

Stakeholder Engagement Policy

Our approach to Stakeholder Engagement and Community consultation

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.

It is not possible to achieve the social interest and develop a responsible and sustainable business model without the strong engagement of our Stakeholders, which are defined as those groups and entities whose decisions and opinions have an influence thereon and who, at the same time, are affected by the Group's activities.

Our Stakeholders also have a leading role in the F.I.L.A. Group reputation, which is understood as their set of perceptions regarding F.I.L.A. S.p.A. and affiliates. These perceptions are quite important, as they determine the decisions of the Stakeholders to invest, purchase or make recommendations, which directly affect the long-term sustainability of a company.

In pursuing our Purpose, Vision, Mission, Values, we recognize the central importance of Stakeholders as the beneficiaries of the value created through our activities, which is shared with them on the basis of individual prerogatives and expectations. Our stakeholders contribute their opinions, perspectives, skills and resources, which we take into consideration and are essential for our business activities.

The value chain made up of the activities carried out by the F.I.L.A. Group means that its Stakeholders are quite numerous. Therefore, for purposes of this Policy, the Stakeholders are grouped into the following categories:

- Workforce, including employees, unions, agents and external collaborators
- Shareholders and the financial community, including regulators
- Regulatory entities
- Customers, Consumers and Consumer associations
- Teachers
- Suppliers and Business Partners
- The media
- Communities and Society at large
- The environment.

These Stakeholders are in turn divided into other categories, the Sub-stakeholders, made up of various groups and entities, which allows the management of the relationships to be adjusted to specific and local realities, needs and expectations, in many cases relating to the Group's facilities.

We continuously interact with our Stakeholders according to the criteria of transparency, honesty and impartiality, in compliance with the laws and regulations defined by the national regulatory system.

Shareholders and other relevant subjects ("Interested Parties"), including holders of other financial instruments issued by the Company, current institutional investors, potential investors, asset managers, financial market operators, the Italian and international business press, rating agencies and proxy advisors as well as trade associations, have an important role in our business. Therefore, the Board of Directors of F.I.L.A. S.p.A. issued a "Policy for the management of dialogue with shareholders and other interested parties", which is available on our website.

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.

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

Our stakeholder engagement is based on the following pillars:

- understanding the profile of stakeholders and the company's position in their regard
- the in-depth evaluation of material interests and relevant issues for each category of stakeholder
- the periodic sharing with stakeholders of the operating and financial results in relation to material issues of mutual interest
- ensuring an equal access to information in the involvement of all stakeholders

All Group departments contribute to the various stakeholder engagement activities, each one in relation to their prerogatives, roles and responsibilities.

We accept and promote the following basic principles to engage and establish relations of trust with our Stakeholders:

- **Responsibility:** act responsibly and build relationships based on ethics, integrity, sustainable development, and respect for human rights and the communities affected by the various activities of the Group,
- **Transparency:** ensure transparency in relationships, and in financial and non-financial communications, sharing truthful, sufficient, relevant, complete, clear, reliable and useful information
- **Active listening:** practice active listening, encouraging bi-directional and effective communication as well as direct, fluid, constructive, diverse, inclusive and intercultural dialogue
- **Participation and engagement:** encourage the participation and engagement of the Stakeholders in all of the Group's activities, promoting voluntary consultation processes or similar channels of interaction in application of the law of each country, and especially in the planning, construction and operation of the Group's facilities
- **Consensus:** work towards consensus with the Stakeholders, especially with local communities and indigenous populations, taking their viewpoints and expectations into consideration
- **Collaboration:** promote collaboration with the Stakeholders, in order to contribute to compliance with the Purpose, Vision, Mission and Values of the F.I.L.A. Group and the achievement of the 2021-2025 Sustainability Plan and related SDGs
- **Continuous improvement:** seek continuous improvement, regularly reviewing Stakeholder engagement mechanisms to ensure that they respond in the most efficient way possible to the needs of each moment.

The F.I.L.A. S.p.A. Board of Directors is vested with the power to approve and supervise the general strategy on engagement with the Group's Stakeholders, endeavoring to ensure the proper coordination at the Group level.

In particular, F.I.L.A. S.p.A. Board of Directors issued the **“Policy for the management of dialogue with shareholders and other interested parties”**, in order to:

- ensure a constant and open relationship, based on mutual understanding of roles, with current institutional investors, potential investors, asset managers, financial market operators, the Italian and international economic press, with rating agencies and the proxy advisors, with the Trade Associations and with the generality of its Shareholders as well as the holders or holders of other financial instruments issued by F.I.L.A. S.p.A., in order to increase the level of understanding about the activities carried out by the Company and the Group, its performance economic-financial and its strategies aimed at pursuing sustainable success in line with the recommendations of the Corporate Governance Code, as well as
- maintaining an adequate channel of information with these subjects, inspired by principles of correctness and transparency in compliance of the Law.

The “Policy for the management of dialogue with shareholders and other interested parties” applies to the dialogue with the Interested Parties regarding matters and issues falling within the competence of the Board of Directors (and its internal board committees), including in particular, by way of example and not exhaustively: (i) economic and financial results of F.I.L.A. S.p.A., and the Group and corporate strategies; (ii) extraordinary transactions of particular strategic importance for F.I.L.A. S.p.A., and / or the Group; (iii) corporate governance and, in particular, the appointment and composition of the corporate bodies (also in terms of size, professionalism, independence and diversity) and the composition, size and functions of the internal board committees; (iv) sustainability and ethical, social and environmental issues; (v) remuneration policies for the members of the Board of Directors and the Board of Statutory Auditors as well as for the managers with strategic responsibility of F.I.L.A. S.p.A.; (vi) internal control and risk management system; (vii) dividend distribution policy; is (viii) related party transactions.

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