERGY CONSUMPTION RATES²³

In 2021, the Ermenegildo Zegna Group consumed about 359k GJ of energy, compared to 2020 energy consumption of about 342k GJ.

2021 energy consumption has been driven by non-renewable fuels (natural gas, diesel and gasoline) for about 149k GJ, heat for about 22k GJ and electricity for about 188k GJ.

The main fossil fuel is natural gas (132.5k GJ), deployed for the most part in the production processes of the Group, and partially for heating of offices and warehouses. Fossil fuels for transportation, mainly diesel, account for 12k GJ (fuel consumption is calculated per diesel and gasoline cars taking yearly mileage into account²⁴).

The Ermenegildo Zegna Group is committing to decarbonize its corporate fleet. In 2018 we installed the first two charging stations for electric vehicles; early in 2021, the Group established a strategic partnership with Stellantis Group, with the goal of replacing all leased corporate vehicles with plug-in hybrid (PHEV) or full-electric (BEV) vehicles by 2025. During the course of 2021 the Group installed 22 charging sta-

tions (for 34 vehicles) at its offices, corresponding to 16% of the needed ones, with an installation plan that tracks the replacement of leased vehicles.

The amount of heat (22k GJ) purchased in 2021 is sourced directly from a cogeneration plant adjacent to Lanificio Ermenegildo Zegna. Heat is then used for hot water and steam required for the dyeing and finishing processes of fibers, yarns, fabrics and other goods.

The Group's electricity usage amounted to 187,913 GJ, roughly equivalent to 52 GWh. Of this amount, about 1,610 GJ (about 447MWh) are consumed and produced by solar panels systems installed on Group factories roof-tops, while the remaining 186k GJ are purchased from the grid. Of this, 40,186 GJ come from renewable sources, in particular certified energy purchased through Guarantees of Origin in Italy, where most of the Group's production facilities and warehouses are located.

Overall, in 2021 the Group sourced 22% of its electricity consumption from renewable sources (Guarantees of Origin and self-production by solar panels).

The Group commits to increase the adoption of electricity from renewable sources in Europe and the US to 100%, by 2024, and to reach 100% for the entire Group by 2027 (Electricity consumption in Scope 2).

ENERGY CONSUMED BY THE GROUP

ENERGY ²⁵ (GJ)	2021	2020
Non-renewable fuels	148,860	157,597
of which Natural Gas	132,516	148,513
of which Gas Oil	3,039	-
of which Diesel	12,106	9,065
of which Petrol	1,199	19
Heat purchased	22,374	14,011
Electricity purchased	186,302	170,074
of which from renewable sources	40,186	41,549
of which from non-renewable sources	146,116	128,525
Total energy	359,147	341,682

ENERGY SELF-PRODUCED AND SOLD BY THE GROUP

	2021	2020
Electricity self-produced and sold²⁶	11,780	18,232
of which from renewable sources	11,780	18,232

²³In light of the changes happened in 2021 and described in the "Useful information on Group perimeter evolution" and in the "Methodological Note", the following approach has been followed when reporting energy consumption:

- The energy consumption by the disposed businesses has been recorded until the day of the disposition,
- For real estate businesses, energy consumption of the assets leased by Group are recorded for the full period,
- Renewable energy produced and sold by hydroelectric power plants are reported for period until the disposition,
- Energy consumption by acquired businesses has been recorded from the day of acquisition.

The 2020 data regarding the Group's energy consumption does not include Thom Browne segment. For natural gas only, the consumption of Group stores is marginal and not included.

In addition, when comparing energy consumption of 2021 with respect to the previous year, it is important to consider that the retail business in South Korea has been transformed from a direct operation to a franchise at the end of 2020: its energy consumption was therefore accounted for in 2020 (concurring to the Scope 1 and Scope 2 emissions calculation), but it is not accounted for in 2021 (concurring to the Scope 3 emissions calculation). Furthermore, the pandemic and lockdowns impacting part of 2020 also caused the production plants to stop for periods of time, consequently reducing industrial production output and energy needs. Moreover, due to energy consumption included in lease contracts, electricity data does not include consumption for Ermenegildo Zegna Canada Inc company and the following locations in US market: New York Showroom and stores, Boston, Dallas, Las Vegas, and Clarksburg Outlet.

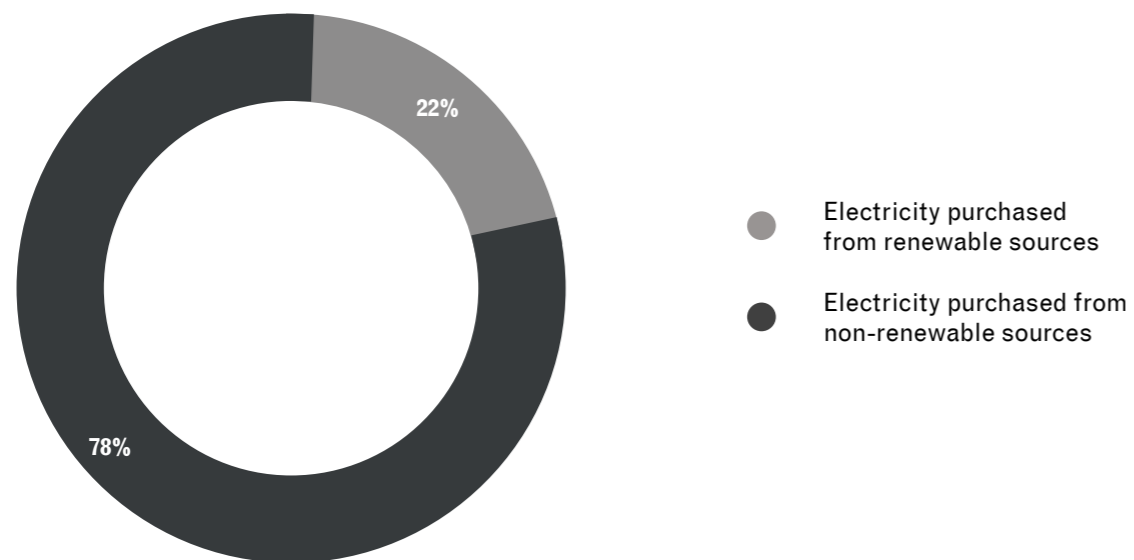
²⁴The conversion from liters to GJ is based, respectively for 2021 and 2020, on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021) conversion factors and on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2020) conversion factors. Specifically, for 2021, with reference to gasoline, 1 liter is equal to 0.0349 GJ, while with reference to diesel, 1 liter is equal to 0.0384 GJ. For 2020, with reference to gasoline, 1 liter is equal to 0.0328 GJ, while with reference to diesel, 1 liter is equal to 0.0359 GJ.

²⁵The conversion from kWh to GJ and from m³ to GJ is based respectively, for 2021 and 2020, on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021) and on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2020) conversion factors. Specifically, for 2021, with reference to electricity consumption, 1 kWh is equal to 0.0036 GJ, while with reference to natural gas, 1m³ is equal to 0.03991 GJ. For 2020, with reference to electricity consumption, 1 kWh is equal to 0.0036 GJ, while with reference to natural gas, 1m³ is equal to 0.03901 GJ.

²⁶Renewable energy produced and sold through the hydroelectric plants owned by Zegna Wool Mill during the course of 2021, then disposed of as described in the "Useful information on Group perimeter evolution" paragraph.

As explained in the “Useful information on Group perimeter evolution” paragraph, in October 2021, the plants responsible for hydroelectric power production (representing 97% of the total electricity from renewable sources produced and sold), were disposed of. This partially explains the decrease from 2020 to 2021 and the variation that will take place in the next year with respect to 2021.

THE GROUP'S ELECTRICITY CONSUMPTION IN 2021



For 2021, and 2020, the Ermenegildo Zegna Group had zero non-compliance issues with environmental laws and regulations. We will continue to uphold the zero non-compliance standard.



Ermenegildo Zegna Wool Mill, Trivero Valdilana, Biella, Italy
Photo by William Daniels, Leica Photographer

THE GROUP'S CARBON FOOTPRINT

The Group began formally assessing carbon emissions as of mid-2020.

