

SUSTAINABILITY
REPORT — 2023

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ACT

PRADA Group



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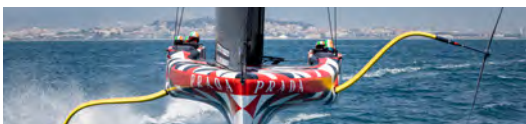
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2023 has been a year of excellent results as the Group fully delivered on its ambitions. We have also made significant progress on the Group's evolution, a journey that encompasses every aspect of the organization, enabling our brands to maintain their relevance in an ever-changing society.

Andrea Guerra

Chief Executive Officer and Executive Director



Message from the CEO

Evolve to grow: 2023 performance

Let me start on a personal note, by saying that this first year at the Prada Group marks the beginning of an extremely fulfilling chapter for me and that I am extremely proud of being a part of this incredible journey.

2023 was a remarkable year, as we achieved our ambitions against the backdrop of increasing macroeconomic and geopolitical uncertainty, especially in the second half of the year.

The Group generated revenue of Euro 4.7bn, with growth up +17%. The strong performance of the fourth quarter (+17%), marks the 12th consecutive quarter of growth.

At a brand level, Prada's retail sales grew at a solid +12%, while Miu Miu thrived with +58%.

Alongside these excellent topline results, we also improved our profitability, reaching a 22.5% EBIT margin, which also reflects significant investments behind our brands.

Our capex was mostly directed to strengthening our retail network, alongside supporting our industrial and digital strategies: these areas will continue to be our top priorities in the following months.

Evolve to stay relevant: our brands as part of the cultural conversation

In a world that's constantly changing, it is crucial for brands to stay relevant by interpreting and shaping the cultural debate and conversation.

In 2023, the creative flame of Prada burnt stronger than ever, as the brand interpreted and readapted its stylistic codes to find a continuously new aesthetic dialogue. Runways have resonated strongly, becoming center stage for broader reflections on society: as always, Prada is not afraid to embrace contradictions.

On the other side, Miu Miu's whimsical narrative continued to strike. 2023's collections have been widely acclaimed, receiving a strong commercial response across all categories: the brand's irreverent curiosity continues to captivate and excite with its timely interpretation of human complexity.

Our brands dared to explore, question, analyze and redefine, amplified by campaigns, immersive experiences and unexpected collaborations, nurturing an ever-evolving conversation with their global community.

Evolve to improve: achieve excellence in our retail strategy

Today more than ever, stores are the stages where our brands engage with their clients: as the complexity of the dialogue increases, retail spaces must find new forms of connection, allowing deeper interactions with the brand's communities.

In 2023, we made it a priority to invest into the Group's retail network.

At the same time, we have monitored our KPIs closely to ensure continuous progress on the retail channel across all brands and geographies.

In 2024 our focus remains unchanged: we will continue to evolve our network and our execution to further progress on the path towards retail excellence, providing our brands with a powerful dimension to express their identity.

Evolve to matter: progressing on the sustainability journey

Sustainability is integral to our strategy.

As we set the ambition of being "Drivers of Change", we committed to evolve in every aspect of our business, becoming a more inclusive employer, and a more sustainable manufacturer, as well as promoting educational initiatives for the next generation.

As we continue to challenge ourselves along this journey, I am pleased to see that our efforts continue to pay off.

Evolve to move forward: the future ahead

The last few months have reminded us, once again, that we live in times that require us to embrace flexibility. We are mindful of this, and we will continue to navigate at pace, being ready to change course should unexpected tides occur.

While we might adapt and evolve our way of doing business, our objectives remain unchanged: we want to nurture the creative identity of our brands so that they can continue to be relevant and to lead modern society's cultural debate; we want to keep on elevating our stores to progress on the path towards retail excellence and we want to invest into our people, our supply chain and our sustainability initiatives because we are committed to be drivers of change for our employees and society.

Our organization is strengthened, and we are confident in our strategy.

We are proud of what we have accomplished so far, but restless as we look towards the future, eager to brave new horizons.

Dynamism, creativity, talent and ambition have always animated the history of the Prada Group, and we will continue to foster these values as we draw the next chapters of growth in the journey ahead.

Andrea Guerra

Chief Executive Officer and Executive Director

Milan, March 7, 2024

I will continue to promote collaboration between the private sector and third-party institutions, which I believe is an essential tool for achieving goals that affect the entire community. Collaboration and cooperation have a greater impact than individual actions.

Lorenzo Bertelli

Head of Corporate Social Responsibility



Message from the Head of Corporate Social Responsibility

In 2023, we continued to strengthen our sustainability governance with the appointment of a Group Sustainability Director of Operations and Product Compliance, who is responsible for driving sustainability progress in the industrial side of the business. This is a key area for the Group and essential to ensure we meet our most ambitious targets. The decision is part of our commitment to achieve the Group's target to reduce indirect (Scope 3) GHG emissions in our supply chain and to mitigate the Group's wider environmental impact.

The Group's Sustainability Committee has been instrumental in supporting ESG efforts and helping to drive cultural change across the business, by highlighting the main challenges facing the business and assigning internal responsibility for the specific areas needed to successfully implement our sustainability strategy.

During 2023, we made progress on our three-year roadmap, setting targets across our three pillars of action Planet, People and Culture. We focused primarily on one of our key challenges - reducing Scope 3 emissions - including the transition to lower environmental impact alternatives for our key raw materials. Further integrating sustainability into our long-term growth objectives in a financially viable way is challenging but essential work. Strategic investment is one way to drive progress towards our goals, which is why we have invested in the decarbonization of our logistics by purchasing Sustainable Aviation Fuel (SAF) certificates from accredited partners. This further stimulates the production and use of technology that benefits the entire aviation industry.

To accelerate the transition, we and 11 other members of The Fashion Pact coalition signed the Collective Virtual Power Purchase Agreement (CVPPA) with a solar energy developer in Europe, a pioneering collaboration that is already viewed as a landmark clean energy deal that we hope will inspire other industry players to support the production of additional renewable energy.

During the year, we have also continued to invest in the vertical integration of our supply chain to broaden our oversight and control over the most delicate phases of value creation. Firstly, by acquiring a minority stake in the knitwear company Luigi Fedeli e Figlio S.r.l. - an Italian family business globally recognized for the quality of its knitwear and fine yarns - thereby improving our traceability of raw materials, and secondly by increasing internal production capacity through the expansion of some of the Group's production facilities and the recruitment of new employees. The Group announced the recruitment of 400 people to strengthen its production capacity and artisanal expertise in Italy. The Group has also significantly increased the number of training hours during the year, including on the digitalization of production management systems. These measures will allow us to ensure the transmission of know-how and improve our efficiency, also to better respond to the numerous transparency and traceability requirements from the European Union and some more advanced markets in these aspects.

We also continued to further our strategic objective of talent retention. We have done this through internal projects aimed at embedding our corporate values and our purpose: to be Drivers of Change. The arrival of a new Group's Chief People Officer was a key development, and I will be working closely with her to accelerate the most urgent issues within the People pillar, and to pursue our shared ambitions for our employees. Finally, the SEA BEYOND project was extended with a stronger partnership with the IOC/UNESCO: the educational activities have been complemented with support for scientific research and the development of humanitarian projects concerning ocean protection. The project is supported by 1% of the proceeds from the Prada Re-Nylon Collection from July 2023. In recognition of the Prada Group's support for ocean literacy through the SEA BEYOND program, I had the great honor of becoming a Patron of the Ocean Decade Alliance at the end of 2023. In this role, I will continue to promote collaboration between the private sector and third-party institutions, which I believe is an essential tool for achieving goals that affect the entire community. Collaboration and cooperation have a greater impact than individual actions.

Lorenzo Bertelli

Head of Corporate Social Responsibility

CHAPTER 1

The Prada Group

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In 2023, the Prada Group achieved a remarkably solid performance sustained by the continuous creative momentum of its brands.

Highlights 2023

€4.7 bn

Revenues

14,876

Headcount

+70

Distribution countries

606

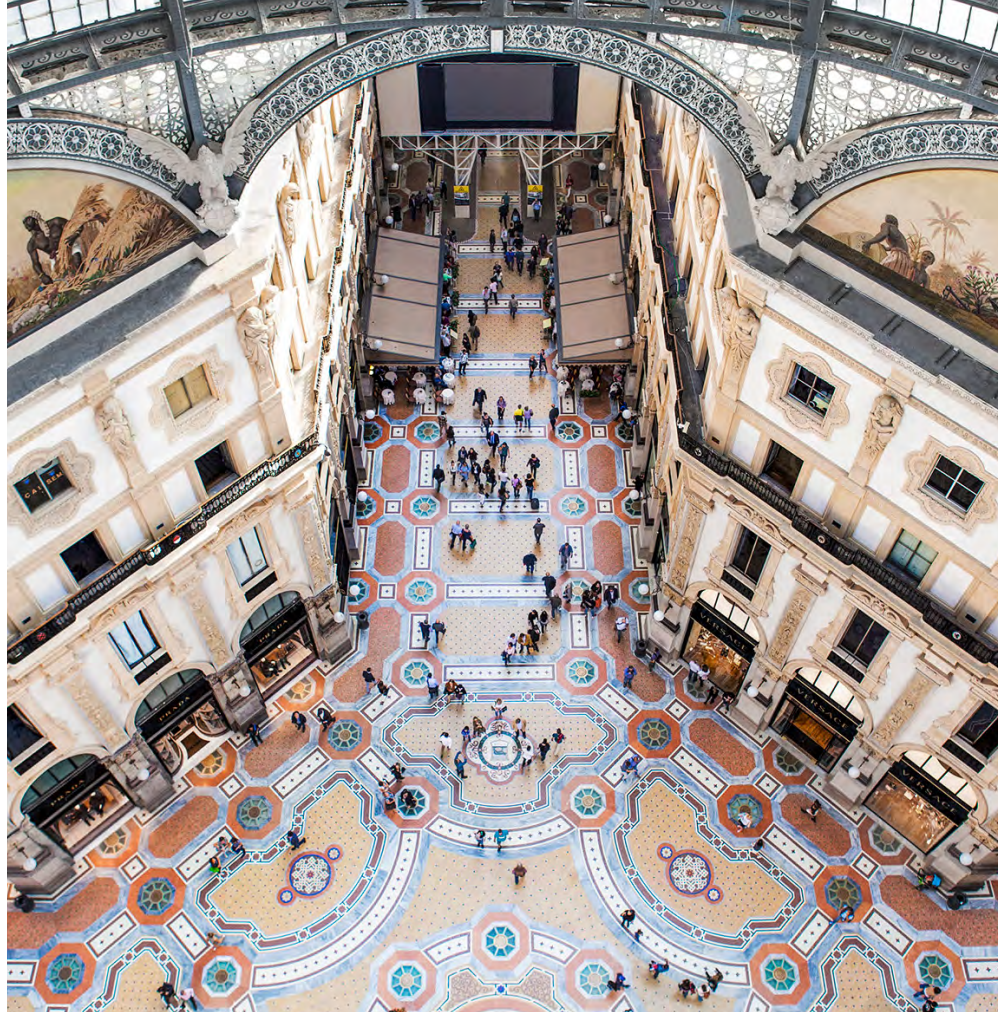
Directly Operated Stores

€752.7 m

Investments

€6.3 m

Donations



The Prada Group is a global leader in the luxury industry and a pioneer in its unconventional dialogue with contemporary society across diverse cultural spheres.

Home to prestigious brands as Prada, Miu Miu, Church's, Car Shoe, Marchesi 1824 and Luna Rossa, the Group remains committed to enhancing their value by increasing their visibility and desirability over time.

Promoting creativity and sustainable growth, the Group offers its brands a shared vision that gives each of them the opportunity to stand out and express their essence.

With 26 owned factories and over 14,800 employees, the Group designs and produces ready-to-wear, leather goods, footwear and jewellery collections, and distributes its products in more than 70 countries, through 606 Directly Operated Stores (DOS), e-commerce channels and selected e-tailers and department stores. Prada Group also operates in the eyewear and beauty sectors through licensing agreements with industry leaders. Prada S.p.A. is listed on the Hong Kong Stock Exchange as 1913.

1.1 2023 Highlights

In 2023 the Prada Group achieved an excellent performance sustained by the continuous creative momentum of its brands. While the year was characterized by the resurgence of severe geopolitical tensions, especially in Middle East, and uncertainty in terms of economic outlook, the luxury sector proved its resilience and the Group's results reflect significant progress on the path of its strategic, organizational and digital evolution. Group's net revenues grew by 17.2% at constant exchange rates compared to 2022. The Group has reported 12 consecutive quarters of retail growth, driven by full price like-for-like sales, with positive contributions from both volumes and average price.

At brand level, Prada delivered a high-quality, solid performance with retail net sales increasing by 12.1% in the year. Miu Miu retail net sales grew by 58.2% in 2023, an outstanding result confirming the brand strong desirability across all product categories and regions.

The EBIT margin (22.5%) showed further expansion, coupled with substantial marketing investments behind the brands. The Group closes the year with a net cash position of Euro 197 million, which reflects capex cash-out of Euro 759 million, including the acquisition of the highly strategic real estate asset at 724 5th Avenue (New York).

At Prada, the year was characterized by continuous desirability, sustained by an evolved organization and rigorous execution. The excellent reception of both Menswear and Womenswear fashion shows and collections confirms the enduring success of the brand's creative codes, with impactful campaigns and talent strategy boosting visibility and interest globally. A well-balanced product category mix drove growth and resilience, thanks to the ability to continuously innovate and to successfully interpret contemporaneity.

At the same time, the unveiling of exclusive collaborations, like the "Adidas Football for Prada" collection and the groundbreaking partnership with Axiom Space on NASA's lunar spacesuits for Artemis III mission, surprised the audience.

Successful activations realized throughout the year, including Prada Extends in Bangkok, the 9th and 10th iterations of Prada Mode, the Pradasphere II exhibition in Shanghai and the successful opening of the Prada Caffè in London, also contributed to deliver a distinctive brand experience worldwide.

As for Miu Miu, the outstanding performance was supported by the strong foundations laid in recent years across brand, product, distribution and talents. The thriving brand momentum enabled growing awareness and desirability, driving remarkable commercial response across all product categories and regions.

2023 saw multiple successful launches in Leather Goods and Footwear, as well as a strong performance in Ready-to-Wear, cementing the brand positioning as trendsetter. Likewise, the viral collaborations with New Balance and Church's amplified the reach towards a broader community, as a reflection of the brand dynamic identity.

Brand heat was also supported by powerful campaigns and several talent activations, while successful event formats and special projects continued to foster the Miu Miu global community.

+17.2%

Net Revenues compared to 2022

22.5%

EBIT Margin

At Church's, the focus on the internal reorganization continued in 2023, with specific attention to rationalize both corporate and industrial processes in support of the brand's repositioning.

The Group progressed with the upgrade of the retail network, completing about 130 renovation and relocation projects over the year, in line with the strategic objective of achieving retail excellence. Following 26 openings and 32 closures over the period, the Group ends the year with 606 Directly Operated Stores.

In the digital arena, efforts were concentrated on a multiyear transformation program aimed at enhancing the entire technology infrastructure to support operational efficiency and revenue growth. The program includes initiatives encompassing omnichannel capabilities, product lifecycle, finance and retail ERP, reporting, and planning processes integration.

On the industrial front, the Group continued to invest in its factories and in the vertical integration of the supply chain, to further improve manufacturing expertise and quality control at every step of the process. In this context, the acquisition of a minority stake in Luigi Fedeli e Figlio S.r.l., an Italian family business globally recognized for the quality of its knitwear and fine yarns, is a testament of the Group's unwavering commitment to protect Italian know-how.

2023 also saw significant progress in environmental sustainability, with Scope 1&2 GHG emissions reduced by 58% over the year compared to the 2019 baseline. With 11 other brands in The Fashion Pact coalition, the Group signed an ambitious Collective Virtual Power Purchase Agreement (CVPPA), which will start in the next few years to promote renewable energy in Europe. Ongoing efforts are also directed to reduce Scope 3 GHG emissions in line with the Group's Science-Based Targets 2029, in particular by focusing upstream on the transition of some key raw materials to lower impact alternatives.

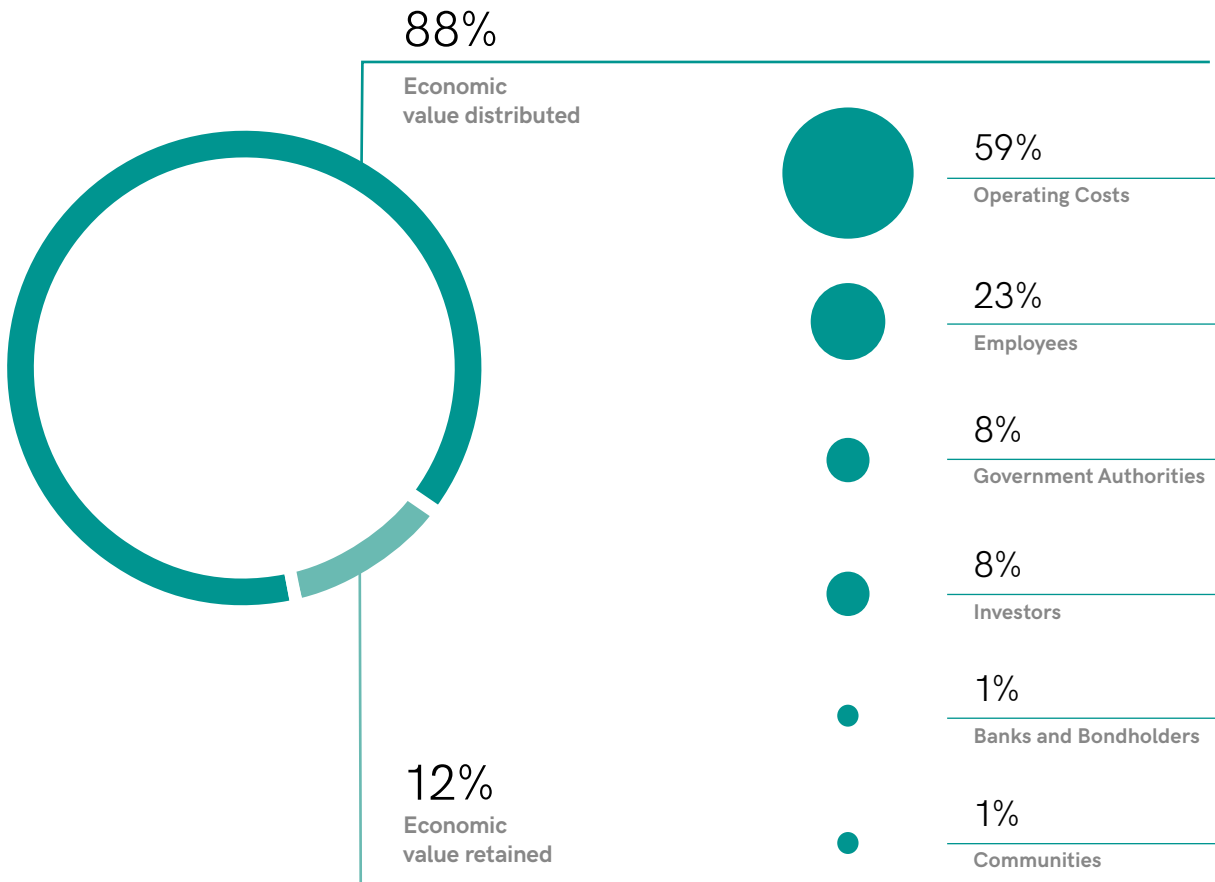
Recently, the Group also invested in the purchase of Sustainable Aviation Fuel (SAF) credits from accredited partners to accelerate the decarbonization of the aviation industry.

Regarding the People aspect of the ESG strategy, the Group is particularly proud of its initiatives focused on gender equality, which have led to a 44% representation of women in its leadership team. Additionally, a new Chief People Officer was appointed in September 2023.

The Group's commitment to culture and water conservation continued over the period, with increased funding to support the SEA BEYOND education program, which has been expanded to include scientific research and humanitarian projects, with a focus on increasing ocean awareness.

Finally, the year marked the onboarding of Andrea Guerra as Prada Group CEO in January, as well as other strategic appointments: the result is a strengthened organization, well equipped to drive the evolution of the Group while delivering on its growth ambition.

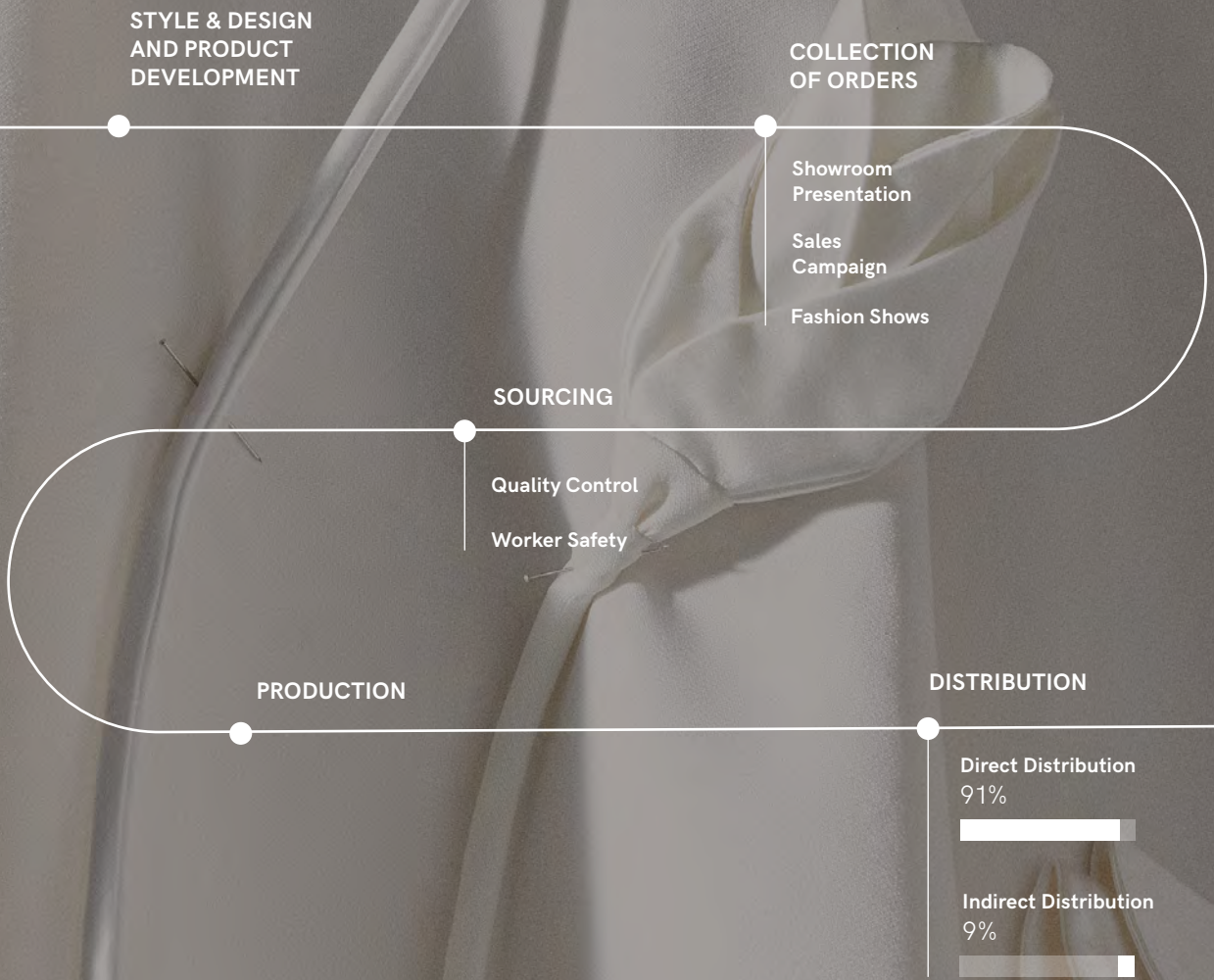
Economic value distributed and retained



The economic value directly generated by the Prada Group, which amounted to Euro 4,725,795 thousand in 2023, shows an increase of 13% compared to the previous year, as a result of the growth in the value of production and as proof of the Group's ability to generate value over time, even in an uncertain economic context. During the year, 88% of the economic value generated was distributed to the stakeholders (+10% compared to previous year), while the economic value retained amounted to Euro 543,793 thousand (+46% compared to 2022).

1.2 Value Creation

The success of the Prada Group's brands is based on a business model that combines skilled heritage craftsmanship with innovative industrial manufacturing processes. This enables the Group to translate new ideas into successful products, while retaining flexibility and control over know-how, quality and sustainability standards, as well as production costs.



Constant experimentation and idea-sharing are the essential components of the design process. The time spent at the drawing board, in the testing room and on research and development, is fundamental to creating each collection. The Prada Group's creative spirit continues to attract talented people from all over the world.



Creativity

Miuccia Prada's intellectual curiosity, her constant pursuit of new ideas, and her unique understanding and interpretation of culture and society underpin the Prada Group's creative process. Her singular vision has made it possible to establish a genuine design culture, based on method and discipline, which guides everyone who contributes to the Group's creative development. The appointment in 2020 of Raf Simons alongside Miuccia Prada as Creative Co-Director of the Prada brand produced a new creative dynamic, reiterating the importance and power of dialogue and cooperation. Constant experimentation and idea-sharing are the essential components of the design process. The time spent at the drawing board, in the testing room and on research and development, is fundamental to creating each collection. The Prada Group's creative spirit continues to attract talented people from all over the world.

Raw Materials and Production Process

The Group's manufacturing approach is built on two pillars: continuous innovation, which advances skills and expertise, and a deep commitment to craftsmanship, vital for the production and value of each brand. The quality of raw materials is fundamental to product excellence. Often, fabrics and leathers are custom-made for the Group's brands, meeting strict technical and style specifications to ensure superior quality. The Group's products are crafted in 26 owned manufacturing facilities (23 in Italy, 1 in the UK, 1 in France and 1 in Romania) and by a network of carefully selected and monitored industrial manufacturers, which are supplied with raw materials, patterns and prototypes from the Group, allowing close oversight at every stage of production. This approach is designed to achieve outstanding workmanship and provide considerable flexibility in production organization. Product quality gives the Group a competitive edge, which is reinforced by continuous research and experimentation with materials and techniques. Investments along the supply chain and in the workforce also play a crucial role. A significant number of the company's production employees have been with the Prada Group for many years, ensuring both a high level of expertise and deep organizational knowledge. Through the Prada Group Academy, the company is committed to passing on its manufacturing techniques and craftsmanship to future generations, thus preserving the values at the heart of its corporate heritage.

Distribution

Over the years, the Prada Group has strategically evolved its distribution network to include 606 DOS in key prestigious international shopping destinations, enhancing the image of each brand. These stores do more than just sell products: they act as vital ambassadors, conveying each brand's image consistently, clearly and effectively. Continuously updated, the Group's extensive network of stores remains a cornerstone of the company's strategy, showcasing new collections and anchoring the omnichannel approach. E-commerce platforms complement the physical stores, offering a dynamic and integrated shopping experience. The Group's deep interest in architecture is reflected in a number of revolutionary retail concepts developed with leading architectural firms such as Rem Koolhaas and Herzog & de Meuron. These unique stores, known as



Epicenters, are located in New York, Los Angeles and Tokyo and also host cultural debates and events.

In recent years, the Group has selectively streamlined its wholesale channel, which includes department stores, multi-brand stores, franchisees and e-tailers, to ensure maximum quality of the partners and a more focused approach.

Image and Communication

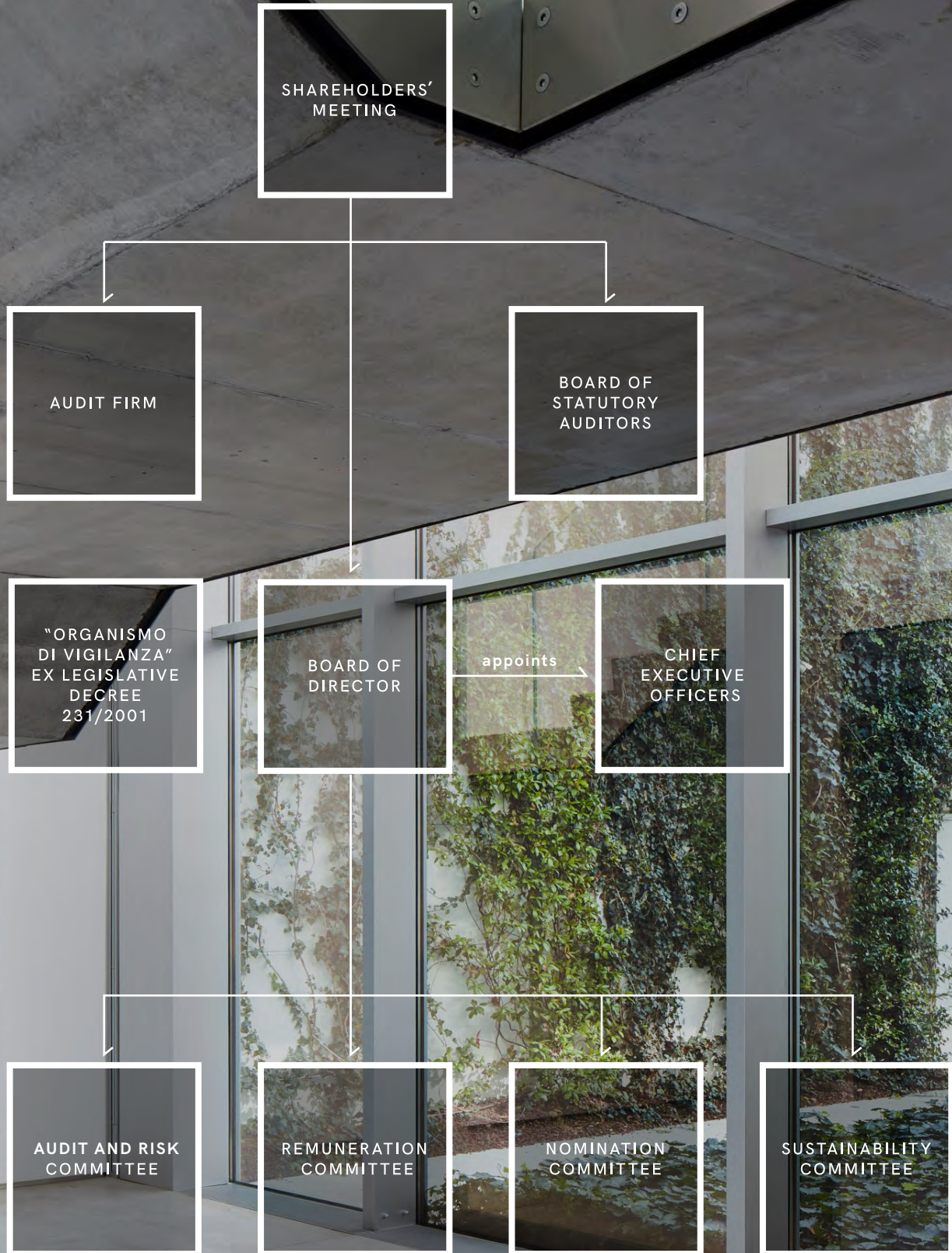
It is essential for the Prada Group's communication to go beyond commercial objectives and to involve stakeholders in the brands' ideas and values. A consistent and strong image, in line with the identity of each brand, is central to the Group's strategy. Fashion shows, advertising campaigns and media coverage are the main platforms for presenting the brands and for gaining visibility among international audiences and industry critics.

The Group leverages social networks, brand e-commerce sites, the corporate website, and digital platforms for direct and immediate engagement with its audience.

The brands' innovative and extraordinary special events are another important communication tool for the Group, enabling direct interaction with consumers in different local markets.

Moreover, Luna Rossa's participation in the prestigious America's Cup since 2000 has significantly increased Prada's visibility in the international sporting community, helping to build the brand's credibility in activewear and enhancing its technological expertise.

1.3 Corporate Governance Model



The corporate governance model adopted by the Company consists of a set of rules, regulations, standards and policies aimed toward establishing efficient and transparent operations within the Group, to protect the rights of the Company's shareholders, to enhance shareholders' value and to uphold the Group's credibility and reputation. The Company is seamlessly engaged in maintaining the highest standard of corporate governance to create long-lasting sustainable value for the shareholders and for all the stakeholders.

The corporate governance model adopted by the Company complies with the applicable laws and regulations in Italy, where the Company is incorporated, as well as with the principles set out in the Corporate Governance Code (the "Code") contained in Appendix C1 (formally known as "Appendix 14") of the Listing Rules of the Hong Kong Stock Exchange where its shares are listed.

The Company has adopted a traditional governance and control system, in compliance with the Italian Civil Code, consisting of a management body, the Board of Directors, a supervisory body, the Board of Statutory Auditors, and an auditing and accounting control body, the Audit Firm. The Board of Directors has also appointed a supervisory body, the "Organismo di Vigilanza", under Legislative Decree n. 231 of June 8, 2001 ("Decree n.231/2001"). The Board of Directors is the Company's highest decision-making body vested with all the ordinary and extraordinary management powers. Some of the Directors are, upon decision of the Board of Directors, granted with specific delegated authorities and with powers to sub-delegate to select personnel outside the Board. To this respect, the Company has adopted a system of delegated powers and powers of attorneys aimed at ensuring the segregation of duties and the efficient and regular performance of the activities in accordance with the procedures adopted by the Company itself. With a view to achieving a sustainable and balanced development, the Company views diversity at the Board level as an essential element to attain its strategic objectives and its development. All Board appointments are based on merit and candidates are proposed and selected based on objective criteria, with due regard for diversity within the Board. Diversity encompasses a wide range of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and nationality.

The current Board of Directors was appointed or confirmed by the Shareholders' Meetings of the Company held on May 27, 2021, January 28, 2022, and April 27, 2023 (as the case may be); the term of appointment is going to expire at the forthcoming Shareholders' Meeting to be called to approve the financial statements of the Company for the year ended December 31, 2023. As of the date of this Report, the Board is currently made up of six Executive Directors and five Independent Non-Executive Directors. All Directors have distinguished themselves in their respective areas of expertise and provided valid support to the Board of Directors in their respective functions.

On January 26, 2023, the Board appointed Andrea Guerra as new CEO, replacing the former Joint-CEOs Patrizio Bertelli and Miuccia Prada Bianchi. On April 27, 2023, the Shareholders' Meetings of the Company appointed Patrizio Bertelli as Chairman of the Board, replacing Paolo Zannoni who, in turn, was appointed as Executive Deputy Chairman by the Board on May 11, 2023. The same Board appointed also Yoël Zaoui as Lead Independent Director of the Company.

The Board of Directors is responsible for the ordinary and extraordinary management of the Company and performs its duties by carrying out all acts it deems necessary or useful to implement and attain the Company's corporate purpose, except for those acts specifically reserved for approval by the shareholders' general meeting by relevant laws or the By-laws. In particular, the Board of Directors is responsible for setting the overall strategy, as well as reviewing the operational and financial performance of the Company and the Group. Therefore, the Board considers and resolves on all matters concerning the overall Group strategy, the Group's strategic objectives, the annual budget, annual and interim results, approval of major transactions, connected transactions and any other significant operational and financial matters. In addition, the Board of Directors has the overall responsibility for setting and monitoring the Group's sustainability strategy and for ensuring that appropriate and effective internal control and risk management system is in place. Board members received ESG training upon their appointment and the Group plans new learning activities in 2024 to enhance the Board's expertise on key sustainability issues.

Board of Directors

| | Role | Gender | Age |
|--|---------------------------|--------|---------|
| Executive Directors | | | |
| Patrizio Bertelli | Chairman | M | > 50 |
| Paolo Zannoni | Executive Deputy Chairman | M | > 50 |
| Andrea Guerra | Chief Executive Officer | M | > 50 |
| Miuccia Prada Bianchi | | F | > 50 |
| Andrea Bonini | Chief Financial Officer | M | 30 - 50 |
| Lorenzo Bertelli | | M | 30 - 50 |
| Independent Non-Executive Directors | | | |
| Yoël Zaoui | Lead Independent Director | M | > 50 |
| Marina Sylvia Caprotti | | F | 30 - 50 |
| Maurizio Cereda | | M | > 50 |
| Pamela Yvonne Culpepper | | F | > 50 |
| Anna Maria Rugarli | | F | > 50 |

The Prada Group Board of Directors, appointed for a term of three years, consists of six Executive Directors and five Independent Non-Executive Directors.

Executive Directors



PATRIZIO BERTELLI

Chairman of the Board and
Executive Director

BERTELLI, Patrizio, aged 77, is the Chairman of the Board with effect from April 27, 2023. He was first appointed to the Board in 2003 and held the role of Co-Chief Executive Officer along with Ms. Miuccia Prada until January 26, 2023. His partnership with Miuccia Prada began at the end of the '70s. He combines entrepreneurial activity with a wide range of cultural and sporting interests that he shares with Miuccia Prada. Mr. Bertelli received an honorary degree in Business Economics from the University of Florence in 2000 and the "University Seal" from the University of Bologna in 2021. In 2006, Time Magazine cited Mr. Bertelli and Miuccia Prada as among the 100 most influential couples in the world and in 2012 he became the first Italian in history to be inducted into the America's Cup Hall of Fame. Mr. Bertelli holds directorships in subsidiaries of the Company. He holds directorship in PA BE 1 S.p.A., which is a substantial shareholder of the Company. Mr. Bertelli is the husband of Ms. Prada, Executive Director, and is the father of Mr. Lorenzo Bertelli, Executive Director. Mr. Bertelli is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.



MIUCCIA PRADA BIANCHI

Executive Director

PRADA BIANCHI, Miuccia, aged 75, is Executive Director of the Company, Miu Miu Creative Director, and Prada Co-Creative Director with Raf Simons. She served as Chairwoman of the Board from 2003 to 2014 and as Co-Chief Executive Officer with her husband Patrizio Bertelli, until January 26, 2023. After obtaining a degree in Political Science from Milan University, Ms. Prada began designing for the family business, founded by her grandfather in 1913. At the end of the '70s, she formed a partnership with Patrizio Bertelli, an entrepreneur and the owner of two high quality leather goods companies. Under the direction of Ms. Prada and Mr. Bertelli, Prada has become one of the leading luxury companies worldwide. Ms. Prada has received several awards for her original vision, innovation, and contribution to international fashion. In 2000, she received an Honorary Doctorate from the Royal College of Art in London. In 2006, Ms. Prada was named Officier dans l'Ordre des Arts et des Lettres by the French Ministry of Culture. In 2015, she was granted the title of Knight of the Grand Cross, the highest Order of Merit of the Italian Republic, in recognition of her international success and contribution to the fields of creativity, fashion and style. Ms. Prada is the wife of Mr. Bertelli, Chairman of the Board, and is the mother of Mr. Lorenzo Bertelli, Executive Director. Ms. Prada holds directorships in Prada Holding S.p.A., Bellatrix S.p.A. and Ludo S.p.A., which are substantial shareholders of the Company. Ms. Prada is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.



PAOLO ZANNONI

Executive Deputy Chairman
of the Board and Executive
Director

ZANNONI, Paolo, aged 75, is the Executive Deputy Chairman of the Board with effect from May 11, 2023. He was first appointed as Chairman of the Board on May 27, 2021, and conferred in his executive role on June 4, 2021. He has been an international advisor at Goldman Sachs since 2019, providing advice to the firm's business across Italy and the rest of Europe. He is currently secretary of the Board of Directors of Beretta Holding S.p.A. and a Board Member of Holland & Holland Limited. He served as Chairman of the Board of Autogrill S.p.A., listed on the Italian Stock Exchange, from 2019 to January 2023, Chairman of Dolce & Gabbana Holding S.r.l. from 2007 to 2021, and Chairman of Prysmian Group S.p.A. from 2005 to 2012. Prior to this, Mr. Zannoni spent a number of years working with the Goldman Sachs investment banking franchise in Italy. He joined Goldman Sachs in 1994, was named managing director in 1997, partner in 2000 and was Chairman of the Italian investment banking business between 2000 and 2013. He also spent a period as co-chief executive officer of Goldman Sachs Russia. Prior to joining Goldman Sachs, Mr. Zannoni was a vice president at Fiat S.p.A. and a lecturer at Yale University. He continues to be an executive fellow at the Yale School of Management, an advisory board member of the International Center for Finance (ICF) and a board member of the Jackson Institute for Global Affairs. Mr. Zannoni earned an MA and an MPhil in Political Science from Yale University. He also earned a BA from the University of Bologna. Mr. Zannoni holds directorships in subsidiaries of the Company and was appointed as Chairman of the Board of Prada Holding S.p.A. in June 2023. Mr. Zannoni is a member of the Remuneration Committee. Save as disclosed herein, Mr. Zannoni has not held any directorship in any other listed companies in Hong Kong or abroad in the last three years.



ANDREA GUERRA

Chief Executive Officer and Executive
Director

GUERRA, Andrea, aged 58, was first appointed as an Executive Director and the Chief Executive Officer of the Company on January 26, 2023, confirmed as Executive Director on April 27, 2023, and re-vested with the role of Chief Executive Officer on May 11, 2023. Prior to joining Prada, Mr. Guerra was the strategic advisor at LVMH, the Chief Executive Officer of Hospitality Excellence at LVMH Moët Hennessy Louis Vuitton SE (September 2020 to May 2022), Executive Chairman of the high-end food emporium Eataly S.p.A. (September 2015 to May 2019), Chief Executive Officer of the eyewear company Luxottica Group S.p.A. (July 2004 to September 2014), and was the Chief Executive Officer of Merloni Elettrodomestici S.p.A., now Indesit Company (2000 to 2004). Mr. Guerra obtained a degree in Business Administration from Sapienza University of Rome in 1989. From December 2014 to October 2015, he was senior strategic advisor for business, finance and industry to the Italian Government's Prime Minister. He was a member of the boards of directors of Bocconi University (November 2014 - October 2018) and Save the Children Italy, and is a shareholder of online newspaper Linkiesta. Over the years, Mr. Guerra has also been a member of the strategic committee of the Italian Strategic Fund (Fondo Strategico Italiano S.p.A.). He was a member of the board of directors of Amplifon S.p.A., and a member of the strategic committee of Ariston Thermo S.p.A., both companies listed on the Italian Stock Exchange. He held the position of director on the boards of Parmalat S.p.A. and DeA Capital S.p.A., both companies listed on the Italian Stock Exchange, and of Banca Nazionale del Lavoro S.p.A.. Save as disclosed herein, Mr. Guerra has not held any directorship in any other listed companies in Hong Kong or abroad in the last three years.

**ANDREA BONINI**Chief Financial Officer
and Executive Director

BONINI, Andrea, aged 44, has been Chief Financial Officer of the Company since May 2, 2022. He was appointed to the Board as Executive Director on November 8, 2022, and confirmed as Executive Director on April 27, 2023. He holds directorships in subsidiaries of the Company. Mr. Bonini has 19 years of experience in corporate finance and relevant experience in the luxury industry. He started his professional career in the Milan-based M&A firm Gallo & C. S.p.A. in 2003. In 2005, Mr. Bonini joined the Investment Banking Division of Goldman Sachs International, based in London, and became Managing Director in 2015. At Goldman Sachs, he was part of the Italy Coverage team until 2013 and subsequently joined the Consumer Retail Group, with responsibility for Luxury and Brands in Europe. Mr. Bonini graduated in Business Administration from Bocconi University in Milan in 2003.

Mr. Bonini is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

**LORENZO BERTELLI**

Executive Director

BERTELLI, Lorenzo, aged 35, joined the Board of Directors as Executive Director in May 2021. Mr. Lorenzo Bertelli has been Group Marketing Director since 2019 and was appointed the Group's Head of Corporate Social Responsibility in 2020. He is responsible both for the Group's Marketing and Communication strategy and for the Group's overall approach to sustainability. He joined the Group in 2017 as Head of Digital Communication. Lorenzo Bertelli obtained a degree in Philosophy at San Raffaele University in Milan in 2008. He is the son of Ms. Miuccia Prada Bianchi, Executive Director and Mr. Patrizio Bertelli, Chairman of the Board. Mr. Lorenzo Bertelli holds a directorship in Prada Holding S.p.A., which is a substantial shareholder of the Company, as well as directorships in subsidiaries of the Company. He is a member of the Nomination Committee and the Sustainability Committee. Mr. Bertelli is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

Independent Non-Executive Directors**YOËL ZAOUÏ**

Independent Non-Executive Director

ZAOUÏ, Yoël, aged 63, was elected as an Independent Non-Executive Director on May 27, 2021, and appointed as Lead Independent Director on May 11, 2023. He is a co-founder of Zaoui & Co., a firm established in 2013 to advise select clients on mergers, acquisitions and other strategic and financial transactions, as well as major investment decisions. Mr. Zaoui began his investment banking career at Goldman Sachs in 1988, and, over a 24-year career at Goldman Sachs, was responsible for some of Europe's largest and most significant corporate transactions during a period of unprecedented growth. Mr. Zaoui was the first European investment banker to have joined Goldman Sachs's top governing body, the management committee, a position he held from 2008 until his retirement in 2012. Prior to Goldman Sachs, Mr. Zaoui worked at Arthur Andersen in Paris (1983 - 1986). Mr. Zaoui was educated in France and the US: he obtained a diploma from the Ecole des Hautes Etudes Commerciales (HEC, 1982),

a DEA doctoral degree in Finance from Université Paris-Dauphine (1983) and an MBA from Stanford University (1988). Mr. Zaoui continues to be actively involved with his alma maters, serving as a member of the Cercle des Grands Donateurs de la Fondation HEC. Mr. Zaoui was conferred with the Order of Muhammad by His Majesty the King of Morocco Mohamed VI. Mr. Zaoui is the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee. Mr. Zaoui is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.



