

Ratti Group

Sustainability Report

Abstract 2024



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Letter from the **President**

After years of strong growth, the luxury industry is now experiencing a significant slowdown. This shift is driven by a combination of economic and geopolitical factors. Companies heavily exposed to the Chinese market have suffered and will likely need to give up part of their distribution there, as domestic consumption is expected to take precedence. Growth in that region may not return. Adding to this, the new wave of tariffs continues to generate uncertainty and imbalance—and its long-term implications remain difficult to predict. While emerging markets such as India, Malaysia, and the Philippines offer promising opportunities for expansion, we are also witnessing an unexpected and striking development: the emergence of a distinctly Chinese luxury.

Guo Pei, the first Asian-born designer to gain international recognition in recent years, has brilliantly fused modernity and tradition. Could luxury evolve beyond its European roots?

In this complex landscape, it is worth asking why certain European companies continue to grow steadily. These are the brands that invested in enduring quality. For them, creativity is deeply tied to know-how and substance. They've understood that today's consumers are no longer driven by the urge to accumulate, but by the desire to choose thoughtfully, valuing intrinsic quality and creativity born from genuine research.

There is a growing call for slower fashion, more reflective, and more intellectually engaging a move away from superficiality.

Another notable shift is the transformation in people's needs and behaviours: a growing preference for remote destinations, reflecting a passage from frenzy to silence. These emerging attitudes distance themselves from excessive consumerism and move closer to a respect for the environment and a desire to live in harmony with nature.

Donatella Ratti



Letter from the CEO

The year 2024 was marked by strong signals confirming that Ratti is on the right path in its commitment to ESG (Environmental. Social and Governance) principles—an area of growing importance within the textile and fashion industry. The implementation of the European Green Deal and the Strategy for Sustainable and Circular Textiles, along with increasing awareness around legal compliance throughout the supply chain, bring not only obligations but also valuable opportunities for growth in responsibility. We witnessed the entry into force of the CSRD (Corporate Sustainability Reporting Directive), and we prepared for this challenge with restless focus, undertaking a process of constant updating that enabled us to issue a rigorous sustainability report—integrated with our annual financial statements—with full awareness that transparency is an essential value for any modern company. We also saw the introduction of Regulation (EU) 2024/1781 on eco-design. As a supply chain, we are committed to helping shape the new standards for the eco-design of textile products and footwear, and to being ready not only to comply with them but also to promote their adoption.

At the same time, investigations launched by the Milan Prosecutor's Office have shone a spotlight on ethical practices within the supply chain. Our industry has been called upon to provide concrete guarantees. The "Paths of

Legality in the Fashion Industry" protocol—and the platform that will follow—represents a collective desire to prevent exploitation and to build transparent and virtuous value chains. In this regard, Ratti is at the forefront and has already taken the necessary steps to ensure compliance with the required standards. Despite the changes introduced by the Omnibus package, it is clear that the need remains to persist in our efforts to protect the environment and reduce emissions—adopting a more systematic approach and involving external stakeholders wherever possible. All this is taking place in a period of stagnation in the fashion sector—even major groups have faced disappointing results—and amid a general climate of global uncertainty (from the conflicts in Ukraine and the Middle Fast to the consequences of recent U.S. policies), the current moment demands clarity, vision, and perseverance. In this challenging landscape, Ratti—true to its identity as a Benefit Corporation—reaffirms its commitment to taking responsibility for future generations. This means ensuring the Group's solidity while continuing along the path of compliance, research, innovation, and sustainable development.

We face this commitment and responsibility with pride and passion, convinced that they are the keys to building the future together.

Sergio Tamborini





Who We Are

Founded in 1945 by Cavalier Antonio Ratti and listed on the Milan Stock Exchange since 1989, Ratti S.p.A. Società Benefit embodies 80 years of creativity and beauty, innovation and sustainability, technology and craftsmanship. By combining skilled manual work with the most advanced production technologies, Ratti has consistently looked to the future without losing sight of its past, anticipating market trends while remaining rooted in its silk-making tradition, which represents the company's origins. Starting from this most noble fiber, Ratti has

gradually expanded its offering over the years to include a wide range of materials—natural, blended, and highly innovative—designed for the fashion, design and interior decoration sectors. This evolution has established Ratti as a benchmark in the textile and fashion industry. Ratti's printed, solid-dyed, yarn-dyed and jacquard fabrics and accessories are renowned worldwide for their beauty and versatility, meeting the demands of a market that is increasingly focused on quality, sustainability and innovation.

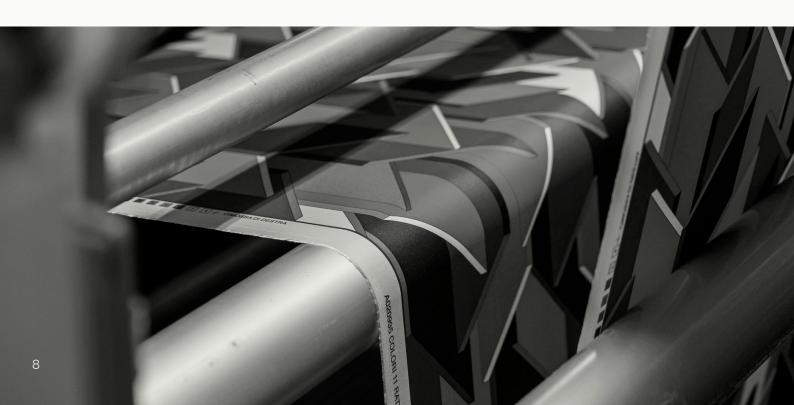


Mission and Vision

The company considers its mission to be to constantly elevate Italian textile culture through creativity, innovation and responsibility.

