



Ratti Group Supplier Code

Updated version approved by resolution of the Board of Directors of
Ratti S.p.A. Società Benefit on 18 October 2023



Ratti Group Supplier Code

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SUPPLIER CODE OF CONDUCT

The Ratti Group (hereinafter, also the "**Group**") is a leader in the creation and production of printed, plain and yarn-dyed fabrics for clothing, ties, shirts, beachwear, underwear, furnishings and textile accessories. The Group manufactures and internationally distributes packaged products and, in particular, men's and women's accessories such as ties, scarves and foulards. The Group's main brands are Ratti and Carnet.

With a heritage strongly rooted in silk processing, over time the Ratti Group has perfected its skills in the processing of different natural, composite and technological fibres. The Ratti Group manages and coordinates the entire production chain: from the creative process of fabric design and planning, all the way to ennoblement (weaving, dyeing, printing and finishing) and packaging.

The Ratti Group works with the most important luxury and prêt-à-porter fashion houses worldwide. In addition to Italy and Europe, the main markets served include the US and Japan.

The Ratti Group is understood as Ratti S.p.A. Società Benefit (hereinafter, also the "Parent Company") and its subsidiaries, from time to time, hereinafter also referred to as the "Ratti Group Companies" or "Group Companies".

As part of its corporate management, the Group undertakes to respect the ethical and moral values defined based on the principles of fairness, honesty and transparency, in compliance with national and international standards in force. For this reason, the Group requires its suppliers to act according to the same standards, respecting them, ensuring their observance and applying the same philosophy to the management of their own companies.

This Supplier Code of Conduct (hereinafter, the "**Code**" or "**Supplier Code**") enshrines the ethical principles and values of the Group, and the Ratti Group requires full compliance with the same by all of its suppliers (understood as the providers of goods, services, consultancy and professional assignments) and by their respective subcontractors and suppliers (hereinafter, jointly, the "**Suppliers**" and individually, the "**Supplier**").

This Code is an integral part of the contracts concluded with the Suppliers and any violation or failure to apply the principles and obligations set forth herein could result in breach of contract and lead to decisions such as early termination of the contract.

The obligations or principles not envisaged in this Code are considered supplemented by the Group Code of Ethics, which is equally binding for the Suppliers and whose violation could have the same consequences as above.



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It remains understood that, in any case, this Supplier Code requires compliance with all applicable national and international regulations. Where applicable legislation and this Code address the same topics with different standards, the highest standards and most stringent provisions apply.

It is essential that Suppliers of the Group respect the principles contained herein. Furthermore, the Group requires Suppliers to, in turn, ensure that these principles are also implemented by their employees, subcontractors and third parties with whom they work, in order to guarantee the ethics and transparency of their own activities.

This Supplier Code was approved and adopted by the Board of Directors of Ratti S.p.A. Società Benefit and implemented by the Group Companies by specific resolution of their respective Administrative Bodies.

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REQUIREMENTS AND RESPONSIBILITIES REGARDING WORKING CONDITIONS

In accordance with the principles set forth in the Group Code of Ethics, with regard to working conditions, our Suppliers must respect the reference legislation applicable in the countries in which they operate, as well as the principles and regulations envisaged by the internationally recognised SA8000 Standard and the principles contained in the main international conventions on the protection of human rights and fundamental freedoms, including the ILO Conventions, the United Nations Universal Declaration of Human Rights, the United Nations Convention on the Rights of the Child and the OECD Guidelines for Multinational Enterprises.

The Ratti Group requires its suppliers to adopt working methods based on respect for the values of loyalty, impartiality and integrity and, in general, to operate in compliance with fundamental human rights. In particular, working conditions must be such as to guarantee:

- **healthy and safe working environments:**

Suppliers must provide healthy and safe workplaces for their employees, compliant with the applicable local laws in force as well as with all specific provisions for the industries in which they operate. The same precautions apply to Suppliers who provide accommodation for their employees. Suppliers must implement procedures and organise training sessions aimed at detecting, avoiding and mitigating any dangers that could affect the health, hygiene and safety of personnel, using all means possible.

