
BoF

SUSTAINABILITY

Lorenzo Bertelli on Prada's Sustainability Strategy

In an exclusive interview, Prada's future CEO and joint marketing and sustainability chief spoke to BoF about making recycled nylon a reality, why the market isn't ready for leather alternatives and Prada's plans in resale.



Lorenzo Bertelli has overseen a transition to recycled materials for Prada's iconic nylon styles in his joint role as marketing and sustainability chief. (Prada)

By

• [SARAH KENT](#)

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[BoF PROFESSIONAL](#)

• Lorenzo Bertelli's joint responsibilities overseeing digital marketing and sustainability are at the heart of Prada's plans to engage the next generation of consumers.

- In an exclusive interview with BoF, the future CEO outlined his approach to building a responsible business while meeting the company's growth ambitions.
- Bertelli sees opportunity in resale and is investigating leather alternatives, but said Prada won't be bringing products to market until it sees more consumer appetite.

Two weeks ago, **Lorenzo Bertelli** was standing on the floor of a factory watching old fishing nets turn from waste material to the nylon at the core of Prada's recent success.

The nearly three-year push to completely overhaul the material used in the Milanese brand's iconic nylon styles so it is completely **recycled** has been a flagship project for Prada's **heir apparent** and joint marketing and sustainability chief. But it was not without risk.

The decision to mix up the formula for a product line so central to the brand was a bold move at a precarious moment. Prada was just solidifying a turnaround after an ill-fated bet on top-end leather goods resulted in **several years of declining profit**. Renewed focus on the brand's nylon accessories and Linea Rossa sub-brand were critical to its revival.

While work on introducing recycled nylon had been going on behind the scenes for some time, as the company prepared to implement the shift in 2019 Bertelli saw an opportunity to also boost Prada's appeal with consumers by publicising the effort. The first "Re-Nylon" bags launched with a modified logo: Prada's triangle tipped with an arrow, reminiscent of a recycling sign.

"In a luxury mega brand to date, no one has made such a mega statement," said **Sebastian Manes**, buying and merchandising director at British department store chain Selfridges, which launched Prada's first "Re-Nylon" products in 2020 to an "incredible reaction." Prada took a core part of its business and redefined and questioned it, "it's incredibly brave to do that," Manes added.

Integrating Sustainability into Business Strategy

The son of Prada's co-chief executives **Patrizio Bertelli** and **Miuccia Prada**, Bertelli joined the company in 2017 to lead a digital marketing push, adding corporate social responsibility to his portfolio in 2020. The dual role is intended to groom the executive to take over leadership of the company, which has been ramping up its efforts in both digital and sustainability in a bid to deepen its connection with the next generation of consumers.

Bertelli says a big part of his role is making sure the company's long-term environmental and social ambitions are fully integrated into its broader strategy and day-to-day operations.

It's been a growing focus for some time. Prada published a sustainability policy in 2019, shortly before Bertelli formally took on responsibility for the subject. That same year, it announced it would **stop using fur** and initiated the pivot to **recycled nylon**. The company completed the transition at the end of 2021 and now sources around 1 million metres of recycled nylon a year.

While the company is still early in fleshing out its broader sustainability plans, it set targets to tackle supply chain emissions for the first time last year, outlining its strategy at the company's first capital markets day in seven years and adding a sustainability committee to its board. The company's also planning more initiatives focused on diversity and inclusion and supporting its supplier workforce. It hasn't yet calculated the final impact of its shift from virgin to recycled nylon, but emissions in the company's value chain (where most impact takes place) declined 32 percent last year compared to its baseline year of 2019 as a result of lower production volumes and lower leather purchases, according to the company's latest sustainability report published Friday.

"If we want to be a better company tomorrow, we need to start work today," Bertelli said. "If I could succeed in doing what my parents were doing in terms of bringing some novelty, some disruption to the sector, it would be amazing."