"Driven by passion, it aims to dominate the new frontiers of textile applications and consolidate its leadership to transform ideas into reality".

Sergio Tamborini, CEO.





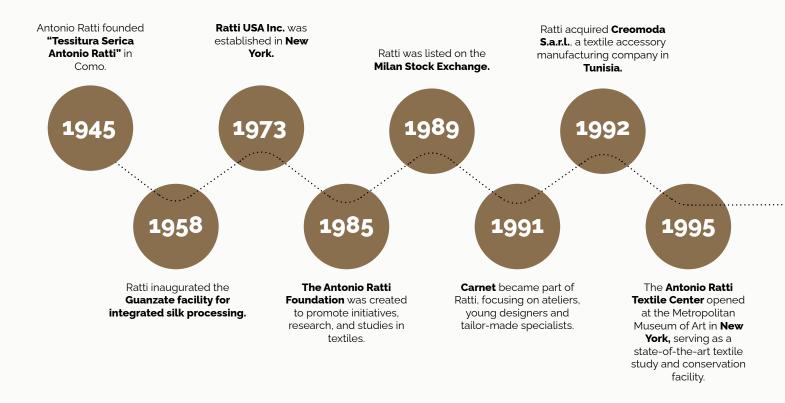
The Value Chain

Ratti manages and controls the entire production flow: from the actual creative phase, which involves the drawing and designing of fabrics, through to ennobling (weaving, dyeing, printing and finishing) and hemming.

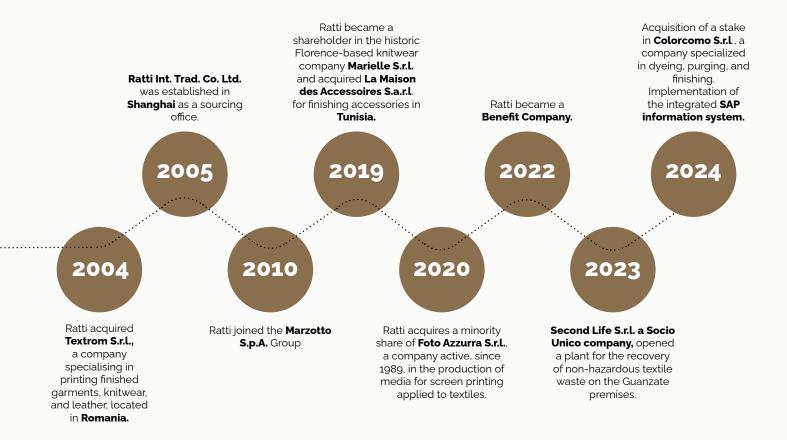
The focus on sustainability is, however, pervasive throughout the entire Ratti value chain, from upstream to downstream, from the selection of raw materials to the product's use and end of life, passing through all stages of design, production, sales and distribution.

UPSTREAM	UPSTREAM DIRECT	DIRECT		DOWNSTREAM	
Cultivation of cotton plantations and silkworm rearing	Procurement of textile raw materials	Design, research, and development	Production of fabrics and accessories	Sale of the product	Use and end of life of the product
*					