MARINA SYLVIA CAPROTTI

Independent Non-Executive Director

CAPROTTI, Marina Sylvia, aged 46, was elected as Independent Non-Executive Director on May 27, 2021. She has been Executive Chairwoman of Esselunga S.p.A. since 2019. Prior to this, she was a member of its Board of Directors starting from June 1998 and Vice President from 2016 to 2019. She is currently a director in the Board of Fondazione Accademia Teatro alla Scala of Milan. Ms. Marina Sylvia Caprotti obtained a degree in Law at Università Cattolica del Sacro Cuore in Milan in 2004.

Ms. Caprotti is the Chairwoman of the Remuneration Committee and a member of the Audit and Risk Committee and the Nomination Committee. Ms. Caprotti is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.



MAURIZIO CEREDA

Independent Non-Executive Director

CEREDA, Maurizio, aged 60, was first appointed as Independent Non-Executive Director of the Company on April 27, 2018, and was previously a Non-Executive Director from May 2016 to April 2018. Mr. Cereda's practice focuses on providing consultancy services to entrepreneurs, family offices, companies and financial institutions. Since 2015, he has also been founding partner and board member of FIEE (Fondo Italiano per l'Efficienza Energetica) Sgr S.p.A.. Mr. Cereda obtained a degree in Business Economics from L. Bocconi University of Milan in 1989. Mr. Cereda has been serving as board member of various companies listed on the Italian Stock Exchange including NEXI S.p.A. (since December 2021), Technogym S.p.A. (since 2016), and Enervit S.p.A. (since 2007). Mr. Cereda started his career as an analyst in the equity capital markets division in Rasfin S.p.A.. He then worked for fifteen years at Mediobanca S.p.A. until his appointment as deputy general manager and head of corporate finance for large corporate clients from 2007 to 2015. From 2007 to 2014, he was a board member of Mediobanca S.p.A., and from 2006 to 2014 he was also a board member of Ansaldo STS S.p.A., both companies listed on the Italian Stock Exchange. Mr. Cereda is the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee. Save as disclosed herein, Mr. Maurizio Cereda has not held any directorship in any other listed companies in Hong Kong or abroad in the last three years.



PAMELA CULPEPPER

Independent Non-Executive Director

CULPEPPER, Pamela Yvonne, aged 59, was elected as Independent Non-Executive Director on January 28, 2022. Ms. Culpepper's former name was JORDAN, Pamela Yvonne. Ms. Culpepper joined Hanold Associates, Llc as Managing Partner of their Leadership Advisory Practice in January 2023. Ms. Culpepper was one of three co-founders of Have Her Back, Llc., a female-owned, female-led culture consultancy focused on advancing equality for all. Before that, Ms. Culpepper was the Chief Human Resources Officer at Cboe Global Markets, Inc., one of the world's largest exchange holding companies, offering cutting-edge trading and investment solutions to investors around the world. At Cboe, Ms. Culpepper served as an advisor to the executive team and Board of Directors with regard to talent management, compensation and benefits and to the acquisition, and subsequent merger, of a global exchange by Cboe. Ms. Culpepper has over 25 years of experience as an HR executive. She joined Cboe from Golin, where she was the company's Chief People Officer. Prior to her work at Golin, Ms. Culpepper held various leadership roles with PepsiCo, Inc., including Chief Global Diversity and Inclusion Officer, Vice President, Human Resources for Quaker Foods and Snacks; Vice President, Human Resources for PepsiCo's Beverages Supply Chain; and Vice President, Talent Management and Diversity for Quaker, Tropicana and Gatorade. Before PepsiCo, Ms. Culpepper held roles with McKesson Corporation, Clorox and Wells Fargo. Ms. Culpepper is a former Board Trustee of VSO International, based in the United Kingdom, and was a Board member for Navy Pier of Chicago, and in March 2023, she was appointed to Cambia Health Solutions' Board of Directors as an Independent Director. Ms. Culpepper has a B.A. in Psychology from the University of Arkansas at Little Rock and an MPA (Master of Public Administration) in Organizational Change, from California State University, Eastbay. Ms. Culpepper is the Chairwoman of the Sustainability Committee. Ms. Culpepper is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.



ANNA MARIA RUGARLI

Independent Non-Executive Director

RUGARLI, Anna Maria, aged 51, was elected as Independent Non-Executive Director on January 28, 2022. Ms. Rugarli is the Corporate Sustainability Vice President of Japan Tobacco International, where she is responsible for developing business-integrated strategy at a global level. Ms. Rugarli has been appointed as an Independent Non-Executive Director and the Chair of the ESG Committee at ASOS plc, a company listed on the London Stock Exchange, on 26 June 2023. Ms. Rugarli is a Sustainability & CSR expert with more than twenty years' experience specializing in designing innovative programs and in developing strategies. She initiated and launched Nike's Sustainability & CSR programs in Europe, the Middle East & Africa regions and was with the company for 12 years pioneering this work at industry level. Ms. Rugarli then led VF Corporation's Circular Economy strategy at global level as well as Sustainability, Purpose, and I&D strategy at regional level for 10 years. During this time, she managed broad networks of stakeholders and cross-sector partners and led Sustainability & CSR programs integration across the business. While at VF Corporation she was a Board member and then President of European Outdoor Conservation Association for a total of seven years. Since February 2022 Ms. Rugarli has been a board member of JT International S.A.. Ms. Rugarli graduated in Political Sciences and is a certified broker in Cross-Sector Partnerships at Cambridge University. Ms. Rugarli is member of the Sustainability Committee. Ms. Rugarli is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

The Board of Directors' discharge of duties is supported by the consulting and advisory activity carried out by the committees it has set up (the "Committees"), namely the Audit and Risk Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee. Each Committee is chaired by, and made of, a majority of Independent Non-Executive Directors.

Audit and Risk Committee

The Audit and Risk Committee advises and makes recommendations to the Board on financial statements and reports to ensure the Company's accounting methods are appropriate and reliable. It also checks the adequacy and effectiveness of the Internal Control and Risk Management system. It recommends the appointment of the Company's Head of Internal Audit and external audit firm, and assesses its independence.

| | Role | Gender | Age |
|------------------------|-------------|--------|---------|
| Yoël Zaoui | Chairperson | M | > 50 |
| Marina Sylvia Caprotti | | F | 30 - 50 |
| Maurizio Cereda | | M | > 50 |

Nomination Committee

The Nomination Committee advises and makes recommendations to the Board on its composition and on the appointment and succession plans of Directors. It also assesses Directors' independence based on criteria set by the Listing Rules.

| | Role | Gender | Age |
|------------------------|-------------|--------|---------|
| Maurizio Cereda | Chairperson | M | > 50 |
| Lorenzo Bertelli | | M | 30 - 50 |
| Marina Sylvia Caprotti | | F | 30 - 50 |



Remuneration Committee

The Remuneration Committee advises and makes recommendation to the Board on the Remuneration Policy for Company's Directors and Executives. This Committee may engage independent external consultants to give advice of remuneration of the Board of Directors or Senior Managers at the Company's expenses.

More information about the Prada Group's Remuneration Policy is disclosed in the Corporate Governance section contained in the 2023 Annual Report. Moreover, in Note to the consolidated financial statements of the 2023 Annual Report, the remuneration of the Company Board of Directors, the five highest paid individuals and senior managers is reported for 2023 and previous year.

| | Role | Gender | Age |
|------------------------|-------------|--------|---------|
| Marina Sylvia Caprotti | Chairperson | F | 30 - 50 |
| Paolo Zannoni | | M | > 50 |
| Yoël Zaoui | | M | > 50 |

Sustainability Committee

The Sustainability Committee assists and supports the Board of Directors, with proposing and advisory functions, in its assessments and decisions on sustainability related issues, overseeing the Company's commitment to sustainable development along the value chain.

It supports the Board defining strategic sustainability guidelines and the relevant policies, as well as drafting and reviewing reports and documents, including the annual reviewing of the Sustainability Report and its material topics, and all communications concerning sustainability to be submitted to the Board of Directors for approval.

| | Role | Gender | Age |
|-------------------------|-------------|--------|---------|
| Pamela Yvonne Culpepper | Chairperson | F | > 50 |
| Anna Maria Rugarli | | F | > 50 |
| Lorenzo Bertelli | | M | 30 - 50 |

Board of Statutory Auditors

The recommendations made by the Board of Directors' committees are regularly put forward to the Board itself for discussion and approval. The Board of Statutory Auditors oversees the compliance with the By-laws and all the applicable laws and regulations and the observance of the principles of proper management. It also checks the adequacy of the Company's organizational, administrative and accounting structure, as well as the adequacy of its internal control system and the effectiveness of the auditing of the accounts, and the autonomy of the external auditor. The Shareholders' Meeting held on May 27, 2021, appointed the current Board of Statutory Auditors, consisting of three Statutory Auditors and two Alternate Statutory Auditors for a term of three financial years (2021-2023), which is going to expire at the forthcoming Shareholders' Meeting to be called to approve the financial statements of the Company for the year ended December 31, 2023.

| | Role | Gender | Age |
|-----------------|-------------|--------|------|
| Antonino Parisi | Chairperson | M | > 50 |
| Roberto Spada | | M | > 50 |
| David Terracina | | M | > 50 |

Supervisory Body

In compliance with the Italian Legislative Decree n. 231/2001, the Company has established a Supervisory Body ("Organismo di Vigilanza"), whose primary duty is to ensure the functioning, effectiveness and enforcement of the Company's Organization, Management and Control Model, adopted by the Company pursuant to the Decree. The Supervisory Body has three members appointed by the Board of Directors and selected among qualified and experienced individuals. On July 27, 2023, the Board appointed Mr Armando Simbari as new member of the Supervisory Body replacing Mr Yoël Zaoui, who gave his resignations from his role on July 26, 2023.

| | Role | Gender | Age |
|----------------------|-------------|--------|---------|
| Stefania Chiaruttini | Chairperson | F | > 50 |
| Roberto Spada | | M | > 50 |
| Armando Simbari | | M | 30 - 50 |

The Company complies with its By-law, Italian laws and regulations and Hong Kong Listing Rules regarding the procedures to avoid conflicts of interest of the Board of Directors and disclose related parties' transactions or connected transactions.

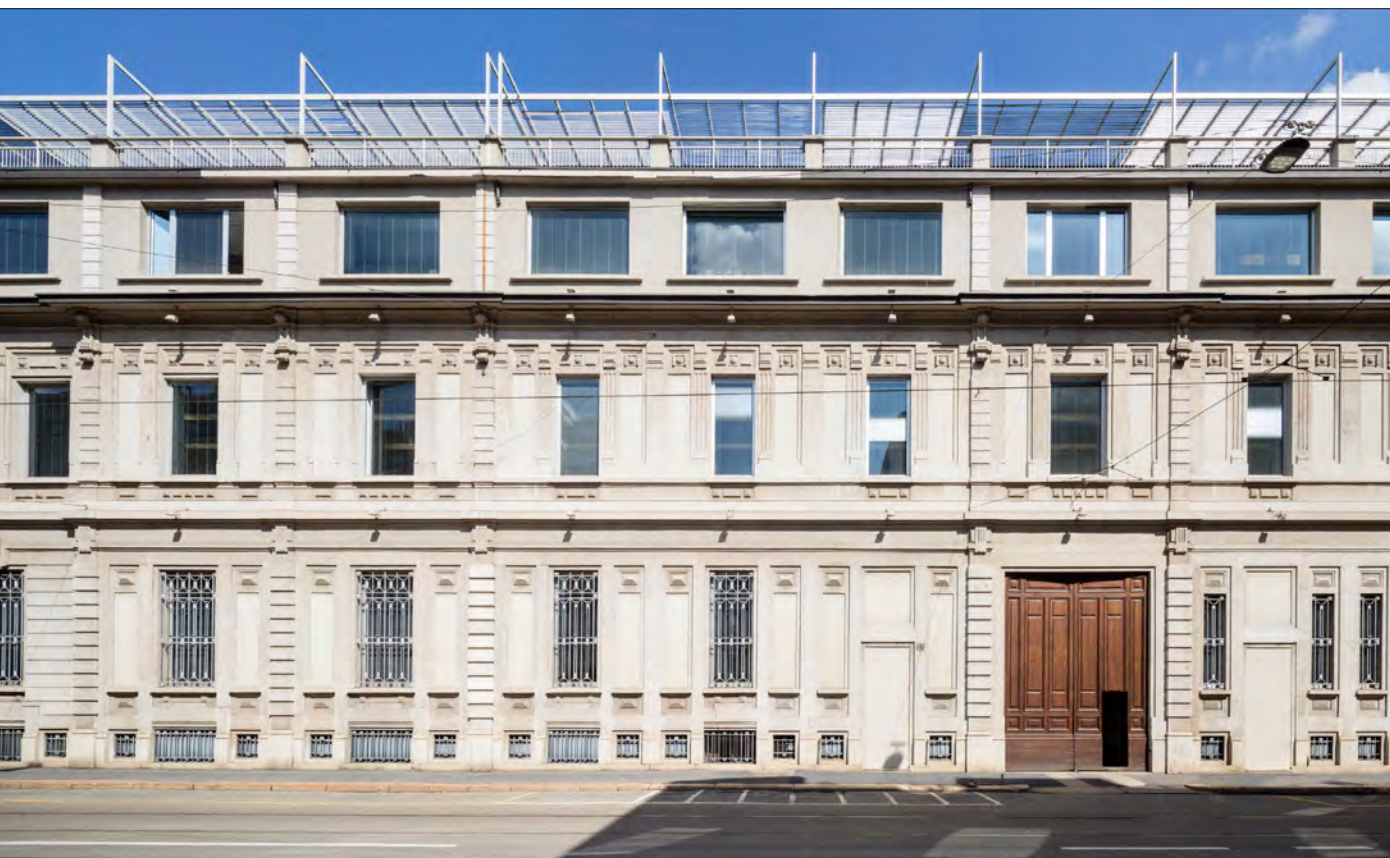
A Director must inform the other Directors and the Board of Statutory Auditors if he/she has any conflict of interest, providing all the relevant details and information, and shall abstain from voting. In case of conflict of the CEO, the latter shall not be involved in carrying out the transaction; in case of conflict of interest, the Board shall duly motivate the reasons and convenience for the Company in proceeding with the transaction.

If a substantial Shareholder or a Director has a conflict of interest, the matter should be dealt with by a physical Board meeting and the Independent Non-Executive Directors shall present at that Board meeting. The Company will review whether any potential connected transaction (i) could be exempted (e.g., below the disclosure threshold) or (ii) need the Board of Directors and/or independent shareholders' approval. If non-exempted, the Company will ensure the transaction is properly disclosed in the Announcement and Annual Report and where required, in the Circular to shareholders with the convening of shareholders' meeting to approve the transaction.

The details of cross-board membership, if any, and controlling shareholders and related parties, their relationships, transactions and outstanding balances are disclosed in the 2023 Annual Report.

Finally, the Company is devoted to developing an effective two-way communication with shareholders, investors and equity analysts to enhance the transparency of the Company's activity. During the financial year ended December 31, 2023, the Company continued to facilitate an effective communication through multiple channels including investor conferences, one-on-one and group meetings, teleconferences, the Company's corporate website (www.pradagroup.com), social media and press releases.

More detailed information on corporate governance is provided in the Corporate Governance section contained in the 2023 Annual Report.



Sustainability Governance

The Board of Directors of Prada S.p.A. is committed to conducting the business responsibly, to building an inclusive and fair work environment for all, in the preservation of the ecosystems and protection of the communities in which it operates.

In 2022, the Prada Group’s sustainability governance was bolstered with, among other things, the appointment of two new Independent Non-Executive Directors, Pamela Yvonne Culpepper and Anna Maria Rugarli, experienced professionals of Environmental, Social and Governance issues, who preside over the work of the Sustainability Committee alongside Lorenzo Bertelli.

SUSTAINABILITY COMMITTEE



**PAMELA YVONNE
CULPEPPER**
Chairperson



ANNA MARIA RUGARLI
Independent
Non-Executive Director



LORENZO BERTELLI
Executive Director

Sustainability Operating Committee

The Committee was established to ensure the integration of ESG issues at operational level.

Corporate Sustainability Department

The Department supports the Head of CSR and the Sustainability Committee in all activities related to ESG issues.

The Board provides direction and maintains oversight on the Group's ESG performance with the support of the Sustainability Committee, the Corporate Sustainability Department and anyone involved in the implementation of the sustainability strategy. Sustainability performance, as well as ESG objectives, are reported to the Board at least once a year or when significant developments occur. Any updates of the objectives set with respect to material ESG issues are discussed with each department involved, also thanks to the Corporate Sustainability Department that assists and supervises the organization to ensure proper application.

In details, the Committee provides assistance and support to the Board of Directors' environmental and social sustainability assessments and decisions, especially over the Group's three strategic areas of action: Planet, People and Culture. The Committee also proposes and evaluates the adoption of policies to ensure constant commitment on ESG issues, the strategic direction and growth at Group level, as well as adherence to the values on which the Group builds its business.

The Prada Group's Corporate Sustainability Department plays an essential role in tying in the Sustainability Committee with the Company's most operational applications. The Department must in fact provide all the necessary tools to the decision-making and advisory bodies to make informed decisions consistent with the Group's strategies and take on the actual operational needs and complexities of the Group and of the individual brands; at the same time, the Department is responsible for implementing strategic decisions, supporting business divisions and management that integrate long-term sustainable growth objectives.

The Corporate Sustainability Department prepares the Sustainability Report and promotes a sustainability culture within the Company through projects dedicated to internal communication and training. The Department guarantees a constant dialogue and cooperation with multiple stakeholders and, together with the Investors Relations function, satisfies the demands of the financial community, which expresses a growing interest in the Prada Group's sustainability initiatives and practices.

During 2023, the Sustainability Committee met twice and the attendance rate was 100% each time. These meetings were also attended by the Executive Directors of the Company's most strategic functions for the integration of sustainability into business strategies. In September 2023, Pamela Yvonne Culpepper and Anna Maria Rugarli engaged company leadership in a series of face-to-face meetings in Milan to raise awareness of the complex ESG landscape that is emerging due to upcoming disruptive European ESG regulations and rising investor expectations for company performance in this area. From the outset, Pamela Yvonne Culpepper and Anna Maria Rugarli have also been available for a series of almost monthly meetings of a more operational nature with the Corporate Sustainability Department to ensure ongoing support and monitoring of the strategic vision defined and implemented by the department together with the Head of Corporate Social Responsibility. No sustainability issues were brought to the attention of the Board during the year.



1.4 Stakeholders and Materiality Analysis

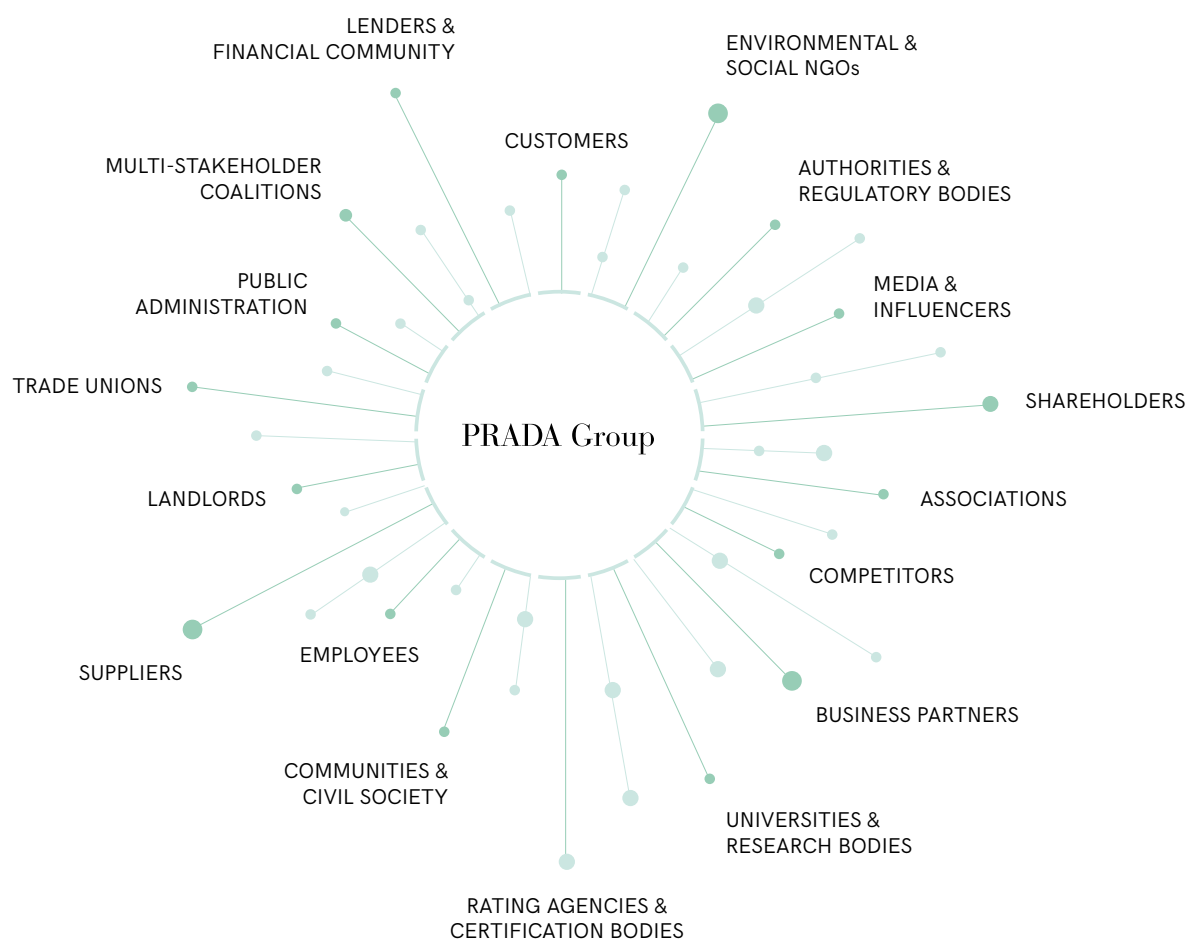
The Prada Group's Stakeholders

The Prada Group operates in a dynamic context, interacting with a wide range of stakeholders who can directly or indirectly influence or be influenced by its activities.

In this context, clarity of information and transparent dialogue are key elements in the pursuit of sustainable growth and long-term value creation.

The Group carried out an analysis based on two criteria to identify the Group's stakeholders throughout its value chain:

- **influence on the Prada Group:** the ability to affect the Company's strategic or operational decisions;
- **dependence on the Prada Group:** the extent to which the stakeholder is dependent on the Company's decisions, products and activities.

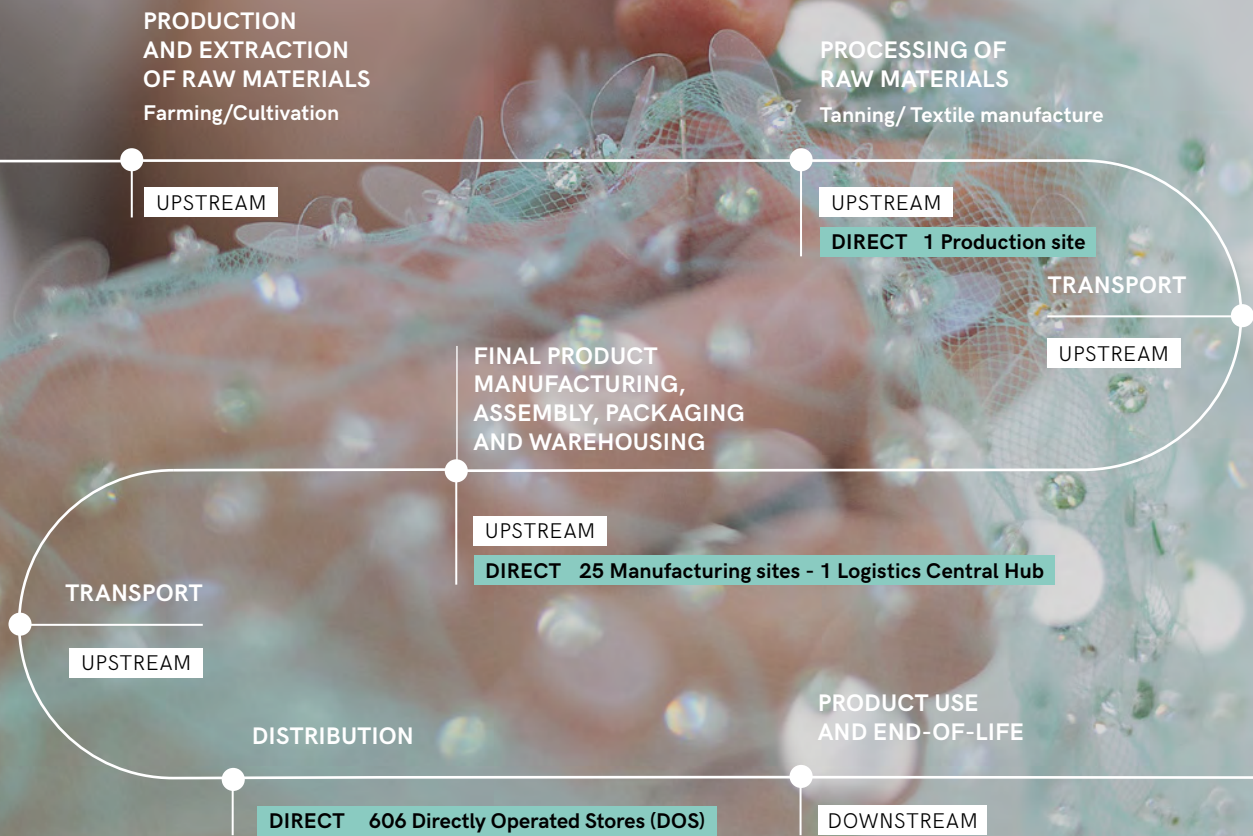


Over the years, the Prada Group has promoted numerous engagement interactions and activities with its main stakeholders, in a perspective of mutual learning and sharing, with the aim of identifying their expectations and incorporating them into the Group's business objectives. In pursuit of its goals, the Group actively participates in coalitions with its stakeholders or as part of multi-party coalitions.

Materiality Analysis

The depth and detail of the various topics presented and disclosed in this Sustainability Report reflect the results of a materiality analysis in line with the requirements of the Global Reporting Initiative Standards (GRI Standards). During the year, the Group conducted an analysis to confirm and identify new topics that are representative and capture the most significant impacts on the economy, the environment and people, including impacts on human rights.

The list of material issues has been identified by evaluating the **actual and potential impacts**¹, negative and positive², and by assessing their significance, taking into account the entire value chain of the Prada Group, therefore including not only the Group's operations but also upstream and downstream activities.















1-Actual impacts are those that have already occurred. Potential impacts refer to those impacts that have the potential to manifest themselves but have not yet actually occurred.

2-Negative impacts are those that cause harm to individuals, communities and the environment, and therefore undermine sustainable development, while positive impacts contribute to sustainable development.

The table below lists the material topics that reflect the negative sustainability impacts that could be associated with the Prada Group’s value chain. The following chapters of this Report describe the actions taken by the Group to mitigate and minimize these impacts.

Environment

| Material Topics and Associated Impacts | Value Chain | | | Potentiality |
|--|---|---|---|--------------|
| | Upstream | Direct | Downstream | |
| <p>Climate Change</p> <p>The Prada Group’s sourcing processes, as well as its core business, contribute to climate change due to the release of greenhouse gas emissions. In particular, the breeding and cultivation phases appear to contribute significantly to climate change.</p> |  |  |  | Actual |
| <p>Biodiversity & Animal Welfare</p> <p>The fashion industry is highly dependent on biodiversity, using natural raw materials to produce fabrics and packaging; but it also has a significant impact on it, contributing to direct or indirect damage to ecosystems.</p> <p>The fashion industry’s impact on biodiversity is mainly linked to the upstream stages of the value chain, in particular the production of raw materials and the preparation and processing of materials. The production of raw materials includes animal farming, which can have an impact on animal welfare if not managed ethically.</p> |  |  | | Actual |
| <p>Water Resources</p> <p>The fashion’s supply chain, particularly its breeding and cultivation activities, requires large amounts of water. Inefficient use of water resources has a greater impact in areas already under water stress, causing economic damage to the local economy. In addition, failure to manage water discharges from industrial activities related to leather and fabrics processing has a negative impact on water quality and damages ecosystems and the health of local communities. Finally, the issue of products microplastics, which can be dispersed in wastewater during the product washing process and have a negative impact on marine life, is of particular importance.</p> |  |  |  | Actual |
| <p>Waste Management</p> <p>The fashion sector is characterized by several activities that generate large quantities of waste, both hazardous and non-hazardous. Inadequate waste management can have negative impacts on local ecosystems and communities, which can extend beyond the places where the waste is generated and disposed of.</p> |  |  | | Actual |
| <p>Product End-of-life</p> <p>The fashion sector is characterized by products that are difficult to recycle; textile waste is often landfilled or incinerated. The problem of difficulty in recycling finished products depends on many factors, including product design and the lack of end-of-life collection systems.</p> | |  |  | Actual |

People

Business & Ethics

Material Topics and Associated Impacts

Value Chain

Potentiality

Upstream Direct Downstream

Occupational Health & Safety

The fashion industry is strictly linked to various health risks, such as chemical exposure from the processing and dyeing of materials. In addition, global supply chains increase exposure to potential occupational safety incidents.



Actual

Diversity & Inclusion

A non-inclusive work environment and a lack of respect for diversity and equal opportunities can lead to discrimination in terms of pay, wellbeing and career development, negatively impacting on personal and professional growth opportunities and human dignity.



Potential

Human Rights

The fashion industry is characterized by global supply chains, which increases the risk of human rights abuses, particularly with regard to issues such as forced and child labour. The Prada Group's commitment to control its supply chain and the vertical integration of its production processes ensures that the impact is configured as potential, thereby reducing the likelihood of occurrence.



Potential

Anti-Corruption

In conducting its business, the Group's size and scale may expose it to unethical or improper practices, including corruption.



Potential

Marketing & Labeling

Unclear and misleading communication through misleading advertising or omission of key information may have a negative impact on consumers, preventing them from making informed and ethical choices, especially in light of the growing risk of greenwashing in the fashion industry.



Potential

Consumer Health & Safety

In the absence of adequate product quality control systems that address the use of chemicals in products, unsafe and harmful products could be placed on the market.



Potential



On the other hand, the table below lists the material topics that reflect the positive impact of the Group’s activities on its stakeholders.

People

Stakeholders Benefited

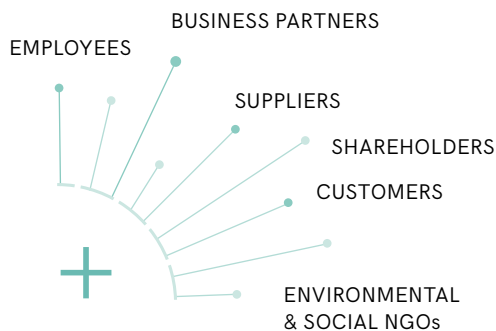
Employees Wellbeing & Skills Development³

An adequate number of training hours has a positive impact on employee retention and attraction. In addition, the Group is committed to the wellbeing and personal fulfilment of its employees through welfare measures, work-life balance, an inclusive and open culture and a working environment designed to positively influence employees wellbeing.



Sustainability Education

The Prada Group is committed to spreading a culture of sustainability to all its stakeholders, to share the Group’s efforts towards a more sustainable business model. Among its initiatives, the SEA BEYOND program, in partnership with IOC/UNESCO, stands out.



³-The material topic "Training and Education" in the 2022 Sustainability Report has been updated in 2023 to "Employees Wellbeing & Skills Development" to include the broader positive impacts generated by the Prada Group to promote the wellbeing of its employees.

Community

Artistic & Cultural Heritage

The Group’s continuous investment in the preservation and diffusion of Italian and international cultural heritage, through the support of culture and the avant-garde arts, is a distinctive and intrinsic part of the DNA of the Prada Group. The Group’s commitment benefits society as a whole.

Stakeholders Benefited



Craftsmanship & Savoir-faire

By encouraging craftsmanship in the creation of its products, the Group protects the know-how of artisans and promotes manufacturing with a positive impact on the local economy, the maintenance of traditions and on the protection of quality jobs.



Scientific Evolution

Through its active role as an educator, and to its ongoing commitment to innovation through funding and partnership, the Company helps to broaden the horizons of the exchange of ideas and scientific development. The Group is also committed to supporting the scientific community by funding scholarships, grants and donations to universities.



The list of material topics, not reported in priority order, was approved by the Group’s Sustainability Committee. A detailed description of the process used to identify the impacts, as well as the correlation between material topics, GRI topics and the Hong Kong Stock Exchange subject areas, is reported in chapter 6 “Notes on the Methodology”.

1.5 Risk Management

Given the complex regulatory environment, the Prada Group assigns various departments and hires external specialists to keep abreast of changing laws and regulations so that it can adapt its procedures in a timely manner and reduce non-compliance risks to a minimum level.

The Group has structured the internal control and risk management system as a set of policies and procedures carried out by the governing bodies of the Group's subsidiaries, by management and corporate structures and in order to effectively and efficiently manage and monitor the risks to which the organization may be exposed.

More specifically, the Board of Directors of Prada S.p.A., referring to internationally recognized models such as the CoSO Report (Committee of Sponsoring Organizations of the Treadway Commission - international best practices), is engaged in the continuous refinement of the Internal Control and Risk Management systems by checking the operation of its main components consisting of:

- control environment;
- risk assessment;
- control activities;
- information and communication;
- control system.

The Internal Control and Risk Management system helps ensure protection of the Company's assets, the effectiveness and operational efficiency, the regulatory compliance as well as the reliability of the information provided to its governing bodies and the market.

The bodies involved in Internal Control and Risk Management are the Board of Directors, the Audit and Risk Committee, the Board of Statutory Auditors and the Supervisory Body, as well as the entire management, which has the primary task of directing, coordinating and controlling business operations with the aim of achieving objectives minimizing the risks.

Moreover, the Internal Audit and Risk Management Department works in close collaboration with the aforementioned bodies, which, in addition to the typical assurance activities, assists the Board of Directors and the Audit and Risk Committee in risk management activities among others and the Supervisory Body in control activities pursuant to Decree n. 231/2001.

The Industrial Compliance Office on the other hand, is responsible for ensuring compliance with regulations and best practices in the areas of production and logistics, with particular reference to the manufacture, import and export of raw materials and finished products by defining corporate policies, procedures and guidelines. Furthermore, with the aim of better integrating the control activities carried out along the supply chains, in addition to having formalized a dedicated procedure, the supplier audits are carried out by an internal working group, which involves various company functions, to ensure the protection of human rights, fair working conditions and health and safety.

In compliance with Legislative Decree n. 231/2001, the Company has established a Supervisory Body, endowed with autonomous powers of initiative and control, whose primary task is to ensure the functioning, effectiveness, implementation and updating of the Organizational, Management and Control Model adopted by the Company pursuant to the aforementioned legislative decree for the control of risks and the prevention of predicate crimes of various kinds and in different areas - including bribery,



corruption and money laundering - by persons who exercise (by law or de facto) functions of representation, administration or management of the Company.

Starting from 2022, the Prada Group has adopted a whistleblowing system through which all those who wish to do so can report in a protected manner and even anonymously, illegal behaviour, fraud, irregularities, abuses or any non-compliant practice with the Prada Group's Code of Ethics and values, law and regulations. In particular, the Group in order to ensure the effectiveness of the reporting process and provide broad and indiscriminate access to all those who wish to make a report, has made available a plurality of alternative communication channels, such as: an IT platform, available in various languages, accessible both from the institutional website (www.pradagroup.com) and from the corporate intranet; an e-mail box (whistleblowing@pradagroup.com), and a regular mail address (Prada S.p.A., Via A. Fogazzaro 28 Kao Internal Audit Department). In addition, reports can also be sent to Prada S.p.A.'s Supervisory Board (organismo.vigilanza@prada.com).

Any violation reported through such channels shall be promptly assessed by the Ethics Committee. In handling such reports, the Group shall ensure the confidentiality of the identity of the reporter and the reported person in addition to act in such a way as to safeguard whistleblowers from any form of retaliation. The Ethics Committee has also the task to suggest any improvements of the internal control system to the Audit and Risk Committee, as well as promoting the necessary information and training measures for the corporate population.

In 2023, the Prada Group's risk catalogue was updated, as were the controls in place to mitigate these risks; the initiatives to be undertaken in 2024 in this area were also identified following a series of interviews with the Group's top managers and more than 30 risk owners, a careful analysis of corporate documents and procedures, and in-depth benchmark studies. Risk assessment consists of identifying and analyzing factors that could compromise the proper conduct of company activities and must also extend to the analysis of the process that determines how those risks should be avoided or mitigated. The fact that economic, regulatory and operating environments are in constant flux raises the need for mechanisms that help identify and deal with the risks posed by such changes.

For the Prada Group, main risks can be broken down as follows:

- operational and ESG risks related to the intellectual property and brand protection, commercial attractiveness and desirability, talent management and retention, real estate, corporate image, fraud, supply chain management, business resilience in case of cyber attacks, natural disasters and geopolitical instability, health, security and safety of people, workplaces and products, and environmental risk;
- financial risks specific to the Prada Group related to credit, liquidity, foreign exchange and interest rate fluctuation;
- legal and regulatory risks related to the evolution of the regulatory and tax frameworks.

ESG risks have been progressively integrated in the corporate strategy and, together with a continuous and transparent dialogue with stakeholders, have become key to strengthen the identity of the Group and its competitive edge. ESG impacts are therefore associated with the most of the above risk factors (e.g., business resilience, supply chain management, talent management and retention, health, safety and security, corporate image, commercial attractiveness and desirability, intellectual property and brand protection, and environmental risk).

Further information is provided in the financial review, the corporate governance sections, as well as in Note 28 to the consolidated financial statements of the 2023 Annual Report called "Provisions for risks and charges", specifically for updates on investigations and disputes with third parties or authorities that involved the Prada Group in the period.

Cyber security management

The World Economic Forum's (WEF) Global Risks Report 2024 ranks cyber insecurity fourth in the short-term risk scenario and eighth in the long-term risk scenario, underscoring the urgency of defining strategies and safeguards that can guarantee the integrity of corporate information.

In this context, the Prada Group appointed a Chief Information Security Officer (CISO) in April 2023 to outline its cyber security strategy and define a cyber security program with a risk-based approach. At the same time, a Security and Privacy Committee, chaired by the CISO together with the Data Protection Officer and the Directors of the functions directly involved, was created to discuss cyber security and privacy risks on a monthly basis and to define related mitigation and control measures.

The Group's 2024-2026 three-year cyber security plan includes significant additional initiatives to strengthen technology, processes and awareness. In particular, 2024 will see the implementation of a cyber risk control framework based on the main frameworks defined at international level and the strengthening of business resilience procedures. Furthermore, in order to minimize the risks arising from the use of Generative Artificial Intelligence systems, also known as GenAI, the Prada Group intends to develop policies and regulations that promote their responsible use, establishing a governance process and proposing the use of GenAI systems identified by the Company that allow for the segregation and protection of data input for queries, as well as the protection of information.

In terms of employee involvement, the model adopted by the Prada Group combines training with awareness and communication. All employees receive regular training on cyber and privacy issues through the Prada Security Program and are involved in quarterly phishing campaigns, where they are encouraged to act as a first line of defense. A three-year Security & Privacy Awareness Program has also been defined to raise awareness and keep users constantly informed.

ESG Risks Management

In compliance with the ESG Reporting Guide of the Listing Rules of the Hong Kong Stock Exchange, the Prada Group is called to identify and evaluate the nature and extent of the environmental, social and governance risks related to its material aspects.

At the same time, given the complexity of the environment in which the Group operates, a careful assessment of ESG risks is essential, not only to ensure stable long-term growth, but also the safeguarding of corporate reputation. Stakeholders' expectations in terms of sustainability, as well as the evolution of national and international legislation, have given a strong boost to the sustainability performance of the Prada Group, also with a view to monitoring the risks associated with it.

For this reason, the Prada Group is committed to incorporating the evaluation of these risks into its business strategy, an essential activity closely related to the increase in the level of transparency and accountability that stakeholders require.

Back in 2021, ESG risks were identified according to a broad view of the main sustainability challenges, based on four categories of risks:

- **strategic risks:** related to those risks that could adversely affect the decision-making process and the achievement of the organization's mission and strategic objectives;
- **operational risks:** related to those risks that could disrupt or damage the performance of the Company's business operations;
- **financial risks:** related to those risks that could have a direct impact on the Company's financial performance;
- **compliance risks:** related to those risks of non-compliance with applicable national and international laws - that could expose the Group to legal penalties - or with the Code of Ethics and internal procedures.

ESG-related risks and opportunities are assessed at least annually, taking into account the Group's short, medium and long-term horizons and covering the entire value chain, in order to align strategy and act accordingly. In 2023, the Group assessed for the first time the potential financial impact of physical climate-related risks on directly managed manufacturing and logistics sites. The analysis was based on Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) climate scenarios derived from the Intergovernmental Panel on Climate Change (IPCC).

Risks, assessed according to their relevance, are related to the following factors:

- changing temperatures (air, fresh water, sea water), which will increase the need for air conditioning, resulting in an increase in energy consumption and the associated direct costs of the sites;
- flooding (coastal, fluvial, pluvial, groundwater), which could result in severe impacts and damage to the assets directly owned by the Prada Group, located in Italy, France, Romania and the United Kingdom. In fact, some of these assets are located in close proximity to rivers and therefore have a higher risk of being affected;
- heat stress, which will be particularly hard and frequent in an RCP 8.5 scenario, resulting in a severe impact on the productivity of the employees. The Group has identified that the three most financially affected sites are all in Italy, given their size, their economic value and strategic importance to the business; they are the Valvigna manufacturing site, the Levanella logistics hub and the San Zeno site.

ESG Risk Assessment

| CATEGORY | Material Topics ⁴ | Risk Name | Description | Type of Risk | References Risk Mitigation Actions |
|-------------|------------------------------|---|--|--|--|
| ENVIRONMENT | Climate Change ⁵ | Pressures from stakeholders and investors | In recent years, the interest of investors and external stakeholders in climate change has increased. The Prada Group's access to financial capital could be restricted and its position weakened in relation to its competitors in the event of inadequate disclosure of its impact and in the absence of concrete measures to reduce greenhouse gas emissions along its value chain. | <ul style="list-style-type: none"> • Strategic risk • Financial risk | <p>2.2 Sustainability Strategy</p> <p>3 For Planet</p> |
| | | Shift in consumer choices | The fashion industry is increasingly interested in sustainability issues, which means that consumer choices are influenced by these types of issues. Millennials, in particular, appear to favour products made with low environmental impact raw materials. Failure by the company to take a proactive approach to this issue could result in an economic loss associated with a shift in consumer choice towards brands that are able to offer products with reduced greenhouse gas emissions. | <ul style="list-style-type: none"> • Strategic risk • Financial risk | <p>2.2 Sustainability Strategy</p> <p>3 For Planet</p> |
| | | Non-compliance with emerging laws and/or regulations | European Union is moving towards an economy with net zero greenhouse gas emissions by 2050. This goal could lead to the introduction of increasingly stringent laws and regulations regarding greenhouse gas emissions. Prada's failure to manage climate issues could leave the Group unprepared to respond to potential future laws or regulations. | <ul style="list-style-type: none"> • Compliance risk | <p>2.2 Sustainability Strategy</p> <p>3 For Planet</p> |
| | | Replacement of existing products and services with low-carbon options | The current unavailability of technology, that allow the removal of greenhouse gas emissions deriving from the breeding of livestock for the production of leather, represents a risk for the Prada Group. Another risk arises from the current impossibility of selecting a raw material that is equivalent in quality and characteristics to leather and that can be produced on a large scale. | <ul style="list-style-type: none"> • Strategic risk • Operational risk | <p>2.2 Sustainability Strategy</p> <p>3 For Planet</p> |
| | | Scarce availability of raw materials | The availability of natural raw materials may be affected by potential changes in climate patterns. In the medium term, the Group may experience difficulties in obtaining the raw materials necessary to ensure business continuity and may face a potential increase in costs. | <ul style="list-style-type: none"> • Strategic risk • Operational risk • Financial risk | <p>2.2 Sustainability Strategy</p> <p>3 For Planet</p> |

4-No relevant risks have been identified for the material topics "Sustainability Education", "Artistic & Cultural Heritage" and "Scientific Evolution".

5-Risks and opportunities related to Climate Change have been already disclosed in the CDP - Climate Change Questionnaire published in 2023.