How that shapes up is also framed by Prada's broader growth ambitions. The company is aiming to increase sales by about 12 to 15 percent a year to hit €4.5 billion (\$3.5 billion) in annual revenue in the mid-term. Revenue hit **€3.4 billion** last year, up 8 percent over pre-pandemic levels. Balancing opportunities to improve the company's sustainability record at the same time as its bottom line is the real challenge that lies ahead for Bertelli.

Leather Alternatives and Resale

One area where that's already playing out is in conversations around leather, an increasingly hot topic as awareness of the material's environmental impact and concerns about animal welfare grow (considerations that played into Prada's decision to drop fur in 2019).

Other luxury labels are also working on the topic as the maturity of next-generation look-alike leather materials improves. Hermès is experimenting with a **mushroom-**

based substitute, while earlier this month Gucci and Balenciaga owner Kering **invested** in lab-grown leather startup VitroLabs.

Prada is working on its own prototypes and researching scalability, but “the consumer is not ready,” Bertelli said. That’s holding the company back from scaling its experiments.

The executive is more bullish on the opportunity in resale. Prada is looking to use blockchain technology to track products after they are sold, creating opportunities for additional touchpoints with customers and an infrastructure to understand how products might end up getting a second or third life through resale platforms.

“Absolutely I see it as an opportunity, and not something we should see as scary,” Bertelli said. “We’re working for tomorrow to be in contact with those customers that buy secondhand products, not just because we want to sell them certain products, but because we want to tell them the story of the brands that they’re buying.”

While Prada isn’t planning to launch a secondhand store in the near future, there is certainly potential for the company to do resale in its own way, he said, adding that it’s too early to say what that might look like and how much it might contribute to the company’s bottom line.

Fundamentally, Bertelli’s approach is pragmatic.

“If you want to ask me if capitalism is sustainable, the answer is definitely no,” Bertelli said. But “can we use the strength and dynamics of capitalism to engage and speed up the process of establishing a circular economy? Absolutely.”

EXCLUSIVE

Givenchy and Disney Are Collaborating

- The first capsule collection will launch on Tuesday.

BY MILES SOCHA

If you follow designer Matthew Williams on Instagram, you'll know that he makes frequent pilgrimages to Euro Disney with his young daughters.

Now Givenchy's creative director is taking his affection for Disney to a new zenith by forging a long-term collaboration between the entertainment conglomerate and the LVMH Moët Hennessy Louis Vuitton-owned fashion house he leads.

Dubbed "The Wonder Gallery," the project kicks off on Tuesday with a limited-edition capsule of luxury ready-to-wear, the first of a series. A second capsule is to follow in midsummer.

The garments are to feature some of Williams' favorite Disney icons, with Magic Kingdom and character T-shirts priced from \$520 to \$600 and long-sleeved hooded T-shirts retailing for \$790, all exclusively at givenchy.com.

"Disney has always held a special place in my heart, as it has for so many across generations, countries and cultures," Williams said in a statement, disclosing the tie-up exclusively to WWD. "As a boy from California and a father in Paris, Disney has always been a source of meaningful moments throughout my life. It's a true honor to bring two iconic brands together for this project."

Givenchy is to begin teasing the collaboration on its social channels on Monday, describing "The Wonder Gallery" as an "imaginary realm tinged



A look at Givenchy and Disney's collaboration.

with nostalgia" with "classic Disney iconography and character silhouettes accompanied by Givenchy signatures."

The latter include the French brand's 4G emblem and the padlocks that Williams introduced as a new brand code shortly after he arrived at the house in June 2020.

Givenchy said it worked closely with Walt Disney Animation Studios to design pieces featuring such iconic cartoon characters as Bambi, Perdita and Pongo from "101 Dalmatians," Elsa and Olaf from "Frozen" and Oswald the Lucky Rabbit, created in 1927 by Walt Disney for Universal Pictures and the long-eared precursor to Mickey Mouse.

Williams has made hand-drawn characters a feature of his Givenchy

collections, conscripting Seattle-born, Mexico-based graphic artist Chito to decorate the brand's resort 2022 collection with air-brushed dogs and sad clowns, later putting 15 Chito NFTs up for auction.

