

Corporate Human Rights Benchmark 2018 Company Scoresheet



Company Name Prada
Industry Apparel (Supply Chain and Own Operations)
Overall Score (*) 3.6 out of 100

| Theme Score | Out of | For Theme |
|-------------|--------|---|
| 0.2 | 10 | A. Governance and Policies |
| 0.0 | 25 | B. Embedding Respect and Human Rights Due Diligence |
| 0.0 | 15 | C. Remedies and Grievance Mechanisms |
| 0.6 | 20 | D. Performance: Company Human Rights Practices |
| 0.7 | 20 | E. Performance: Responses to Serious Allegations |
| 2.2 | 10 | F. Transparency |

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2018 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|---|------------------|--|
| A.1.1 | Commitment to respect human rights | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: General HRs commitment: In its Social Responsibility Report 2016 states that the Company "is engaged in guaranteeing that its products are created in conditions reflecting its commitment for the respect of human rights in the workplace and of the international rules for the safety and well-being of workers". However, this statement is not consistent with its Code of Ethics, which makes no reference to human rights but only to "respect for the value of the person and the human resources". [Code of Ethics: pradagroup.com] • Not met: UNGC principles 1 & 2 • Not met: UDHR • Not met: International Bill of Rights Score 2 • Not met: UNGPs • Not met: OECD |
| A.1.2 | Commitment to respect the human rights of workers | 0.5 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: ILO Core: In its Social Responsibility Report 2016 states that the Company "is engaged in guaranteeing that its products are created in conditions reflecting its commitment for the respect of human rights in the workplace and of the international rules for the safety and well-being of workers". However, this statement is not consistent with its Code of Ethics, which makes no reference to human rights but only to "respect for the value of the person and the human |

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|---|------------------|--|
| | | | <p>resources" and there is no mention to the ILO Core or the UNGC principles. [Social responsibility report 2016, 2016: pradagroup.com & Code of Ethics: pradagroup.com]</p> <ul style="list-style-type: none"> • Not met: UNGC principles 3-6: See above [Social responsibility report 2016, 2016: pradagroup.com & Code of Ethics: pradagroup.com] • Not met: All four ILO for AP suppliers: Its Social Responsibility Report 2016 indicates that "The Code of Ethics sets minimum standards for suppliers regarding: rights of employees and working conditions (including number of regular/overtime/ vacation hours, salaries and zero tolerance for child labour and forced labour); the safety, health and well-being of employees; equal opportunities for employees; freedom of association;". However, its actual Code of Ethics does not contain standards on child labour, forced labour, collective bargaining nor freedom of association. The Company does not disclose commitments on all ILO core areas beyond those mentioned in the Social responsibility report 2016, which is not a formal policy. [Code of Ethics: pradagroup.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: All four ILO Core: Its Social Responsibility Report 2016 indicates that "The Code of Ethics sets minimum standards for suppliers regarding: rights of employees and working conditions (including number of regular/overtime/ vacation hours, salaries and zero tolerance for child labour and forced labour); the safety, health and well-being of employees; equal opportunities for employees; freedom of association;". However, its actual Code of Ethics does not contain standards on child labour, forced labour, collective bargaining nor freedom of association. The Company does not disclose commitments on all ILO core areas beyond those mentioned in the Social responsibility report 2016, which is not a formal policy. [Social responsibility report 2016, 2016: pradagroup.com & Code of Ethics: pradagroup.com] • Met: Respect H&S of workers: The code of ethics indicates that "Prada spa and the companies of the Group exert themselves to embed a culture of health and safety for workers in the workplace, fostering risk awareness and stimulating individual responsibility". And in the Annual Report 2017 the Company states that "internal policies safeguard the health and safety of employees at all Company locations according to the highest standards and in full compliance with local and international regulations." [Social responsibility report 2016, 2016: pradagroup.com & Code of Ethics: pradagroup.com] • Met: H&S applies to AP suppliers: According to the Social Responsibility Report 2016: "The Code of Ethics sets minimum standards for suppliers regarding:[...]the safety, health and well-being of employees"; And the Code of Ethics states that "Prada spa and the companies of the Group exert themselves to embed a culture of health and safety for workers in the workplace, fostering risk awareness and stimulating individual responsibility". Finally its Annual Report indicates that "the signing of the Code of Ethics is a fundamental prerequisite for working with Prada." [Code of Ethics: pradagroup.com] • Not met: working hours for employees • Not met: Working hours for AP suppliers |
| A.1.3.AP | Commitment to respect human rights particularly relevant to the industry (AP) | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Women's Rights • Not met: Children's Rights • Not met: Migrant worker's rights • Not met: Expecting suppliers to respect these rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: CEDAW/Women's Empowerment Principles • Not met: Child Rights Convention/Business principles • Not met: Convention on migrant workers • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights |
| A.1.4 | Commitment to engage with stakeholders | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to stakeholder engagement: Although the Company shows in its Social Responsibility Report 2016 how it is working with its stakeholders, CHRB could not identify any policy documents where the Company states its commitment to engage with its potentially and actually affected stakeholders. [Social responsibility report 2016, 2016: pradagroup.com] • Not met: Regular stakeholder engagement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement |

