

Environmental Policy

Our approach to protect the environment

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 and 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.

Protecting the environment is a core value of the F.I.L.A. Group in conducting and developing its activities: it's our responsibility to operate with respect for the people we deal with and the natural environment in order to create sustainable value.

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 for sustainable development pursue continuous improvement in environmental related aspects, taking into consideration the laws and regulations of each country where we operate and contained in applicable international standards, including:

- the United Nations Global Compact
- the Rio Declaration on Environment and Development.

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, in order to protect the natural environment, F.I.L.A. aims to reduce the environmental impact of its operations, supply chain and products.

In our strategies and operations, we consider the following principles:

- **Preventive approach:** We are committed to assessing the current and potential impact of our activities on the environment. We take a precautionary and preventive approach to managing environmental issues, to promote the use of the best available technologies and raw materials with lower environmental impact
- **Reducing environmental impact:** We are committed to reducing the impact and extent of our emissions into the air, water and soil, to reducing our waste output, to managing waste correctly and re-using and recycling it before final disposal, to protecting biodiversity, and to containing greenhouse gas emissions
- **Assessment of safer alternatives for hazardous substances:** We are committed to assess safer alternatives for hazardous substances of concern in our operations and products, and to promote their substitution. This requires each company of the Group mapping of the existing procedures to identify, review and manage the hazardous substances used in the company's products, revision and integration of the procedures in place by a central team at F.I.L.A. S.p.A. and dissemination of the integrated set of procedures to relevant Group companies
- **Continuous improvement:** We are committed, where technically possible and economically feasible, to promoting environmental protection and to reducing our operations' environmental impact, by establishing improvement programs with short-, medium- and long-term objectives and targets
- **Ensuring compliance with the law:** We are committed to keeping legal and regulatory developments in the environmental arena under continual review, to ensure that processes already on its sites or newly introduced there always comply with the applicable legal requirements. We constantly monitor our activities to ensure effective compliance with laws and regulations and to prevent any unlawful practices
- **Responsible management of the supply chain:** We promote environmental protection and management throughout our entire production chain, involving our business partners and suppliers and our own contractors as key players in our sustainability policy.
- **Raising staff awareness:** We are committed to engaging our people at every level in implementing its environmental policy through all appropriate measures and initiatives. These include information and training efforts specifically aimed at promoting environmentally friendly conduct, compliance with legal requirements and with the most stringent internal rules/procedures, and ensuring that this policy is followed at all levels in the Group

Furthermore, the Group adopted an Energy Saving Policy in order to set its approach and general principles towards the reduction of its environmental impact.

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.

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
- Mail to 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