ESG Risk Assessment

| CATEGORY | Material Topics | Risk Name | Description | Type of Risk | References Risk Mitigation Actions |
|-------------|---------------------|--|--|--|--|
| ENVIRONMENT | | Frequency and severity of extreme weather events | The widespread nature of the Group's operations and the distribution of its retail network in Europe, Asia, North America and Latin America expose the Group to certain risks related to extreme weather events. In addition, the industrial sites are located in geographical areas of Europe where there is a risk of heat stress or flooding due to rising sea levels (due to their proximity to rivers), which could result in both damage to the plant itself and inconvenience to employees. | <ul style="list-style-type: none"> • Strategic risk • Operational risk • Financial risk | <p>2.2 Sustainability Strategy</p> <p>3 For Planet</p> |
| | | Long-term changes in climate patterns | Long-term changes in climate patterns are identified by the company as a chronic physical risk that could affect direct operations and its value chain. In particular, industrial assets in Europe could be severely affected by possible water shortages or significant increases in average temperatures, which could lead to increased costs for cooling assets. In addition, the environment and even the social stability of some regions could be affected by the effects of climate change, which would also increase the pressure on the Group's supply chain. | <ul style="list-style-type: none"> • Strategic risk • Operational risk • Financial risk | <p>2.2 Sustainability Strategy</p> <p>3 For Planet</p> |
| | Waste Management | Non-compliance with local environmental regulations | Failure to comply with environmental laws and regulations on waste management could result in financial penalties for the Prada Group. | <ul style="list-style-type: none"> • Compliance risk | <p>3.3 Embrace Circular Thinking - Waste Management</p> <p>3.4 Partnerships - Re.Crea Consortium</p> |
| | Product End-of-life | Non-compliance with emerging laws and/or regulations | The European Green Deal includes some sections related to the circular economy. The European Circular Economy Plan, one of the pillars of the Green Deal, foresees the application of the concept of Extended Producer Responsibility (EPR) to the fashion sector and the introduction of eco-design principles in the creation of products. To be able to transform its operations in a circular way, without compromising competitiveness, will be key for the Prada Group. | <ul style="list-style-type: none"> • Compliance risk • Operational risk | <p>3.3 Embrace Circular Thinking</p> <p>3.4 Partnerships - Re.Crea Consortium</p> |
| | | Shift in consumer choices | The fashion industry is increasingly interested in sustainability issues, which means that consumer choices are influenced by this type of aspect, especially when considering millennials who favor circular business models with reduced environmental impact. Failure to take a proactive approach to this issue could result in an economic loss due to the shift in consumer preferences towards brands that are able to offer products and services in line with the principles of the circular economy (e.g., use of materials from regenerated raw materials, extension of the product lifecycle). | <ul style="list-style-type: none"> • Strategic risk • Financial risk | <p>3.3 Embrace Circular Thinking</p> <p>3.4 Partnerships - Re.Crea Consortium</p> |

ESG Risk Assessment

| CATEGORY | Material Topics | Risk Name | Description | Type of Risk | References Risk Mitigation Actions |
|-------------|-------------------------------|--|--|--|---|
| ENVIRONMENT | Water Resources | Scarce availability of water resources | In the event that the geographical areas in which the Prada Group operates experience problems related to water stress, critical issues could arise, particularly for factories that use significant amounts of water in their production processes. | <ul style="list-style-type: none"> Operational risk | 3.2 <i>Preserve the Ecosystems - Water & Chemicals Management</i> |
| | | Non-compliance with local environmental regulations | The Prada Group uses chemicals in its production processes (e.g., leather processing), therefore environmental laws and regulations regarding water discharges could imply risks of non-compliance. There is also a significant reputational risk given the impact that an ineffective management of water discharges could have on the area in which Prada operates. | <ul style="list-style-type: none"> Compliance risk | 3.2 <i>Preserve the Ecosystems - Water & Chemicals Management</i> |
| | Biodiversity & Animal Welfare | Low availability of sustainable raw materials | In recent years, the Prada Group has been committed to increasing the percentage of sustainable raw materials used in its products. However, large-scale sourcing of sustainable raw materials could be critical. Therefore, if the Group exposes itself by setting quantitative targets for the purchase of sustainable raw materials, there could be reputational damage in the event of non-achievement. In addition, any difficulties in sourcing sustainable raw materials could result in a high dependency on a small number of suppliers, reducing the Group's bargaining power and potentially increasing production costs. | <ul style="list-style-type: none"> Strategic risk Operational risk Financial risk | 3.2 <i>Preserve the Ecosystems</i> 3.3 <i>Embrace Circular Thinking</i> 3.4 <i>Partnerships</i> |
| | | Non-compliance with environmental practices and standards along the supply chain | Some of the Group's suppliers (e.g., tannery industry) operate in sectors with a high environmental impact. The leather supply chain also raises concerns about deforestation and damage to biodiversity. Prada's association, even indirectly, with companies that violate environmental regulations or that are accused of promoting deforestation represents a significant reputational risk for the Group. | <ul style="list-style-type: none"> Strategic risk | 3.2 <i>Preserve the Ecosystems</i> 3.3 <i>Embrace Circular Thinking</i> 3.4 <i>Partnerships</i> |

ESG Risk Assessment

| CATEGORY | Material Topics | Risk Name | Description | Type of Risk | References Risk Mitigation Actions |
|----------|--|---|--|--|---|
| PEOPLE | Human Rights | Non-compliance with social practices and standards along the supply chain and possible violations of human rights | The Prada Group's supply chain is complex and may involve subcontractors. Cases of human rights violations, including health and safety issues along the Group's supply chain, represent a significant reputational risk for the Group. | <ul style="list-style-type: none"> Strategic risk | <p>2 <i>Responsible Management</i></p> <p>2.4 <i>Industrial Strategy</i></p> <p>2.5 <i>Building Responsible Supply Chains</i></p> |
| | | Non-compliance with human rights standards | The Prada Group operates in many countries, in some of which compliance with local legislation may not be sufficient to guarantee respect for the fundamental human rights of workers. Failure to respect human rights in its operations represents a reputational risk given the media exposure of the Prada Group. | <ul style="list-style-type: none"> Strategic risk | <p>4.3 <i>Ensure Wellbeing and Fair Workplace</i></p> |
| | Employees Wellbeing & Skills Development | Difficulty in attracting and retaining qualified employees | The success of the Prada Group depends on its ability to attract and retain qualified people in key corporate functions, both in managerial and more operational positions. A high turnover of employees may represent a risk of loss of competitiveness for the Prada Group. | <ul style="list-style-type: none"> Strategic risk Operational risk | <p>4.2 <i>Foster Creativity and Know-how Preservation</i></p> |
| | Craftsmanship & Savoir-faire | Loss of artisanal know-how | The development of skills is a fundamental element of the Prada Group's success, so the intergenerational transfer of the Company's knowledge is essential. Failure to pass on artisan skills to new generations could undermine the Group's ability to create excellent products. | <ul style="list-style-type: none"> Strategic risk Operational risk | <p>4.2 <i>Foster Creativity and Know-how Preservation</i></p> |
| | Occupational Health & Safety | Non-compliance with health and safety legislation | Failure to comply with laws and regulations on occupational health and safety management could result in financial penalties for the Prada Group. In addition, the occurrence of accidents in the workplace represents a reputational risk for the Group. | <ul style="list-style-type: none"> Compliance risk | <p>4.3 <i>Ensure Wellbeing and Fair Workplace</i></p> |
| | Diversity & Inclusion | Occurrence of incidents of discrimination | Promoting diversity, equity and inclusion is fundamental for the Prada Group. Any episodes of discrimination, inside and outside the workplace, could represent a reputational risk for the Group. | <ul style="list-style-type: none"> Strategic risk | <p>4.1 <i>Champion Diversity and Promote Inclusion</i></p> |

ESG Risk Assessment

| CATEGORY | Material Topics | Risk Name | Description | Type of Risk | References Risk Mitigation Actions |
|---------------------|----------------------|---|--|--|---|
| BUSINESS AND ETHICS | Marketing & Labeling | Corporate Reputation | The Prada Group's commitment to replace traditional raw materials with sustainable alternative raw materials could entail the risk of sourcing from raw materials whose actual sustainability may not be better than the traditional raw materials being replaced, taking into account all dimensions of environmental sustainability (e.g., climate change, water consumption, biodiversity, etc.). Unclear and misleading communication through misleading advertising or omission of key information could have a negative impact on consumers who are unable to make informed choices and could damage the Group's image and reputation. | <ul style="list-style-type: none"> • Strategic risk • Financial risk | <p>1.2 Value creation</p> <p>1.6 Trademark Protection</p> <p>2.6 Product Responsibility</p> |
| | | Non-compliance with marketing and labeling legislation | Failure to comply with marketing and labeling laws and regulations could result in financial penalties for the Prada Group, given the growing risk of greenwashing and the emerging regulations around it. | <ul style="list-style-type: none"> • Compliance risk | <p>1.2 Value creation</p> <p>1.6 Trademark Protection</p> <p>2.6 Product Responsibility</p> |
| | Anti-Corruption | Non-compliance with laws and regulations relating to socio-economic, corruption or tax issues | The risk of unethical business conduct and non-compliance with the various regulations applicable to the Prada Group could represent a significant reputational risk for the Group and expose it to potential financial penalties. | <ul style="list-style-type: none"> • Compliance risk | <p>2 Responsible Management</p> |

1.6 Trademark Protection

Intellectual Property (IP) protection is a matter of primary importance for the Prada Group. The Group's IP Department is committed to protecting creativity and in particular trademarks, designs, copyrights, and domain names worldwide.

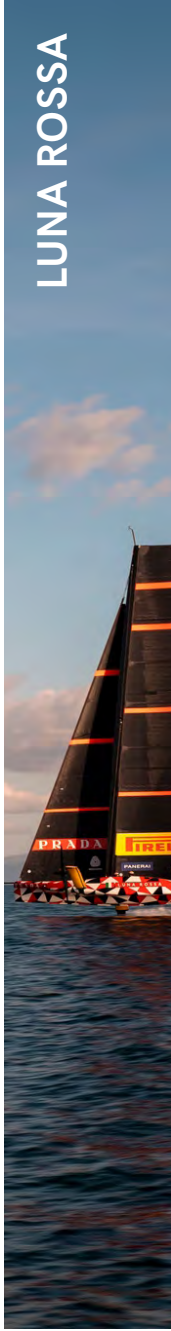
With its team of lawyers, the Prada Group regularly monitors registrations of intellectual property rights by third parties and any possible misappropriation of trademarks, designs and domain names that are identical or confusingly similar to its own distinctive signs and products. Any violation is tackled through appropriate actions with the competent authorities. In addition, the Group takes worldwide preventive and defensive measures to protect these rights, on every online and offline channel, and conducts thousands of anti-counterfeiting operations every year.

The Prada Group cooperates on a daily basis with national and international customs agencies to prevent the importation of fake products, and with the police and tax authorities to assist in the seizure of counterfeit products, the reorganization of distribution and production processes and the reporting of the matter to the competent authorities. In pursuit of these objectives, the Group organizes training events to provide the authorities with all the tools they need to effectively fight counterfeiting and the criminal organizations behind it.

Furthermore, the Prada Group has contributed to important international operations coordinated by, for example, the "Guardia di Finanza", Europol, the Spanish National Police, the European Anti-Fraud Office (OLAF) and the European Union Intellectual Property Office (EUIPO). With these authorities, the Group has shared data relating to flows of trade in fake products on websites and social networks, which are useful for identifying criminal networks.

Further important collaborations involve prominent associations such as the Italian Association for the Protection of Intellectual Property (INDICAM), the Union des Fabricants, and the Quality Brands Protection Committee (QBPC), to bring such issues to the attention of the institutions and consumers. The Prada Group monitors changes in intellectual property rights legislation and actively participates in consultations with trademark owners to create new legal tools aimed at opposing criminal activities associated with counterfeiting.

The Prada Group's commitment to combating counterfeiting also translates into steady collaborations with major players in the online world. A significant example of the importance of such synergies is the counterfeiting case in which the Prada Group collaborated with the Anti-Counterfeiting Unit of the U.S. platform Amazon and which led, in 2023, to the conviction of a counterfeiter who used Amazon to promote and sell counterfeit products of well-known luxury brands. The conviction was the first in a Chinese court to be based on the counterfeiter's overseas sales data and not on the seizure of counterfeit products, and this was precisely because of the exchange of information between the Prada Group and Amazon.



The Prada Group's commitment to combating counterfeiting also translates into steady collaborations with major players in the online world.

The Prada Group also recognizes the importance of using new technologies in the fight against counterfeiting. For example, since January 2022, all Company's products have been equipped with a remote frequency identification (RFID) tag, using a technology that makes it possible to verify the authenticity of the products and track them. Moreover, to further strengthen the product traceability system and guarantee product authenticity, since April 2022, some Prada products bearing the RFID tag have been registered on the blockchain of the Aura Consortium, of which the Prada Group is a founding member. The combined use of these technologies has among its objectives the creation of an innovative process that increases the consumer's trust of the brand, by providing the customer full transparency of the product lifecycle.

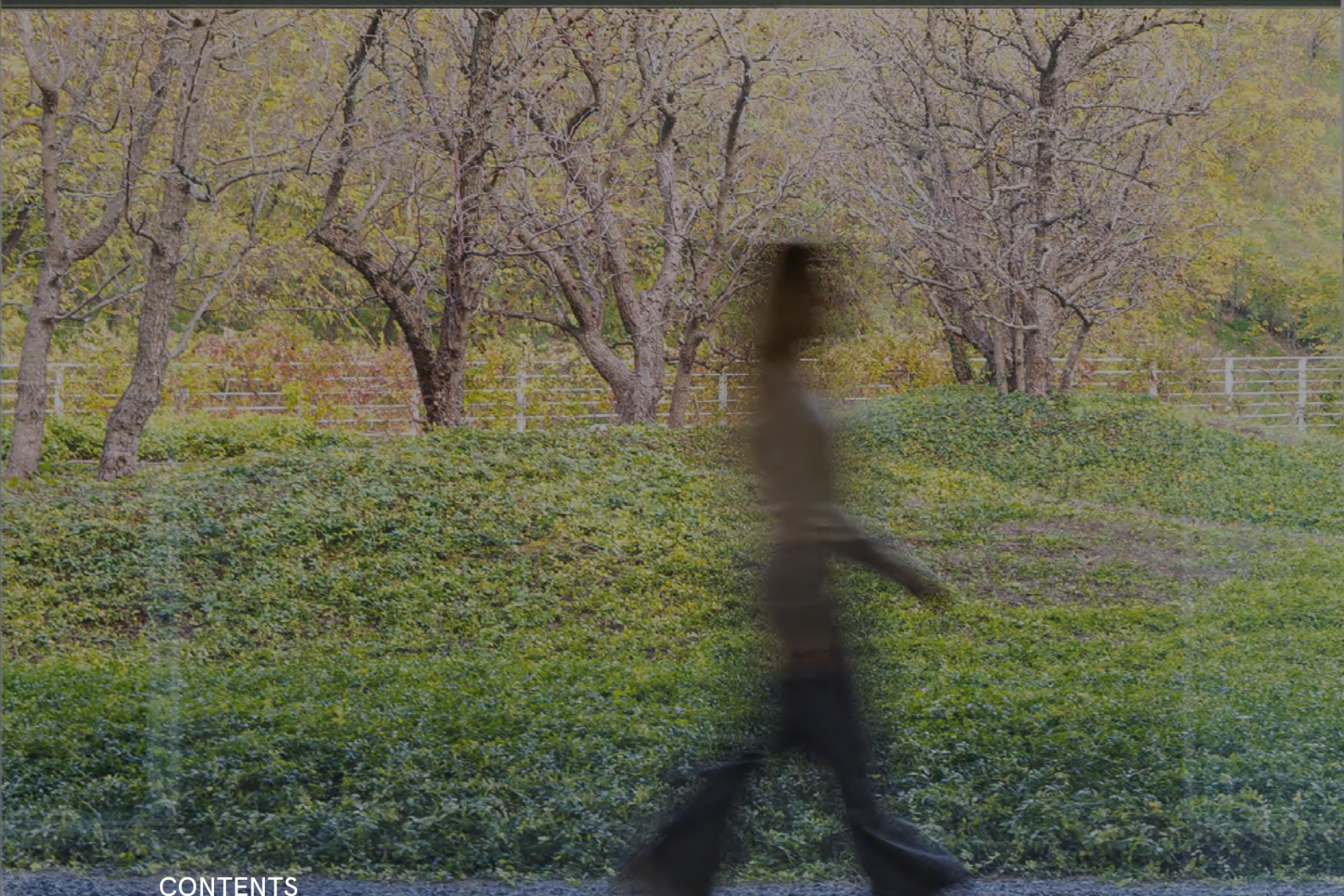
Moreover, from March 2023, the Prada Group has enhanced the security of its RFID identification systems by introducing technology that will make it increasingly complex for counterfeiters to replicate the anti-counterfeit codes affixed to original products, thus ensuring increasingly reliable recognition of the fake product.

Increasingly extensive surveillance has been implemented over the years to counter the promotion and sale of counterfeit products on websites, e-commerce platforms and social networks. New tools to protect and defend products, such as an ad hoc monitoring system to contrast the sale of Non-Fungible Tokens (NFTs) infringing on the Group's intellectual property rights, have been adopted.

Thanks to a close collaboration with the authorities, the fight against counterfeiting undertaken by the Prada Group led to, in 2023 alone on a global level, the seizure of almost 700,000 counterfeit products in off-line markets, the deletion of 150,000 unauthorized on-line listings, the deactivation of more than 500 websites with illegal content, and the removal of more than 123,000 social media posts.

CHAPTER 2

Responsible Management



CONTENTS

- 2.1 — Sustainability Journey
- 2.2 — Sustainability Strategy
- 2.3 — Sustainable Finance
- 2.4 — Industrial Strategy
- 2.5 — Building Responsible Supply Chains
- 2.6 — Product Responsibility

In 2023, the Prada Group formalized a three-year action plan with a focus on the decarbonization of its operations and the transition to lower impact materials for its finished products.

Highlights 2023

26

Industrial facilities

3,730

Headcount in Industrial & Logistics facilities

+€210_m

Industrial investments since 2019

3

Industrial acquisitions from 2021 for a greater vertical integration

86%

Industrial suppliers located in Italy

52%

Industrial suppliers working with the Group for more than 10 years

Over the years, the importance of integrating sustainability into the business and maintaining an open and transparent dialogue with stakeholders has become increasingly clear. Aware that sustainability is a way of thinking and working, the Prada Group defines its strategies and operational processes to be sustainable over time; in a complex and uncertain social and market context, Prada faces challenges and seizes opportunities, constantly seeking to meet stakeholder expectations while pursuing economic development. The Prada Group's commitment also extends to the creation, development and strengthening of the cooperative ties with the communities where it does business, in terms of social and environmental sustainability, as they are deemed necessary for inclusive long-term growth.

The Group's approach is to adhere to the main universally recognized ethical principles and to ensure that they are implemented in its operations. Since 2007, these principles have been formally expressed in the Prada Group's Code of Ethics: updated in 2022, the Code is communicated to all employees, collaborators and business partners and specifies that these principles apply to both Group's companies and suppliers, by a set of procedures that turn these values into daily actions. The Group Code of Ethics aims to promote compliance and to ensure the correct application of laws, regulations and key principles.

The adoption and application of the Code of Ethics is essential to achieving the Group's primary objective of creating long-term value for shareholders, employees, customers and for the community. For this reason, the Group promotes knowledge of the Code through various means such as online publications, direct communication and internal training, and by procedure, as part of the supply or commercial agreement with most of its partners, making it a condition for the establishment of all contractual relationships. The Code of Ethics also refers to the Group's whistleblowing platform, which allows anyone, whether an internal or external stakeholder of the Group, to report a violation or suspected violation of the Code and its principles (see chapter 1, paragraph 5 "Risk Management").

The Code contains the guiding principles of the organization and embeds the core pillars of sustainability - Planet, People and Culture - which were set out in the Sustainability Policy, back in 2019, and formalized in the Group's Sustainability Strategy in 2021 (see chapter 2, paragraph 2 "Sustainability Strategy").

In 2022, the formalization of both the Human Rights Policy and the Suppliers Code of Conduct enabled the Group to further articulate certain commitments formalized in the Code of Ethics, including the principles set out in the Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organization, the United Nations Guiding Principles on Business and Human Rights and the United Nations Global Compact, which the Group joined in December 2023 (see chapter 2, paragraph 5 "Building Responsible Supply Chains").

2.1 Sustainability Journey

2013

Before any mandatory requirement, in 2013 the Prada Group publishes its first Sustainability Report to illustrate the initiatives taken in the area of environmental, social and governance sustainability.



2015

In 2015, the Group's Sustainability Report is prepared for the first time following the GRI Standards, considered the global best practice.

2017

In 2017, the Group organizes in Milan the first event of the "Shaping a Future" cycle of conferences with the aim of stimulating a debate on the most significant changes taking place in contemporary society.



2019

In 2019, the Prada Group formalizes its commitment to sustainability issues through the drafting and publication of a dedicated Policy. In the same year, the Diversity and Inclusion Advisory Council is established by Prada's USA subsidiary; assisted by prominent personalities from authoritative international academic and cultural institutions, it guides the Group on social sustainability issues, among others. Also in 2019, Prada S.p.A. signs The Fashion Pact among its first signatories, recognizing that only collective action can mitigate the harmful environmental impact of the fashion industry. The Group also launches the first limited edition of bags and accessories entirely realized in Re-Nylon and announces that, starting with the Women's Spring/Summer 2020 collections, it will no longer use animal furs in the creation of its products. Moreover, the same year, Prada S.p.A. is the first company in the luxury goods sector to take out a sustainability-linked loan from the Crédit Agricole

Group. Finally, in 2019, the Group promotes SEA BEYOND, the educational program to raise awareness of sustainability and ocean preservation developed with UNESCO's Intergovernmental Oceanographic Commission (IOC).



2020

In 2020, Lorenzo Bertelli also takes on the role of Head of Corporate Social Responsibility for the Prada Group to give further impetus to the integration of sustainability into the long-term corporate strategy. In the same year, a Chief Diversity, Equity and Inclusion Officer is appointed at the North American subsidiary, with the task of ensuring that diverse cultures and points of view are

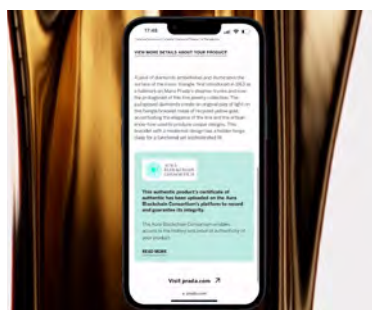
represented at all levels of the organization. At the end of the year, the Group becomes the first company in the luxury fashion industry to join The Valuable 500, an international coalition whose goal is to strive for an increasingly radical transformation of corporate organizations to include people with disabilities. Finally, in 2020, the Prada Group measures its first carbon footprint, a fundamental step toward defining a climate strategy.



2021

2021 marks a turning point for many aspects related to the Prada Group's sustainable development. The strengthening of sustainability governance is a prime example, thanks to Lorenzo Bertelli's joining the Prada S.p.A. Board of Directors while being the Prada Group's Head of Corporate Social Responsibility, together with the decision to form a Board level Committee dedicated to environmental and social sustainability issues and the selection of two new Prada S.p.A. Board members with significant professional ESG experience. Furthermore, the Prada S.p.A. Board members approve the Group's strategic sustainability guidelines and, during the year, receive training on the main sustainability issues and industry trends.

Also in 2021, the Group defines its climate strategy, submitting its GHG emissions reduction targets to the Science Based Targets initiative (SBTi) and participating for the first time in the Climate Change questionnaire of the Carbon Disclosure Project (CDP), presenting the progress of this long-term journey during the Capital Markets Day held in November. On that same occasion, Lorenzo Bertelli announces the Group's Sustainability Strategy and the concrete actions ahead to achieve the quantitative targets approved by SBTi, and confirms the progress made, both internally and externally, on the Diversity, Equity and Inclusion (DE&I) commitment. The Group secures two new sustainability-linked loans during the year and organizes specific training programs for the industrial divisions to provide constantly updated tools for managing and analyzing the sustainability issues that most impact the supply chain. Also in 2021, the Prada Group, together with LVMH and Cartier, announces the creation of the Aura Blockchain Consortium, which promotes the use of a single global blockchain solution open to all luxury brands worldwide, to provide consumers with further transparency and traceability, raising the industry standards to drive change. Finally, the Prada Group launches the second edition of SEA BEYOND, in partnership with IOC/ UNESCO.



2022

In 2022, the Prada Group benefits from the robust contribution of the Sustainability Committee, which oversees the Group's ESG strategy and further strengthens the Company's governance by updating its Code of Ethics and introducing a new Human Rights Policy, as well as a new global whistleblowing platform.

During the period, the Prada Group expands its production integration and verticalization strategy through the acquisition of a 43.65% stake in Conceria Superior S.p.A., an important tannery in the luxury sector located in Santa Croce (Tuscany), meaning it can exert greater control over its supply chain and increase its manufacturing know-how and quality control at all stages of the process.

In December 2022, the Prada Group also announces the Collective Virtual Power Purchase Agreement (CVPPA) initiative along with other signatories of The Fashion Pact. The project aims to spur the adoption of renewable electricity by investing in new green power infrastructure in Europe.

The Group reaffirms its environmental commitment also thanks to strategic partnerships such as the Re.Crea Consortium - created with other prominent Italian luxury brands - to manage end-of-life textile and fashion products, and

support circularity. Moreover, the Prada Group supports the international award-winning urban forestation project Forestami, which plans to plant 3 million trees in and around Milan by 2030.

Under the People pillar, the Prada Group activates strategic partnerships in North America with the launch of DE&I programs with non-governmental organizations in developing countries and leading American universities.

Finally, the Group receives the Oceans Award for its educational program on ocean preservation SEA BEYOND - in collaboration with IOC/UNESCO - during the "Sustainable Fashion Awards 2022" event organized by Camera Nazionale della Moda Italiana (CNMI).



2023

In 2023, the Prada Group advances its sustainability governance with the appointment of an Industrial Sustainability Director and the publication of a Suppliers Code of Conduct, in order to accelerate the implementation of the sustainability strategy in the operations and strengthen the monitoring of supply chains respectively.

Industrial vertical integration strategy continues with the acquisition - in partnership with the Zegna Group - of a 15% stake in Luigi Fedeli e Figlio S.r.l., a company recognized worldwide as an excellence in fine yarns for Made in Italy knitwear. During the year, in order to strengthen the Group's production capacity and thus support its growth objectives, there is a significant expansion of some existing facilities, as well as the training and recruitment of new resources to enrich internal production skills and ensure the know-how preservation. To this end, in March 2023, the Group announces a major recruitment plan for over 400 resources in Italy. 2023 also sees the completion of the ambitious CVPPA agreement on renewable energy promoted by The Fashion Pact, thanks to the signing of the contract between some members of the coalition and the solar energy developer. The credibility of the actions defined by the Group in the fight against climate change is recognized by the CDP, which awards the Group a score of A- for its 2022 data in the Climate Change 2023 questionnaire. The Group's commitment to the environment is also reflected in the purchase of Sustainable Aviation Fuel (SAF) certificates from accredited partners, to further support the decarbonization of the aviation industry and reduce the associated impacts of logistics. In terms of local conservation and urban forestry, the Forestami Academy is being set up in the metropolitan city of Milan with a three-year training program for its citizenship, with workshops, seminars and outdoor activities. The partnership with Forestami also allows the launch of the first corporate volunteering

project with the planting of new trees in Milan's Parco Nord, which was severely damaged by an extreme weather event in July. The active involvement of employees in volunteering projects also touches on other environmental issues, such as water quality monitoring in the Valdarno region of Tuscany, a citizen science initiative of strategic importance for the Group, which has a strong presence in the area. These initial corporate volunteering pilots are part of the broader Drivers of Change project, which is actively involving employees and which underwent significant development during the year. The Prada Group's cultural commitment also continues thanks to the strengthening of its partnership with the IOC/UNESCO in support of SEA BEYOND: with a significant increase in the project's resources, ocean literacy activities will be combined with support for scientific research and the development of humanitarian projects related to the protection of the sea.

During the year, the Group also becomes part of networks relevant to its sustainability strategy, launching partnerships with the UN Global Compact and Zero Discharge of Hazardous Chemicals (ZDHC) platform.

More information about the history of the Prada Group can be found in the corporate website www.pradagroup.com.



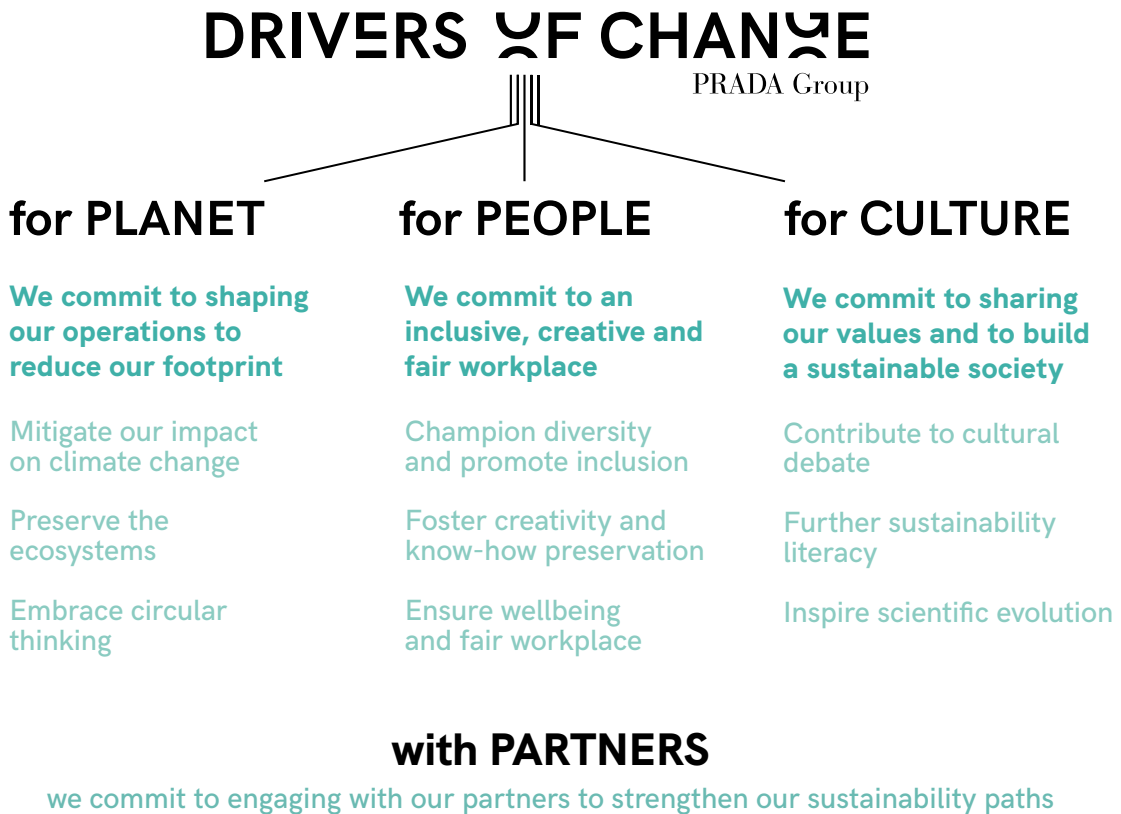


2.2 Sustainability Strategy

The Prada Group’s strategic choices have always been guided by the desire to achieve sustainable success for the benefit of all its stakeholders, be they shareholders, employees, customers or the communities in which the Group operates.

Sustainability has been progressively integrated into the Group’s strategy and, together with a continuous and transparent dialogue with stakeholders, has become the key to strengthening the Group’s identity and competitive edge. In order to meet current and future challenges and ensure long-term sustainable development, the Prada Group is reinforcing its already high standards of corporate governance with a new set of Group policies that reaffirm its overall responsible approach. The first milestone to underpin the Board’s broader commitment was the formalization of the Sustainability Policy in 2019, which laid the foundations for the Company’s sustainability focus based on three pillars - Planet, People and Culture - where the Group firmly believes it can make the greatest contribution in terms of value creation in its own industry and for the benefit of society as a whole.

The Prada Group’s IMPACT sustainability strategy, developed in 2021, aims to consolidate this commitment by identifying medium and long-term objectives for each line of action, on the basis of which quantitative targets are formalized to guide future actions in the field of sustainability.



Approved by the Board of Directors of Prada S.p.A. in 2021, the Group's Sustainability Strategy is the blueprint for a long process of growth, based on the values, principles and priorities that have always defined Prada's DNA and, as Drivers of Change, demonstrate continuity between past actions and future projects.

The **for Planet** pillar sets goals for reducing environmental impact and the targets approved by the Science Based Targets initiative (SBTi) for the reduction of Scope 1, 2 and 3 GHG emissions, extensive use of alternative, low impact materials for both finished products and packaging, and a more circular approach to materials used in production and for other purposes such as shows and events, where waste is recycled and reused. The strategy also focuses on the traceability of raw materials and the continuous improvement of social and environmental standards along the supply chain through close collaboration with suppliers.

The respect and protection of human rights, for all the Group's employees and for workers in the supply chains of its brands, is at the heart of the Group's ethical commitments and strategic choices, which are formalized in the **for People** pillar. This pillar includes initiatives to promote and enhance diversity, equality and inclusion, and to foster an inclusive culture based on respect for each individual at all levels of the organization and in the fashion industry in general. It also includes a long-term investment to preserve craftsmanship and develop new talent, positioning Prada as a beacon of excellence for new generations. Respect for and protection of the Group's employees and business partners is another key element, along with greater monitoring of employee engagement levels to improve their personal and professional wellbeing.

The **for Culture** pillar summarizes the Group's ongoing investment in the preservation and dissemination of Italian and international cultural heritage as well as in nature and science, underlining the Group's active role as a promoter and educator.

The Prada Group sees these strategies as part of a wider responsibility towards the community in which it operates and therefore close collaboration with its suppliers and other partners in all key areas is essential to achieving its greatest goals.

The sustainability landscape is changing rapidly, as are the resulting risks and opportunities for the business. As such, the strategy is an evolving plan that will be improved and updated over time to respond to the needs and expectations of the Group's stakeholders and the changing market conditions in which it operates. To this end, in 2023 the Company moved towards identifying and formalizing a three-year action plan and internal Key Performance Indicators (KPIs) to monitor the progress, with a particular focus on the decarbonization of its operations and the transition to lower impact materials for its finished products (see chapter 3, paragraphs 1 "Mitigate impact on climate change" and 2 "Preserve the ecosystems").

The topics covered in this Report have been reviewed and deemed relevant, taking into account the impact associated with the organization's business activities, also thanks to the materiality analysis, which made it possible to define the priority actions in relation to the strategy on which the Group has focused in 2023.



2.3 Sustainable Finance

In recent years, Finance has played a critical role in driving companies to integrate sustainability into their business objectives. The scrutiny of such a key stakeholder is also critical in influencing top management to consider ESG objectives as leverage to reduce the cost of capital, even if the discount for achieving ESG objectives is still relatively low.

Within a broad vision of gradually integrating sustainability into business operations, the Prada Group has been the first in the luxury industry to sign sustainability-linked loans, which are financial facilities with a mechanism that, upon the achievement of quantitative targets in the sustainability field, allow a reduction in the interest rate.

In 2019, a first loan was signed with Crédit Agricole Group and in 2020 a second loan followed with the Japanese Bank Mizuho.

Both facilities are linked to a progress plan throughout the duration of the contract on the following issues:

- the number of stores assigned of a LEED Gold or Platinum certification;
- the amount of training hours for Group's employees;
- the use of Prada Re-Nylon (regenerated nylon) for the production of goods.

In 2021, the Prada Group signed two other loans of this type with Intesa Sanpaolo and UniCredit.

These last facilities are linked to the following KPIs linked to sustainability progress within the organization in terms of circularity and climate strategy:

- the regeneration and reconversion of production waste;
- the increasing of the share of self-produced energy.

In the future, the Prada Group will continue to use these tools to push the organization even further towards the setting of sustainability targets.

Against the backdrop of substantial expansion projects across the industrial sites in Italy, a major recruitment plan was launched at the beginning of 2023, involving around 400 people.

2.4 Industrial Strategy

The Prada Group's competitive advantage also derives from its distinctive manufacturing tradition, developed through the buildup of its production premises, the progressive expansion of its manufacturing skills and enhanced control over its supplier network.

In recent years, thanks to investments of more than Euro 210 million since 2019, the Prada Group's industrial strategy has been focused on strong vertical integration of the supply chain, the progressive insourcing of sensitive phases of the production process and the acquisition of key capabilities, including technical skills. These decisions have highlighted the great advantages in terms of speed of response to rapid market changes and the ability to adapt the business model, given that competitiveness is increasingly based on such factors.

With reference to external growth, in 2022 the Group focused its acquisitions on suppliers of raw materials, such as cashmere yarns and leather. In 2023, the Group invested in Luigi Fedeli e Figlio S.r.l., a family business recognized worldwide as the excellence of Made in Italy knitwear in fine yarns. These projects are part of the Prada Group's strategy to integrate important parts of its production process and protect know-how, with the aim of guaranteeing quality, increasing production synergies to support the organic growth of its brands and, at the same time, strengthening its control over sustainability issues along its supply chains.

The Prada Group relies on a greater degree of manufacturing autonomy thanks to these investments in the expansion of its facilities and an important hiring plan; the Group, in fact, has realized all its prototypes internally for many years and in the past few years it has gradually insourced its leather cutting phases for handbags and footwear followed by the assembly processes. Quality control of all raw materials and finished products is now managed in-house, as well as the worldwide logistics of finished products.

26 — 23 — 1

Industrial facilities

In Italy

Logistics central hub

Leather Goods

Arezzo - Italy

Via Gobetti, 82/86
52100 Arezzo (AR)

Figline Valdarno - Italy

Via Urbinese, 33 Località Matassino
50063 Figline e Incisa V.no (FI)

Figline Valdarno - Italy

Via J.F. Kennedy, 21
50063 Figline e Incisa V.no (FI)

Limoges - France

65 Route de Périgueux,
87170 Isle - Limoges

Milan - Italy

Via Ripamonti, 129
20141 Milan (MI)

Piancastagnaio - Italy

Via Arno, 39
53025 Piancastagnaio (SI)

Piancastagnaio - Italy

Viale Roma, 1271
53025 Piancastagnaio (SI)

Scandicci - Italy

Via Pisana, 463
50018 Scandicci (FI)

Sibiu - Romania

Strada Bruxelles, 8
550052 Sibiu

Terranuova - Italy

Via Poggilupi, 992-998
52028 Terranuova Bracciolini (AR)

Valvigna - Italy

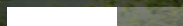
Strada Lungarno, 1213 - 1261
loc. Valvigna
52028 Terranuova Bracciolini (AR)

1,775

N. of employees

67%

Women



Footwear

Levanella - Italy

Via Aretina, 552-556
loc. Levanella
52025 Montevarchi (AR)

Civitanova Marche - Italy

Via Pertini, 41
63812 Civitanova Marche (MC)

Dolo - Italy

Via Dell'Industria, 1/A loc. Arino
30031 Dolo (VE)

Levane - Italy

Via Carducci, 6 loc. Levane
52023 Bucine (AR)

Montegrano - Italy

Via Alpi, 97 Loc. Villa Luciani
63812 Montegrano (FM)

Northampton - UK

St. James Road
Northampton NN5 5JB

San Giovanni Valdarno - Italy

Via Pruneto, 6
52017 San Giovanni Valdarno (AR)

Foiano della Chiana - Italy

Via d'Arezzo, 130/H
52045 Foiano della Chiana (AR)

946

N. of employees

55%

Women



Ready-to-Wear

Ancona - Italy

Via Luigi Albertini, 20
60131 Ancona (AN)

Città di Castello - Italy

Via C. Treves, 13 Loc. Cerbara
06012 Città di Castello (PG)

Fucecchio - Italy

Via F. Magellano, 5/7
50054 Fucecchio (FI)

Levanella - Italy

Via Aretina, 403 loc. Levanella
52025 Montevarchi (AR)

Montone - Italy

Via dell'Industria, 10-12
06014 Montone (PG)

Torgiano - Italy

Loc. Ferriera, 46
06089 Torgiano (PG)

Levane - Italy

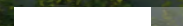
Via Ferruccio Parri, 42
52021 Bucine (AR)

801

N. of employees

75%

Women



Against the backdrop of substantial expansion projects in Italy for the industrial sites of all three divisions, a major recruitment plan is underway in the territory (around 400 people), which was launched at the beginning of 2023. Also through the Prada Group Academy (see chapter 4, paragraph 2 "Foster creativity and know-how preservation"), in 2023 the Group trained a total of about 150 new professionals and around 80% of them were hired in production area.

In the industrial division, in 2023 the Prada Group invested on the progressive development and implementation of innovative digital solutions to support production and planning activities towards increasingly efficient processes. In the second half of 2023, the new Product Lifecycle Management (PLM) system was implemented with an entire section dedicated to the sustainability attributes of raw materials and finished products, which will allow the Group to respond promptly to the forthcoming European regulations on sustainability claims; the solution will allow the evolution of product management processes and their lifecycle, with an integrated approach from design to disposal.

Another of the Group's objectives is the wider use of advanced 3D design. Launched in 2020, the major benefits in terms of design and prototyping are combined with a significant reduction in waste production and number of prototypes.

2.5 Building Responsible Supply Chains

For the Prada Group, the selection of its suppliers is fundamental not only for reaching the highest standards of product excellence, but also for creating long-term value. In fact, through a collaborative and transparent approach, the Group has always prompted its suppliers to implement work, health, safety and environmental standards in the workplace and to transmit its high ethical standards.

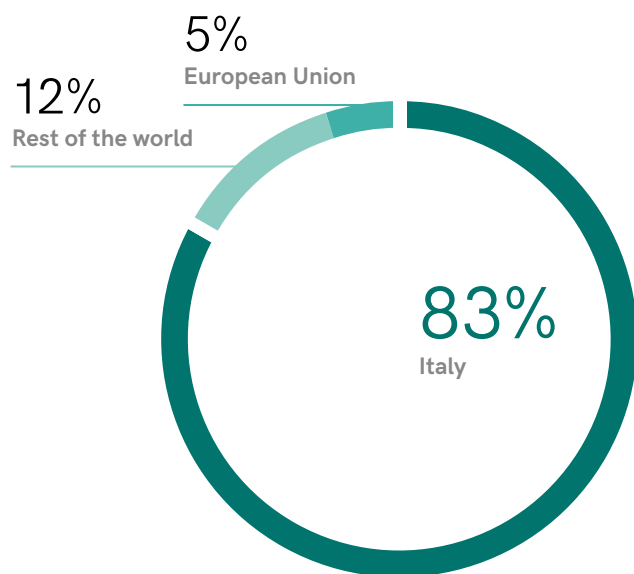
This collaboration builds and favors long-term relationships and is based on regular dealings, to share mutual growth and a common strategic objective, and to reduce the risk of non-compliance with the Group's Code of Ethics and applicable regulations. In addition, the proximity of the supply chain facilitates relationships and the monitoring of key suppliers to support risk control and management.

In 2023, the Group worked with over 900 industrial suppliers, among raw material producers and manufacturers. Approximately 86% of them are located in Italy and about 52% have been working with the Prada Group for more than 10 years.

83% of the Group's raw material suppliers are located in Italy, 5% in other European Union countries and the remaining 12% in other non-EU countries. In many cases they are long-established partners: about 65% of them have been working with the Group for more than 10 years, and around 23% for a period of time between 5 to 10 years.



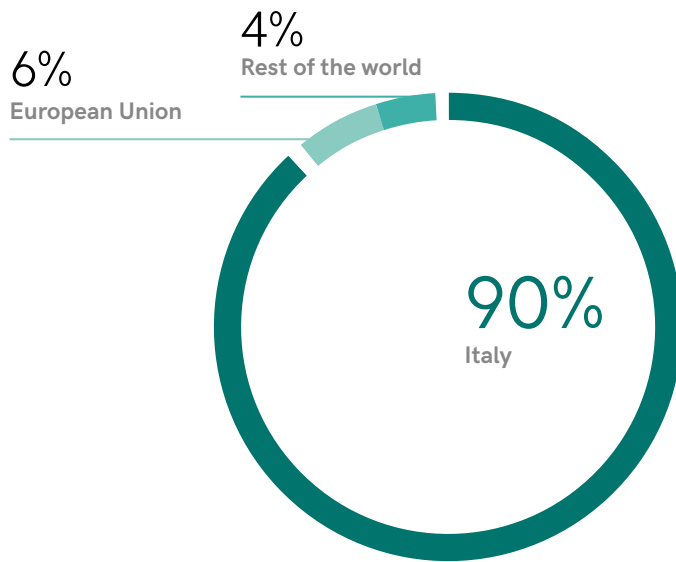
Localization of raw material suppliers⁶



With reference to manufacturing suppliers, 90% are located in Italy, 6% in the rest of the European Union and the remaining 4% in non-EU countries. Around 40% of them have been working with the Group for more than 10 years and around 31% for a period of time between 5 to 10 years.

⁶-For the purposes of this analysis, only raw material suppliers with a purchase of more than Euro 30 thousand in 2023 have been considered.

Localization of manufacturing suppliers⁷



The location of the supply chain in Italy is also important for the working conditions of the employees, as they are governed by Italian laws and the collective bargaining agreements currently in force. The Italian Collective Bargaining Agreement (CCNL) supplements the law and is stipulated at a national level between trade unions and associations representing companies. The CCNL regulates the rights, guarantees and obligations of all workers in terms of pay and regulatory provisions, such as guaranteed minimum wages, working hours, vacation time, seniority treatment, treatment of overtime, holiday and night-time work (with the related pay increases), the duration of the trial period and notice period, sick leave, maternity leave, accident leave and the disciplinary code. The CCNL is negotiated and renewed every three years, thus allowing for wage and regulatory adjustments in line with economic and legislative changes in Italy. Although the Prada Group considers the risk of non-compliance in its direct supply chain to be lower, the use of subcontractors by first-tier suppliers brings additional reputational and legal risks, including in terms of human rights infringement and child labour.