In 2021 CO₂e emissions (Scope 1 + Scope 2 market-based) increased by 3%, equal to 806 tonnes of CO₂e²⁷.

Our Scope 1 emissions, which fell by 16% in 2021 compared to 2020, include emissions deriving from the use of natural gas, diesel, gas oil and petrol. Conversely, Scope 2 emissions, which included the use of electricity and steam, increased compared to 2020 by 9% (location-based approach) and 14% (market-based approach).



²⁷The data regarding the Group's emissions have to be interpreted in light of the note 23 on energy consumption.

²⁸The emission factors for 2020 and 2021 are respectively based on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2020) and on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021). The amount of refrigerant gases is deemed negligible and they are not included in Scope 1 data both for 2020 and 2021.

²⁹The emission factors for 2020 are based on Terna Confronti internazionali (2018) for electricity consumption and on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2020) for heating. The emission factors for 2021 are based on Terna Confronti internazionali (2019) for electricity consumption and on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021) for heating. Emission Scope 2 (Location based) are expressed in tonnes of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂ equivalent) as can be deduced from the reference technical literature.

³⁰The emission factors for 2020 are based on Association of Issuing Bodies (AIB) European Residual Mixes (2019), Terna Confronti internazionali (2018) and Green-e® Residual Mix Emissions Rates (2019) for electricity consumption; on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2020) for heating.

The emission factors for 2021 are based on Association of Issuing Bodies (AIB) European Residual Mixes (2020), Terna Confronti internazionali (2019) for electricity consumption; on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021) for heating. Emission Scope 2 (Market based) are expressed in tonnes of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂ equivalent) as can be deduced from the reference technical literature.

Emissions - tCO ₂ eq	2021	2020
Total Emissions Scope 1²⁸	7,882	9,404
Total Emissions Scope 2 (Location-based) ²⁹	20,856	19,187
Total Emissions Scope 2 (Market-based) ³⁰	19,105	16,776
Total emissions Scope 1 & Scope 2 (Location-based)	28,738	28,591
Total emissions Scope 1 & Scope 2 (Market-based)	26,986	26,180

SCOPE 3 EMISSIONS ³¹

In 2021, the Group performed a complete and overarching carbon emissions calculation, reporting Scope 3 emissions (except for category 15 "Investments" for which the calculation is not applicable).

According to the study performed, Scope 3 emissions for 2021 amount to 191,408 tonnes of CO₂ equivalent. The table below shows the emissions for each category and the corresponding percentage over the total.

"Purchased goods and services" accounts for 65% of the total, followed by "Capital goods", responsible for around 18% of overall emissions, followed by Upstream and Downstream transportation and distribution services, together accounting for about 5% of Scope 3 estimated emission.

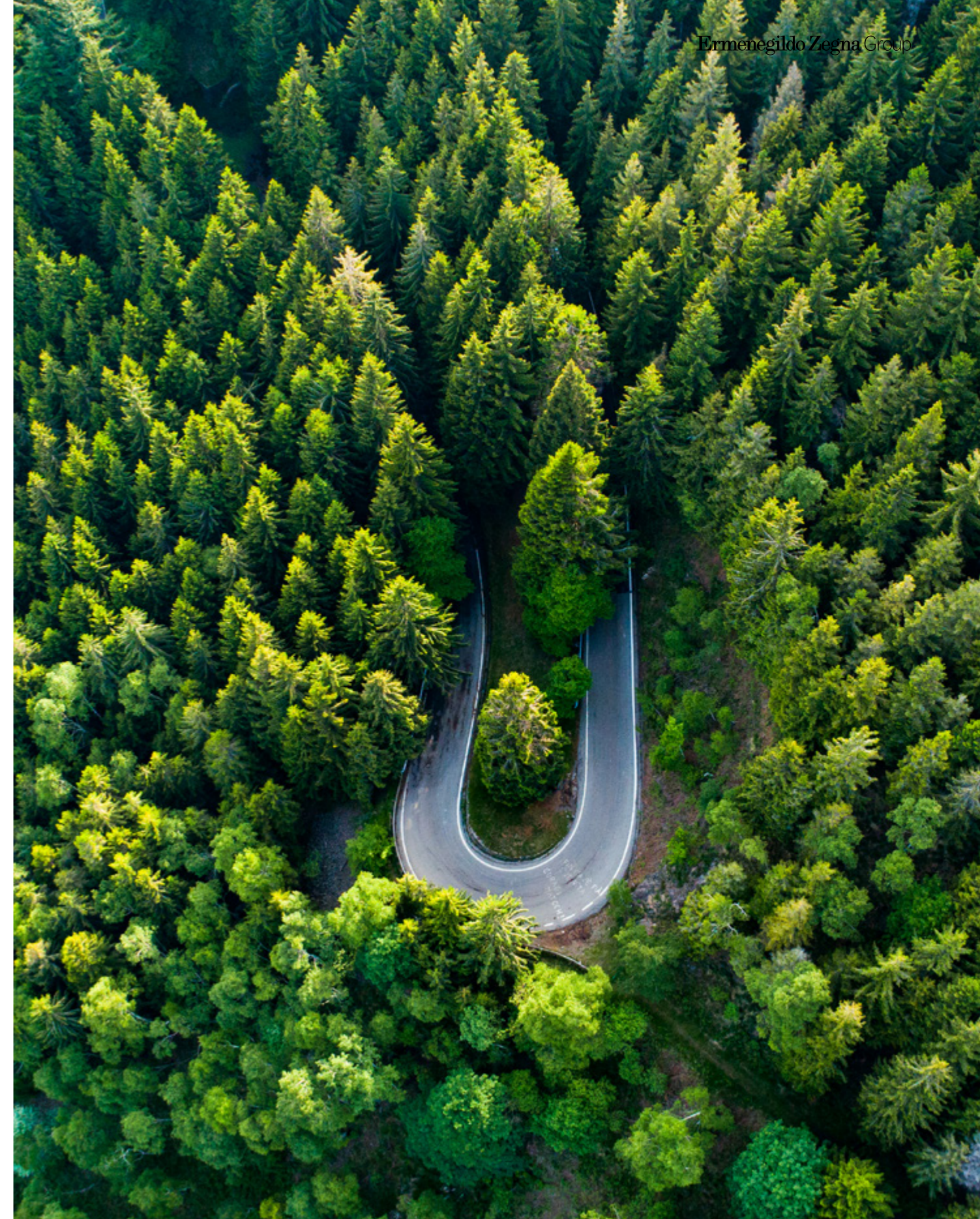
The remaining categories cumulatively account for less than 12%.

2021

Process/Activity	tCO ₂ e	% tCO ₂ e
1. Purchased goods and services	124,503	65%
2. Capital goods	34,473	18%
3. Fuel and energy-related activities (not included in scope 1 or scope 2)	7,699	4%
4. Upstream transportation and distribution	1,593	1%
5. Waste generated in operations	184	0%
6. Business travel	726	0%
7. Employee commuting	3,976	2%
8. Upstream leased assets	5,215	3%
9. Downstream transportation and distribution	7,228	4%
10. Processing of sold products	1,839	1%
11. Use of sold products	0	0%
12. End-of-life treatment of sold products	1,116	1%
13. Downstream leased assets	0	0%
14. Franchises	2,856	1%
15. Investments	NA	0%
	191,408	100%

The 2021 Carbon Footprint assessment will serve as the baseline year for the development of science-based carbon emission targets, to be submitted to SBTi organization for review and approval. In Q1 of 2022, the Group communicated to SBTi organization the intention to take a public commitment for both near-term targets and net-zero targets (for more information please refer to <https://sciencebasedtargets.org/companies-taking-action>).

The Group further committed to submit its carbon emission target proposal to SBTi by the end of 2022.