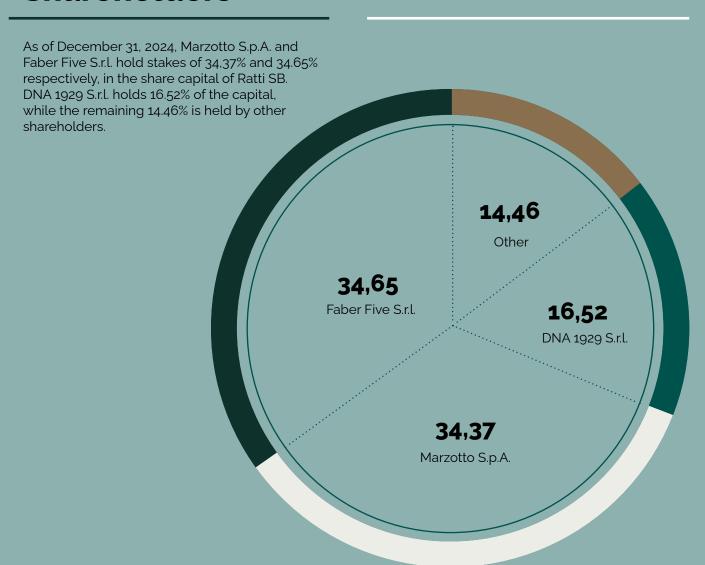
Milestones





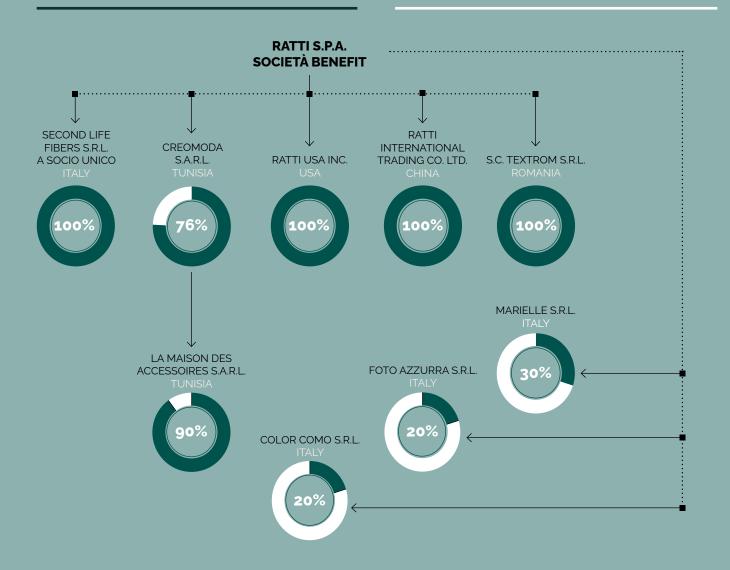


Shareholders





Corporate Structure



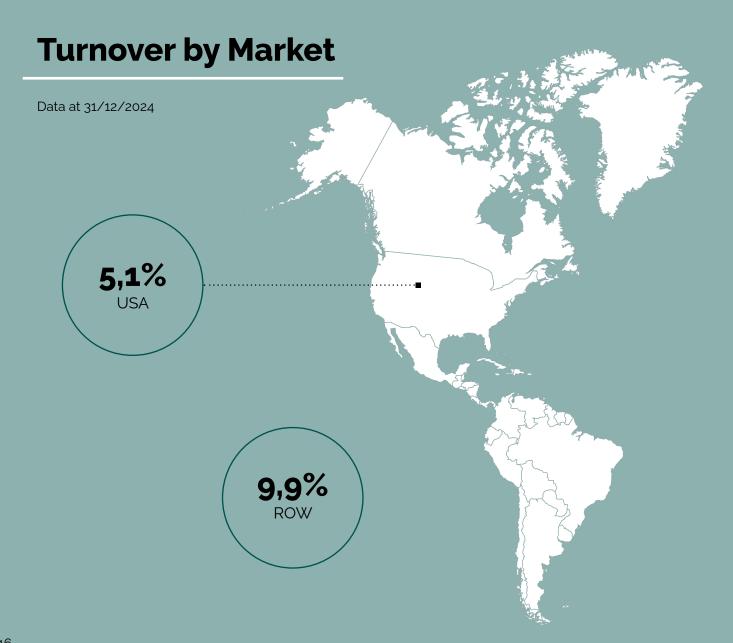


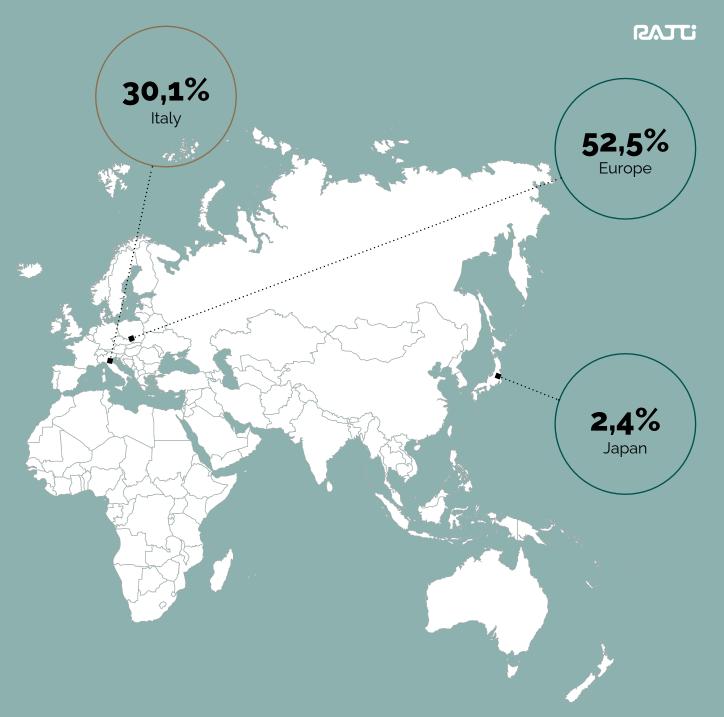


Economic Figures

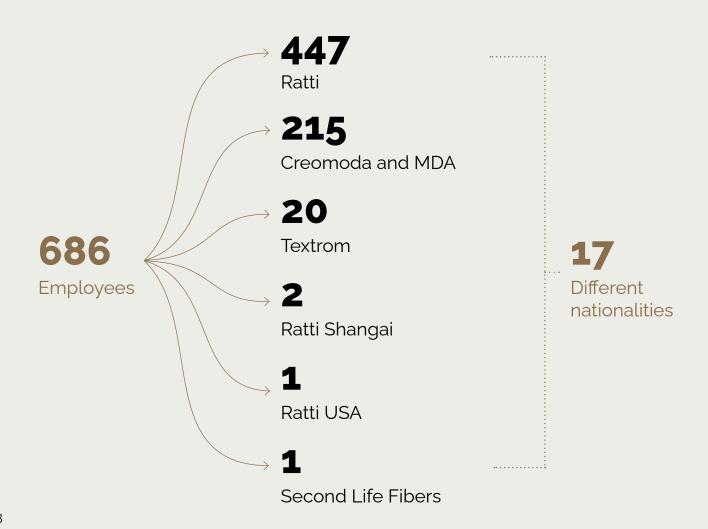
Group revenues have declined by 7.2% compared to the previous financial year 2023, in line with the overall trend in the sector.







