



Ratti Group - Ethical Code

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INTRODUCTION

Ratti Group is a leader in the creation and production of printed fabrics, combined and dyed in yarn for clothing, neckwear, shirts, beachwear, underwear and home fabrics, and in the worldwide production and distribution of men's and women's accessories for the most important brands of international fashion.

Ratti Group (hereafter Group) is composed by the Italian company Ratti S.p.A., parent company and by the controlled companies Textrom S.r.l. (Romania), Creomoda S.a.r.l. (Tunisia), Ratti International Trading Co. Ltd. (China) e Ratti USA Inc. (USA).

In the last years, Ratti Group has further increased its awareness on the importance of values such as ethics and sustainability, deciding to place them at the very center of its daily operations.

In this context, with the present version of the Group Ethical Code, Ratti Group confirms the ethics and integrity of its conduct on the basis of its activities and its managerial choices, in the absolute belief that the achievement of corporate interests can occur only with a conduct in line with the principles of Corporate Social Responsibility. A responsibility towards the state, the people, the environment, the clients, the consumers and the community. The Sustainability Report, the certifications obtained by the Group (and in particular SA8000 for social responsibility, ISO 14001 for environmental management, OHSAS 18001 for health and safety in the workplace and Oeko-Tex Standard 100 for ecological requirements) together with this Ethical Code, all bear witness to the strong commitment in all the areas in which the Group operates and represent an important step towards constant improvement.

The Ethical Code of Ratti Group summarizes all the elements on which the corporate identity and culture are based and is to be considered as heritage and common factor of all the Group companies operating in the world, so that it becomes the reference tool that helps every employee and collaborator of the Group, as well as anyone who conducts business on behalf of the Group, to act with integrity, asking ourselves questions about each business situations we encounter.

There may be cases in which the indications contained in this Code vary with respect to the laws or local customs of a specific country. In cases where local laws or customs impose higher standards than those established by the Code, then local laws and customs must always be applied. If, on the other hand, the Code provides for a higher standard, the latter prevails.

We are committed to transmit to all recipients the values, ethical principles and behavioral standards contained in the Ethical Code through the most appropriate tools and initiatives and we however remind that the Code is available on the website (www.ratti.it) and on the company intranet.

RECIPIENTS

Recipients are the Directors, the Mayors, all the employees of each company in the Ratti Group, all subordinate workers, external collaborators (consultants, business partners, agents and, more generally, all those who have relationships with the Companies of Ratti Group), suppliers and all other subjects who, in various capacities and at various levels come into contact with Ratti Group or act in its name and on its behalf.

OUR ETHICAL PRINCIPLES AND VALUES

In building our identity, we choose these fundamental values: ethics, legality, integrity and transparency, the respect and enhancement of human resources, the commitment to environmental issues and safety in the workplace, the protection of intellectual property, the fight against corruption and recycling, the prevention of conflicts of interest and the freedom of reporting.

Legality, loyalty and fairness

Act in compliance with the laws and regulations in force in the countries where it operates, adopting a responsible and correct behavior.

Legality, transparency, fairness and loyalty are key elements on which we base interactions with all the Stakeholders; therefore, the Group undertakes:

- to act with integrity and sense of responsibility;
- to establish loyal and collaborative relationship with its counterparts;
- not to carry out deceptive communications and behaviors as to derive unfair advantage from the other's position of weakness or their lack of knowledge

Respect of the individual and enhancement of our people

Being aware of the importance of the values which are at the basis of the satisfaction and the motivation of our people

The philosophy of Ratti Group has always been based on a strong appreciation of its professionals, on the development of talents and skills and on the motivation and satisfaction of our employees. We can achieve these goals by undertaking:

- to guarantee respect for the individual, their dignity and values;
- to guarantee the *work/life balance*;
- to repudiate any form of labor exploitation, intolerance, violence, harassment, discrimination;
- to guarantee healthy, safe, functional and serene working environments, that allow everyone to express their human and professional qualities;
- to guarantee full respect of the National and supranational laws regulating working relationships;
- to recognize every form of free association among workers, except for those that share extremist values such as racism and xenophobia;

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- to offer the same job opportunities, as well as, professional growth opportunities to our employees or candidates on the basis of their specific professional qualifications;
- to ensure a system of selection, management and development of staff exclusively based on criteria such as competence and merit.