In the past few years, Prada has directed efforts toward raising awareness in the purchasing structures for a responsible management of the industrial supply chain. To this end, in 2017 the Group adopted a Qualified Vendor List procedure to define the responsibilities and operational criteria required to evaluate the ethical, technical and economical reliability of its suppliers. With respect to ethical issues, the accreditation and maintenance of a supplier's qualification are firstly confirmed through the request of documents, attestations and self-certifications that ensure compliance with the laws on remuneration, social security, taxes, occupational health and safety, the environment, privacy and the governance model. Finally, the Code of Ethics must be signed in order to work with Prada.

⁷-For the purposes of this analysis, only manufacturing suppliers with a purchase of more than Euro 30 thousand in 2023 have been considered.



The Code of Ethics - updated in 2022 - enshrines the fundamental ethical principles for the Prada Group, which in turn inspire other policies and documents such as the Human Rights Policy and the Suppliers Code of Conduct - both formalized in 2022 - that further reinforce respect for human rights, for all Group employees and for suppliers.

Through the implementation of the Code, the Group requires its suppliers to commit to high ethical standards and respect for human rights in their production sites and among their subcontractors, as well as aspects related to environmental protection (e.g., legal compliance, chemical use, waste management and wastewater treatment) and raw material sourcing (e.g., biodiversity, animal welfare, traceability).

Information provided by suppliers is subject to first and second level controls, including interim ones, to ensure that the information is updated, accurate and consistent. These controls are performed by the procurement structures or business areas specialized in the various topics, are also conducted upon notification of potential breaches or anomalies; in these circumstances, the procedure involves additional analysis, targeted controls or immediate action with the parties involved.

In addition to the controls described above, since 2019, the Group has engaged its suppliers with regular inspections. When needed, a corrective action plan (Remediation Plan) is shared with the supplier. In the event of serious non-compliance or the inability of the supplier to ensure a positive response within a certain timeframe, relationships can also be terminated. During 2023, the procedure has been updated to introduce a more structured and comprehensive governance, which will be implemented from 2024 and will also improve the coverage of supply chain controls.

Also in 2023, as part of its digital and process transformation programs, the Group invested in strengthening its supplier management and monitoring system - the Vendor Management Portal - which will become operational in the first half of 2024. The selection of all the Group's suppliers will be

managed through the new system and suppliers will be regularly monitored through a vendor rating system to ensure transparency in purchasing practices, compliance with the Group's policies and alignment with sustainability objectives. In order to manage risk from the outset of the supply relationship, other control activities are envisaged, such as on-site or remote audits, depending on the assessment associated with the type of supplier and the geography in which they operate.

With the aim of covering suppliers representing 80% of the Group's turnover, in the period 2019-2023, the control activity covered approximately 480 first and second-tier suppliers.

For the first time, in 2023 the Prada Group published on its corporate website www.pradagroup.com a list, regularly updated, of its raw material and manufacturing suppliers which, together with its own industrial facilities, account for almost 40% of its total production value.

Finally, since 2016, the Prada Group has published a statement describing the measures taken to ensure the absence of any form of modern slavery, forced labour and human trafficking within its organization and along its supply chain, as required by UK legislation "Modern Slavery Act 2015".

2.6 Product Responsibility

Product quality and customer health and safety are always central to the Prada Group's manufacturing processes. The products must meet uniform quality standards and satisfy all current regulations in the more than 70 countries where they are sold.

To achieve these goals, the Group employs experienced technicians who run strict quality controls on every material used in the production process, from sourcing to the finishing touches. They make periodic visits to the manufacturing sites of raw material suppliers and contractors to assess their processes, the quality of their goods and the general workplace conditions. Within the scope of these control and guidance activities, the Prada Group has drafted and regularly updates a Restricted Substances List (RSL), a list of concentration limits of more than 350 restricted chemicals accepted in its products, and set up the related procedure governing *modus operandi* internally and with suppliers. The Group has also aligned its RSL limits to those prescribed by the most stringent international laws on the subject or to the most proactive requirements according to the industry standard endorsed by the Camera Nazionale della Moda Italiana (CNMI); these limits are the most virtuous in international practice and aim to ensure higher chemical safety standards than those prescribed by the strictest national and international laws according to the precautionary principle and prepare the Group and its suppliers for the continuous tightening of laws.

The RSL also provides the Chemical Abstract Service (CAS) registry numbers, test methods to be used and the maximum limits to be observed for the chemical substances. The list also gives the parameters and intended uses for which suppliers are required to provide analytical evidence by material type. The RSL applies to all products supplied directly or indirectly to the Prada Group, such as, for example, raw materials (leather, fabrics, accessories, etc.), semi-finished goods and finished products. Compliance with this list is required to all suppliers and contract manufacturers who in any capacity, directly or indirectly, are part of the Group's production and/or supply chain, through the supply, sub-supply, production and processing of any material whatsoever (e.g., raw materials, semi-finished products, components, finishing touches, accessories and all materials and/or substances such as dyes, glues, solvents, etc.).

The Prada Group's suppliers of raw materials, packaging and manufacturing services receive the Group's RSL and subsequent updated versions and are asked to accept and sign it: by 2023 compliance to the RSL is assured by 100% of the purchase volumes relating to Prada's external industrial suppliers, as well as 100% of the work carried out internally at the Group's production sites.

In 2023, the Group increased its monitoring and control of RSL compliance by updating its internal procedures covering all product categories and increasing the evidence required from suppliers, such as certification and testing on components and finished products and refining the control system through a counter-testing campaign carried out by the Group at different times to verify any deviations from the adopted standards. Tests are carried out in external ISO 17025-accredited analytical laboratories.

In July 2023, Prada Group's adherence to the multi-stakeholder Zero Discharge Hazardous Chemicals (ZDHC) initiative added a further control, as the elimination of hazardous chemicals from the production process supports RSL compliance for raw materials and finished products.

The Prada Group assesses the level of compliance achieved by its suppliers and, where necessary, provides the information to achieve the expected parameters. In this respect, an Internal Laboratory was established in 2022 to further assist the monitoring of chemical risk.

To ensure the quality and performance of its materials and products, during 2023 the Group introduced new and more sophisticated mechanical and physical tests, as well as testing methods and systems to measure the performance of its products in the market. Everything is carried out systematically, in the pursuit of excellence for products and services, to achieve total customer satisfaction.



CHAPTER 3

For Planet

CONTENTS

- 3.1 — Mitigate Impact on Climate Change
- 3.2 — Preserve the Ecosystems
- 3.3 — Embrace Circular Thinking
- 3.4 — Partnerships: Re.Crea Consortium and Forestami

CDP awarded the Prada Group with an A- score, recognizing its efforts in the fight against climate change.

Highlights 2023

4 targets

To transition key raw materials to lower impact solutions

>85%

Renewable electricity purchased globally

18

Owned photovoltaic plants (+67% self-produced electricity vs 2019)

-42%

Natural gas consumption vs 2019

~100%

Textile waste recycled

<10%

Plastic in total purchased packaging

Respect for the environment is of great importance to the Prada Group, which is actively committed to promoting virtuous behaviour to contribute to sustainable long-term growth, while at the same time being an example of good practice for the entire industry. This commitment is highlighted in the Group's Sustainability Policy and is one of the pillars of its sustainability strategy, whose main objectives are to reduce the impact on climate change⁸, preserve the ecosystems and promote circular thinking. In 2023, the Prada Group defined a three-year action plan (2024-2026) to achieve its GHG emissions reduction targets (approved by the Science Based Targets initiative⁹ in 2021), prioritizing initiatives to reduce its Scope 1 and 2 GHG emissions and those related to its supply chain, such as the transition of key raw materials to lower impact solutions. The action plan also includes concrete actions for responsible packaging and waste management.

3.1 Mitigate Impact on Climate Change

Climate Strategy

The Group is aware of the fashion industry's impact on climate change and, as a luxury fashion company, wants to set the path to decarbonization in a way that will inspire the entire sector leading a positive and impactful change. Since 2014, Prada has been continuously investing in energy efficiency projects and initiatives aimed at reducing its energy consumption and GHG emissions, thus contributing positively to the global goal of fighting climate change. In particular, numerous projects have been implemented to a different extent at industrial facilities, corporate headquarters and retail spaces. Here below the most relevant initiatives:

- relamping project: since 2014, the Group has been pursuing an important project to replace store lighting systems with LED technology, leading to the full conversion of all stores lighting already in 2018. This intervention led to energy savings and reduced waste disposal, considering that LED lamps have a longer lifecycle than conventional ones;
- photovoltaic systems: starting in 2015, Prada began installing photovoltaic systems in its industrial facilities, mostly on the roofs of manufacturing sites in Italy;
- LEED: starting in 2016, Prada began the Leadership in Energy and Environmental Design (LEED) certification process for some of its assets, with the aim of increasing energy efficiency;

8-As defined by the United Nations, climate change refers to long-term change in weather patterns as a result of the increases in the Earth's temperature. Since the 1800s, with the advent of industrialization, human activities have been the main driver of the Earth's temperature increase, mainly due to the burning of fossil fuels (such as coal, oil and gas), which generate GHG emissions.

9-The SBTi was established between CDP, the UN Global Compact, the World Resources Institute and the World Wide Fund for Nature (WWF) in order to support companies in setting GHG emissions reduction targets consistent with the latest climate science.

- green electricity: in 2017, the Prada Group signed a partnership and began purchasing electricity from renewable sources with both Guarantees of Origin (GoO) and International Renewable Energy Certificates (I-RECs), globally;
- energy box project: starting in 2017, Prada launched a multi-year investment plan to optimize energy consumption in its industrial facilities, offices and stores, installing multimeters to constantly monitor and analyze consumption information through accurate comparisons between time periods.

GHG Emissions Reduction Targets and Roadmap

For the Prada Group, calculating its carbon footprint was a useful first step in measuring its contribution to GHG emissions and identifying areas for improvement.

After a careful analysis of all the possible actions that Prada could implement to reduce its impact, in September 2021 the Group officially set targets for the reduction of Scope 1, 2 and 3 GHG emissions, validated by the SBTi, and consistent with a scenario that considers a maximum increase in the Earth's temperature of 1.5°C compared to pre-industrial levels.

From 2023, companies that have already set an SBTi target, and are eligible to set science-based Forest, Land and Agriculture (FLAG) targets, must define a FLAG target¹⁰ within 6 months of the publication of the final GHG Protocol Land Sector and Removals (LSR) Guidance. The Group will integrate its existing near-term targets with the FLAG emissions-related targets by the first half of 2025 in order to meet the SBTi requirements, setting also a Net Zero target, in an effort to expand its climate strategy. The Group's GHG reduction targets approved by the SBTi were officially announced at the Capital Markets Day in November 2021:

- reduce absolute Scope 1 and 2 GHG emissions by 29.4%, by 2026 from a 2019 base year¹¹;
- reduce absolute Scope 3 GHG emissions by 42%, by 2029 from a 2019 base year.

The roadmap below shows the milestones of the Prada Group's Climate Strategy in terms of Scope 1, 2 and 3 GHG emissions.

10-FLAG SBTs are targets that apply to a company's forest, land and agriculture-related emissions, including CO₂ emissions associated with land use change (LUC) and emissions from land management.

11-The 2019 base year takes into consideration Scope 2 calculated with the market-based method.

Prada Group's Climate Strategy



Roadmap to 2026 SBT Scope 1 and 2

| Target | 2019 baseline | 2023 | 2026 target year | Target progress |
|---|---------------|---------|------------------|-----------------|
| -60% natural gas consumption in industrial facilities (m ³) | 1,597,070 | 924,569 | 638,828 | 70% |
| 95% of fleet units made up of green vehicles | 2% | 71% | 95% | 74% |
| 90% of electricity purchased from the grid covered by GoOs and I-RECs | 61% | 86% | 90% | 86% |
| +100% self-produced renewable electricity (MWh) | 3,067 | 5,136 | 6,134 | 67% |
| >20% industrial electricity consumption covered by photovoltaic systems | 9% | 13% | 20% | 36% |

Electrification of Industrial Sites Heating Systems

One of the main drivers for achieving the zero-emission target of the European Green Deal is the electrification of energy consumption, which, combined with the integration of renewables into the national energy mix, would enable significant emission reductions.

2019

Already in 2019, three industrial sites were not using natural gas for heating. In particular, the Scandicci manufacturing site and the Montegranaro warehouse, in Tuscany and Marche respectively, rely entirely on electrical systems for heating, while the Piancastagnaio manufacturing plant, in Tuscany, is equipped with a geothermal system.

2021

By 2021, the Arezzo production plant and the Levanella warehouse, both in Tuscany, converted their heating systems to electric, with natural gas used only as a back-up. Moreover, the new logistics hub was designed with a geothermal system from the very beginning.

2022

During 2022, the Montegranaro and Terranuova plants were electrified, replacing the use of natural gas heating; the new Sibiu plant in Romania - opened in 2022 - was also designed with electric heat pumps, using natural gas only as a back-up option in case of extreme weather conditions.

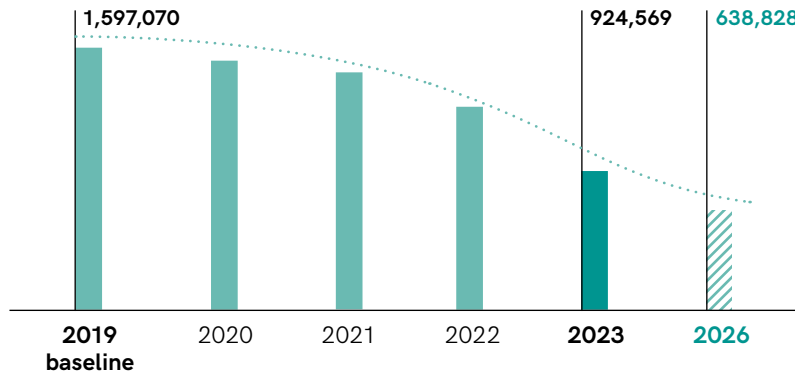
2023

In 2023, two further interventions have been completed at the Valvigna and Buresta plants, in Tuscany, to convert the heating system to electric power.

Future objectives

The Prada Group will continue to explore opportunities for electrification of its existing facilities, where technically feasible, and will consider electrification of consumption as a priority for newly built industrial sites. Further interventions are already planned for 2024, targeting five production sites that consume large amounts of natural gas. As part of its commitment, the Prada Group has set a target to reduce its natural gas consumption in industrial facilities by 60% by 2026, compared to the 2019 baseline.

Natural gas consumption (m³)



2026 Target

-60%

natural gas consumption
in industrial facilities

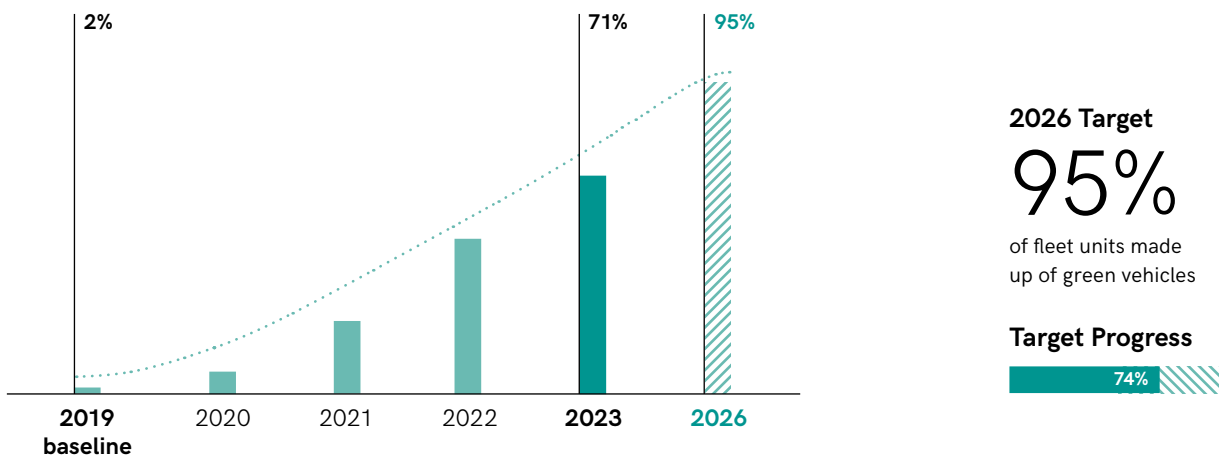
Target Progress



Green Company Car Fleet

In 2023, the Prada Group continued the progressive replacement of gasoline and diesel vehicles with hybrid and electric ones. At the end of the year, 71% of the Group’s fleet consisted of green vehicles¹², a significant increase compared to 2022 (54%). The Prada Group’s target for 2026 is to reach 95% of green vehicles in its fleet.

Green vehicles in the Group’s car fleet



At the same time, Prada continues to invest both in the infrastructure to enable electric mobility, by installing charging stations at its headquarters and main production sites, and in raising awareness among its employees through targeted communication, in particular on the efficient use of plug-in electric vehicles. The Group's efforts to convert its car fleet have led to a reduction in its GHG emissions intensity, taking into account only Scope 1 GHG emissions related to the Group’s fleet and the km travelled.

¹²-Green vehicles include BEV (Battery Electric Vehicle), PHEV (Plug-in Hybrid Electric Vehicle), HEV (Hybrid Electric Vehicle) and MEV (Micro-Electric Vehicle) cars.

GHG emissions intensity of the car fleet (kgCO₂e/km travelled)



Energy Efficiency Initiatives

Energy efficiency is crucial to the Prada Group in the context of its climate strategy, as it allows to reduce energy consumption, lower operating costs and mitigate the risks associated with energy dependency. The Group's objective to increase energy efficiency relies first and foremost on the commitment and involvement of key people, such as plant managers, who have been involved in a continuous communication channel aimed at coordinating efforts and sharing plant settings that favour energy efficiency, best practices and awareness. The Group's ambition is to have the most efficient and sustainable buildings.

At December 31, 2023, the Prada Group counts the following LEED certifications:

- 3 plants with LEED Building Design and Construction certification (the Scandicci and Arezzo manufacturing plants, and the Levanella logistics hub);
- 98 stores with LEED v4.1 Interior Design and Construction certification;
- 171 assets with LEED v4.1 Operations and Maintenance (O+M) certification.

From 2024, where possible, the Group intends to obtain LEED certifications for new industrial facilities and street-facing stores, to increase its share of efficient and cost-saving green buildings.

Commitment

Starting from 2024:

- LEED Interior Design & Construction certification, where possible, for new stores that overlook the street
- LEED Building Design & Construction certification, where possible, for new industrial plants

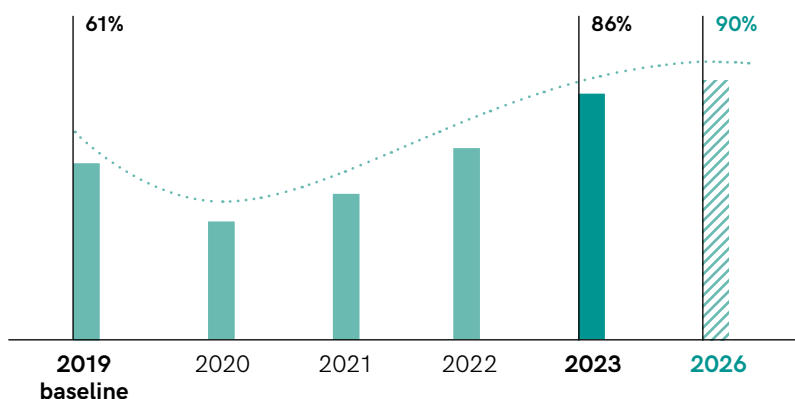


Electricity Purchased from Renewable Sources

In 2017, through partnership in this field, the Prada Group started purchasing electricity from renewable sources with both Guarantees of Origin (GoO) and International Renewable Energy Certificates (I-RECs), globally. More specifically, the Group purchased certified renewable electricity with GoO in Italy, the United Kingdom, Germany, France, Austria, the Netherlands and Switzerland, and I-RECs in the USA. The Group also purchased I-RECs in China and Hong Kong, covering almost 100% of electricity consumption of the area. In 2023, 86% of the total electricity purchased came from certified renewable sources (66% in 2022), avoiding more than 30,000 tons of CO₂¹³. Prada is fully committed to increasing this share in the coming years, focusing on other strategic countries, and the target for 2026 is to reach 90% coverage of green electricity.

FOR PLANET — 2023

Electricity purchased from the grid covered by GoOs and I-RECs



2026 Target

90%

electricity purchased from the grid covered by GoOs and I-RECs

Target Progress



13-The emissions avoided were calculated using the market-based calculation method.

Collective Virtual Power Purchase Agreement

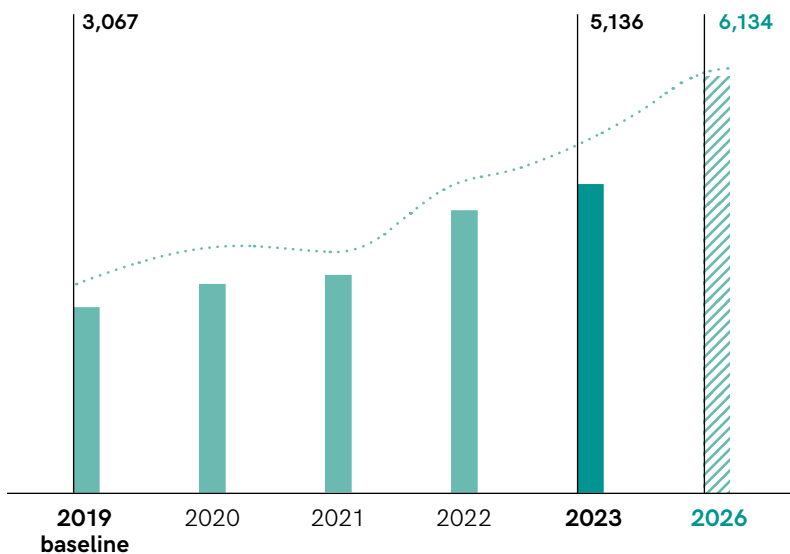
The Prada Group is not only promoting the use of renewable energy within the Company, but also in the fashion industry. Through its partnership with The Fashion Pact, the Group has joined a Collective Virtual Power Purchase Agreement (CVPPA) that brings together 12 companies of different size to access renewable energy as a group.

Signing this CVPPA will bring significant long-term benefits to the Group by allowing to purchase renewable energy supply at a fixed price for a period of 10 to 20 years, while encouraging the deployment of renewable energy production by guaranteeing a market for future installed capacity in Europe.

Electricity Produced from Owned Photovoltaic Systems

At December 31, 2023, 18 facilities of the Prada Group were equipped with photovoltaic systems. During 2023, Prada installed new photovoltaic systems at the Figline and Torgiano manufacturing plants, the Buresta warehouse, the offices in Milan in Via Fogazzaro and the new Levanella logistics hub. In total, the Group was able to self-produce 5,135,937 kWh of renewable electricity during the year, +67% compared to 2019 (3,066,534 kWh), and 3,513,368 kWh were consumed internally, +74% compared to 2019. The Prada Group has set a target to double its production of renewable energy by 2026 (vs 2019 baseline) and the progress is on track.

Self-produced renewable electricity from photovoltaic systems (MWh)



2026 Target

+100%

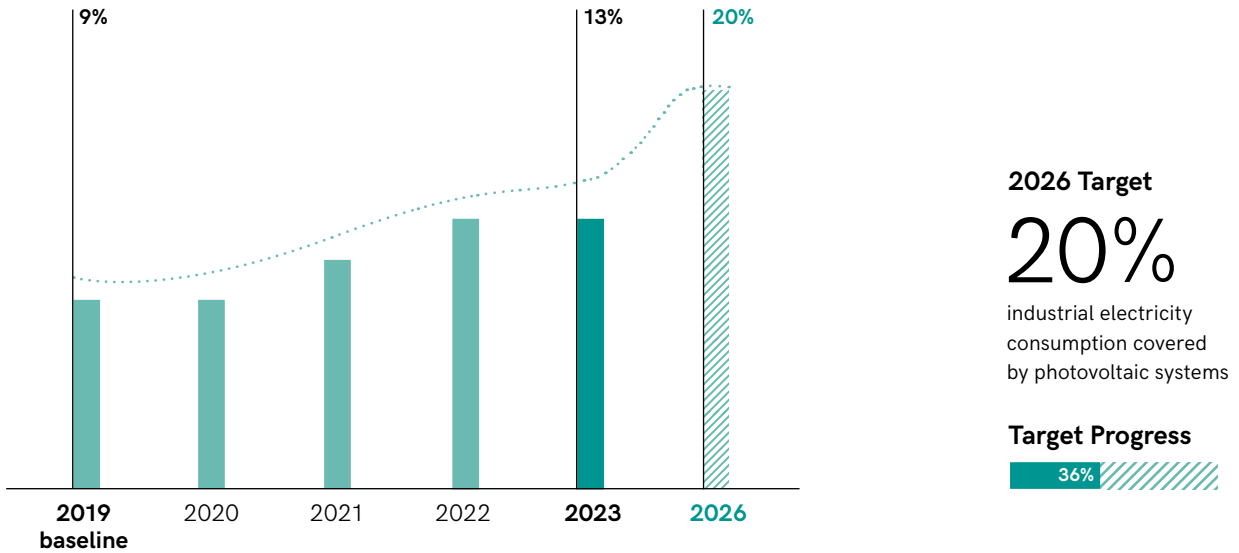
self-produced renewable electricity

Target Progress



All installed photovoltaic plants cover approximately 6% of the Group’s total electricity needs globally, while the photovoltaic systems installed at industrial facilities cover around 13% of the electricity used in production. The Group’s goal is to cover 20% of its industrial electricity consumption with its own photovoltaic plants by 2026.

Industrial electricity consumption covered by photovoltaic systems

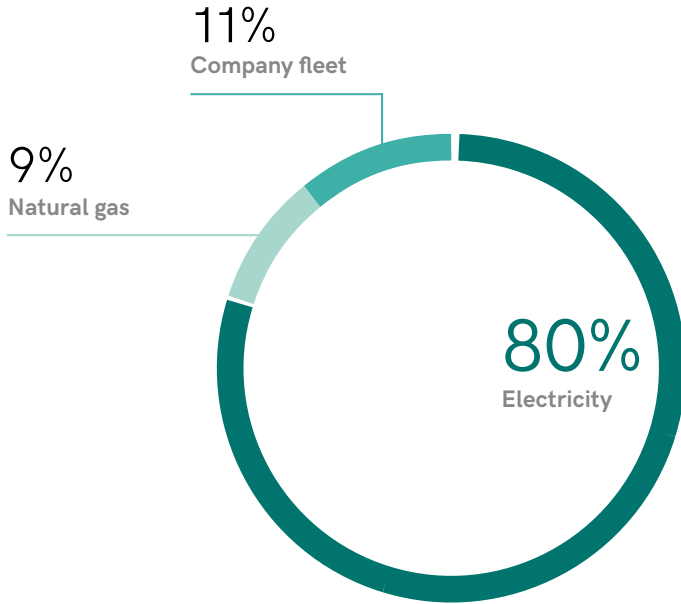


In an effort to increase the share of consumed electricity on overall self-produced electricity, the Group has installed its first storage system at the Torgiano plant. Such system will allow a better match between the plant’s electricity need and its own production, by storing energy at times of low demand and using it later when it is needed, thus increasing the site’s energy autonomy.



Energy Consumption and Scope 1 and 2 GHG Emissions

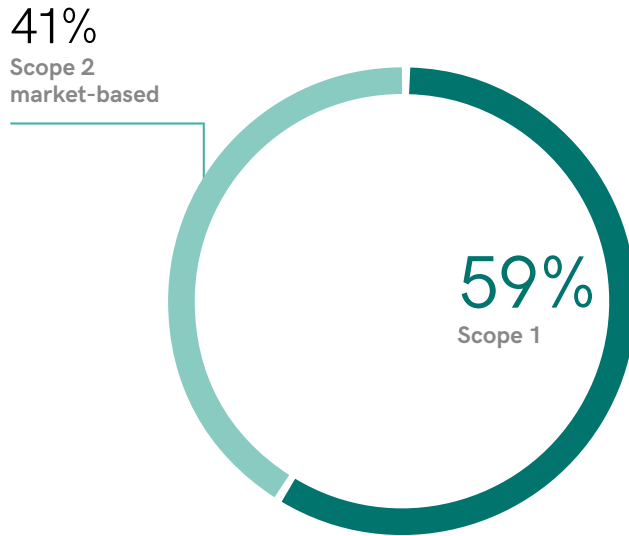
Breakdown of energy consumption (GJ)



In 2023, energy consumption under the direct control of the Prada Group is related to electricity (80%), company fleet (11%) and natural gas (9%). Compared to 2022, the Group's direct energy consumption decreased by 2%, mainly due to a reduction in the use of natural gas (-26%) and fuel consumption related to the company fleet (-8%).



Scope 1 and Scope 2 market-based GHG emissions (tCO₂)



Scope 1 GHG emissions related to natural gas and fuel consumption, as well as refrigerant gas refills, amounted to 6,809 tons of CO₂e, reporting a 18% decrease compared to the 2019 baseline¹⁴.

Scope 2 GHG emissions related to purchased electricity amounted to 29,911 tons of CO₂ when considering the location-based method (-23% vs 2019 baseline), and 4,769 tons of CO₂ when considering the market-based method (-76% vs 2019 baseline).

As already mentioned, in 2021, the Prada Group set the target of reducing its Scope 1 and 2 GHG emissions by 29.4% by 2026, compared to the 2019 baseline, and already in 2023, thanks to the implementation of the numerous initiatives described, it was able to reduce them by 58%, exceeding the near-term target set within the SBTi.

The chart below shows the Prada Group's Scope 1 and Scope 2 market-based GHG emissions compared to the SBTi scenario (tCO₂).

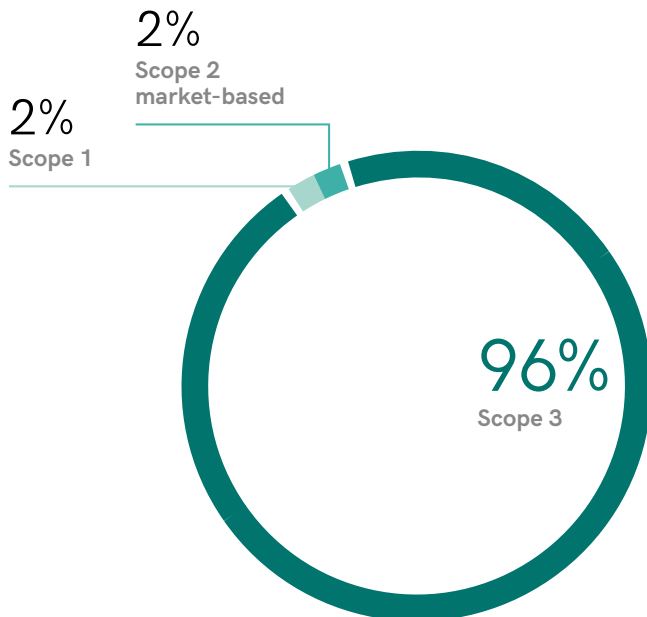
14- Following the commitments undertaken in 2022, the Prada Group, in partnership with its gas supplier, has continued to offset the GHG emissions linked to the consumption of natural gas by its industrial facilities in Italy. In 2023, 1,548 tons of CO₂e were offset through the purchase of certified carbon credits.

Scope 1 and Scope 2 market-based GHG emissions vs SBTi scenario (tCO₂)



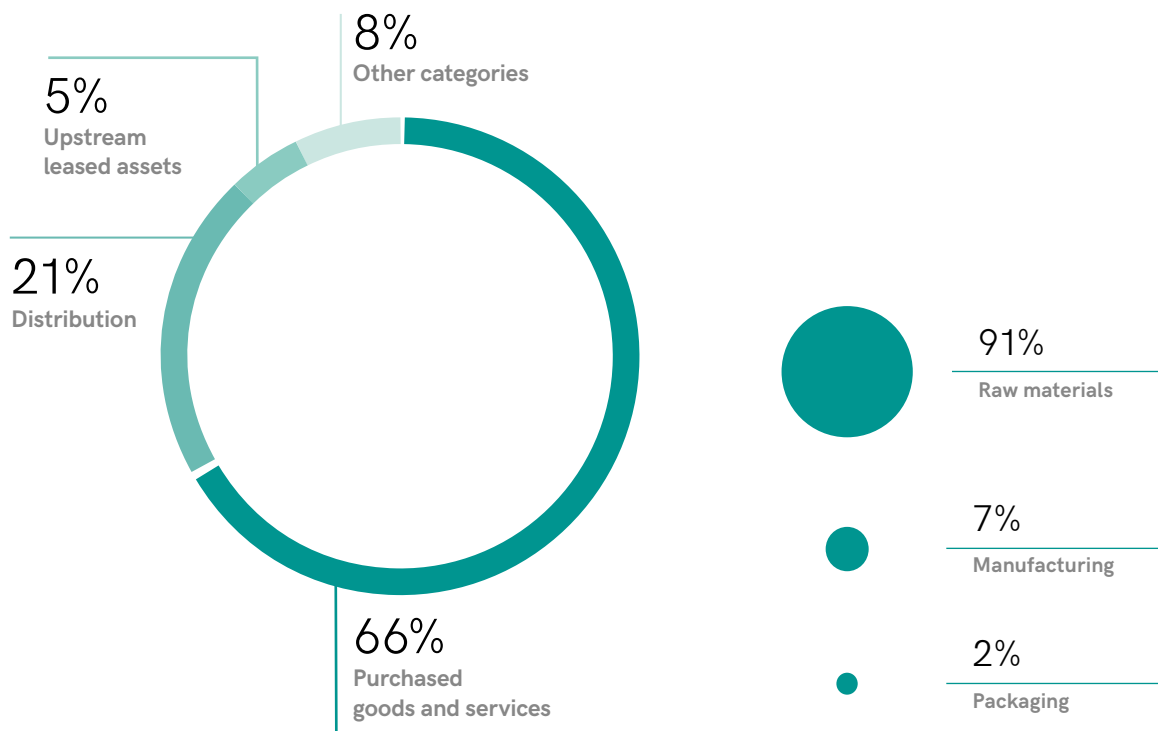
Scope 3 GHG Emissions

Scope 3 GHG emissions contribution to Group's carbon footprint (tCO₂)



In continuity with previous years, in 2023 the Prada Group has calculated its indirect Scope 3 GHG emissions for all applicable categories.

Scope 3 GHG emissions (tCO₂) Main categories



In 2023, the main sources of Scope 3 GHG emissions are related to the purchase of goods and services (66%), upstream logistics and distribution (21%), with other minor categories being upstream leased assets (5%) and employee commuting (4%).

The Group is committed to implementing concrete actions to reduce its Scope 3 GHG emissions in the short, medium and long-term. To this end, the Group has established internal working groups to identify emissions reduction measures, the main working areas of which are described below.

Raw Material Sourcing

The procurement of raw materials, including both materials for finished products and packaging, accounts for the majority (91%) of emissions in the purchased goods and services category.

In 2023, in order to improve the quality of the data used to calculate the GHG emissions associated with this category, LCA¹⁵-based emission factors were used to calculate the global warming potential associated with the production of some specific types of calf leather produced by the tanneries

¹⁵-According to the European Environment Agency (EEA), a lifecycle assessment (LCA) is a process of evaluating the effects that a product has on the environment over the entire period of its life thereby increasing resource-use efficiency and decreasing liabilities. It can be used to study the environmental impact of either a product or the function the product is designed to perform.

of the Rino Mastrotto Group and Conceria Superior, from which the Prada Group sourced more than one third of its total leather during the year. In 2023, 15% of all leather purchased was covered by LCA. The evolution in the calculation of the GHG inventory is in line with the Group's efforts to strengthen the relationship with its suppliers, involving them in analyzing production processes and providing supplier-specific data that more accurately reflect a product's emissions profile.

During the year, the Prada Group has also consolidated its efforts towards a more circular approach by choosing recycled and lower impact materials over virgin ones when available, addressing not only climate change, but also other environmental impacts, as described in chapter 3, paragraph 2 "Preserve the Ecosystems". The Group has sourced lower impact alternatives for a variety of materials, both natural and synthetic. In particular, recycled or organic cotton (40%) and recycled polyester and polyamide (58%)¹⁶ are the most commonly sourced lower impact materials during the year.

By purchasing recycled and organic materials, the Group avoided the emission of more than 2,000 tons of CO₂e in 2023 compared to purchasing their virgin and non-organic equivalents.

The Prada Group is also undergoing a significant transition in both B2B and B2C packaging, working to limit the amount of unnecessary packaging, increase the percentage of recycled content and replace plastic packaging with paper and cardboard alternatives wherever possible. More detailed information on the Group's packaging ambitions can be found in chapter 3, paragraph 2 "Preserve the Ecosystems".

In 2023, the Prada Group purchased 326 tons of recycled plastic for packaging. Through these efforts, the Group avoided the emission of around 250 tons of CO₂e compared to an all-virgin packaging scenario.

Energy Consumption of Manufacturing Suppliers

Since 2020, the Prada Group has been collecting data on the energy consumption of its manufacturing suppliers. Of the ten largest manufacturing suppliers in terms of turnover with the Group (representing more than 25% of the total expenditure), four suppliers produced their own electricity from renewable sources, covering 23% of their electricity needs. As a further step towards monitoring and managing the impacts generated along its value chain, the Prada Group has become a partner of the Apparel impact institute (Aii). Aii's mission is to transform the apparel, footwear and textile industry into one that has a positive impact on people and the planet. It aims to achieve this by coordinating cross-industry efforts to decarbonize partners upstream in the value chain.

As part of this commitment, the Group plans to involve its key suppliers in an awareness-raising campaign to guide them towards greener energy alternatives.

Inbound and Outbound Logistics

To reduce its emissions related to upstream transport and distribution, the Prada Group is working to improve its logistics efficiency, load optimization and increase shipment saturation.

To support the decarbonization of the aviation industry, the Group purchased

¹⁶-These numbers refer to the Group's materials purchased for textiles and accessories, and therefore do not include packaging.

Sustainable Aviation Fuel (SAF) certificates from accredited partners in 2023. Produced from waste sources such as used cooking oil and food waste, SAF is a valid alternative to conventional fuel and can reduce GHG emissions by up to 80% compared to conventional aviation fuel¹⁷.

Employees Commuting

In 2023, the Prada Group's commuting-related emissions amounted to 12,603 tons of CO₂e. Over the years, the Prada Group has undertaken several activities aimed at reducing the environmental impact of its employees' commuting, while at the same time improving their wellbeing, such as the adoption of flexible working policies and the co-financing of local transport subscriptions.

During the year, the Group updated the commuting survey conducted among its employees in Italy, in order to improve both the quality and the granularity of the information collected. For the first time, the survey included questions on employees' general sentiment about their current commuting experience and their willingness to adopt less CO₂-intensive options.

3.2 Preserve the Ecosystems

The fashion industry has significant environmental impacts throughout the value chain, starting with the sourcing of raw materials, the main impacts of which are not only related to climate change, but also to deforestation, soil degradation, biodiversity loss, water depletion and pollution.

Moreover, the sourcing of raw materials in the upstream stages of farming, cultivation and processing can also be linked to human rights violations of workers employed along the supply chain. For these reasons, in addition to an updated Code of Ethics signed by all suppliers, the Prada Group has published a Human Rights Policy and a Suppliers Code of Conduct at the beginning of 2023, which cover these issues (see chapter 2 "Responsible Management"). Raw materials are an essential part of product quality and are of paramount importance to all the Group's brands. As such, addressing the potential impacts of their sourcing from the design phase onwards, from both a biodiversity and social perspective, is a key focus of the Groups' strategy. This awareness underlines the commitment to creating a future where fashion embodies integrity, fairness and environmental and social responsibility.

3.2.1 Raw Material Sourcing Strategy

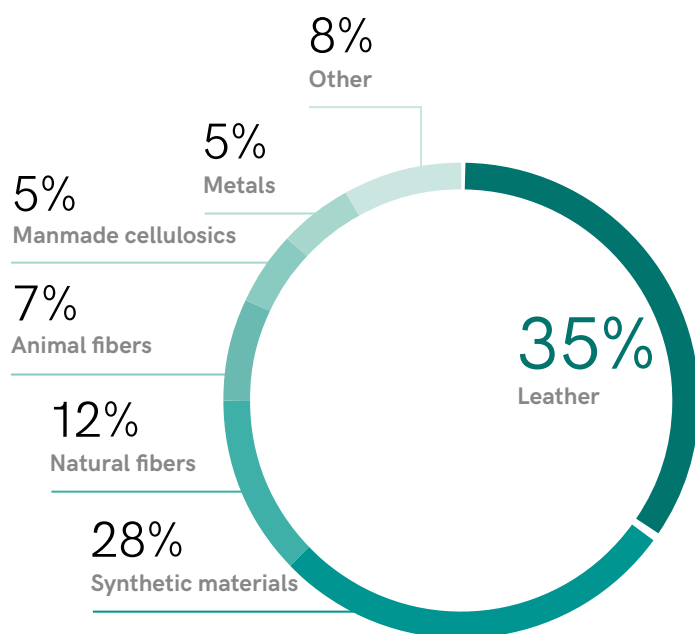
The Prada Group is committed to sourcing and managing raw materials in a way that takes into account not only the intrinsic value of the quality of the raw materials used, but also their origin and the manufacturing processes that they undergo.

Protecting the environment and its biodiversity is a fundamental element of the Group's growth strategy, contributing to the future availability of the resource itself and consolidating the robustness and resilience of its supply chain.

¹⁷-As of today, the GHG Protocol - adopted by the Prada Group for its GHG inventory - does not consider SAF, therefore the emissions saved are not included in the total carbon footprint calculation.

The understanding of fibers and materials, including B2B and B2C packaging, and their strengths is rooted in the design and development process. The Group is committed to sourcing its materials from responsible sources and suppliers. For this reason, the Group has reinforced its responsible sourcing and animal welfare effort through the implementation of a dedicated policy. The publication of the Group's Animal Welfare Policy in the first half of 2024 will aim to explicitly define the principles adopted to protect and promote animal welfare, while avoiding the use of materials derived from endangered species or species at risk of extinction in its products and strictly monitoring materials that are at risk of biodiversity loss. Already in 2019, the Prada Group, in collaboration with the Fur Free Alliance (FFA), announced the adoption of a Fur-Free policy for all its brands, allowing for the research and development of new, more innovative and responsible materials. The main resources used by Prada in its manufacturing processes for finished products can be categorized into primary materials - such as leather, fabrics and yarns - and ancillary materials or semi-finished products - including soles, heels, zips, buttons, threads, ribbons, buckles, clasps and nameplates. For further information, please refer to the "Key raw materials purchased" table in chapter 7 "Annex". Below are the materials that the Prada Group purchased in 2023 for its finished products.

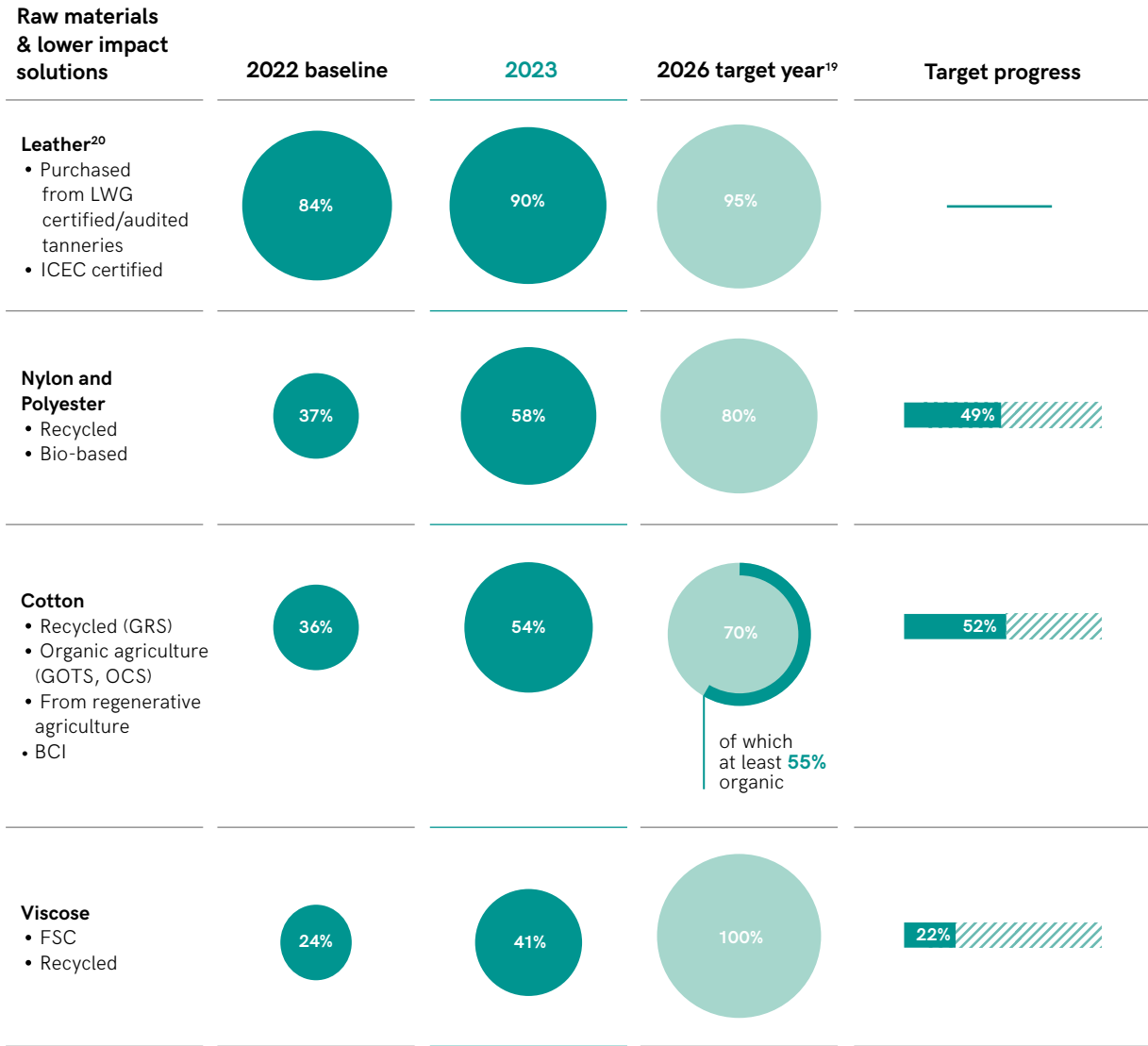
Materials for finished products (qty)



During 2023, the Group has prioritized a list of raw materials, primarily considering the potential magnitude of the negative environmental impact associated with each, and then assessing the volumes sourced. An internal working group has started to develop a strategy with ambitious targets for the sourcing of lower impact raw materials, with 2022 as the baseline and 2026 as the target year. To identify lower impact alternatives, the guidelines of Textile Exchange¹⁸ were taken into account.