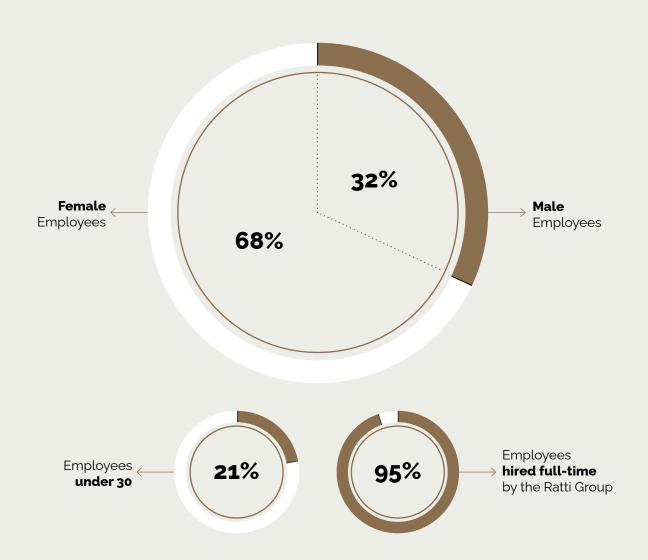
Ratti Team





On 31 December 2023, the Ratti Group had 752 employees, the majority of whom were women (67.3%). Compared to 2023, the Group's headcount has decreased by 9.5%. 94.90% of the Group's employees work full

time, while 5.10% are part time (primarily women, to facilitate work family balance). Employees under 30 account for 20.85% of the workforce.







Business Areas

Renowned for producing fabrics and accessories for fashion and home décor, Ratti builds its business on the excellence of Made in Italy and stands out for the quality of its materials and its continuous innovation in design and manufacturing. One of its key

strengths is the ability to anticipate market trends and reinvent itself constantly—while always remaining true to the tradition and craftsmanship that define its products. Ratti collaborates with the world's foremost luxury, prêt à porter and design houses.

BRAND	MARKET	CATEGORY	PRODUCTS
EAJT :	High-end	Clothing	Fabrics Leather embellishment
		Soft accessories	Fabrics Soft accessories Leather embellishment
		Home furnishing	Fabrics Home accessories Leather embellishment
CARNET	Made-to-measure	Clothing	Fabrics
RAINBOW	Premium	Clothing	Fabrics

Clothing Fabrics

Ratti offers printed, jacquard, yarn-dyed and plain fabrics created through multiple technologies to give designers and stylists the opportunity to create complete collections for the high-end market.

During the creation process, new fabric designs are presented to customers on a monthly basis. This way, Ratti ensures an offer that is up-to-date with current trends, proposing innovative solutions and providing a bespoke service. Ratti's creative and production teams are actively involved in the creation of capsule collections arising from the pondered balance between synergistic customer dialogue and quick production times.



Soft Accessories

Ratti creates printed, plain, jacquard, yarn-dyed and knitted soft accessories for women and men: squares, shawls, stoles, scarves, ties, pocket squares and hats. Each accessory is the result of experience and research, creating a unique and stylish item.

Special care is also dedicated to the hemming and edging of accessories: a combination of expertise and sartorial attention to detail that ensures a complete and integrated manufacturing process, down to the very last step.



Home Furnishing

Ratti creates and produces textiles and accessories for interior furnishing and design: upholstery fabrics, curtains and home accessories (living, table, bedroom and bathroom).

The company specialises in supplies for the hotel industry, thanks to its range of technical fabrics that meet regulations and satisfy the most refined expectations.

The home collection offers a wide range of designs and bases: the result of tradition and constant dialogue with the world of design, where experimentation and attention to detail are woven into every single creation for textile publishers, global wholesalers and contract work.





Licensing

The Ratti Group has entered into agreements for the production and distribution under licence with leading global fashion brands such as Elie Saab, Givenchy, Lanvin, Léonard Paris and Ungaro.



Made-to-Measure

Carnet embodies the spirit of modern tailoring. It produces and distributes high-quality textiles for the creation of tailor-made garments for both men and women.

It offers a cut-length service for tailors, established and emberging designers and garment makers.









Three Core Values

The historical know-how, creative and **industrial capacity** that can transform ideas **.....** Relevance into textile works of art, offering customers tailor-made, high-quality solutions. For Ratti, commitment includes responsibility and sustainability. The essential care shown to ■ Commitment the local district, employees, institutions and the environment in general. It is an essential value in the achievement of each goal. The vision, the attitude to achieve positive **Ambition** change and the ability to always look ahead.

Relevance



Creativity

Creativity is the driving force behind Ratti's production process, where design and the archive serve as essential tools for innovation. Every stage of our work is meticulously curated, showcasing our designers' talent and encouraging ongoing research and experimentation.

The Ratti Archive preserves a rich textile heritage born from Antonio Ratti's visionary spirit—including the famous "C1," the first tie design catalogued in 1945. With over a million fabric samples, the Archive is an indispensable resource for research, documenting stylistic

evolution from the late 19th century to the present day.

Equipped with an advanced digitization system and an open-shelf organization, the archive provides immediate access to this invaluable collection. Its accessibility is further enhanced by a machine learning algorithm, making exploration faster and more intuitive. For Ratti, the archive is not merely a historical record but a catalyst for innovation—preserving the past to inspire and fuel the creativity of the future.

ARCHIVE

PEOPLE

2500 m²

14k

Area

Volumes

17

Designers

1mln

Fabrics and designs

50

Product Managers

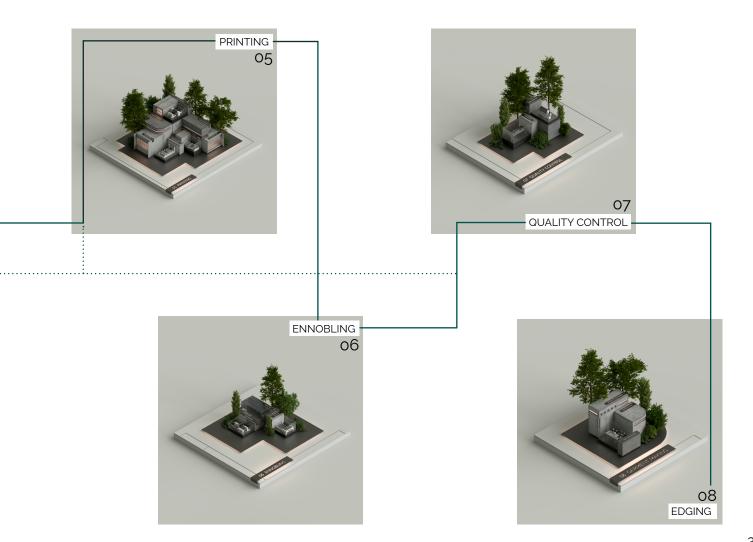
Production flows

Ratti is an industrial site of approximately 50,000 square meters that combines creativity, know-how, and advanced technology to offer a complete and integrated production