³¹"Purchased goods and services" emission factors are based on the Ecoinvent v 3.7.1 database, representative literature and EUROSTAT (Environmental-extended input output tables, EEIO). Category 2 "Capital goods" emission factors are based on EUROSTAT (Environmental-extended input output tables, EEIO). Category 3 "Fuel and Energy related activity", Category 4 "Upstream Transportation and distribution", Category 5 "Waste generated", Category 6 "Business Travel", Category 7 "Employee commuting", Category 9 "Downstream Transportation and distribution", Category 11 "Use of sold products" and Category 12 "End-of-life treatment of sold products" emission factors are based on DEFRA, UK Government GHG Conversion Factors for Company Reporting (2021). Category 8 "Upstream leased asset", Category 13 "Downstream leased asset", Category 14 "Franchise" emissions are calculated using the Quantis tool "Scope 3 Evaluator". Category 10 "Processing of sold products" emission factors are based on the Ecoinvent v 3.7.1 database.

TRANSPARENCY & TRACEABILITY

Preferred & Traceable³² Raw Materials

The Group has identified 6 raw materials as Top Priority: wool, cotton, cashmere, leather, man-made cellulosic fibers and polyester, accounting for about 87% of total raw materials purchased in 2021.

The Group has set a target of reaching 50% of sourced top raw materials from traceable origin and from low-impact sources by 2026.

In 2021, the Group recorded the following:

- Wool & Cashmere: 25% of raw materials come from various certifications, the main one being Authentico scheme by Schneider Group;
- Cotton: about 5%, GOTS and GRS certification;
- Man-made Cellulosics: about 42%, OEKO-TEX® Standard 100 (Bemberg™ - CUPRO) and FSC certified;
- Polyester: about 24%, GRS certification.

The overall incidence for 2021 is estimated at about 16% of Top Priority raw materials.

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

Animal Fibers

The Group only uses the finest animal fibers sourced from properly monitored farms. Through a positive and fair relationship with suppliers - in the communities, regions and countries where they are located - the Ermenegildo Zegna Group upholds the traditions of quality natural fibers. Tight relationships with suppliers deliver efficiency and continuous improvements in sourcing raw materials. An example of this engagement with suppliers is our annual trophy for the finest Australian wool, a tradition that is half a century in the making, to encourage the production of distinctive fibers among Zegna's most loyal farmers.

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

The Ermenegildo Zegna Extrafine Wool Trophy, which was the first of its kind in the natural fiber world, was instituted in Tasmania in 1963 with the purpose of stimulating the production of the finest Merino wool. For over 50 years we have presented trophies to fine wool producers, to reward and encourage growers to improve the quality of superfine merino.

Every year, the Group, in collaboration with the Australian Superfine Woolgrower Association, honors the world's best woolgrowers by awarding the “Superfine Wool Trophy” and the “Vellus Aureum Trophy”.

The first is the oldest and most prestigious competition in the world of wool, whilst 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, a record that remained unbeaten every following year until 2022³³, when a new world record has been established at 9.8 microns.

Further assurance of the quality and sustainability of the raw materials used is provided by certifications, such as the Authentico Schneider Group Integrity Scheme and the Sustainable Fiber Alliance for cashmere. Since June 2019, the wool acquired by Lanificio Ermenegildo Zegna through the Schneider Group is certified “Authentico”, and since 2020, all the cashmere yarns bought from Filati Biagioli Modesto are certified “SFA”, meaning that raw materials meet both transparency and traceability requirements. We respect a number of animal welfare standards, such as the adoption of pain-preventing procedures in order to minimize animal stress: animal welfare guarantees are integrated into both Authentico and SFA certification schemes.

One of the Group's objectives is to formalize its own animal welfare policy by 2022 and embed it into the lower-impact raw material certifications.

The Ermenegildo Zegna Group only uses vicuña wool monitored by CITES (Convention on International Trade in Endangered Species of wild fauna and flora), to ensure no threatened animals are at risk for the fibers they produce.



Supply Chain Transparency

The Group has embraced the challenge posed by Fashion Revolution in terms of Transparency. In the 2021 edition of the Fashion Transparency Index, the Zegna Brand obtained a score of 33%, among the few brands who “disclose their first-tier manufacturers as well as detailed information about their policies, procedures, social and environmental goals, governance, supplier assessment, and remediation processes”. In particular, the Zegna Brand achieved its best score (78%) in the Traceability section.

Since 2016, Fashion Revolution has tracked major Fashion and Luxury brands and benchmarked their transparency performance against five key areas: policy and commitments, governance, traceability, supplier assessment and remediation, and spotlight issues.

With the purpose of improving its environmental footprint and guaranteeing the traceability of its raw materials, the Group has set itself clear aims. By 2026 we aim for our systems to be able to identify at least 50% of our top priority raw materials with their geography of origin, and derived from lower-impact sources; by 2030, to have more than 95% of products enabled with a product traceability system.

More information on sustainable management of raw materials and supply chain are available under “SASB Report”.

³² Textile Exchange defines a preferred fiber or material (“PFM”) as one that results in improved environmental and/or social sustainability outcomes and impacts compared to conventional production.

³³ The 2021 competition did not take place due to Covid-19 restrictions.

WATER

Quality water is essential for 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.

Already in 2012, the Lanificio Ermenegildo Zegna removed chrome and its compounds from dyeing processes, demonstrating even more effective results than before.

In the context of water management and usage, in 2019, sizeable investments were made to replace machinery used for treating fabrics: the new equipment purchased has led to a saving of 10% of the total water requirement.

Also, a new water purification systems based on ozone gas has been recently introduced, allowing for the recovery of output water back into the production cycle, for up to 25% of water needs.

In light of these successful experiences, the Group has committed to extending to all its production processes the same innovations in terms of chemical usage and water consumption. In particular:

- To assess the Group water footprint & commit to reduction targets, aligned with SBTN (Science-Based Targets for Nature) evolution (internal productions by 2022, external by 2025);
- Chemical Management: ZDHC Foundational compliance level (MRSL, Wastewaters) for all group production sites, by 2023.

FOCUS: Achill

As highlighted in the "Useful information on Group perimeter evolution" paragraph and in the "Methodological Note", the Group disposed of Achill during the course of 2021. As a breeder of superfine merino sheep under the Authentico certification scheme of Schneider Group, Achill remains a supplier of Lanificio Ermenegildo Zegna for high-quality wool fibers.

Approximately 10,000 merino sheep are raised on the 2,500 hectares of the Achill farm, in New South Wales, Australia.

Many initiatives are carried out by Achill to preserve and respect the environment and its animals, adopting, for example:

- Rotational grazing, thus allowing animals to move paddocks in large mobs onto new pasture on a weekly (or twice-weekly) basis. This benefits both the animals and pastures, by enabling the latter to rest during regrowth while naturally reducing the worm population;
- Native tree planting throughout the farm;
- River fencing to prevent erosion of riverbanks;
- Annual soil testing, including bulk density testing, to track changes in soil carbon from year to year.

Furthermore, to be prepared for periods of drought, Achill has implemented:

- Water storage, provided by two dams and irrigation by a pivot; if dam water storage is low, an underground bore will provide water;
- Silage harvested with the help of the pivot and stored in an underground pit, in years with above average rainfall;
- Containment yards and feeding equipment available for animals during droughts allowing pasture paddocks to rest and avoid overgrazing.

The improvements and the effects of these initiatives in terms of carbon sequestration, better resilience to drought periods and better wool fiber quality are being assessed in 2022 and on an ongoing bases.



OUR APPROACH TO CIRCULAR ECONOMY: #USETHEEXISTING



Promoting a circular economy is one of the Group's sustainability focus areas; and it presents a great opportunity to showcase the Group's textile expertise. In 2019, the Zegna Brand launched #UseTheExisting project, the result of intensive research combined with an aptitude for innovation.

The project is overseen by artistic director Alessandro Sartori and is unique in the way, with the technical expertise of Lanificio Zegna, we created new textures from existing ones: the first garments developed with #UTE mindset were made with wool fibers previously discarded from production processes.

Today, #UTE is made from 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.

These fibers are now reworked and finally re-used, thereby adhering to the main concepts of the circular economy.

In the two 2020 collections (SS21 and FW21), approximately 500 Stock Keeping Units (SKUs), distributed across different product categories, adhered to #UTE standards. By 2021, the number of SKUs that met #UTE standards reached 519 units.