¹⁸-Textile Exchange is a global non-profit organization that works closely with its members to drive industry transformation in terms of preferred fibers, integrity standards and responsible supply networks. The Prada Group has joined the organization as a member in 2022.

Roadmap to transition key raw materials to lower impact solutions



FOR PLANET — 2023

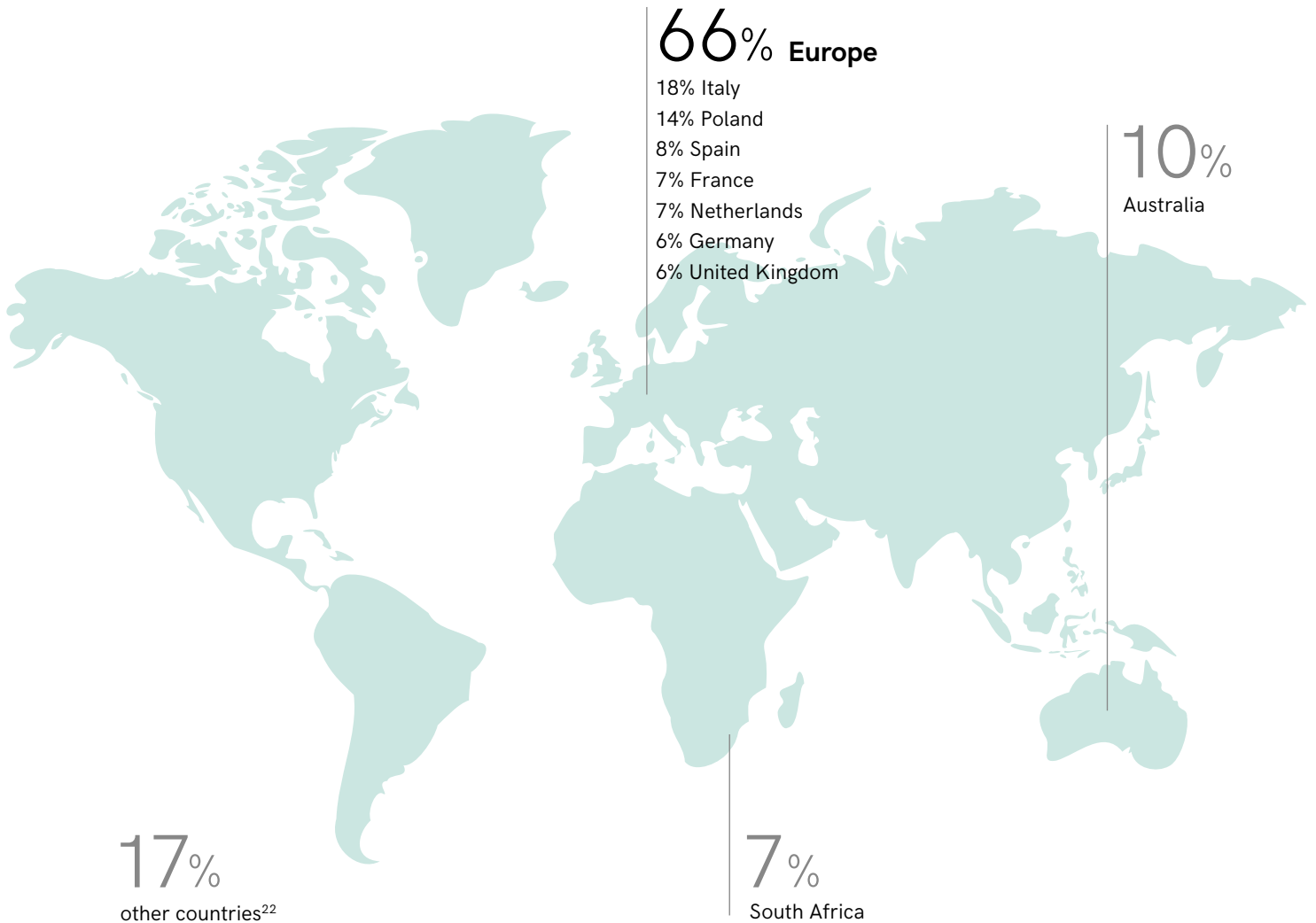
19-The targets set refer to 63% of the procured raw materials for finished products by weight.
 20-It should be noted that for the 2022 and 2023 reporting years, only leather purchased from LWG certified and audited tanneries were included in the "lower impact" category and, for this reason, progress on this target is not reported.

Leather

Leather is one of the most important raw materials, accounting for 35% of the materials purchased in 2023 for finished products by the Prada Group, which is committed to sourcing the highest quality of leather in compliance with standards and certifications set out in the Group's Restricted Substances List (RSL).

The Group is also working to improve the traceability of its leather supply chain, with the aim of gathering comprehensive information on the entire process, from the farming to the final product. As part of this commitment, the Group is implementing measures to promote transparency at every stage of leather production. Currently, the Group has traced 82% of all its purchased leather back to the slaughter stage, of which the map below shows the geographical location.

Country of origin of traced leather²¹



21-Country of origin entails country of slaughtering for livestock and location of the killing facilities for precious skins.

22-This category includes countries below 5%, such as China (4%) and New Zealand (3%).

In terms of the tanning phase, 85% of the leather sourced originated from Italian tanneries, renowned for their quality and longstanding tradition. A further 14% was procured from suppliers situated within the European Union, with the remaining part (0.5%) coming from tanneries outside the European Union, in line with the overall geographical distribution of industrial suppliers (see chapter 2, paragraph 5 "Building responsible supply chains").

The Group recognizes that the processing phases of leather involve significant water consumption, chemical use and a potential risk of human rights violations, and that information about the origin of hides and skins is also crucial for the preservation of biodiversity and the elimination of the risk of deforestation.

In order to mitigate these impacts, the Prada Group adopted the Leather Working Group (LWG)²³ certification scheme for responsible leather sourcing as one of its standards, and in 2023 has almost reached its previous target of full coverage, with 90% of leather sourced from LWG certified or audited tanneries.

In terms of leather traceability, the Group refers to the standards of the Istituto di Certificazione della Qualità per l'industria Conciaria (ICEC), an internationally recognized institute specialized in the certification of quality, sustainability and ethics for the tanning industry. Its Traceability Certification Scheme TS SC 410 is a globally used scheme, particularly by European brands for their suppliers around the world, which focuses on the traceability of leather back to the country of slaughter and/or farming. From 2024, the Group will be committed to sourcing 95% of its finished leather from certified suppliers by 2026, through LWG or ICEC certifications.

In addition to these certifications, and in order to strengthen traceability and transparency of leather sourcing data, as well as to prepare for the forthcoming EU Regulation on Deforestation-free products, Prada has engaged a group of key tanneries - representing approximately 70% of its volume - in a traceability system in 2023, where data is periodically assessed with a documentation analysis. This will enable the tanneries to record all upstream supply chain information for each delivery lot on a monthly basis. The percentage of key tanneries engaged will increase in 2024.

Finally, the Group complies with local and international regulations governing the sourcing, import, use and export of raw materials, such as the provisions of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the EU Regulation on the protection of species of wild fauna and flora (EC Regulation n. 338/97).

2026 Target

95%

leather purchased from either LWG certified/ audited or ICEC certified suppliers

23-The Leather Working Group stands as a globally recognized standard for responsible leather sourcing within the industry and among consumers. Its overarching mission revolves around reducing the environmental impact of the leather supply chain, aspiring to become the prevailing standard for leather production, encompassing all facets and stakeholders along the value chain. In 2022, the Prada Group became part of LWG, bolstering its dedication to increasingly responsible sourcing practices.

Synthetic Materials

Synthetic materials are associated with environmental impacts at all stages of their production, particularly in relation to climate change due to their petrol-based source. In addition, these materials have the potential to release microplastics during the product use phase, making the end-of-life management process more complex. In 2023, nylon and polyester accounted for 14% of the Prada Group's total procurement.

At the time of publication of this Report, the Prada Group has become a signatory of the Microfibre 2030 Commitment. Launched in 2021 by The Microfibre Consortium (TMC), a research-led textile science NGO, the Microfibre 2030 Commitment brings together the global fashion and textile sector to reduce fiber fragmentation and microfiber pollution from textiles. TMC facilitates the development of practical solutions for the textile industry to minimize fiber fragmentation and release into the environment during the manufacturing and product lifecycle. The procurement of recycled synthetic materials allows the Group to significantly reduce its impact. The Prada Group was a pioneer in this field, launching the Prada Re-Nylon Collection in 2020, made entirely from nylon regenerated by recycling plastics collected worldwide from oceans, fishing nets, landfills and textile fiber waste. Through a process of depolymerization, purification and conversion of the new polymers into threads, this material can be transformed into a new nylon fabric. The regenerated nylon yarn purchased by the Group can be recycled an unlimited number of times without compromising the quality of the material. In fact, Re-Nylon waste is collected and returned to the yarn supplier, who reintroduces it into the production system.

In 2023, the Group extended its commitment to polyester as well and set a target to source 80% of nylon and polyester from recycled or bio-based sources by the year 2026.

According to the Textile Exchange's latest Material Market Report, recycled nylon and polyester currently account for 2% and 14% respectively of the total consumed by all brands globally.

In terms of certification, the Global Recycled Standard (GRS) is the Group's most widely adopted standard for recycled materials. The standard covers the entire supply chain and includes criteria related to traceability, environmental principles, social requirements, chemical inputs and labelling. It applies to all products made from recycled materials, including natural fibers, synthetic materials and other products such as recycled paper.

2026 Target

80%

nylon and polyester purchased from recycled or bio-based sources

Target Progress



Natural Fibers

Excessive or unregulated harvesting of natural materials can lead to deforestation, habitat loss and land conversion, significantly reducing the biodiversity of affected ecosystems. Cotton is the Group’s main natural raw material, accounting for almost 12% of total purchases in 2023.

By 2026, the Group aims to ensure that 70% of the cotton it purchases is certified, recycled or sourced from regenerative agriculture²⁴. This overall target will be achieved by reaching a sub target of at least 55% organic cotton.

The Group relies on certifications to mitigate potential negative impacts associated with cotton sourcing, with 54% of its cotton purchases having at least one of the following certifications:

| Cotton certifications | Description |
|--|---|
| GOTS Global Organic Textile Standard | Ensures organic cotton, cultivated without harmful pesticides or synthetic fertilizers. Sets stringent criteria for textile processing, ensuring high environmental and biodiversity standard such as animal welfare and the prohibition of genetically modified organisms. |
| OCS Organic Content Standard | Ensures traceability and organic origin of cotton, guaranteeing it's grown and managed according to rigorous organic standards. |
| BCI Better Cotton Initiative | Promotes sustainable agricultural practices and improves working conditions. Reduces water, pesticide, and fertilizer usage, fostering soil health and biodiversity. |
| GRS Global Recycled Standard | Certifies textiles with recycled content and promotes responsible use of resources, reducing the environmental impact of textile production through recycling and material reuse. |

The Group’s most widely used natural fiber certification is the Global Organic Textile Standard (GOTS), one of the leading textile processing standards for organic fibers (such as but not limited to cotton and silk), including environmental and social criteria, backed by independent certification of the entire textile supply chain.

With regard to the social security of its supply chain, in 2023 the Group has carried out forensic testing on cotton textiles, using stable isotope chemistry and the quantification of rare earth metals in the materials, to determine the origin of the raw material and ensure that it does not come from areas where there is an overt risk of forced labour.

2026 Target

70%

cotton purchased from certified, recycled or regenerative agriculture sources

Target Progress



²⁴-Regenerative agriculture is an approach to farming that works in harmony with natural systems, recognizing the value and resilience of interconnected and mutually beneficial ecosystems, as opposed to extractive agricultural practices.

Manmade Cellulosics

Manmade cellulosic materials can have significant environmental impacts due to the intensive chemical processes involved in their production, such as the use of solvents and bleaching agents. In addition, viscose production is closely linked to deforestation due to the extraction of wood pulp from trees, mainly hardwood and softwood species, which are cleared for cellulose production. This process leads to habitat loss and biodiversity degradation.

To address these negative impacts, the Group has set a target to achieve 100% FSC-certified or recycled viscose by 2026.

FSC certification, which stands for Forest Stewardship Council, guarantees that products come from responsibly managed forests, thereby delivering environmental, social and economic benefits. It verifies that forest management practices uphold biological diversity, support local communities and workers, and maintain economic sustainability.

2026 Target

100%

viscose purchased with FSC certification or recycled

Target Progress

22% 

Packaging

Packaging materials play a critical role in today's consumption patterns, but their widespread use poses significant environmental challenges. Plastic, due to its inherent non-biodegradability, contributes to environmental pollution, degradation of marine ecosystems and depletion of resource. On the other hand, paper and cardboard packaging, although biodegradable and with a lower climate impact, is linked to deforestation issues.

From 2019, the Group adopted the ambitious sustainability targets outlined in The Fashion Pact, aiming to eliminate unnecessary and problematic plastics²⁵ in both B2C and B2B packaging by 2025 and 2030, respectively. In addition, the coalition aims to ensure that at least half of all plastic packaging contains 100% recycled content by 2025 for B2C and by 2030 for B2B.

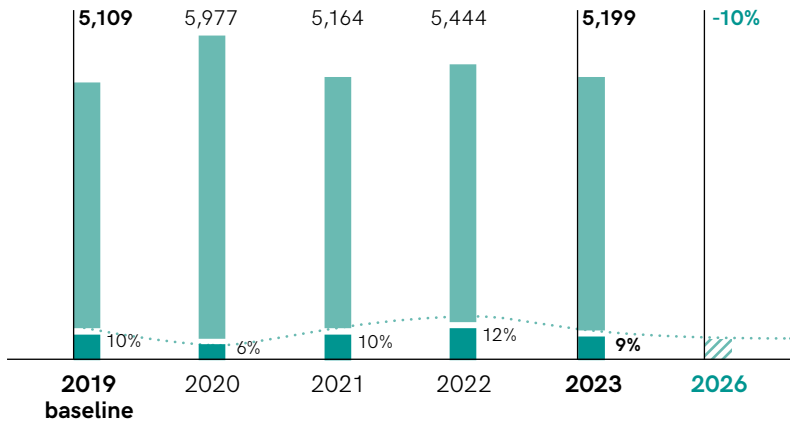
The Group has also implemented a strategy that goes beyond the objectives of The Fashion Pact and represents a more ambitious approach to environmental sustainability. As part of this commitment, the Group is preparing to launch a comprehensive packaging policy, which is based on the following guidelines: reducing the total amount of packaging, replacing plastic with paper/cardboard where possible, using recycled plastic, and using recycled and/or certified paper/cardboard. As part of its operational strategy, the Group encourages its long-term suppliers to adopt certifications that demonstrate their commitment to sustainable sourcing practices, further strengthening the relationship with Prada.

In 2023, the Prada Group purchased 5,199 tons of packaging materials, reporting a decrease of 5% compared to the previous year²⁶. Plastic represents less than 10% of the total packaging purchased by the Group.

25-To identify unnecessary plastics, The Fashion Pact is relying upon guidelines that have been articulated by the Ellen MacArthur Foundation. As defined, "problematic or unnecessary plastic packaging is not reusable, recyclable, or compostable..." (The Fashion Pact - First Steps to Transform Our Industry, 2020, note 39).

26-It should be noted that the 2022 data for purchased packaging has been restated from that published in the previous Sustainability Report due to an improvement in the data collection system. For previous data, please refer to the 2022 Sustainability Report, available in the Sustainability section of www.pradagroup.com.

Plastic on total packaging





2026 Target

<10%

plastic on total packaging

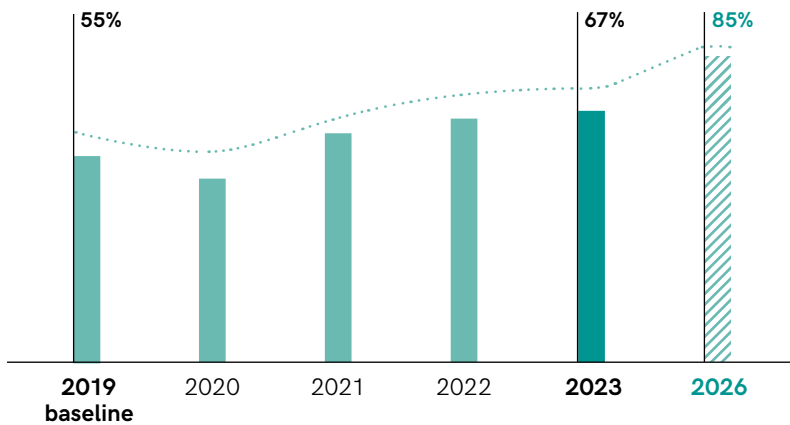
Target Update

Target achieved for 2023

-  Paper and cardboard
-  Plastic

The Group is committed to keeping the percentage of plastic packaging below 10% and is identifying the types of packaging where plastic can be substituted with paper and cardboard. In 2023, the Group was able to complete the transition from polypropylene to microwave cardboard for sneaker boxes and from plastic to paper for knitted bags. Furthermore, as part of its efforts to promote circularity, the Group is increasing recycled content in plastic packaging sourcing (67% in 2023 vs 55% in 2019). In addition, all plastic used by the Group is fully recyclable.

Recycled content in plastic packaging



2026 Target

85%

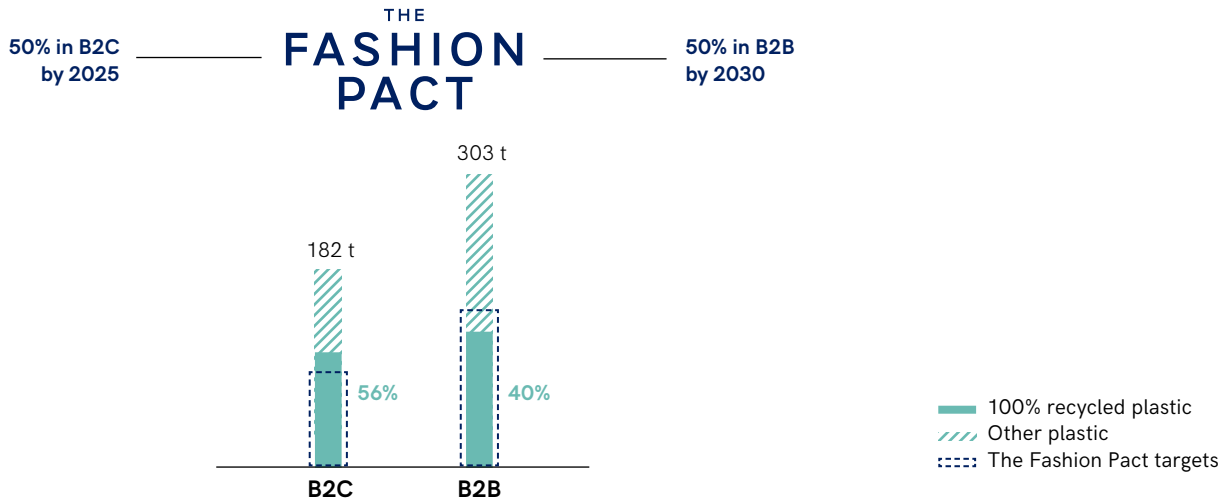
recycled content in plastic packaging

Target Progress



In 2023, the Group has even exceeded The Fashion Pact's B2C target for 2025, with 56% of all B2C packaging made from 100% recycled plastic, two years ahead of schedule. The 2030 B2B target is also close to being met, with 40% currently made from fully recycled plastic.

B2C and B2B plastic packaging vs The Fashion Pact targets²⁷

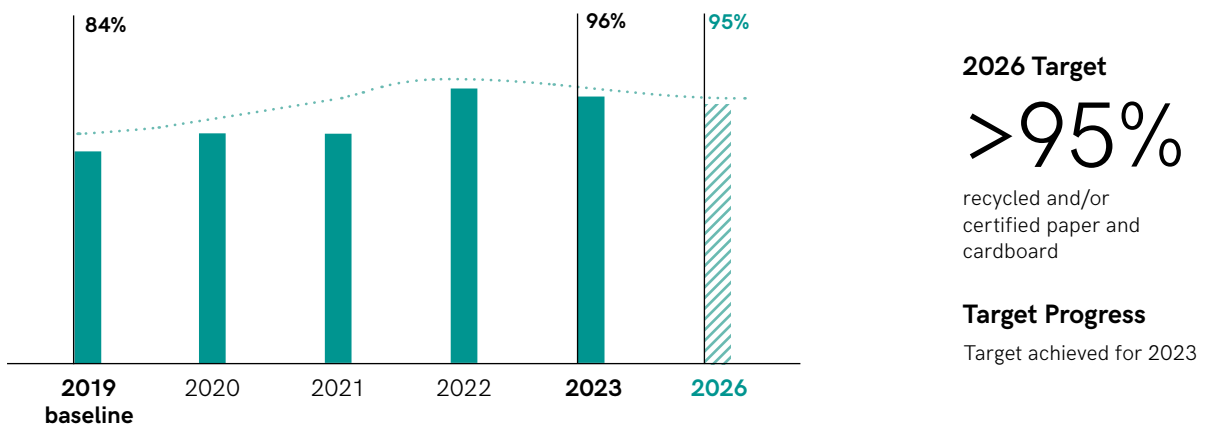


In light of this achievement, the Group has decided to set a more ambitious target to increase the proportion of recycled material in the plastic used for packaging.

Finally, the Group is committed to purchasing FSC-certified and/or recycled paper/cardboard packaging and to always maintaining this percentage above 95%.

FOR PLANET — 2023

Recycled and/or certified paper and cardboard



²⁷-Ensure that at least 50% of all plastic packaging is 100% recycled, by 2025 for B2C and by 2030 for B2B.



Beauty Packaging

In 2022, the Prada Group's research into circular solutions found a new application with the Prada Paradoxe women's fragrance, a refillable bottle that can be used an infinite number of times, allowing the customers to keep the bottle, without having to replace it or throw it away.

In 2023, the Prada Group also launched its first lines of beauty products. Thanks to close collaboration with prominent industry partners, Prada has extended its circular approach to some of the skincare and makeup products. The refillable mechanism is even simpler and more intuitive to ensure the best customer experience.

3.2.2 Water Management

The Prada Group is aware of the growing importance of water issues and the impact that the fashion industry has on water consumption and water pollution, both in terms of raw material sourcing and the industrial processes related to raw material transformation.

The Group's water consumption is mainly related to sanitary services and irrigation of green areas; the only production sites where water is used for industrial processes are the tannery in France, where leather is processed, and the Torgiano production facility in Italy, where knitwear is processed and requires numerous washing cycles.

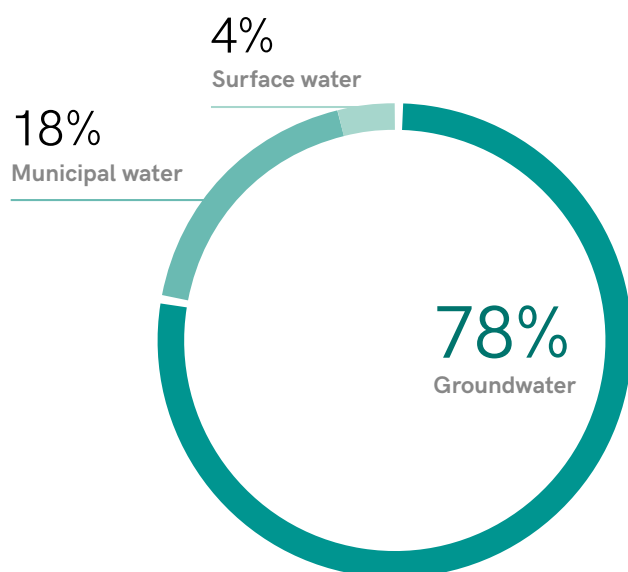
The Group is committed to reducing water consumption and increasing the efficiency of its usage in its industrial facilities. At the Torgiano factory, for example, a multi-purpose closed water circuit was installed to cool the dry-cleaning machines. In addition, both the Torgiano and Valvigna production sites in Italy recover rainwater for sanitary and irrigation purposes. Finally, at the new logistics hub, which uses a geothermal heating system, the exchange water is recovered for sanitary and irrigation purposes.

The Prada Group uses ultrasonic washing machines to clean some of the components used in the production process. These machines allow the same water to be reused in a closed circuit, reducing the total amount of water withdrawn. In 2023, these measures saved the equivalent of 21,000 liters of water, a number that is expected to increase when all the ultrasonic washing machines will be in use.

In total, the Group withdrew 256,343 m³ of water for its production sites in 2023²⁸, of which 78% came from groundwater (e.g., wells), 18% from third parties (e.g., aqueducts) and 4% from surface waters (e.g., rivers).

The reporting scope includes the data related to 100% of the Prada Group's production facilities.

Water withdrawal by source (m³)



²⁸-In 2023, according to the online database "Aqueduct" that is aligned with the World Resource Institute (WRI), 80% of the Group's industrial withdrawals took place in area with water stress, considering that Tuscany and Marche regions, where most of the Group's production sites are located, are considered high-water risk areas.

The Group strictly complies with all applicable legislation on water use and discharges. Water discharges are of particular concern for industrial sites that use water in their industrial processes, such as the above-mentioned factories in Torgiano and Limoges.

In particular, the Torgiano site has a wastewater treatment plant that filters the civil and industrial water coming from the site. At the French tannery, the wastewater is treated in a purification plant before being sent to a municipal wastewater treatment plant where the sludge is filtered; a monthly analysis of the wastewater is then carried out by a government laboratory to check for the presence of chromium or other hazardous substances.

Recognizing the need for collective responses to the complex challenges facing the water resources, and to strengthen its efforts to mitigate water risks, the Group has set a target to implement a water conservation program by 2026 with a strong partnership, involving manufacturing and raw material suppliers. In 2023, a first comprehensive data collection on water consumption was carried out for all key suppliers. This data set will allow the Group to start assessing geographical water scarcity situations and to implement water efficiency programs.

3.2.3 Chemicals Management

The Prada Group is firmly committed to the responsible and sustainable management of chemicals in its products and manufacturing processes and extends this commitment to its entire supply chain.

In line with this mission, in July 2023 the Prada Group became a Signatory Friend of the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation, the global multi-stakeholder initiative leading the fashion and apparel industry in eliminating hazardous chemicals from the textile, apparel, leather and footwear value chains. The ZDHC Foundation includes more than 60 luxury, fashion, sports and lifestyle brands working together to provide training, methodologies and tools to help the industry eliminate hazardous chemicals from production processes. At the same time, as announcing the partnership, the Group made a public commitment to achieve full compliance with the ZDHC Manufacturing Restricted Substances List (MRSL) for all of its key suppliers by the end of 2026. During the year, the Prada Group assessed the chemical risk of all its industrial suppliers and identified raw material suppliers using wet processes as the first priority cluster to be addressed, as they use the most chemical products in terms of quantity and variety. At December 31, 2023, the Group's leather and textile raw material suppliers already participating in the ZDHC program represent 76% of the Group's raw material spending; of these, almost 34% meet the requirements of the ZDHC Suppliers to Zero program, levels 1 and 2, and around 29% implement an industrial wastewater monitoring program.

For footwear, leather goods and ready-to-wear manufacturing suppliers, the program has involved suppliers representing 15% of the procurement value. Although this is a relatively small portion, the associated chemical risk is considered to be acceptably low due to the very limited use of chemicals in these processes (e.g., glues, dyes).

A broader enrolment program with training and support for suppliers will be launched in 2024.

Finally, tailored training initiatives on chemical responsibility for the Group's procurement offices will be rolled out in 2024, reinforcing Prada's commitment to ethical and sustainable sourcing practices across its operations.

3.3 Embrace Circular Thinking

The principle of circularity, or circular thinking, is perfectly aligned with the Prada Group's climate and biodiversity strategy. It is integrated throughout the Group's value chain, from the increasing use of recycled and regenerated raw materials to the proper management of waste, which can be repurposed and reused in alternative supply chains.

Circular thinking is applied at both product and process levels. At the product level, over the years the Group has launched significant initiatives such as Prada Re-Nylon, Eternal Gold and Upcycled by Miu Miu, concrete examples of the Group's systemic shift towards circularity. At the process level, the Group's commitment ranges from the proper management of waste, which has already reached important quality standards, to careful attention to the entire product lifecycle; to this end, stores always provide customers with clear information on the correct maintenance of products and offer after-sales and repair services thanks to a worldwide network of repair labs. Finally, the Prada Group Re-Set project puts circularity at the core by providing professionals and students with materials already used during events and fashion shows.





3.3.1 Circularity by Product

Prada Re-Nylon

Nylon is emblematic of the Prada brand and is a distinctive feature of its approach to contemporary fashion. The Prada Re-Nylon Collection is crafted entirely from regenerated nylon created through the recycling and purification of plastic collected from oceans – like fishing nets – and landfills, as well as textile waste.

Following the successful launch of a first edition limited to men's and women's bags and accessories in 2019, the use of Re-Nylon was expanded to clothing and footwear in 2020. In 2022, thanks to the partnership with adidas, the Collection was extended, reaffirming Prada's commitment to finding lower environmental impact solutions with prominent partners.

In 2023, given the strong partnership between the Prada Group and IOC/UNESCO, a commitment was announced to donate 1% of the Prada Re-Nylon Collection proceeds to further sustain and develop the SEA BEYOND project (see chapter 5, paragraph 2 "Further Sustainability Literacy").



Prada Fine Jewelry: Eternal Gold

The Prada Group's wide-ranging commitment to increasingly responsible practices across its value chain is an essential part of Eternal Gold, Prada's first fine jewelry collection launched in 2022.

100% of the gold used in Prada fine jewelry is Certified Recycled Gold, meeting "Chain of Custody" standards set by the Responsible Jewelry Council (RJC). Every step of Prada's responsible gold and diamond production chain is verifiable and traceable.

Recycled gold, a choice that benefits both the environment and human rights, is sourced only from eligible recycled material sources, including industrial gold and post-consumer precious objects.

For this collection, the Prada Group collaborates with key actors in the precious metals and diamonds supply chain who meet the highest standards and who drive radical transparency and real improvement to sustainable practices and technology in the fine jewelry industry, in terms of human rights, labour safety, environmental impact and business ethics.

While diamond traceability is traditionally only possible for stones of 0.5 carats or larger, the concept of traceability of origins extends to stones of all sizes. It also covers the entire value chain, from mining to cutting, setting and polishing.

In an innovative new step for fine jewelry, the records of this verification have been logged on the Aura Blockchain Consortium platform and can be accessed by Prada customers, who are able to trace the provenance of every aspect and the authenticity of the piece. The adoption of the Aura Blockchain, where data is immutably stored, guarantees the highest level of transparency.

Upcycled by Miu Miu

Launched in 2020, the Upcycled by Miu Miu is a series of special collections of vintage pieces reworked and transformed by Miu Miu, carefully sourced from vintage clothing stores and markets around the world and created to promote circular design practices.

The project began with a selection of vintage dresses, reinterpreted with Miu Miu's aesthetic codes, to develop a culture based on new business models and sustainability, by giving new life to pre-owned and pre-loved clothes. In 2021, Miu Miu unveiled the new collaboration with Levi's® dedicated to vintage denim.

In September 2022, a limited edition of leather jackets has been launched, specially created and shown on the runway for the Fall/Winter 2022 season.

In January 2024, Miu Miu presented the fourth edition of the Upcycled project, with Denim and Patch bags, focused on pre-2000 dated jeans, carefully sourced from denim specialists all over the world and specifically selected for their colour, weight, and fading characteristics. The handcrafted floral embroidery is also drawn from the past, inspired by research into 1950s haute couture. For the first time, the Miu Miu Upcycled project also included bags: the patch bags are made from leather left over from past Miu Miu designs. Finally, for this latest drop, Miu Miu has partnered with the Aura Blockchain Consortium, which will verify each piece in the Collection.



3.3.2 Circularity By Process

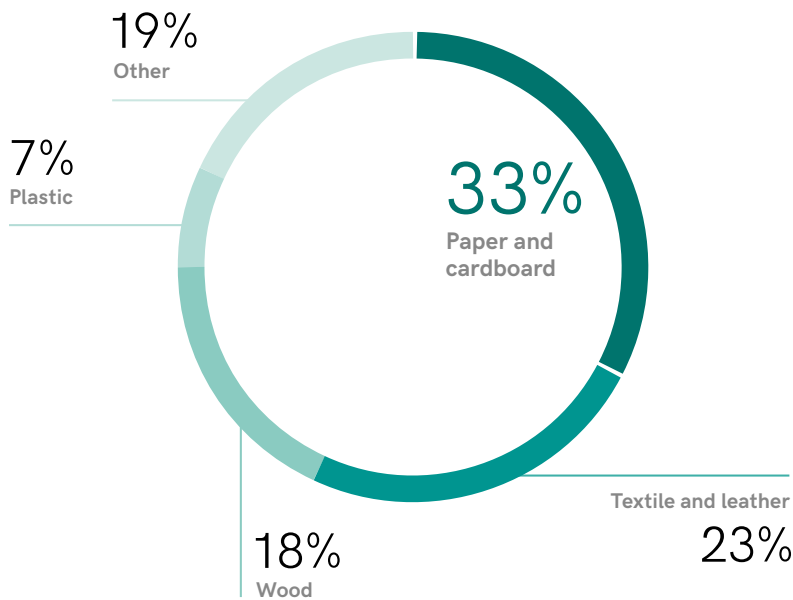
Waste Management

In recent years, the Group has carried out a review of the processes and waste generated at each stage of production, and subsequently implemented a system to manage the internal cycle of waste collection, temporary storage, transport and disposal. The analysis enabled the production cycles to be optimized, reducing the amount of waste and increasing the proportion of recycled waste. The Prada Group also proactively involves its employees, encouraging the correct disposal of waste in accordance with local regulations and/or best practices. The Group's significant industrial investments have made it possible to reduce the amount of waste generated, while at the same time effectively managing the collection and disposal of waste.

In 2022, the European Commission presented a proposal for a regulation establishing a framework for setting eco-design requirements for sustainable products. Starting two years after the new regulation enters into force, the destruction of unsold apparel and footwear products, will be prohibited for large companies. In anticipation of these regulatory trends, the Prada Group has set a target to avoid the shredding of unsold goods from 2024.

In 2023, the Prada Group generated 2,275 tons of industrial waste, reporting a decrease of 39% compared to 2019. Waste generated by the Group's factories mainly consists of paper and cardboard, packaging materials, textile and leather waste. Only about 2% of the waste produced is classified as hazardous waste and is managed, transported and delivered to authorized disposers in accordance with current regulations.

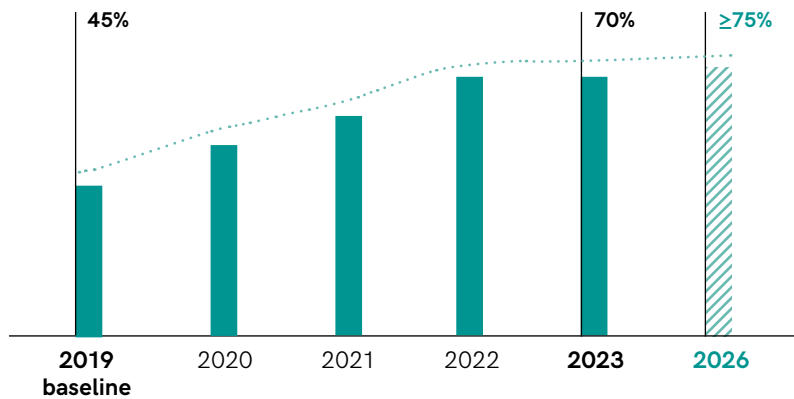
Waste generated (qty)



In 2023, approximately 70% of the Group’s waste was diverted from disposal, a steady increase from previous years. Waste diverted from disposal does not include waste destined for energy recovery (20% of the total).

As part of its commitment to responsible waste management, the Group has set three targets for 2026 to maintain its already excellent recycling performance above specific thresholds that the Group has identified as best practice. The first two targets are currently on track while the last one has been achieved in 2023.

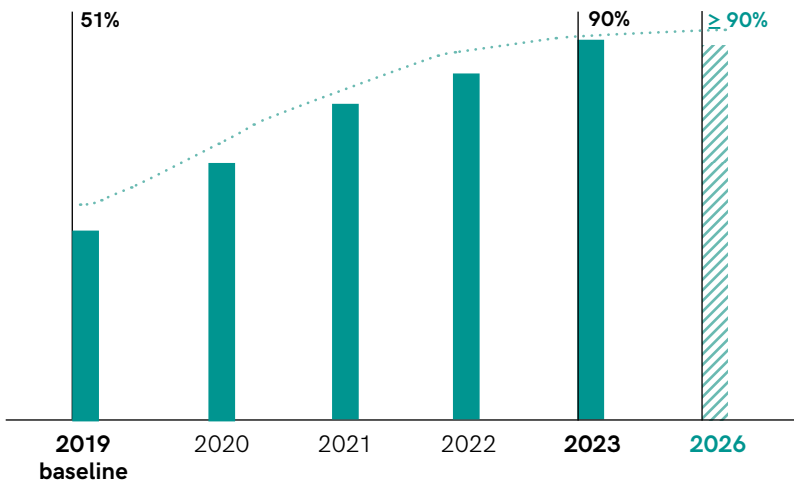
Waste diverted from disposal



2026 Target
 $\geq 75\%$
 waste diverted from disposal



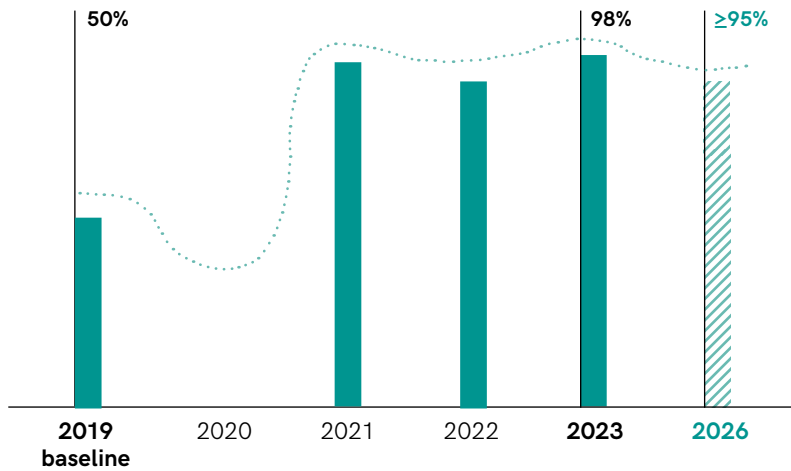
Waste diverted from disposal (including energy recovery)



2026 Target
 $\geq 90\%$
 waste diverted from disposal, including incineration with energy recovery



Textile fiber waste sent to recycling



2026 Target

≥95%

textile fiber waste sent to recycling

Target Progress

Target achieved for 2023

In its production sites in Italy, the Group has implemented specific initiatives to recycle production waste, following a circular economy approach. In fact, 98% of the processed textile fiber waste generated in Italy is recycled. General textile waste of mixed composition and colour is recycled as a secondary raw material in the automotive sector, while wool and cashmere waste is sent to companies that process it into raw materials (yarns). The same is done with Re-Nylon, whose scraps are collected and returned to the supplier, who reintroduces them into the production system, thus becoming a production input for the Prada Group. Finally, up to 39% of leather waste is recycled in the fertilizer and manure industry.

Repairs

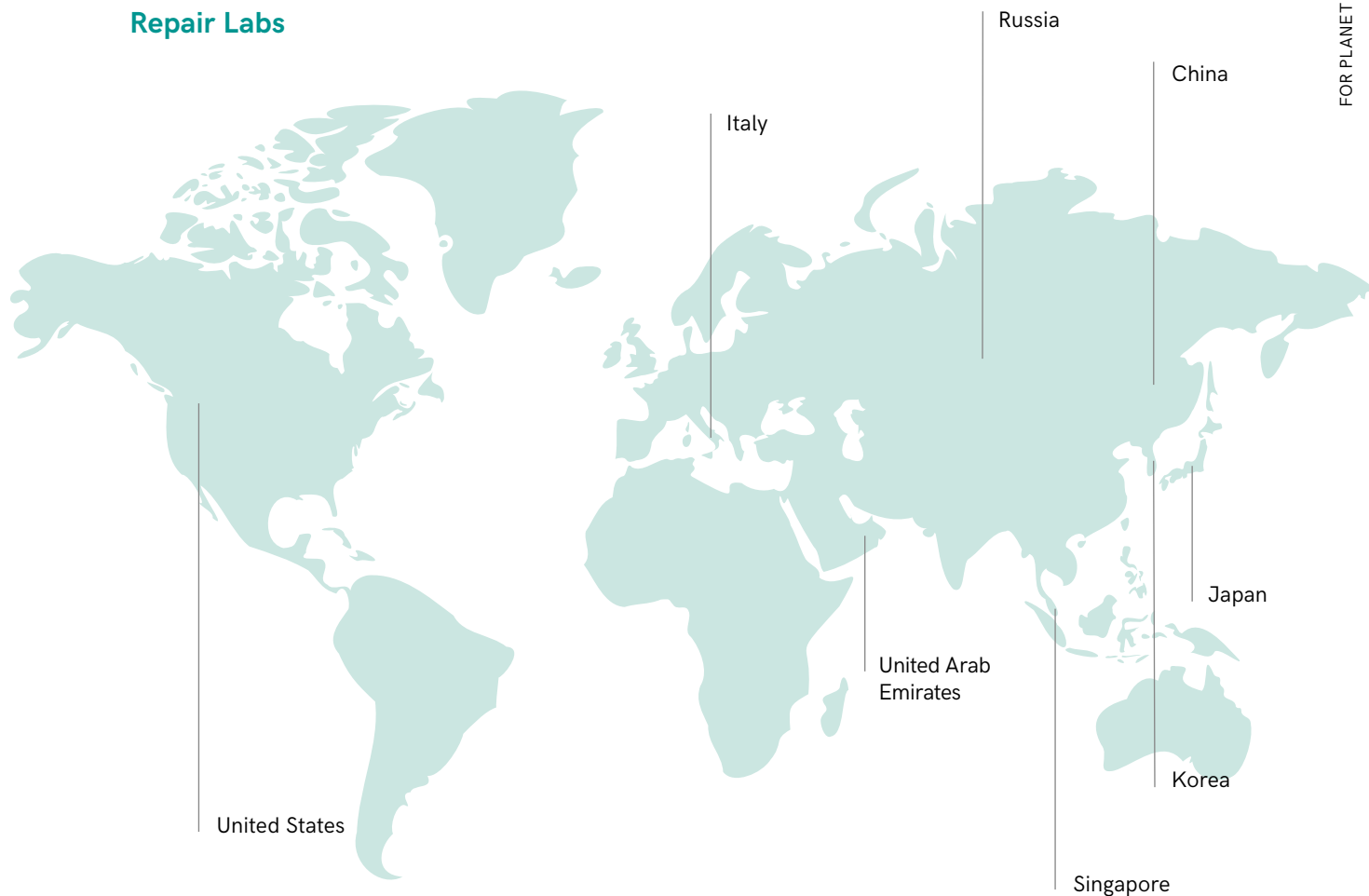
The Prada Group has always been committed to offering its customers high-quality after-sale service for all its brands' products. Firmly believing that a luxury product is meant to last, the Group has extended this commitment to repairs as well, in line with its principles of sustainability and its long-term vision of circularity.

The repair service is granted by highly qualified craftspeople and is operated both centrally, in Italy, and locally, thanks to a network of repair labs directly managed by the Group in 7 countries (United States, Japan, China, Korea, Singapore, Russia and United Arab Emirates) and more than 100 dedicated people. The network ensures proximity service to the customer by reducing repair times, while allowing transportation-related emissions to be limited. All labs cover the primary markets in which the Group operates and handle the three main product categories, namely leather goods, clothing and footwear.

In 2023, the Group reorganized its repair labs in Italy, bringing together the 3 previously separate centers into a single area in Levanella. The centers were therefore upgraded by revising their layout with latest generation machinery and the addition of new resources.