process. From warping to weaving, from traditional flatbed and rotary printing to the most advanced inkjet printers, and all the way through ennobling and hemming, enhanced in 2024 by the expansion of our in-house laboratory—our entire production process is engineered to offer clients maximum freedom of creative expression.

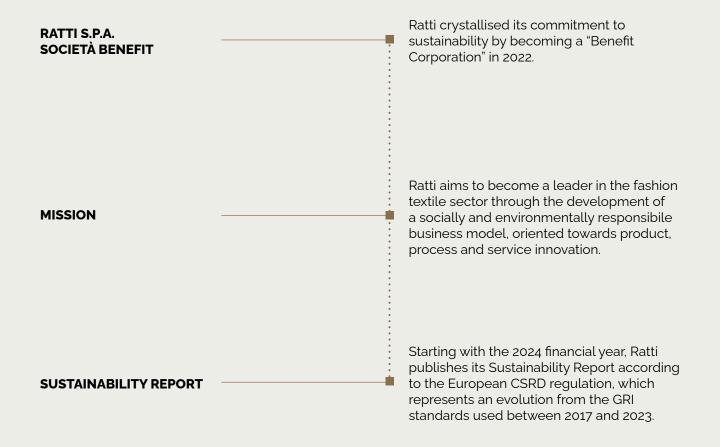




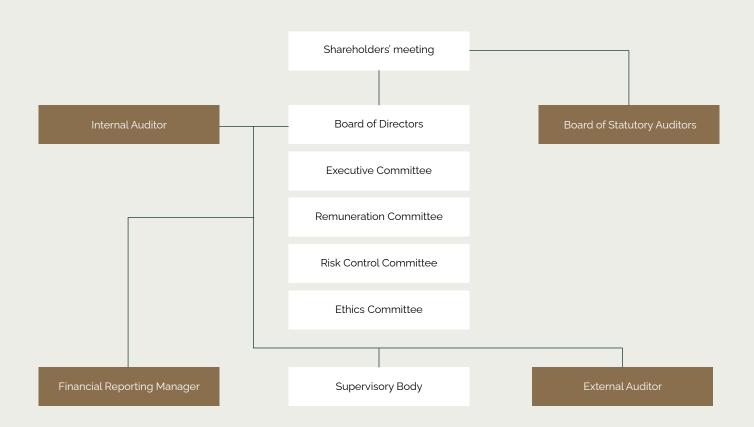
Commitment



Our Commitment to Sustainability



Governance



Ratti boasts a solid and mature architecture of responsible governance.

Ratti S.p.A. SB has adopted an organisation, management and control model that complies with Legislative Decree 231.

The Ratti Group has

- A Code of Ethics
- An Anti-Corruption Policy
- A Whistleblowing Policy
- A Social Responsibility Policy



Social Sustainability

Ratti pays special attention to the well-being of its employees, providing training programs and welfare benefits. The company also makes a positive contribution through numerous initiatives for the local community.

The Ratti Group

Offers its staff a package of services and benefits which makes it possible to improve the well-being of all colleagues;

Offers appropriate training to its staff;

Guarantees equal opportunities and reduces inequality in the remuneration of its staff;

Commits to preventing and combating all possible situations of exploitation in the workplace, and in particular child labour;

Invests all its efforts in reaching the highest possible standards and company certifications, in order to guarantee its staff a working environment which is safe, fair and ethical, and which prevents any possible situation of exploitation;

Promotes a safe and protected work environment for all workers.

Social Certifications



SA8000

Social Accountability Management System.



ISO 45001

Management System for Health and Safety in the Workplace.

Welfare

Ratti promotes a healthy work-life balance by offering a number of services dedicated to the well-being of employees at all Group offices. The set of initiatives is customized to meet the specific needs of each Group site.

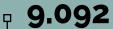
- Smart working
- Welfare platform
- Sustainable mobility incentives
 - Study grants
 - Integrative health care
 - Psychological support
 - o Km Market
 - Relax area
 - Postal service
 - Bookstore
- Free transport service for workers in Tunisia and Romania.





Training

Ratti offers its employees training programs focused on technical skills, digital competencies, and soft skills. Additionally, it has introduced Safety Breaks: regular sessions designed to raise employee awareness about workplace risks (with a particular emphasis on chemical products used in textile printing), delivered through practical on-site training directly at workstations.



Hours of training carried out in 2024

953

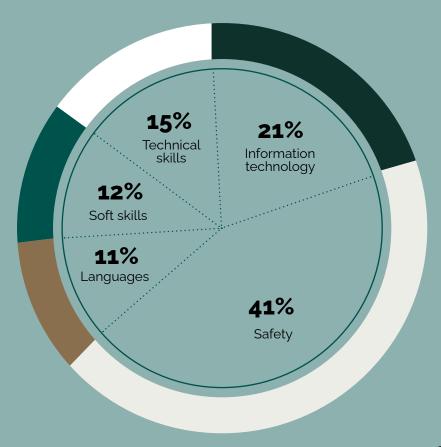
Managers

4.005

Employees

4.134

Workers



Communities

For the Ratti Group, social commitment is a strategic pillar, with constant attention to the local area and communities. The company enhances skills and encourages shared development projects in collaboration with institutions and associations, with a particular

focus on education and support for the non-profit sector. Through these initiatives, Ratti reaffirms its role as a responsible social player, contributing to sustainable growth and collective well-being.