For spring 2022, Williams collaborated with American artist Josh Smith, who applied such ghoulish, psychedelic motifs as carved pumpkins and the Grim Reaper to clothes and accessories. The fall 2022 show opened with an array of graphic T-shirts reminiscent of heavy-metal concert souvenirs.

Bambi made a brief appearance previously at Givenchy on a sweatshirt in the fall 2013 collection. The item has traded in recent years for more than \$500 on resale sites including The RealReal and Grailed.

BUSINESS

Sudden Change in Command At Belk

- Company president Don Hendricks steps in as interim CEO to fill the void.

BY DAVID MOIN

Belk Inc., the Southern regional department store chain, has appointed Don Hendricks interim chief executive officer in the wake of the sudden departure of Nir Patel.

Belk said Patel left the company to pursue another interest but did not specify what that was.

Hendricks has been serving as president of Belk. He joined the Charlotte, N.C.-based retailer in 2016 as the chief operating officer before adding stores to his responsibilities in 2019 and being named president in 2020. Prior to joining Belk, Hendricks held positions at Gymboree, Hot Topic and Torrid, including chief information officer and chief operating officer.

Patel, prior to becoming CEO of Belk in July 2021, was its chief merchandising officer. Before that he was Belk's executive vice president and general merchandise manager of men's, home, kids and e-commerce. Before Belk he was senior vice president of men's, young men's, juniors and kids at Kohl's. Prior to that, he worked for Lands' End.

Belk is part of Sycamore Partners' portfolio of brands that also includes Limited, Hot Topic, Lane Bryant, Ann Taylor and other retail brands. Sycamore, a New York-based private equity firm, bought Belk in November 2015 for about \$3 billion. The business had been owned and operated by the Belk family. The business, founded in 1888, has about 300 stores in 16 states.

It's long had a loyal following and successfully competed against national chains such as Macy's and Kohl's. However, the company went bankrupt in 2020 during the pandemic and was fast-tracked out of the Chapter 11 proceedings through a prepackage reorganization involving a reduction of debt and refinancing. There had been some industry speculation about the chain's lagging performance, which would have been compounded by the health crisis.

SUSTAINABILITY

Prada's Lorenzo Bertelli on Group's Sustainability Efforts



Lorenzo Bertelli

- The head of CSR believes 2021 was one of the "important milestones for the Prada Group's sustainability journey."

BY LUISA ZARGANI

MILAN – Emphasizing its commitment to environmental, social and governance issues, the Prada Group on Friday presented its 2021 corporate social responsibility report.

Last year was one of the "important milestones for the Prada Group's sustainability journey," wrote Lorenzo Bertelli, head of CSR, in the report noting how ESG initiatives are "becoming more and more visible for internal and external stakeholders."

As reported, in January, the Italian luxury group appointed two new independent non-executive directors, Pamela Culpepper and Anna Maria Rugarli, selected for their professional background in ESG. The appointments also signaled the establishment of an ESG board committee led by Bertelli, Culpepper and Rugarli.

The committee is supporting the board in its sustainability assessments and decisions with regard to the three courses of action that form the basis of the group's ESG strategy: people, environment and culture.

"Throughout 2021, we were engaged in promoting an internal culture more

focused on social and environmental topics. The strong awareness, along with the group's long-term investments, enabled [the group] to advance quickly on key matters that have had a strategic role for some time, such as environmental protection and the fight against climate change," Bertelli said.

Prada, which is part of the Fashion Pact, during its Capital Markets Day in November revealed that its greenhouse gas emissions reduction targets had been approved by the Science-Based Targets initiative and that its goal was to reach net-zero emissions in 2050.

Bertelli pointed out that, in 2022, Prada is beginning its carbon-neutral scope 1 and 2, aiming at a 29 percent cut in GHG emissions by 2026, and a 42 percent reduction by 2029. It has also set "a series of other goals in terms of sustainable raw materials and packaging," he said.

The young executive emphasized the group's commitment to diversity, equity and inclusion and the ongoing partnership with UNESCO's Intergovernmental Oceanographic Commission for the Sea Beyond education project, which was launched in 2019 and is dedicated to the promotion of ocean literacy and ocean preservation.