We also require our Suppliers to meet the best workplace health and safety standards, adopting all precautions envisaged by law, including those that are not mandatory but suggested by common sense with regard to the best protection of worker safety, as well sustainability and respect for the environment (including correct waste disposal cycles, with particular attention to hazardous waste);

- **wages and working hours compliant with current legislation:**

Suppliers must comply with current legislation on minimum wages, the recognition of overtime and working hours.

- **freedom of association:**

Suppliers must guarantee their employees the freedom to join trade unions or any other associations with lawful purposes;

- **equal opportunity:**

Suppliers must offer all employees the same career opportunities, to ensure that everyone can benefit from fair regulatory treatment and pay, based exclusively on the criteria of merit and competence;

- **ban on discrimination:**

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Suppliers undertake not to carry out any form of discrimination based on age, racial, linguistic and ethnic origin, nationality, political and trade union opinions, religious beliefs, gender, sexual orientation and gender identity, health and disability status, marital and family status or any other non-work-related personal characteristics;

- **ban on child labour, forced labour and abuse;**

Suppliers must not employ workers under the minimum age established by law, hired directly or by third parties, except within the limits and under the conditions provided for by current legislation in the context of professional growth and training projects; Suppliers must ensure that employment relationships are freely negotiated between the parties according to applicable regulations, while termination must be managed in accordance with the law. Furthermore, all forms of corporal punishment and psychological or physical harassment are prohibited, as well as any forms of mobbing;

- **ban on illegal, clandestine and undeclared labour;**

Suppliers must respect the current legislation which prohibits the exploitation of illegal, clandestine or undeclared labour, ensuring compliance with social security, remuneration, tax obligations and labour legislation, and refusing all forms of illegal exploitation of the workforce used, hired or employed;

- **compliance with legislation on residence permits:**

our Suppliers must only use workers who meet the current requirements regarding residence permits.

ENVIRONMENTAL PROTECTION AND REGULATIONS

- **Environmental protection and performance**

In accordance with the principles set forth in the Group Code of Ethics, our Suppliers must comply with current legislation on environmental protection, promoting responsible behaviour aimed at protecting the environment and encouraging the implementation and spread of environmental technologies which can minimise environmental impact, maximise energy efficiency, carefully manage natural resources, reduce and recover waste, and limit polluting emissions.

We invite our Suppliers to adopt the highest standards of environmental management in their processes and, in particular to:

- use resources efficiently and responsibly;
- reduce emissions;
- promote environmental protection and avoid damaging natural ecosystems;
- offer the market sustainable products and materials;
- improve the environmental performance of materials and production, with specific reference to the products supplied to the Group.

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- **Product information**

Information about the origin, composition, health and safety of products must be accurately communicated, updated and always made available to the Group in compliance with national and international regulations. Our Suppliers must guarantee the traceability of the raw materials and substances used in production processes, ensuring their compliance with current legislation, and undertake to immediately inform the Ratti Group in case of potential non-compliance or potential health and safety risks, and guarantee the traceability and proper storage of products.

Moreover, in accordance with the principles set forth in the Group Code of Ethics, we invite our Suppliers to ensure the following:

- **Forest protection:**

illegal forest products must not be introduced into the distribution chain; the use of materials from sustainable forest management or recycled sources must be promoted.

- **Respect for animal welfare:**

compliance with the applicable laws, regulations and fundamental principles relating to animal welfare must be guaranteed, in relation, for example, to their breeding, treatment, transport, hunting and slaughter, as well as respect for the Five Freedoms: freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury or disease, freedom to express normal behaviour and freedom from fear and distress.

- **Treatment of wool, skins and furs:**

the procurement of wool, skins and fur must come from certified sources, which ensure the protection of the emotional state and natural behaviour of the animals, taking the needs of the species and the biodiversity of ecosystems into account.

Wool, skins and furs may only be used if animal welfare can be ensured through reliable supply chain audits or international certification schemes.

Tanning and treating processes for wool, skins and furs must be carried out such as to reduce their environmental impact.

- **Protection of endangered species and biodiversity:**

commitment to protecting endangered species and biodiversity must be guaranteed, promoting compliance with the relevant international environmental standards and regulations, including CITES (Convention on International Trade in Endangered Species).