Protection of health and safety of the environment

Considering the protection of the environment and of our employees' safety one of the priorities of the Group and a value at the basis of our business

Our attention to these issues and our constant commitment to a virtuous application of the regulations in force in terms of environment and health and safety of workers are also confirmed by the adoption of an environmental management system and of health and safety at work management system respectively aligned with the international ISO 14001 and OHSAS 18001 standards, of which we have obtained and we maintain the certifications.

We are committed to spreading a culture of safety, environmental protection and energy efficiency, by developing awareness of risks, by promoting responsible behavior, by directing our processes to the adoption of all measures and technologies able to guarantee the minimization of the environmental impact, the highest energy efficiency, the careful management of natural resources, the reduction and recovery of waste and the containment of polluting emissions.

Social responsibility

Operating like a socially responsible company

Ratti Group is a socially responsible company; Ratti Group and its controlled society Creomodà S.a.r.l. are SA8000 certified.

In this perspective, we measure the impacts of our activities and we commit ourselves to promoting social initiatives and projects in favor of society, education, culture and the environment.

In compliance with the Social Responsibility Policy, we also commit ourselves to preventing and contrasting all forms of labour exploitation and in particular of child labour, both for direct workers and along the supply chain. We ask suppliers to comply with applicable laws and with our social responsibility requirements and we provide for audits.

Protection of trademarks, drawings, patents and intellectual property

The protection of intellectual property is considered of primary importance for the reputation and sustainability of our products in a context of fair and correct competition.

We consider the protection of intellectual property to be of primary importance and therefore we are under take:

- to treat with due confidentiality and to protect the ideas, models, designs and other forms of intellectual property developed in the context of the company's work activity;
- not to realize projects and / or products that may result in violation of the intellectual property rights of third parties, expressly prohibiting any conduct aimed at tampering, counterfeiting, illicitly using trademarks or distinctive signs and national or foreign designs;
- not to market products with counterfeit and / or misleading trademarks or distinctive signs, also with reference to the origin, provenance or quality of the product;
- not to create, market, disseminate or simply use products already patented by third parties and over which the Group cannot claim any right;
- prohibit any abusive dissemination, reproduction, use, sale of intellectual property for any purpose and for any use.

Prevention of the conflict of interest

Avoiding that any personal interest can in any way prevail over the corporate one and influence our choices

We are committed to identifying potential conflicts of interest, reporting them and managing them effectively and appropriately in order to avoid situations and / or activities in which one's interests may conflict with those of the Company or of the Group or interfere with the ability to make impartial and ethical decisions in safeguarding the interests, image and reputation of the Company and the Group.

Integrity and fight against corruption

Eliminating any form of corruption towards public and /or private subjects

As part of the international operations of our Group, we are committed to respecting the highest standards in terms of moral integrity, always inspired by transparency and by the values of honesty, fairness and

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good faith, in all relationships within and outside the Group, in compliance with national and international laws on the fight against corruption.

We consider corruption to be a huge obstacle to fair competition, so we decided to prevent and avoid the risk of corruption by adopting a structured system of organizational and procedural measures containing rules, controls and reporting mechanisms to prevent illegal behavior and to globally protect the Group's reputation.

We do not accept nor tolerate any kind of corruption or behavior aimed at offering or receiving unjust and / or unjustified advantages and, therefore, we will not start or continue any relationship with those who do not intend to align with these principles.

Transparency and anti-money laundering

Maximum transparency in commercial transactions and in contrast to any form of receiving, laundering and use of money, goods or benefits of illicit origin

We exercise our business in compliance with the current anti-money laundering regulations and to this end we undertake to refuse to carry out operations or acts that involve the receiving of stolen goods or the laundering of proceeds of criminal activities in any form and manner.

