

The interview

by **Francesca Gambarini**

# Bertelli: fashion and made in Italy, still aggregations with independent contractors

Prada's CEO: "Sustainability? Investments and commitment. Entry with 43.65 percent in the Superior Tannery of Holy Cross."

The stages

Superior is a company in Santa Croce sull'Arno, Pisa, that operates in luxury leathers for high fashion

Prada group took over 43.65 percent of it

"We still have a lot to say about our market, and this agreement with Prada pushes us to do even more



best in optimization and sustainability," says ceo Stefano Caponi (pictured). We want to improve techniques and processes to make a product of excellence, an expression of Made in Italy, but also more sustainable and with the lowest possible environmental impact."

An acquisition under the banner of sustainability. But also vertical integration of the supply chain, to increase industrial know-how and control quality along all processing stages. And, infine, an opportunity to accelerate important breakthroughs such as traceability of raw materials and transparency of the supply chain. Issues that a major made-in-Italy and global luxury house cannot fail to embrace and make its own.

The operation

Against this backdrop, the transaction that led the Prada Group to acquire 43.65 percent of the share capital of Conceria Superior took place. The company based in Santa Croce sull'Arno, in the province of Pisa, one of Europe's largest tanning districts, is an excellence in the production of calfskins, active for more than sixty years as a partner specializing for leading luxury fashion houses, including Prada itself, and today committed to a path of innovation based on circular economy, efficiency of energy and protection of water resources.

That is also why Prada chose her. Of course, behind it was a long and solid partnership, which had led to their joint takeover in 2015 of the French Mégisserie Hervy, a Limoges-based tannery specializing in lambskin. That had been, for the group led by Patrizio Bertelli and Miuccia Prada, the first direct acquisition in the tanning industry. Now, the new step.

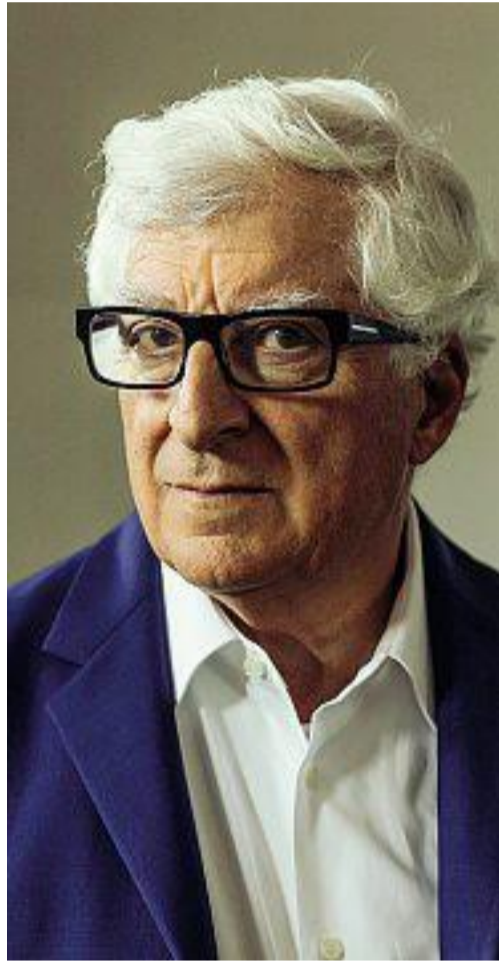
Common path

"We have always worked together," Bertelli says, "and at some point it seemed natural to seal this relationship. We could have done it a couple of years ago, we have done it now, it is a completion of the work carried out so far." Superior Tannery, which will continue to be administered by ceo Stefano Caponi,

will not stop supplying its other historical customers. "For us, it is not a problem if the companies we partner with also have relationships with our competitors," the CEO continues. I find that the concept of 'absolute ownership' does not make sense. It is not in our interest for entrepreneurs to become "dependent." Instead, we want them to be able to express themselves at their best, producing their products at the highest quality, even for other customers. You can make acquisitions in many ways, we do transactions based on people's knowledge and decades of working together, and we are convinced that you can be a good minority partner, you don't have to have a majority. We need to create organized groups: the goal cannot be to get in the majority and aim for the stock market. My social must always feel like a padrone of the company it has created, and we are the ones who must create the conditions for it to express its capabilities and efficiencies to the fullest. For our part, we have to help him in what we know how to do, in internationalization rather than integrating into processes."

The cost and solutions

That is why the agreement with Superior, which since January has obtained, among the very first at the world, Carbon Neutral certification, the finish line of a work that began in the late 1990s and which sees it capofile the green turnaround of a very high-impact sector such as tanning, is strategic. "Sustainability for a company has to be willingness, investments, and psychological commitment," summarizes Bertelli. "But above all, sustainability costs money and can only be done if financially companies aggregate. I would add that sustainability should be measured and evaluated, and that the state should guarantee deductions to those who commit themselves to this path and obtain certifications. There is also a



Luxury

Patrizio Bertelli, with his wife Miuccia Prada chief executive officer of the Prada Group, which owns some of the best-known brands in the luxury sector: Prada, Miu Miu, Church's, Car Shoe, Marchesi 1824 and Luna Rossa

underlying problem in Italy, which is unfair competition, on labor costs and that needs to be solved: establish a minimum wage and enforce it. This is the basis for then building a commitment to sustainability." The group, which owns some of the best-known and best-loved brands in the luxury sector (Prada, Miu Miu, Church's, Car Shoe, Marchesi 1824, and Luna Rossa), 627 stores in 70 countries, + 22%, to about two billion euros in sales in the first half of 2022, is now committed to both energy efficiency and material innovation, with the Prada Re-Nylon collection, and to cultural initiatives such as Sea Beyond, an international educational program that educates on preservation of the sea.

