

## Product & Process Development Policy

### Our approach to Product & Process Development

The F.I.L.A. Group is one of the leading global enterprises devoted to the research, design, manufacture, and sale of tools for creative expression. The Group designs, makes and packages tools and supports for drawing, colouring and painting, modelling, for use by children, youths and adults. Our product range includes more than 25 well-known brands and thousands of products sold on all continents.

We are engaged to a responsible behavior towards all our relevant stakeholders in operating business, combining respect of people, natural environment, and communities, and sustainability is therefore embedded with our Purpose, Vision, Mission, Values set out in our Ethics Code, and day-to-day operations.

This policy, together with our Ethics Code, the Corporate Governance Model, should be adopted by all Group companies and form part of the Group Organization, Management and Control Model, in accordance with the principles and objectives of the Organization, Management and Control Model as per Italian Legislative Decree 231/2001.

We are aware that all products and services have an environmental impact during production, use and final disposal. Likewise operational processes have environmental impacts, some also a social impact (mostly related to where facilities and operations are). We are committed to consider all impacts (i.e. quality, safety, environmental and social) that our products and processes may have, both for existing and the development of new ones, with a continuous improvement approach based also on cost effectiveness.

New Product Development is a comprehensive set of multi-disciplinary processes that transform a market opportunity into a marketable new product to satisfy customer requirements. From idea generation, screening and concept testing, we develop and test new products and processes of working taking into consideration our commitment to sustainability.

We are strongly committed to supplying safe products to our consumers and to understanding all the issues involving safety associated with our products. Management of control procedures related to Product Safety is therefore a key activity in all our operations, also considering that most of our products are intended for consumers in pre-school and school age.

We are committed to maintaining the highest possible ethical standards and to complying with all applicable laws in all countries in which we do business. We firmly believe to have the responsibility to operate in compliance with the rules of the countries where we have a presence, distinguishing ourselves as an enterprise capable of exporting the values that permeate our actions, by promoting them in the communities where we operate.

F.I.L.A. Group activities are governed by our Ethics Code, by the 2021-2025 Strategic Plan inclusive of our Sustainability Plan and are inspired from the “Ten Principles” of the United Nations Global Compact (UNGC). Our strategies pursue continuous improvement in Product Safety related aspects, taking into consideration laws and regulations of each country where we operate and contained in applicable international legislation and standards, including:

- the Directive 2009/48/EC of the European Parliament and of the Council of 18 June 2009 on the safety of toys (Toy Safety)
- the technical norm EN 71
- the Regulation 1223/2009/CE of the European Parliament and of the Council of 30 November 2009 on cosmetic products
- the Regulation 1907/2006/CE of the European Parliament and of the Council of 18 December 2006 on the registration, evaluation, authorization, and restriction of chemical substances (REACH)
- the Regulation 1272/2008/CE of the European Parliament and of the Council of 16 December 2008 on the classification, labelling and packaging materials and mixtures (CLP)
- the Regulation 528/2012/CE of the European Parliament and of the Council of 22 May 2012 on the made available on the market and the use of biocidal products (BPR)
- the General Product Safety Directive (GPSD) 2001/95/CE
- the Regulation 795/2008/Ce of the European Parliament and of the Council of 9 July 2008 which lays down rules on the accreditation and supervision of the market as regards the marketing of products and repealing the CEE 339/93
- the Consumer Product Safety Act (CPSA) of the 12 August 2011 on the requirements for the context of certain materials
- BS 7272-1:2008 - Writing and marking instruments. Specification for caps to reduce the risk of asphyxiation

- BS 7272-2:2008+A1:2014 - Writing and marking instruments. Specification for end closures to reduce the risk of asphyxiation
- UNI EN ISO 22716:2008 – Cosmetics, Good Manufacturing Practices (GMP)
- ASTM F963-16 – US Standard Consumer Safety Specification for Toy Safety
- Labeling of Hazardous Art Materials Act (LHAMA) - ASTM D4236
- Federal Hazardous Substances Act (FHSA)
- California Proposition 65
- DIRECTIVE 94/62/EC of 20 December 1994 on packaging and packaging waste.