We also undertake to verify, on a preventive basis, information available on our suppliers and business partners operating at international level, in order to ascertain their respectability and the legitimacy of their business before establishing business relationships with them.

Freedom and duty to report

Preventing unlawful conduct and ensuring the correct use of the Group information channels for the collection of reports relating to such conduct.

We encourage our Recipients, through the company channel that they consider as the most appropriate, to report any situation in which there is doubt or belief, in good faith, that a law, a regulation, one of the principles of the Ethical Code or a company procedure have been or are about to be violated.

OUR BEHAVIOURAL RULES

The conducts of our employees must always be based on the utmost transparency, fairness, ethical integrity, honesty and corporate loyalty. The Group requires its employees to refrain from promoting and / or facilitating and / or carrying out any behavior, whether active or passive, from which an unlawful or illegal economic benefit or any other kind of benefit derives or may derive, either in their own favor or in favor of third parties, or a behavior which has the purpose of promoting or favoring their own or third parties' illegitimate or unlawful interests, to the detriment of Ratti Group or any of its companies.

In this perspective, the Group has dictated specific behavioral rules in terms of:

- Management of business and of corporate activities
- Management of human resources
- Communication and management of information

Management of business and of corporate activities

In conducting business and our activities we ensure compliance with the ethical principles and rules identified in this Ethical Code, without any distinction based on the importance of the deal:

Relationships with shareholders

We aim to maximize the value of the Company for our shareholders, guaranteeing equal treatment for all shareholders with whom we establish a continuous and transparent dialogue, in full compliance with current legislation. We ensure the availability of complete, accurate and correct financial information necessary to take investment decisions, in compliance with current accounting, financial and stock market rules.

Relationships with shareholders are maintained exclusively by the company departments appointed for this purpose, in compliance with the rules and procedures on the communication of documents and information concerning the Group and / or the companies belonging to it.

We prohibit the dissemination of false information and we prevent insider trading and the abuse of privileged information. We are committed to dealing with privileged information that is not in the public domain in strict compliance with the internal regulations for the management of privileged information.

Relationships with third parties

We are committed to avoiding any behavior that can be even merely interpreted as aimed at improperly obtaining advantages or favors from third parties.

In particular, we prohibit any exchange of gifts, money or any other benefit in favor of third parties,

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both private individuals and individuals belonging to the Public Administration, which could alter the normal relations of collaboration, professionalism and impartiality of opinion, unduly favoring the interests of Ratti Group and / or one of the Group companies.

Anyone who should receive requests or offers, either explicit or implicit, of such donations, must immediately inform the competent corporate body and the Group Ethical Committee and must suspend all relations with the interested third parties, waiting for specific instructions.

Exceptions to these provisions are gifts and other benefits of modest value if they are attributable only to acts of courtesy in the context of proper business relationships and if they are not expressly prohibited by internal procedures.

These gifts must be distributed according to the company procedures and must be such as not to influence the autonomy of judgment of the recipient.

Relationships with clients

We undertake to respect the defined contractual agreements and to establish trust relationships with Clients, actively participating in the solution of their problems, providing complete, detailed and truthful information and guaranteeing the utmost confidentiality, flexibility, precision and punctuality.

Relationships with suppliers

Suppliers play a fundamental role in improving the overall competitiveness of our Group. We therefore undertake to select Suppliers based not only of criteria of economic convenience but also on the basis of characteristics such as: the quality of the goods and / or service, technical and organizational capacity, suitability to perform the required activities, respect of regulations on the protection of health, safety and the environment, human rights, workforce practices and financial soundness, in order to select suppliers that possess the best characteristics in terms of quality, cost, service and ethics.

In this perspective Ratti Group adopts specific procedures so that:

- the assignment of tasks / orders is carried out according to objective criteria;
- relationships with Suppliers is transparent, correct and collaborative;
- mutual commitments are explicit and governed by exhaustive contracts;
- compliance with all the provisions of law and application of the contractually agreed conditions are guaranteed;
- the Supplier's performance is assessed objectively and correctly.