Regulatory gaps

"By the end of 2022, about 25 percent of the energy we use will be

**The node of supply chains Sustainability costs money; it can only be done if companies in the supply chain aggregate. It must be measured, evaluated, and deductions are needed for those who do it**

**"Absolute ownership" It is not a problem if the companies we partner with have relationships with our competitors. The concept of "absolute ownership" makes no sense**

**The master partner You have to create organic groups: the goal cannot be to get into the majority and aim for the stock market. My partner must feel like the master**

**The green turn By the end of 2022, about 25% of the energy we use will be produced from renewable sources, through solar panels and geothermal**

**The scenario Luxury holds, spotty. U.S. slows a bit, China has yet to emerge from lockdowns, Japan does well in domestic market**

produced from renewable sources, through solar panels and geothermal - Bertelli explains --but we are in trouble, because there is still a lack of legislation for energy communities. If I produce excess power, I cannot transfer it to another of my factories, I have to give it to the grid. This is a very topical issue, given the rising costs of the-

energy that put companies in difficulty. This urgently needs to be taken care of by policy; there is a lot of talk about it, but implementation decrees are still lacking today."

Buoyed by an excellent first half of the year, thanks in part to the apprehension of its brands, with excellent results from ecommerce as well, with the European market growing 89 percent, and the U.S. market advancing in triple digits compared to pre-Covid levels, Bertelli has no doubts about the resilience of the luxury system and made in Italy. "Italy industrial resists, our partners are very determined and ingenious, but the complexity of the period imposes that some companies, especially those that use more energy, are helped," Bertelli says. The group also operates in eyewear and perfume with license agreements, and has 23 plants and more than 13,000 employees.

Markets

On the international market front, Bertelli confirms growth, "albeit spotty," he explains. "The U.S. is slowing down a bit, China, Hong Kong and Macau have yet to come out of lockdowns, Japan is doing very well in the domestic market. It is clear that this war is causing a lot of problems for a lot of companies, I think of the small Italian companies that were exporting to Russia. I think there is a need for policy efforts, not only on the energy front, but also on the tax wedge: retributions should be increased without raising the cost too much for companies. We allocate a tantum help to our employees on their bills. However, it is clear that structural measures would be needed."

About the rumors, which came out during the summer from some foreign newspapers, about the hypothesis of a double shareholding of the group after Hong Kong, a landing on the Stock Exchange would be under consideration. "There is nothing decided," declares Bertelli.

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## Siae presidency, politics' tripping over Nastasi

Franceschini supported candidate. But the M5S votes against it. Distinguishments of the League

The opinion

The Cultural

Heritage Committee in the Senate on Tuesday rejected Salvatore Nastasi for Siae president

The House culture committee is expected to vote today to arrive at a solution

by **Antonella Baccaro**

The affair will have its epilogue (still uncertain)

today in the House, but the rejection in the Cultural

Heritage Committee in the Senate of Salvatore Nastasi, secretary general of the Ministry of Culture, to president of Siae (Società italiana

Italy, the two present from the Lega and the two present from the Pd, plus the member from the Autonomies group. The votes against would instead come from the four

autori e editori), which took place last Tuesday, has already caused much discussion.

Although devoid of practical consequences, since it is a

non-binding opinion, the negative pronouncement on the public diripede from the important curriculum, supported

by Cultural Heritage Minister Dario Franceschini, is bound to produce political aftermath.

As was already evident yesterday in the House Culture Committee, when the vote to be held today was hinged by Chairwoman Vittoria Casa (M5S). Asking for the floor, Leghist Daniele Belotti argued that since the nomination had already been voted down in the Senate, there was no reason for the House to make a pronouncement, moreover for an appointment made at the end of the legislature. Defending the procedure were Flavia Piccoli Nardelli and Paolo

Lattanzio of the PD (rapporteur), but also Michele Anzaldi (Italia viva). "I remember that the opinion is not binding," said the latter, "and that the appointment was made within the Siae board legitimately. As for Nastasi's curriculum, I don't think it can be discussed. Moreover, he has already been vice president of Siae."

But the objections made openly yesterday by the League mark a climate of "breaking ranks" within the majority that is quite predictable when it comes to names, over which there can be no appeal to a sense of respon-

**Candidate** Salvatore Nastasi, secretary general of the Ministry of Culture



of the majority pact that on Tuesday, in the silence of the ballot box (the vote is segreto), produced the rejection. Out of the 23 members, 16 voted: eight in favor and eight against. The tie in the Senation counts as a vote against. Three of the absentees bothered to produce a justification later, citing traffic problems.

Behind the scenes, some are betting that the eight favorables were the two from Iv-Psi (including President Riccardo Nencini), the two from Forza

grillini, from the Alternativa c'è exponent, Margherita Corrado (who came out in the open), from the two from Fratelli d'Italia, while for the last vote, someone mischievously ad-fingered the dimaiana senator Loredana Russo. Among the reasons for some of the votes against, according to palace rumors, there would be closeness to Minister Franceschini and an attitude of detachment of the secretary general, former extraordinary commissioner of the Maggio musicale in Florence, the San Carlo in Naples and the Arena in Verona, toward some parliamentarians.

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