- **Use of chemical substances:**

safe chemical handling must be guaranteed, as well as the chemical compliance of products and raw materials with applicable national and international regulations and the best professional standards, including the REACH regulations and ZDHC standards for the use of chemicals.

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- **Use of metals:**
the use of metals that are recycled or sustainably extracted according to practices that respect human rights and labour laws must be encouraged.

BUSINESS CONDUCT

In accordance with the principles set forth in the Group Code of Ethics, our Suppliers must conduct business with precise and diligent methods, professionalism and honesty. They are required to comply with the following provisions:

- **Legal requirements:**
our Suppliers are invited to act in full compliance with the local, national and international laws and regulations applicable to their business.
- **Administration and accounting:**
the accounts and any other documentation disclosing economic and financial information must comply with the laws and regulations in force, follow accounting practices and their most advanced principles, and be transparent, such as to provide a clear, true and fair view of operations.
- **Relations with the Public Administration:**
Suppliers undertake to engage in conduct based on honesty, loyalty, fairness and transparency in relations with the Public Administration, and not to offer, directly or through intermediaries, money or advantages of any other nature to Public Officials or Public Service Officers with the aim of influencing their behaviour and obtaining undue benefits.
- **Subcontractors:**
Suppliers must receive our prior approval for the subcontracting of any part of the services to be rendered. Our approval is subject to the Suppliers' acceptance of this Code, the Group Code of Ethics and all other applicable provisions.
- **Tax and customs authorities:**
our Suppliers must comply with the applicable tax and customs legislation.
- **Fight against corruption:**
the Suppliers acknowledge that, in compliance with current regulations and honest, fair and transparent business conduct, the Group prohibits corruptive behaviour of any kind, whether involving the Public Administration or private entities.
More specifically, this prohibited conduct generally consists of paying or offering money or other benefits, direct or indirectly, to Public Administration representatives or private individuals for the purpose of influencing their decisions in order to obtain or pursue illegal advantages in favour of the

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Company. Our Suppliers refuse all acts of corruption, in any form, whether involving public or private entities.

- **Organised crime:**

our Suppliers must ensure that they are not linked to or have relationships of any kind with criminal organisations, or in any case operating outside the law, including but not limited to people with ties to money laundering and usury.

- **Conflicts of interest:**

our Suppliers must avoid situations and/or activities in which their personal interests may be in conflict with those of the Ratti Group Companies, or interfere with the ability to make impartial and ethical decisions to protect the interests, image and reputation of the Ratti Group Companies.

- **Information transparency:**

our Suppliers must provide clear and accurate information regarding the methods and resources used, production sites and subcontractors, as well as the characteristics of the products or services supplied, and must refrain from making any misleading claims.

- **Anti-money laundering:**

the Group requires its Suppliers to comply with anti-money laundering legislation and to undertake to adopt measures aimed at preventing non-transparent or money laundering operations from being carried out in the context of their business activities.

- **Competition:**

our Suppliers undertake to comply with the antitrust regulations applicable in the countries in which they operate. This includes the prohibition to take advantage of a dominant position, engage in anti-competitive practices or conclude any other unlawful agreements between competing companies.

- **Professionalism:**

we require our Suppliers to carry out their business with the utmost competence and professionalism in order to provide the Group high quality services, in accordance with the defined agreements.

- **Trade restrictions and international sanctions:**

we require our Suppliers to respect trade restrictions and legislation on international sanctions, taking into account the related amendments and additions, as well as the laws and regulations on export control.

- **Gifts and giveaways:**

it is prohibited to exchange gifts, giveaways, money or any other benefits with third parties, whether private or belonging to the Public Administration, which could alter the normal relationships of collaboration, professionalism and impartial judgement such as to unduly favour the interests of the Ratti Group and/or one of the Group Companies.

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In addition, it is strictly prohibited to offer rewards, gifts or entertainment to employees of the Ratti Group or to their family members for the purpose of obtaining an order or being awarded a contract. However, gifts and entertainment may be considered acceptable acts of courtesy in the context of an established business relationships, provided that their scope and value are limited, that the law of the country concerned authorises this practice and that they are not offered in anticipation of a benefit in exchange.