We establish relationships only with suppliers who have a respectable reputation, who are engaged in lawful activities only and whose corporate ethical culture is comparable to that of Ratti Group. In this regard, we ask our Suppliers contractually to comply with the laws as well as to take note of and to adhere to the principles established by this Ethical Code and the Supplier Code; in this regard we apply

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verification programs aimed at ascertaining the respect of the principles ratified by the SA8000 certification (corporate social responsibility), ISO14001 (environmental management system) and OHSAS18001 (occupational health and safety), as well as the standards on illegal mediation and exploitation of labor.

We ask our suppliers to make sure that these principles are also implemented by their employees, subcontractors and third parties with whom they work, so as to ensure ethics and transparency throughout the supply chain.

The Companies of the Group undertake not to initiate forms of collaboration with those who do not accept these conditions.

Relationships with Partners

In the development of initiatives that envisage operating with other companies and business partners, Ratti Group undertakes to adopt all measures and to comply with all the specific procedures in order to verify that:

- partners have a respectable reputation and characteristics of competence, professionalism, honesty and moral integrity;
- partners are engaged only in legitimate activities and are inspired by ethical principles not in conflict with those of the Group;
- the maximum transparency in agreements is guaranteed and the signing of pacts or secret agreements contrary to the law is avoided;
- relationships with partner are honest, transparent and collaborative.

Relationships with Public Bodies and Institutions

We manage our business in full cooperation with the Public Institutions and the Supervisory Authorities of the countries in which we operate, ensuring maximum transparency, clarity and correctness, recognizing and respecting role and authority. Relations with Public Bodies and Institutions are managed only by the Functions and by the persons to it delegated, through a transparent conduct lacking any behaviour that could compromise impartiality and autonomy of judgment. In accordance with this principle and, by way of example only, we prohibit actions or behaviors aimed at:

- promise, offer or in any way pay or provide amounts of money, goods or other benefits, even as a result of illicit pressures, in a persona way, to public officials or private interlocutors, when they are in charge of public service, with the aim of promoting or favoring the interests of the Companies.
- recur to different forms of aid or contributions, such as assignments, consultancies, advertising, sponsors, employment opportunities, business opportunities or other, with the same purpose as above

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- have behaviors and act in such a way towards spouses, relatives or similar of the persons above described;
- to behave in any way intended to improperly influence the decisions of officials who deal or make decisions on behalf of the Public Administration;
- provide or promise to provide, solicit or obtain confidential and / or private information or documents that could compromise the integrity or reputation of one or both parties in violation of the principles of professional transparency and correctness.

Relationships with political parties and trade unions

We promote dialogue with trade unions and we favor the employees' adhesion to these organizations, without expressing any kind of preference.

The Group does not give direct or indirect contributes to political parties, movements, committees and organizations or to trade unions, nor to their representatives and it neither sustains them in any way.

Relationships with competitors

We operate internationally in full respect of competition and of the rules and laws that regulates it.

No one can take initiatives aimed at improperly affecting the market, for example looking for illicit agreements or actions aimed at creating illicit advantage conditions or at distorting the rules that govern free market.

Management of human resources

The professionalism and dedication of our employees are an indispensable element for the existence, development and success of our Company.

Personnel selection is carried out by the competent functions of the Group and takes place in compliance with the company values, with the ethical principles of this Code and with all applicable legal provisions, both at European and national level.

We are committed to enhancing talents and skills, to invest in the skills and potential of our employees, promoting training courses aimed at continuous updating that allow us to offer everyone, on equal terms, the same opportunities for improvement and professional growth.

We condemn all forms of discrimination (e.g. on the basis of age, racial and ethnic origin, nationality, political opinions, religious beliefs, sex, sexuality, health status, etc.), of instigation to racism, of xenophobia and any form of exploitation of personnel. We do not establish any working relationship, nor any form of collaboration with subjects without a regular residence permit and, in any case, in violation of the labor standards generally applied or required by national and international standards.

Company assets and use of IT resources

The use of company assets and resources must be exclusively functional to the performance of the company activities and must take place efficiently and in ways that protect its value in accordance with current legislation.