"These choices demonstrate the consistency between the Prada Group's core values and its commitment to carrying out concrete projects. I believe

that it is crucial to pursue a more sustainable business model, capable of an agile and coherent response to the increasingly complex challenges of the upcoming years, thanks in part to the fundamental engagement of our key stakeholders," concluded Bertelli.

Among the highlights last year, Prada, which reported revenues of 3.4 billion euros, listed the number of its workforce – 13,140; 635 directly operated stores; 23 industrial facilities; investments of 217 million euros, and donations amounting to 3 million euros.

The group secured two new sustainability-linked loans in 2021 and organized specific training programs for the industrial divisions to provide constantly updated tools for managing and analyzing the sustainability issues that most impact the supply chain, the report stated.

Last year, the group also achieved full conversion to Re-Nylon.

5 May 2022

MF fashion

Bertelli: “We’re building the green future”

“We’re working on opening up the Prada Sea beyond programme to other partners”, explains the manager to MFF. Confirming zero emissions by 2050 and launching Kindergarten of the lagoon in Venice, training programme carried out with UNESCO. “This may give rise to capsules to finance eco initiatives directly”.

“We aren’t possessive of our green commitment. In fact, we’re happy to open up Sea beyond to new partners, and a number of talks are already in progress.” This is how Lorenzo Bertelli, Head of CSR – Corporate Social Responsibility of the Prada Group, unveils the works underway to strengthen the plan created in 2019 with UNESCO (see MFF of 08/06/2021) to protect the oceans. But to MFF he explains the green vision that is part of the group’s overall strategy and outlines its growth and future. “I’m often the one explaining environmental issues to my parents, who are very attentive and informed on this issue”. A future based on green values that are already well-established, increasingly at the centre of a sustainable growth strategy. Through initiatives such as the ones announced yesterday at Ca’ Corner della Regina, Venetian headquarters of Fondazione Prada for the pilot training project Kindergarten of the lagoon in partnership with the Intergovernmental Oceanographic Commission of UNESCO, represented by Ana Luiza M. Thompson-Flores, head of the **UNESCO** regional office in Europe: “I believe that this Venetian experience will be an important point of reference not only for Italy but for the world”. The initiative aims to promote education on preservation of the sea and of its resources. And again **Lorenzo Bertelli** reveals to MFF: “The **Sea beyond** programmes are financed by re-nylon sales and we are working to make the project even bigger. Capsules and products designed to directly finance some projects may even be created.”

Could Prada’s Sea beyond project bring other partners on board?

Certainly. We aren’t possessive of Sea beyond, just the opposite. We are happy if more partners hop on board. And I can tell you that discussions are already underway. Sea beyond is a platform that we created within the Prada Group but which is open to future partners. Negotiations are underway, but we haven’t forged any agreement yet.

The pilot project that starts from Venice is financed with re-nylon. Is there a direct link between the products sold and support by UNESCO?

Prada’s nylon products are among the most iconic in the world, and in the 90s they contributed to the brand’s fame. Being able to convert nylon into recycled material has had a major impact. At the moments, revenues are from re-nylon sales, there is no direct contribution, but we are working on expanding the project. We may create capsules and products that would directly finance the projects.

What role does sustainability play in the Prada group? Is it part of the business plan? In your presentation of the financial results in 2021, you mentioned the zero emissions objective for 2050.

The group's value is based on three pillars: environment, people and culture. Our company strategies start from these three aspects. Sustainability helps to create the necessary processes in all modern companies. We hope to achieve carbon neutrality as early as the end of this year, and by 2050, we would like to be a zero-emissions company.

Is there a new generation of managers arising in fashion that could change the world?

I hope so, and I hope to be among them. What this project aims to do overall is to disseminate a certain type of culture and messages for the future new generations of managers. The choices managers make today are a consequence of the choices made 20-30 years ago, and this is reflected in them. We would like to do the same for future generations.

Is Prada considering the metaverse? Is there a green metaverse?