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|--|------------------|--|
| A.1.5 | Commitment to remedy | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: Commits to remedy Score 2 • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AP suppliers to remedy impacts |
| A.1.6 | Commitment to respect the rights of human rights defenders | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 • Not met: Expects AP suppliers to reflect company HRD commitments |

A.2 Policy Commitments (5% of Total)

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|---------------------------------------|------------------|---|
| A.2.1 | Commitment from the top | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: CEO or Board approves policy • Not met: Board level responsibility for HRs Score 2 • Not met: Speeches/letters by Board members or CEO |
| A.2.2 | Board discussions | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: Board/Committee review of salient HRs • Not met: Examples or trends re HR discussion Score 2 • Not met: Both examples and process |
| A.2.3 | Incentives and performance management | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: Incentives for at least one board member • Not met: At least one key AP HR risk, beyond employee H&S Score 2 • Not met: Performance criteria made public |

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|--|------------------|--|
| B.1.1 | Responsibility and resources for day-to-day human rights functions | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: Senior responsibility fo HR (inc ILO) Score 2 • Not met: Day-to-day responsibility • Not met: Day-to-day responsibility in supply chain |
| B.1.2 | Incentives and performance management | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: Senior manager incentives for human rights • Not met: At least one key AP HR risk, beyond employee H&S Score 2 • Not met: Performance criteria made public |
| B.1.3 | Integration with enterprise risk management | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: HR part of enterprise risk system Score 2 • Not met: Audit Ctte or independent risk assessment |
| B.1.4.a | Communication /dissemination of policy commitment(s) within Company's own operations | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: Communicates its policy to all workers in own operations: In its Code of Ethics the Company states that "PRADA spa and the companies of the Group undertake to ensure the maximum dissemination of this Code of Ethics, preparing any instruments that may appear useful for fostering knowledge and performing a process of awareness-raising regarding its contents". In its Social Responsibility Report indicates that "The Code is shared by all employees and parties who support in developing, manufacturing, promoting, distributing and selling the Organization's products of the brands in the portfolio. However the code of ethics does not contain a formal commitment to all ILO core labour standards. Also, no information |

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|--|------------------|---|
| | | | <p>disclosed on whether commitments have been translated to local languages where the company has operations or workers. [Code of Ethics: pradagroup.com & Social responsibility report 2016, 2016: pradagroup.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Communication of policy commitments to stakeholder: See above [Code of Ethics: pradagroup.com & Social responsibility report 2016, 2016: pradagroup.com] • Not met: How policy commitments are made accessible to audience: See above [Code of Ethics: pradagroup.com & Social responsibility report 2016, 2016: pradagroup.com] |
| B.1.4.b | Communication /dissemination of policy commitment(s) to business relationships | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Steps to communicate policy commitments to BRs: The Company indicates in the Social responsibility report 2016 that "The Code is shared by all employees and parties who support in developing, manufacturing, promoting, distributing and selling the Organization's products of the brands in the portfolio. The Group promotes its awareness through various means such as online publications, direct communications and as part of the supply contract with most of the partners, as it is considered a prerequisite for the establishment of the contractual relationship". It also states in its Annual Report 2017 that "the signing of the Code of Ethics is a fundamental prerequisite for working with Prada". However, the code of ethics does not contain a formal commitment to All ILO core labour standards. [Code of Ethics: pradagroup.com & Social responsibility report 2016, 2016: pradagroup.com] • Not met: Including to AP suppliers: See above [Code of Ethics: pradagroup.com & Social responsibility report 2016, 2016: pradagroup.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How HR commitments made binding/contractual: In its Annual Report 2017 the Company indicates that "the signing of the Code of Ethics is a fundamental prerequisite for working with Prada". However, the code of ethics does not contain a formal commitment to All ILO core labour standards. • Not met: Including on AP suppliers: See above [Code of Ethics: pradagroup.com & Annual Report 2017, 2017: pradagroup.com] |
| B.1.5 | Training on Human Rights | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Trains all workers on HR policy commitments • Not met: Trains relevant managers including procurement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met |
| B.1.6 | Monitoring and corrective actions | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Monitoring implementation of HR policy commitments • Not met: Monitoring AP suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes corrective action process • Not met: Example of corrective action • Not met: Discloses % of supply chain monitored |
| B.1.7 | Engaging business relationships | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: HR affects selection of suppliers: In its Annual Report 2017, the Company makes a reference to "a rigorous selection process, whose strict parameters are intended to ensure the highest standards of technical, economic and ethical reliability." But CHRB could not find more information about this process. [Annual Report 2017, 2017: pradagroup.com] • Not met: HR affects on-going supplier relationships: In its Annual Report 2017, the Company indicates that "the Group demands compliance with applicable regulations concerning labour, social security, and occupational health and safety. The Group also requires its contract manufacturers to read the Prada Group Code of Ethics and comply with the principles set forth therein. Risk of contractual non-compliance is mitigated by a control system based on procedures that define internal responsibilities for the assessment of the suppliers' ethical, technical and financial soundness." However, the code of ethics does not contain a formal commitment to All ILO core labour standards. [Annual Report 2017, 2017: pradagroup.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Working with suppliers to improve performance |