TRAINING

Collaborations with textile and fashion schools, technical institutes, and universities to offer company visits, internships, and training programs.

"Ratti e il Futuro" scholarships awarded to outstanding students who are children of employees.

Project with Coulture Migrante: tailoring training for six unemployed women, including a six month internship for one participant. This initiative promotes social inclusion and addresses the shortage of skilled labor in the Como district textile sector.

COLLABORATION WITH NON-PROFIT ORGANIZATIONS

Workplace inclusion initiatives through partnerships with social cooperatives.

Support for cultural and artistic events, including those organized by the Antonio Ratti Foundation.

Sponsorship of TEDxLakeComo 2024, an event focused on inspiration and innovation.

Meal donations to Casa Oberdan and collaboration with SITICIBO to recover leftover meals from the company canteen and redistribute them to people in need.



The Antonio Ratti Foundation

The Antonio Ratti Foundation was born from its founder's desire to share his passion for art and textiles with a wider audience, giving scholars, artists and intellectuals the opportunity to deepen their research, produce new works, and reach the public, critics and institutions. The Antonio Ratti Foundation holds the ancient fabrics collected by Antonio Ratti during his

lifetime, a collection of over 40,000 pieces and 1,500 sample books which span centuries and cultures, ranging from archaeological fabrics to twentieth-century experiments. Ratti has access to the collection of ancient fabrics preserved at the Antonio Ratti Foundation, from which it can draw inspiration for new collections.



Environmental Sustainability

Ratti's environmental strategy is focused on reducing its ecological impact and developing circular economy projects, primarily within the textile sector, while remaining open to cross-sector opportunities. It uses renewable electricity and steers the organization towards a circular economy model.

Ratti Group:

Committed to obtaining the most important product certifications.

Commited to mitigating environmental impact in terms of chemical products' use, waste generation, energy, water consumption and CO2 emissions.

Implemented an integrated management system.

Uses renewable electricity and guides the organization towards circularity.

Promotes sustainable mobility initiatives for staff.

Selects partners who respect the environment and human rights by signing the Code of Ethics and the Supplier Code.





Our Sustainable Offer

For users in the textile sector, safety depends, most of all, on conformity of the products with environmental regulations. This is in line with the strategic choice to adopt an integrated management system which ensures that all legal aspects of a company's processes are under control. Ratti has undertaken a journey which has allowed it to obtain important production certifications. This enables to propose a sustainable offer, which is constantly updated to meet the needs of the market and of the client. It consists of certified yarns and fabrics containing organic, recycled and socially responsible products: over 600 articles in various tested and industrialised ecoresponsible fibers.

GOTS (Global Organic Textile Standard)

OCS (Organic Content Standard)

GRS (Global Recycled Standard)

FSC (Forest Stewardship Council)

RCS (Recycled Claim Standard)

RAF/RWS (Responsible Animal Fiber)

European Flax

OEKO - TEX Standard 100

GOTS organic silk
OCS silk

GOTS and OCS organic cotton: recycled GRS cotton

GOTS organic woolGRS recycled woolRAF/RWS responsible wool

European Flax Linen

■ Lyocell

FSC viscose recycled RCS viscose

GRS and RCS recycled: Biobased nylon

Recycled polyester certified GRS and RCS (including Cupro and Bemberg™)

Product Certifications











Ratti is RCS certified by ICEA ICEA-TX-938 Only products covered by a valid Transaction Certificate are RCS certified.



Ratti is GRS certified by ICEA ICEA-TX-938 Only products covered by a valid Transaction Certificate are GRS certified.



Ratti is RAF certified by ICEA ICEA-TX-938 Only products covered by a valid Transaction Certificate are RAF certified.





Ratti is OCS certified by ICEA ICEA-TX-938 Only products covered by a valid Transaction Certificate are OCS certified.



STANDARD 100



Chemicals



■ Ratti S.p.A SB is a ZDHC Signatory.



Ratti S.p.A. SB achieved Level 2 of ZDHC Supplier to Zero programme.



The Ratti S.p.A. SB laboratory is accredited for a defined set of tests according to ISO/IEC 17025.

Management System Certifications









■ **ISO14001** (Environmental Management System)

■ **ISO50001** (Energy Management System)

■ **SAgoo1** (Quality Management System)

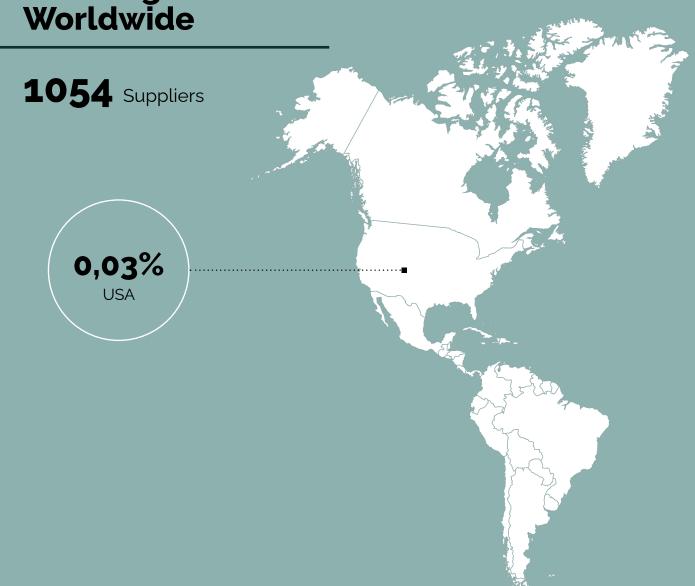
■ **AEO** (Customs)