Our commitment to a more sustainable fashion business has been widely acknowledged and publicly recognized with the CNMI Award in Recognition for Sustainability, received by the Zegna Brand during the third edition of the Green Carpet Fashion Awards.

In 2021, the Zegna Brand received important recognition for #UseTheExisting projects. At the opening of the ADI Design Index exhibition in Rome, on June 28th, 2021 Alessandro Sartori collected the prestigious ADI Design Index 2020 Innovation Award for #UseTheExisting.

Zegna Artistic Director, Alessandro Sartori

As Alessandro Sartori said, "Each of us must live responsibly. I do this using the creative means I have at my disposal, from the production of fabrics to the technical know-how applied to the creation of the collections. In Zegna, our mission is to reuse resources to eliminate material waste in the production chain. It is a mission and a vision we strongly believe in. This is the principle behind our current and future collections".

#UseTheExisting represents the idea of upcycling the whole fashion process. The Group is continuing to invest in this project that marks the pledge to make the zero-waste dream come true.

Product's Durability

High-quality materials, perfect tailoring and thorough attention to detail is the reason that Thom Browne products and Zegna products last so long. Both brands offer customers in-store tailoring services to extend garments' life. 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, performed by expert tailors to extend the life of the garment.



OASI ZEGNA: GUARDIANS OF OUR LOCAL COMMUNITY FOR OVER 110 YEARS

As described in the “Useful information on Group perimeter evolution” paragraph, the Group disposed of Oasi Zegna during the course of 2021. Following the disposition and to strengthen the mutually beneficial and inspiring relationship between the Group and Oasi Zegna, in December 2021 the Group has entered into an arrangement whereby Oasi Zegna will provide the Group with licensing, marketing and other sustainability-related services, including the conservation and development of the Oasi Forest heritage and the protection of its territory for the benefit of the local communities to the Group, in exchange of an annual fee.

Growing up in Trivero, Italy, Ermenegildo Zegna grew to love the beauty and wildness of the natural surroundings. Driven by a deep sense of giving back to his homeland and community, in the 1930s Ermenegildo Zegna embarked on a vast environmental restoration and land improvement project in the Trivero area where the Lanificio Ermenegildo Zegna wool mill is still located. Long before the word “ecosystem” was invented, Ermenegildo Zegna began creating the ecosystem that is known today as Oasi Zegna (Oasis). 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 in that time and yet Ermenegildo Zegna pioneered this thinking by setting an example, using financial capital to add value to natural capital and social and relationship capital.

Ermenegildo intuitively recognized that the complex and beautiful fabrics his mill was built to weave by man and machine were not just Zegna’s products - they were, as they remain, a function of Zegna’s greater process and purpose.

Profits were channeled into the purchase of the then-barren and neglected lands that made up the Panoramica Zegna road, and (later the Oasi) and to the painstaking reforestation and rehabilitation of this landscape. This investment put the mill at the heart of a wider community, an ecosystem of human interdependence and interdependence with nature.

In 1993, with the third generation of Zegna, 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 is a nature reserve open to the public, that extends 100 Km² between Trivero, Valdilana and Valle Cervo, in Alpi Biellesi (the portion of the Alps within the province of Biella) in Piedmont. Oasi Zegna is the embodiment of Ermenegildo Zegna’s “green approach”. Our current environmental enhancement and protection projects are in honour of his wonderful vision for reclaiming the beauty of nature.

The reserve is the perfect place for families, and sports enthusiasts to engage in outdoor activities, all year round, 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); the re-



Paolo Zegna and Anna Zegna during the ceremony to award FSC certification to Oasi Zegna, in February 2022 at Casa Zegna.

serve is now officially part of Italy's heritage.

Through its wide variety of educational and experimentation programs, Oasi Zegna has become a living example of successful environmental tourism. From Forest Bathing, a Japanese practice aimed at improving physical and mental well-being, to the Smiling Forest designed to allow people to reconnect with the energy of the trees in an environment of natural fragrances and sounds, generating serenity and interior harmony, Oasi Zegna’s unique model of environmental consciousness inspires eco-tourism 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 newborn child of the Group’s employees worldwide: about a thousand new trees have been planted so far. The program has now been extended to Inner Mongolia, where the Group has created the “My Zegna Forest” and is planting a tree for every new-born baby in the Group in Asia.

With the purpose of creating shared value for the territory, Oasi Zegna is also home to several different enterprises which actively operate within it, including accommodation (resorts, chalets, hostels), catering

and food services, agritourism, local production, cultural and art event management, recreational activities (horse riding center, tennis, paragliding, swimming and various other sports) and winter recreational activities (ski lifts, ice skating, equipment hire services and a ski school).

Oasi Zegna offers a variety of events:

- 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;
- Walks through the rhododendron blossoms or discovering the foliage. There are 29 hiking trails marked with signs accessible to visitors and 6 Nordic walking routes that users can walk with or without an instructor.

As of November 2021, Oasi Zegna, directly or indirectly and together with its non-profit activities, generates jobs for more than 450 people in 61 enterprises within the tourism and local products sectors. The buildings located in Oasi Zegna include 1,238 beds for visitors, of which 366 are managed in accommodation facilities and 176 in high-quality buildings. In 2021, six new activities became part of Oasi Zegna’s territory.

In the first months of 2022, and after a process that lasted for more than 2 years, Oasi Zegna was recognized with the FSC® (Forest Stewardship Council) certification. The FSC® certification is awarded to entities with a measurable positive impact on the environment and encourages responsible forest management. Only nine other entities in Italy have so far achieved this prestigious international recognition.

There are five ecosystem services (i.e. benefits to people from nature and forests) for which Oasi Zegna complies with FSC® standards:

1. Conservation of biodiversity:

Interventions, conducted in a sustainable manner as certified by FSC®, will favor a gradual transformation of the territory, aiming at the progressive replacement of the spruce woods with more suitable species, transforming them into mixed deciduous and coniferous forests. Thanks to the interventions carried out in recent years, the surface of the Oasi Zegna covered by natural forest has increased by more than 5% and today it covers 68% of the territory.

2. Sequestration and storage of carbon:

Silvicultural management, conducted in a sustainable manner as certified by FSC®, produces, among others, these benefits:

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

3. Water regulation services:

Water is absorbed and retained by the soil; there are more than three hundred quality water sources within the territory of the Oasi, many are used for drinking 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:

Thanks to silvicultural management, conducted in a sustainable manner as certified by FSC®, visitors can count on correctly managed forests, rest areas, recreational and cultural events organized in every season and a developed and well-marked hiking network. Thanks to an exhaustive environmental signage system, there is a constant dialogue of environmental education and awareness. Furthermore, the European Union has designated 63% of the reserve as a Site of Community Importance.

Anna Zegna commented on this achievement, stating: "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".

According to Diego Florian, Director of the Forest Stewardship Council (FSC) Italy, "Italy has an immense natural capital which benefits us in facing epochal challenges such as the one brought by the climate crisis, provided the ability to identify 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".

FOCUS: Oasi Zegna and carbon sequestration

The silvicultural management promoted in the Oasi improves forest sustainably and increases CO₂ absorption capacity.

In fact, forestry and replanting interventions not only remove dead biomass which can be used as an energy source they also increase CO₂ absorption capacity in the medium term. While the remaining part of the forests of the Oasi continues to grow (and consequently the stock of organic carbon continues to increase), the new seedlings reach a size that allows them to grow faster than the old ones and therefore to absorb more CO₂. At the same time, the older fir trees can gain the space and light needed to grow further.

In the medium term, such management will lead to an annual increase in the tree population in volumetric terms and in the capacity of the forest property to absorb CO₂, which, at present, is on average equal to 7.5 t/ha year. Furthermore, silvicultural management, conducted in a sustainable manner as attested by the FSC® certificate, produces, among others, three important benefits:

- Improvement in the quality of forest stands and increase in their ability to absorb carbon dioxide;
- Wood is used for energy purposes in place of fossil fuels and as a construction material;
- Forests are more resistant to storms, droughts, forest fires and other factors that may reduce their ability to provide ecosystem services.