We're in the metaverse through social networks, which is certainly part of current society. At Prada, where we question ourselves on the present, we also question these issues and try to give our point of view. I don't have an answer on the green metaverse.

The Foundation currently has an exhibition on the brain. Could there be exhibition linked to sustainability?

The exhibition we've set up is a scientific one, and we believe there is strong connection between scientific research and art. On the environmental issue, if there elements are there, we will do one. But this is a foundation that focuses on art, and we must be careful to distinguish between the two.

With the Aura consortium, you demonstrated to be able to network with the big luxury players. Pinault launched the fashion pact. Would it be possible to network in the green sector?

All luxury brands are in the fashion pact, and not only. We are all in it. I think we will increasingly see common tables, there doesn't always need to be just one. But the fact that there is one is an asset.

Will the new generations and green save fashion?

I don't think it's an issue of saving fashion, but of saving everyone. Fashion is one of the many sectors that are in today's processes. What is certain is that young people must save the planet. Because there is no alternative world.

In your family, do you explain environmental issues to your parents?

Many times I do. They are highly attentive. They handle certain issues and I handle others. The important thing is for our points of view and our experiences to be aligned.

Is there a trait you would like to have from your mother and one from your father?

Definitely, there are many. From my mother, her creativity. From my father, his entrepreneurial vision. In the end, we all have to make compromises in life; one becomes their own person with their various facets and differences. And I'm not obsessed with acquiring my parents' traits.

Do you have a wish for Italian fashion?

The Made in Italy sector often doesn't give itself enough credit. I would like it to value itself more.
(reproduction reserved)

Tommaso Palazzi and Stefano Roncato (Venice)

Photo caption: Two images of the Ocean & Climate Village project of Prada and UNESCO

SUSTAINABILITY

Prada, UNESCO To Launch Ocean Education Program

- The program is aimed for toddlers aged three to six in Venice, Italy.

BY MARTINO CARRERA

VENICE, Italy – The latest initiative of the joint effort between Prada Group and UNESCO's Intergovernmental Oceanographic Commission to raise awareness of, and promote, more responsible behavior toward the oceans intends to educate toddlers aged three to six in order to shape their future sustainable inclinations.

Part of the Sea Beyond educational program jumpstarted in 2019, the newest initiative— called “Kindergarten of the Lagoon” and based on the principles of outdoor education – was unveiled Wednesday at Ca' Corner della Regina here, the historic home to Fondazione Prada in the lagoon.

“My priority is to lead the group through a more sustainable next decade, not only from an economic standpoint, but also [to act on] the cultural, social and environmental pillars,” said Lorenzo Bertelli, head of corporate social responsibility at the Prada Group.

Developed by the Sea Beyond scientific committee, the education program will be presented to Venice kindergartens and families with kids in the target age group to eventually kick off as a pilot next September.

Its syllabus is based on the integration of indoor and outdoor education, with the ambition to help toddlers discover the lagoon, its flora and fauna, understand the factors contributing to sustainability and acquire an inter- and trans-disciplinary approach.

“The entire syllabus is based on the spread of the ecology culture and aimed at spurring a sense of belonging to the territory via multisensory activities,” explained Francesca Milan, an expert on environmental education and a member of the scientific committee.

According to Fabio Pranovi, professor at Venice's Ca' Foscari University and also part of the committee, the project will help students reconnect with the environment and discover the possibilities of integrated sustainability since the mind-set shift he is expecting from younger generations is understanding that responsible behavior is ultimately linked to the survival of the human species.

The project, which has received the support of local institutions, was described as an ongoing commitment by Bertelli. “When you address education and culture you ought to be patient, it requires time and the fruits will be harvested in the next 10 to 20 years,” he said.

He described the Sea Beyond project and the latest initiative as direct expressions of Prada Group's and his family's values. “If I had not been raised and given the education I did, when I joined the company in 2017, I would have never launched the Re-Nylon or the Sea Beyond project,” he said.

Sea Beyond is indirectly financed via



Francesca Santoro,
Ana Luiza Massot
Thompson-Flores and
Lorenzo Bertelli.

the sale of fashion pieces crafted from Re-Nylon, which the group entirely shifted its nylon production to in 2021, two years after first debuting the eco-minded fabric.