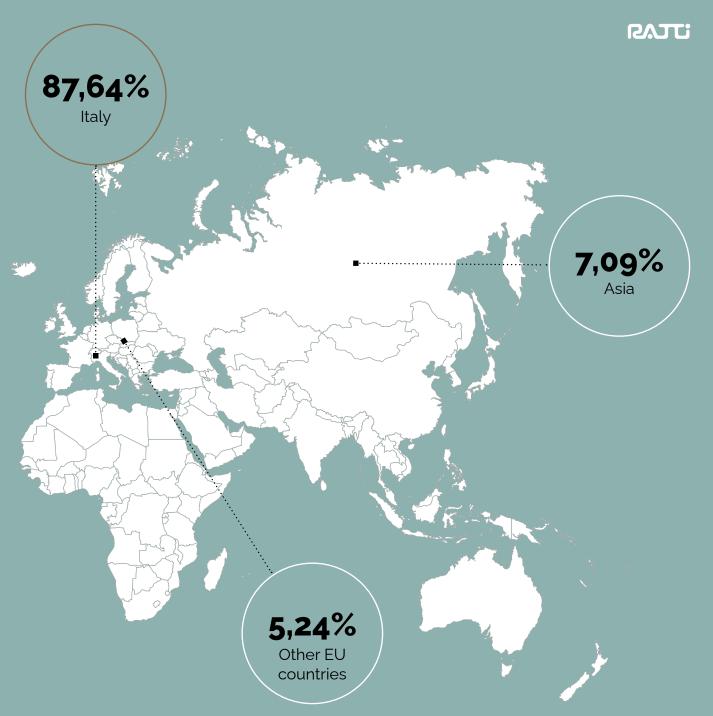


Supply Chain

CODE OF ETHICS AND SUPPLIER CODE OF CONDUCT	Adherence to the Ratti S.p.A. SB Supplier Code of Conduct, which incorporates principles of social responsibility and is regularly updated to remain aligned with the evolving standards of the industry.
REGULAR AUDITS	Regular audits conducted both internally and by third-party organizations.
ZDHC AND CHEMICAL MANAGEMENT SYSTEM	Supplier compliance with the ZDHC MSRL, including qualification and rating of the supplier's chemical management system.
TRANSPARENCY AND REPORTING OF IRREGULARITIES	A Whistleblowing system is in place.

Sourcing Worldwide





Energy and Overall Impact

The Ratti Group aims to progressively make a more efficient use of resources. In particular, it focuses on improving the ratio between the value generated and the consumption of energy sources, as well as the overall environmental impact, measured in terms of Carbon Footprint (equivalent tons of CO₂).

		2023	2024
Value Generated	Revenues	92,117 k€	85,497 k€
Resources Used	Electricity	8,319 MWh	7.376 MWh
	Methane Gas	2,943,823 m ³	2,433,632 m ³
	Total Energy	38,722 MWh	32,436 MWh
Carbon Footprint	Scope 1 ^(a) Emissions	6,455 tCO ₂ eq	5,173 tCO ₂ eq
	Scope 1+2 ^(b) Emissions (Location Based)	8,734 tCO ₂ eq	7,188 tCO ₂ eq

^[6] Scope 1 emissions refer to direct greenhouse gas (GHG) emissions from sources owned or controlled by the company.

DScope 2 emissions refer to indirect greenhouse gas (GHG) emissions from the generation of purchased or acquired energy consumed by the company but produced off-site.

The Location-Based method uses an average emission factor for electricity consumption calculated based on the national energy mix of each of the Group's locations.



From 2023 to 2024, all parameters showed an improvement, including the ratio between revenues and the value of the Carbon Footprint, demonstrating the company's ability to become progressively more efficient in generating value from the resources used.

	Energy intensity on revenue 2023	Energy intensity on revenue 2024	Variation 2024 vs 2023
Electricity / revenue	o,ogo MWh/k€	o,o86 MWh/k€	-4%
Natural gas / revenue	31,975 m³/k€	28,465 m³/k€	-11%
Total energy / revenue	0,420 MWh/k€	0,379 MWh/k€	-10%

Overall, the Group used 10% less energy while generating the same value.

	Emissions Intensity 2023	Emissions Intensity 2024	Variation 2024 vs 2023
Scope 1 emissions / revenue	o,o70 tCO ₂ eq/k€	o,o61 tCO₂ eq/k€	-14%
Scope 1+2 emissions / revenue	o,o95 tCO ₂ eq/k€	o,o84 tCO₂ eq/k€	-11%

Renewable Energies

The Ratti Group is also committed to reducing overall energy consumption and increasing the share of energy from renewable sources.

In 2024, total energy consumption amounted to 32,436 MWh, of which 7,124 MWh were covered by self-produced electricity and electricity purchased with Guarantees of Origin.





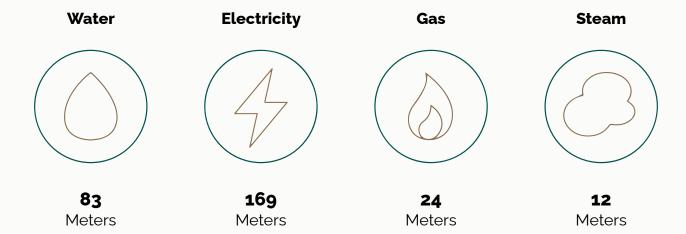


Energy Consumption Intensity

Ratti completed the project—launched in 2023—for the analytical measurement of energy and water consumption, finalizing the installation of the field meters network, with the following breakdown:

- Electricity meters: increased from 80, in 2017, to the current 169.
- Natural gas and steam meters: increased
 from 31, in 2017, to the current 36.
- Water meters: increased from 47 analog meters to a total of 83, including analog, digital, and readings directly from PLCs.