The calculations carried out show how the emissions generated by the influx of visitors and tourist facilities are largely offset by the carbon absorbed by the trees of Zegna Oasis.



CENTRAL
PARK, NY

3.4KM²



THIS IS
OASI ZEGNA

100KM²

500,000+ TREES PLANTED SINCE 1910.

OASI ZEGNA

OUR LEGACY CONTINUES

ZEGNA FOREST

“Caring is not only a duty. For us it’s 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.”

The words of Anna Zegna, president of Fondazione Zegna, express the spirit of an extraordinary project that’s being developed in the mountains of Trivero – Valdilana.

Zegna Forest is an ambitious long-term program promoted and developed by Fondazione Zegna to safeguard the environment in Oasi Zegna and for the benefit of the woods of Oasi Zegna. The project, started in 2020 and to be completed by 2035, will positively impact a total of 140 hectares of owned woodland. Since the first phase of the project, initiated in February 2020, 16 hectares of woodland have been enhanced and over 11,000 new trees and shrubs have been planted. Supported by a committee with strong scientific expertise, new species have been and will continue to be gradually introduced in order to boost the forest’s resilience, ecological functions and biodiversity.

The territory imagined by the experts a century ago - made up exclusively of conifers of the same age - is no longer suitable for the climate change the world is seeing and is not very resistant to extreme atmospheric events or parasite attacks. Under the renewal program launched in 2020 around the Centro Zegna, Conca dei Rododendri and Colle del Craviolo, young magnolias have been planted along with Ginkgo biloba, Parrotia, beech, hydrangeas and rhododendrons, and new sections of woodland have been replanted along the Panoramica Zegna with deciduous trees and silver firs.

The Zegna Forest project has continued in 2021 with the replanting of a further 16 hectares; almost 7,600 new trees.

Starting from 2023, the Ermenegildo Zegna Group aims to export the Oasi Zegna mindset worldwide: the Group plans to plant 10,000 trees in every city³⁴ where the Group opens or relocates Zegna boutiques³⁵ (“Mini Zegna Forests”).

³⁴ Urban planning constraints may apply, potentially reducing the number of trees to donate.

³⁵ The term Zegna Boutique refers to Zegna Brand self-standing directly operated stores, excluding concessions, shop-in-shop and department store corners, pop-in and pop-up formats, outlet stores and third-party-operated point of sales.

METHODOLOGICAL NOTE



This document constitutes the 2021 Sustainability Report of Ermenegildo Zegna N.V. (hereinafter "Ermenegildo Zegna") and its fully consolidated subsidiaries (hereinafter "the Group" or "the Ermenegildo Zegna Group"), with reference to the 2021 fiscal year (from January 1st to December 31st 2021).

The Sustainability Report is published annually; the contents of this document describe the Group's achievements in the economic, social and environmental spheres.

In order to communicate the Group's sustainability performance in a transparent and comparable manner, the Report has been drafted based on a selection of "GRI Sustainability Reporting Standards" (hereinafter "GRI Standards"): GRI-referenced claim. The detail of the reported indicators is shown in the "GRI Content Index", which is presented in the next section of this document. This report also includes further disclosures in line with the Apparel, Accessories & Footwear Accounting Standards-2018, prepared by the Sustainability Accounting Standards Board (SASB), as presented in the "SASB Report" section. The scope of information provided in relation to SASB is detailed within the paragraph "Reporting boundaries" at the beginning of SASB Report. The detail of the reported indicators is shown in the "SASB Disclosure Index" at the end of this document. The Group commits to develop progressively the SASB related disclosure to overcome the limitations experienced for the first year of disclosure.

The reporting scope of the economic and financial data and information corresponds to that of the Ermenegildo Zegna Group's consolidated financial statements as of 31st December 2021. The scope of the data and information relating to social and environmental aspects refers to the companies of the Ermenegildo Zegna Group consolidated on a line-by-line basis. Any changes to this scope are appropriately indicated in the document.

Figures relating to the previous year are provided solely for comparative purposes to enable an assessment of the Group's activities over a longer period and must be interpreted in light of the multiple changes occurred over the last two years. In particular, to offer a more reliable set of comparative information, 2020 data related to Human Resources and Health and

Safety issues have been updated in comparison to those reported in the previous Sustainability Report, available at [Ermenegildo Zegna Group website](#), in consideration of the inclusion of Thom Browne related information.

During 2021, it should be noted that the following changes occurred. On July 18, 2021, Zegna, Industrial Acquisition Corp. ("IIAC") and EZ Cayman, a wholly-owned subsidiary of Zegna, signed a business combination agreement that contemplated a series of transactions, which were ultimately completed on December 17, 2021, as described hereafter (the "Business Combination"). On November 1, 2021, Ermenegildo Zegna Holditalia S.p.A. completed the disposition of certain of its businesses (the "Disposition"), through the statutory demerger under Italian law to a new company owned by its existing shareholders. The Disposition included Agnona S.r.l., Ermenegildo Zegna Korea LTD, Alan Real Estate S.A., E.Z. REAL ESTATE S.R.L., 61 West 23rd Street LLC, Achill Land Pty Ltd., Ermenegildo Zegna NL, Tarsa S.A. de C.V., Zegna Korea - Branch of Lan.EZ, Lanerie Agnona S.p.A. and Monterubello s.s.. The following transaction related to the Business Combination was completed on December 17, 2021, inter alia: Ermenegildo Zegna Holditalia S.p.A. implemented a cross-border conversion whereby it converted into a Dutch public limited liability company (naamloze vennootschap) and transferred its legal seat from Italy to the Netherlands and amended its articles of association, upon which the Company changed its name to Ermenegildo Zegna N.V..

Furthermore, on February 16, 2021 the Group incorporated Ermenegildo Zegna Czech s.r.o.. On June 4, 2021, Zegna acquired a 60% equity interest in Tessitura Ubertino S.r.l. ("Tessitura Ubertino"), a company specialized in the textile business. On October 1, 2021 EZ Service S.r.l. ("EZ Service"), a limited liability company based in Italy and fully owned by Ermenegildo Zegna Holditalia S.p.A., was incorporated. A branch of Ermenegildo Zegna Holditalia S.p.A. was transferred to EZ Service effective November 1, 2021. Thom Browne Hong Kong Limited entered the Group on August 24, 2021.

The following other changes are noteworthy. On June 1, 2021 the Group acquired an additional 5% of Thom Browne, following which the Group owns 90% of the Thom Browne group. On July 14, 2021 the Group acquired 40% of the shares of Filati Biagioli Modesto S.p.A..

To ensure data reliability, the use of estimates has been limited as far as possible. Whenever present, proper explanations of the issues are provided within the document.

This document has been subject to procedures performed in a limited assurance engagement in accordance with the criteria indicated by International Standard on Assurance Engagements (ISAE) 3000 (Revised) by the auditors Deloitte & Touche S.p.A.. The limited assurance engagement was conducted by performing the procedures indicated in the "Independent Auditor's Report" presented at the end of this document.

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GRI 406: NON-DISCRIMINATION 2016			
GRI 406-1	p. 59		Incidents of discrimination and corrective actions taken



SASB REPORT

For the first time, the Ermenegildo Zegna Group is applying the SASB reporting standard. To report accordingly to the standard, the Group has pursued a thorough data analysis across all its business departments and manufacturing sites. The Ermenegildo Zegna Group aims at being as stringent as possible to provide the requested information. Nevertheless, being this analysis conducted for the first time in 2022, some aspects have been only partially covered.

ABBREVIATION:

LEZ – Lanificio Ermenegildo Zegna
 MRSL – Manufacturing Restricted Substance List
 PRSL – Product Restricted Substance List
 RSL – Restricted Substance List
 SASB - Sustainability Accounting Standards Board
 ZMCS – Zegna Chemical Management System

1. Introduction

The following section is intended as a supplementary section to Ermenegildo Zegna Group's sustainability disclosure in accordance with the Sustainability Accounting Standards Board (SASB) requirements.

Disclosure topics of this section (Management of chemicals in products, Environmental impacts in the supply chain, Labor conditions in the supply chain & Raw materials sourcing) align with the Standard for the Apparel, Accessories & Footwear industry as defined by SASB (October 2018 version³⁶).