During 2023, the Group then strengthened its service by opening a new repair lab in China, which by the end of the year will handle all the stores in the area and will employ more than ten people. The new hub underscores the Group's commitment to expanding its after-sale services and responding concretely to the growth of the Asia Pacific market.

Repair Labs





Prada Group Re-Set

The Prada Group Re-Set project puts circular thinking into practice through the management and effective reuse of the materials used to set up events and fashion shows.

Launched in 2020 with the Prada fashion shows and then extended to Miu Miu, the project offers to professionals and students raw materials and semi-finished goods that can be reused for different purposes, whether in education, research or creative installations. In fact, the upcycling project was created in collaboration with Spazio Meta in Milan, La Réserve Des Arts in Paris and a network of global partners, who help the Group to recover materials in an appropriate way, avoiding unnecessary transportation and giving them a new life.

Re-Set brings together the different figures of the Prada Group as the core aspects of its sustainability strategy converge, such as the integration of circular thinking and the engagement with the cultural and academic world.

PARTNERSHIPS

3.4 Partnerships: Re.Crea Consortium and Forestami

Re.Crea Consortium

Textile waste management plays a central role in the Prada Group's sustainability strategy, not least because of the increasing regulatory pressure to reduce the whole sector's environmental impacts through the promotion of circular economy models.

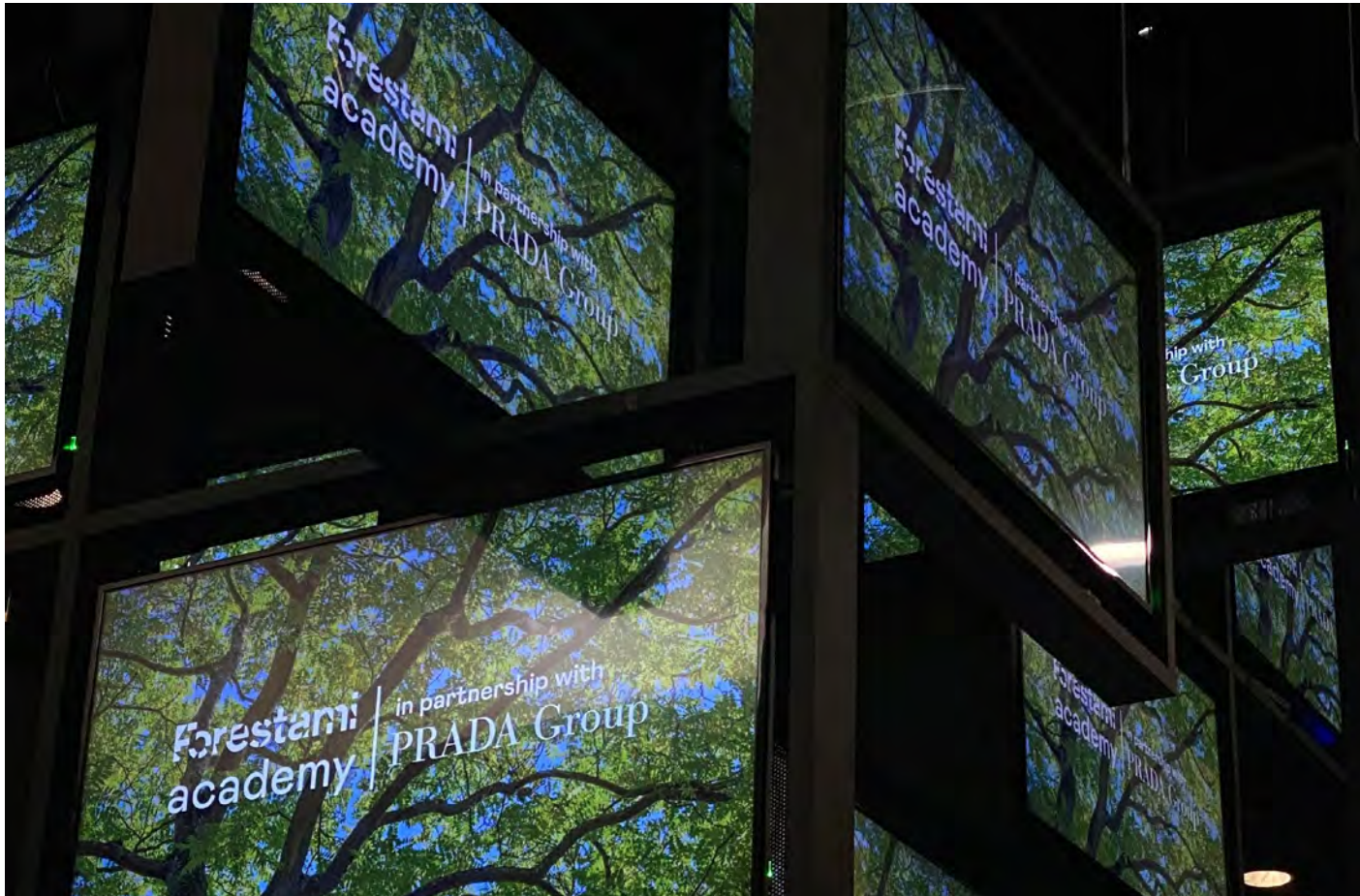
In October 2022, during the Venice Sustainable Fashion Forum, Re.Crea - the Consortium founded on a voluntary basis by the Prada Group, Dolce&Gabbana, MaxMara Fashion Group, Moncler Group, OTB Group, and Ermenegildo Zegna Group - was presented. Its main objective is to manage end-of-life textile and fashion products and to promote the research and development of innovative recycling solutions that enhance resources and raw materials, protecting not only the environment but also public health.

The Consortium aims to respond in a timely manner to the European directive on Extended Producer Responsibility (EPR) for textile waste and the national implementing legislation on this issue.

Under the coordination of the Camera Nazionale della Moda Italiana (CNMI), the six founding companies of the Consortium worked together for months to create a common, concrete project, with each company contributing its own expertise. Re.Crea is now open to welcoming other companies of excellence in the fashion industry.

RE · CREA

PARTNERSHIPS



Forestami

From 2022, the Prada Group supports Forestami, the internationally award-winning urban reforestation project that aims to plant 3 million trees in and around Milan by 2030. The goal is to increase Milan's natural capital and plant trees in order to slow down global warming, reduce energy consumption and clean the air of fine particles, thus improving the wellbeing of its citizens.

The partnership is perfectly in line with the Group's spirit of supporting the places and communities where it operates through sustainability initiatives, in this case both environmental and social, given the extremely positive impact that green has on the life and health of the people of Milan.

In 2023, the Prada Group also decided to support the restoration of the Parco Nord Milano, one of the most important green lungs of the metropolitan area, which has suffered extensive damage from severe summer storms. The project involves the purchase and planting of 300 adult trees of various species and the maintenance of over 400 hectares of the park.

Finally, always during 2023, the collaboration between the Prada Group and Forestami was extended to the creation of the Forestami Academy, a three-year training program for citizens focused on urban forestry, which will be discussed in more detail in chapter 5, paragraph 2 "Further Sustainability Literacy".

CHAPTER 4

For People

CONTENTS

- 4.1— Champion Diversity and Promote Inclusion
- 4.2— Foster Creativity and Know-how Preservation
- 4.3— Ensure Wellbeing and Fair Workplace
- 4.4— Partnerships: Dorchester Industries, UNFPA and FIT

The Prada Group set the ambition to be Drivers of Change, by committing to the evolution of every aspect of its business, starting with its employees.

Highlights 2023

14,876

Headcount (+8% vs 2022)

116

Different nationalities

63%

Women

44%

Women in Top management

90%

Permanent contracts

~150

Young people trained within the Prada Group Academy



It has always been in the Group's DNA to imagine the future, to preserve the past and to shape the future with creativity, passion and innovation. Drivers of Change is a project that focuses on people as the protagonists of the cultural change within the Group and in the world around us.

Rosa Santamaria Maurizio
Chief People Officer

Drivers of Change, the internal engagement program designed to give substance to the Prada Group's purpose, was launched to share the Group's values and sustainability pillars - People, Planet and Culture - with its employees, and represents a new approach to fostering a sense of belonging and improving internal communication. This new platform enables people to meet, share and collaborate across roles and functions.

The Drivers of Change project started from the Group's commitment to creating a high quality working environment for its employees and ensuring that everyone has an open channel with the organization.

A more inclusive and collaborative workplace, where each individual can play a vital role in shaping corporate culture and its impact on the community, not only enhances the wellbeing of employees, but also helps to attract new talent.

The program focuses on the Group's vision of its core values, aligning the Group's objectives with its overall sustainability strategy. The ambassadors of the program, called Champions, have been selected from different departments to provide a concrete example of the cultural change the Group is bringing about, so that everyone can move forward together.

Drivers of Change sees employees as active agents of positive change, aligning their professional efforts with the broader goals of the Group.

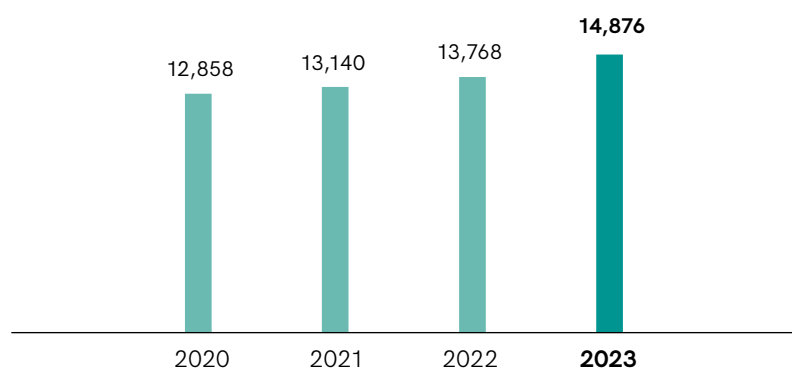
By promoting sustainability and reinforcing a strong organizational culture, this initiative not only improves the workplace, but also positions the Prada Group as a top employer and a purpose-driven company.

DRIVERS OF CHANGE

Respect for human rights, for workers and for people in general, as well as the promotion of diversity, equity and inclusion, are elements that characterize the Prada Group and its way of operating in a global and constantly evolving context. This approach goes beyond corporate boundaries and is also reflected in the relationship with people daily involved along the entire supply chain.

Prada has always considered human capital to be key to its competitive edge and makes every effort to stimulate and recognize personal and professional skills, teamwork and improvement. The enthusiasm, craftsmanship and intellectual curiosity of its employees are the elements that underpin the innovation, creativity and quality of the Group's products. As stated in the Human Rights Policy, approved by the Board of Directors of Prada S.p.A. in 2022, the Prada Group is committed to operating with full respect for the value of the individual and for the human and workers' rights enshrined in Italian and international covenants and declarations, such as the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

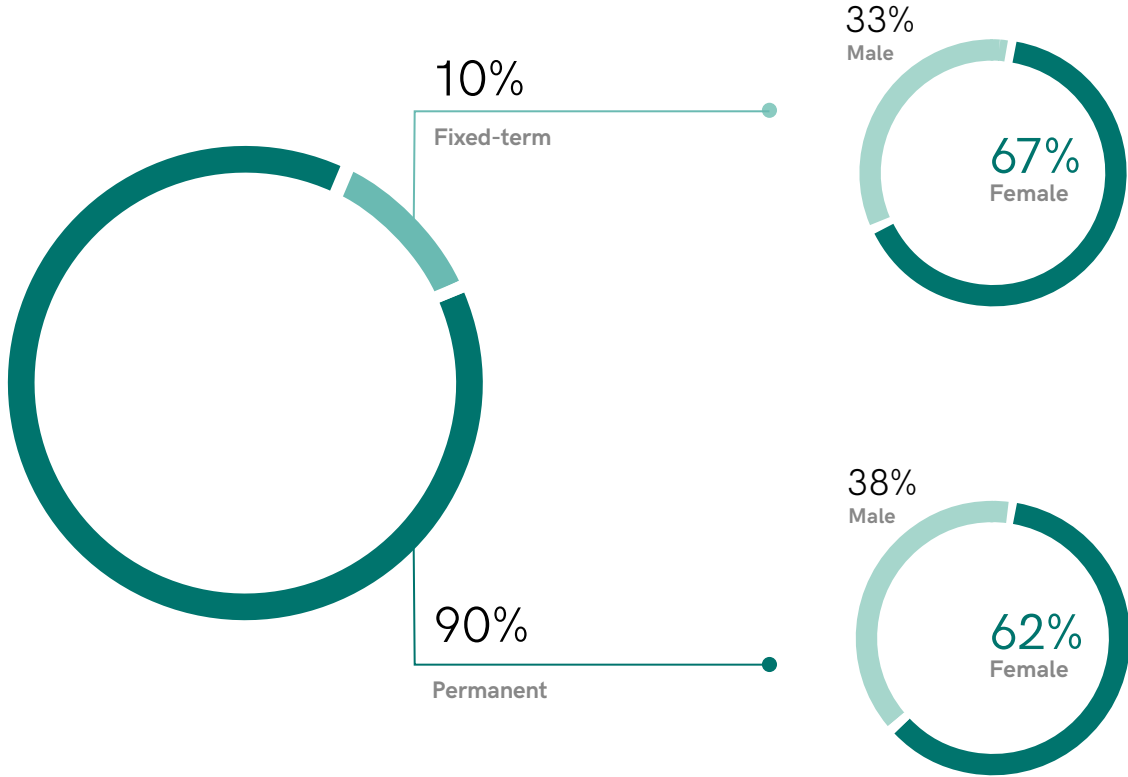
Number of employees



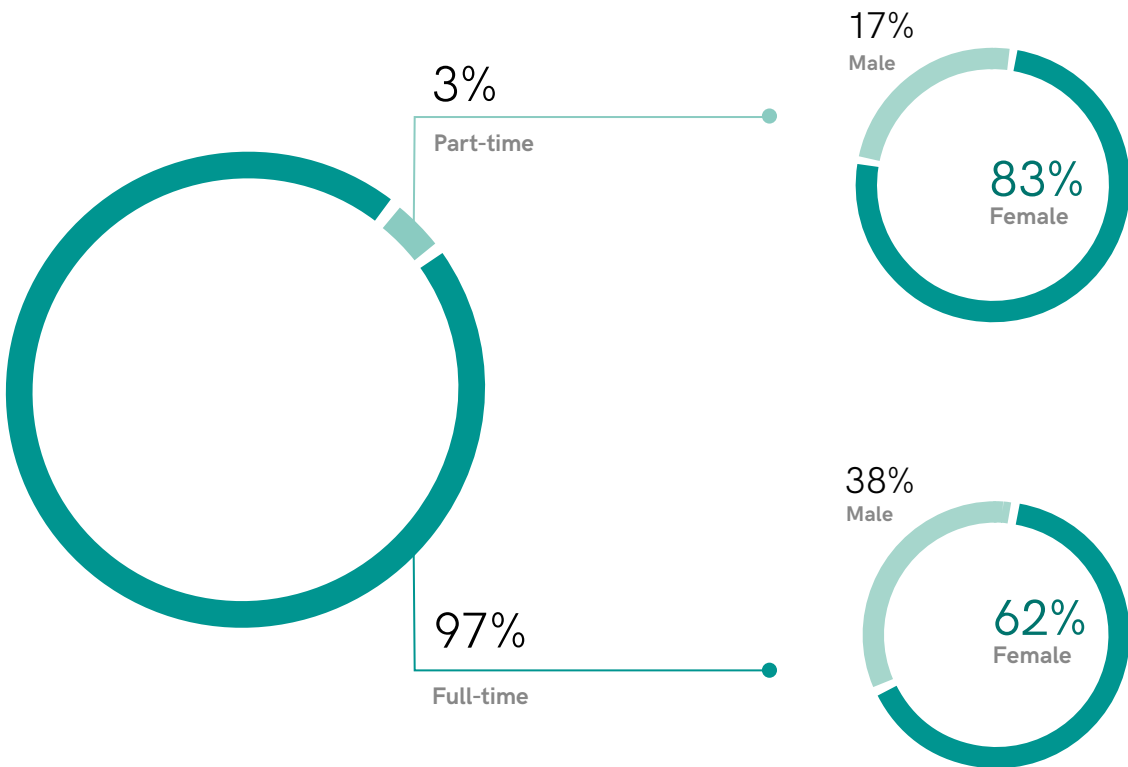
At December 31, 2023 the headcount of the Group stands at 14,876, reporting a 8% increase compared to the previous year and +16% compared to 2020, year hit by the pandemic.

Permanent contracts represent 90% of the global workforce (62% represented by women), confirming the Group's commitment to stability in employment relationships and long-term investment in human resources. Similarly, the Group is open to any requests from its employees to work part-time and, wherever possible, offers work opportunities that meet their personal and professional needs. Full-time employees represent 97% of the total workforce and, as in previous years, there were no differences between full-time and part-time employees in terms of benefits.

Permanent and fixed-term contracts by gender

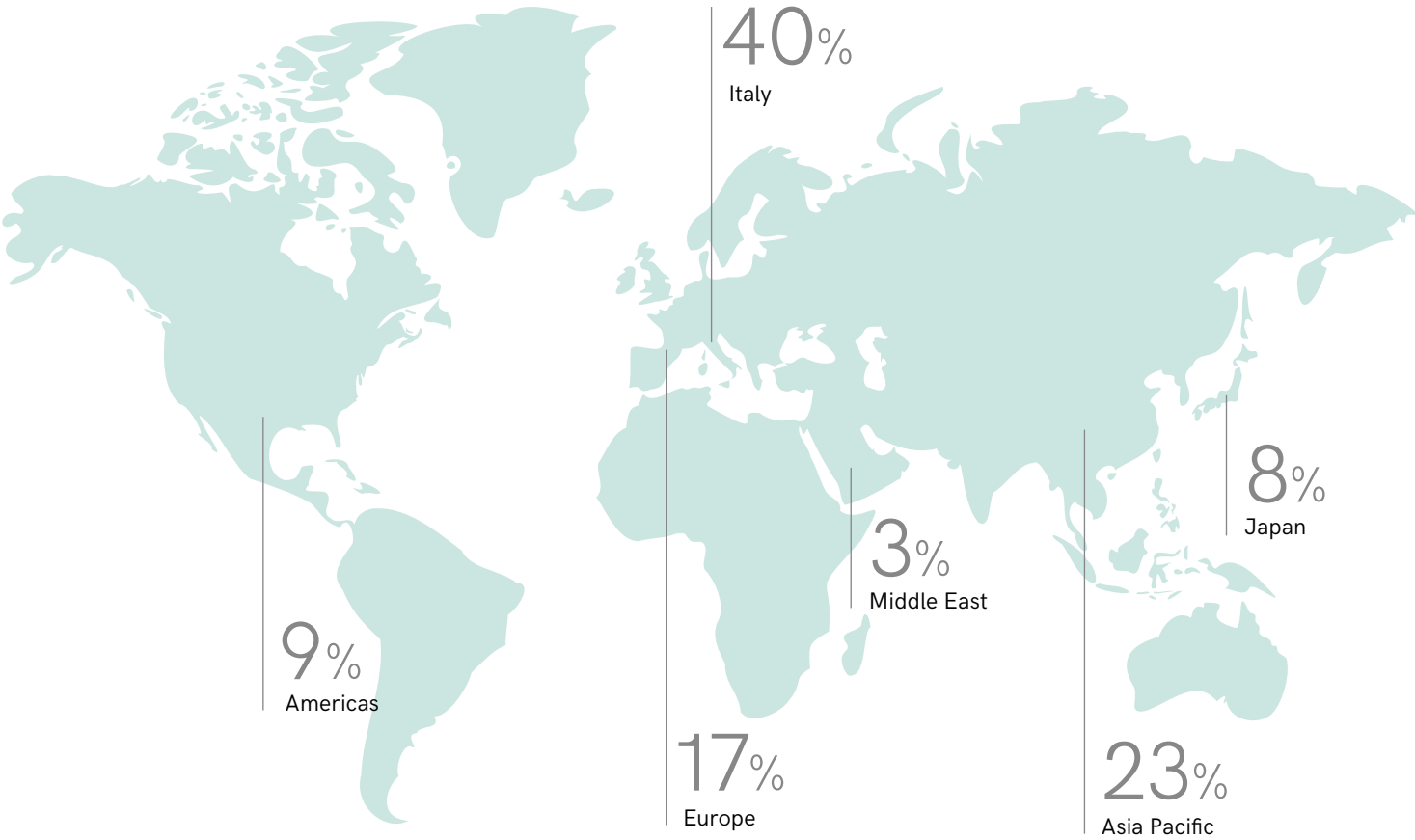


Full-time and part-time contracts by gender



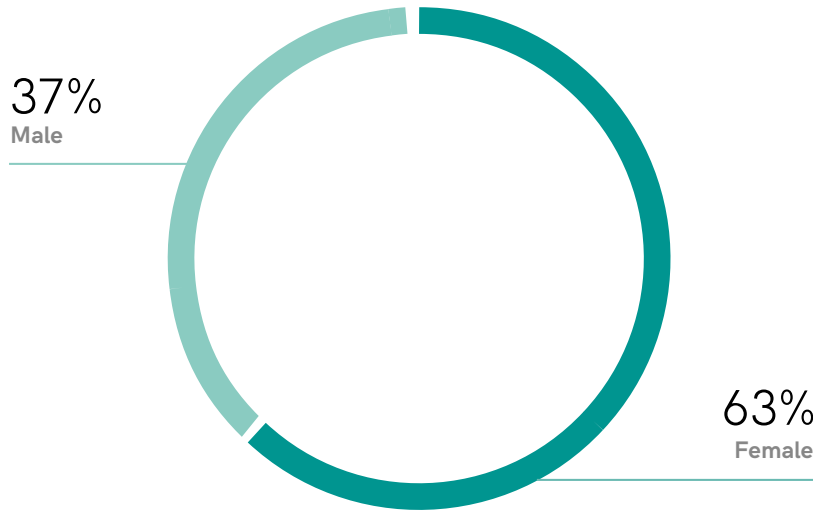
Outside Italy, where 40% of the total workforce is located, the largest portion of the workforce is in Asia Pacific (23%), followed by the rest of Europe (17%).

Employees by region



Women consistently represent the majority of the workforce, accounting for 63% of the Company's population. Women representation is also well above 50% in all regions.

Employees by gender

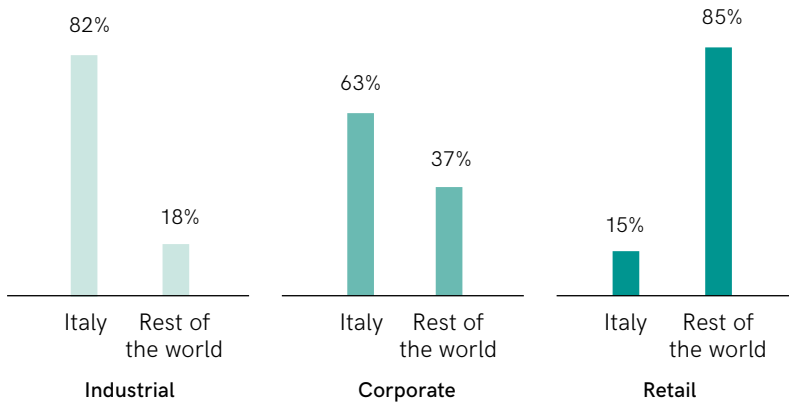


In terms of business areas, 60% of the Group's employees work in the retail area, 30% in the industrial area and 10% in the corporate area. In Italy, where 23 of the 26 production facilities are located, most employees (62%) work in the industrial division, while in other countries, where 555 of the 606 directly operated stores are located, 85% of employees work in retail.

Employees by division



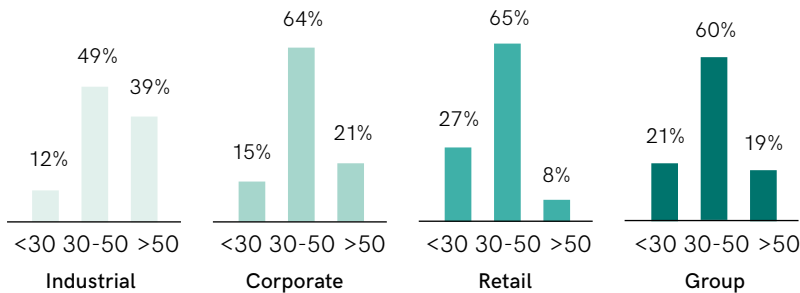
Employees by division, Italy and Rest of the world



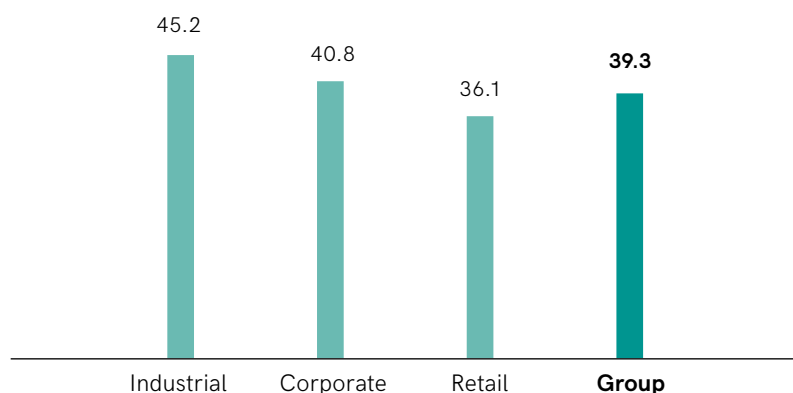
A breakdown of the workforce by age shows that at December 31, 2023, 21% of the Group’s employees were under 30 years old and 60% were between 30 to 50 years old. Further analysis shows that 27% of the retail workforce was under 30 years of age, while in the industrial division, where at least ten years of experience in production and craftsmanship is particularly important, approximately 50% of the workforce was in the 30–50 age group and 39% in the over 50 age group. Globally, the average age of the Group’s workforce at December 31, 2023 was 39.3 years, slightly lower than in 2022 (39.5).

FOR PEOPLE — 2023

Employees by division and age group



Average age of employees by division



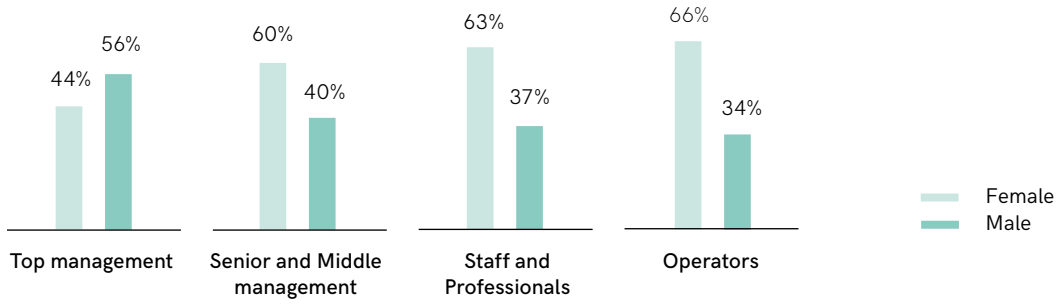
4.1 Champion Diversity and Promote Inclusion

Diversity is a founding element of social sustainability for the Prada Group. The representation and valorization of difference is essential to the creation of an increasingly inclusive work environment that encourages the expression of each individual's potential, to be used as a strategic lever for achieving organizational objectives. Freedom of expression is the founding factor of a creative industry like Prada, which must understand and anticipate social changes, surrounding all generations in the diversity of their aspirations, especially today in an increasingly complex and globalized society.

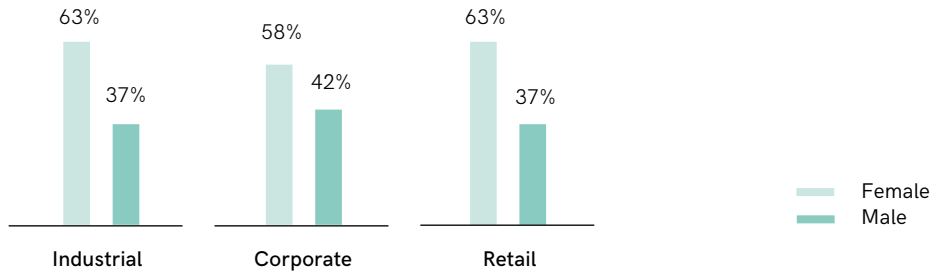
The Prada Group's extensive international presence is reflected in a multitude of different cultures and nationalities, as evidenced by the 116 nationalities represented in the Company, up from 113 in 2022. The strong female presence is reflected in the male/female ratio for each job category: women represent 66% of Operators, 63% of Staff and Professionals, and 60% of Senior and Middle management. In the Top management category, women represent 44% of the workforce (+6 p.p. vs 2022). Another distinctive feature is the general prevalence of women in all divisions.



Employees by job category and gender



Employees by division and gender

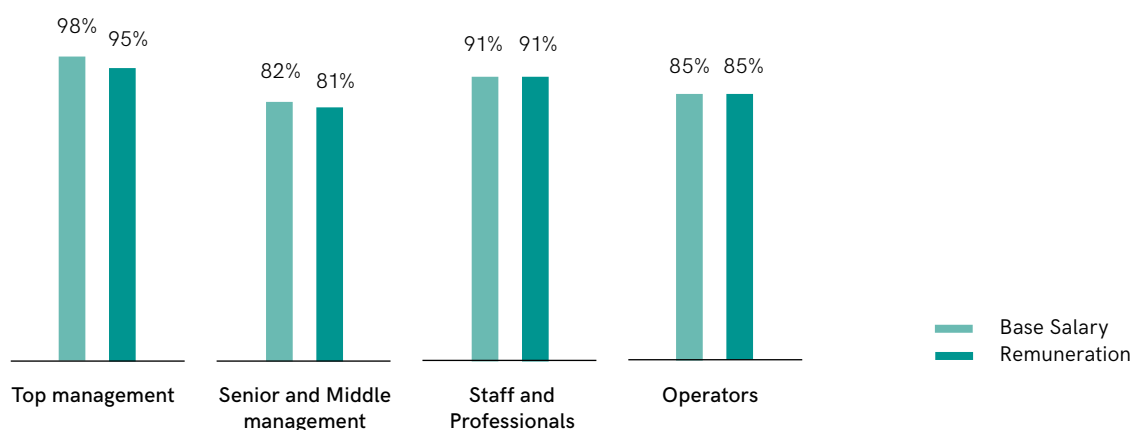


Women represent more than half of the workforce in all regions, with peaks in Japan and the Asia Pacific, where women make up 69% and 68% of the workforce respectively.

With regard to the Compensation & Benefits System, the Prada Group is committed to creating a work environment where merit and performance are the only determining variables in the compensation process. The Group firmly believes that a positive working environment and a solid business success, can only be built by creating an environment where women and men can develop their careers equally, with full pay convergence.

Ratio of base salary and remuneration of women to men²⁹

Men's base salary and remuneration = 100



²⁹The base salary corresponds to the Gross Annual Pay (GAP) as stipulated in the contract. Remuneration includes base salary and short-term incentive, if provided for in the contract. For the purposes of this presentation, "Top management" was considered to be the highest level of management within the organization, responsible for the implementation of strategic decisions taken by the Board of Directors and for the overall management of the Company. For this reason, the role of the CEO, as an organizational unicum, was not considered part of the Top management, as he performs the functions of defining strategic policy in agreement with the Board, as well as coordinating and controlling the same Top management. However, the CEO's remuneration is disclosed in a transparent and detailed manner in the relevant section of the Annual Report.

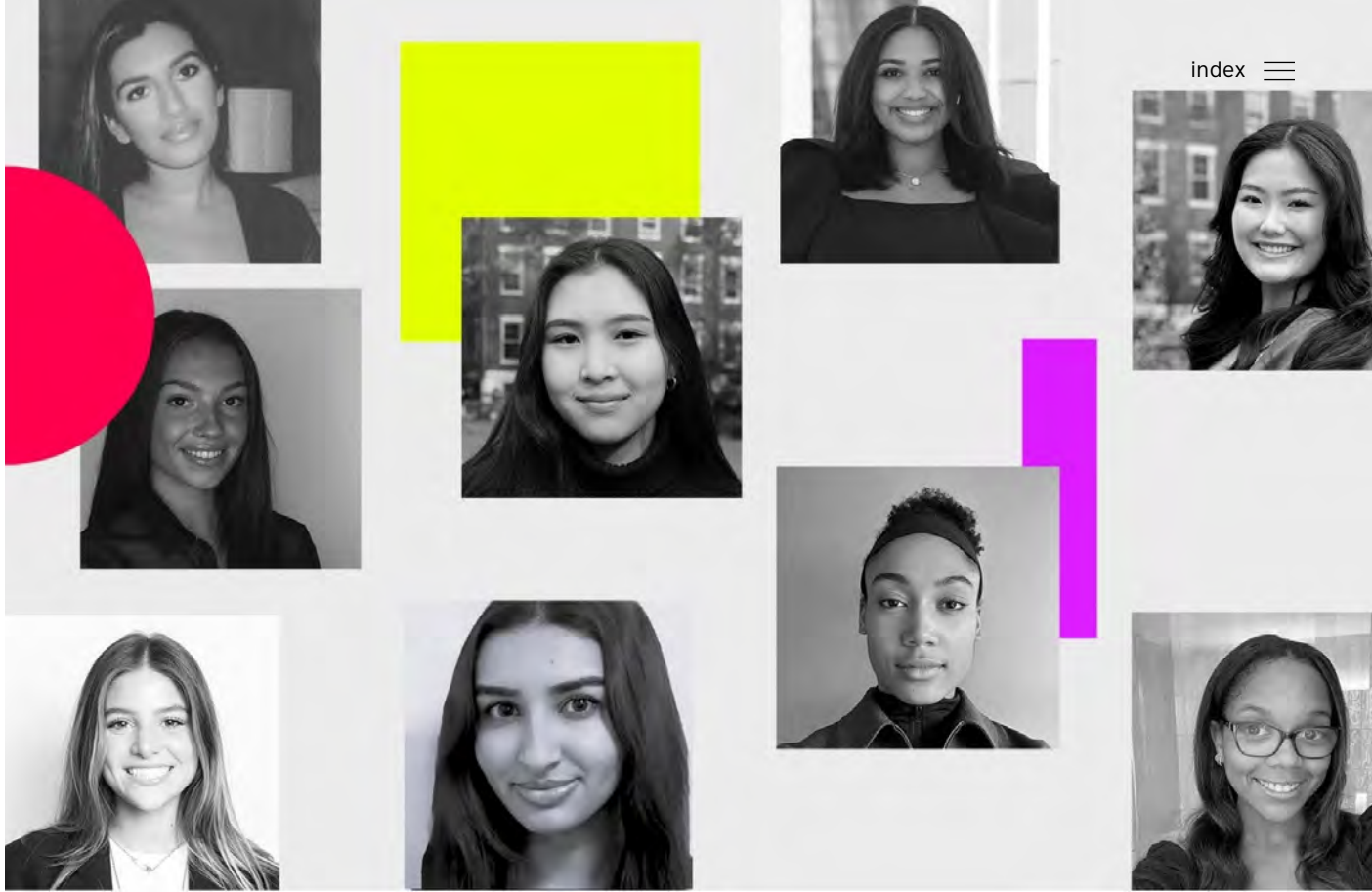
From 2023, the Group discloses data on the gender pay gap, both in terms of base salary and remuneration, using a methodology that is more closely aligned with the GRI Standards³⁰. The purpose of reporting this information is to raise awareness of an issue that is a priority for the Company and to provide clearer and more transparent disclosure to its stakeholders.

The Group's deep commitment to diversity and inclusion is also demonstrated by the actions taken in this area, starting with Prada North America, one of the Group's main subsidiaries. In 2019, a Diversity and Inclusion Advisory Council (D&I Council) was established to promote and support the Company's awareness and improvement of diversity, equity and inclusion aspects; in 2020, a Chief Diversity, Equity and Inclusion Officer for the Americas region was also appointed. Together with her team, she is responsible for developing policies, strategies and programs to ensure that diverse cultures and perspectives are represented at all levels of the organization. Her role is to work closely with the D&I Council to build an inclusive culture and ensure progress on equal opportunity within the organization.

In 2023, the North American team built up on significant initiatives, such as:

- **Training:** two main training streams were activated, one targeted at Latin American corporate and retail populations to raise awareness and provide education on race, gender and unconscious bias in the workplace, as well as to improve respectful interactions with customers and colleagues; the second stream targeted North American population for internal DE&I training and education on unconscious bias and stereotypes, inclusive leadership and racial profiling;
- **Diversity, Equity and Inclusion Retail Integration:** this initiative was launched to visit selected Prada and Miu Miu stores in North America to share information on the various DE&I initiatives across the organization and gather feedback from retail teams on what they needed from a retail perspective, while helping to integrate DE&I best practices. The result was an easily shareable educational resource that was launched to raise awareness of the various cultural and religious holidays celebrated by colleagues and clients;
- **GenerationPrada Internship Program:** the program was launched in 2021 to provide the next generation of diverse fashion industry leaders with career growth opportunities and hands-on experience. Since its launch three years ago, a total of 30 brilliant talents participated in the program, 6 of whom have been hired as full-time employees at Prada USA Corporate office across the Merchandising, Logistics, Public Relations, and DE&I departments;

³⁰-For data published according to the previous methodology, please refer to the Sustainability Report 2022, available in the Sustainability section of www.pradagroup.com.



- **Speaker Series - Fostering Inclusive Conversations in the Workplace:**

this initiative is meant to encourage diverse discussions and bring employees together to reflect on a wide range of DE&I issues. Past conversations have focused on fostering inclusivity in the workplace, parenting in the modern world and diverse representation in the fashion industry. In 2023, these conversations continued between internal Prada voices in corporate and retail with external industry luminaries, athletes and fashion editors. To celebrate Women’s History Month in March, Prada USA hosted “Championing Excellence and Innovation: Women’s Stories”, a rich discussion focused on empowering women in the workplace. In June, a conversation on identity and self-expression in the LGBTQIA+ community took place to celebrate Pride Month. Finally, in October, Hispanic American Heritage Month was celebrated with a discussion focused on highlighting the stories of the Latin American community;

- **The Prada Culture Collective, Employee Resource Groups (ERGs):** these are groups proposed and guided by employees to share interests or issues relating to their identity, such as gender, ethnicity, sexual orientation and other matters. In 2023, the Black Collective, Parents and Caregivers Collective and LGBTQIA+ Collective hosted philanthropic and cultural events to enhance culture and belonging at the Prada Group.

In addition to the initiatives taken by the Prada Group's North American subsidiary, significant progress was also made in 2023 through strategic partnerships with external NGOs and prominent universities, as explained in the last paragraph of this chapter, "Partnerships: Dorchester Industries, UNFPA and FIT".

4.2 Foster Creativity and Know-How Preservation

Developing the know-how of the Prada Group's employees has been a long-standing priority since the early 2000s. The Prada Group Academy is a physical and virtual place where knowledge is shared and skills, techniques, and innovative ideas are shaped in a way to foster talent and hand down the professional expertise essential for the Group.

The numerous projects, topics and learning methods of the Prada Group Academy are divided into three macro areas: a general one for training and skills development aimed at all company employees, one on manufacturing, and a specific one for the retail world.

Prada Group Academy Learning and Development Academy

Employees are trained from the moment they join the Prada Group, through an onboarding phase that introduces them to the Group's world and to their respective business areas, by getting to know the people, processes and working tools.

In 2023, the existing learning content was analyzed and redesigned at both central and local levels, with the aim of creating consistency and making the company's knowledge more accessible to all employees around the world through the creation of digital experiences, and in particular to help new employees discover the Group's identity, values and brands.

The professional development of the Group's employees focuses on the effective management of the complexities of the work environment. Based on business priorities, specific initiatives are designed and delivered to enhance employee knowledge, skills and competencies.

Courses are designed by first analyzing the demand, so that the content can be built according to the specific personal and professional growth needs in behavioural, professional and managerial areas.

The various soft skills and leadership courses included a strong focus on interpersonal communication, emotional intelligence and self-efficacy. Delivered live remotely and using digital content, the training sessions were organized to engage colleagues in different countries, create food for thought and share best practice.

During 2023, behavioural and management skills training was increasingly linked to the Drivers of Change project, with the aim of strengthening the consistency of training with corporate values in order to consolidate the Group's identity.

The development of management skills related to performance assessment also continued. The performance management process was extended both geographically and in terms of the population involved, with the aim of further clarifying corporate and personal goals and objectives, supporting a more widespread culture of feedback and transparent and shared appraisal. Training therefore focused on knowledge of the process and the assessment tool, as well as the soft skills needed to implement it.

Investment in sustainability training for specific groups of employees continued. Building on from programs launched in 2022, the following courses were held in 2023:

- e-learning training aimed at providing a general knowledge about human rights and the Group's commitments in this area;
- in-class specialized training (practical and theoretical) on the basic principles of eco-design for design staff in the Ready-to-Wear, Leather Goods and Footwear divisions.

Finally, in close synergy with other departments, customized training on tools and methodologies was developed to enhance the technical skills of individual functions and drive them towards digital transformation. The IT Department, a key enabler of this transformation, was supported to understand the need for both specific technical training on upgraded or next-generation tools, and behavioural training to support project management skills and resource efficiency.

In general, a greater use of digital tools and formats was confirmed for 2023 training activities. In fact, programs were offered online and offline to ensure a continuous and accessible experience that could meet the different needs of participants. The Group's digital training platform, which since 2017 has allowed all employees worldwide to benefit from e-learning content and to register for courses autonomously, was further refined through a study and subsequent redesign of the user experience, making access to learning and online resources more effective.

Industrial Academy

The industrial training pathways are designed to develop production skills in the luxury Leather Goods, Footwear and Ready-to-Wear Divisions. Most of the training takes place on the job, in designated areas of the Group's factories. In this case, the main objective of the Academy is to constantly improve the technical and craft skills of the employees, enabling them to become increasingly expert in their work and to move freely within their areas, experimenting with new tasks in order to gain a comprehensive overview of the operational processes and thus improve their skills.

The Industrial Academy also aims to safeguard the technical know-how of the fashion industry, which is considered a true wealth of craftsmanship and knowledge that must be passed on to new generations. To this end, the Prada Group creates training courses that combine theory and practical experience for young graduates who want to learn the professions of manufacturing excellence.

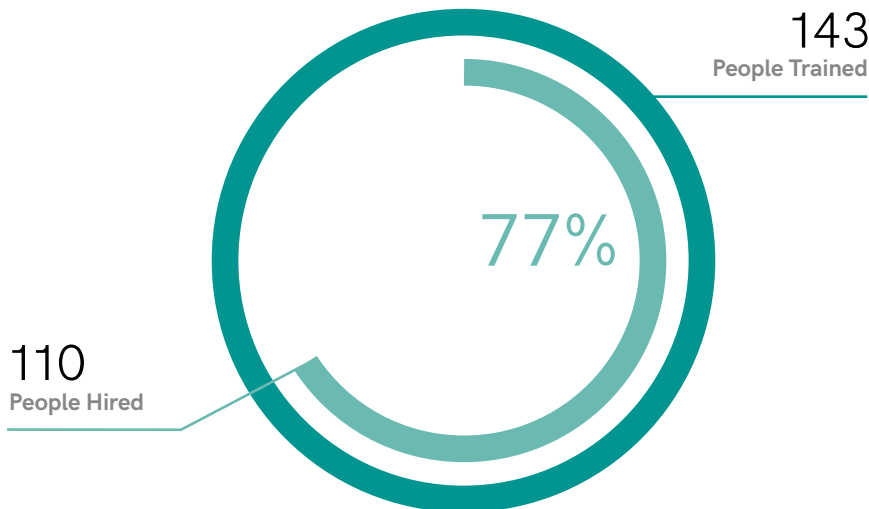
The study of production processes and techniques is the basis for ongoing practical training: learning by doing in the manufacture of bags, accessories, footwear and apparel. Under the guidance of in-house instructors and experienced professionals who share their wealth of knowledge, each process is understood in depth to learn how to operate according to quality standards of excellence.

In 2023, the Academy played a key role in the development of the Group's industrial sites and the Italian production network in the sector. At the Scandicci plant, which was expanded with the opening of the new Miu Miu brand area, young people were hired in the Leather Goods Division thanks to training courses. New hires were also made at the Terranuova Bracciolini, Figline and Arezzo plants, in Tuscany region.



The Academy also played an important role in the training of Footwear Division employees, mainly at the Buresta, Levane and Foiano della Chiana plants, in Tuscany region. In the Ready-to-Wear Division, two courses were started in Ancona and Fucecchio, in the Marche and Tuscany regions respectively, also with the aim of replacing retiring employees. In 2021, as soon as it was possible to resume on-site training, the Company reopened its factories to welcome 37 young people to be trained for careers in production. In 2022, the number of participants rose to 62. In 2023, 143 young people were trained, 110 of whom were hired in the Prada Group's production facilities throughout Italy.

Young people trained and hired in the production area in 2023



In 2023, a new initiative was launched for the entire industrial area, aimed at strengthening cross-functional collaboration by focusing on the creation of a common technical language. Thanks to in-depth work on technical and industrial management skills, this training improves a common and broad understanding of production at every stage. The project targeted around 250 colleagues from all departments and production units, including different industrial professional categories. The learning path covered all the principles, processes and activities that make up the Prada Group's value chain through various classroom training modules.

Training for technical staff included training in the use of cutting-edge software, in which Prada has continued to invest in recent years. In 2023, 3D training was almost completed in all departments of the Ready-to-Wear and Footwear Divisions, becoming a commitment to keep colleagues up to date with the latest studies, while new training investments in this area focused on new hires to help them develop a full understanding of the Prada Group's working methods in design. The Group remains committed to training colleagues in the Leather Goods Division, with the aim of progressively extending knowledge of innovative tools and techniques to the various departments of the Company, in line with the digital transformation processes underway in the industrial area.