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|---|------------------|--|
| B.1.8 | Approach to engagement with potentially affected stakeholders | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Stakeholder process or systems: In its Social Responsibility Report 2016 the Company describe its actions to map its stakeholders. However on its definition of stakeholder it speaks only about "all of which can directly or indirectly influence or be influenced by the achievement of business objectives". No evidence found of engaging affected or potentially affected stakeholders and how it identifies them. [Social responsibility report 2016, 2016: pradagroup.com] • Not met: Frequency and triggers for engagement • Not met: workers in the SP engaged • Not met: communities in the SC engaged <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them: The Company communicates in its Social Responsibility Report 2016 some results of the analysis of stakeholders concerns: "aspects associated with the production process and its impact throughout the supply chain are the most important for stakeholders (product responsibility, human rights and employee well-being along the supply chain, occupational health and safety, raw materials sourcing, traceability and responsible supply chain management)." However there is no information about how the Company took those views into account. [Social responsibility report 2016, 2016: pradagroup.com] |

B.2 Human Rights Due Diligence (15% of Total)

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|---|------------------|---|
| B.2.1 | Identifying: Processes and triggers for identifying human rights risks and impacts | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifying risks in own operations • Not met: Identifying risks in AP suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances |
| B.2.2 | Assessing: Assessment of risks and impacts identified (salient risks and key industry risks) | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context) • Not met: Public disclosure of salient risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met |
| B.2.3 | Integrating and Acting: Integrating assessment findings internally and taking appropriate action | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks • Not met: Example of Actions decided • Not met: Including in AP supply chain <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met |
| B.2.4 | Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met |
| B.2.5 | Communicating : Accounting for how human rights impacts are addressed | 0 | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans |

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|----------------|------------------|--|
| | | | <ul style="list-style-type: none"> • Not met: Including AP suppliers Score 2 <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications |

C. Remedies and Grievance Mechanisms (15% of Total)

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|---|------------------|--|
| C.1 | Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Channel accessible to all workers: The Company only indicates in the code of ethics that "should any suspected violation of the present Code of Ethics, or behaviour not compliant with the rules of conduct adopted by Prada spa and the companies of the Group, come to the knowledge of any Addressee, he or she must inform the Supervisory Board of Prada spa or the competent controlling body of the other companies of the Group without delay". The Company has not provided further details. [Code of Ethics: pradagroup.com] Score 2 <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Not met: Channel is available in all appropriate languages: See above [Code of Ethics: pradagroup.com] • Not met: Expect AP supplier to have equivalent grievance systems • Not met: Opens own system to AP supplier workers: See above [Code of Ethics: pradagroup.com] |
| C.2 | Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Grievance mechanism for community Score 2 <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects AP supplier to have community grievance systems • Not met: AP supplier communities use global system |
| C.3 | Users are involved in the design and performance of the channel(s)/mechanism(s) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Engages users to create or assess system • Not met: Description of how they do this Score 2 <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AP suppliers consult users in creation or assessment |
| C.4 | Procedures related to the mechanism(s)/channel(s) are publicly available and explained | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Response timescales • Not met: How complainants will be informed Score 2 <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level |
| C.5 | Commitment to non-retaliation over complaints or concerns made | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Public statement prohibiting retaliation • Not met: Practical measures to prevent retaliation Score 2 <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AG suppliers to prohibit retaliation |
| C.6 | Company involvement with State-based judicial and non-judicial grievance mechanisms | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights Score 2 <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable) |
| C.7 | Remedying adverse impacts and | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided |

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|-------------------------------|------------------|--|
| | incorporating lessons learned | | <ul style="list-style-type: none"> • Not met: Says how it would remedy key sector risks Score 2 <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism |

D. Performance: Company Human Rights Practices (20% of Total)

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|--|------------------|---|
| D.2.1.a | Living wage (in own production or manufacturing operations) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Living wage target timeframe • Not met: Describes how living wage determined Score 2 <ul style="list-style-type: none"> • Not met: Achieved payment of living wage • Not met: Regularly review definition of living wage with unions |
| D.2.1.b | Living wage (in the supply chain) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts • Not met: Improving living wage practices of suppliers Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made |
| D.2.2 | Aligning purchasing decisions with human rights | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Avoids business model pressure on HRs • Not met: Positive incentives to respect human rights Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met |
| D.2.3 | Mapping and disclosing the supply chain | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Identifies suppliers back to product source (farm, ranch etc) Score 2 <ul style="list-style-type: none"> • Not met: Discloses significant parts of supply chain and why |
| D.2.4.a | Child labour: Age verification and corrective actions (in own production or manufacturing operations) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Does not use child labour • Not met: Age verification of applicants and workers Score 2 <ul style="list-style-type: none"> • Not met: Remediation if children identified |
| D.2.4.b | Child labour: Age verification and corrective actions (in the supply chain) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Child Labour rules in codes or contracts • Not met: How working with suppliers on child labour Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made |
| D.2.5.a | Forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Pays workers in full and on time • Not met: Payslips show any legitimate deductions Score 2 <ul style="list-style-type: none"> • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters |
| D.2.5.b | Forced labour: Debt bondage and other unacceptable financial costs (in the supply chain) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Debt and fees rules in codes or contracts • Not met: How working with suppliers on debt & fees Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made |

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|--|------------------|---|
| D.2.5.c | Forced labour: Restrictions on workers (in own production or manufacturing operations) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Does not retain documents or restrict movement Score 2 <ul style="list-style-type: none"> • Not met: How sure about agencies or brokers |
| D.2.5.d | Forced labour: Restrictions on workers (in the supply chain) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Free movement rules in codes or contracts • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made |
| D.2.6.a | Freedom of association and collective bargaining (in own production or manufacturing operations) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: In its Social Responsibility Report 2016 the Company indicates: "The Prada Group collaborates with trade unions to improve the working conditions of its employees and to foster the medium/long-term well-being of its employees and thus its surrounding communities". However, the Company has not disclosed a publicly available commitment statement not to interfere with the rights of workers to form trade unions and bargain collectively, nor it describes measures to prohibit intimidation or retaliation against workers seeking to exercise these rights. [Social responsibility report 2016, 2016: pradagroup.com] Score 2 <ul style="list-style-type: none"> • Not met: Discloses % covered by collective bargaining: In its Social Responsibility Report 2016 the Company indicates: "Thanks to the respect, dialogue and cooperation in place with Italian trade unions (of which 29% of the Group's employees were members in 2016), no labour strikes occurred in the year (no labour strikes also in 2015)." Although it discloses information about % covered by collective bargaining, the information is partial and does not cover its global workforce. [Social responsibility report 2016, 2016: pradagroup.com] |
| D.2.6.b | Freedom of association and collective bargaining (in the supply chain) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: FoA & CB rules in codes or contracts • Not met: How working with suppliers on FoA and CB Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made |
| D.2.7.a | Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Injury Rate disclosures: The Company indicates in the Social responsibility report 2016 that "the injury indicators for Italian companies declined steadily: the injury rate declined by 15% (from 12.96 in 2014 to 11.02 in 2016), while the gravity rate decreased by 22%". However the figures are only for Italy. [Social responsibility report 2016, 2016: pradagroup.com] Score 2 <ul style="list-style-type: none"> • Not met: Lost days or near miss disclosure: The Company discloses some injury indicators such as injury rate and gravity rate. However, it does not provide figures and or explanations on lost days/frequency rate, and the figures are only for Italy. [Social responsibility report 2016, 2016: pradagroup.com] • Not met: Fatalities disclosures: The Company indicates in the Social responsibility report 2016 that "There were no cases of occupational disease in Italy. ". However the figures are only for Italy. [Social responsibility report 2016, 2016: pradagroup.com] |
| D.2.7.b | Health and safety: Fatalities, lost days, injury rates (in the supply chain) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Sets out clear Health and Safety requirements • Not met: Injury rate disclosures • Not met: Lost days or near miss disclosures • Not met: Fatalities disclosures |