Reporting Boundaries

The following report includes relevant information on Ermenegildo Zegna Group, comprising of both the Zegna segment and the Thom Browne segment. The reporting year is January 2021 - December 2021.

2. Supplier Classification

The below classification was applied to Ermenegildo Zegna Group suppliers; the classification is in line with the definitions provided by the SASB:

- **Tier 1 suppliers** are defined as suppliers that transact directly with the entity, such as finished goods manufacturers (e.g., cut and sew facilities);
- **Suppliers beyond Tier 1** are the key suppliers to the entity's Tier 1 suppliers and can include manufacturers, processing plants, and providers of raw materials extraction (e.g., mills, dye houses and washing facilities, sundry manufacturers, tanneries, embroiderers, screen printers, farms, and/or slaughter houses). Number of suppliers beyond Tier 1 is currently unavailable. The Group commits to develop such a disclosure reasonably in the next 3 years.

2.1 Number of suppliers by Tier

Table 1

Supplier classification	Number of suppliers 2021 ³⁷
Tier 1	1,309

3. Management of chemicals in Products

3.1 Discussion of processes to maintain compliance with restricted substances regulation

The Group has put in place multiple systems to regulate and manage chemicals in its products ranging from Restricted Substances Lists (e.g. PRSL), material supplier agreements and input stream management.

Product Restricted Substance Lists³⁸ (PRSLs) were developed internally both at Group level³⁹ and for the Textile companies.

The Group's PRSLs are primarily based on the European Chemical Agency (ECHA) list of Substances of Very High Concern (SVHC) and integrate additional requirements which are in line with recognized sectorial standards and in compliance with main (China, America and Europe) markets' regulations 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 includes PRSL compliance requirements in the agreements stipulated 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 entire duration of the commercial relationship between the latter and the Group. Each of the direct supplier who signs the agreement is then requested to share the Group's PRSL with its own suppliers as well. The Group has developed a Conformity Verification Procedure for PRSL to enforce compliance with restricted substances regulations within its supply chain.

Textile products made by the Group's Textile companies are either tested internally or by a third-party entity to detect the presence of substances listed in the PRSL; the testing procedure (frequency, selection of sample, etc.) is not standardized yet and may differ from site to site.

Any deviations from the PRSL is not accepted, unless justified by proven technical reasons.

3.2 Discussion of processes to assess and manage risks and/or hazard associated with chemicals in products

The Group has implemented and operationalized chemical management systems in the sites within its Textile companies. Above-mentioned sites' systems are based on common guiding procedures and operations, which have been adapted accordingly to the specific context of each site's production processes. The adopted chemical management process identifies and regulates the usage of chemical substances in the production site, according to the adopted ZDHC MRSL and PRSL, which is in general equal or more stringent than local legislative requirements that are anyway complied with.

The RSLs are defined and adopted with the purpose of avoiding dangerous chemicals in the production site (or excluding the ones that in the meantime have become outlawed), or for the purpose of satisfying PRSLs required by other brands that the Group manufactures for. RSLs are reviewed regularly. The overall approach to chemical management can be defined as hazard-based, as it mainly relies on the implementation of PRSLs and MRSLs which identify hazardous thresholds for specific chemicals in products and/or in the manufacturing processes. In the following section, the Chemical Management System adopted by Lanificio Ermenegildo Zegna is presented as an illustrative example of the implemented procedures and operations. Zegna Chemical Management System (ZCMS) has been defined to promote the sustainable management of chemicals within the operations of Lanificio Ermenegildo Zegna (LEZ). The overall objective for LEZ is to phase out the chemicals listed in a specific Manufacturing Restricted Substance List (MRSL) by 2022. A chemical manager has been appointed by the Top Management of the Textile companies⁴⁰ and is responsible for:

- Implementing ZCMS in LEZ;
- Promoting the adoption of ZCMS by the other sites within the Group's Textile companies and by external suppliers (Tier 2 and beyond);
- Managing agreements and contracts with third party certifiers.

³⁶SASB version 2018-10 is accessible at: <https://www.sasb.org/standards/download/?lang=en-us>

³⁷The number of suppliers reported includes those Ermenegildo Zegna Group internal companies that concur to the production processes.

³⁸The PRSLs are currently not publicly available.

³⁹The Group's RSL does not currently cover Thom Browne, which has however an ongoing process to formally adopt the RSL of the Group.

⁴⁰At Group level, a specific function within Quality Assurance department has been nominated with the responsibility of supervising the Chemical Management towards suppliers.

The scope of application for ZCMS covers all the processes (internal and attributed to 3rd party suppliers) required to produce outputs products including:

- Inputs: Raw materials, Chemicals;
- Process: Internal & Externalized processes;
- Output: Textiles, Emissions to water and air.

The ZCMS policies specify how to select chemical products to deploy within the production cycle, how to classify them, how to regularly review their classification, and how to manage and properly store them. It also includes specific reference for the purpose of continuing the process of reducing the impact of adopted chemicals.

Different tools and procedures are included in the ZCMS such as:

- Raw Materials Supplier Map;
- Process Mapping;
- Chemical Inventory;
- PRSL and MRSL (Group's Textile companies);
- Wastewater chemical concentration tests (since 2022 performed by a third-party ZDHC-accredited laboratory according to ZDHC Wastewater Guidelines).

The ZCMS includes details about testing procedures on textiles which may be performed internally (at Lanificio Ermenegildo Zegna) or by 3rd party entities. Tests are performed on selected samples of the produced textiles based on earlier seasons production, product category, previous results and presence of tests performed by suppliers.

Whenever a non-conformity to Zegna's MRSL is found at the level of suppliers and input material - through supplier communication or tests on input material - ZCMS requires to guide suppliers towards conformity and, in case of persistence of non-conformities, it requires to proceed with the supplier phase-out.

Moreover, the ZCMS sets out a specific purchasing policy for chemicals to ensure compliance with the defined requirements of the MRSL.

Forward-looking ambition for Management of Chemicals in Products

In addition to current chemical management processes, the Group is currently in the process of integrating ZDHC guidelines at the level of all its internal production sites. In particular, the Group has set the goal of reaching ZDHC Foundational compliance level (MRSL, Waste Waters) for all group production sites by 2023.

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 on this issue will be made in the future.

4. Environmental Impacts in the Supply Chain

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

Ermenegildo Zegna Group has developed and adopted a Supplier Code of Conduct which represents a set of minimum standards to be applied to the production facilities of all suppliers. Additionally, the Supplier Code of Conduct extends beyond suppliers' production facilities by requesting direct suppliers to guarantee that their subcontractors and respective suppliers comply with the Code.

The Supplier Code of Conduct includes compliance with national and local wastewater discharge regulations among other environmental requirements.

Audits and inspections are conducted periodically on suppliers and their own subcontractors and suppliers by 3rd party entities to ensure compliance with the Code requirements. The Group requires the auditee to define an action plan to manage and resolve possible deficiencies identified. Moreover, for any violation of the Supplier Code of Conduct, Ermenegildo Zegna Group reserves the right to review business relationship with the supplier. Additional information on the Supplier Code of Conduct and on the auditing process can be accessed [via the following link](#).

Part of the Group's manufacturing activities and related wastewater discharge pressure occur at the garment manufacturing and Textile companies' level (Tier 2 and beyond). This organizational structure enables the Group's direct control on the mentioned 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 monitoring of and data collection on air emissions, wastewater and chemicals used in the manufacturing processes. This allows the Group to have a continuous control over the environmental performance of the mentioned sites.

Moreover, the above-mentioned Code of Conduct requires suppliers to comply with national and local regulations on (not limited to) waste & chemical disposal and emission handling. Therefore, audited sites must provide the group with the relevant information on the mentioned aspects.

Forward-looking ambition for Environmental Impacts in the Supply Chain

Ermenegildo Zegna Group has developed over time long-standing commercial relationships with several suppliers. This represents an opportunity that could be leveraged to further increase the traceability of the supply chain processes and to assess and reduce pressures on the environment, through specific measures.