Any use of said assets resources that is in contrast with the interests of Ratti Group or that is dictated by professional reasons unrelated to employment relationship or that may in any way cause alterations or damages, is prohibited. In particular, we do not allow:

- the use of company assets and, in particular, of IT and network resources for purposes contrary to mandatory provisions of law, public order or morality,
- audiovisual, electronic, paper or photographic recordings or reproductions of company documents, except in cases where these activities fall within the normal course of the functions entrusted and / or if expressly authorized
- to carry out actions that, in any way, can damage, alter, or destroy IT or telecommunications systems, programs and computer data of companies or third parties.

Each person is personally responsible for maintaining the security of corporate IT equipment and the confidentiality of their own access data, avoiding fraudulent or improper use of the same, as well as the transfer, even to colleagues, of their user id and password for access to information systems.

Communication and management of information

Corporate communications

All corporate communications and information media are exclusively managed by the officially appointed functions and in a manner such as to be coordinated at Group level, in full compliance with the principles of transparency, accuracy, timeliness and in compliance with the procedures we adopt on the subject.

We undertake to provide communications to the market and to the Supervisory Authorities in a timely, accurate, complete, correct, clear and understandable manner and, in any case, in compliance with the laws in the jurisdictions concerned.

Accounting records

Essential values and criteria of our business are compliance with the law and full compliance with the principles of transparency, truthfulness, correctness and completeness of accounting records and of any other document in which economic, capital and financial elements of the Company and Group are shown. We endeavor to have an administrative-accounting system that is reliable in correctly representing the

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management facts and we assure the highest collaboration to the corporate Functions in charge, so that the management facts are promptly and correctly represented, guaranteeing completeness, truthfulness and clarity of the information provided as well as accuracy of data and of processing.

Non-financial information

Ratti Group, in line with the provisions of the Legislative Decree No. 254/2016 and attentive to issues concerning Corporate Social Responsibility, draws up the Sustainability Report and the Consolidated Report of non-financial nature, both available on the Company's website.

Confidential information

We consider the management of confidential information as essential to protect our reputation and preserve our business.

All confidential information (by which we mean all documents, information and data concerning our Group, our employees, clients and business partners) are considered confidential and must consequently not be acquired, used or communicated except to/by the authorized persons, and in any case cannot be disclosed or used outside the company activities except in accordance with the current legislation, the principles of correctness, completeness, adequacy, timeliness and non-selectivity and applicable corporate procedures.

To this end, we undertake to:

- maintain an adequate level of security in the selection and use of our information technology systems;
- expressly prohibit the use and disclosure of information that is not in the public domain;
- protect the confidentiality of information we may have received from third parties;
- strictly observe the laws and regulations regarding insider trading in the jurisdiction in question, in compliance with internal procedures and regulations.

Privacy

As part of our business we collect personal data, which we undertake to process in compliance with all applicable laws and regulations regarding privacy in the jurisdictions where we collect, store and use personal information.

Social Media

We are committed to using social media correctly and responsibly, both at work and in private life, to ensure the protection of the Group's image and reputation.

IMPLEMENTING RULES OF THE ETHICAL CODE

The Group Ethical Committee and Reports

We encourage all Recipients to report violations (real or presumed) of this Ethical Code.

The Group Ethical Committee represents the point of reference for the correct interpretation of the Ethical Code, that all Recipients can contact also in case of doubts and when needing explanations.

The Group Ethical Committee is established by resolution of the Board of Directors and remains in charge for the period established at the time of appointment, with the task of ensuring the consistency of the application of ethical principles in the Group, of examining and managing any reports of violation of the Code of Ethics or requests for clarification.

Being appointed as a member of the Ethical Committee is possible if on possession of the subjective requisites of integrity, respectability and independence, as well as if causes of incompatibility with the appointment, such as potential conflicts of interest with the role and tasks connected the assignment are absent.