Retail Academy

Store staff training includes courses aimed at reinforcing various professional skills, including product knowledge and the DNA of the Prada Group brands, customer orientation and service, with the support and daily coaching of dedicated trainers.

In 2023, brand training was verticalized to strategically support business objectives and align the training offering with its storytelling.





Prada

In 2023, the brand's mission was to strengthen its people and client-centric culture, with the launch of the "Prada Retail New Joiner Program", aimed at welcoming new retail recruits.

The program kicks off with "Prada Week", a week-long classroom course that provides a 360° training approach on key brand and retail topics, involving various Group functions. Topics such as the history of the Group and the brand, role expectations, the client journey, clienteling, product, visual merchandising and store operations, all linked by engaging and team-building activities.

The second phase of the program includes an in-store coaching period with practical training for a hands-on experience with the support of a dedicated buddy and digital modules. The program enriches the brand's training offering, designed to support and fully develop store staff in customer relations and business management.

In addition to the initiatives already underway, gamification and digitalization projects were further developed, with investments aimed at animating the training projects and supporting teams of trainers and store staff.

The new approach to sales, and therefore to training, has reinforced the importance of the Retail Academy courses, where engagement and clienteling content are a fundamental part.



Miu Miu

The Miu Miu retail training architecture focuses mainly on specific content aimed at enhancing the brand identity and both the physical and digital experience of the client in the Group's stores.

The main pillars are the client journey, collection training and storytelling. The Client Journey project, launched in 2022 with the main objective of creating a customer-centric culture, was consolidated in 2023 through key initiatives aimed at improving the in-store shopping experience for clients. This project, one of the key drivers of Miu Miu's growth, has succeeded in strengthening the brand's identity and creating a strong sense of belonging through classroom sessions, on-the-job coaching and digital self-learning modules.

Another key project launched in 2023 focused on the onboarding of new retail employees, the "Miu Miu Club Days". The aim was to provide new employees with a welcome toolkit aimed at creating an immersive experience in the brand's DNA, enhancing client journey and clienteling skills, providing key product basics of the Miu Miu collections and offerings a 360° view of the brand.

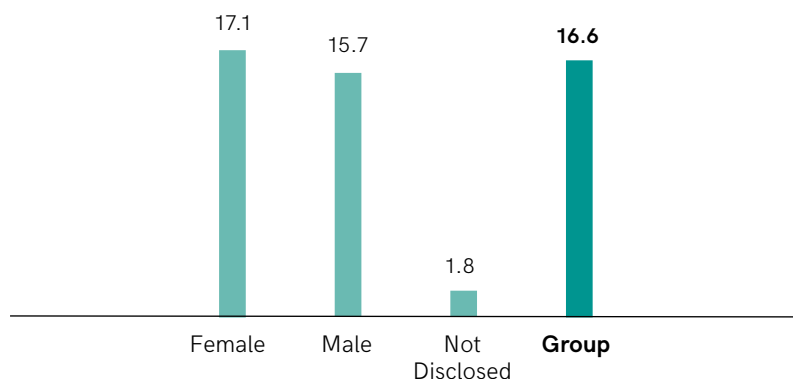
In terms of product training, brand new materials have been developed to simplify collection training content while maintaining a client-centric approach. This content was created with the aim of enhancing the storytelling skills of the store staff and highlighting the distinctive features of the products, such as the matelassé craftsmanship.

To strengthen the retail training architecture and fully consolidate the training knowledge, a number of dedicated in-store client advisors were then selected and appointed as in-store Training Ambassadors, whose main objective is to implement the training initiatives planned by Headquarters and to provide the highest standards of service.

Training Hours

In 2023, 246,820 hours of training³¹ were provided, 34% of which was online via e-learning sessions or webinars, with a total of 138,351 participations. Approximately 79% of employees received at least one hour of training during the year.

Average training hours per employee by gender



In 2023, the average training hours per employee was 16.6, substantially in line with the previous year, confirming the huge importance the Group places on the training of its human resources. A closer analysis shows that the average training hours is evenly distributed between men and women, although the per capita figure slightly favors the latter.

During the year, the training activities covered many strategic topics, including sustainability, with more than 3,000 hours of classroom and on-line training.

Talent Attraction

A constant commitment to identifying and nurturing unique talents is a fundamental pillar of the Prada Group. In order to promote an increasingly broad distribution of the profiles required by the industry and to facilitate the transition from the academic to the professional environment, the Company actively participates in various initiatives to meet and dialogue with new generations of talent. This commitment is reflected in its regular participation in orientation sessions and career days, where students have the opportunity to learn about the many career opportunities within the Group.

³¹-Excluding the number of hours for health & safety training.

The various dialogue opportunities also include visits by Masters and MBA students from universities around the world (Harvard Business School, Columbia Business School, Stanford Business School, HEC, etc.), to whom the Prada Group opens its doors and offers them a unique opportunity to interact directly with the company's top management, allowing the students to deepen their understanding of the luxury sector.

The Group has also been working closely with academic institutions such as the Politecnico di Milano (POLIMI) and SDA Bocconi for many years, offering students the opportunity to participate in training programs that include lectures and projects coordinated by Group managers. Concrete examples of this collaboration are the Executive Master in Luxury Management (EMILux) at Bocconi and the International Master in Luxury Management (IMLux) at POLIMI, of which the Prada Group is one of the main sponsors. The sharing of business strategies in real classroom moments is a stimulus for the students throughout the academic year, who are invited to rework topics of great interest and complexity through project work. These initiatives demonstrate the Company's interest in investing in training and attracting talents, recognized as strategic elements to ensure sustainable growth in the long-term.

The Prada Group's ongoing strategic work to attract and identify young talents is also reflected within the Organization: in fact, in 2023, with the aim of improving business support and having a more integrated structure, capable of optimizing the identification and development of talent, the strengthening and verticalization of talent acquisition processes began, thus contributing to sustainable and lasting growth.

Finally, promoting diversity and inclusion is part of the commitment to strengthening a fair working environment. A concrete sign of this will be a new Recruitment Policy, which will make it mandatory to submit a shortlist of candidates that is balanced in terms of equal representation and opportunity.



4.3 Ensure Wellbeing and Fair Workplace

Health and wellbeing in the workplace are fundamental to the Prada Group's strategy for growth, competitiveness and sustainability. Work and wellbeing are closely related, in the sense that the quality of work conditions has a direct impact on the quality of life of everyone inside and outside the Company.

The Group keeps abreast of all the new trends in the labour market: the offer of flexibility, a good work-life balance and medium and long-term career paths are essential to attract talented people and keep employees highly motivated.

Workers' Health & Safety and Respect of Human Rights

The protection of people and the promotion of health and safety are key priorities for the Prada Group: the high quality of the workplaces, as well as the internal policies and procedures adopted over the years, are aimed at protecting workers, customers and everyone in all the Company's locations, according to the highest standards and in full compliance with applicable regulations.

In most of the premises, the occupational health and safety risks associated with the Group's operations are considered to be limited, thanks in part to training activities and safety updates, especially in the industrial area.

In 2023, the Group recorded 149 work-related injuries³² among its employees, an increase compared to 2022 (109). The recordable work-related injury rate was 6.49, approximately 1.5 points higher than the previous year.

The increase in the number of injuries was influenced by the 8% increase in the number of employees between the two years and the simultaneous increase in the number of hours worked (more than 1.1 million), as well as by random circumstances mainly occurring in foreign subsidiaries. In addition, the injury data has been further refined to cover the entire Group perimeter from 2023 onwards.

For years, the Prada Group has supplemented the traditional forms of onsite training with digital platforms for online training, which again proved to be essential in 2023 to reach as many employees as possible and raise awareness of the importance of safety. In 2023, 2,174 people received health and safety training in Italy (2,160 in 2022).

There are no specific committees within the Group responsible for creating and monitoring occupational health and safety programs. However, the internal organizational positions and structures required by the local regulations of the various countries in which the Prada Group operates have been established. In addition, a European Health and Safety coordination was established in 2022 in order to harmonize the management of occupational safety in the different areas of the Group, also by issuing specific guidelines for the European region.

Overall, the Group is committed to ensuring respect for human rights in the workplace, as well as internationally recognized standards of worker safety and wellbeing, and promotes this commitment throughout its supply chain.

³²-Work-related injuries with at least one day lost were considered.

The Group has a zero-tolerance approach to all forms of discrimination, forced and child labour. In this regard, Prada believes that there is no risk of modern slavery, forced or child labour within its own organization, and considers the risk to be very low throughout its industrial supply chain. The geographical location of its production facilities and suppliers, as well as the in-depth knowledge of them resulting from the duration and quality of the relationships established, significantly reduce the risk of conditions or pre-conditions that could lead to modern slavery, forced labour or human trafficking.

The Group's business partners are encouraged to go beyond the minimum legal requirements and to promote dialogue between all stakeholders to facilitate the implementation and compliance and to create positive working relationships. In supplier relations, social awareness, regulatory knowledge, and the adoption of environmental, social and quality certifications are encouraged.

The Group's commitment is reaffirmed in the Group's Sustainability Policy, Human Rights Policy and Suppliers Code of Conduct, and is supported by the promotion and dissemination of the Group Code of Ethics, which all suppliers are required to sign.

External factories and suppliers are required to ensure that all subcontractors have the necessary legal permits and comply with the Code of Ethics.

Collective Bargaining, Welfare and Freedom of Association

The Group promotes freedom of association and recognizes the right to collective bargaining. The Prada Group meets with trade unions in order to constantly improve the working conditions of its employees and to promote the medium/long-term wellbeing of the workers and, by extension, the surrounding communities.

As of December 31, 2023, the number of employees covered by collective bargaining agreements represented 38% of the total workforce, up 3% from 2022. Over time, the Prada Group has concluded numerous supplementary agreements, particularly in Italy and France, to improve the conditions of its employees in terms of benefits compared to what is provided by national collective agreements or, as in the UK, by reference legislation.

In particular, the number of employees benefiting from these agreements increased to around 84% of the workforce in Italy in 2023 (around 80% in 2022), while in France the proportion of beneficiaries is 100%. Employees in the UK's industrial division also benefit from collective agreements at national level.

The main benefits of the 2023 supplementary agreements are the following:

- performance bonus: variable bonus linked to production, sales and profit targets;
- vacation bonus: fixed amount equivalent to one month's pay as per the collective bargaining agreement;
- easy access to severance pay advances;
- flexible working hours enabling employees to achieve a more productive work-life balance;
- Supplementary Healthcare Fund: health insurance that is richer in benefits than the national standards, with an option to include immediate family at a special rate;
- special leaves of absence for illnesses of employees' children up to 12 years of age (in France);
- regulation, safeguards and better conditions of Sunday premium pay for the stores (in France);
- improvement in sick pay scheme for the employees of the Church's facility in Northampton, United Kingdom.

As part of the supplementary agreements in Italy, a corporate welfare plan has been active since 2018, giving employees access to a comprehensive package of benefits, such as reimbursement of health, education and welfare expenses, leisure activities (e.g., travel, holidays, cultural and sporting events), fuel and food vouchers, contributions to supplementary pension funds, and much more. The welfare plan can be activated at the employee's request as a conversion of the performance bonus; the Company commits to adding a further 20% welfare contribution to this remuneration. In 2023, more than 70% of those eligible converted their performance bonus into welfare benefits, demonstrating the value employees place on this tool. In 2023, in agreement with the trade unions, Prada has made recurring a welfare payment of Euro 1,300 for all employees in Italy, with the exception of executives, as a form of concrete assistance with household expenses. Among the social services used in 2023, the most requested were the reimbursement of medical and school expenses, as well as the reimbursement of utility bills and the purchase of fuel vouchers.

With this in mind, studies were launched at Group level in 2023 to assess the advisability of supplementing the remuneration package with additional measures to support the general increase in costs (including, for example, the revision of the amounts of meal vouchers in certain geographical areas of the Group).

In 2023, initiatives to contribute to the health of employees and their families were carried out in some Italian sites. In partnership with LILT (the Italian League for the Fight Against Cancer), screening programs were organized for employees to prevent tumors in men and women. Similarly, bone health screening sessions were organized with the support of the biomedical company Echolight.

The Group complies with the applicable international and national laws and regulations on working hours, minimum guaranteed breaks and rest periods. In Italy, where the vast majority of the industrial workforce is located, the number of strike hours amounted to 0.01% of the total hours worked in 2023, thanks to respect, dialogue and cooperation with the Italian trade unions.

Global Reward and Mobility

The Prada Group adopts operational procedures and practices aimed at ensuring that its remuneration policy is fully compliant with the regulations in force in the countries in which it operates, scrupulously respecting, where applicable, the provisions on minimum wages. Remuneration management is important in order to retain key personnel and attracting talented people.

The Board of Directors, through the Remuneration Committee, is actively involved in determining the remuneration of senior executive, taking into account the roles and responsibilities assigned and considering the relevant market parameters applicable to similar positions in companies of comparable industry, size and complexity.

People are the most important resource for achieving the Group's objectives and success, which in an increasingly competitive scenario requires more than ever that the organization be motivated, agile, prepared and ready to face the current and future challenges.

Accordingly, the Prada Group is committed to strengthening its human resources, developing their professional skills, involving them in a feedback process with transparent management, and encouraging them to play an active and proactive role, supported by new evaluation tools introduced in 2022, such as the Performance Management System, which continued in 2023 to further strengthen the importance of individual performance evaluations, also responding to the need to make the evaluation and accountability of people objective.

The development of talent and the maintenance of the professional skills required by the Organization, as well as the creation of an increasingly inclusive working environment in which diversity and plurality are cultivated and valued, are of paramount importance in the Group's processes, particularly those related to remuneration, in the sense generally associated with the monetary part (fixed and variable remuneration) and the non-monetary part (e.g., benefits, welfare, wellbeing, etc.).

During the year, the Group confirmed its remuneration policy, the objectives of which are as follows:

- ensure fairness in the assessment of the knowledge and professional skills of individuals and the roles and responsibilities assigned;
- review the consistency and adequacy of remuneration in relation to the role;
- ensure competitiveness in terms of the balance and consistency of pay scales in relation to the market;
- strengthen the meritocracy in accordance with the results obtained and the behaviours adopted (performance management).

In 2023, the long-term variable incentive plan "Performance Share Plan 2022-2024" continued, with the aim of aligning the performance of the Group's key personnel with the interests of its stakeholders, to retain and engage management, to provide stability in the achievement of long-term business objectives and to ensure competitive remuneration in relation to the market.



The three-year rolling plan includes not only economic and financial indicators, but also the achievement of specific sustainability targets. This focus is intended to strengthen the Group's commitment to ESG issues, which are increasingly integrated into its business strategies. Also in 2023, preparatory analyses continued for the introduction of a different method of analyzing the gender pay gap through the gradual implementation of a job evaluation system; the new method incorporates the underlying principles of the relevant international regulations and is based on a new methodological standard set to assess remuneration data using a like-for-like comparison of jobs through a job evaluation system, identifying brackets within which similar, comparable jobs are grouped. The project, started in the final phase of 2023, will be completed in the first half of 2024, allowing the Group to consolidate the new system throughout the organization in the same year.

Finally, Prada has continued to manage its international mobility strategy, which considers mobility between countries not only as a strategic lever to support business development, but also as a professional opportunity to accelerate personal growth, linking it to the promotion actions envisaged in the performance management system. The population participating in the international human resources management programs includes not only top executives, but also young talents and key people in the Organization.

PARTNERSHIPS



4.4 Partnerships: Dorchester Industries, UNFPA and FIT

Dorchester Industries Experimental Design Lab

Launched in 2021, the Dorchester Industries Experimental Design Lab was created in partnership with Prada USA's D&I Advisory Council Chair, Theaster Gates, to serve as a platform for artists of colour. The fourteen awardees have had the opportunity to amplify their work, as well as gain exposure to funding and industry collaborations with organizations interested in working with diverse talent.

In May 2023, during the Venice Architecture Biennale, three members of the EDL cohort - designers Mariam Kamara and Germane Barnes, and product designer Norman Teague - were honored to exhibit their work.

PARTNERSHIPS



Prada Group for UNFPA

The “Fashion expressions: the stories she wears” educational module was launched in May 2021 in partnership with the United Nations Population Fund (UNFPA). The program aims to introduce young women and girls in Ghana and Kenya to the concept of fashion as a powerful tool for social and economic empowerment. In September 2022, the 43 trainees graduated and were involved in organizing a final fashion showcase where they had the opportunity to present their fashion designs. Over the course of 12 months, the program provided them with practical skills with a focus on upcycling, traditional textile design and financial education. The trainees are now interning and transitioning into full-time roles in the African fashion industry, where they can design their own garments and work on social impact projects to give back to their communities. Now that the program has been completed in Africa, the UNFPA and the Prada Group are looking to expand to other regions in 2024, particularly Latin America.

Prada Group for FIT

With the ambition to continue creating a pipeline of diverse talent in the fashion industry, Prada USA and the Fashion Institute of Technology (FIT) partnered in 2021 to create a scholarship program for students. These scholars were selected based on their commitment to academic excellence, top high performance and their embodiment of the innovative Prada spirit as demonstrated through their application materials. To date, 6 talented students have been awarded scholarships to continue their studies in the fashion industry.

CHAPTER 5

For Culture

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- 5.1 – Contribute to Cultural Debate
- 5.2 – Further Sustainability Literacy
- 5.3 – Inspire Scientific Evolution
- 5.4 – Partnership: Prada Frames



In 2023, the Prada Group announced to donate 1% of the Prada Re-Nylon Collection proceeds to further sustain and develop the SEA BEYOND project.

Highlights 2023

3

Permanent venues of
Fondazione Prada between
Milan and Venice

2

Fellowships assigned
with Fondazione
Gianni Bonadonna

14

Exhibitions and cultural projects
realized by Fondazione Prada

200

Preschool children reached
by SEA BEYOND outdoor
educational activities



Social changes, deep economic crises, difficulties experienced by the institutions and the new paradigms introduced by technological progress have caused an ever increasing number of companies to adopt a closer approach to develop greater sensitivity to the demands of civil society. According to this principle of shared value creation, the competitiveness of a company and the wellbeing of the community in which it operates, and not only that, are strictly related.

The Prada Group's commitment to culture, the most distinctive pillar of its sustainability strategy, is the tool that the Group considers most natural and closest to its identity for extending the benefits of its activities to society.

5.1 Contribute to Cultural Debate

Fondazione Prada

The interests and passions in art and culture of Miuccia Prada and Patrizio Bertelli have inspired the Group to support³³ the multidisciplinary activities of Fondazione Prada from 1993 to the present. In its first two decades of activity, Fondazione Prada commissioned utopian projects and monographs in Italy and abroad to recognized international figures, established and emerging artists. Since 2002, it has also undertaken previously unexplored research paths by presenting philosophy conferences, architecture exhibitions and initiatives dedicated to cinema.

An extensive network of collaborations with artists, curators, scientists, scholars, filmmakers, architects, musicians and intellectuals, and an extensive program, which currently extends to the three venues in Milan and Venice, inaugurated between 2011 and 2016, and, from 2018, to other external spaces in Shanghai, Tokyo and New York, allow Fondazione Prada to dialogue with an international and plural audience.

³³-Fondazione Prada is an external entity of the Prada Group. The collaboration between the two parties is active in the form of sponsorship.



In 2023, the exhibition program of Fondazione Prada's Milan venue, inaugurated in 2015 and designed by architecture firm OMA, included "Cere Anatomiche: La Specola di Firenze | David Cronenberg", an exhibition conceived in collaboration with La Specola, which is part of the Museum of Natural History and Museum System of the University of Florence, and Canadian film director and screenwriter David Cronenberg. The exhibition presented a selection of anatomical sculptures and drawings from the Florentine Museum and an unpublished short film made by Cronenberg for the project. In the autumn, "Wes Anderson - Asteroid City: Exhibition", presented with Universal Pictures International Italy on the occasion of the Italian release of the American director's latest film, included a selection of original sets, props, models, costumes and graphics from the film. "Paraventi: Folding Screens from the 17th to 21st Centuries", a project curated by Nicholas Cullinan with an exhibition design conceived by the architecture firm SANAA, investigated the histories and semantics of folding screens through a selection of valuable historical objects, more recent works and new creations commissioned from seventeen international artists. The Milan show generated two complementary exhibitions presented by Prada with the support of Fondazione Prada at Prada Rong Zhai in Shanghai and at Prada Aoyama Tokyo.

In 2023 Osservatorio, Fondazione Prada's venue opened in 2016 in one of the central buildings of the Galleria Vittorio Emanuele II in Milan, hosted "Dara Birnbaum", an extensive anthological exhibition dedicated to the work of the American artist curated by Barbara London, with Valentino Catricalà and Eva Fabbris. A second version of the project was presented at Prada Aoyama Tokyo. "Calculating Empires: A Genealogy of Technology and Power, 1500-2025", the exhibition conceived by Kate Crawford and Vladan Joler charting our technological present by depicting how power and technology have been intertwined since 1500, also took place in the Osservatorio spaces.

Since 2011, Fondazione Prada has also been permanently active in the Venetian venue of Ca' Corner della Regina, an eighteenth-century palace that has undergone a conservative restoration and hosted so far eleven exhibitions and an experimental platform dedicated to cinema. "Everybody Talks About the Weather", a research exhibition curated by Dieter Roelstraete, was presented in 2023. The project explored the semantics of "weather" in visual art, taking atmospheric conditions as a point of departure to investigate the emergency of climate crisis. The installation designed by New York studio 2x4 intertwined the artistic dimension with a series of scientific insights

developed in collaboration with the New Institute Centre for Environmental Humanities (NICHE) at Ca' Foscari University in Venice. The themes of the exhibition were then investigated in a two-day symposium organized at Ca' Corner della Regina in collaboration with NICHE.

In 2023, the cinema theatre at the Milan venue was renamed after the French film director Jean-Luc Godard. The program curated by Paolo Moretti was strengthened, increasing the number of screenings to twelve each week.

Each monthly program will be organized in ten strands, like the sections of an open and ever-changing film festival, making it possible to respond to requests and ideas arriving from contemporary cinema, and to bring value to the film production of the past, particularly through the screening of restored classics. The program is complemented by recurring presentations and meetings with international directors and actors, as well as unprecedented collaborations with film libraries, magazines and festivals.

Fondazione Prada's commitment to research and in-depth study of scientific topics was renewed with the conference and exhibition "Human Brains: Preserving the Brain - Forum on Neurodegenerative Diseases" at Prada Rong Zhai in Shanghai and with the event dedicated to studies on Multiple Sclerosis "2023 Joint Pre-ECTRIMS Course", organized in Milan by Med-Ex Learning in collaboration with the European Charcot Foundation (ECF) and the Fondazione Prada.

Fondazione Prada continued its research in the field of music with three projects. In Venice, "Suono, rumore, ascolto. Dialogo sull'inquinamento acustico e la tecnologia" in collaboration with the Fondazione Archivio Luigi Nono included a concert and a meeting with philosopher Massimo Cacciari, sound director Alvis Vidolin and curator Cristina Baldacci. The Milan venue hosted "Riccardo Muti Italian Opera Academy", a project including rehearsals and concerts and conceived by Riccardo Muti involving young conductors and répétiteurs. Another collaboration was developed with Threes Productions and included the performance of the Japanese artist and composer FUJII|||TA. The project was presented in Milan in the Church of Santa Maria Annunciata in Chiesa Rossa, which houses a light installation by the American artist Dan Flavin and realized by Fondazione Prada in 1997.

5.2 Further Sustainability Literacy

SEA BEYOND

SEA BEYOND is an educational program promoted by the Prada Group and UNESCO's Intergovernmental Oceanographic Commission (IOC) to raise awareness about ocean sustainability and preservation.

The project underscores the Prada Group's commitment to making sustainable choices, in line with the United Nations 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs). Moreover, in January 2021 the Group officially became one of the first Italian members of the United Nations Decade of Ocean Science for Sustainable Development ("Ocean Decade") Alliance. The first edition of the program, educating students in ten cities around the globe, concluded successfully in March 2021.

In June 2021, for World Ocean Day, the Prada Group and the IOC/ UNESCO launched the second edition of SEA BEYOND, adding two new initiatives: the Kindergarten of the Lagoon - a program of outdoor lessons for preschool students - and an educational program designed specifically for all the Prada Group's employees worldwide.

On June 27, 2023, at the Assembly of the Member States of UNESCO's

Intergovernmental Oceanographic Commission, the Prada Group announced its intention to donate 1% of the proceeds of the Prada Re-Nylon Collection to finance and further develop the SEA BEYOND project. The substantial increase in resources will enable pursuing the following objectives:

- broadening the SEA BEYOND areas of intervention: the educational activities will be accompanied by support for the dissemination of scientific research and the development of humanitarian projects concerning ocean protection, endorsed by the IOC/UNESCO to guarantee their value;
- strengthening the partnership of the Prada Group and the IOC/UNESCO on the project through the realization of a biennial program of ocean literacy events and the creation of an Ocean Decade Coordination Office in Venice.

Through the SEA BEYOND program, the Prada Group continues its commitment to making a concrete impact by promoting ocean literacy, supporting the dissemination of scientific research and the development of humanitarian projects related to the ocean. Together with UNESCO, the aim is to inspire the younger generations and make them aware of the importance of the ocean and the need to preserve it. It is vital that everyone understands how culture and education are fundamental to bringing about tangible change.

Lorenzo Bertelli
Head of Corporate Social Responsibility

In November 2023, Lorenzo Bertelli was officially invited by the Director-General of UNESCO, Audrey Azoulay, to become a "Patron of the Ocean Decade Alliance", in recognition of the "Prada Group's support of ocean literacy through its SEA BEYOND educational program and also his personal vision and efforts to raise awareness of the vital role that the private sector can play in supporting ocean knowledge for sustainable development". The Ocean Decade Alliance is a network of eminent partners of the Decade of Ocean Science for Sustainable Development (2021-2030) which, by their example, promote support for the Ocean Decade through resource mobilization, networking and influence. Since 2021, SEA BEYOND has contributed to setting up the temporary traveling exhibition "Ocean & Climate Village", a project curated by the IOC/UNESCO, targeting students from primary school to university, to stimulate their knowledge about the oceans. In October 2023, SEA BEYOND brought the exhibition outside Italy for the first time to China, in the coastal city of Qingdao, home to prestigious marine scientific research centers, at the Qingdao Haitian Center. The workshops, designed for youths ranging from 6 to 12 years of age, energized the days with interactive activities, and the young visitors were able to learn about the ocean and its state of health in a dialogue between creativity and science.

Kindergarten of the Lagoon

In 2023, the Prada Group's outdoor educational program for Venetian preschool children continued. The lessons are based on the principles of outdoor education, whose pillars are experiential learning, the environment, and the wellbeing of those involved, with the purpose of creating a bond between the children and the Venetian lagoon ecosystem. The first learning cycle, which ended in June 2023, involved 120 children from six schools. The lessons covered various subjects, including the relationship between plants, animals and the natural elements of the lagoon, and their characteristics, similarities and differences. The children also learned through drawing activities, cooperative games, and small science experiments to recognize and appreciate the lagoon habitat. The second edition began in November 2023 and involved 80 children from two preschools, who until June 2024 will be engaged in outdoor activities in Vignole and Forte Marghera, with planned excursions to other lagoon areas.



SEA BEYOND



KINDERGARTEN OF THE MUSEUM

PRADA

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Educational Program for the Prada Group Employees

For the 2023 World Ocean Day, the Prada Group started up an educational program for its more than 14,000 people to study ocean literacy topics in-depth and encourage the adoption of sustainable behaviours in everyday life. The program, offering ocean literacy virtual reality content to all the Group's employees, was developed in collaboration with AWorld, the official platform of the United Nations Act Now campaign and the IOC/UNESCO. The experience, comprised of six episodes and offered in six different languages, lasted for four months. The initiative combined learning with a contest for the Group's employees across the world: they were asked to keep a daily record of their sustainable actions.

Support for the Announcement of the Scientific Discovery of Black Coral

The Group also supported the dissemination of the studies of marine biologist Giovanni Chimienti, who made the scientific discovery of black coral in the waters of the Egadi Islands (Sicily), with the goal of spreading the principles of ocean literacy and inspiring new generations to protect the seas.

The presence of this coral indicates a practically uncontaminated ecosystem to be protected, and highlights the importance of studying and understanding marine biodiversity. The story of the scientific research conducted by the biologist and his team of scuba divers, technicians and scientists is told in a documentary entitled "Deep White Forest" ("Il Bianco nel Blu"), which premiered in Marettimo at the sea-themed biennial film festival in July 2023, involving and paying homage to the local community. To help understand the rarity of Marettimo's ecosystem and the need to preserve it, Giovanni Chimienti involved a group of the island youths in a program of on-site educational days together with Valentina Lovat, marine biologist and IOC/UNESCO expert on ocean literacy.



2024 Educational Program

In November 2023, registration opened for the third edition of the program for secondary schools, which began in January 2024. Nearly 35,000 students from 56 countries will participate in the new learning cycle. The course investigates the relationship between the climate and the oceans, one of the main challenges to be understood and faced for mitigating the effects of climate change. At the end of the course, the students will participate in a contest, the winners of which will be elected by a jury composed of eminent persons tied, for various reasons, to the world of the sea, the "SeaBeyonders".

Forestami academy

In 2023, the collaboration between the Prada Group and Forestami was further strengthened with the creation of the Forestami Academy, a three-year training program for citizens with workshops, seminars and outdoor activities dedicated to the theme of urban forestry.

The project is coordinated by Stefano Boeri, president and inspirer of Forestami and an internationally renowned architect and involves the participation of the world's leading experts in urban forestry.

The Academy's primary goal is to disseminate the principles and scientific knowledge of urban forestry, and to provide a valuable opportunity for citizens passionate about the environment to learn and become actively involved in the field.

The training course is structured over three years, each with a main theme. In 2023, the focus was on "Knowing Forests and where they grow", developed over a course of 3 meetings, both theoretical and practical.

The following leading experts have been involved: Cecil Konijnendijk (University of British Columbia), Simone Borelli (the Food and Agriculture Organization of the United Nations, FAO), René van der Velde (Delft



University of Technology) and Giorgio Vacchiano (Associate Professor of the Department of Agricultural and Environmental Sciences at the Università Statale di Milano). Lessons have been moderated by Forestami Scientific Director Maria Chiara Pastore, researcher at the Politecnico di Milano.

The Academy will continue in 2024 and 2025. The topics of future editions will be "Urban Forestry: Wellbeing and Health" and "Plants and their Presence in Cities", respectively.

5.3 Inspire Scientific Evolution

Fondazione Gianni Bonadonna

From 2018, the Prada Group is supporting partner of the Gianni Bonadonna Foundation for the therapeutic and scientific research project in the field of oncology conceived by Fondazione Gianni Bonadonna.

The purpose of this program is to give continuity to the work of Gianni Bonadonna, the great Italian oncologist, a leading figure in the international panorama of oncological medicine, who has innovated every aspect of research and therapies, allowing to reach enormous progress and concrete clinical successes in the treatment of neoplasia. His research and discoveries have inspired and influenced the approach to cancer therapy of entire generations of doctors in Italy and around the world.

The project involves the support of a multidisciplinary teams of doctors and researchers dedicated to studying and developing new treatments for cancer patients, and a fellowship program for young oncologists in partnership with universities across the world, hospitals and leading research centers, providing an effective way to expand the exchange of scientific ideas.

With the belief that promoting training of new generations of medical researchers in oncology in international centers of excellence is a key aspect of progress in cancer treatment, on the occasion of the International Day of Women in Science 2023, thanks to the support of the Prada Group, Fondazione Gianni Bonadonna and Fondazione AIRC announced the winner of the second edition of the Call for international Fellowship.

The young hematologist and researcher Eleonora Calabretta has been awarded a Fellowship that will allow her to spend a three-year training period in a renowned international research center, the Dana-Farber Cancer Institute in Boston, where she will study diffuse large B cell lymphoma, to learn innovative approaches to cancer, and carry out her research program, with the goal of offering more effective treatments to patients affected by the disease.

In 2022, Gaia Giannone and Stefania Morganti won the first edition of the Gianni Bonadonna Fellowship to work on ovarian cancer at the Imperial College in London and to research on HER2-positive metastatic breast cancer in Boston, respectively.

Due to the success of the project and the high quality of the applications received, a third fellowship was announced, resulting in the identification of two candidates announced in early 2024.

PARTNERSHIPS



5.4 Partnership: Prada Frames

Prada Frames brings together scholars and professionals from various fields, including designers, architects, curators, scientists, anthropologists, activists and legal and economic experts, employing a transdisciplinary methodology and a shared environmentally attentive approach. The resulting collective reflection combines innovative lines of thought to analyze, contextualize and define a new reality.

After the success collected in 2022, when the multidisciplinary symposium focused on the complex relationship between design and the environment, in 2023 Prada Frames examined the concept of waste as matter in transformation and explored the potential for original creativity and opportunities for low-impact production opened up by the use of innovative recycled materials.

The work has been based on the research by British anthropologist Tim Ingold, who views materials as interconnected, endlessly changing living entities. It aims to explore the concept of waste, investigate the dynamics that regulate waste infrastructure and their value systems, and analyze the complex relationship between materials and ecosystems.

Since the start, the program has been curated by Formafantasma, a research and design studio based in Milan and Rotterdam that focuses on design's historical, political, and social implications. Formafantasma also applies a critical approach to materials and their use in production processes.

CHAPTER 6

Notes on the Methodology

CONTENTS

- 6.1 — Scope and Reporting Standard
- 6.2 — GHG Calculation Methodology
and Emissions Factors
- 6.3 — Materiality Analysis

6.1 Scope and Reporting Standard

This document is the eleventh Sustainability Report of the Prada Group. The Sustainability Report is prepared annually and includes a description of the main initiatives for the fiscal year 2023 (from January 1 to December 31), as well as performance indicators and trends for the period 2021-2022-2023, where available; if data already published in previous years have been restated, this is clearly indicated in the text. Where environmental data were not available, conservative estimates were made, resulting in the selection of assumptions associated with the least positive environmental performance of the Company.

The Prada Group has reported "in accordance with" the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards). References to the Hong Kong Stock Exchange's Environmental, Social and Governance (ESG) Reporting Guide are listed in the Content Index³⁴.

Significant initiatives and events of the 2024 financial year already known at the reporting date are also included, as subsequent events.

The reporting scope and period are the same as the information reported in the 2023 Annual Report of Prada S.p.A. and its subsidiaries.

Prada S.p.A. is a joint-stock company with limited liability, registered and domiciled in Italy. Its registered office is at via Fogazzaro 28, Milan. As of December 31, 2023, 79.98% of the share capital was owned by Prada Holding S.p.A., a company domiciled in Italy, and the remainder consisted of floating shares listed on the Main Board of the Hong Kong Stock Exchange.

The purpose of this Sustainability Report is to transparently disclose the Prada Group's actions, targets and information on the relevant aspects identified by the Group as "materials topics", in accordance with the GRI Standards.

All of the Group's corporate and business functions were involved in the preparation of the Report, following the adopted procedure, which sets out the principles to be followed and the responsibilities for drawing up the document.

This Sustainability Report was approved by the Board of Directors of Prada S.p.A. on March 7, 2024, and has been subject to a limited assurance engagement by the independent auditor Deloitte & Touche S.p.A. according to the criteria set out by International Standard on Assurance Engagements (ISAE) 3000 Revised. The limited assurance engagement has been carried out by performing the procedures indicated in the "Independent Auditor's Report" section at the end of the document.

34-In this Report no reference is made to the following "Comply or Explain" provisions: KPI B1.2 (related to "Employment"), KPI B2.2 (related to "Health and Safety"), KPI B6.4 (related to "Product Responsibility"), KPI B6.5 (related to "Data Privacy") and KPI B7.3 (related to "Anti-corruption"). The Prada Group is committed to extending the scope of its ESG reporting in compliance with the ESG Reporting Guide of the Hong Kong Stock Exchange.

6.2 GHG Calculation Methodology and Emissions Factors

The Group's GHG inventory (Carbon Footprint) has been drafted since 2019, and is aligned with the GHG Protocol.

The Group adopts an operational control approach to consolidate its GHG emissions. The only exclusion relates to Marchesi 1824 S.r.l. and its subsidiary in the United Kingdom, given the low impact in terms of business size and emissions (Marchesi is not characterized by energy-intensive or emission-intensive processes, as it only owns pastry shops).

The Group's GHG inventory includes the following categories of emissions:

- **Scope 1:** refers to the Prada Group's direct GHG emissions, i.e. those that physically occur within its boundaries from owned or controlled sources;
- **Scope 2:** refers to the Prada Group's GHG emissions associated with the production of electricity purchased for its own consumption. The emissions are calculated using two different methods:
 - **location-based:** which reflects the average emission intensity of national grids, considering both renewable and non-renewable productions. GHG emissions are calculated using an average emission factor related to the national electricity mix: the higher the share of renewable energy in a given country, the lower the corresponding emission factor;
 - **market-based:** which considers the proportion of certified electricity purchased from renewable sources. To be considered as renewable, the electricity purchased should be covered by contractual instruments such as Guarantees of Origin (GoOs) or International Renewable Energy Certificates (I-RECs). The part of electricity purchased covered by such instruments is considered as zero emissions, while the remaining part is multiplied by a factor called "residual mix", which takes into account the emission intensity of national grids considering only non-renewable production.
- **Scope 3 :** refers to the Prada Group's indirect GHG emissions that are a consequence of the Group's activities, but originate from sources not owned or controlled by the Group.

The data presented in this Report are consistent with the data submitted in the CDP Climate Change questionnaire, to which the Prada Group reported for the first time in 2021, with the ambition to be increasingly transparent in reporting on its impacts and in the management of issues related to climate change.

The table below summarizes all categories and sources of the Prada Group's GHG emissions.

Operational Boundaries

| Scope | Category and Sources |
|---|--|
| Scope 1 Direct GHG emissions | <p>Stationary Combustion: combustion of fuels in stationary equipment (e.g., natural gas in heating systems) related to assets owned or controlled by the Group (logistics and manufacturing sites³⁵);</p> <p>Mobile Combustion: Group's fleet fuel combustion (owned or leased);</p> <p>Fugitive Emissions: leakages of refrigerant gases (F-gas) from air-conditioning and refrigeration units related to assets owned or controlled by the Group (headquarters, offices, logistics and manufacturing sites, stores³⁶).</p> |
| Scope 2 Energy indirect GHG emissions | <p>Stationary Combustion: electricity purchased from the national grid related to assets owned or controlled by the Group (headquarters, offices, logistics and manufacturing sites, stores³⁷);</p> <p>Mobile Combustion: electricity purchased for Group's car fleet (owned or leased).</p> |
| Scope 3 Other indirect GHG emissions | <p>Purchased Goods³⁸ and Services (cat. 1): Raw materials and accessories used for production³⁹; Scope 1 and 2 GHG emissions of suppliers of finished and semi-finished products related to the production outsourced by the Group: combustion of fuels in stationary equipment and electricity purchased from the national grid; Packaging.</p> <p>Fuel and Energy Related Activities (cat. 3): Upstream emissions of purchased fuels; Upstream emissions of purchased electricity; Transmission and distribution (T&D) losses related to purchased electricity.</p> <p>Upstream Transportation and Distribution (cat. 4): Transportation of materials purchased by the Group; Transportation of raw materials/semi-finished products to the network of suppliers of finished and semi-finished products and back; Distribution of final products (when costs are paid by the Group).</p> <p>Waste Generated in Operations (cat. 5): waste disposal/diverted from disposal generated by the manufacturing sites⁴⁰.</p> <p>Business Travel (cat.6): transportation of employees for business-related activities (transports included: plane, train, ferry, private car and rented car⁴¹).</p> <p>Employee Commuting (cat.7): transportation of employees for daily commuting from home to the Prada Group's facility in which they work.</p> <p>Upstream Leased Assets (cat. 8): emissions associated with activities that take place in Directly Operated Stores (DOS), such as department stores and outlets with the same characteristics. In particular, in this category, GHG emissions associated with electricity consumption and F-gas losses within department stores are included.</p> <p>Investments (cat. 15): emissions relating to the energy consumption of companies in which the Prada Group has a minority interest, allocated on a proportional basis considering the % interest held.</p> |

35-The natural gas consumed in offices and stores has been considered as not material and not included in the calculation.

36-Scope 1 considers emissions related to street-level stores (including outlets), while department stores (including outlets) are included in Scope 3 (category 8: upstream leased assets).

37-Scope 2 considers emissions related to street-level stores (including outlets), while department stores (including outlets) are included in Scope 3 (category 8: upstream leased assets).

38-Emissions related to home, eyewear, perfumes and jewelry have not been included as they represent a minor part of the Prada Group's total procurement.

39-For the year 2023, raw materials and accessories data with a sufficient level of detail was only available from January to September due to a change in the data management system. Data for the remaining months of the year have been estimated using as a proxy the trend of procured materials for the last quarter from a less detailed database.

40-Waste generated by retail and offices is not included in the Operational Boundaries calculation considering that it is negligible.

41-Business travels done with vehicles part of Prada's fleet are not included in this category considering that they are already considered in Scope 1 emissions.

Displayed in the table below are the details related to emission factors used for each source:

Scope 1 GHG Emissions

| Source | Activity Data | Main emission factors used | GWP-100 |
|--|-------------------------------|--|---|
| Natural gas purchased for heating and other purposes | Volume [m ³] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2020, 2021, 2022, 2023 | CO ₂ e emissions were considered |
| Diesel, Petrol, LPG, Aviation turbine fuel purchased for company fleet | Litres [l] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2020, 2021, 2022, 2023 | CO ₂ e emissions were considered |
| Refrigerant Gases | Refrigerant gas refilled [kg] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2020, 2021, 2022, 2023 | Global Warming Potential source is IPCC Sixth Assessment Report (AR6) |

Scope 2 GHG Emissions

| Source | Activity Data | Main emission factors used | GWP-100 |
|--|-----------------------------|---|--|
| Electricity purchased from each country (for location-based method) | Electricity purchased [kWh] | Terna, Confronti Internazionali 2017, 2018, 2019 | Only CO ₂ emissions were considered |
| Electricity purchased from each country not covered by GoOs or I-RECs certificates (for market-based method) | Electricity purchased [kWh] | AIB, European Residual Mixes 2018, 2019, 2020, 2021, 2022 For USA: Green-e Energy Residual Mix emission factors 2018, 2020, 2021 | Only CO ₂ emissions were considered |

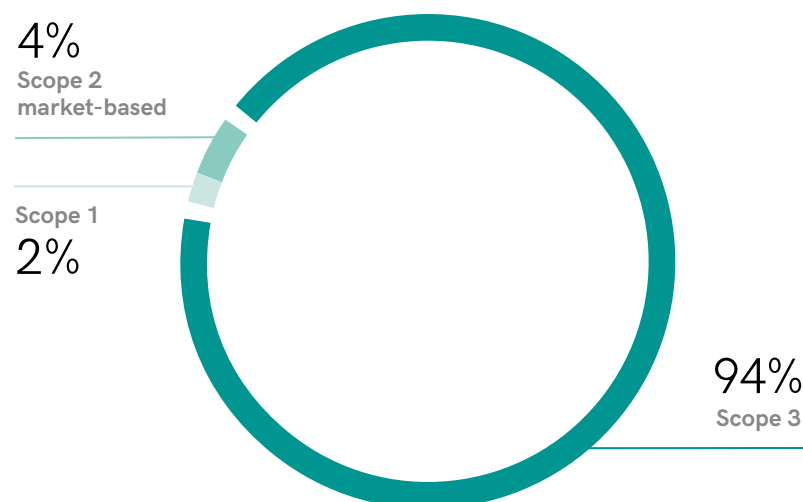
Scope 3 GHG Emissions

| Source (GHG Protocol categories) | Activity Data | Main emission factors used | GWP-100 |
|---|--|---|---|
| Raw materials purchased (Cat. 1) | Raw materials, accessories, packaging purchased [kg] | Ecoinvent, v.3.10 DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2020, 2021, 2022, 2023 | CO ₂ e emissions were considered |
| Leather purchased (Cat. 1) | Raw leather purchased [m ²] | Leather Carbon Footprint - Review of the European Standard EN 16887:2017 United Nations - Industrial Development Organization LCA-based emission factors provided by tanneries Rino Mastrotto and Conceria Superior for specific types of calf leather | CO ₂ e emissions were considered |
| Natural gas purchased by suppliers of finished and semi-finished products for heating and other purposes (Cat. 1) | Volume [m ³] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2020, 2021, 2022, 2023 | CO ₂ e emissions were considered |
| Diesel and LPG, purchased by suppliers of finished and semi-finished products (Cat. 1) | Litres [l] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2020, 2021, 2022, 2023 | CO ₂ e emissions were considered |

| Source (GHG Protocol categories) | Activity Data | Main emission factors used | GWP-100 |
|--|---|---|--|
| Electricity purchased by suppliers of finished and semi-finished products not covered by GoOs or I-RECs certificates (Cat. 1) | Electricity purchased [kWh] | AIB, European Residual Mixes 2018, 2021, 2022 | Only CO ₂ emissions were considered |
| Fuel and energy related activities (Cat. 3) | Fuel and electricity purchased (m ³ , l or kWh) | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2022, 2023 | CO ₂ e emissions were considered |
| Upstream logistics and distribution (Cat. 4) | Kilometers covered by air, truck or ship multiplied by total shipped weight (km*tons) | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2022, 2023 | CO ₂ e emissions were considered |
| Waste directed to disposal or diverted from disposal (Cat. 5) | Kilograms of waste disposed or diverted from disposal [kg] | Ecoinvent, v.3.10 DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2022, 2023 | CO ₂ e emissions were considered |
| Business travel by air, train and ferry (Cat. 6) | Kilometers travelled by each passenger [km] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2022, 2023 | CO ₂ e emissions were considered |
| Business travel by car (Cat. 6) | Kilometers [km] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2022, 2023 | CO ₂ e emissions were considered |
| Employees commuting (Cat. 7) | Kilometers travelled by each passenger [km] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2022, 2023 | CO ₂ e emissions were considered |
| Electricity purchased by suppliers managing dept. stores not covered by GoOs or I-RECs certificates (Cat.8) | Electricity purchased - market-based method [kWh] | AIB, European Residual Mixes 2018, 2021, 2022 | Only CO ₂ was considered |
| Refrigerant gases used in dept.stores (Cat.8) | Refrigerant gas refilled [kg] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2022, 2023 | Global Warming Potentials (GWPs) are taken from IPCC Sixth Assessment Report (AR6) |
| Electricity purchased not covered by GoOs certificates or I-RECs by companies in which the Prada Group has a minority interest (Cat. 15) | Electricity purchased - market-based method [kWh] | AIB, European Residual Mixes 2018, 2021, 2022 | Only CO ₂ was considered |
| Natural gas purchased from companies in which the Prada Group has a minority interest (Cat. 15) | Volume [m ³] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2022, 2023 | CO ₂ e emissions were considered |
| Diesel purchased by companies in which the Prada Group has a minority interest (Cat. 15) | Litres [l] | DEFRA, UK Government GHG Conversion Factors for Company Reporting 2019, 2022, 2023 | CO ₂ e emissions were considered |

2019 GHG Inventory (tCO₂) - Baseline

| | 2019 |
|--|----------------|
| Scope 1 | 8,353 |
| Scope 2 location-based | 38,773 |
| Scope 2 market-based | 19,506 |
| Scope 3 | 418,748 |
| 3.1 Purchased goods and services | 296,715 |
| 3.3 Fuel related activities | 4,665 |
| 3.4 Upstream transportation and distribution ⁴² | 75,096 |
| 3.5 Waste generated in operations | 2,316 |
| 3.6 Business travels | 4,722 |
| 3.7 Employee commuting ⁴³ | 20,631 |
| 3.8 Upstream leased assets | 14,602 |
| Total GHG emissions with location-based method | 493,734 |
| Total GHG emissions with market-based method | 446,607 |



The baseline may change over the next few years as some emission factors are updated, particularly those used to calculate raw material-related emissions.