For instance, the Group intends to engage key suppliers in the short to medium-term on the implementation and adoption of ZDHC tools & guidelines. Specifically, the ZDHC Wastewater Guidelines would allow suppliers to go beyond regulatory compliance in terms of wastewater discharge.

Additionally, by partnering with its suppliers Ermenegildo Zegna Group can foster the exchange of relevant primary data and increase the visibility towards the environmental pressure throughout the supply chain.

Moreover, the Group is planning in the short-term to perform a water footprint assessment initially on internal production sites, which will allow to possibly identify environmental impact hotspots related to water usage and consumption along the supply chain and consequently to set relevant targets to pursue.

5. Labor Conditions in the Supply Chain

5.1. Labour code of conduct audits performed on suppliers

The Group's Code of Conduct requires external suppliers to comply with regulations and national and international conventions with respect to the following key aspects:

- Hours of work;
- Prohibition of Harassment, Abuse and discrimination;
- Prohibition of Child Labor;
- Freedom of association;
- Working contract, compensation and benefits;
- Health & Safety;
- Workplace.

Audits and inspections are conducted periodically on direct suppliers and their own subcontractors and suppliers by the Group or by 3rd party entities to ensure compliance with the Code. Additional information on the Supplier Code of Conduct and on the auditing process can be accessed [via the following link](#).

As mentioned in earlier sections, sites within the Textile companies and garment manufacturing (part of Tier 1 & 2 suppliers) are vertically integrat-

ed in the Group itself. This organizational structure enables direct control on the mentioned sites' activities to ensure compliance with national/local regulations on labor conditions.

In 2021 audits were performed by a 3rd party entity on supplier sites to assess compliance with the Supplier Code of Conduct.

5.2. Management of non-conformance and associated corrective action for suppliers' labour code of conduct audits

All non-conformities detected by the 3rd party auditor were addressed by requiring the affected sites to define a corrective action plan.

5.3. Risks identified on labour, health & safety and environmental in the supply chain

As a result of the assessments performed on suppliers, the Group has identified the following two principal risks in relation to Labour, Health & Safety and Environmental topics and relevant for its operations.

Labor issues identified:

- Overtime working hours in excess of applicable standards;
- Overtime hours not paid.

Health, Safety & Environment issues identified:

- Inadequate handling of chemical substances;
- Inadequate conditions in dormitories.

It shall be highlighted that identified issues might not be representative for the totality of suppliers and supply chain since the audits were limited in geographical coverage. Thus, different outcomes and issues might emerge from future audits covering a wider geographical spectrum of suppliers.

Forward-looking ambition for Labor Conditions in the Supply Chain

The Group is planning to intensify supplier audits to increase the traceability of the supply chain, possibly doing it in collaboration with other Brands so to reduce the burden on suppliers and to increase efficiency and engagement of the latter.

6. Raw materials sourcing

6.1. Description of environmental and social risks associated with sourcing priority raw materials

Based on the raw material sourcing strategy we believe that the best garments can only come from the best natural resources. We have dedicated our efforts through the years to the research of only the finest raw materials and fabrics, in order to select not only the best available fibers, but also to ensure that corresponding supply chain would be sufficiently 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 competences, craftsmanship and capabilities to work the fibers; in this perspective the close business relationship with Schneider Group, the minority stakes in Pettinatura di Verrone and in Filati Biagioli Modesto;
- Long-term relationships with yarn and fabric manufacturers to continue the refinement of these materials.

The Group has identified a list of priority raw materials primarily considering acquired volumes and relevance for the Group's operations. The se-

lected priority raw materials account for approximately 90% of total acquired materials in weight. Environmental and/or social factors threatening the ability to source the specific raw materials are presented in Table 2 and include climate change impacts and animal welfare aspects. It is highlighted that 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 evenly the whole volumes of a specific raw material category. In fact, the threats may arise only for specifically selected qualities of natural raw materials uniquely sourced from specific regions potentially at risk. These include, for instance, certain quality wool sourced from Australia, certain quality of cotton sourced from Egypt, and cashmere sourced from China or Mongolia.

The Table also shows how availability, quality and price volatility represent the most frequent risks potentially affecting business operations.

The acquisition of certified raw materials represents a concrete strategy through which the Group is addressing environmental and/or social factors in the supply chain (e.g. Authentico Schneider Group Integrity Scheme and Sustainable Fiber Alliance ensuring that animal welfare is effectively protected).

Table 2

Priority raw materials	Environmental and / or social factors	Discussion on Business Risks 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 Schneider Group Integrity Scheme)
Cotton ⁴¹	<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 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)
Leather	<ul style="list-style-type: none"> • Climate change impact • 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 cellulose	<ul style="list-style-type: none"> • Climate change impacts 	<ul style="list-style-type: none"> • Availability • Price volatility 	Certifications (e.g. FSC)

⁴¹The potential Group's 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 currently considered within the context of always assuring the availability of the best possible quality of the fibers. Diversification strategies are in place to mitigate this risk over the medium and long term.

⁴²The 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 sqm of leather weights 1 kg.

6.2. Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard

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 at Procurement IT Systems was determined for each input materials;

- Using the composition, the weight of each priority raw materials for single input materials was obtained;
- Weights of each raw materials were then aggregated to come up with the total figure of input.

Table 3

Priority raw materials	Amount purchased – approximate (metric tonne)	Standards of Certifications	Amount certified – approximate (metric tonne)	Share certified (% on total amount of raw material category)
Wool & Cashmere	970	Authentico Schneider Group Integrity Scheme	228	23.4%
		Sustainable Fiber Alliance (SFA)	1	0.1%
		Global Organic Textile Standard (GOTS)	1	0.1%
		Global Recycle Standard (GRS)	10	1%
		Responsible Wool Standard (RWS)	2	0.2%
Cotton	1,200	Global Organic Textile Standard (GOTS)	52	4.3%
		Global Recycle Standard (GRS)	2	0.2%
Polyester	410	Global Recycle Standard (GRS)	99	24.2%
		Recycled Claim Standard (RCS)	0	0.1%
Leather	235 ⁴²	-	-	-
Man-made cellulose	170	FSC	35	20.5%
		OEKO-TEX® Standard 100 (BembergTM - Cupro)	36	21.1%

Forward-looking ambition for Raw Materials Sourcing

Ermenegildo Zegna Group has set out different goals addressing Raw Materials Sourcing, in order to increase its effort in terms of traceability and control over these materials.

By 2022, an Animal Welfare policy will be formalized at Group level so to address potential risks related to animal-based raw material sourcing.

The Group has set goals to achieve traceability of its supply chains of at least 50% of Priority Raw Materials and to source the same amount from Lower Impact sources (according to definition by Textile Exchange) by 2026.

7. Appendix

7.1. Environmental & Social Factors, Business Risks & Opportunities

7.1.1. Environmental and social factors

The following environmental and social factors have been considered for this assessment:

- **Climate change impacts** represent 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 pest 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 aspects (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 terrains in specific geographical areas;
- **Animal welfare** may represent a potential issue for all animal-derived fibers.

7.1.2. Business Risks

The following business risks have been considered for this assessment:

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

7.1.3. Wool

Climate change impacts may cause a reduction of available grazing areas (e.g. increasing water stress, droughts), decrease overall wool production, decrease the number of producers or suppliers of raw materials, or impact the availability of specific high-grade fibers.

Alterations in wool production (e.g. due to climate change impacts) could cause significant price volatility of the raw material over time.

7.1.4. Cotton

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

Moreover, climate change may additionally in-

crease the occurrence of pests and diseases affecting fiber quality and consequently end-fabric production quality.

Alterations in cotton production (e.g. due to climate change impacts) could cause significant price volatility of the raw material over time.

Additionally, 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 cattle and land management may lead to overgrazing and degradation of pastures and grasslands in specific areas (e.g. Mongolia grassland). These pressures may cause a reduction in overall available grazing areas, thus, potentially reducing cashmere production from those specific regions. Climate change may also cause a reduction of available grazing areas (e.g. increasing water stress, droughts) and decrease overall production.

