

Prada S.p.A.

TICKER:
HKG:1913

MARKET CAPITALIZATION:
US\$ 10 billion

HEADQUARTERS:
Italy

18 OUT OF 20
Company's Overall Ranking

9 OUT OF 100
Company's Overall Score

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

Commitment and Governance	14 out of 100
Traceability and Risk Assessment	38 out of 100
Purchasing Practices	13 out of 100
Recruitment	0 out of 100
Worker Voice	0 out of 100
Monitoring	0 out of 100
Remedy	0 out of 100

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



located in Italy and 14% in Europe. 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 relationship 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 its 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.](#)

