

Prada S.p.A.

TICKER
 SEHK:1913

MARKET CAPITALIZATION
 US\$10 billion

HEADQUARTERS
 Italy

COMPLIANCE
UK Modern Slavery Act: [Disclosure available, but not compliant](#)
California Transparency in Supply Chains Act: [None available](#)
COMMITMENTS
[Yes](#)
OVERALL RANKING
36 out of 43

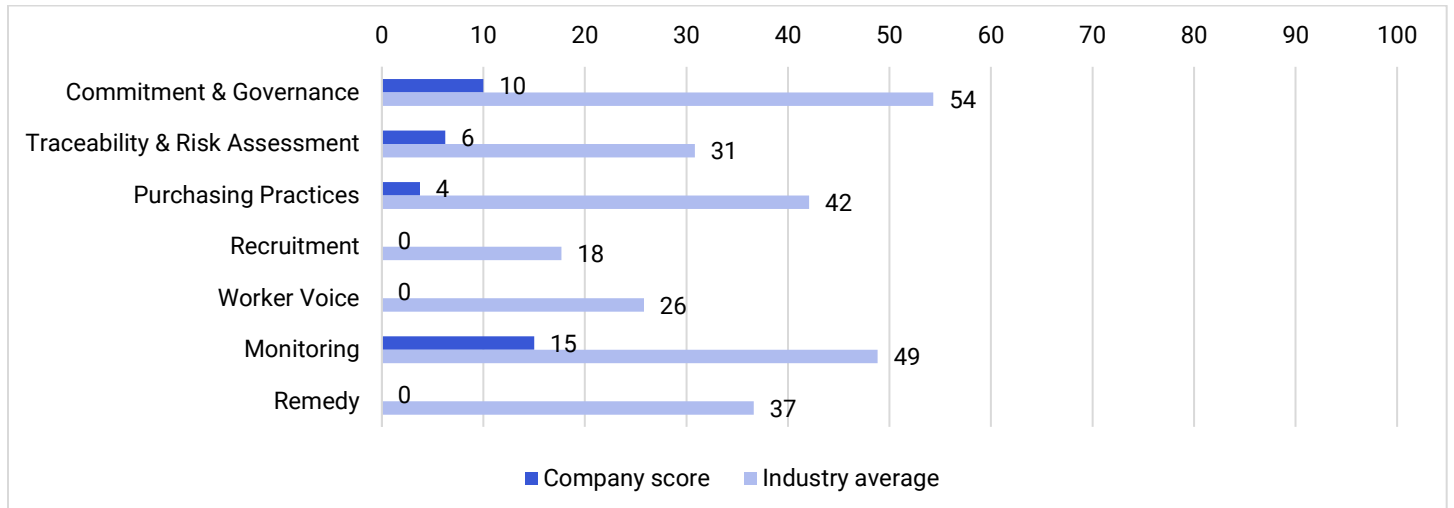
(2016: 18 out of 20)

OVERALL SCORE
5 out of 100

SUMMARY

Prada S.p.A. (Prada), an Italian fashion company that focuses on high-end leather goods, ready-to-wear clothing, and footwear, ranks 36th out of 43 companies and discloses significantly less information on its forced labor policies and practices than its peers. Since 2016, the company has taken limited additional steps to strengthen its performance and disclosure. In 2017, Prada implemented a “Qualified Vendor List procedure” at two-thirds of its suppliers, which aims “to ensure regularity with regards to social responsibility.” The company has an opportunity to improve its performance and disclosure on the themes of Commitment & Governance, Traceability & Risk Assessment, and Monitoring.

THEME-LEVEL SCORES



LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment & Governance: The company discloses that “respect for human rights ... is integrated into daily operations and [business] relations.”

Traceability: Prada states that it worked with approximately 930 raw materials and semi-manufactured products suppliers in 2017. It discloses that most of these suppliers are based in Italy; some are based in the European Union and Asia. Two of its main Asian suppliers are Hong Kong-based publicly traded companies. The company discloses that 88% of its leather in 2016 came from Italian tanneries, 9% from other European suppliers, and 3% from outside Europe.

Monitoring: Prada discloses that it has a “Qualified Vendor List procedure” in place that aims “to ensure regularity with regards to social responsibility.” The procedure includes the “collection of documents, ... further inquiries in the case of doubt of lack of self-certification of compliance with labor ... laws, [and] visits by industrial divisions.” The company discloses that, in 2017, just under two-thirds of its suppliers, representing 80% of its manufacturing supply, had undergone this procedure.

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: The company is encouraged to develop and disclose a supplier code of conduct that includes all four rights outlined in the International Labour Organization’s Declaration on Fundamental Rights and Freedoms at Work, including the prohibition of forced labor and human trafficking.¹ The company may further consider making such a standard easily accessible from the company’s website and communicating the standard to its suppliers.

Traceability & Risk Assessment: The company is encouraged to assess forced labor risks across its supply chains and disclose the risks identified. Further, to demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of its first-tier suppliers, the countries of its below-first-tier suppliers, a full list of sourcing countries of raw materials at high risk of forced labor, and information on its suppliers’ workforce.

Monitoring: The company may consider adopting and disclosing a supplier monitoring process or strengthen its Qualified Vendor List procedure to verify that its suppliers are compliant with its international labor standards. Adopting specific practices, such as interviewing workers and conducting unannounced audits of suppliers, may help the company detect forced labor risks in its supply chains. Disclosing information on the results of its supplier audits, such as the percentage of suppliers audited annually or a summary of findings, provides assurance to stakeholders that the company has strong monitoring processes in place.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[No.](#)

¹ In its 2017 Sustainability Report, the company discloses that its Code of Ethics includes labor rights expectations with regards to its supply chains, including the prohibition of forced labor. However, the Code of Ethics itself does not include a reference to these rights.