Moreover, both habitat degradation and climate change impacts (rising temperatures) may affect the quality of the fiber (e.g. coarser goat hairs) and consequently end-fabric production quality.

Alterations in cashmere production (e.g. due to land degradation or climate change impacts) could cause significant price volatility of the raw material over time.

7.1.6. Polyester

Polyester fiber is strictly dependent on fossil resources and in a scenario of strong competition for the latter, production of polyester might be affected. Moreover, growing public awareness of environmental effects of plastic production, management and potential leakages throughout the value chain may lead to increasing regulatory measures to mitigate environmental effects and damages. This could require businesses to comply with emerging regulations on plastic materials. In addition, public awareness may expose businesses which rely on plastics to growing pressure from consumers (reputational risks).

7.1.7. Leather

Climate change may cause a reduction of available grazing areas (e.g. increasing water stress, droughts) and decrease overall cattle hide production. In addition, warming climates are likely to allow pests and diseases to spread into new re-

gions, which may impact cattle productivity.

In addition, increased occurrence of pests (e.g. lice and ringworm) due to warming climates, may cause marks on the skin and reduce the quality of the hides.

Shifts in production (e.g. due to climate change impacts) could cause significant price volatility of the raw material over time.

Leather sold to the EU market might be subject to stricter regulations in the future. As a matter of fact, a proposal for a EU regulation was published in November 2021 which, if approved, will require that only leather with no production-related deforestation is marketed in EU⁴³. Therefore, regulatory compliance of existing or future leather Group suppliers may represent a risk to the specific raw material supply chain.

7.1.8. Man-made cellulose

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

Additionally, climate change impacts might affect also the production of wood, consequently affecting the production of wood-derive man-made cellulose.

Shifts in production (e.g. due to climate change impacts) could cause significant price volatility of the raw material over time.

7.1.9. References

The references used to assess environmental & social factors and related risks are listed here:

- Climate Change: Implications and Strategies for the Luxury Fashion Sector;
- BSR & Kering;
- Sustainable Fibre Alliance;
- CDP Climate Change, Forest, Water Security questionnaires – Luxury brands (e.g. Kering, Burberry) 2021.

7.2. Certification specification

SASB standard provides a reference list (non-exhaustive) for certification schemes available for disclosure in the Raw Materials Sourcing section. Here a selection of the list is provided, with additional specifications on scope, objectives and other relevant information on each certification scheme.

7.2.1. 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 product⁴⁴. The certification:

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

7.2.2. Recycled Claim Standard (RCS) & Global Recycled Standard (GRS)

The Recycled Claim Standard (RCS) and Global Recycled Standard (GRS) are international, voluntary 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 recycled content in products;
- Providing consumers (both brands and end consumers) with a tool to make informed decisions;

Additional objectives of the GRS are:

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

⁴³ More information is available at: https://ec.europa.eu/environment/publications/proposal-regulation-deforestation-free-products_en

⁴⁴ More information is available at: <https://textileexchange.org/standards/content-claim-standard/>

7.2.3. Organic Content Standard (OCS)

The Organic Content Standard (OCS) is an international, voluntary 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;
- Providing organic fiber farmers with broad access to the global organic market for their products.

7.2.4. Responsible Down Standard (RDS)

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 strong chain of custody for certified materials as they move through the supply chain.

7.2.5. Global Organic Textile Standard (GOTS)

GOTS is the worldwide leading textile processing standard for organic fibers, including ecological and social criteria, 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, as well as food contact textiles and more⁴⁵.

7.2.6. Better Cotton Initiative

Better Cotton Standard System aims at promoting the production of cotton which follows specific environmental and social criteria. These criteria include: minimising harmful impact, promoting water stewardship, soil health protection, bio-

diversity and responsible land use, fibre quality preservation, promoting decent work, management system implementation. Better Cotton Initiative uses a chain of custody system based on mass balance⁴⁶.

7.2.7. STeP by OEKO-TEX®

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

A facility assessment system is developed and based 6 modules:

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

A scoring system is used based on three different levels:

Level 1 - Compliance with the entry level specifications;

Level 2 - Good implementation with further optimisation potential;

Level 3 - Ideal implementation in the sense of Best Practice examples.

7.2.8. 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 have been tested for harmful substances and that it is therefore harmless for human health.

Tests are conducted by independent entities on the base of a regularly updated criteria catalog, covering regulated and non-regulated substances. Limits values for substances content in the textile/article differ depending on the classification of the latter (product classes 1, 2, 3, 4).⁴⁷



⁴⁵More information is available at: <https://global-standard.org/the-standard>

⁴⁶More information is available at: <https://bettercotton.org/>

⁴⁷More information is available at: <https://www.oeko-tex.com/en/our-standards/standard-100-by-oeko-tex>

SASB DISCLOSURE INDEX

Also based on the results obtained deploying the [Sustainable Industry Classification System® \(SICS®\) Look-up Tool](#), the Ermenegildo Zegna Group has determined to adopt the SASB's sector Standard "Consumer Goods – Apparel, Accessories & Footwear" (SASB code CG-AA).

The following table contains the list of accounting metrics reported in the SASB Report.



SASB Code	Activity Metric	Page	Comments/ Omissions
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	p. 104-105	Number of suppliers beyond Tier 1 is currently unavailable. The Group commits to develop such a disclosure reasonably in the next 3 years.

Topic	SASB Code	Accounting Metric	Page	Comments/ Omissions
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	p. 105	
Management of Chemicals in Products	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	p. 105-106	
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 agreement	p. 106-107	This information is currently unavailable. The Group commits to develop such a disclosure within the next year.
Environmental Impacts in the Supply Chain	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. 106-107	This information is currently unavailable. The Group commits to develop such a disclosure within the next year.
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. 107	This information is currently unavailable. The Group commits to develop such a disclosure within the next year.
Labor Conditions in the Supply Chain	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	p. 107	This information is currently unavailable. The Group commits to develop such a disclosure within the next year.
Labor Conditions in the Supply Chain	CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	p. 107	
Raw Materials Sourcing	CG-AA-440a.1	Description of environmental and social risks associated with sourcing priority raw materials	p. 108-109	
Raw Materials Sourcing	CG-AA-440a.2	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	p. 109	

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, 2021.

Responsibility of the Directors for the Sustainability Report

Under the supervision of the Directors of Ermenegildo Zegna N.V., the Chairman & CEO of Ermenegildo Zegna N.V. is 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 ("GRI Standards"), with reference to the selection of GRI Standards, and with the "Apparel, Accessories & Footwear Sustainability Accounting Standards 2018" defined by SASB -Sustainability Accounting Standards Board ("SASB Standards"), as stated in the paragraph "Methodological Note" of the Sustainability Report.

Under the supervision of the Directors of Ermenegildo Zegna N.V., the Chairman & CEO of Ermenegildo Zegna N.V. is also responsible, for such internal control as he determines is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

Under the supervision of the Directors of Ermenegildo Zegna N.V., the Chairman & CEO of Ermenegildo Zegna N.V. is also responsible for the definition of the Ermenegildo Zegna Group's objectives related to the sustainability performance and 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 *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and 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 Sustainability Report with the GRI Standards, with reference to the selection of 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 used for the identification and prioritization of material aspects for stakeholders 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 EZ Service S.r.l., Ezi S.p.A., In.co. S.p.A., Lanificio Ermenegildo Zegna e Figli S.p.A., Consitex S.A., Ermenegildo Zegna (China) Co., LTD, Zegna (China) Enterprise Management Co., Ltd. and Ermenegildo Zegna Corporation, 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., EZ Service S.r.l., Ezi S.p.A., In.co. S.p.A., Lanificio Ermenegildo Zegna e Figli S.p.A., Consitex S.A., Ermenegildo Zegna (China) Co., LTD, Zegna (China) Enterprise Management Co., Ltd. and Ermenegildo Zegna Corporation, which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their management and have gathered supporting documentation 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, 2021 is not prepared, in all material aspects, in accordance with the GRI Standards, with reference to the selection of GRI Standards, and with the SASB Standards, as stated in the paragraph "Methodological Note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.



Franco Amelio
Partner

Milan, Italy
June 28, 2022