### Scope of this Policy

This policy applies to F.I.L.A. S.p.A., its subsidiaries, the entities in which it holds a majority interest, and the facilities that it manages. We are committed to working with and encouraging our business partners to uphold the principles in this Policy and to adopt similar policies within their businesses.

Locally each company should adopt more stringent rules and procedures, as needed and in accordance with local laws and regulations. While conducting its management, coordination and supervision activities, F.I.L.A. S.p.A. respects management autonomy of each affiliate within its Group, managing and controlling the overall business, as per legitimate interests of majority and minority shareholders, considering confidentiality requirements and local applicable laws.

We firmly believe to have the responsibility to operate in compliance with the rules of the countries where we have a presence, distinguishing ourselves as an enterprise capable of exporting the Values that permeate our actions, by promoting them in the communities where we operate. The purpose of this Policy is to provide guidance to F.I.L.A.'s directors, officers, employees, agents, consultants, intermediaries, controlled joint ventures, and other third-party representatives to ensure compliance with applicable regulation and our Values and Policies.

The F.I.L.A. Group is committed to a continuous improvement of its policies and its programs, facilitating the adoption at local level of all procedures, rules, and instructions needed to have the principles set in this Policy applicable and monitored, in order to make an impact. By adopting this Policy, we believe to contribute to a better condition of existing and of next generations, providing tools for a better quality of life.

### General principles

As a rule, F.I.L.A. is dedicated to providing its customers with safe products that meet their expectations for quality and safety, designed to comply at least with all statutory regulations and taking into consideration environmental and social impacts.

In our strategies and operations, we think of **Product and Processes Development** considering the following principles:

- quality of input, output, processes and working environment
- life-cycle thinking of products, with a focus on durable and less polluting solutions
- collaboration with the business partners and supply chain, in particular, encouraging the supply of greener and long lasting/durable products
- continuous improvement also in relation to a cost effectiveness.

Relating to **Product Safety**, in our strategies and operations, we consider the following principles:

- **Leadership commitment and accountability:** In order to fully comply with our Purpose, Vision, Mission and Values, our leadership champion Product Safety and prioritize it so that safety-related tasks get the right attention, time and resources. We make accountability for Product Safety clear and ensure people understand what they are accountable for
- **Level of Product Safety:** We develop and market products that can be manufactured and used safely as directed
- **Conforming product:** We are committed to comply with all regulatory requirements for Product Safety testing and labelling in all jurisdictions in which a product is developed, produced or marketed
- **Maintaining and improving Product Safety:** We continually assess products, packaging, labelling and raw materials to ensure the health and safety of the public and the Group's consumers and employees
- **Consistent approach:** We apply consistent Product Safety standards across all regions and all countries in which we operate

- **Communication of Product Safety information:** We disclose Product Safety information on our products through the release of accurate, up-to-date and relevant information to appropriate governmental, professional and business organizations and to the Customers, as per our Responsible Marketing Policy.

F.I.L.A.'s Top Management has a strategic role in the full implementation of this Policy ensuring the involvement of all personnel and of those who collaborate with F.I.L.A. and the consistency of their behavior with the values embodied in this Policy.

This Policy is communicated within the organization and made available online to all stakeholders on the web site [www.filagroup.it](http://www.filagroup.it).

F.I.L.A. encourages anyone who becomes aware of facts or behaviors contrary to the Company's Code of Ethics, policies and internal rules, laws or regulations, to make a report in the utmost confidentiality. Assuring confidentiality of the whistleblower's identity, F.I.L.A. offers the following channels to file a report:

- E-mail: [whistleblowing.fila@gmail.com](mailto:whistleblowing.fila@gmail.com)
- Mail to [odv@fila.it](mailto:odv@fila.it): Organismo di Vigilanza, F.I.L.A. Fabbrica Italiana Lapis ed Affini S.p.A. Via XXV Aprile, 5 20016 Pero (MI).

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GROUP CEO – Massimo Candela