42-Activity refers to inbound and outbound logistics (when costs are paid by the Prada Group). For this item the data have been estimated for a 38%.

43-The data have been calculated on the basis of the commuting route for each employee of the Prada Group; without information on the means of transport it was conservatively assumed that all employees travel by car to work. For this item the data have been estimated for a 30%.



6.3 Materiality Analysis

The Prada Group performed the identification of the material topics, according to the GRI Standards and HKSE ESG Reporting Guide. Material topics represent an organization's most significant impacts on the economy, environment and people, including impacts on their human rights.

The identification of material topics is of fundamental importance representing the key contents that must be addressed within the Report and, in general, in the context of sustainability communication.

In continuity with the analysis carried out in 2022, the Prada Group has updated its materiality analysis in 2023 following a process consisting of four main phases:

- **understanding the Prada Group context**, including an analysis of the main competitors of the Group, of the media coverage of the Group and of the main sustainability trends with a particular focus on the fashion industry;
- **identifying actual and potential impacts**, considering impacts on the economy, environment and people, including impacts on their human rights, across the organization's activities and business relationships. These impacts include negative and positive impacts, short-term and long-term impacts, intended and unintended impacts, and reversible and irreversible impacts;
- **assessing the significance of the impacts**, considering the severity and the likelihood of each impact. In particular, the severity is determined by the scale (how severe the impact is and the external context in which the impact occurs), the scope (how widespread it is on the value chain and the geographical concentration) and its irremediability (how difficult it is to repair the damage generated by the impact);
- **prioritizing the most significant impacts for reporting and identifying the material topics**, setting a threshold to determine which topics are material.

The Sustainability Committee formally approved the Group's material topics on February 29, 2024.

The results of the materiality analysis are reflected in the list of material topics listed in chapter 1, paragraph 4 "Stakeholders and Materiality Analysis", which represent the most significant impacts generated by the Group on the environment, society and people.

Correlation between material topics, GRI Standards and HKSE Subject Areas

| Area | Material Topic | GRI Standards Topic | HKSE Subject Areas |
|--------------------------------------|---|---|---|
| Environment | Biodiversity & Animal Welfare | GRI 301: Materials 2016 | Aspect A2: Use of Resources Aspect A3: The Environment and Natural Resources Aspect B5: Supply Chain Management |
| | | GRI 308: Supplier Environmental Assessment 2016 | |
| | Climate Change | GRI 302: Energy 2016 | Aspect A1: Emissions Aspect A2: Use of Resources Aspect A4: Climate Change |
| | | GRI 305: Emissions 2016 | |
| | Product End-of-life | - | Aspect A2: Use of Resources |
| | Waste Management | GRI 306: Waste 2020 | Aspect A1: Emissions Aspect A3: The Environment and Natural Resources |
| Water Resources | GRI 303: Water and Effluents 2018 | Aspect A2: Use of Resources Aspect B5: Supply Chain Management | |
| | GRI 308: Supplier Environmental assessment 2016 | | |
| People | Diversity & Inclusion | GRI 405: Diversity and Equal opportunity 2016 | Aspect B1: Employment |
| | | GRI 406: Non-discrimination 2016 | |
| | Human Rights | GRI 406: Non-discrimination 2016 | Aspect B1: Employment Aspect B4: Labour Standards Aspect B5: Supply Chain Management |
| | Occupational Health & Safety | GRI 403: Occupational Health and Safety 2018 | Aspect B2: Health and Safety |
| | Sustainability Education | - | - |
| | Employees Wellbeing & Skills Development | GRI 401: Employment 2016 | Aspect B3: Development and Training |
| GRI 404: Training and Education 2016 | | | |
| Business & Ethics | Anti-Corruption | GRI 205: Anti-corruption 2016 | Aspect B7: Anti-corruption |
| | Marketing & Labeling | GRI 417: Marketing and Labeling 2016 | Aspect B6: Product Responsibility |
| | Consumer Health & Safety | GRI 416: Customer Health and Safety 2016 | Aspect B6: Product Responsibility |
| Community | Artistic & Cultural Heritage | - | Aspect B8: Community Investment |
| | Craftsmanship & Savoir-faire | - | - |
| | Scientific Evolution | - | Aspect B8: Community Investment |

CHAPTER 7

Annex

CONTENTS

- 7.1 — Economic Data
- 7.2 — Environmental Data
- 7.3 — Human Resources Data

7.1 Economic Data

ECONOMIC VALUE

Direct economic value generated and distributed⁴⁴

| <i>amounts in thousands of euro</i> | 2023 | 2022 | 2021 |
|-------------------------------------|------------------|------------------|------------------|
| Economic Value Generated | 4,725,795 | 4,188,084 | 3,345,605 |
| Economic Value Distributed | 4,182,002 | 3,815,388 | 3,049,765 |
| of which Operating costs | 2,475,097 | 2,281,249 | 1,941,997 |
| of which to Employees | 976,527 | 884,987 | 744,554 |
| of which to Banks and Bondholders | 30,788 | 11,435 | 10,994 |
| of which to Government Authorities | 317,642 | 327,187 | 151,210 |
| of which to Investors ⁴⁵ | 350,559 | 281,471 | 179,118 |
| of which to the Community | 31,391 | 29,059 | 21,892 |
| Economic Value Retained | 543,793 | 372,696 | 295,840 |

LOCAL SUPPLIERS

Proportion of spending on local suppliers⁴⁶

| | 2023 | |
|-----------------------------|--------------|---------------|
| | Raw Material | Manufacturing |
| Italian suppliers | 81% | 81% |
| European Union suppliers | 3% | 7% |
| Rest of the World suppliers | 16% | 12% |

44-It should be noted that the 2021 and 2022 data have been restated from those published in the previous Sustainability Report, using a methodology that is more closely aligned with the GRI Reporting Standards. For data published according to the previous methodology, please refer to the 2022 Sustainability Report, available in the Sustainability section of www.pradagroup.com.

45-The economic value distributed to Investors corresponds to the final dividends proposed by the Board of Directors to the Shareholders' General Meeting approval, for the years 2021, 2022 and 2023 respectively.

46-Local suppliers of the Prada Group coincide with the "Italian suppliers" category, which includes suppliers having their registered office in Italy. Only suppliers of raw materials and manufacturers with a turnover of more than Euro 30 thousand were considered as they are most relevant for the Prada Group. Values are reported net of intercompany transactions and VAT.

7.2 Environmental Data

MATERIALS

Key raw materials purchased by weight

| <i>values reported in tons</i> | 2023 | 2022 |
|--------------------------------|--------------|--------------|
| Renewable materials | 2,144 | 2,298 |
| Leather ⁴⁷ | 1,278 | 1,461 |
| Nature materials | 436 | 387 |
| Animal fiber | 259 | 265 |
| Manmade cellulotics | 168 | 183 |
| Other | 3 | 2 |
| Non-renewable materials | 1,502 | 1,678 |
| Synthetic materials | 1,019 | 1,252 |
| Metals | 196 | 232 |
| Other | 287 | 194 |
| Total | 3,646 | 3,976 |

Packaging purchased by weight

| <i>values reported in tons</i> | 2023 | 2022 | 2021 |
|--------------------------------|--------------|--------------|--------------|
| Renewable materials | | | |
| Paper and cardboard | 4,714 | 4,819 | 4,662 |
| Non-renewable materials | | | |
| Plastic | 485 | 625 | 500 |
| Total | 5,199 | 5,444 | 5,162 |

⁴⁷-This category does not include precious skins.

ENERGY

Total energy consumption⁴⁸

| <i>values reported in GJ</i> | 2023 | 2022 | 2021 |
|---|----------------|----------------|----------------|
| Total energy consumption | 384,218 | 393,478 | 436,897 |
| of which non-renewable fuels | 74,574 | 89,636 | 96,814 |
| Natural gas | 33,460 | 45,062 | 53,369 |
| Fuels for company fleet | 41,114 | 44,574 | 43,445 |
| of which electricity | 309,644 | 303,842 | 340,083 |
| Purchased from renewable sources | 254,641 | 193,047 | 177,841 |
| Purchased from non-renewable sources | 42,355 | 99,345 | 153,119 |
| Self-generated from renewable sources and self-consumed | 12,648 | 11,450 | 9,123 |

GHG EMISSIONS⁴⁹

Scope 1 and 2 GHG emissions

| <i>values reported in tCO₂</i> | 2023 | 2022 | 2021 |
|---|---------------|---------------|---------------|
| Natural gas | 1,884 | 2,540 | 3,016 |
| Fuels for company fleet | 2,858 | 3,173 | 3,089 |
| F-gas leaks | 2,067 | 1,762 | 1,639 |
| Total Scope 1 | 6,809 | 7,475 | 7,744 |
| Electricity - location-based | 29,911 | 29,445 | 34,044 |
| Electricity - market-based | 4,769 | 10,905 | 20,620 |
| Total Scope 1 + 2 location-based | 36,720 | 36,920 | 41,788 |
| Total Scope 1 + 2 market-based | 11,578 | 18,380 | 28,364 |

48-It should be noted that the 2022 data have been restated from those published in the previous Sustainability Report due to an improvement in the data collection system related to fuels for the company fleet. For previous data, please refer to the 2022 Sustainability Report, available in the Sustainability section of www.pradagroup.com.

49-Please refer to chapter 6 "Notes on Methodology" for further details on GHG emissions calculation methodology and emissions factors.

Scope 3 GHG emissions⁵⁰

| <i>values reported in tCO₂</i> | 2023 | 2022 | 2021 |
|--|----------------|----------------|----------------|
| 3.1 Purchased goods and services | 195,436 | 213,355 | 206,399 |
| 3.3 Fuel related activities | 2,257 | 8,653 | 8,440 |
| 3.4 Upstream transportation and distribution | 61,205 | 57,616 | 41,206 |
| 3.5 Waste generated in operations | 295 | 198 | 843 |
| 3.6 Business travels | 6,389 | 3,239 | 1,045 |
| 3.7 Employee commuting | 12,603 | 10,712 | 12,190 |
| 3.8 Upstream leased assets | 15,510 | 15,712 | 14,025 |
| 3.15 Investments | 1,275 | 790 | 56 |
| Total Scope 3 | 294,970 | 310,275 | 284,204 |

Scope 1, 2 and 3 GHG emissions

| <i>values reported in tCO₂</i> | 2023 | 2022 | 2021 |
|--|-------------|-------------|-------------|
| Total GHG emissions with location-based method | 331,690 | 347,195 | 325,992 |
| Total GHG emissions with market-based method | 306,548 | 328,655 | 312,568 |

WATER

Water withdrawal for production by source⁵¹

| <i>values reported in megaliters</i> | 2023 | | 2022 | |
|--------------------------------------|---------------------------|---|------------------|---|
| | All areas | of which from water stressed areas | All areas | of which from water stressed areas |
| Surface water | 10.8 | - | 13.2 | 2.8 |
| Groundwater | 199.0 | 198.0 | 384.5 | 384.5 |
| Municipal water supply | 46.5 | 33.0 | 65.7 | 62.0 |
| Total | 256.3⁵² | 231.0 | 463.4 | 449.3 |

50-It should be noted that the 2022 data has been restated from those published in the previous Sustainability Report due to an improvement in the data collection system for purchased packaging. For previous data, please refer to the 2022 Sustainability Report, available in the Sustainability section of www.pradagroup.com.

51-Data reported in the table refers to freshwater ($\leq 1,000$ mg/L total dissolved solids).

52-The significant reduction in water withdrawal, between 2023 and 2022, is mainly due to the malfunction of a multimeter at the Levanella logistics hub, which was subsequently replaced.

WASTE**Waste by composition, type and disposal method**

| <i>values reported in tons</i> | 2023 | | | 2022 | | | 2021 | | |
|------------------------------------|---------------------------|-------------------------|--------------|---------------------------|-------------------------|--------------|---------------------------|-------------------------|--------------|
| | Diverted from disposal | Directed to disposal | Total | Diverted from disposal | Directed to disposal | Total | Diverted from disposal | Directed to disposal | Total |
| Non-hazardous waste | 1,597 | 645 | 2,242 | 1,397 | 599 | 1,996 | 1,344 | 840 | 2,184 |
| Paper and cardboard | 751 | - | 751 | 682 | - | 682 | 680 | - | 680 |
| Mixed packaging | - | 8 | 8 | 323 | 3 | 326 | 351 | - | 351 |
| Textile and leather | 256 | 273 | 529 | 180 | 311 | 491 | 216 | 273 | 489 |
| Sludge | - | 113 | 113 | - | 156 | 156 | - | 403 | 403 |
| Organic waste | - | 45 | 45 | - | 48 | 48 | 5 | 53 | 58 |
| Metal | 38 | - | 38 | 33 | - | 33 | 41 | - | 41 |
| Paint | - | 111 | 111 | - | 36 | 36 | - | 8 | 8 |
| Plastic | 151 | - | 151 | 151 | - | 151 | 16 | - | 16 |
| Wood | 399 | 11 | 410 | 7 | - | 7 | 9 | - | 9 |
| Other | 2 | 84 | 86 | 21 | 45 | 66 | 26 | 103 | 129 |
| Hazardous waste | 1 | 32 | 33 | 22 | 21 | 43 | 2 | 24 | 26 |
| Mixed packaging | - | 11 | 11 | 20 | 8 | 28 | 2 | 8 | 10 |
| Solvents | - | 5 | 5 | - | 2 | 2 | - | 5 | 5 |
| Paint | - | 1 | 1 | - | 1 | 1 | - | 2 | 2 |
| Organic waste | - | - | - | - | 1 | 1 | - | 1 | 1 |
| Other | 1 | 15 | 16 | 2 | 9 | 11 | - | 8 | 8 |
| Total | 1,598 | 677 | 2,275 | 1,419 | 620 | 2,039 | 1,346 | 864 | 2,210 |

Waste diverted from disposal by recovery operation

| <i>values reported in tons</i> | 2023 | | | 2022 | | | 2021 | | |
|--------------------------------|--------|---------|-------|--------|---------|-------|--------|---------|-------|
| | Onsite | Offsite | Total | Onsite | Offsite | Total | Onsite | Offsite | Total |
| Non-hazardous waste | - | 1,597 | 1,597 | - | 1,397 | 1,397 | - | 1,344 | 1,344 |
| Preparation for reuse | - | - | - | - | - | - | - | - | - |
| Recycling | - | 1,443 | 1,443 | - | 1,397 | 1,397 | - | 1,344 | 1,344 |
| Other operations | - | 154 | 154 | - | - | - | - | - | - |
| Hazardous waste | - | 1 | 1 | - | 22 | 22 | - | 2 | 2 |
| Preparation for reuse | - | - | - | - | - | - | - | - | - |
| Recycling | - | 1 | 1 | - | 22 | 22 | - | 2 | 2 |
| Other operations | - | - | - | - | - | - | - | - | - |
| Total | - | 1,598 | 1,598 | - | 1,419 | 1,419 | - | 1,346 | 1,346 |

Waste directed to disposal by disposal operation

| <i>values reported in tons</i> | 2023 | | | 2022 | | | 2021 | | |
|---|--------|---------|-------|--------|---------|-------|--------|---------|-------|
| | Onsite | Offsite | Total | Onsite | Offsite | Total | Onsite | Offsite | Total |
| Non-hazardous waste | - | 645 | 645 | 1 | 598 | 599 | - | 840 | 840 |
| Incineration (with energy recovery) | - | 429 | 429 | - | 294 | 294 | - | 398 | 398 |
| Incineration (without energy recovery) | - | 3 | 3 | - | 51 | 51 | - | 1 | 1 |
| Landfilling | - | 213 | 213 | 1 | 54 | 55 | - | 30 | 30 |
| Other operations | - | - | - | - | 199 | 199 | - | 411 | 411 |
| Hazardous waste | - | 33 | 33 | - | 21 | 21 | - | 24 | 24 |
| Incineration (with energy recovery) | - | 25 | 25 | - | 16 | 16 | - | 18 | 18 |
| Incineration (without energy recovery) | - | 1 | 1 | - | - | - | - | 2 | 2 |
| Landfilling | - | 7 | 7 | - | - | - | - | 4 | 4 |
| Other operations | - | - | - | - | 5 | 5 | - | - | - |
| Total | - | 678 | 678 | 1 | 619 | 620 | - | 864 | 864 |

7.3 Human Resources Data

HEADCOUNT

at December 31

Employees by gender and region

| | 2023 | | | | 2022 | | | 2021 | | |
|--------------|--------------|--------------|----------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|
| | F | M | ND | Total | F | M | Total | F | M | Total |
| Italy | 3,645 | 2,335 | - | 5,980 | 3,278 | 2,134 | 5,412 | 3,024 | 2,057 | 5,081 |
| Europe | 1,630 | 951 | 1 | 2,582 | 1,533 | 978 | 2,511 | 1,560 | 1,025 | 2,585 |
| Americas | 790 | 627 | - | 1,417 | 772 | 578 | 1,350 | 704 | 517 | 1,221 |
| Asia Pacific | 2,275 | 1,072 | 1 | 3,348 | 2,117 | 985 | 3,102 | 2,035 | 941 | 2,976 |
| Japan | 789 | 352 | - | 1,141 | 720 | 296 | 1,016 | 699 | 281 | 980 |
| Middle East | 223 | 185 | - | 408 | 206 | 171 | 377 | 155 | 142 | 297 |
| Total | 9,352 | 5,522 | 2 | 14,876 | 8,626 | 5,142 | 13,768 | 8,177 | 4,963 | 13,140 |

Permanent contracts by gender and region

| | 2023 | | | | 2022 | | | 2021 | | |
|--------------|--------------|--------------|----------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|
| | F | M | ND | Total | F | M | Total | F | M | Total |
| Italy | 3,487 | 2,238 | - | 5,725 | 3,127 | 2,064 | 5,191 | 2,916 | 2,000 | 4,916 |
| Europe | 1,521 | 896 | - | 2,417 | 1,416 | 921 | 2,337 | 1,422 | 948 | 2,370 |
| Americas | 790 | 625 | - | 1,415 | 770 | 577 | 1,347 | 686 | 510 | 1,196 |
| Asia Pacific | 1,516 | 726 | 1 | 2,243 | 1,398 | 671 | 2,069 | 1,351 | 643 | 1,994 |
| Japan | 775 | 347 | - | 1,122 | 682 | 289 | 971 | 699 | 281 | 980 |
| Middle East | 216 | 183 | - | 399 | 202 | 171 | 373 | 154 | 142 | 296 |
| Total | 8,305 | 5,015 | 1 | 13,321 | 7,595 | 4,693 | 12,288 | 7,228 | 4,524 | 11,752 |

Fixed-term contracts by gender and region

| | 2023 | | | | 2022 | | | 2021 | | |
|--------------|--------------|------------|----------|--------------|--------------|------------|--------------|------------|------------|--------------|
| | F | M | ND | Total | F | M | Total | F | M | Total |
| Italy | 158 | 97 | - | 255 | 151 | 70 | 221 | 108 | 57 | 165 |
| Europe | 109 | 55 | 1 | 165 | 117 | 57 | 174 | 138 | 77 | 215 |
| Americas | - | 2 | - | 2 | 2 | 1 | 3 | 18 | 7 | 25 |
| Asia Pacific | 759 | 346 | - | 1,105 | 719 | 314 | 1,033 | 684 | 298 | 982 |
| Japan | 14 | 5 | - | 19 | 38 | 7 | 45 | - | - | - |
| Middle East | 7 | 2 | - | 9 | 4 | - | 4 | 1 | - | 1 |
| Total | 1,047 | 507 | 1 | 1,555 | 1,031 | 449 | 1,480 | 949 | 439 | 1,388 |

Full-time contracts by gender and region

| | 2023 | | | | 2022 | | | 2021 | | |
|--------------|--------------|--------------|----------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|
| | F | M | ND | Total | F | M | Total | F | M | Total |
| Italy | 3,511 | 2,312 | - | 5,823 | 3,148 | 2,106 | 5,254 | 2,886 | 2,032 | 4,918 |
| Europe | 1,524 | 927 | 1 | 2,452 | 1,428 | 953 | 2,381 | 1,427 | 1,003 | 2,430 |
| Americas | 782 | 625 | - | 1,407 | 746 | 571 | 1,317 | 694 | 515 | 1,209 |
| Asia Pacific | 2,268 | 1,067 | 1 | 3,336 | 2,054 | 978 | 3,032 | 2,029 | 939 | 2,968 |
| Japan | 686 | 333 | - | 1,019 | 638 | 281 | 919 | 699 | 281 | 980 |
| Middle East | 223 | 185 | - | 408 | 203 | 171 | 374 | 155 | 142 | 297 |
| Total | 8,994 | 5,449 | 2 | 14,445 | 8,217 | 5,060 | 13,277 | 7,890 | 4,912 | 12,802 |

Part-time contracts by gender and region

| | 2023 | | | | 2022 | | | 2021 | | |
|--------------|------------|-----------|----------|------------|------------|-----------|------------|------------|-----------|------------|
| | F | M | ND | Total | F | M | Total | F | M | Total |
| Italy | 134 | 23 | - | 157 | 130 | 28 | 158 | 138 | 25 | 163 |
| Europe | 106 | 24 | - | 130 | 105 | 25 | 130 | 133 | 22 | 155 |
| Americas | 8 | 2 | - | 10 | 26 | 7 | 33 | 10 | 2 | 12 |
| Asia Pacific | 7 | 5 | - | 12 | 63 | 7 | 70 | 6 | 2 | 8 |
| Japan | 103 | 19 | - | 122 | 82 | 15 | 97 | - | - | - |
| Middle East | - | - | - | - | 3 | - | 3 | - | - | - |
| Total | 358 | 73 | - | 431 | 409 | 82 | 491 | 287 | 51 | 338 |

Percentage of employees by gender and employee category

| | 2023 | | | | 2022 | | | 2021 | | |
|------------------------------|------------|------------|--------------|-------------|------------|------------|-------------|------------|------------|-------------|
| | F | M | ND | Total | F | M | Total | F | M | Total |
| Top management | 44% | 56% | - | 100% | 38% | 62% | 100% | 39% | 61% | 100% |
| Senior and Middle management | 60% | 40% | - | 100% | 60% | 40% | 100% | 57% | 43% | 100% |
| Staff and Professionals | 63% | 37% | 0.02% | 100% | 63% | 37% | 100% | 63% | 37% | 100% |
| Operators | 66% | 34% | - | 100% | 64% | 36% | 100% | 62% | 38% | 100% |
| Total | 63% | 37% | 0.01% | 100% | 63% | 37% | 100% | 62% | 38% | 100% |

Percentage of employees by age group and employee category

| | 2023 | | | | 2022 | | | | 2021 | | | |
|------------------------------|------------|------------|------------|-------------|------------|------------|------------|-------------|------------|------------|------------|-------------|
| | <30 | 30-50 | >50 | Total | <30 | 30-50 | >50 | Total | <30 | 30-50 | >50 | Total |
| Top management | - | 47% | 53% | 100% | - | 48% | 52% | 100% | - | 43% | 57% | 100% |
| Senior and Middle management | 3% | 77% | 21% | 100% | 2% | 78% | 20% | 100% | 2% | 78% | 20% | 100% |
| Staff and Professionals | 28% | 60% | 12% | 100% | 26% | 62% | 12% | 100% | 25% | 64% | 12% | 100% |
| Operators | 13% | 48% | 39% | 100% | 13% | 49% | 39% | 100% | 12% | 49% | 39% | 100% |
| Total | 21% | 60% | 19% | 100% | 20% | 62% | 19% | 100% | 19% | 63% | 18% | 100% |

External workforce

| | 2023 |
|-------------------|------------|
| Temporary workers | 729 |
| Interns | 46 |
| Total | 775 |

BOARD OF DIRECTORS AND SUSTAINABILITY COMMITTEE

at December 31

Percentage of members by gender

| | 2023 | | | 2022 | | | 2021 | | |
|--------------------------|------|-----|-------|------|-----|-------|------|-----|-------|
| | F | M | Total | F | M | Total | F | M | Total |
| Board of Directors | 36% | 64% | 100% | 33% | 67% | 100% | 45% | 55% | 100% |
| Sustainability Committee | 67% | 33% | 100% | 67% | 33% | 100% | 67% | 33% | 100% |

Percentage of members by age group

| | 2023 | | | | 2022 | | | | 2021 | | | |
|--------------------------|------|-------|-----|-------|------|-------|-----|-------|------|-------|-----|-------|
| | <30 | 30-50 | >50 | Total | <30 | 30-50 | >50 | Total | <30 | 30-50 | >50 | Total |
| Board of Directors | - | 27% | 73% | 100% | - | 33% | 67% | 100% | - | 27% | 73% | 100% |
| Sustainability Committee | - | 33% | 67% | 100% | - | 67% | 33% | 100% | - | 67% | 33% | 100% |

BASE SALARY AND REMUNERATION⁵³

Ratio of base salary of women to men

| | 2023 |
|------------------------------|------|
| Top management | 98% |
| Senior and Middle management | 82% |
| Staff and Professionals | 91% |
| Operators | 85% |

Ratio of remuneration of women to men

| | 2023 |
|------------------------------|------|
| Top management | 95% |
| Senior and Middle management | 81% |
| Staff and Professionals | 91% |
| Operators | 85% |

53-The base salary corresponds to the Gross Annual Pay (GAP) as stipulated in the contract. Remuneration includes base salary and short-term incentive, if provided for in the contract. For the purposes of the following tables, "Top management" was considered to be the highest level of management within the organization, responsible for the implementation of strategic decisions taken by the Board of Directors and for the overall management of the Company. For this reason, the role of the CEO, as an organizational unicum, was not considered part of the Top management, as he performs the functions of defining strategic policy in agreement with the Board, as well as coordinating and controlling the same Top management. However, the CEO's remuneration is disclosed in a transparent and detailed manner in the relevant section of the Annual Report.

TRAINING

Average training hours by gender and employee category

| | 2023 | | | | 2022 | | |
|------------------------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|
| | F | M | ND | Total | F | M | Total |
| Top management | 7.86 | 4.12 | - | 5.78 | 16.04 | 4.73 | 9.02 |
| Senior and Middle management | 25.33 | 21.32 | - | 23.71 | 21.44 | 15.68 | 19.11 |
| Staff and Professionals | 21.04 | 18.86 | 1.75 | 20.22 | 23.47 | 18.61 | 21.67 |
| Operators | 0.51 | 0.77 | - | 0.60 | 0.79 | 1.31 | 0.98 |
| Total | 17.11 | 15.72 | 1.75 | 16.59 | 18.49 | 14.68 | 17.07 |

HEALTH AND SAFETY⁵⁴

Work-related injuries of employees

| | 2023 | 2022 | 2021 |
|--|-------------------|-------------------|-------------------|
| Hours worked | 22,967,724 | 21,783,510 | 17,255,394 |
| Recordable work-related injuries | 149 | 109 | 95 |
| of which injuries | 148 | 109 | 94 |
| of which high-consequence injuries | 1 | - | 1 |
| of which fatalities | - | - | - |
| Rate of recordable work-related injuries⁵⁵ | 6.49 | 5.00 | 5.51 |
| Rate of high-consequence injuries⁵⁶ | 0.04 | - | 0.06 |
| Rate of fatalities⁵⁷ | - | - | - |

54-Work-related injuries with at least one day lost were considered. Data on work-related injuries by external workers have not been reported, as the Prada Group does not have this information at the date of reporting. The Group is developing a more accurate data collection process to provide such detail in the future.

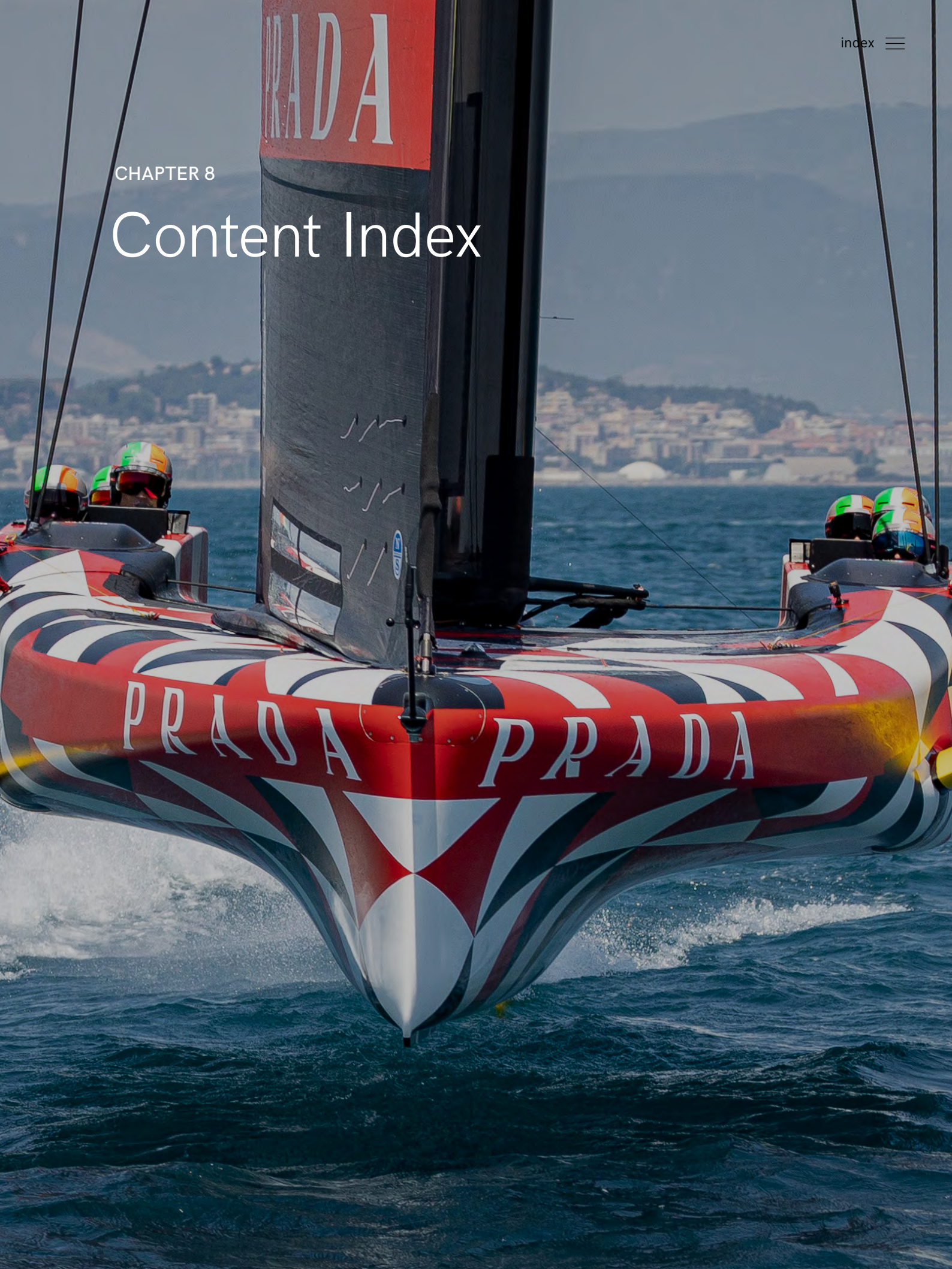
55-The rate is calculated as follows: number of recordable work-related injuries/hours worked * 1,000,000.

56-The rate is calculated as follows: number of high-consequence work-related injuries/hours worked * 1,000,000.

57-The rate is calculated as follows: number of fatalities as a result of work-related injury/hours worked * 1,000,000.

CHAPTER 8

Content Index



Statement of use: the Prada Group has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): N/A

General disclosures

| GRI Standards | Disclosure | Reference to HKSE ESG Reporting Guide | Location | Omission | |
|---------------------------------|--|---------------------------------------|--------------------------------|------------------------|--------------------|
| | | | | Requirement(s) Omitted | Reason Explanation |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | | P. 12, 158 | | |
| | 2-2 Entities included in the organization's sustainability reporting | | P. 158-159 | | |
| | 2-3 Reporting period, frequency and contact point | | P. 158, 192 | | |
| | 2-4 Restatements of information | | P. 98, 168, 170-171 | | |
| | 2-5 External assurance | | P. 189-191 | | |
| | 2-6 Activities, value chain and other business relationships | | P. 11-19, 37, 53, 57 | | |
| | 2-7 Employees | | P. 174-176 | | |
| | 2-8 Workers who are not employees | | P. 177 | | |
| | 2-9 Governance structure and composition | | P. 20-32 | | |
| | 2-10 Nomination and selection of the highest governance body | | P. 21, 28 | | |
| | 2-11 Chair of the highest governance body | | P. 22-23 | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | | P. 21-34, 41, 62-63, 119, 165 | | |
| | 2-13 Delegation of responsibility for managing impacts | | P. 8-9, 25, 30, 33-34, 41, 165 | | |
| | 2-14 Role of the highest governance body in sustainability reporting | | P. 30, 33-34, 41, 165 | | |
| | 2-15 Conflicts of interest | | P. 32 | | |
| | 2-16 Communication of critical concerns | | P. 42-44 | | |

| GRI Standards | Disclosure | Reference to HKSE ESG Reporting Guide | Location | Omission | |
|---------------------------------------|---|---------------------------------------|--|-------------------------------|------------------------------|
| | | | | Requirement (s) Omitted | Reason Explanation |
| GRI 2: General Disclosures 2021 | 2-17 Collective knowledge of the highest governance body | | P. 22-27 | | |
| | 2-18 Evaluation of the performance of the highest governance body | | The Board of Directors is currently not subject to formal procedures of evaluation in overseeing the management of the organization's impacts on ESG topics. | | |
| | 2-19 Remuneration policies | | P. 30 | | |
| | 2-20 Process to determine remuneration | | P. 30, 141 | | |
| | 2-21 Annual total compensation ratio | | | 2-21 a. 2-21 b. 2-21 c. | Confidentiality constraints. |
| | 2-22 Statement on sustainable development strategy | | P. 4-9 | | |
| | 2-23 Policy commitments | | P. 57, 62-63, 70, 92, 98, 119 | | |
| | 2-24 Embedding policy commitments | | P. 57, 62-63, 70, 92, 98, 119 | | |
| | 2-25 Processes to remediate negative impacts | | P. 46-51, 62-63, 67-72 | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | | P. 42-44 | | |
| | 2-27 Compliance with laws and regulations | | In 2023, as in 2022, there were no significant instances of non-compliance with laws and regulations. | | |
| | 2-28 Membership associations | | The Group's main memberships are: Camera Nazionale della Moda Italiana (CNMI), Assonime, Altagamma, Confindustria Toscana, The Fashion Pact, Textile Exchange and Leather Working Group (LWG). | | |
| | 2-29 Approach to stakeholder engagement | | P. 36 | | |
| 2-30 Collective bargaining agreements | | P. 139 | | | |

Material topics

| GRI Standards | Disclosure | Reference to HKSE ESG Reporting Guide | Location | Omission | | |
|---|--|---------------------------------------|--|------------------------|--------|-------------|
| | | | | Requirement(s) Omitted | Reason | Explanation |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | | P. 37-41, 165-166 | | | |
| | 3-2 List of material topics | | P. 38-41 | | | |
| ANTI-CORRUPTION | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. B7 | P. 42-44, 51 | | | |
| GRI 205: Anti-corruption 2016 | 205-3 Confirmed incidents of corruption and actions taken | KPI B7.1 KPI B7.2 | In 2023, as in 2022, no incidents of corruption were detected. | | | |
| CLIMATE CHANGE | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. A1 G.D. A2 G.D. A4 | P. 75-91 | | | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | KPI A2.1 | P. 170 | | | |
| | 302-4 Reduction of energy consumption | KPI A2.3 | P. 75-85 | | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | KPI A1.1 KPI A1.2 | P. 161, 170 | | | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | KPI A1.1 KPI A1.2 | P. 161, 170 | | | |
| | 305-3 Other indirect (Scope 3) GHG emissions | KPI A1.1 | P. 161-162, 171 | | | |
| | 305-5 Reduction of GHG emissions | KPI A1.5 KPI A4.1 | P. 87-91 | | | |
| BIODIVERSITY & ANIMAL WELFARE | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. A2 G.D. B5 | P. 91-100, 103 | | | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | KPI A2.5 KPI A3.1 | P. 169 | | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-2 Negative environmental impacts in the supply chain and actions taken | KPI B5.2 KPI B5.3 KPI B5.4 | P. 67-71, 103 | | | |

| GRI Standards | Disclosure | Reference to HKSE ESG Reporting Guide | Location | Omission | | |
|---|--|---------------------------------------|-----------------------------|------------------------|--------|-------------|
| | | | | Requirement(s) Omitted | Reason | Explanation |
| WATER RESOURCES | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. A2 G.D. A3 G.D. B5 | P. 102-103 | | | |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | KPI A3.1 | P. 102-103 | | | |
| | 303-2 Management of water discharge-related impacts | - | P. 102-103 | | | |
| | 303-3 Water withdrawal | KPI A2.2 KPI A2.4 | P. 171 | | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-2 Negative environmental impacts in the supply chain and actions taken | KPI B5.2 KPI B5.3 KPI B5.4 | P. 67-71, 103 | | | |
| WASTE MANAGEMENT | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. A1 G.D. A3 | P. 103, 108-110 | | | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | KPI A3.1 | P. 108-110 | | | |
| | 306-2 Management of significant waste-related impacts | KPI A1.6 KPI A3.1 | P. 103, 108-110 | | | |
| | 306-3 Waste generated | KPI A1.3 KPI A1.4 | P. 172 | | | |
| | 306-4 Waste diverted from disposal | KPI A1.3 KPI A1.4 | P. 173 | | | |
| | 306-5 Waste directed to disposal | KPI A1.3 KPI A1.4 | P. 173 | | | |
| PRODUCT END-OF-LIFE | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | | P. 101, 104-107, 111-113 | | | |

| GRI Standards | Disclosure | Reference to HKSE ESG Reporting Guide | Location | Omission | |
|---|---|---------------------------------------|---|------------------------|--------------------|
| | | | | Requirement(s) Omitted | Reason Explanation |
| OCCUPATIONAL HEALTH AND SAFETY | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. B2 | P. 138-140 | | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | G.D. B2 KPI B2.3 | P. 138 | | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | G.D. B2 | P. 138-139 | | |
| | 403-3 Occupational health services | KPI B2.3 | P. 138-140 | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | - | P. 138-140 | | |
| | 403-5 Worker training on occupational health and safety | KPI B2.3 | P. 138 | | |
| | 403-6 Promotion of worker health | - | P. 139-140 | | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | KPI B2.3 | P. 139-140 | | |
| | 403-9 Work-related injuries | KPI B2.1 | P. 179 | | |
| DIVERSITY & INCLUSION | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. B1 | P. 50, 63, 119, 124-129, 143-144 | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | KPI B1.1 | P. 176-178 | | |
| | 405-2 Ratio of basic salary and remuneration of women to men | G.D. B1 | P. 178 | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | G.D. B1 | In 2023, there were no significant incidents of discrimination. | | |

| GRI Standards | Disclosure | Reference to HKSE ESG Reporting Guide | Location | Omission | | |
|---|--|--|---|------------------------|--------|-------------|
| | | | | Requirement(s) Omitted | Reason | Explanation |
| EMPLOYEES WELLBEING & SKILLS DEVELOPMENT | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. B1 G.D. B3 | P. 130-136, 139-142 | | | |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | G.D. B1 | P. 119 | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | KPI B3.1 KPI B3.2 | P. 179 | | | |
| HUMAN RIGHTS | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. B4 G.D. B5 KPI B4.1 KPI B4.2 | P. 39, 50, 57, 70, 119, 138-139 | | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | G.D. B1 | In 2023, there were no significant incidents of discrimination. | | | |
| CONSUMER HEALTH & SAFETY | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | | P. 39,71-72, 103 | | | |
| GRI 416: Customer Health and Safety | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | G.D. B6 KPI B6.1 KPI B6.2 | In 2023, as in 2022, there were no incidents of non-compliance with regulations and/or voluntary codes concerning health and safety impacts of products and services. | | | |
| MARKETING & LABELING | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. B6 | P. 71-72 | | | |
| GRI 417: Marketing and Labeling 2016 | 417-2 Incidents of non-compliance concerning product and service information and labeling | G.D. B6 KPI B6.3 | In 2023, as in 2022, there were no incidents of non-compliance concerning product and service information and labeling. | | | |
| SUSTAINABILITY EDUCATION | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | N/A | P. 130-133, 149-155 | | | |

| GRI Standards | Disclosure | Reference to HKSE ESG Reporting Guide | Location | Omission | | |
|---|-----------------------------------|---------------------------------------|------------|------------------------|--------|-------------|
| | | | | Requirement(s) Omitted | Reason | Explanation |
| ARTISTIC & CULTURAL HERITAGE | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. B8 KPI B8.1 | P.147-149 | | | |
| CRAFTSMANSHIP & SAVOIR-FAIRE | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | N/A | P. 130-133 | | | |
| SCIENTIFIC EVOLUTION | | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | G.D. B8 KPI B8.1 | P. 155-156 | | | |

Other additional Topics Disclosed

| GRI Standards | Disclosure | Reference to HKSE ESG Reporting Guide | Location | Omission | | |
|-------------------------------------|--|---------------------------------------|---|------------------------|--------|-------------|
| | | | | Requirement(s) Omitted | Reason | Explanation |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | KPI B8.2 | P. 15, 168 | | | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | KPI B5.1 | P. 168 | | | |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | KPI B6.2 KPI B6.5 | In 2023, as in 2022, there were no substantiated complaints regarding breaches of customer privacy and leaks, thefts, or losses of customer data. | | | |

CHAPTER 9

Independent Auditor's Report





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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Prada S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of Prada Group (hereinafter "Group") as of December 31, 2023.

Responsibility of the Directors for the Sustainability Report

The Directors of Prada S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI – *Global Reporting Initiative* ("GRI Standards"), as stated in the chapter "Notes on the Methodology" of the Sustainability Report.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the International *Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona
Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter *"ISAE 3000 Revised"*), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised ("reasonable assurance engagement")*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

- 1) Analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods of analysis and understanding of the context, identification, evaluation and prioritization of actual and potential impacts and to the internal validation of the process results;
- 2) comparison between the economic and financial data and information included in the chapter "The Prada Group" of the Sustainability Report with those included in the Group's Financial Statements;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Prada S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.



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In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company and subsidiaries level:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for entities Prada S.p.A., Prada USA Corp, Prada Fashion Commerce (Shanghai) Co. Ltd, Prada Japan Company Ltd, which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits and remote meetings, during which we have met the management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Prada Group as of December 31, 2023 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the chapter "Notes on the Methodology" of the Sustainability Report.

Other matters

The data for the years ended December 31, 2021 and December 31, 2022, presented for comparative purposes in the Sustainability Report have not been subject to a limited or to a reasonable assurance engagement.

DELOITTE & TOUCHE S.p.A.



Marco Ricci
Partner

Milan, Italy
March 22, 2024



**Additional information on this Sustainability Report
may be requested to:**
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