Some of the existing meters were replaced to improve data reliability and enable continuous monitoring.



Circular Economy

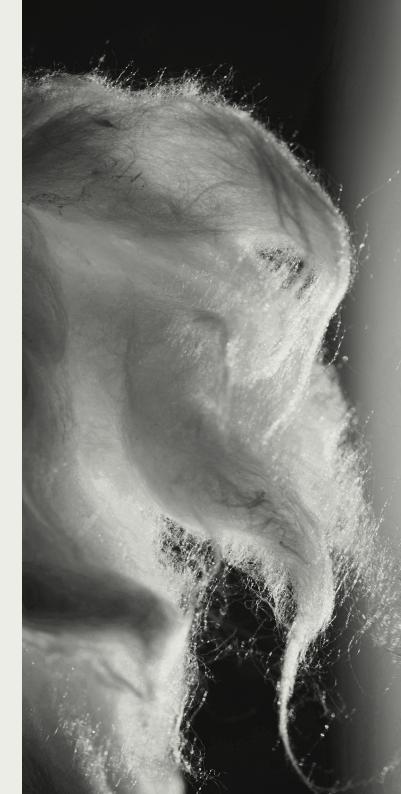
The Ratti Group orients the organisation towards circularity.

PHORIA is a Ratti project that creates new products, services and technologies derived from the reuse and recycling of textile materials.

PHORIA Fibers

PHORIA Hydro

PHORIA Print





Beyond Circular Products

Ratti's commitment to the circular economy goes beyond its own operations, through new business ventures and collaborations with national and international partners driving circular innovation in textiles and fashion.



Ratti S.p.A. Società Benefit is a founding member of Retex Green, the consortium for the management of pre and post-consumer textile waste in the Italian fashion system.



Founded by Ratti S.p.A., which is its sole shareholder, Second Life Fibers S.r.l. is a facility for recycling non-hazardous post-industrial textile waste. Second Life Fibers recycles both Ratti's own scraps and those from third parties, creating new circular products and offering services to the entire supply chain.



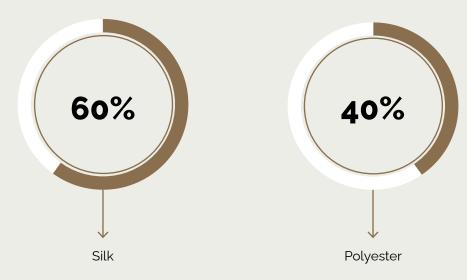
Ratti S.p.A. Società Benefit, together with Second Life Fibers S.r.l., participates in ReHubs Europe, the largest European initiative for circular textiles, which aims to support and scale up industrial textile recycling across the entire European value chain.

PHORIA Fibers

Silk has excellent thermoregulating properties and can be used as padding for clothing and soft accesories. Through the reuse and recycling of silk combined with recycled polyester, Ratti S.p.A. produces, in

its proprietary recycling facility—PHORIA Fibers—a high-performance thermal wadding, with characterictics of softness, volume, recovery, and recyclability.

PHORIA Fibers wadding is made up of:





PHORIA Hydro

Patented in January 2024 (European Patent Office), PHORIA Hydro reconditions used garments to restore their water-repellent properties. Time and use gradually degrade the waterproofing of many garments, but

thanks to an eco-friendly industrial process, PHORIA Hydro restores their water-repellent functionality, enabling garment reuse and the recovery of their technical performances.



PHORIA Print

PHORIA Print restores value of unsold garments and leftover stock. An initiative proposed by Ratti to solve the problem of warehouse deadstock, giving value back to the garments, through the creativity of manual printing. The rediscovery of the ancient block printing technique, together with other applications, can render each garment unique and unrepeatable, giving space to a limited and personalised series.



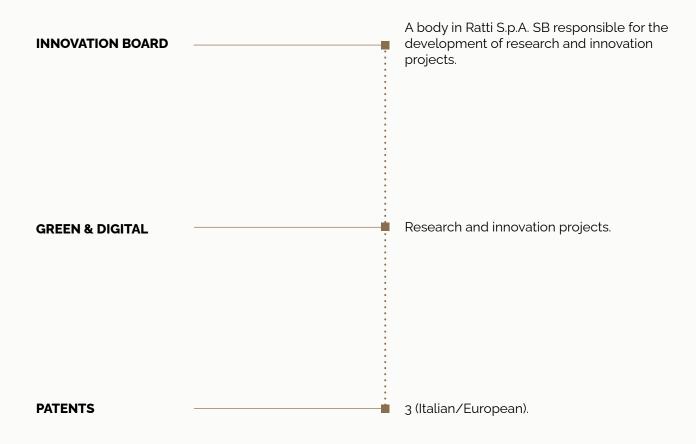


Ambition





Innovation



Key Numbers

In Ratti's corporate strategy, innovation is a fundamental pillar. Through a structured process, the company cultivates and implements innovative ideas, in line with its strategic objectives and the demands of the sector.

PROJECTS

12

Ongoing projects

PEOPLE

1

Innovation board

4 Pilot projects **11**Members





The Culture Of Textile Excellence.

Ratti S.p.A. Società Benefit

Via Madonna, 30 22070 Guanzate (CO) – Italy

ratti.it