All Recipients, if they become aware of situations that, effectively or potentially, may represent a significant violation of the Ethical Code, must promptly notify them to the Ethical Committee. Complaints of the violation may be sent by e-mail (Rattiw whistleblowing@legalmail.it) or by formal letter to the seat of Ratti Spa to the attention of the Ethical Committee, *via Madonna, 30 – 22070 Guanzate (CO) – Italy*, writing on the letter the words «**confidential document – do not open**»;

The Ethical Committee will examine the reports presented, making use, if necessary, of the support of other Group functions. Should the allegations presented be confirmed by the investigation, Ratti Group will manage them by applying corrective and / or disciplinary measures and legal actions, if deemed necessary.

This process is managed ensuring maximum confidentiality on the identity of the complainant and in compliance with current legislation and specific internal procedures.

Forms of retaliation or discrimination against those who make a report are not allowed - and where they occur they are subject to disciplinary sanction - nor are allowed violations of the protections given to complainants by law and by the internal rules of the Group.

Similarly, the Group condemns whoever makes an unfounded report with gross negligence or intentional conduct. For this reason there are disciplinary sanctions against those who contravene this provision.

Sanctions

Failure to comply with the ethical principles and rules of conduct contained in this Ethical Code may be relevant for the application of disciplinary sanctions, without prejudice to the possible adoption of different disciplinary measures connected to other responsibilities.

No unlawful conduct or in any case in violation of the provisions of this document or simply any illegitimate or incorrect conduct may be justified or considered less serious, even if made in the interest or for the benefit of the Companies.

Consequently, any action taken in spite of the contrary provisions established by this Ethical Code will be the object of the launch of a disciplinary procedure. Suppliers and business partners who behave in violation of this Ethical Code may be sanctioned, as expressly stated in the relevant contractual clauses or by termination of the relationship.

EXAMPLES OF APPLICATION OF THE ETHICAL CODE

<p>What should I do if I receive a gift from third parties? May I give a client a gift?</p> <p>OUR BEHAVIOURAL RULES on Relations with Third Parties can give you the answer you are looking for! Remember that no gift must be such as to alter the normal relations of collaboration, professionalism and impartiality of judgment.</p>	<p>The machine I am using is having troubles with the Safety Device installed...What should I do?</p> <p>In OUR ETHICAL PRINCIPLES AND VALUES you will find a paragraph dedicated to “Protection of health, safety, environment”. Your health is at the center of our commitment: do not hesitate; communicate immediately the risk you have encountered to your Supervisor, so that we may act to guarantee your safety and health at work.</p>
<p>I feel that a colleague’s behaviour is violating the principles of the Ethical Code... What should I do?</p> <p>In IMPLEMENTING RULES, the paragraph “ETHICAL COMMITTEE AND REPORTS” may give you the answer you are looking for!</p> <p>There is a specific mail dedicated to getting in touch with the Ethical Committee: (Rattiwhistleblowing@legalmail.it), use it, you’ll be protected against any form of discrimination and retaliation.</p>	<p>I am not sure the suppliers we are using is respecting all rules...What should I do?</p> <p>Our BEHAVIOURAL RULES about Relationships with suppliers should give you the answer. Suppliers must follow the rules too; they must follow our Ethical Code and a Code specifically dedicated to them (Suppliers’ Code). Inform immediately your Supervisor and the Ethical Committee.</p>
<p>I am not so sure that the design I want to use can be freely used and I wonder if it is subject to rights belonging to third parties. Shall I continue all the same?</p> <p>Among our ETHICAL PRINCIPLES AND VALUES there is a paragraph dedicated to “Protection of trademarks, patents and intellectual property” that may give you the answer. Bear in mind that Ratti Group condemns every activity that can cause infringement of industrial property rights. Talk about it with your supervisor and, if necessary, with the Legal Office.</p>	<p>I was asked to do an occasional job outside of my working time ... What should I do?</p> <p>Among our ETHICAL PRINCIPLES AND VALUES there are indications on the rules to follow in situations that may present “Conflict of Interest”. Bear in mind that you should report all situations that may lead to a conflict of interest with the Group or with Third Parties, or that may interfere with your capacity of taking impartial decisions in safeguarding the interests of the Society and of the Group.</p>