Prada S.p.A.

TICKER: HKG:1913  
MARKET CAPITALIZATION: US$ 10 billion  
HEADQUARTERS: Italy

18 OUT OF 20  
Company’s Overall Ranking

Prada S.p.A. (Prada) has limited disclosure on its efforts to address forced labor in its supply chain and places 18th in the ranking. The company’s score is mainly driven by its traceability efforts. The company has no disclosure in the areas of recruitment, worker voice, monitoring, or remedy. In order to improve its performance, initial steps Prada could undertake include developing robust supply chain standards, establishing internal accountability, assessing forced labor risks, and monitoring performance of its suppliers.

THEME LEVEL SCORE

<table>
<thead>
<tr>
<th>Theme</th>
<th>Score</th>
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<tbody>
<tr>
<td>Commitment and Governance</td>
<td>14 out of 100</td>
</tr>
<tr>
<td>Traceability and Risk Assessment</td>
<td>38 out of 100</td>
</tr>
<tr>
<td>Purchasing Practices</td>
<td>13 out of 100</td>
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<tr>
<td>Recruitment</td>
<td>0 out of 100</td>
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<tr>
<td>Worker Voice</td>
<td>0 out of 100</td>
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<tr>
<td>Monitoring</td>
<td>0 out of 100</td>
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<tr>
<td>Remedy</td>
<td>0 out of 100</td>
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LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment
Prada promotes and supports the respect for human rights, laws against child labor and forced labor, and health and security regulations within its organization and through the value chain.

Traceability
Prada discloses the main raw materials utilized, which are leathers, fabrics and yarns. Leather is mainly purchased from Italy (Tuscany and Arzignano), which accounts, respectively, for 55% and 21% of all leather used by the Group.

In 2015, Prada purchased materials from approximately 450 suppliers, about 80% of them being...
Research conducted through July 2016

The company discloses a map with the locations of the Group’s own facilities where goods are produced.

**Supplier selection and purchasing practices**
The Prada Group undergoes a strict process in selecting its suppliers, which particularly focuses on working conditions.
The company has developed long-established relationships with suppliers, more than 50% of which have been working with the Group for more than 10 years, and 25% for 5 to 10 years.

**OPPORTUNITIES FOR IMPROVEMENT**

**Commitment and Governance**
In its 2015 social responsibility report, Prada states that it Global Code of Ethics sets minimum requirements for suppliers on working conditions and workers’ rights, including zero tolerance for forced labor. The company is encouraged to disclose the standards itself publicly and to ensure the standard covers all four fundamental rights and freedoms (those articulated in the ILO Declaration on Fundamental Principles and Rights at Work), including the elimination of forced labor. The company is further encouraged to ensure the code is approved by a senior executive, easily accessible from the company’s website, and reviewed and updated regularly.
The company may also consider to establish within its managerial structure clear responsibilities and accountability for the implementation of its supply chain policies and standards relevant to human trafficking and forced labor.

**Traceability and Risk Assessment**
In order to identify human trafficking and forced labor risks in its supply chain, Prada is encouraged to assess forced labor risks associated with specific commodities, regions, and/or groups and to publicly disclose forced labor risks identified throughout its supply chain.

**Monitoring**
The company may consider adopting and disclosing a supplier monitoring process to verify that its suppliers are compliant with its standards. Adopting specific practices such as conducting unannounced audits of suppliers, reviewing relevant documents (such as wage slips, information on labor recruiters, contracts), and interviewing supply chain workers may help to detect forced labor risks in its supply chain.

**COMPANY PROVIDED ADDITIONAL DISCLOSURE**
Provided links to relevant disclosure.