- **Insider trading prevention:**

we invite our Suppliers to strictly observe the laws and regulations on insider trading. It is forbidden to obtain advantages of any kind, direct or indirect, from the use of confidential information acquired during activities carried out for the Group, to communicate such information to others, or to advise or convince others to use the same.

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INTELLECTUAL PROPERTY, CONFIDENTIAL INFORMATION

In accordance with the principles set forth in the Group Code of Ethics, we consider the complete respect of intellectual and industrial property - own and/or third-party - a key priority for our business and therefore require our Suppliers to comply with applicable laws and regulations on the matter.

The service rendered by the Supplier for the benefit of the Group shall not give the Supplier any rights over the intellectual/industrial property, distinctive signs and creations belonging to the Group (or to Group customers), including but not limited to trademarks, distinctive signs, works of art or intellectual property, copyrights, signs, trade names, designs, models, patents, products, prototypes, samples, projects, plans, equipment, images and manufacturing techniques, know-how and other forms of intellectual property, as well as the tools that are used by or belong to the Group. Any use of such elements that is not authorised by the Group in writing constitutes a violation of industrial and intellectual property rights and is liable to be sanctioned by law.

The Ratti Group strictly prohibits its Suppliers from engaging in any conduct (including the production, marketing or dissemination) that has the effect of altering, counterfeiting, usurping, or illicitly, abusively or parasitically disseminating/exploiting trademarks, distinctive signs, works of art or intellectual property, copyrights, signs, trade names, designs, models, patents, products, prototypes, samples, projects, plans, equipment, images and manufacturing techniques, know-how and any other intellectual/industrial property rights – national or foreign – belonging to the Group, to Group customers or to third parties. The Ratti Group also condemns all behaviour aimed at introducing, to the community in which it operates, industrial products with altered or counterfeit trademarks or other distinctive signs, as well as the marketing or products with misleading brands or signs regarding the origin, provenance or quality of the product. More generally, our Suppliers undertake to adopt all measures necessary to guarantee the confidentiality of trade secrets and other non-public information disclosed as part of their business relationship with the Group.

PERSONAL DATA PROTECTION

In accordance with the principles set forth in the Group Code of Ethics, our Suppliers must undertake to process the personal data in their possession, collected, archived and used during the performance of their business, in compliance with all laws and regulations on personal data processing in force in the jurisdictions in which they operate.



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COMPLIANCE, AUDITS AND INSPECTIONS, SANCTIONS

The Ratti Group requires its Suppliers to comply with the principles and values established in this Code, as well as in the Group Code of Ethics, undertaking to constantly improve their qualitative, environmental and social performance. In this regard, the Ratti Group reserves the right to carry out audits and inspections on compliance with the principles and values of this Code, as well as the Ratti Group Code of Ethics, even without adequate prior notice. The Ratti Group also reserves the right to require its Suppliers, within a reasonable time, to register on the "Supplier portal of Ratti S.p.A. SB" and, consequently to provide the general, social and environmental information requested also online.

In the event a Supplier does not comply with the principles above, the Group may propose an action plan with corrective measures and a schedule for verifying its implementation.

In case of failure to comply with the principles above (also understood as failure to implement the corrective action plan proposed) and/or failure to collaborate with the aforementioned audits and inspections, the Group reserves the right to terminate the business relationship.

WHISTLEBLOWING

We encourage all Suppliers to report any (actual or alleged) violations of this Code through the Whistleblowing platform adopted by the Company and accessible at the address (<https://areariservata.mygovernance.it/#!/WB/ratti>), or by ordinary mail addressed to the attention of the Ethics Committee at the headquarters of Ratti S.p.A. Società Benefit , via Madonna, 30 – 22070 Guanzate (CO) – Italy, indicating the following wording on the letter "*All'attenzione del Comitato Etico documento riservato – non aprire*" (Confidential document for the attention of the Ethics Committee - Do not open). This process is managed ensuring the utmost confidentiality of the whistleblower's identity and in compliance with current legislation.

Sign for acceptance

Company Name: _____

Legal Representative: _____

Registered Office: _____

VAT Number: _____

Place, Date: _____

Stamp, Signature: _____