“As of now, there's no direct link between products sold and the project, but there's more on our roadmap, which I cannot share yet,” the Prada executive said.

Asked about the broader impact the Sea Beyond project may have, Bertelli reiterated that all companies should do their part, but he hopes different entities will join the Prada-led program.

“We're so convinced of this project that we're all but jealous and we'd like together with UNESCO and other partners in the future to be able to shape it up to be an open-source platform to spread ocean literacy,” he said. “It's better to join forces rather than venture in sporadic and solitary initiatives.”

According to the executive, the Prada Group “is showing a path to pursue for other companies in the industry, and if it works and other enterprises adopt this as a benchmark, the global amount of investments will increase,” allowing Sea Beyond to expand its scope, he said.

Ana Luiza Massot Thompson-Flores, director of the UNESCO Regional Bureau for Science and Culture in Europe, touted the project for representing a starting point and urged the international community to embrace education among its key pillars and favor ocean literacy to help nurture more responsible citizens.

“Ocean literacy refers not only to its knowledge but also to the education of the younger generations so that they feel able to act starting now, not in the future,” echoed Francesca Santoro, program specialist of UNESCO-IOC. Her hope is that it will set a precedent and trigger the education system across all UNESCO members to embrace ocean education as part of its syllabuses.

The project will be developed in partnership with Venice's municipality. Asked about reaching out to Italy's government to seek support for Sea Beyond, Bertelli said there are no ongoing conversations and that Prada Group doesn't “want to snatch public funds to support a private initiative,” but it's rather doing its part in to advance society.

Throughout 2022, Sea Beyond, now in its second operative year, will launch initiatives centered on three educational pillars targeting secondary schools; kids aged three to six, and the company's employees. The project is in line with the Agenda of the United Nations 2030 and 17 Sustainable Development Goals.

“All these initiatives are aimed at increasing the statistic likelihood that people will embrace morally right decisions,” Bertelli said.

Prada has been raising the bar on its sustainability goals, and in January, it appointed two new independent non-executive directors, Pamela Culpepper and Anna Maria Rugarli, selected for their professional background in environmental, social and governance, or ESG.

The company already publishes a CSR annual report and last year, it further committed to corporate social responsibility, reaffirming its objectives and starting a process to measure its carbon footprint after years of investing in the construction, refurbishment and efficiency of its industrial facilities, as well as in photovoltaics and renewable energy.

Prada, which is part of the Fashion Pact, during its Capital Markets Day in November revealed that its greenhouse gas emission reduction targets had been approved by the Science-Based Targets initiative and that its goal was to reach net-zero emissions in 2050.

A sculpture from the estate of Paul Haim at the Kering headquarters in Paris.



BUSINESS

Kering Launches First Employee Share Ownership Program

- Under the scheme, employees in eight territories will be able to buy 200,000 shares at a discounted rate.

BY LILY TEMPLETON

PARIS – Kering said Wednesday it is launching its first employee share ownership plan, for employees in eight territories including France, the U.S. and China.

Employees will be able to buy 200,000 shares at a discounted rate. The subscription period will be open from May 19 to June 9, with the price set on May 17. Delivery and settlement of the shares is slated for July 7.

“Kering's outstanding success over the past few years is based on each of its employees, their ability to push their limits and their willingness to contribute to shaping a modern, authentic and responsible luxury,” François-Henri Pinault, chairman and chief executive officer of the French luxury group, said in a statement.

“The launch of this employee shares program is a sign of recognition for the efforts of our employees and for their commitment to our corporate culture. It reflects my confidence in their involvement and in the future of Kering,” he added.

Shares purchased through the scheme will have to be held for at least five years in France and three years in all other countries, barring early-release exceptions applicable in each jurisdiction.

Kering has previously launched group-wide parental, baby leave, and diversity and inclusion policies. In April, it announced the signature of a partnership charter with the French Ministry of Labor, Employment and Integration to reinforce its commitment to hire more young people from disadvantaged communities.