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|--|------------------|--|
| | | | Score 2 <ul style="list-style-type: none"> • Not met: How working with suppliers on H&S • Not met: Provide analysis of trends in progress made |
| D.2.8.a | Women's rights (in own production or manufacturing operations) | 1 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Equality of opportunity at all levels: The Company indicates in its Social Responsibility Report 2016 that "The strong female presence is demonstrated by the ratio between males and females for each job category: women not only represent the majority of Labour (56%) and Staff workers (64%); they are also the largest component (54%) of Executives and Managers. [...] Equal opportunity is reflected in the compensation and benefit system, based on the enhancement of skills and on merit, which ensures consistent treatment of genders, seniority and positions. [...] In line with the data on the female presence by qualification, the substantial equality in the remuneration treatment typical of the Prada Group is evident, with a ratio almost always equal to 100% for all types of qualification." [Social responsibility report 2016, 2016: pradagroup.com] Score 2 <ul style="list-style-type: none"> • Not met: Meets all of the requirements under score 1 |
| D.2.8.b | Women's rights (in the supply chain) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Women's rights in codes or contracts • Not met: How working with suppliers on women's rights Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Provide analysis of trends in progress made |
| D.2.9.a | Working hours (in own production or manufacturing operations) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Respects max hours, min breaks and rest periods in its own operations Score 2 <ul style="list-style-type: none"> • Not met: How it implements and checks this |
| D.2.9.b | Working hours (in the supply chain) | 0 | The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Working hours in codes or contracts • Not met: How working with suppliers on working hours: Although the Company indicates in the Social responsibility report 2016 that "the Code of Ethics sets minimum standards for suppliers regarding: rights of employees and working conditions (including the number of regular/overtime/vacation hours, salaries and zero tolerance for child labour and forced labour)", the code of ethics disclosed on the website does not explicitly contain commitments in this respect. No further details has been provided by the Company. [Social responsibility report 2016, 2016: pradagroup.com] Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made |

E. Performance: Responses to Serious Allegations (20% of Total)

| Indicator Code | Indicator name | Score (out of 2) | Explanation |
|----------------|-------------------------|------------------|--|
| E(1).0 | Serious allegation No 1 | | No allegations meeting the CHRB severity thresholds were found, and so the score of 2.88 out of 80 points scored in themes A-D & F has been applied to produce a score of 0.72 out of 20 points for theme E. |

F. Transparency (10% of Total)

| Indicator Code | Indicator name | Score | Explanation |
|----------------|--|---------------|--|
| F.1 | Company willingness to publish information | 0.17 out of 4 | Out of a total of 48 indicators assessed under sections A-D of the benchmark, Prada made data public that met one or more elements of the methodology in 2 cases, leading to a disclosure score of 0.17 out of 4 points. |
| F.2 | Recognised Reporting Initiatives | 2 out of 2 | The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Met: Company reports on GRI: In its Social Responsibility Report 2017 the Company indicates: 'For 2017, the Prada Group has drawn up its Social Responsibility Report according to the latest sustainability reporting guidelines of the Global Reporting Initiative (GRI-G4) and following the "ESG Reporting Guide" of the Hong Kong Stock Exchange.' [Social responsibility report 2017, 2017: pradagroup.com] • Not met: Company reports on SASB • Not met: Company reports on UNGPRF |

| Indicator Code | Indicator name | Score | Explanation |
|----------------|-------------------------------|------------|--|
| F.3 | Key, High Quality Disclosures | 0 out of 4 | <p>Prada met 0 of the 10 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator.</p> <p>Specificity and use of concrete examples</p> <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) <p>Discussing challenges openly</p> <ul style="list-style-type: none"> • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned <p>Demonstrating a forward focus</p> <ul style="list-style-type: none"> • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management • Not met: Score 1 for D.2.1.a : Living wage (in own production or manufacturing operations) • Not met: Score 2 for D.2.7.a : Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations) |

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2018 Key Findings report for more details of the research process.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

